

Preface

1. **Author has felt when he qualified as Chartered Accountant (CA) in Year 1985 that legal provisions' interpretations are big challenge for legal professionals, govts' officials and public at large in India and outside India.**
2. **Author has realized that something should be developed to resolve this challenge in India and outside India.**
3. **Author has started compiling Frequently Asked Questions (FAQs) on many subjects where his 100% answers are precisely based on Yes or No i.e. white or black nothing is grey**
4. **Author has compiled approximately 150 +(plus) research papers / books with 25 thousand +(plus) pages on many prevailing subjects / acts in India and outside India.**
5. **Author's 1st paper book is now being published under head FAQs on Enforcement Directorate (ED) where 571 FAQs are replied based on Yes or No i.e. white or black nothing is grey**
6. **This book is also containing**
 - (i) Foreign Exchange Management Act (FEMA) 1999 and rules / regulations
 - (ii) Prevention of Money Laundering Act (PMLA) 2002 and rules / regulations
 - (iii) Fugitive Economic Offenders Act (FEOA) 2018 and rules / regulations
7. **This book is published with Sai Kripa and dedicated to my father (late) Mr. M.R. Agarwal, Mother Mrs. R.D. Agarwal, wife Mrs. Snigdha Agarwal, daughter Ms. Soumya Agarwal, daughter Ms. Sanya Agarwal and dedicated team headed by Rajat Kumar**

● **I trust that you will be enriched by reading this book**

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Author's Profile

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He is regularly advising on several matters to Institute of Chartered Accountant of India (ICAI) and also to Ministry of Commerce (MoC) for Foreign Trade Agreements (FTAs) and World Trade Organization (WTO) for securing India's best interests.

He is continuously advising on Foreign Investments (FIs) in India and also on Overseas Direct Investments (ODIs) outside India.

He is known for his expertise in incorporating companies in most of countries across the world.

He has written around 150 +(plus) Research papers / books containing 25 thousand +(plus) pages available "freely" on certain portals like:

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Few out of abovementioned Research papers / books are as under:

1. *Book on Enforcement Directorate (ED) in India- (Book with 617 pages)*
2. *Director of Revenue Intelligence (DRI) in India*
3. *Central Bureau of Investigation (CBI) in India*
4. *National Investigation Agency (NIA) in India*
5. *Serious Fraud Investigation Office (SFIO) in India*
6. *Financial Intelligence Unit (FIU-IND) in India*
7. *Central Vigilance Commission (CVC) in India*
8. *Narcotics Control Bureau (NCB) in India*
9. *Research & Analysis Wing (R&AW) in India*
10. *Economic Offence Wing (EOW) in India*
11. *Intelligence Bureau (IB) in India*
12. *Director General of Income Tax Criminal Investigation (DGITCI) in India*
13. *National Company Law Tribunal (NCLT) in India*
14. *Security Exchange Board of India (SEBI) in India*
15. *Prevention of Corruption (PC) Act,1988 in India*

16. *Foreign Assets Investigation Unit (FAIU) in India*
17. *Book on International Financial Services Center (IFSC) in India (Book with 290 pages)*
18. *Replacement of Indian Penal Code (IPC) Criminal Procedure (CP) & Evidence Act (EA) in India*
19. *Undisclosed Foreign Income & Asset (UFIA)-Black Money Act, 2015*
20. *Statutory provisions for General Anti Avoidance Rule (GAAR) in India*
21. *Reserve Bank of India (RBI) Act, 1934*
22. *Foreign Exchange Management Act (FEMA) 1999 in India*
23. *Benami Transactions (Prohibition) Amendment Act, 2016 in India*
24. *Advance Pricing Agreements (APAs) in India*
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45. *Investments by Non-Residents (NRIs) in India*
46. *Guidance for Doing Business in United States of America (USA)*
47. *Corporate Tax (CT) Law in UAE*
48. *Acquisition & Transfer for Immovable Properties by Non-Residents (NRs) in India*
49. *Foreign Company's Registration in India*
50. *Auditor Checks and Reporting for Indian Companies in India*
51. *Companies Auditor Report Order (CARO) 2020 in India*
52. *Tax Audit Report (TAR) + Accounting Standard (ASs) in India*
53. *World Trade Organisation (WTO) & Benefits for India*
54. *Deposits by Corporate in India*
55. *Expatriates + Foreign Citizens in India*
56. *Book on Foreign Investments (FIs) by Non-Residents of India (Non-RoI) (Book with 346 pages)*



125 FAQ's on Guidance for Doing Business in United States of America (USA)

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125 FAQ's on Guidance for Doing Business in United States of America (USA)

(A) USA's **Introduction** for doing business

1. USA's **background**

- (i) USA is prominent market for foreign investors where several foreign companies are planning to enter with understanding that USA's market will be key considerations for their long-term success.
- (ii) USA is covering approximately 50% of world's total production items
- (iii) USA is covering approximately 25% of world's total consumption items for most of goods and services (both).

2. USA's **business infrastructures**

- (i) (a) USA is permitting 100% foreign investments in most of sectors with most favorable regulatory environments in the world
 - + (plus)
- (b) Also USA is permitting equal rights + equal opportunities for foreign companies and also for foreign nationals except few exceptions (all)
- (ii) USA is having highly educated + also skilled workforces (both) approximately 180 million people to attract foreign investors.
- (iii) USA is having highly developed infrastructure for transportations + communications + electrical powers to support for advanced industrial + commercial + also agricultural activities (all).
- (iv) USA's technology + manufacturing + also service industries (all) are important sectors for foreign investors.
- (v) USA is not having unemployment due to tight labor markets.



3. USA's Govt. structure

- (i) USA is *federal republic* consisting 50 states + also District of Columbia (Washington, D.C.) *both*.
- (ii) Original American colonies have *achieved their independence* from England *in 1776* thereafter USA is *operating under 250 year old constitution*.
- (iii) *50 individual states* are *permitted to exercise high degree of autonomy* + also to play important role in business regulations (*both*).
- (iv) USA state govt.'s are *legislating + administrating civil + criminal laws within their jurisdictions to regulate* activities like *education + utilities + insurance + also state banking (all)*.
- (v) USA's *federal govt. + municipal governments* are *acting within state guidelines for* operating public facilities + *services* like law enforcement + *public safety + clean water + wastewater systems + also local roads (all)*.
- (vi) Separate school districts have operational *authority* over publicly supported education *at local level*.
- (vii) Foreign investors are required *to handle* USA's wide diversity of regulations + *services* + state's taxes + also local taxes (*all*)
- (viii) Foreign investors are *benefited with competition among* USA's various *jurisdictions* to attract foreign investors.
- (ix) Foreign investors are *facing problems for handling* 50 state's rules + tax *regimes* + also for understanding patchwork of state regulations (*all*).
- (x) Foreign investors are *benefited with state's laws + regulations* which are *transparent + also evenly applied within state except few exceptions (all)*.
- (xi) USA's local *bureaucracies* are *working for creating cooperative + also helpful environment (both) for businesses*.

4. USA's History

- USA is known *best place for having plenty of opportunities* specifically these commenced after *1850* when USA's economy has started *shifting from farming to industry*.



5. USA's business advantages

- (i) USA is having **techno-friendly** environment
- (ii) USA is having **political stable** environment
- (iii) USA is having **favorable economic** environment
- (iv) USA is having **Intellectual Property (IP) protection**
- (v) USA is having **easy US immigration**
- (vi) USA is having **easier access to capital + investors (both)**
- (vii) USA is having **business-friendly laws + regulations (both)**
- (viii) USA is having **federal + state + local govt.'s Initiatives (all)**
- (ix) USA is having **equal opportunities for foreign investors**
- (x) USA is having **business credibility among Americans**

6. USA's total land

- (i) USA is **3rd largest country** for land in the world.
- (ii) USA is having **total area of 9,8335,517 sq. km**
 - (a) **Land area is 9,147,593 sq. km**
 - (b) **Water area is 685,924 sq. km**
- **Abovementioned total area includes 50 states + also Columbia's district (both)**
- (iii) USA is having **equivalent to 50% area as available** with Russia
- (iv) USA is having **slightly larger area as comparative to China**
- (v) USA is having **equivalent to 200% area as available** with Western Europe

7. USA's Climates

- (i) USA's climate is **tropical like:**
 - (a) **In Florida area**
 - (b) **In Hawaii area**
 - (c) **In Gulf Coast area**



(ii) USA's climate is **desert** like:

- (a) In **southwest** area
- (b) In **arctic in Alaskan interior** area

(iii) USA's interior for **48 states** is having **greater seasonal temperature ranges** comparison to coastal areas.

(iv) USA's **rainfall** is generally **increasing west to east** in central areas.

(v) USA's **2 major northern + southern mountain ranges** are **affecting local climates** like **Appalachians** in East + also **Rockies** in West (**all**).

8. USA's **Geographic Area (Terrain)**

- (i) (a) USA is comprising with **vast** central plain **mountains** in West
- (b) USA is comprising with **hills** + **mountains** (both) **in East**
- (c) USA is comprising with **rugged mountains** + also **broad river valleys** (both) **in Alaska**
- (d) USA is comprising with **rugged** + also **volcanic** topography (both) **in Hawaii**.

(ii) USA is having **lowest point** like - (minus) **86 m** in **Death valley**

(iii) USA is having **highest point** like **6190 m** in **Denali**

9. USA's **Natural resources**

(i) USA is having **several natural resources** like:

- (a) **Coal** as natural resource
- (b) **Copper** as natural resource
- (c) **Lead** as natural resource
- (d) **Molybdenum** as natural resource
- (e) **Phosphates** as natural resource
- (f) **Uranium** as natural resource
- (g) **Bauxite** as natural resource
- (h) **Gold** as natural resource
- (i) **Iron** as natural resource



- (j) *Mercury as natural resource*
- (k) *Nickel as natural resource*
- (l) *Potash as natural resource*
- (m) *Silver as natural resource*
- (n) *Tungsten as natural resource*
- (o) *Zinc as natural resource*
- (p) *Petroleum as natural resource*
- (q) *Natural gas as natural resource*
- (r) *Timber as natural resource*
- (s) *Etc. as natural resource*

(ii) *USA is having world's largest coal reserves for 491 billion tones which is equivalent to 27% of world's total*

10. USA's *usable* land

- (i) *USA is having agricultural land in 44.5% area like:*
 - (a) *Under arable in 16.8% area*
 - (b) *Under permanent crops in 0.23% area*
- (ii) *USA is having forest land in 33.3% area*
- (iii) *USA is having Irrigated land in 264,000 sq. km*

11. USA's *Natural Hazards*

- (i) *For Tsunamis + volcanoes +also earthquake activity around Pacific Basin (all)*
- (ii) *For Hurricanes along with Atlantic coast*
- (iii) *For Tornadoes in Midwest*
- (iv) *For Mudslides in California*
- (v) *For Forest fires in West*
- (vi) *For Flooding*
- (vii) *For Permafrost in northern Alaska being major impediment to development*



12. USA's Environmental issues

- (i) For air pollution resulting in acid rain in USA + also Canada (both)
- (ii) For large emitter of carbon dioxide from burning of fossil fuels
- (iii) For water pollution from runoff of pesticides + also fertilizers (both)
- (iv) For limited natural freshwater resources in most of USA's western part which requires careful management
- (v) For desertification

13. USA's Education

- (i) USA's elementary + also secondary educations (both) are mandatory up to age 16 or 18 as varying from state to state.
- (ii) USA's public schools are fully subsidized
- (iii) USA's enrollment for education in public + also private schools (both) like:
 - (a) 90% in public schools
 - (b) 10% in private schools
- (iv) (a) USA's 88% adults having age over 25 years are graduated from high school
 - + (plus)
- (b) Also 37% out of 88% adults have obtained bachelor's degree or higher degree.

14. USA's Currency

- (i) USA is having US dollar (USD) as currency equivalent to 100 cents to 1 USD
- (ii) USA's USD is freely convertible into currency of non USA countries.

15. USA's markets

- USA's foreign investors generally are not considering multitude of local + also regional markets (both) where each market has different requirements like:



- (i) USA's *certain states* like *New York + Illinois + California + Texas* are *richer + larger* in geography + also population *than* many *countries in the world* (all)
- (ii) USA's *different regions* have *distinctive cultural + also economic characteristics* (both) therefore *when foreign investors fails to recognize* same may ultimate *lead to losses* in USA's business
- (iii) USA's *diverse ethnic populations* are representing in *large + also in distinct markets* (both) across the country.
- (iv) USA's overall *geographic size* is presenting special logistical *challenges in serving + also in supplying* customers (both).



(B) USA's Business Structures for doing business

16. USA's business structures

- (i) Through Sole Proprietorships
- (ii) Through Partnerships
- (iii) Through Limited Liability Companies (LLCs)
- (iv) Through C-Corporations (Companies)
- (v) Through S-Corporations like small companies in India

17. USA's sole proprietorship entities

- (i) (a) Sole proprietorships are permitted *for easy to form* + also provide *100% business's control* (both).
- (b) Sole proprietorships are permitted for activities *without* with govt.'s registration.
- (ii) (a) Sole proprietorships are *not permitted for separate business entity*.
- (b) Sole proprietorships are *not permitted for separate business assets* + business *liabilities* from personal assets + also *liabilities (all)*.
+ (plus)
- (c) Sole proprietorships are *responsible for personal liabilities* against debts + also *business obligations* (both).
But
- (d) Sole proprietorships are *permitted for obtaining trade names*.
- (iii) Sole proprietorships are *good choice for low-risk businesses* + also for owners (both) those wishes to test their business ideas before forming other business structure like *partnership* or *LLP* or *C-Corporation* or *S-Corporation* (any).

18. USA's partnership

- Partnerships are permitted as *simplest structure for minimum 2 or more than 2 persons* to carry business together under *2 category* of partnerships like:
 - (i) Under *Limited partnerships (LPs)*
 - (ii) Under *Limited liability partnerships (LLPs)*



19. USA's Limited Partnerships (LPs)

- (i) LPs are required to have minimum 1 partner with unlimited liability
- (ii) 100% other partners are permitted to have limited liability.
- (iii) 100% other partners with limited liability are permitted to have limited control which is to be documented in partnership agreement.
- (iv) 100% other partners with limited liability are required to offer profits directly to Internal Revenue Service (IRS) in USA similar to Income Tax Department (ITD) in India through their personal tax returns + also required to pay self employment taxes (both)
- (v) General partner with unlimited liability is required to offer profits directly to IRS through personal tax returns of partners + also to pay self employment taxes.

20. USA's Limited Liability Partnerships (LLPs)

- (i) LLPs are similar to LPs
 - But
- (ii) LLP's 100% partners with limited liability are permitted to protect themselves from LLPs liabilities beyond their capitals.
- (iii) LLPs are treated good choice for carrying businesses with multiple partners or professionals (any) like attorneys + also etc. (both) those wishes to test their business ideas before forming C-Corporation in USA similar to company in India.

21. USA's Limited Liability Companies (LLCs)

- (i) LLCs are permitted to take advantage of corporations + also partnerships (both) business structures.
- (ii) LLCs are permitted to protect from personal liability against personal assets + vehicles + houses + also savings accounts (all) during bankruptcy or lawsuits (any)
- (iii) LLCs are permitted for profits + losses (both) to be passed through to their personal incomes without facing corporate tax rates.
- (iv) LLC's members are considered self-employed + also required to pay self-employment tax + contributions towards Medicare + also social Securities (all).



- (v) (a) *LLCs are having limited life in many states when a member joins or leaves (any)*
- (b) *LLCs are required to dissolve in some states + also to re-structure (both) with new members except where LLCs are having agreement in place for buying + selling + also transferring ownership (all).*
- (vi) *LLCs are treated good choice for medium or higher-risk businesses where personal assets of members are protected + also members those wish to pay lower tax rate comparison to Corporation (both).*

22. USA's C-Corporations

- (i) (a) *C-Corporations with limited liabilities are permitted to carry business under less simplest structure comparative to partnership structure*
- (b) *C-Corporation's legal status is separate from its owners (shareholders)*
- (c) *C-Corporations with limited liability are required to offer profits directly to IRS in USA similar to ITD in India through c-corporation tax returns*
- (ii) (a) *C-Corporations are permitted to offer strongest protection to its shareholders from their personal liabilities*

But
- (b) *C-Corporations incorporation's cost is much higher than other structures like Sole proprietorship + also partnership (both)*

+ (plus)
- (c) *Also c-corporations are required to have more extensive record-keeping + operational processes + also reporting (all).*
- (iii) (a) *C-Corporations are required to pay income tax on their own profits.*

+ (plus)
- (b) *Also shareholders are required to pay income tax on their dividend incomes separately.*
- (iv) *C-Corporations are permitted to have 100% independent life separate from its shareholders.*
- (v) *C-Corporations shareholders are permitted to sell their own shares*



- (vi) *C-Corporations are permitted to carry business comparatively undisturbed beside shareholders is existed or sold their own shares.*
- (vii) *C-Corporations are permitted to raise share capital through sale of shares.*
- (viii) *C-Corporations are treated good choice for medium or high-risk businesses by raising share capital through sale of shares to public.*

23. USA's S-Corporations

- (i) *S-Corporations are permitted for selecting to pass corporate incomes + losses + deductions + also credits (all) through shareholders for Federal Tax (FT) purposes (only).*
- (ii) *S-Corporation's shareholders are required to report incomes + losses in their personal tax returns + also to be assessed at individual income tax slabs (rates) all.*
- (iii) *S-Corporation's shareholders are permitted to avoid double taxation on their corporate incomes.*
- (iv) *S-Corporations are required to pay income tax on their certain built-in gains + also passive incomes (both) at S-corporation's level.*

24. USA's qualifications for S-Corporations

- (i) *Required to be domestic corporation (only)*
- (ii) *Permitted shareholders :*
 - *Individuals + certain trusts + also certain estates (all)*
- (iii) *Not Permitted shareholders :*
 - *Partnerships + corporations + also non-resident shareholders (all)*
- (iv) *Not permitted for number of shareholders exceeding 100*
- (v) *Not permitted for exceeding 1 class of shares*
- (vi) *Not permitted for eligible Corporation:*
 - *Certain financial institutions + insurance companies + also domestic international sales corporations (all).*



25. USA's Characteristic for S-Corporations

- (i) S-Corporations are required to meet certain criteria as mentioned under FAQ 24.
- (ii) S-Corporations are permitted to have independent life where shareholders are allowed to leave company or sell their shares without disturbing continuity to carry business.
- (iii) S-Corporations are required to follow strict + also operational processes of C-Corporations (both).
- (iv) S-Corporations are required to register with IRS to obtain S-Corporation's status over and above additionally to register as S-Corporations with their state.
- (v) (a) 100% states are not treating 100% S-Corporations equally
But
- (b) Many states are recognizing similar to federal government (govt.) + treating them + also to levy tax on shareholders (all).
- (c) Some states are charging tax on S-Corporation's profits above certain specified limits
- (d) Some states are not recognizing available privileges for S-Corporations + (plus)
- (e) Also treating S-Corporations equivalent to C-Corporations
- (vi) S-Corporation's incorporations are permitted to avoid double taxation drawback which is existed with C-Corporation's incorporations.
- (vii) S-Corporations are permitted for profits + also some losses (both) to be passed directly to owners' personal incomes without using corporate tax rates.

26. USA's business structure's comparison

S.No	Name of Business Structure	Pattern of Ownership	Nature of Liability	Type of taxes
(i)	Sole Partnership	1 Person	Unlimited personal liability	Self-employment personal's tax
(ii)	Partnerships	Minimum 2	Unlimited personal	Self-employment



		persons + (plus) Maximum unlimited persons	liability except structured for limited liability partnership	personal's tax expect structured for limited liability partnership
(iii)	<i>Limited Liability Company (LLC)</i>	Minimum 1 person + (plus) Maximum unlimited persons	0% personal liability	<i>Self-employment personal's tax or corporate tax</i>
(iv)	<i>C- Corporation</i>	Minimum 1 person + (plus) Maximum unlimited persons	0% personal liability	<i>Corporate tax</i>
(v)	<i>S- Corporation</i>	(a) Minimum 1 person + Maximum 100 persons + (plus) (b) Also 100% persons must be U.S. Citizens (both)	0% personal liability	<i>Self-employment personal's tax</i>

27. USA's LLC advantages

- (i) Unlimited number of members (owners) are permitted under LLC
- (ii) Profits + also losses (both) are to be passed through owners individual tax returns
- (iii) Annual meeting + also minutes books (both) are not required

28. USA's LLC disadvantages

- (i) LLCs are not permitted for corporate income-splitting (lower tax liability)
- (ii) LLCs are not permitted for issuing shares (stocks)



29. USA's Corporation advantages

- *C + S (both) Corporations business structure's advantages*
 - (i) *C + S (both) Corporations are permitted for issuing stocks to attract investors*
 - (ii) *C + S (both) Corporations are permitted for corporate income-splitting (lower tax liability)*

30. USA's Corporation disadvantages

- (i) (a) *C-corporation liable for double taxation on corporate profits*
But
- (b) *S-corporation not liable for double taxation on corporate profits*
- (ii) *Annual meeting + also minutes books (both) are required*
- (iii) (a) *S-corporations are not permitted for more than 100 owners*
But
- (b) *C-corporations are permitted for more than 100 owners*

31. USA's branch operations

- (i) *Foreign companies (Investors) are permitted to establish unincorporated branches in USA.*
- (ii) *Foreign Investors (parent corporations) are required to take legal liability for unincorporated branches in USA.*
- (iii) *Foreign Investors are permitted to establish unincorporated branch in USA with moderate expenses + also minimum legal formalities (both)*

32. USA's Joint Ventures (JVs)

- (i) *USA is permitting business structure through JVs for specific + also limited (both) purposes like construction projects or mineral explorations (any).*
- (ii) *JVs are permitted between 2 or more than 2 business entities or persons (any).*
- (iii) *JV's operating partners may be partnership firm or corporation (any).*



33. USA's **Holding Companies**

- (i) USA is permitting to allow holding companies for owning stocks + also securities of other legal entities (both).
- (ii) USA's holding companies are permitted for new businesses losses' setting off against present or future profits for tax purposes (only).
+ (plus)
- (iii) Also USA's holding companies are permitted for 1 or more than 1 businesses losses' setting off against present or future profits for tax purposes (only).

34. USA's **business records maintenance**

- (i) USA's business entities + also individuals (both) are required to maintain records as adequate to verify tax returns by IRS.
- (ii) USA's corporations are required to satisfy state's reporting requirements.
- (iii) USA's Public listed corporations are required to file annual audited financial statements (annual reports) with in USA's federal Securities Exchange Commission (SEC).



(C) USA's Legal Compliances for doing business

35. USA's registered agents

- (i) 100% business structures (entities) are required to have registered agent in state for processing of services.
- (ii) Individuals + business entities are permitted to accept legal papers on behalf of 100% business structures when are to be sued + also not physically located in state (all).
- (iii) 100% business structures are permitted to act through own registered agent.
- (iv) 100% registered agents are required to be individual resident or business entity which is authorized to do business by state govt. in state.
- (v) 100% registered agents are required to have physical street address in state.

36. USA's Federal Employer Identification Numbers (FEINs)

- (i) FEINs are unique identifier numbers to be assigned by Internal Revenue Service (IRS) to 100% business entities.
- (ii) FEINs are required to be used by employers for reporting taxes to IRS.
- (iii) FEINs are made with 9 digits as formatted like XX-XXXXXXX.
- (iv) 100% business entities are permitted directly to IRS to apply for FEINs.
- (v) IRS is issuing FEINs immediately.

37. USA's State Employer Identification Numbers (State EINs)

- (i) State EINs are known as state tax registrations of employer
- (ii) State EINs are assigned by IRS to 100% employees based business entities
- (iii) State EINs are being used for filing taxes + also hiring employees (both).

38. USA's goods importing entities

- (i) Business entities (importers) are permitted for importing goods with certain requirements + restrictions + also regulations (all) needed.



- (ii) Importers are responsible for making sure that 100% correct documents are filed + also 100% complied with specific rules + regulations of USA's. govt.
- (iii) Importers are required to complete 7 Steps for importing of goods into USA like:
 - (a) To obtain Importer number
 - (b) To speak to customs broker
 - (c) To determine goods' tariff classification + also valuation (both)
 - (d) To prepare commercial invoice
 - (e) To complete Importer security filing for ocean shipment (only)
 - (f) To determine for customs bond if needed
 - (g) To file entry documents + also to pay customs duties and taxes (both)

39. USA's Foreign Account Tax Compliance Act (FATCA)

- (i) USA's FATCA is required for comprehensive U.S. anti-evasion global reporting system as designed to locate incomes + assets held by USA's citizens + green card holders in foreign accounts being maintained outside USA directly or indirectly through foreign entity's ownership + also to ensure that this information is already reported to IRS (all).
- (ii) (a) USA's FATCA is required for U.S. Withholding Agents (USWAs) to withhold @ 30% gross withholding tax on withholdable payments being made to non-compliant foreign persons + Foreign Financial Institutions (FFIs) + also Non-Financial Foreign Entities (NFFEs) all.
 - (b) Withholdable payments are to include certain payments due from USA's sourced like Fixed, Determinable, Annual or Periodical (FDAP) incomes i.e. interest or dividends or etc. (any).
- (iii) USA's FATCA is imposing various complex registrations + reporting + due diligences + withholding requirements for FFIs + registrations with IRS + providing annual information's on their U.S. investors + also account holders (all).



- (iv) Non-Financial Companies (NFCs) have obligations under FATCA commencing from tax withholding + reporting information's to IRS for establishing controls + procedures to ensure appropriate payee documentation is already collected + vetted + also retained (all).
- (v)
 - (a) IRS has amended several forms + also procedures (both) to conform to FATCA.
 - + (plus)
 - (b) Also taxpayers are required to use IRS Form W-8 + its variants for documentation their foreign status (both) for FATCA purposes.
- (vi) USA's govt. departments have also adopted similar to FATCA like OECD's Common Reporting Standard (CRS) which is affecting USA's citizens + green card holders for foreign banks + also financial accounts (all).
- (vii) USA is correctly not participating in OECD's CRS.
- (viii)
 - (a) USA's citizens + also green card holders (both) are required to adopt CRS when holding accounts in financial institutions in countries those have already adopted CRS
 - + (plus)
 - (b) Also USA's citizens + green card holders (both) are required to certify their CRS status + to disclose information's for controlling interest like minimum 25% (all).



(D) USA's Setting-up of business structures for doing business

40. USA's process for setting up

- (i) To choose entity's name
- (ii) To appoint registered agent in state
- (iii) To submit documents to registered agent
- (iv) To file documents to state through registered agent
- (v) To review documents + also process of filings (**both**) by state
- (vi) To issue file number after entity is formed by state

41. USA's Neo bank (fintech firms) accounts

- (i) Fintech firms are known as **challenger banks**.
- (ii) Fintech firms are offering apps + software + other technologies to **streamline mobile** + also **online banking (all)**.
- (iii) Fintech firms are (generally) **specialized in certain financial products** like **current account + also savings accounts (both)**.
- (iv) Fintech firms are (generally) **more nimble** + also **transparent in comparison to their megabank counterparts**.
- (v) Fintech firms are (generally) **Federal Deposit Insurance Corporations (FDICs)** those insure that investors' money is safe with regular banks like:
 - (a) USA's **Relay Bank**
 - (b) USA's **Lili Bank**
 - (c) USA's **Oxygen Bank**
 - (d) USA's **Wise Bank**
 - (e) USA's **Mercury Bank**

42. USA's Virtual Phone Number (VPN) Service Providers

- (i) VPN is treated **normal + also real phone number (both)**.
- (ii) VPN is **not connected to physical phone line** or to SIM-card (any).
- (iii) VPN is **enabling to make call with availability of free apps** for Android + also iOS or your laptop (**both**).



- (iv) VPN is enabling to *have same experience* like you are calling from *regular local number*.
- (v) VPN is enabling to *see your number before answering* like you are making calls from *regular local number*. Certain virtual phone number *service providers* are *available* in USA like.
 - (a) USA's *Sonetel*
 - (b) USA's *CallHippo*
 - (c) USA's *Mightycall*
 - (d) USA's *Krispcall*
 - (e) USA's *Hushed*

43. USA's *Virtual Office Address (VOA) Service Providers*

- (i) VOA service providers are *providing physical address + office-related services without having overheads* like long lease + administrative staff + also etc. (*all*).
- (ii) Business entities are *enable to work from anywhere* through VOA by *using mailing address + phone answering services + meeting rooms + also video conferencing* (*all*).
- (iii) VOAs are *being operated as 1 unit* to serve several customers *without* sitting in *fixed location*.
- (iv) VOAs are *specifically popular with startups + also small businesses (both) those wish to minimize expenses*.
- (v) VOAs' *services are available through creation of web-based office productivity software + also services (both) like video conferencing*. Certain *service providers* are *available* in USA like.
 - (a) USA's *ipostal1*
 - (b) USA's *Anytime Mailbox*
 - (c) USA's *Post Scan Mail*
 - (d) USA's *Regus*
 - (e) USA's *OsDoro*



(E) USA's Tax compliances for doing business

44. USA's tax structures

- (i) USA is having approximately 10,000 tax jurisdictions to levy tax therefore complying with 100% tax laws + also tax rules (both) is big challenge.
- (ii) USA's cash-strapped federal + state + also local tax collectors (all) are more vigilant for ensuring compliances of taxes therefore sometimes it's confusing for scope of tax codes.
- (iii) USA's tax to include certain areas like
 - (a) USA's Incomes tax
 - (b) USA's Gross receipts tax
 - (c) USA's Payrolls tax
 - (d) USA's Transactions' tax
 - (e) USA's Property tax on real estate + personal properties + also intangible properties (all)
 - (f) USA's Estates tax
 - (g) USA's Gifts tax
 - (h) USA's Excises tax on certain goods and services (only).
- USA's federal govt. is not permitted to levy sales tax + also property tax (both).
- (iv) USA is considered 1 out of few countries where Value Added Taxes (VAT) is not applicable similar to GST in India.
- (v) USA's states are imposing sales tax against retail sales of goods and certain services to customers within state.
- (vi) USA's sales tax (generally) is levied based on purchase price therefore being collected by seller from final buyers (consumers) thereafter being remitted to states by seller.
- (vii) USA state's seller is required to register with state tax authority + to report + also to pay sales tax (all).



45. USA's use tax on consumption

- (i) USA's states are (generally) imposing use tax against storage or use or consumption of goods + also certain services (both) within state.
- (ii) USA's use tax is complementary to sales tax therefore being imposed when state's sales tax or equivalent tax whichever higher was not collected by seller as state's sales tax collection agent
- (iii) USA's use tax is imposed when seller does not have nexus with state of use.
- (iv) USA's use tax is (generally) based on cost of taxable goods sold or service provider therefore purchaser is required to report + also to pay use tax (both) directly to state.

46. USA's tax department

- (i) USA's Internal Revenue Code (IRC) similar to India's Income Tax Act (ITA) is applicable being basic law for Federal Income Tax (FIT) purpose.
- (ii) USA's FIT is frequently changing through several amendments.
- (iii) USA's Treasury Department (TD) similar to India's Income Tax Department (ITD) is implementing FIT.
- (iv) USA's IRS similar to India's Central Board of Direct Taxes (CBDT) is working as federal tax collection agency + also empowered for enforcing IRC commonly known as code similar to India's Income Tax Act (ITA), 1961.
- (v) USA's IRS is issuing regulations + other guidance for applications + also interpretations for certain provisions of IRC (all).
- (vi) USA's taxpayers are permitted for asking questions about their specific transactions through written request directly to IRS for IRC's interpretation based on actual facts.

47. USA's types of taxes

- (i) Federal Income Tax is being levied @ 21% on taxable incomes
- (ii) Social Security Tax is being levied @ 12.4% on taxable incomes



- (iii) *Medicare Tax is being levied @ 2.9% on taxable incomes*
- (iv) *Federal Unemployment (FUTA) Tax is being levied @ 6% on taxable incomes*
- (v) *Franchise Tax is varied from 1 state to another state*

48. USA's Federal Income Tax (FIT)

- (i) *FIT is applicable on annual taxable incomes of individuals + business entities + also other legal entities (all) from January 01, 2018.*
- (ii) *FIT is applicable @ 21% (flat) due to passage of Tax Cuts and Jobs Act of 2017.*

49. USA's Social Security Tax (SST)

- (i) *SST is applicable on wages and salaries incomes of specified employments based on Federal Insurance Contributions Act tax (FICA) or Self-Employed Contributions Act Tax (SECA) any*
- (ii) *SST is levied under Old- Age, Survivors, and Disability Insurance (OASDI) program*
- (iii) *SST is administered by Social Security Administration (SSA).*
- (iv) *SST is collected by IRS for Federal Old-Age and Survivors Insurance (OASI) Trust Funds + also Federal Disability Insurance (DI) Trust Funds (both) under Social Security Trust Funds entity*

50. USA's Medicare Tax (MCT)

- (i) *MCT is applicable on wages and salaries incomes on specified employments based on USA's law.*
- (ii) *MCT is known as Hospital Insurance Tax (HIT)*
- (iii) *MCT is collected for funding medical insurance programs of USA's govt.*
- (iv) *MCT is collected by employers from employees + paid as self employment tax (both)*
- (v) (a) *MCT is required to collect for Medicare program + also for hospital insurance (both) for individuals having minimum age 65 years*



+ (plus)

(b) Also MCT is required to collect for certain disabilities or medical conditions (any)

(vi) MCT is required to include Medicare hospital insurance covers like hospital visits + hospice + nursing home care + also some home healthcare (all).

51. USA's **Federal Unemployment Tax Act (FUTA)**

(i) FUTA is applicable on business entities having employees commonly known as payroll tax

(ii) FUTA is collected for allocating to state unemployment insurance agencies + also to be used for funding unemployment benefits for persons those are out of job.

(iii) FUTA is federal law for raising revenue for administering unemployment insurance + also job service programs (both) in every state.

(iv) Employers are required to pay annual or quarterly (as case may be) Federal unemployment taxes

52. USA's **Franchise Tax (FT)**

(i) FT is applicable on certain business entities or on business entities as incorporated in certain states (any)

(ii) FT is applicable on owning property by certain business entities in certain states

(iii) FT is applicable beside business entities have no business incomes therefore FT is applicable beside business losses

(iv) FT is applicable in certain states (only) like:

- (a) USA's *Delaware*
- (b) USA's *Alabama*
- (c) USA's *Arkansas*
- (d) USA's *Illinois*



- (e) USA's *Georgia*
- (f) USA's *Louisiana*
- (g) USA's *Missouri*
- (h) USA's *Mississippi*
- (i) USA's *North Carolina Oklahoma*
- (j) USA's *New York*
- (k) USA's *Texas*
- (l) USA's *Tennessee*
- (m) USA's *Pennsylvania*
- (n) USA's *West Virginia*

53. USA's *Withholding tax compliances*

- (i) USA's *non residents* are required *to pay flat tax rate @ 30%* on USA sourced incomes
- (ii) USA's *non residents* are *permitted to avail lower tax rate or exemptions when* *IRC's section is providing for lower tax rate or tax treaty benefits under* *Double Taxation Avoidance Agreement (DTAA)* any
- (iii) USA's *withholding tax compliances* are *applicable on payments to be made to* *non residents*.
- (iv) USA's *non residents* are required *to furnish Form W-8 BEN* to *payer beside not* *claiming for reduced withholding tax*
- (v) USA's *non residents* are required *to furnish Form W-8 BEN-E* to *payer for* *claiming exemptions from withholding tax compliances.*

54. USA's *Major Federal Tax Forms*

<i>S.No</i>	<i>Form's Name</i>	<i>Form's Particulars</i>
(i)	<i>Form-W2</i>	<i>For furnishing tax statement by employees</i>
(ii)	<i>Form-941</i>	<i>For furnishing Quarterly Federal Tax Returns (FTR) by employers</i>
(iii)	<i>Form-7004</i>	<i>For furnishing application for extension of time to file FTR</i>



(iv)	Form-1065	For furnishing FTR by partnerships entities
(v)	Form-1120S	For furnishing FTR by S-Corporations
(vi)	Form-1120F	For furnishing FTR for Estates by 100% taxpayers
(vii)	Form-1120	For furnishing FTR by C-Corporations
(viii)	Form-1040	For furnishing FTR by Individuals
(ix)	Form-1040NR	For furnishing FTR by Non-resident individuals

- USA's Federal Tax Returns (FTR) is similar to India's Income Tax Return (ITR)

55. USA's statutory compliances

- (i) Fee payment for registered agent's renewal
- (ii) Fee payment for franchise tax
- (iii) Fee payment for filing of franchise tax return
- (iv) Filling of federal tax return (Form 1120)
- (v) Filling of State Tax Return
- (vi) Filling of Federal employer return (Form 941)
- (vii) Filling of State employer return
- (viii) Filling of information return (Form 5472)
- (ix) Filling of Withholding tax return (Form 042 or 1042-S)
- (x) Filling of Foreign Bank and Financial Accounts (FBAR)

56. USA's books reconciliation + finalization + filling FTR

- (i) (a) USA's calender year is commencing from January 01 and ending on December 31 every year.

+ (plus)
- (b) Also India's financial year is commencing from April 01 and ending on March 31
- USA's + also India's (both) books required to be reconciled for interparty transactions.
- (ii) Transactions from January 01 to March 31 (3 months) are to be incorporated in USA's ITR + also in India's ITR (both).



- (iii) 100% *transactions* between 2 AEs are to be accounted in books of accounts
- (iv) 100% *withholding compliances* are to be obeyed in USA + also in India (*both*).
- (v) 100% *transactions* between 2 AEs are to be carried on Arm Length Price (*ALP*) principles therefore benchmarking analysis are also be made in advance.

57. USA's *Consolidated FTR*

- (i) *Federal Corporate Income Tax (FCIT)* is optionally *permitting* for *consolidated FTR* for group of corporations *through* reporting of tax liability in 1 *consolidated FTR* instead of separate FTR for each corporation.
- (ii) *FCIT* is *permitting* for *consolidated FTR* for *affiliated group of corporations (only)*.
- (iii) *Affiliated group* of corporations is *required to has chain for* more than 1 corporations + also *connected through stock ownership* to common parent (*both*).
- (iv) *Group's parent* corporations (generally) is *required to own* minimum 80% *stocks of* each *subsidiaries* directly or through 1 or more than 1 of its 80%-owned subsidiaries.
- (v) *Consolidated FTR* is *permitting* for *set-off of losses* for 1 or more than 1 corporation with *profits* of 1 or more than 1 corporation *through Parent Corporation*.
- (vi) *Affiliated group* is *required for continuing to file* consolidated FTR for 100% *succeeding tax years* except group is *no longer remains in existence* or *permission* is obtained from IRS *for ceasing* to file consolidated FTR (any).

58. USA's *Due date for FTR filing*

- (i) USA's IRS is *permitting corporate FTR (Form 1120)* for 1 corporation or member of consolidated group (any) not exceeding *April 15* for close of calendar year (*ending on December 31*).
- (ii) USA's IRS is *permitting extension maximum* for 6 month when taxpayer *applies* for it.
- (iii) USA's IRS is *not allowing FTR when incomes not reflecting in US dollars*.



59. USA's states taxes + local taxes

- (i) USA's *state jurisdictions + local jurisdictions* (both) are empowered to impose *taxes + fees + also other filing requirements* (all)
- (ii) *Taxes + fees + other filings requirements are required for payroll + property + unclaimed property + licenses + industry related taxes + taxes on special types of businesses + gross receipts + real property transactions + also net worth taxes* (all).

60. USA's Federal taxation

- USA's *federal taxation* is *applicable on 2 types of individuals* like USA's *residents + also USA's non residents* (both) *for Income tax purpose*.

61. USA's tax residents

- *Tax residents to include certain individuals* like:
 - (i) USA's *citizens* (USA's *passport holder*)
 - (ii) USA's *green cardholders*
 - (iii) USA's *non-residents* like:
 - (a) Those have *chosen to become USA's residents* *for tax purpose*.
Or
 - (b) Those have *satisfied USA's substantial presence test requirements*.

62. USA's substantial presence test

- (i) *Individual be treated USA's tax resident*:
 - (a) *When individual has resided for minimum 31 days in current calendar year*
or
 - (b) *When individual has resided for minimum 183 days like minimum for 31 days in current year + 61 days in 1st preceding year + 30 days in 2nd preceding year + also 61 days spreading over all years = 183 days*
- (ii) *Substantial present test to exclude days of resided in USA when non-residents students + also exchange workers (both) are staying in USA on F or J or Q or M (any) visa*.



63. USA's tax residents for 100% (whole) calendar year

- Individual is treated USA's tax resident for 100% (whole) calendar year when became USA's citizen beside non-resident in USA.

64. USA's tax residents from 1st day of presence in USA

- (i) USA's green card holder is treated tax resident from 1st day of presence during calendar year
Or
- (ii) USA's substantial presence test holder is treated tax resident from 1st day of physical presence during calendar year
- (iii) Temporary visit for lower than 10 days are to be ignored for establishing starts date.

65. USA's dual status for 1st calendar year

- (i) To include individual whose residency is started during mid of year therefore individual is treated dual status taxpayer for 1st (initial) calendar year (only).
+ (plus)
- (ii) Also same individual is treated USA's partly non-resident + also partly resident (both) for tax purpose
- (iii) Dual status taxpayer is having significant impact for filing status + exemptions + also deductions (all).
- (iv) USA's non-resident individual is permitted to choose 100% (whole) initial year's residency when certain conditions are satisfied.

66. USA's tax residents for worldwide incomes

- USA's tax resident is required to pay Income tax on worldwide incomes + also allowed to deduct certain deductions from his worldwide incomes like:

- (i) USA's tax resident is allowed to claim Medical + health + also retirement (all contributions already made. However allowed subject to certain monetary limits
- (ii) USA's resident is allowed to claim fixed-amount exemptions for certain dependents
- (iii) USA's tax resident is allowed to claim fixed amount standard deduction or

Itemized deductions whichever is higher like mortgage interest + real estate taxes + state income taxes + charitable donations + also work-related expenses (all). However allowed subject to certain monetary limits.

- (iv) USA's tax resident is permitted to use graduated rates of tax similar to India's slab rate of tax on worldwide taxable incomes based on taxpayer's filing status like single or married or etc. (any)
- (v) USA's tax resident is permitted to avail credit against tax paid on non USA's sourced incomes (foreign incomes) similar to Foreign Tax Credit (FTC) in India.
- (vi) USA's tax resident is permitted to carry excess FTC for utilizing against 1 year before current year or 10 years after current year (any) when tax resident has excess foreign sourced incomes.

67. USA's Alternative Minimum Tax (AMT)

- (i) USA's tax resident is required to pay AMT similar to Minimum Alternative Tax (MAT) or AMT in India.
- (ii) USA's AMT is imposed at flat on individual's alternative minimum taxable incomes similar to India
- (iii)
 - (a) AMT incomes are computed by adding certain preference income items + also disallowing certain expense's deductions from regular taxable incomes - (minus)
 - (b) AMT incomes are reduced by significant exemptions + (plus)
 - (c) Also AMT to be applied when AMT is higher than regular calculated tax.
- (iv)
 - (a) Primarily AMT was being applied on individuals those have significant itemized deductions.

But

- (b) Now more and more individuals are covered for levy of AMT because exemptions are not increased commensurate to inflation.



68. USA's taxation on non-tax residents

- Non-tax residents are required to pay tax on certain USA sourced incomes like:
 - (i) Fixed, Determinable, Annual or Periodical (FDAP) USA sourced incomes
 - (ii) Incomes earned through trade or business effectively connected from USA
 - (iii) USA's non-tax residents are required to pay tax at graduated rates similar to slab rates systems in India
 - (iv) USA's non-tax residents are permitted to avail deductions + also exemptions (both). However permitted subject to certain limits.
 - (v) USA's non-tax residents are permitted to pay at flat tax or lower rate of tax when recipient is resident of country having Double Taxation Avoidance Agreement (DTAA) or tax treaty with USA
 - (vi) USA's non-residents (generally) not required to pay tax on capital gains on sale of foreign assets except those assets are (effectively) connected with USA's trade or business (any).

69. USA's disclosures for foreign bank accounts + assets

- (i) USA's citizens + also green card holders (both) are required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts to FTD.
- (ii) FinCEN Form 114 is required to be filed up to June 30 without any extension when individual had interest or signature authority in foreign bank accounts having aggregate balance exceeding USD 10,000 at any time during calendar tax year.
- (iii) USA's citizens + also green card holders (both) are required to file IRS Form 8938, Statement of Specified Foreign Financial Assets along with their FTR.
- (iv) IRS Form 8938 is required to be filed under U.S. Foreign Account Tax Compliance Act (FATCA) for reporting interest in certain specified foreign financial assets when total value of assets is exceeding certain reporting limits.
- (v) IRS Form 8938 is not replacing taxpayer's obligation to file FinCEN Form 114.



70. USA's **inventory valuation**

- (i) USA's inventory valuation is required using certain authorized methods like:
 - (a) Last-in first-out (LIFO) method
 - (b) First-in first-out (FIFO) method
 - (c) Burden rates (cost + expenses) method
 - (d) Specific identification (specific rates) method
- (ii) USA's taxpayers are required to apply same method consistently
- (iii) ITD is permitted to ask manufacturer + large seller to capitalize certain expenses which are (normally) not associated with inventories + also certain self-constructed assets (all)
- (iv) Certain expenses to include warehousing + purchasing + general + administrative costs + also etc. (all).

71. USA's **capital losses**

- (i) USA's capital losses to include losses arise against sale of capital asset.
- (ii) USA's capital asset to include asset held for long period + also not being purchased or sold in normal course of business (both).
- (iii) (a) USA's corporations are permitted to deduct capital losses against capital gains (only).

But

- (b) USA's unused capital losses are permitted to be carry backward for maximum 3 years or carry forward for maximum 5 years totaling to 8 years.

72. USA's **Net Operating Losses (NOL)**

- (i) USA's taxpayers are permitted to carry backward of NOL for maximum 2 years or carry forward for unlimited years after year ending on Dec 31, 2017.
- (ii) USA's taxpayers are not permitted to carry backward or carry forward of NOL when pertaining to year before ending on Dec 31, 2017.
- (iii) USA's taxpayers are permitted to deduct NOL maximum for 80% of forward year's taxable incomes without NOL deduction



73. USA's Incentives + Credits

- USA is permitting several incentives + also credits (both) to promote business activities in country.

74. USA's deductions

- USA's business entities are permitted to claim certain deductions when engaged in manufacturing + also in other qualified production activities (both) minimum for 100% (wholly) or significant (partly) activities thereafter amount of deduction to be equal to lowest of 3 following amounts like:
 - (i) Maximum 9% against incomes from qualified production activities
Or
 - (ii) Maximum 9% against taxable incomes
Or
 - (iii) Maximum 50% of IRS Form W-2 wages allocable to domestic production
 - Whichever is lower
 -

75. USA's Research and development credit (R&D)

- (i) USA's corporations are permitted to claim deduction for more expenses than actually spend on R&D therefore corporations are permitted deductions more than 100% of actually spend.
- (ii) (a) USA's corporations are required to carry R&D under technology in nature + (plus)
(b) Also to be intended to resolve technical uncertainty as involved in process of experimentation + (plus)
(c) Also to be useful for developing of new or improved function or performance or reliability or quality of 1 or more than 1 business components (any)

76. USA's Foreign Tax Credit (FTC)

- (i) (a) USA's taxpayers are permitted to claim FTC against taxes paid or accrued in foreign country on foreign sourced incomes + (plus)
(b) Also USA's taxpayers are liable to pay tax in USA on same foreign sourced incomes.
- (ii) USA's taxpayers are not permitted to claim against FTC exceeding Income tax liability in USA.



77. USA's foreign investors under 1st regime

- Under 1st tax regime through withholding tax
 - (i) Foreign investors are permitted to pay Income tax on USA's sourced incomes as flat @ 30% through withholding tax when incomes are not considered (effectively) connected with USA's trade or business like dividends or royalties paid to them.
+ (plus)
 - (ii) Also foreign investors are permitted to pay income tax on USA's sourced incomes as not flat @ 30% when recipients are qualified to avail reduced rate as specified under DTAA (tax treaty) with recipient's country.

78. USA's foreign investors under 2nd regime

- Under 2nd tax regime through regular graduated (slab) corporate tax rates
 - (i) Foreign investors are permitted to pay Income tax on USA's sourced incomes at regular graduated (slab) corporate tax rates when incomes are considered (effectively) connected with USA's trade or business
+ (plus)
 - (ii) Also foreign corporations (investors) are permitted to avail 2nd tax regime for distribution of incomes from USA's corporation or against distribution of earnings from USA's branch business @ 30% or reduced rate under DTAA (tax treaty) with recipient's country.

79. USA's Branch profits

- (i) Foreign investors are required to pay tax on their branch's profits those are engaged in trade or business (any) in USA under branch profits tax
- (ii) (a) Foreign investors are required to pay as flat @ 30% equivalent to dividend distribution tax
Or
(b) Foreign investors are permitted to pay reduced rate of Income tax under DTAA (tax treaty) whichever is lower under branch profits tax.

80. USA's Real estate investments

- (i) Foreign investors are required to pay tax on realize gains from disposition of real estate located in USA under special tax regime equivalent to Capital gains tax as applicable on sale of corporate stocks (shares)



- (ii) Foreign investors are required to pay tax on profits earned from sale of U.S. Real Property Interest (USRPI) at graduated tax rates when (effectively) connected with US trade or business (any).
- (iii) USRPIs to include direct ownership + also indirect ownership of stock in USA's corporations like U.S. Real Property Holding Corporation (USRPHC).
- (iv) USRPHC is defined as corporation having USRPIs with Fair Market Value (FMV) equivalent to 50% or more than 50% of 100% corporation's FMV.
- (v) USA's property is defined to include land + improvements thereon + also personal properties as associated with real properties (all).
- (vi)
 - (a) Domestically controlled (more than 50% owned) Real Estate Investment Trusts (REITS)
+ (plus)
 - (b) Also maximum 5% interests in publicly traded corporation is not treated USRPIs
- (vii) Buyer of USRPI is (generally) required to withhold 15% on consideration of transactions similar to other non-resident withholding tax regime
- (viii) Withholding tax is representing pre payment of tax as collected by purchaser from seller in anticipation of USA's tax liability through sale transactions
- (ix) Seller is permitted to make request with FTD before transaction for reduced rate of withholding tax along with supported by preliminary calculations.

81. USA's Thin-capitalization + earnings stripping

- (i) USA is imposing restrictions on deductions under interest expense in certain circumstances like:
 - (a) Taxpayer is not permitted to deduct interest exceeding 30% of taxpayer's Adjusted Taxable Income (ATI)
+ (plus)
 - (b) Also taxpayer's business interest incomes + certain other amounts (all).
- (ii) ATI is defined more closely as cash basis taxable incomes.



(iii) (a) Taxpayer is permitted to carry forward of excess interest over 30% for unlimited years therefore abovementioned disallowance is not permanent

But

(b) Its deferment for adjustment in future.

82. USA's Transfer Pricing (TP)

(i) USA is having detailed + also stringent Transfer Pricing (TP) rules for Arm's Length Pricing (ALP) against Related Party Transactions (RPTs).

(ii) RPTs are to include 100% transactions conducted between corporation and its units + intercompany purchases + royalties + interest + management fees + also etc. (all).

(iii) ITD's regulations are specifying 10 elements for comprising 100% TP study.

(iv) ITD is not prohibited for proposing adjustments in RPTs beside taxpayer is having 100% TP's study at own level.

(v) 100% TP study is able to avoid potential penalty imposition when proposed adjustments are substantial in nature.

(vi) IRS is having authority to agree for Advance Pricing Agreement (APA) with taxpayer.

83. USA's Tax treaties

(i) USA has entered into bilateral income tax treaties with non USA countries where having significant trading activities.

(ii) (a) USA's treaties are affecting taxation of business activities + also shipping activities (both)

+ (plus)

(b) Also USA's treaties are allowing for reduced withholding taxes on certain USA sourced incomes like dividends + interest + royalties (all)

(iii) USA's treaties are having significant limitations on benefits articles.

(iv) USA's treaties are having complex rules to prevent foreign investors from claiming treaty benefits beside not eligible to claim through structuring transactions in 3rd country outside USA.



84. USA's tax reporting's + tax compliances

- (i) (a) USA is having extremely detailed tax reporting requirements + also comprehensive (both) like filing of IRS Form W8-BEN or W8-BEN-E (any) + (plus)
- (b) IRS has dramatically increased scrutiny of foreign-related compliances in last several years.
- (ii) IRS has observed that USA's payers are not obtaining certain documents from payee to prove his entitlement to avail tax treaty benefits + also reduced withholding rates (both)
- (iii) IRS is empowered to ask payees to obtain USA's Taxpayer Identification Number (TIN) similar to India's Permanent Account Number (PAN)
- (iv) IRS is empowered to ask to file annual statement (return) in IRS from 1042 series for providing details of payments made to payees those located outside USA

85. USA's state govt.'s + local govt.'s

- (i) USA's 50 states + District of Columbia + also several localities (all) are imposing different incomes based tax on corporations
- (ii) USA's several states are imposing Franchise Taxes (FT) for having privilege of doing business in their state.
- (iii) USA's states FT rates are varied from 1st state to 2nd state.
- (iv) USA's FT is defined a tax based on net incomes or net worth or gross receipts or combination of these 3 tax bases (any).
- (v) USA's state taxes + local taxes are complex + also varied significantly from 1st state to 2nd state (all).
- (vi) Corporation + also other business entities (both) are being suggested to review legal compliances in each state before selecting any state for commencing business activity.

86. USA's Nexus based Jurisdiction

- (i) USA's taxpayers are required to opt their jurisdictions based on nexus like jurisdiction is treated in 1st state when business is being operated from 1st state beside actual amount of business activities as conducted in 2nd state.



- (ii) USA's 1st state is having *right to tax* on business incomes based on relationship between 1st state and corporation *beside* business is being *operated* from 2nd state
- (iii) USA's 1st state is permitted to levy Income tax based on transactions when sufficient *nexus* is established between 1st state and corporation *beside* corporation is *operating* business activities *in more* than 1 state
- (iv) USA's state jurisdiction or *nexus* is determined based on business activities operated in 1st state or in 2nd state for deciding *right to impose* Income tax on taxpayer
- (v) USA's state jurisdiction or *nexus* is based on 3 principal *limitations* like:
 - (a) U.S. Constitution's limitations are found *in due process clause*
 - (b) U.S. Constitution's limitations are found *in commerce clause*
 - (c) U.S. Constitution's limitations are found *in federal law (Public Law 86-272)* under federal *government's power* to regulate interstate commerce + also limitations *when states are permitted to impose* voluntarily.
- Requisite *analysis* may be *varied* considerably from 1st state to 2nd state + also independently *based on* corporation's Permanent Establishment (PE) *in USA* for tax treaty purpose.

87. USA's *tax base*

- (i) USA's states are *imposing net Income tax* on federal taxable incomes after *NOL deductions* as starting point.
 - + (plus)
- (ii) Also USA's states are permitted to have own *modifications* to federal taxable incomes *for calculating state tax base*.

88. USA's *additions in incomes*

- (i) USA's *some* states are *not permitted* to *add* in incomes as *interest on municipal bonds*
- (ii) USA's *municipal bonds* are considered *double exempt* bond similar to exempt bonds being issued *in India*



- (iii) USA's state Income tax paid is to be deducted for computing federal taxable incomes.
- (iv) USA's most of states are permitted to impose state Income tax (only)
- (v) USA's some of states are permitted to impose their own taxes (only).

89. USA's deletion in incomes

- (i) (a) USA's taxpayers are permitted to delete interest incomes on USA govt.'s obligations like treasury notes or bills (any)

But
- (b) USA's taxpayers are not permitted to delete interest incomes on Ginnie Maes + also Fannie Maes (both)
- (ii) USA's taxpayers are permitted to delete refunds of state income tax
- (iii) USA's some states are permitted to make specific rules for calculating depreciation + depletion + charitable contributions + interest deductions + also NOLs (all).

90. USA's incomes apportionment

- USA's taxpayers are permitted to determine apportionment based on certain clauses of law when corporations are having business activities in more than 1 state to assign apportionment to each state's incomes
- (i) USA's commerce clause is empowered for fairly apportionment among states
- (ii) USA's each state has different rules for apportionment therefore uniform rules are not existed.
- (iii) Substantial state-to-state variations are existed in USA.
- (iv) USA's states have developed different rules for different types of apportionment of incomes
- (v) USA is permitting apportionment based on formula to be determined after comparing 1 or more than 1 factors representing 100% business activities within 1 state or more than 1 state.
- (vi) USA is permitting apportionment based on average of ratios for 3 factors like total sale + property + also payroll (all)



- (vii) (a) USA has *reset trend* to consider total *sale factor* (only)
+ *(plus)*
(b) Also *not to consider* *property + payroll factors* (both)
- (viii) USA's *some states have specified special factors to each industry like transportation + broadcasting + also print media (all)*
- (ix) USA's *some states are empowered to ask corporations to utilize different apportionment method when standard method is not suitable.*
- (x) USA's *some states are considering inclusion of partnership apportionment factors + accounting treatments for foreign incomes + also sourcing of sales other than sales of tangible personal property (all).*

91. USA's *expenses allocation*

- (i) USA's taxpayers are permitted for expenses' allocation *against non business incomes when incomes not generated* through regular line of business.
- (ii) USA's *some states have specifically categorized certain types of incomes like dividends for expenses' allocation beside business incomes is existed or not existed (any)*
- (iii) USA's *some states have ignored distinction among business is existed or not existed (any).*
- (iv) USA's *some states have their own unique technology for allocation + also for apportionment (both) therefore being used vice-versa.*
- (v) USA's *certain incomes are not permitted for allocation therefore these are to be allocated to 1 state (only) based on state's legal or commercial domicile or transaction (any) which has substantial connection like sale of non business real property being located in 1 state*

92. USA's *state statutory filing*

- (i) USA's *some states are imposing large variety for filing methods for group of commonly controlled corporations.*
- (ii) USA's *some states are requiring separate corporate returns for 100% corporations as engaged in business in their states*



- (iii) USA's most states are requiring combination of some or 100% of commonly controlled corporations.
- (iv) Combinations of returns are to include consolidated returns + also combined returns (both) which are varied significantly from state to state.
- (v) Consolidated returns are to include corporations which owned minimum 80% common ownership
- (vi) Combined returns are to include corporations which owned minimum 50% + also comprising unitary business (both).
- (vii) Unitary businesses are to include a concept when states are required to verify relationship between different corporations to determine whether unitary business relationship is existed.
- (viii) USA's states are required to look on certain factors like economies of scale + functional integration + line of business + also centralization of management (all) to determine whether unitary business relationship is existed or not existed
- (ix) USA's states are differently using certain terms + also meanings (both) like for consolidated + combined + also unitary (all) from state to state.
- (x) USA's states observing that foreign entities are adding more layers of complexity
 - Professionals are required to analyze states' laws before filing statutory documents for their clients.

93. USA's State tax + sales tax + use tax

- (i) USA's 50 states + District of Columbia + approximately 10,000 local jurisdictions are imposing sales tax + also use taxes (all).
- (ii) USA's state sales tax is being imposed on retail sales for tangible personal property + also selected services (both)
- (iii) USA's state use tax is being imposed on use or consumption of same items.
- (iv) (a) USA's state sales taxes + also uses taxes (both) are being collected by seller when seller has physical presence in state thereafter seller is required to remit to state govt.



+ (plus)

- (b) Also USA's state sales tax + also use taxes (both) are being paid by purchaser when seller is not able to collect thereafter purchaser is required to remit to state govt.
- (v) USA's state sales tax + use taxes laws are applicable on 100% corporations + 100% industries + also on 100% states (all)
- (vi) USA's state sales tax + also use taxes (both) laws are applicable on 100% corporations beside incurring NOLs each year.
- (vii) USA's state sales tax + also use taxes (both) laws are constantly changing.
- (viii) Professionals are required to analyze particular state's law before completing legal compliances for their clients.
- (ix) USA's state sales tax + also use taxes (both) laws are allowing certain exemptions which are varied slightly or significantly from state to state beside few common exemptions are being allowed by 100% states.

94. USA's resale exemption

- (i) USA's taxpayers are permitted to avail resale exemption against purchasing of property or service for resale when purchaser is not considered as final consumer or user (any).
- (ii) USA's taxpayers are required to pay sales tax or use taxes (any) when certain items taken for own uses
- (iii) USA's taxpayers are not permitted to avail resale exemptions on 100% businesses therefore exemptions are permitted on certain items (only)
- (iv) USA's few states construction contractors are required to pay use tax on property's purchase + also services (both) when used for performing contracts.

95. USA's exemption for machinery + equipment

- (i) USA's several states are allowing exemption for purchase of industrial machineries + also equipments (both).



- (ii) Industrial machineries + equipments are to be *directly* + also primarily used *(all)* for processing *tangible personal property* which is to be sold.
- (iii) Industrial machineries + also equipments *(both)* are required to demonstrate direct *effect on product* or cause a direct effect *(any)*.
- (iv) USA's *some* states are allowing *exemption for repairs of industrial machineries + equipments + consumption of electricity + also natural gas (all)* which are being *used for industrial processes*.

96. USA's exemption for R&D machineries + equipments

- (i) USA's *some* states are allowing *exemption for purchase of industrial machineries + equipments which are to be used for Research and Development (R&D) + tax-advantaged (enterprise) zones + pollution control + also provision of renewable energy (all)*.
+ *(plus)*
- (ii) Also USA's *some* states are allowing *exemption for certain industries like: Govt. contracting*

97. USA's sales tax principle

- (i) USA's state sales tax is applicable *based on nature of taxable property or service + also location of sale (both)*.
- (ii) USA's state sales tax is *varied from state-to-state* specifically for developing industries like *some* states are presently *struggling with application of sales tax + also use tax on cloud computing (both)*.

98. USA's questions & answers on sales tax principle

- (i) *Whether cloud computing is transfer of tangible assets or service + amusement + communications + some hybrid of abovementioned items?*
- (ii) *Whether goods or services are taxable when uses are happened in multiple locations across the country?*
- *Answers of abovementioned questions are varied from state-to-state.*



99. USA's State tax **nexus** established in *South Dakota v. Wayfair* in Supreme Court

- (i) USA's state sale tax **nexus** are often being **addressed** through analyzing **for** area of sale tax **liability** + also **quantum** of sale tax (both).
- (ii) USA's **different corporations** have their **different arguments** (opinions) like:
 - (a) **For filing of state incomes** + also **franchisees incomes** (both)
 - (b) **For filing of sales tax** + also **use tax** (both)
 - (c) **For filing of gross receipts in tax return**

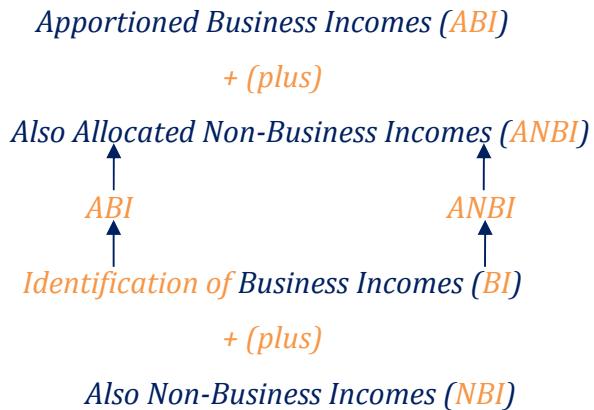
100. USA's **judgements** in *South Dakota v. Wayfair* in Supreme court

- (i) (a) USA's supreme court has **pronounced** on June 21, 2018 that states are **permitted for** imposing **sales tax** + also **use tax** (both)
+ (plus)
(b) **Also permitted for collection** + remittance (both) **responsibilities** are to be levied **on remote sellers** based on their economic **presence in state**.
(c) Wayfair's decision has **changed definition of nexus** between sales tax + use tax and state therefore it's **affected most** of USA's most of **taxpayers** + also **industries** (all)
(d) USA's **most** states have **provided new laws** + also **guidance** (both) in accordance with **Wayfair** decision held in early **2019** in anticipation that Wayfair's **decision to effect** between states incomes and franchise tax **nexus**.
- (ii) 100% inbound (domestic) **businesses** are close **observant for** final **effect** of Wayfair's decision.
- (iii) Wayfair's decision is **effecting** USA's **domestic entities** + **foreign entities** **for** new **collections** + remittances + also **reporting requirements** (all).

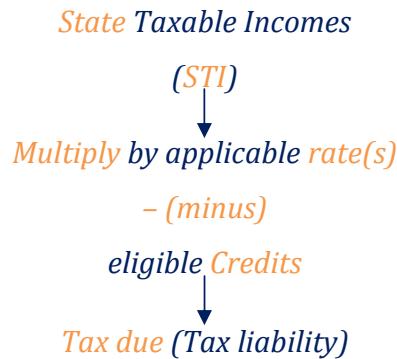
101. USA's chart for **Federal Taxable Incomes (FTI)**



102. USA's chart for **Apportioned Business Incomes (ABI)**



103. USA's chart for **Tax Due (liability)**



(F) USA's Role for Indian entities for doing business

104. USA's businesses by Indians

- (i) Indian business entities are already aggressively set up their subsidiary or planning to set up subsidiary in USA.
- (ii) Indian business entities are aggressively setting up their subsidiaries because USA is world's largest economy + having friendly business environment + international recognizable credentials + also many more associated benefits (all).
- (iii) Indian business entities initially entering into businesses with their USA's subsidiaries.
- (iv) Indian business entities gradually entering into business with non subsidiaries entities in USA + also outside USA (both).
- (v) Indian business entities are required to obey proper regulatory compliances like Transfer Pricing (TP) regulations + also Arm Length Price (ALP) principles (both).

105. USA's businesses by Indian Associated Enterprises (AEs)

- 2 enterprises are to be treated AE when certain conditions as specified under section 92A of ITA, 1961 are satisfied like:
 - (i) When 1st enterprise is participating directly or indirectly or through 1 or more than 1 intermediaries for its management or control or capital (any) of 2nd enterprise.
 - (ii) When 1st enterprise + also 2nd enterprise (both) are being managed by same person(s) through participating directly or indirectly or through 1 or more than 1 intermediaries for its management or control or capital (any).
 - (iii) When 1st enterprise is holding minimum 25% voting powers of 2nd enterprise through directly or indirectly (any)
 - (iv) (a) When minimum 26% voting powers of 1st enterprise + also 2nd enterprise (both) are held by same person
 - + (plus)



(b) Also given *loan from 1st enterprise to 2nd enterprise* for minimum 51% of book value *of total assets* (both)

(v) When *guarantee given against loans from 1st enterprise to lender of 2nd enterprise* for minimum 10% of total borrowings.

(vi) When minimum 50% Board of Directors (BoDs) or members of governing board or 1 or more than 1 Executive Directors (ED) or Executive members of governing body are appointed by 1st enterprise for 2nd enterprise.

(vii) When minimum 50% Board of Directors (BoDs) or members of governing board or 1 or more than 1 Executive Directors (ED) or Executive members of governing body are appointed by same person(s).

(viii) When 100% manufacturing or processing of goods or articles or business as carried by 1st enterprise who is 100% dependent on use of know-how or patents or copyrights or trade-marks or licenses or franchises or any other business or commercial rights of similar nature or data or documentation or drawing or specification relating to patent or invention or model or design or secret formula or process (any) is 100% owned by 2nd enterprise.

(ix) (a) When minimum 90% of raw materials + also consumables as required for manufacturing or processing of goods or articles as carried by 1st enterprise are being supplied by 2nd enterprise or by persons specified by 2nd enterprise (any)
+ (plus)

(b) Also prices + other conditions (both) for supply of 1st enterprise are influenced by 2nd enterprise.

(x) (a) When goods or articles as manufactured or processed by 1st enterprise are being sold to 2nd enterprise or to persons as specified by 2nd enterprise
+ (plus)

(b) Also prices + other conditions (both) for supply of 1st enterprise are influenced by 2nd enterprise.

(xi) When 1st enterprise + also 2nd enterprise (both) are controlled by individual or his relative or jointly by individual + his relative (any)



- (xii) When 1st enterprise + also 2nd enterprise (both) are controlled by Hindu Undivided Family (HUF) or his relative or jointly by HUF + his relative (any)
- (xiii) When 1st enterprise is firm or Association of Persons (AoPs) or Body of Individuals (BoI) is holding minimum 10% in 2nd enterprise like firm or AoPs or BoI (any)
- (xiv) When 1st enterprise + also 2nd enterprise (both) have relationship for mutual interest as may be specified by India's govt.

106. India's Associated Enterprises (AEs) test

- (i) Enterprise is permitted to determine whether AE is existed or not existed + (plus)
- (ii) Also transactions are incurred during financial year thereafter to comply provisions as applicable under ITA, 1961.

107. India's statutory compliances

- (i) Obtaining Statutory audit report under Companies Act (CA), 2013
- (ii) Obtaining Tax audit report under Income Tax Act (ITA), 1961
- (iii) Obtaining Transfer Pricing (TP) study report + also audit (both) under ITA, 1961
- (iv) Filling transaction report to Income Tax Department (ITD) in form 3CEAA
- (v) Filling Income Tax Return (ITR) under ITA, 1961
- (vi) Filling Annual Performance Report (APR) under RBI Act, 1934
- (vii) Filling Quarterly TDS returns in Form 24Q + 26Q + 27Q + also etc. (all)
- (viii) Fulfilling legal compliances under GST + PF + ESI + PT + also etc. (all)
- (ix) Fulfilling legal compliances under CA, 2013 in AOC4 + MGT7 + MSME + DPT3 + also etc. (all).

108. India's Overseas Direct Investments (ODIs) regulations

- (i) Indian Entity (IE) is not permitted to invest outside India under RBI circular RBI/2022-2023/110 A.P. {DIR Series} Circular No.12.

(ii) *IE (generally) not making transaction for promoter's capital contribution (subscription) for C-Corporation or LLCs therefore treated no capital contribution by promoter under FEMA, 1999 Regulation.*

(iii) (a) *USA's registered agents are permitted to show for initial investment as cash contribution in incorporation documents like Operating Agreements + Articles of Organization + also etc. (all)*
But

(b) *RBI is not allowing for initial investment as cash contribution therefore these are treated as invalid + also violation of FEMA, 1999 Regulation (both)*

(c) *IE is mandatory required to remit initial investment through India's Authorized Dealer (AD) banks.*



(G) USA's special authorized activities for doing business

109. USA's Duty Free Zones (DFZs)

- (i) USA's DFZs are known as *designated sites licensed by FTZ Board* where special customs procedures are to be used *similar to* Special Economic Zones (SEZs) in India.
- (ii) FTZ board is empowered to design procedures for permitting goods from outside USA for warehousing or altering similar to area as notified outside USA's Customs territory.
- (iii) (a) Goods stored in FTZs are *enjoying duty-free status till* these are *entered in* USA's Customs territory
 - + (plus)
- (b) Also goods stored in FTZs are *enjoying duty free status till* these are *transferred* from 1st FTZ to 2nd FTZ.

- USA's custom duty is to *be paid when* goods are ultimately *imported into* USA's Customs territory

110. USA's Maquiladoras programmes

- (i) USA has *permitted duty free in-bound manufacturing* for more than 3000 companies for operating *under* special provisions of Mexican law when goods are re-exported to USA *after processing* or assembling (any) in Mexico
- (ii) USA's maquiladora program is *permitting for components to be imported from USA for processing* or assembling (any) in Mexico thereafter *to be re-exported to USA*.
- (iii) Mexican law is *permitting imports from USA for processing* or assembling (any) in Mexico under maquiladora program.
- (iv) USA is *collecting import (custom) duties on value added (only)* in Mexico.
- (v) Mexico's *most* of maquiladora facilities are *located on USA-Mexico border* though plants installed in *central + also southern Mexico (both)*.
- (vi) (a) Many Caribbean + also Central American countries (both) *have also implemented maquiladora program for accessing USA's market*



+ (plus)

(b) Also in non-USA market where manufacturers are desiring lower cost of production + for accessing USA's market (both).

111. USA's Exports

- (i) USA's most items are permitted for exports without export licenses or regulations (any)
- (ii) USA's few strategic items are not permitted for exports without export licenses or regulations (any)
- (iii) USA's exporters are required to research in advance to determine for restrictions are applicable (if any) when export licenses or regulations are required like:
 - (a) USA's business formation structure for export is easy
+ (plus)
 - (b) Also USA's business for export is permitted without citizenship or residency of owner (any)
- (v) USA's most states (jurisdictions) are permitting several legal entities for export
- (vi) USA's most export businesses are being operated through corporation (company) structure by USA's residents + also by non-residents (both)
- (vii) USA's exporters are required to have consultation from experienced international tax specialist for long-term global tax savings.
- (viii) USA is permitting fast process for registering business entities even within 1 day.
- (ix) USA's attorney be used for registration function + also to advise on other legal requirements (both)

112. USA's Acquiring business

- (i) USA is permitting for buying existing running business through purchase of assets or purchase of ownership interests in entity (any).
But
- (ii) USA's tax consequences are to be critically examined before acquiring existing running business.

113. USA's **private placement**

- (i) USA is permitting **buying for** minimum 5% of **publicly traded securities**
Or
- (ii) **Securities of corporations having minimum 500 shareholders are required to file information's with Securities and Exchange Commission (SEC).**
+ (plus)
- (iii) **Also filing** be containing certain **information's like source of funds + purpose for placement + future plans + present beneficial interest + also shares acquired within last 60 days (all).**

- **Public placement (buying) is permitted with additional information's.**

114. USA's **public placement**

- (i) USA is permitting **buying for** minimum 10% of **publicly traded corporation's securities with filing of information's with SEC.**
- (ii) USA's **disclosures can't be avoided through 3rd party purchases.**
- (iii) USA's **some states are required certain information's for filing against tender offers** as directed toward firms those have **substantial assets within their holdings.**
- (iv) USA's **filing for preparing public stock offering is required substantial time + expenses** to raise capital therefore required **assistance from key personnel similar to Key Managerial Personal (KMP) + also outside professionals (all).**
- (v) USA's **filing registrations are required 100% + detailed disclosures + also financial information's (all) to meet SEC's requirements.**



(H) USA's **Visa for foreign employees + other foreigners**

115. USA's **Foreign employees**

- (i) USA is *not restricting* on numbers for foreign employees working in corporations when employees have *satisfied* federal *entry* + also work *permit* (both) *requirements*.
- (ii) (a) USA is *imposing* substantial *penalties* on employers *for* employment *without* proper *documents*
+ (plus)
(b) Also USA's 100% *employers* are *responsible* to *check* *documents* (both).

116. USA's **Visa for foreign employees**

- (i) USA's 100% *details* for *federal entry requirements* for various types of activities are *available* *with* USA's *consulates* *across the world* + also *with* USA *Citizenship and Immigration Services (USCIS)*.
- (ii) USA's *foreign employees* are required *to get approval from USA department of labor* for verifying shortage of able workers in each job category.
- (iii) USA's *foreign employees* are required to *take guidance's from US immigration law specializing lawyers for working* + also *earning wages in USA* (both).

117. USA's **business visitor Visa (B-1)**

- USA is *permitting* for 1 year temporary business visitor visa (B-1) *for entry by foreign investors* for certain activities (*only*) like:
 - (i) For *surveying business opportunities in USA*
 - (ii) (a) For attending meetings + also *consultations* (both) with business associates *in USA*
But
(b) Not permitted for *earning incomes* + also *generating employments* (both) *in USA*.
 - (iii) USA is permitting 6 months extension therefore *maximum* permitting for 18 (12+6) months under temporary business visitor visa (B-1).

118. USA's *trade visa (E-1)*

- (i) USA is permitting 1 year trade visa (E-1) for individuals those are involved in substantial trades or investments
- (ii) USA's trade visa (E-1) holder is required to work as executive or holding managerial position or possessing specialized knowledge (any) as essential to his USA's position.
- (iii) USA is permitting 1 year extension for trade visa (E-1) therefore maximum permitting for 2 (1+1) years under trade visa category.

119. USA's *treaty investor visa (E-2)*

- (i) USA is permitting 1 year treaty investor visa (E-2) for citizens of countries having treaties for commerce + also navigation (both) with USA.
- (ii) USA's treaty investor category visa (E-2) holder is required to work as executive or holding managerial position or possessing specialized knowledge (any) as essential to his USA's position.
- (iii) USA is permitting 1 year extension for treaty investor visa (E-2) therefore maximum permitting for 2 (1+1) years under treaty investor category.

120. USA's *Intra-company transfers visa (L-1)*

- (i) USA is permitting 3 years Intra company transfers visa (L-1) for executives + managers + also specialists (all) those already employed for minimum 1 year + (plus)
- (ii) Also abovementioned employee's services are required for USA's subsidiary or affiliate of foreign corporation.
- (iii) USA is permitting extension based on demonstration for need

121. USA's *visa for scholars + professionals (H-1)*

- USA is permitting H-1 visa for scholars + also professionals (both) those are desiring entry for performing specialized services.

122. USA's *visa for individuals' jobs (H-2)*

- USA is permitting H-2 visa for individuals to perform temporary + also seasonal (both) jobs.



123. USA's visa for individuals' training (H-3)

- USA is permitting H-3 visa for individuals' to visit temporarily to receive training.

124. USA's Immigrant visa

- USA is permitting immigrant visa for permanent residence for foreigners based on system of preference within annual quota limitations.
- USA is permitting immigrant visa for permanent residence for foreigners based on relationships with USA's citizens or green card holders or profession or occupation (any) + also relationship with USA's employers (both).

125. USA's References + links

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- U.S. Census Bureau. (n.d.). American Fact Finder*
https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml
- Bureau of Labor Statistics-Labor Force Statistics from the Current Population Survey*
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- Central Intelligence Agency-The World Fact Book-United States*
<https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>
- U.S. Census Bureau. Foreign Trade-Top Trading Partners*
<https://www.census.gov/foreign-trade/statistics/highlights/top/top1904yr.html>
- Office of the United States Trade Representative-Generalized System of Preferences (GSP)*
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- Cañas, Jesus, Roberto A. Coronado, Robert W. Gilmer, and Eduardo Saucedo-The Impact of the Maquiladora Industry on U.S. Border Cities-Federal Reserve Bank of Dallas*
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(ix) *United States Department of Labor*-Wages
<http://www.dol.gov/dol/topic/wages/minimumwage.htm>

(x) *Bureau of Labor Statistics*-Union Members—2018
<http://www.bls.gov/news.release/union2.toc.htm>

(xi) *United States Department of Labor*-Wages
<http://www.dol.gov/dol/topic/wages/minimumwage.htm>

(xii) *Bureau of Labor Statistics*-Union Members—2018
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(xiii) *Social Security Administration*-Retirement Planner: Benefits by Year of Birth
<http://www.ssa.gov/retire2/agereduction.htm>

(xiv) *Central Intelligence Agency*-The World Fact Book – United States
<https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>

(xv) *National Center for Education Statistics*-Fast Facts
<https://nces.ed.gov/fastfacts/#>



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