

COMPANY FORMATION AND INCORPORATION: U.S. CORPORATE SERVICES FAQs

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Company incorporation and expansion in the U.S. can be complicated if you're unsure how to navigate the state-specific corporate laws and regulations. That's why we've put together our most frequently asked questions to provide you with guidance and ensure your formation process is smooth and efficient.

1. HOW DO I FORM A COMPANY IN THE U.S.?

For the purposes of company formation, it's important to remember that the United States is not a single jurisdiction. It is comprised of 50 States (and Washington DC), and each state has specific statutes and regulations as it relates to business entities.

The first step is to identify the state in which you would like to form or expand your business. When incorporating or qualifying a business in the U.S., the process will often vary greatly depending on the state/jurisdiction as well as the type of entity you wish to form. In addition, the type of business you conduct will also play a significant role in the jurisdiction you choose.

Generally speaking, company formation and organisation in the U.S. involves a certificate or articles of incorporation/formation that get filed with the Secretary of State. Then, depending on the entity type, internal organisation and governance documents are completed, such as the bylaws, LLC operating agreements, minutes of meetings or written consents appointing the initial board of directors. Only the certificate of incorporation is filed with the Secretary of State as part of the public record. The other internal governance documents are maintained with the company records.

For more information, read: [‘A Guide to Expanding Your Business in the U.S.’](#)

2. HOW DO I FORM IN DELAWARE?

Delaware is a common and popular jurisdiction for business entities in the United States. Companies of all types choose to form in Delaware to gain access to courts that are favourable to business laws. This jurisdiction has the complete package of incorporation services, including modern and [flexible corporate laws](#), a highly-respected judiciary and legal community, a business-friendly government and a customer service-oriented staff at the Division of Corporations.

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As mentioned in response to the previous question, forming in Delaware will depend on the kind of business you'll conduct as well as the entity type you intend to form, whether this is a corporation, LLC or brand new incorporation or qualification.

It's important to know which entity you'd like to form as this will help you to proceed with the formation and incorporation process.

3. WHAT IF I WANT TO FORM A COMPANY IN A JURISDICTION OTHER THAN DELAWARE IN THE U.S.?

Formation in each state is governed by state-specific statutes and requirements. There are multiple jurisdictions to choose from, and depending on the type of business conducted, one jurisdiction might be a better fit over another.

For instance, New York is known for its finance, trade, real estate and publishing industries, while California is most known for its entertainment, film and technology industries and Texas is a popular jurisdiction for the oil and gas industry.

If you have specific questions about jurisdictions in the U.S., [we offer formation services](#) in all 50 states and the District of Columbia, as well as multiple jurisdictions around the world.

4. WHAT KIND OF ENTITY SHOULD I FORM?

Another important consideration while forming or expanding your business in the United States is the type of entity suitable for your business purpose (e.g. a corporation, partnership, or limited liability company (LLC)).

This would depend on several factors, such as the overall structure of your group, the company management and business purpose as well as legal and tax considerations.

Once you've consulted with your attorney or tax advisors and have decided on the entity type, we can then help you form in the jurisdiction of your choice.

5. HOW LONG DOES IT TAKE FOR A COMPANY TO BE FORMED AND INCORPORATED IN A PARTICULAR JURISDICTION?

Again, this will depend on the type of entity and in which jurisdiction you decide to form. In most states in the U.S., it generally takes 7 to 10 days to form. But for other jurisdictions, the timelines may vary. For instance, you can form a company in 3 to 5 days in the UK.

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6. DO I NEED TO BE A RESIDENT IN THE U.S. TO FORM A COMPANY?

The answer is no. If you're forming a company in the U.S., there are no residency requirements. This means that you don't need a resident director or shareholder in the U.S. to form a company.

7. WHICH STATE IN THE U.S. OFFERS MORE BENEFICIAL CORPORATION TAX RATES?

If you're looking for the most tax-efficient state in the U.S. to form your company, it's best to first consult your legal and tax advisors.

Once you've made your decision, we can [help you form](#) in any one of 50 states and the District of Columbia.

8. MY CLIENT IS LOOKING TO EXPAND IN A FEW DIFFERENT JURISDICTIONS, CAN COGENCY GLOBAL HELP WITH THAT?

At COGENCY GLOBAL, you'll be able to handle everything through our single point of contact, no matter the time difference or the varied timing it takes to form in each jurisdiction. We can assist with incorporation, and where appropriate qualification (see question 10), all over the United States and around the world.

9. WHAT ARE THE ANNUAL COMPLIANCE REQUIREMENTS FOR COMPANIES?

Each state in the U.S. has annual report requirements. If you miss an annual report compliance deadline, you can lose your authority to legally do business. You could also face fines and penalties, and may not be able to access the court system until you're compliant again.

For instance, some annual compliance requirements in Delaware include payment of the [annual Franchise Tax](#) as and when they fall due.

For more on annual compliance requirements, read: ['International Subsidiary Management: 3 Key Requirements'](#).

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10. I HAVE AN EXISTING COMPANY IN A PARTICULAR STATE IN THE U.S., CAN I DO BUSINESS IN OTHER STATES?

If you've formed an entity in the U.S. (or internationally), you can qualify your existing U.S. entity to do business in other states. You don't have to incorporate a brand new company in those particular states.

The concept of qualification exists in Canada as well (also known as extra-provincial registration), however, it doesn't exist in other jurisdictions, such as the UK.

At COGENCY GLOBAL, we offer a full range of registered agent, compliance, lien searching and corporate services in the U.K., the U.S. and across the globe. We have feet on the ground in all of the world's financial capitals, so that we can better support you with a multilingual, 24-hour service and localised expertise. For questions related to this document, [get in touch with us](#).

This document is provided for informational purposes only and should not be considered, or relied upon, as legal advice.

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