

What to Ask a Local Expert – Registration and Business Structure

The following list can help guide initial discussions with local experts. Generally, these discussions should include a representative from the Office of General Counsel (discussions with overseas attorneys), Controller’s Office (discussions with tax accountants), and Human Resources (discussions with HR consultants).

PI Name:

RASCAL #:

Date of Form:

Proposal Due Date:

Questions	Res.	Comments
Local Business Structure/Registration		
Will the planned activities trigger the need to register with governmental authorities in the country and region? (For example, hiring employees who are citizens of the country, opening a local bank account, renting space, all typically trigger registration requirements)	OGC	
Can the planned overseas activities be conducted through an entity already existing and licensed in that country? (For example, can we enter into a collaboration or services agreement with a local university under which that entity would hire any employees, rent and provide space, etc.? This might avoid the need to form a new entity, registered in that country)	OGC	
If a new entity is required, what types of legal structures are available to support the planned operations:	OGC	/ / / / /
Branch office of a U.S. corporation? Branch of NY Limited Liability Corporation (LLC)? Branch of U.S. Non-profit Corporation?		
New organization formed in the country? Limited Liability Corporation (LLC) formed in country? Non-profit Corporation formed in country?		
Representative office of U.S. entity?		
Trust, association or foundation?		
Non-governmental organization? Mandatory or optional to file as NGO?		
Other?		
For each type of entity:	OGC	/ / / / /
What level of oversight from governmental agencies?		
Any restrictions on the entity’s ability to lease space, open bank accounts, hire employees, enter into contracts?		
Potential liability limited to assets of organizations? Can extend to shareholders/founders?		
What is the general perception of foreign entities doing business in country – hostile or welcoming attitude by governmental entities?	OGC	/ / / / /
Particularly important question if planning to file as an NGO.		

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Governance. For each type of entity:	OGC	
Shareholders or members – minimum number? Can be corporate entities? Can be U.S. entities? Can be Columbia or a wholly-owned subsidiary of Columbia? Any requirement for shareholders from the local country?		
Board of directors – minimum number? Can be U.S. individuals? Any requirement for members from the local country?		
Officers – minimum number? Can be U.S. individuals? Any requirement for members from the local country?		
Any other governance structure needed? Any minimum role/individual that must be held by a local national only?		
Capitalization requirements	OGC	
Minimums?		
Maximums?		
Ability to use the capital for routine operational expenses		
Licenses/permissions required?	OGC	
E.g., any special licenses needed from Ministry of Education for planned activities? From Ministry of Health?		
Once operational, need governmental permission or registration before hiring employees? Engaging in normal day-to-day operations?		
Restrictions on moving money in and out of country	OGC	
Can Columbia fund the entity's routine operational expenses by simple wire transfer or are governmental/central banking permissions needed? <ul style="list-style-type: none"> • If permissions needed, how obtained? Annually? Timing, cost, expected issues • Depends on corporate structure of entity? 		
Can Columbia move money out of the country – e.g., if a grant accepted by the entity, can it pay for services provided by Columbia? <ul style="list-style-type: none"> • Can the entity accept donations in the country to fund activities in New York? 		
Formation steps. For each type of entity under consideration:	OGC	
Steps Once entity is formed and registered with central governmental authority, are additional filings required with other governmental agencies/Ministries? Necessary for authority to operate?		
Timing		

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Questions	Res.	Comments
Cost		
What resources required other than law firm? Additional lawyers from different locations within the country? Accountant? Local agent?		
At what point can the entity begin operations (hire employees, rent space, open bank account)	OGC	
Is it possible to get provisional or interim authority to operate?		
Post-formation:	OGC	
Generally, expected burden of ongoing filings, registrations, gov't oversight		
Business Scope		
What is the permitted scope of activities for each type of entity?	OGC	
Can the entity accept research funding under grants and contracts? Either directly or as a subcontractor to Columbia.		
Can the entity provide services?		
Would licenses be required to engage in research activities? Limited teaching/training activities, such as executive training that does not lead to a Columbia degree?	OGC	
Other Operational Issues		
Problems that U.S. or other foreign entities have encountered?	OGC	
Safety and security of personnel, students	OGC	
Corruption/demands for bribes. An issue?	OGC	
Wind-down and Exit		
Ability of entity to cease operations and dissolve presence	OGC	
Hidden Costs		
Unusual costs of doing business?		
Inflation		
Currency conversion fluctuations		
Other U.S. universities or non-profits in country?		
Names and contact information		