

What are your first steps in setting up a business in a foreign country?



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I would start with finding a local lawyer in the country you want to start the business in. Befriend some local businesses on your first trip to that country and get recommendations from them. This is not something you should just look online for seeing there are plenty of scammers out there.

Next contact the local government business office and talk with someone and get all the necessary information and documents you will need to legally start the company. They should also be able to direct you on how to set up a tax number and how you will pay those taxes. Some countries have VAT taxes, some have sales taxes, and some have country, state or town taxes. Certain industries have their own taxes. Tourism for example has many like the one you pay at a hotel.

If you plan to import your product from an outside country then you will also need to research and find a customs broker*. Depending on what country the company will be in and the country you will be importing products or raw materials from the tariffs and import taxes will be different.

If it is a service business you will have to research any certifications or accreditations you need to have and any other requirements needed to perform that service.

If you plan to have a physical location just be aware that many countries will not let foreigners own the land so you will have to rent the location. Some will let you own the structure but not the land. In Thailand, for example, you can own a condo but not a house because you do not own the land of the condo. This could be considered a loop hole, so to say.

Finally you need to understand how currency exchange effects your cash-flow and profits. If you plan to convert the money back into your home currency and send that money back to your home country there are also banking laws for sending money out of the country it was made in.

My biggest advice is to do all your research, visit the country and talk to business owners on the ground and get the real lay of the land.

*customs broker – *commissionnaire en douane* (Fr).