

U.S. Expansion Library and Resources

HIGHLIGHTS

- **Introduction – Wilson Sonsini's U.S. Expansion Library and Resources**
This collection of checklists, articles, and videos offers helpful tips to technology companies seeking to enter the U.S. market or to raise capital from U.S. investors.

U.S. EXPANSION, FUNDRAISING, AND EXIT FAQs

U.S. Expansion, Fundraising, and Exit FAQs

U.S. Expansion

- When should our company consider expanding to the U.S.?
- What are the unique U.S. expansion considerations for B2B companies?
- What is the simplest way to expand to the U.S.?
- How do we determine the optimal U.S. expansion strategy?
- What are the key considerations when expanding through M&A?
- When do we need to create a separate U.S. company?
- Why are so many companies incorporated in the U.S. state of Delaware?
- Where is the best place to establish U.S. operations?
- How is hiring employees different in the U.S.?
- How do we provide equity to U.S. employees and how does it differ from providing equity to employees in our home market?
- What does it cost to set up and scale a U.S. business?
- What are the primary tax considerations when setting up and scaling a U.S. business?
- What are the primary immigration considerations when relocating to the U.S. to set up and scale a U.S. business?
- What are the other key administrative and logistical considerations?
- What are the primary legal considerations when setting up and scaling a U.S. business?
- To what extent do we need to work with U.S. lawyers and other U.S. professional advisors?
- What should we consider with respect to U.S. patents and trademarks?
- How do we manage the risk of U.S. litigation?
- What are the key considerations when offering payment services in the U.S.?
- What U.S. and UK government resources are available to assist with U.S. expansion?
- Where can we learn more about U.S. expansion?

U.S. Fundraising

- What are the key differences between U.S. and UK/EU VC investors?
- When should our company look to raise capital from U.S. VC investors?
- Will U.S. VC investors invest in early-stage UK/European-based companies?
- Does a UK/European-based business need a U.S. parent company to raise money from U.S. VC investors?
- How does raising capital from U.S. VC investors differ from raising in the UK/Europe?

- How do we meet U.S. VC investors?
- How do we pitch to U.S. VC investors as a British/non-U.S. team?
- What should we look out for in term sheets from U.S. VC investors?
- How do we structure a financing round with a cross-border investor group?
- How do we use a Y Combinator-style SAFE as a UK company raising from U.S. investors?
- What is the typical cost of a U.S.-led financing transaction?
- What are the primary tax considerations when U.S. investors invest in non-U.S. companies?
- Where can we learn more about U.S. fundraising?

U.S. Exit

- How do we prepare for an acquisition by a U.S. acquirer?
- What are some of the particular considerations for SaaS companies being acquired by a U.S. acquirer?
- How do we prepare for a U.S. IPO?

LAUNCHING IN THE U.S.

Launching in the U.S.

In the section, we explore the steps UK companies can take to best position themselves for launching their business in the U.S.

General Expansion Information and Issues

Establishing U.S. Operations as a UK Company - Need more than a checklist, but still want to keep it simple? Then this blog post is for you.

When Should a UK Startup Establish a U.S. Company? - Here are the various indicators that it's time to strongly consider setting up a U.S. entity.

Coming to America? 5 Quick Tips for Crossing the Pond - This brief post helps entrepreneurs arm themselves with the knowledge needed to understand and overcome the fear of making the jump to the U.S.

Entering The US - Doing business and raising money in an unfamiliar, highly-competitive environment requires thoughtful advance planning and clinical execution. Here is an overview of key legal and other considerations for entering the US market.

Top Ten Tips for U.S. Expansion - A more in-depth look at the key steps to U.S. expansion, divided into brief sections focusing on IP, and what to do before and after your company establishes operations on the ground in the U.S.

What Fintechs Looking to Expand to the US Should Consider - Financial technology companies engage in a broad range of activities, therefore certain fintechs will find access to the US market simpler than others.

U.S. Expansion for Scaleups: Where to Establish U.S. Operations? - Based on our conversations with a few thousand UK/European scaleup founders and executives over the past decade, there are eight key geographic considerations for non-U.S. companies looking to set up in the States.

The Pros and Cons of the Delaware Flip - This is less about acrobatics and more about the factors a UK company should consider when it comes to settling on an investor-friendly corporate structure in the U.S.

Revisiting the Delaware Flip - From the perspective of a UK company raising venture capital, one of the most significant differences between UK and US investors is in their choice of holding company in which to invest.

Choose Delaware - More than 1.5 million business entities from all around the world call Delaware their legal home – including 68% of Fortune 500 companies. Here's why. (Source: Choose Delaware.com)

The Impact of the Brexit Vote on U.S. Expansion and Fundraising - We're not even a year past the historic Brexit Vote, but there's still a lot to consider as to its impact on UK companies and expansion plans.

Podcast: Wilson Sonsini + Notion - Discussion focuses on when and why European tech companies should raise capital in the U.S., nine steps to take to de-risk U.S. expansion, plus "hiring hacks" to help you win the battle for talent in the U.S.

Podcast: Wilson Sonsini + Seedcamp - What founders should know about U.S. expansion, like how cultural differences affects hiring, why Delaware is the 'Esperanto' of legal jurisdictions, and the difference in U.S. and European legal environments for start-ups.

Formation and Founders

European Dual Companies: A Scaleup Migration? - The U.S. is the most frequent destination for European dual companies. In this joint research report with Mind the Bridge, we offer details on European scaleups expanding to the U.S. and key advantages for these companies, including proximity to strategic partners and potential acquirers, increased chances of gaining traction, and greater revenue potential.

Employment and Immigration > Team and Talent Issues

The Startup Founder's Guide to U.S. Immigration - With the heightened relevance of U.S. immigration policies, you'll want to read this timely article published by [Elizabeth Jamae](#) that discusses basic U.S. visa and immigration issues founders and human resource teams should understand when expanding to the U.S.

The UK Startup's Guide to U.S. Employment - Want to avoid painful and preventable entanglements with U.S. employment laws? Here are the most common hiring-related employment issues for companies expanding to the U.S.

Top 10 U.S. Employment Considerations - An in-depth look at the key steps in employment issues when expanding to the U.S.

Trademarks and Tax Issues

The UK Startup's Guide to U.S. Trademarks - Tips on how to capitalize on your brand and avoid risks.

Incorporating in the U.S.: Tax and Regulatory Considerations - Yes, the U.S. tax system is a complicated one. This brief blog post helps entrepreneurs get familiar with the basics, without getting entangled in complexity.

Tax Considerations for UK Tech Companies (US Guide) - There are myriad tax considerations, both US and UK, to consider with respect to certain cross-border transactions. This paper identifies certain US tax considerations relevant to these transactions.

Additional Resources

- UK Department for International Trade - [Opportunity in the U.S.](#)

RAISING U.S. FUNDING

Raising U.S. Funding

In the section, we explore the dynamics of raising venture capital from U.S. investors, including when to consider raising capital, key differences between U.S. and UK funding rounds, the pros and cons of the “Delaware Flip,” and other fundraising topics.

General Fundraising Information

When Does it Make Sense for a UK Company to Seek U.S. VC Funding - Get to know the four most common transatlantic startup models likely to lead to successful VC fundraising in the U.S.

Key Considerations for Raising U.S. Venture Capital as a UK Company (Part 1) - You've crossed the threshold and are now ready to raise! Don't pass up this brief, practical advice on attracting potential U.S. investors.

Key Considerations for Raising U.S. Venture Capital as a UK Company (Part 2) - Keep the big picture in mind as you navigate these key challenges when raising capital in the U.S.

What U.S. VCs Require to Invest in UK Companies - Don't miss our concise rundown of some key requirements when pursuing funding from U.S. investors.

Preparing Your UK Company for U.S. VC Investment - Take these important steps to ensure that your company presents well from the top down in investor due diligence.

How to Connect with U.S. VC Investors - A quick take on how to get connected with the U.S. VCs that are most likely to be interested in your business.

Pitching to U.S. VC Investors - Some concise, practical advice on crafting and presenting winning pitches to potential U.S. investors.

Negotiating Term Sheets with U.S. VC Investors - Safeguard your company's position by better understanding the term sheets proposed by potential U.S. investors.

Fundraising from a UK-U.S. Investor Group - Combining UK and U.S. investor groups can provide a superior base for building a global business.

The UK Startup's Guide to Communicating IP Strategy to US Investors - This guide provides a useful checklist of considerations to help reduce friction when communicating your company's IP strategy.

The Delaware Flip

Revisiting the Delaware Flip - This useful article helps UK and other non-US companies make an informed judgment call based on thoughtful discussions with their potential US investors, lawyers and other advisors regarding the Delaware Flip.

The End of the Delaware Flip: U.S. Investors and UK/Irish Startups - "To flip or not to flip" is a big question—and answering it correctly may have huge benefits for startups and investors alike.

Tax Implications and Issues

The UK Startup's Guide to Navigating the US Tax Implications of US VC Investment - This guide reviews the potential impact of tax implications on UK startups seeking US VC investment.

The Differences between UK and U.S. Early-Stage Venture Deals - From tax incentives to debt offerings and preferred stock, don't miss this brief exploration of the way early stage funding works on both sides of the Atlantic.

Additional Resources

- **How and When to Raise Venture Capital from Silicon Valley — for European and Asian Startups** - Key questions for non-US based founders how to raise US VC, when it's the right time, what will be required to make it work, and whether, in fact, it is the right thing to do for your company.

EXITING TO THE U.S.

Exiting to the U.S.

Exiting to the U.S. - Selling your business is a common path to liquidity, but the process is not always simple or common. Sales processes in the U.S. are often bespoke to fit the risks of the parties.

Planning for Liquidity: Sales and IPOs of Businesses Located Outside the U.S. – Tips for preparing for All Liquidity Transactions (IPO or Sale)

OPERATING A U.S. BUSINESS

Operating a U.S. Business

In the section, we explore key factors UK tech and life sciences companies should consider when operating and scaling their U.S. business. Examples include hiring and other employment matters; managing and minimizing litigation risks; negotiating commercial deals and partnering agreements; and other day-to-day business and legal issues.

General Operation Information and Challenges

Top 10 Challenges for UK Tech Companies After U.S. Expansion (Part 1) - We kick off our 5-part series by focusing on employees—some of the most critical and potentially challenging assets in the early stages of a cross-border expansion.

Top 10 Challenges for UK Tech Companies After U.S. Expansion (Part 2) - From managing sales and contracting with large companies to protecting IP, we tackle more critical challenges for UK companies after establishing a presence in the U.S.

Top 10 Challenges for UK Tech Companies After U.S. Expansion (Part 3) - Debunking the Silicon Valley Myth—Our quick look at more essential considerations for UK companies when raising early-stage investment in the U.S.

Top 10 Challenges for UK Tech Companies After U.S. Expansion (Part 4) - Litigation risk is higher in the U.S. than in most other countries. Don't miss out on these guidelines for managing IP and other general U.S. litigation risks.

Top 10 Challenges for UK Tech Companies After U.S. Expansion (Part 5) - Addressing these critical U.S. tax structuring and tax compliance issues early on may save you from making costly errors later on, when you can least afford to make mistakes.

Hiring and Employment Matters

US - UK Equity Compensation – A Comparison - Employers in the U.S. and the UK face a fiercely competitive labor market to hire “tech talent.” While there are a number of factors that sway prospective employees, the availability of equity grants to allow them to share in

the company's success is often crucial. Learn the main types of equity grants that transatlantic technology companies utilize.

Comparison of U.S. and UK Market Practice in Relation to Equity Awards - A comparison of U.S and UK market practice as to terms applying to employee equity awards.

Making UK Equity Plans Work for U.S. Employees - Know the rules and adapt your equity compensation plans to give you the flexibility to deal with cross-border issues when they arise.

Termination of Employment Under U.S. Law - It is never easy to fire people. Manage your risks by reviewing our guidance on ways to more carefully manage the U.S. employee termination process.

Managing and Minimizing Legal Risks

Managing Early-Stage Legal Costs - Devote more time, money, and mental energy to your core business by reviewing our five easy tips for obtaining quality legal advice on a reasonable budget.

The UK Startup's Guide to Managing US Litigation Risk - You took the plunge and established a U.S. subsidiary. Now, how do you protect your UK company from U.S. litigation?

Negotiating Technology Contracts with U.S. Companies - Avoid these five pitfalls when entering into technology contracts with companies in the U.S.

The UK Startup's Guide to U.S. Data Privacy - UK and EU startups expanding to the U.S. should be aware of U.S. data privacy regulations and whether their existing efforts will be sufficient. This quick guide will help point you in the right direction on a few fundamental U.S. privacy questions.

The UK Startup's Guide to the New California Consumer Privacy Act - The California Consumer Privacy Act (CCPA), which went into effect on January 1, 2020, establishes new consumer rights—including access, deletion, and the right to opt out of the sale of personal information—and specific requirements for businesses that process consumer data. Learn about the key CCPA considerations for U.K. companies.

Additional Resources

- **'Lawyer Up' - What a European Needs to Know About the US Legal Culture** - Understanding the distinct differences between the non-US and US realms of law is important for those preparing to expand to the US.