While going global offers many benefits, failing to remain legally compliant can trigger a cascade of serious consequences for businesses, including reputational harm, financial sanctions, and administrative dissolution. Going global is a significant undertaking that should not be rushed, and planning should begin at least 12 months before establishing a physical presence. When it comes to global operations one size will never fit all, but there are key legal compliance challenges companies face when entering global markets.

**Corporate Governance Requirements**
- Research the jurisdictional requirements for corporate governance, such as:
  - Maintaining a local corporate presence
  - Meeting director and local agent requirements for new entities
  - Advising the board, committees and senior management about all corporate governance matters
  - Providing secure access to corporate records (Article of Incorporation, stock certificates, bylaws, meeting minutes)
  - Determining whether jurisdictional rules require local shareholder meetings

**Due Diligence Searches**
- Understand and anticipate the impact of:
  - Integrating new entities from acquisitions
  - Dealing with foreign debtors and filings
  - Following local business culture, laws and regulations
  - Varying contractual nomenclature and extended turnaround times
  - Dealing with country-specific languages, time zones and currencies

**Understanding Regulatory Issues**
- Take the time to identify license, tax and permit requirements for each country and locale
  - Discovering whether any specialized licenses are necessary
  - Understanding local labor laws and norms
  - Complying with different employee data protection standards
  - Implementing policies and procedures for employee onboarding, management and termination
  - Determining if export and import licenses are needed
  - Researching local regulatory requirements and turnaround times
  - Abiding by local anti-bribery and corruption rules, and complying with the U.S. Foreign Corrupt Practices Act

**Entity Compliance**
- When creating a new entity, be mindful of:
  - Securing proper registration within the jurisdiction
  - Complying with local laws and regulations
  - Submitting the jurisdictional equivalent of standard U.S. annual reports and other filings
  - Registering for VAT and filing annual financial statements or corporate income tax returns
  - Understanding unique tax compliance requirements for each entity type

**Ensuring Legal Compliance**
- Create vigorous legal processes to mitigate commercial risk
  - Knowing legal requirements differ between countries
  - Following strict documentation standards
  - Taking active measures to ensure compliance
  - Considering ESG (environmental, social and governance) integrations

**Registered Agents**
- Consider the role of a Registered Agent (or its equivalent) for:
  - Responding to local legal documents (service of process, summonses, writs)
  - Dealing with tax and compliance issues to ensure timely and accurate receipt and exchange of information

Learn how CT can help you better manage your global compliance needs. Contact a representative at 855.444.5358 (toll-free USA) or visit ctcorporation.com.