





California

FOREIGN DIRECT INVESTMENT

TECH GUIDE

2023



California sunset

Introduction

Do You Want to Locate Your Tech-Based Business in California?

If you are looking to expand or move your technology-based business to California, this foreign direct investment (FDI) Tech Guide will help you navigate the business environment by providing key resources to answer some of the most pressing questions businesses must consider when locating in California.

As the fifth largest economy in the world, California is known for its culture of supporting new and emerging businesses – especially, those that create or embrace new technologies to advance innovation. We champion the value of diversity and welcome foreign entrepreneurs to our state, which is why we developed this guide to help you with key information and resources to plan your entry into the California market. Some key items you should review are:

- FDI Checklist – things to consider before, during, and after locating your business in California
- Economic Development Organizations – information on local contacts that help businesses move to and thrive in California
- Golden Rules for FDI – case studies on successful foreign businesses that have located in California and how they did it

The California Association for Local Economic Development (CALED) is pleased to bring you these valuable resources. The guide is made possible through the support of the U.S. Commercial Service, including sharing expertise from senior staff as well as writing contributions from the following interns provided through Virtual Student Federal Service program; Julia Braeuner, Indiana University Bloomington; Nailah Pierce, University of Massachusetts Amherst; and, Grace Thomas, The University of Texas at Austin.

Additionally, we are grateful to all the professionals that shared their knowledge to create a tool that foreign tech-based businesses can use to strategically plan their entry into our state. We hope this guide helps your business grow here and helps you fulfill your California Dream.

ABOUT CALED

The California Association for Local Economic Development is California's premier economic development association. With more than 800 members, it is one of the largest economic development associations in the country, which is why we refer to our membership as California's Economic Development Network. Since 1980, when it was created, CALED has led the way in supporting economic developers in California as they work hard to help businesses grow, locate, and thrive in our state.

The information provided in this Tech Guide does not, and is not intended to, constitute legal advice; instead, all information, content, and materials set forth herein are for general informational purposes only. *See page 98 for more information.*

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Download the FDI Tech Guide here:

California FDI Tech Guide

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Please note: tax codes and regulations are subject to change. CALED recommends checking for the latest updates to ensure up-to-date information.



FDI Checklist

Here is a quick summary of some of the items featured in this guide that you may want to put on your checklist to do before arrival, upon arrival, and sometime after arrival in California.

BEFORE ARRIVAL IN CALIFORNIA:

- ☐ Initiate conversations with EDOs, CALED, and U.S. Commercial Service *(see EDOs and U.S. Commercial Service)*
- ☐ Research tax credits, incentives, grants, and tariff issues *(see Taxes & Insurance and Registration Rules & Incentives)*
- ☐ Research business entity types *(see Business Entity Types)*
- ☐ Work with the U.S. consulate to apply for visa *(see Visa Matters)*
- ☐ Research location for establishing business *(see Commercial Real Estate)*
- ☐ Consider available incubator/ accelerator programs *(see Incubators & Accelerators and Commercial Real Estate)*
- ☐ Consider financing needs, including venture capital *(see Venture Capital)*
- ☐ Begin process to identify a law firm, accounting support, and identifying your IP protection plan

UPON ARRIVAL IN CALIFORNIA:

- ☐ Incorporate and register the firm *(see section on Registration Rules & Incentives)*
- ☐ Apply for Federal Employer Identification Number (FEIN) and state tax ID for tax registration *(see Taxes & Insurance)*
- ☐ Set up personal and business bank account *(see Bank Accounts & Credit)*
- ☐ Make contact with your local consulate *(see Consulates)*

AFTER ARRIVAL IN CALIFORNIA:

- ☐ If applicable, flip subsidy model to have U.S. business the top company *(see Business Entity Types)*
- ☐ Obtain insurance *(see Taxes & Insurance)*
- ☐ Select an accounting provider and patent attorney *(see Taxes & Insurance, Bank Accounts & Credit, and Intellectual Property)*
- ☐ Begin process to obtain a credit score *(see Bank Accounts & Credit)*
- ☐ File to protect your IP *(see Intellectual Property)*
- ☐ Hiring and HR considerations *(see Hiring Practices)*
- ☐ Consider training needs for executives *(see Executive Education)*

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Economic Development Organizations (EDOs)

Once foreign direct investors have made the decision to enter the U.S. market, economic development organizations (EDOs) offer a good starting place to provide the firm with information and counseling on local markets. Whether firms are still considering a variety of markets or have narrowed in their focus on a particular locality, working with EDOs will give firms an insider point of view on which market suits them best. Beyond attracting investment, EDOs typically also work to maintain relationships with the firms in their respective location to ensure long term success and economic growth. Below we have compiled insights from EDO professionals to provide their expert insight on how foreign investors can fully leverage the work of EDOs to their advantage. It is also important to note that these organizations represent various components of the EDO network, from Humboldt County Economic Development providing the perspective of a local EDO to CALED's broader point of view as a professional association of EDOs. These varying perspectives help to give dimension to the topic of EDOs with the intent of providing foreign investors with an array of accurate and relevant opinions.

Connect with California's Economic Developers

Economic development professionals are essential to building strong local economies, revitalizing communities, and maintaining the fiscal health of our city and county governments. The professionals listed in this directory work throughout California to create places where private investment can abound, businesses can thrive, and residents can enjoy a high quality of life. We encourage you to use this directory to help find contacts in areas of California where you may want to locate your business.

View the 2022 CALED Member Directory



Catalina Island, California

California Association for Local Economic Development (CALED)

https://caled.org/

Gurbax Sahota is President & CEO of the California Association for Local Economic Development (CALED) - a professional association connecting and assisting economic development organizations in their efforts to serve their communities and business clients.



Can you provide us with an overview of CALED and its ability to assist foreign investors?

CALED's primary purpose is its role as a professional association for economic development practitioners and organizations. Its connections span across the state of California with more than 800 members, mainly city, county, and nonprofit economic development organizations (EDOs). In terms of how we can assist foreign investors, we provide group trainings, resources, and connecting businesses with EDOs. With California being such a large state, we see that investors often do not know where to find the "front door" per se which we can assist with. Though we are not an investment attraction agency ourselves, we can play the role of forging connections between EDOs and firms. Our membership directory contains a comprehensive list of EDOs by region as well as service providers and government agencies that can be of assistance to foreign investors.

How can firms best prepare themselves before initiating a relationship with their local EDO?

It depends on what stage of the process the firm is in. Businesses who are unsure of what area they would like to be in and interested in exploring options across the state should begin by contacting us (CALED) or the California Governor's Office for Economic Development (GO-Biz). On the other hand, businesses that have a good idea of what area they would like to be in should directly contact local EDOs within their desired locality. At this stage, many EDOs will provide a checklist of considerations that should be considered before initiating a relationship with the organization. It is also important for firms to have done some independent market research on potential regions. Firms can find market analysis data from regional organizations – often referred to as economic development corporations (EDCs) – or EDOs themselves and if they are looking to sell statewide or nationally, they should contact GO-Biz or the U.S. Department of Commerce's SelectUSA office for resources.

What types of benefits o firms glean from engaging with CALED/local EDOs that they would likely not find elsewhere or through independent research?

By engaging with CALED, firms will be connected with organizations best suited to assist their individual needs. At the local level, firms will benefit from economic developers' deep commitment to economic growth in their respective region which translates to their high engagement with prospective local firms. They can provide investors with insightful business information and future-focused economic data as well as addressing personal concerns such as finding a home and relocation tips. Essentially, these professionals and organizations are advocates for the investor and are dedicated to the investor's success.

What advice would you give a foreign investor upon considering a location? What characteristics should they compare between different locations?

It is important to have an open mind in terms of location. Many investors come to us with the notion that they should enter larger metro areas like the San Francisco, Silicon Valley, or San Diego market without considering other potentially more suitable areas. Investors should assess the region holistically before deciding upon the location that best fits their business.

What potential challenges could a foreign investor encounter in California? What would help them navigate such challenges?

1. Firms may not have a strong understanding of the robust business ecosystem here in California and how to leverage the ecosystem for support.

For example, in terms of workforce there are various resources such as boards, training programs, and community colleges that can assist firms in finding the right employees.

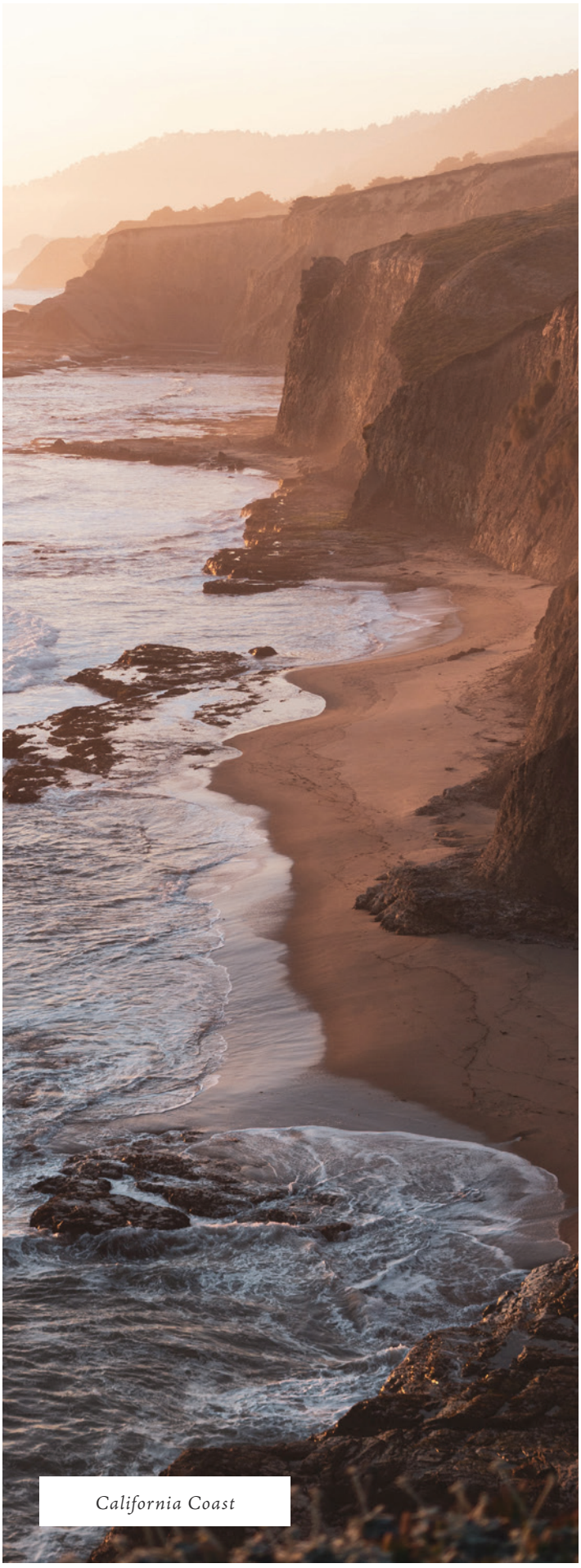
Employment law is another area that firms may face challenges with but referencing sources like the California Chamber of Commerce is beneficial. Generally, a challenge that many firms face is not understanding the business environment and the connections that exist between players in this system.

2. Navigating financing

Many firms flock to the venture capital (VC) funding possibilities in California while neglecting to consider alternative financing. Typically depending on the firm's mission and/or industry, firms can seek out resources such as alternative lenders or mission-based funding. For example, some local revolving loan funds can assist with business loans that banks may not be able to.

3. Identifying industry clusters

Firms sometimes underestimate or do not account for industry clusters and the importance of being near those who are also operating in their respective industry. This is a consideration that EDOs are typically equipped to assist with.

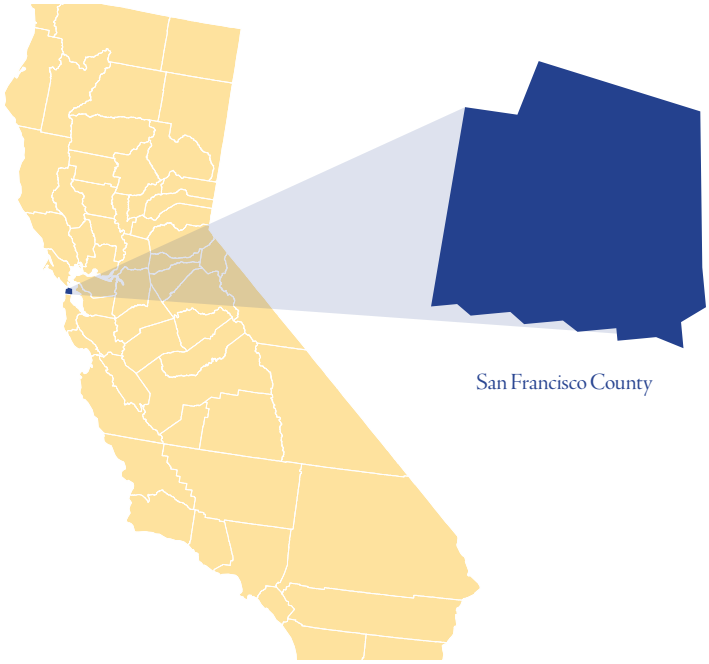


California Coast

GlobalSF

https://www.globalsf.biz/

Darlene Chiu is the Executive Director of GlobalSF a non-profit organization working with global partners to support San Francisco's economic development through attracting foreign direct investment.





Before we speak specifically about GlobalSF, could you share with us your thoughts about the outlook for the Bay Area's tech ecosystem?

I feel optimistic about the post-pandemic economy in the Bay Area for several reasons. The Bay Area has a highly diversified economy with multiple industries represented which will serve us well as we enter the post-pandemic world. We continue to see many high-value startups and unicorns in the area. There are numerous reasons for this, including the established network of research universities, the spirit of innovation and general reputation of the area as a tech hub, and, of course, the cities throughout the region are heavily investing in enabling a greater Bay Area smart region. The Bay Area has a well-established transportation system and is conducive to employees commuting into the city from their less pricy neighborhoods. I imagine that the high value companies remaining in the Bay Area will be accompanied by an influx of other quality companies moving into the area.

Can you briefly summarize the services GlobalSF offers to foreign companies that are establishing in the Bay Area?

Global SF is a business matchmaker helping international companies to establish themselves in San Francisco through an all-encompassing, tailored approach. We meet directly with clients to assess their needs and provide our expertise and wide-ranging network to assist them. Some areas we can be of assistance with include understanding the permitting process, identifying potential partners, import and export processes, finding an optimal location, and providing references to local professionals for more specific concerns. Our goal in providing these services is to ensure that those who come to San Francisco are able to find long-term business success here.

Given a huge draw of the Bay Area is the VC environment, what advice would you give to a start-up for how to best position themselves for a VC pitch?

First, I think there is a misconception that all startups will receive funding in the Bay Area. Unfortunately, this is not the case, but firms can better position themselves by developing a strong understanding of the process and how to best position themselves. In regard to the slide deck, startups should adopt a "shorter the better" ideology – VC firms would prefer a brief 2-3 slide presentation as opposed to a lengthy 14 pager. Within this presentation, it is important that firms have a strong idea of what they want to accomplish and who they are as a company. Further, in terms of the presentation style it is critical that the presenter is able to clearly speak and articulate in English. The presenter can be anyone within the company, so when deciding upon the VC pitch presenter, be sure to choose someone who is a strong communicator and knowledgeable about the company. As with any presentation, firms should ensure that they are catering the delivery to the audience which can be achieved by conducting research on the VC firm ahead of time.

What are some common misconceptions or mistakes that you have seen startups make when setting up in San Francisco?

A common misconception among firms is thinking that they have to locate all components of their business and live directly in San Francisco. Given the high costs of living within the city, many people live in the periphery of San Francisco where the cost of living is significantly less expensive. In terms of

office locations, firms may consider having their administrative offices outside of the Bay Area but should prioritize having an innovation or R&D center in the Bay Area. The tech innovation hub of the Bay Area is a major draw of the area, so it is important to be engulfed by it. Whether a firm opts for an independent office or a co-working space, being in the Bay Area provides a conducive environment for mingling with other innovators and building a network.

You recently launched the Global Innovation Program in partnership with the University of California Berkeley Skydeck to provide accelerator services for startups. Can you tell us more about this program and how it can benefit a foreign startup?

The Global Innovation Program is similar to other major accelerators; however, it provides the added benefit of access to UC Berkeley's lab resources and professors. Though the selection process is generally very competitive for local companies, foreign companies can bypass the competitive angle. Another important component of this program is its ability to prime startups with a strong understanding of the VC process and capacity to connect startups to VC firms. Firms can also apply for funding directly through the Skydeck Fund.

I understand Global SF is an affiliate of the nationwide network of Small Business Development Centers (SBDCs). Can you tell us about the SBDC services you provide and how that can help a foreigner who owns a small business in California?

Through this Small Business Administration (SBA) program, we can provide no cost advisory services to firms looking to land in Northern California. These services typically span the topics of aiding firms in building connections such as finding partners and professional services as well as more generally advising on how to open shop. This program is open to both U.S. firms and foreign firms alike; so long as the foreign company has an U.S. address, the SBDC can assist them.

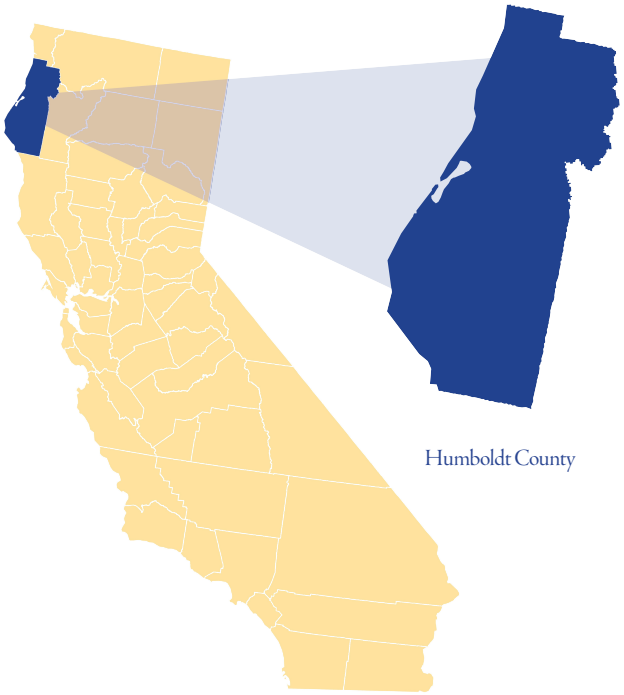


San Francisco's Golden Gate Bridge

Humboldt County Economic Development

https://www.gohumco.com/

Scott Adair is the Director of Economic Development for the County of Humboldt CAO's Office of Economic Development which serves as the County's resource center for economic, business, and workforce development.





For those who may not be familiar with Humboldt County, can you provide an overview? And, could you tell us a bit about your role in Economic Development for Humboldt County?

Humboldt County is on the north coast of California, about 200 miles (four hours) north of San Francisco and 50 miles from the Oregon border. The county seat is the City of Eureka on Humboldt Bay, around which most of the county's small population resides. Humboldt is best known for its magnificent coastal redwoods, the tallest trees in the world, and two of its major attractions are Redwood National & State Parks and Humboldt Redwoods State Park along the Avenue of the Giants. But the county also includes dozens of other parks, forests, beaches and preserves, making it a paradise for every kind of outdoor recreation. Many small towns including Eureka, Victorian Ferndale and coastal Trinidad offer the visitor fine dining, accommodations, arts and entertainment.

Today, Humboldt's leading industry sectors are tourism, agriculture and education; however, renewable energy, through a series of offshore wind leases issued in 2023, is a major industry for the near future. In addition, the Echo Subsea Cable project, the endpoint of which will land in Humboldt, signifies a new chapter for development in the information technology sector for the region in the coming decades.

Humboldt County is the homeland of the Wiyot, Yurok, Hupa, Karuk and Tolowa tribes. How does the County coordinate with tribal governments today?

Federally-recognized tribes in the United States are sovereign nations. While tribal sovereignty is limited today by the United States under treaties, acts of Congress, Executive Orders, federal administrative agreements and court decisions, what remains is nevertheless protected and maintained by the federally-recognized tribes against further encroachment by other sovereigns, such as the states. Tribal sovereignty ensures that any decisions about the tribes with regard to their property and citizens are made with their participation and consent. We have seven tribes in Humboldt County and we work really hard to coordinate with each tribal government to maximize coordination for economic development within the county. The tribes in Humboldt County are a critically important part of this region's history, economy and culture, and play an important and unique role in California (source: https://www.bia.gov/frequently-asked-questions).

What is unique about doing business in Humboldt and in rural California, and what are some of the economic plans ahead?

While Humboldt County is situated in the far northern reaches of the Golden State, its rural location offers a truly "small town" feel which is highly personal and extremely collaborative. The ruggedness and resourcefulness of the region is a draw for visitors and residents alike.

Currently, the Humboldt County Economic Development agency is in the process of completing a 5-year plan, which will include a number of major investments which will accelerate economic development in the county.

CalPoly Humboldt - In 2022, the California State University (CSU) Board of Trustees approved a new designation and name for Humboldt State University—California State Polytechnic University, Humboldt. This will bring new curricula and facilities, increased hands-on student research opportunities, as well as enrollment growth.

Project SOAR - is a partnership between several organizations in the county to undertake major investments in the Humboldt County Airport (ACV). Under Project SOAR, the GoHumCo team assists with Airport Marketing, Branding and Promoting, Commercial Lease Assistance, and Commercial Development Assistance. The airport was built during WWII and has been retrofitted over the years to commercial/industrial use. This work is ongoing.

The Film Commission - The Humboldt-Del Norte Film Commission is here to help with their production needs and their services are provided free of charge. Humboldt County strongly supports the film industry and is the official advocate for filming in Humboldt and Del Norte, California. Current projects under development include making significant investments in its sound stage.

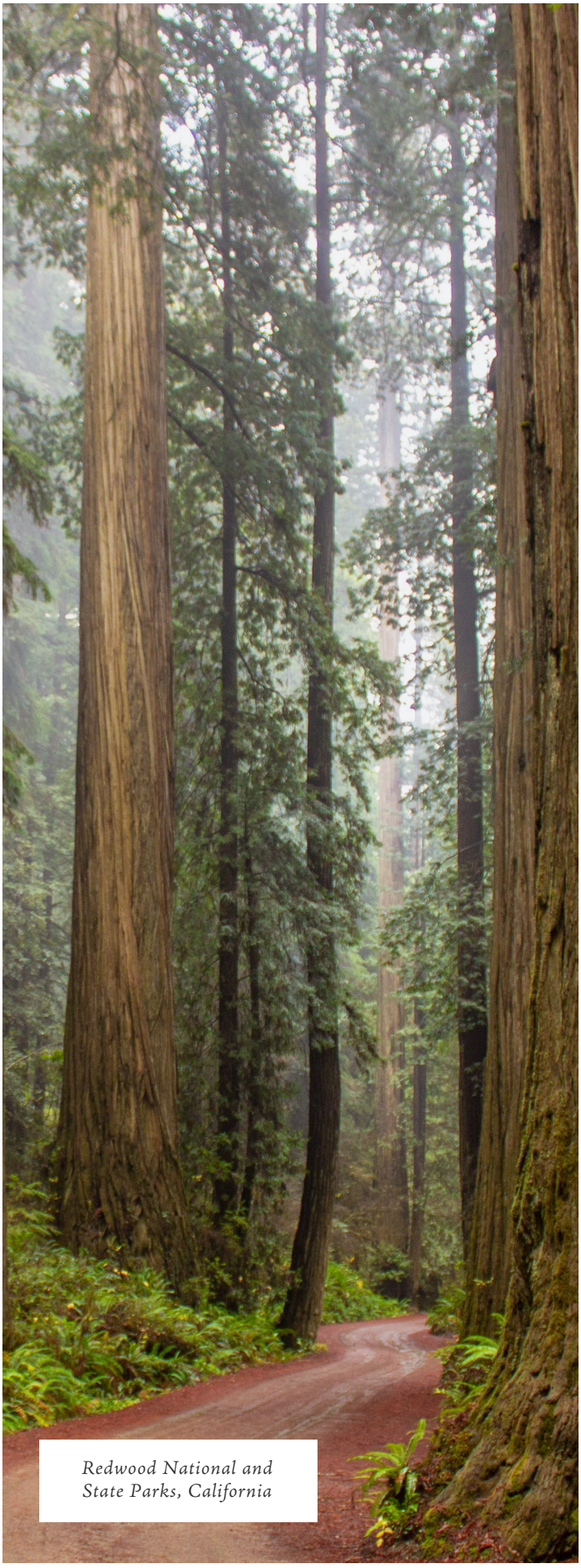
Headwaters Fund - the Headwaters Fund is a source of seed funding for a variety of projects that will benefit residents of Humboldt County. Its purpose is to create economic opportunities for all the people of Humboldt County.

Power CA Event - in May 2023, Humboldt County will host a spin-off program following the Commerce Department's 2023 SelectUSA Summit. This unique program will allow business visitors to experience Humboldt County, hear from industry experts, federal & State agencies, and local leaders on the opportunities related to offshore wind, aquaculture, and marine and environmental technologies. Attendees will engage with our community and to learn about workforce and supply chain issues for these and other projects which are developing along our beautiful coastline. The event will take place at the historic Scotia Lodge at the entrance to the Avenue of the Giants in Redwood State Park.

The cost of doing business in Humboldt County versus more traditional places for FDI in California are generally far more competitive. This is especially the case with commercial real estate, labor costs and the overall cost of living. Humboldt County saw a large uptick in inbound migration from tech professionals during the pandemic and recent climate events, especially to rural and remote areas. We at Humboldt County Economic Development welcome foreign investors to our county. We offer business services to help investors to engage here, and these are listed on our website at: gohumco.com.

Sources:

- https://www.humboldthistory.org/a-brief-history
- https://www.gohumco.com/
- https://www.visitredwoods.com/plan/about-humboldt-county/
- https://now.humboldt.edu/news/calpolyhumboldt
- https://www.bia.gov/frequently-asked-questions

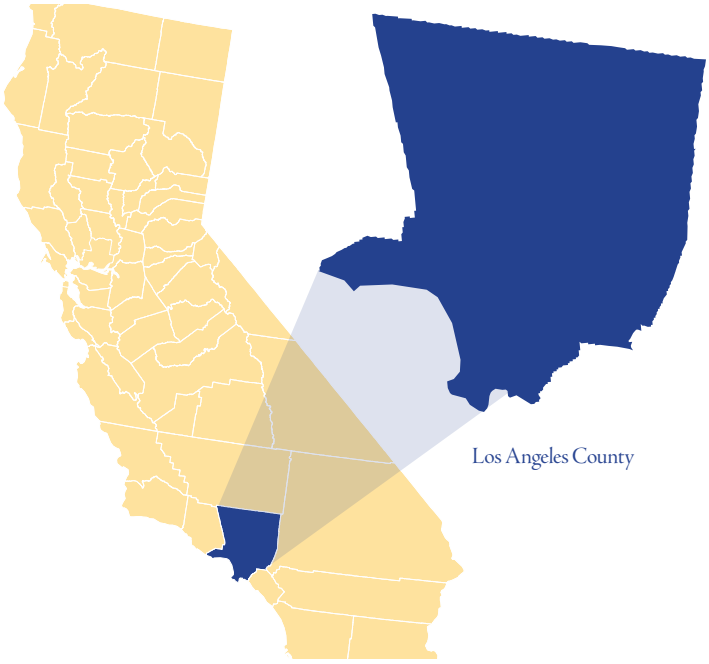


Redwood National and State Parks, California

Los Angeles Economic Development Corporation (LAEDC)

https://laedc.org/

Michael McClune is Senior Director of International Trade, World Trade Center Los Angeles, an affiliate of LAEDC, is Los Angeles County's leading promoter and facilitator of global connections and inbound foreign direct investment. WTCLA has led or assisted in the attraction of more than $1 billion of foreign investment into Los Angeles County.





How can foreign investors form personal relationships with World Trade Center Los Angeles and LAEDC?

The Los Angeles Economic Development Corporation (LAEDC) works in concert with its subsidiary, the World Trade Center Los Angeles (WTCLA), to provide business assistance to international companies seeking to locate or expand operations in Los Angeles, and to local companies seeking to expand their products and services to the international market. We welcome any and all companies that are interested in exploring the Los Angeles market. We offer no-charge services like market strategy, research, and connection to local service providers. To connect with us, foreign investors may contact WTCLA online or email us at InvestLA@WTCLA.org.

Investors may also consider joining LAEDC and WTCLA's membership program to support our mission, and partner with like-minded organizations and an expert team of economists to solve complex issues, promoting job retention and creation in our regional economy. Learn more here.

Do you hold informational sessions or provide individual counseling?

Both! Every year, WTCLA hosts delegations from all over the world and tailors content to the specific country and industries of interest for investment. We screen our delegations to ensure that we provide the level of service that matches the delegation's investment history, in addition to their investment timeline. We offer presentations that highlight the advantage of doing business in Los Angeles and provide matchmaking opportunities on an ad hoc basis.

WTCLA is focused on facilitating business transactions leading to innovation and job creation. As such, WTCLA prefers hosting business delegations aligned with the strengths and priorities of Los Angeles such as cleantech, electric vehicles, bioscience, aerospace & defense, trade & logistics, manufacturing, digital media, and the blue economy.

In addition, WTCLA and LAEDC jointly host the annual Select LA Investment Summit, presenting an array of opportunities to match international investors with local partners, such as table exhibits, one-on-one interactions, plenary panels and breakout sessions led by local and international executives. Select LA offers an environment to create and foster new relationships with leaders responsible for turning a conversation into an investment opportunity. The summit also convenes state and regional government officials to facilitate the understanding of local processes and protocol ensuring successful, compliant projects. Please visit WTCLA's event page as well as WTCLA's website to see detail about our upcoming events, and follow us on social media to avoid missing any opportunities!

As for individual counseling, it is best to submit your inquiry to our contact page or general email first. We review your inquiry and schedule a consultation as soon as possible to identify the best ways to assist your company's expansion plans. As a reminder, our services are at no cost as LAEDC and WTCLA are not-for-profit public benefit organizations.

Which type of information can foreign investors expect to find consistently across EDOs and specifically with LAEDC?

At WTCLA's parent organization, the LAEDC, a team of expert economists at the *Institute for Applied Economics* performs objective research and analysis for a wide range of clients, detailing economic impact of development, business operations, and regulation, as well as providing intelligence about specific industry clusters, labor force, and workforce development issues. The Institute's reports provide decision makers with critical information from which to make informed decisions. In addition to providing on-demand research per client requirements, the Institute also conducts foundational research to ensure LAEDC's many programs for economic development are on target, including the company's collaboration with workforce investment boards, its award-winning business assistance program, and its work on the L.A. County Strategic Plan for Economic Development and its cluster development initiatives.

WTCLA also publishes an annual Foreign Direct Investment (FDI) report that in previous years has examined the impact of foreign-owned enterprises (FOEs) in the entire state of California with a focus on Los Angeles county. We will release our eighth annual report, the 2023 FDI Report, in April 2023, and investors may find our **past publications here**. Our reports strive to illuminate not just the presence but also the substantial impact foreign companies have in the communities within LA County.

Does LAEDC provide data that is pertinent to foreign direct investors? If so, what type of data?

There are a wide range of data that WTCLA and LAEDC can provide including economic impact studies, industry studies, international reports, policy studies, regional economic reports, regional studies, and workforce development. WTCLA can also access public data sources to identify information that might be valuable for a certain company's project. Please find a list of our reports **here**.

When aiming to attract investors to its specific geographic location, what factors do EDOs most look for in investors?

We believe in promoting economic strength, environmental sustainability, and shared equity and prosperity in our home here at LA county. As such, we strongly support investors who create well-paying jobs while seeking to develop sustainably and grow within the region. Additionally, a strong business plan with financial information can greatly help WTCLA determine the best way to activate its network and services.

How can firms best prepare themselves before initiating a relationship with LAEDC?

The more specific a client can be, the better we can serve them. Any international company is welcome to bring us general strategy questions and there is no prerequisite growth benchmarks required before seeking our counsel. However, when international firms identify specific needs early, we find their expansion process is faster, more efficient and ultimately more profitable.

What types of benefits do firms glean from engaging with LAEDC that they would likely not find elsewhere or through independent research?

Investors want to know what advantages or incentives there are for them to move to a specific location, and they want the process to be as hassle free as possible. Since we are a market expert, we can provide pertinent information for them to see the LA advantage and, ultimately, connect them with local resources in one or all 88 cities in the county. It is not impossible to find helpful information through independent research, but it is much simpler to work with EDOs like LAEDC and WTCLA to get the right answers fast. For example, if a business is looking into locating to Los Angeles, our team will be able to gather data on a list of potential sites and even connect it to reliable realtors to expedite the process. We are also able to provide a high-level understanding of the competitive landscape by industry and geographic location as LA County is the largest county by population in the United States.

What advice would you give a foreign investor upon considering local characteristics as they compare different locations?

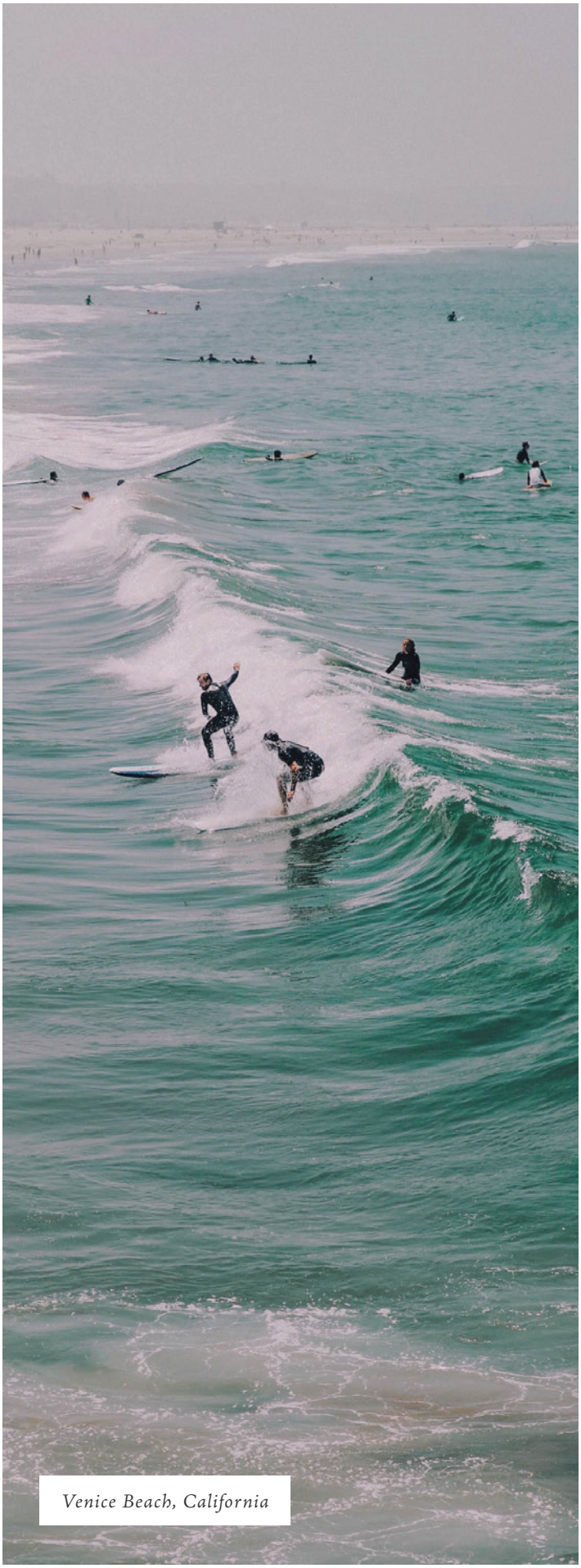
Consider beyond the incentives. As an LA-based organization, we are biased towards the region and the state of California, and rightfully so. Yes, the state is well-recognized for offering less incentives than states like Texas and Arizona. However, consider beyond the upfront incentives and ask questions: why are there so many headquarters, branches, and strong industry clusters that start and stay in LA? The business networks, strong consumer base, and consistent talent pool stemming from local, world-renowned universities make LA an unparalleled location. Industry clusters like film and aerospace are historic industries but the blue economy, advanced transportation, mobility, sports and entertainment are burgeoning and not slowing down any time soon. In addition, and after identifying potential sites, working with local city governments can ensure your company has the support it needs to succeed.

Numerous times, we have heard companies deciding to go to a different state for "better" incentives, but then having to come back to open an office or even relocate to LA entirely for the aforementioned reasons. As such, our advice to investors is to really understand and compare a myriad local characteristics before making a decision. And we can help with that.

What potential challenges could a foreign investor encounter in the LA County area, and what would help them navigate such challenges?

Los Angeles is a megalopolis and as such, there is not only everything one needs to thrive in business, but also an embarrassment of riches in business services and possibilities. Districting, municipal jurisdictions, and zoning laws in LA can be confusing to grasp, but as the international trade information clearinghouse for the Los Angeles region, WTCLA's experts can help businesses navigate and find the correct information.

Another potential challenge could be finding the right network. WTCLA is the premier facilitator of key connections between business leaders, service providers, and governmental partners for international and local companies. We can connect international companies with local partners that match the company size to help address legal, accounting, real estate, regulatory, financial, immigration, consulting, and other ancillary business needs. The bottom line is that WTCLA's own network and know-how, as well as the resources within LAEDC, can mitigate the confusion and help narrow the focus on a successful new market expansion into Los Angeles.

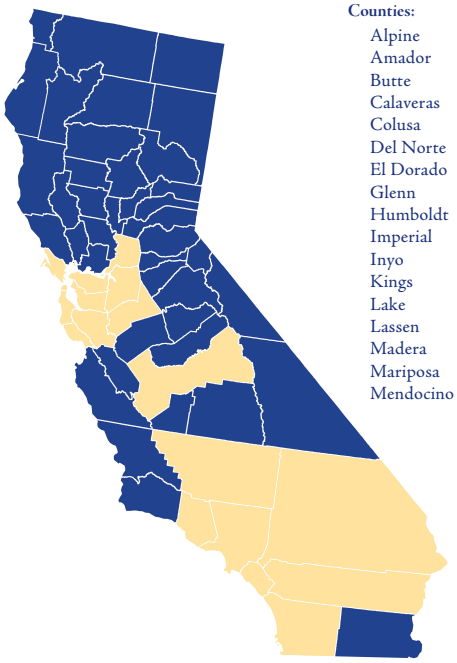


Venice Beach, California

Rural County Representatives of California (RCRC)

https://www.rcrcnet.org

Robert Burris is Deputy Chief Economic Development Officer of RCRC, a community benefit non-profit organization providing advocacy and innovative services to 40 rural county members in California.



Counties:

Alpine
Amador
Butte
Calaveras
Colusa
Del Norte
El Dorado
Glenn
Humboldt
Imperial
Inyo
Kings
Lake
Lassen
Madera
Mariposa
Mendocino
Merced
Modoc
Mono
Monterey
Napa
Nevada
Placer
Plumas
San Benito
San Luis Obispo
Santa Barbara
Shasta
Sierra
Siskiyou
Solano
Sonoma
Sutter
Tehama
Trinity
Tulare
Tuolumne
Yolo
Yuba



How can foreign investors form personal relationships with EDOs besides events like SelectUSA's Investment Summit?

While the Investment Summit is a fantastic way to meet economic development and industry leaders from throughout the country, California has a multitude of organizations that have been established to provide a wide variety of services to international firms, investors and organizations, from information and data to hands-on technical assistance. Organizations like the California Association for Local Economic Development (CALED), TeamCalifornia, several industry specific organizations in areas such as biotechnology, food innovation, technology, agriculture, and many more can all be extremely helpful.

How can firms best prepare themselves before initiating a relationship with their local EDO?

The best preparation is to not over-prepare. Moving into conversations with an open agenda can provide flexibility in initial planning and might even uncover opportunities not foreseen. California, specifically, is a large and diverse state. Every region has its own set of characteristics including workforce skills, industry concentrations, access to resources and even culture and quality of life. Taking the time to engage with a broad variety of EDOs will prove to be informational and effective.

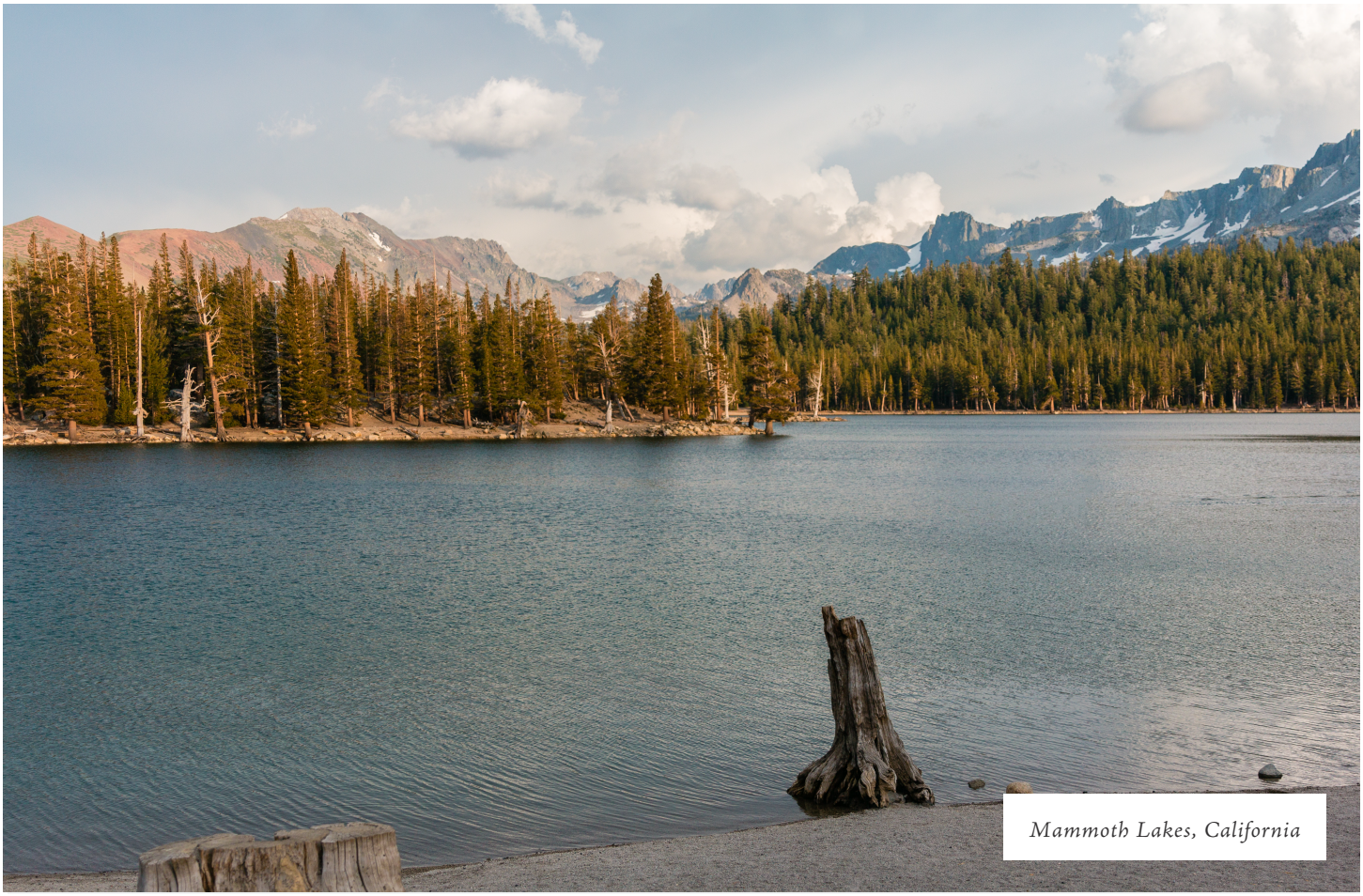
Rural counties in California make up 63 percent of California's geography, host nearly six million residents, and provide some of the most scenic and enjoyable locations in the world. Many rural locations are also powerhouses of industry and innovation when it comes to agriculture, food and beverage innovation, tourism, alternative energy and products and services-related outdoor activities. For example, Humboldt County and our Central Coast are in the process of becoming offshore wind energy hubs for the western U.S., utilizing technology developed around the world. Solano County and the Northern San Francisco Bay area are quickly emerging as centers of manufacturing for the biotechnology industry adding to their established reputation in exceptional wine, beer, and food development. On the southern border with Mexico, Imperial Valley has become a major lithium supplier for the growing battery industry.

Is it common for RCRC to be a preliminary stop for companies, meaning that foreign investors need not do much preparation before beginning the process?

The answer is yes. Because of the organization's geographic coverage, RCRC can provide a good first step in the process. Even more importantly, RCRC has a broad network of statewide and local organizations that work closely together and can all be on the path to information gathering. RCRC and other agencies and organizations provide highly-skilled professional work without requesting or expecting future fees for services, and work quickly to meet the needs of any project's timeline.

What type of information can foreign investors expect to find consistently across EDOs?

EDOs are true experts of their regions, and it should be expected that representatives can provide an economic overview, an assessment of the workforce, available and future resources such as water, transportation and energy, real estate, financial incentives, resources for new international residents, and many other topics. Another common characteristic among EDOs is



Mammoth Lakes, California

that international visitors can also expect that conversations that take place are strictly confidential. This is important for many reasons, primarily future negotiating power, industry competition, as well as distractions to focused information gathering. Above all, because EDOs are engaged in many activities within their geographies, they know of trends, development activities and issues that data may not show.

What advice would you give a foreign direct investor about characteristics to consider as they compare various locations?

California is a large state and often visitors view only major cities with the greatest notoriety such as San Francisco or Los Angeles. While these locations are fantastic for a number of reasons, broadening target areas can provide the same, if not greater, access to workforce, capital, real estate, resources, faster "launching" times, as well as cost effectiveness.

What are some misconceptions you see firms make when considering various locations?

Financial incentives and subsidies can be an important boost to launching a new venture in the U.S., however this should not be over-valued. Long-term support of the community, investment capital, access to a talented workforce, international resources, livability, supply-chain elements, the location of the customer base, all these things provide the long-term support that almost always outweigh the short-term value of incentives.

What potential challenges could a foreign investor encounter when entering the U.S.?

A challenge that I have witnessed on many occasions is the development of local personnel. Often companies do not take enough time to assimilate the practices, expectations, and culture of their corporate work environment with the local workforce. This has resulted in delays, underperformance and even failed launches. Successful FDI projects in the U.S. are often those that proactively seek where obstacles may occur before they actually do.

California Governor's Office of Business and Economic Development (GO-Biz)

https://business.ca.gov/

GO-Biz serves as the State of California's leader for job growth, economic development, and business assistance efforts. GO-Biz offers no-cost consultation for incentive navigation, site selection, regulatory and permitting compliance assistance, foreign direct investment, and export assistance. GO-Biz can facilitate introductions to partners at the local level across the state and share information on a range of data, including demographic information, wage and tax data, utility costs, and quality of life information for workers and families. All GO-Biz services are available free of charge, including to foreign-owned enterprises.

California offers many competitive incentives to attract and retain business in the state and GO-Biz helps companies understand which incentives and services may be applicable to their operations, including tax credits, employment training panels, and other programs. The California Business Investment Guide is a directory of state funding resources that may be helpful for your business. If your business is considering expanding or relocating to California, GO-Biz's team of business service providers will guide you through the available tax credits, grants, and financing assistance options that may be available to your business. Technology companies may be particularly interested in the California Competes Tax Credit, Employment Training Panel, or the Research & Development Tax Credit.

Businesses will require permits to operate, which are specific to their location and industry. GO-Biz permitting experts are available to help you navigate the permits required for your operations and connect you to local partners that can share information on unique permitting requirements for their communities.

Foreign direct investment (FDI) is an important source of jobs for California. GO-Biz has gathered information on the primary sources of foreign investment and where that capital and business activity is directed in the state. In partnership with the World Trade Center of Los Angeles, GO-Biz developed a comprehensive FDI report that includes data on investment distribution, wages, and top sectors for FDI.

International engagement is a priority for GO-Biz. The organization engages with federal partners, business associations, trade groups, and other entities around the world and participates in events with global partners. GO-Biz has launched a monthly newsletter to keep trade and investment partners apprised of these events and initiatives and to enable collaboration with stakeholders throughout California and the world. If you would like to follow GO-Biz's efforts to increase California exports and attract foreign direct investment, or if you want to stay up-to-date on the International Affairs and Trade Development Interagency Committee, please subscribe. If you have specific questions about how GO-Biz can help you invest in California, you may email Maria Onorato, GO-Biz's FDI Program Manager, at maria.onorato@gobiz.ca.gov.



Bay Bridge, California

Tech Subsectors in California

California is home to virtually every technology subsector imaginable. SelectUSA, the U.S. Commercial Service's initiative for FDI, has a comprehensive list of industries in the U.S. with subsector overviews. California GO-Biz is an excellent resource to understand some tech industries in California. The U.S. Cluster Mapping website can provide additional information about wages, industries, and unemployment. Below are descriptions of the most notable sectors:

Health and Biotech

Health and Biotech includes health technologies, mobility, and pharmaceuticals, among other areas. While half of such establishments are in R&D, there are also subsectors in bio renewables, biopharmaceutical manufacturing, and medical devices. Prominent healthcare business associations in the area include the California Life Sciences Association, Biocom, and the Lundquist Institute.

Agtech

Agtech employs advanced devices, artificial intelligence, and robotic systems to create safer, more profitable, and more efficient agricultural businesses. There are hundreds of agtech startups with major players like Taylor Farms and Driscoll embracing its innovations. The City of Salinas creates smarter farms to feed America through its $8 billion agriculture industry and hosts an AgTech Summit each year to showcase cutting-edge developments.

Cleantech

Cleantech technologies reduce negative environmental impacts through energy improvements, via renewable energy, electric motors, and green chemistry. According to the California Governor's Office of Business and Economic Development, California has a 100% clean energy commitment by 2045 and has worked towards this through the creation of 500,000 clean energy jobs. California also saw over $3 billion in venture capital investments in the field, which is higher than the other top 10 states combined. Two in five U.S. solar jobs are in California, and California's most prominent cleantech associations include California's Alternative Energy and Advanced Transportation Financing, Environmental Protection Agency, Energy Storage Alliance, and Cap-and-Trade program.

Spacetech

Spacetech includes developing satellites, spacecraft, and related equipment. California has three NASA research centers. It also includes two of the top three national aerospace universities and employs more aerospace engineers than any other state. Space operations in California involves the Department of Defense, and aerospace companies such as Lockheed Martin and SSL. Businesses can take advantage of the California Governor's Office of Business and Economic Development, which links aerospace companies to international buyers and partners, or the Vandenberg Air Force Base, which is creating a commercial space enterprise in California.

Fintech

Fintech improves financial activities and makes services more accessible to the public. Industry subsectors include banking, insurance, asset management, private equity, and venture capital. San Francisco is considered the world's leading fintech hub, with prominent Bay Area fintech companies including Robinhood, Stripe, Credit Karma, and incubator Silicon Fintech Bay.

High Tech

High tech includes the development of cutting-edge technology from tech manufacturing to custom software and AI. According to the California Governor's Office of Business and Economic Development, California creates 1.8 million jobs in this field, has more tech businesses than any other state, and is ranked first for tech innovation. Major companies such as Apple and Google are headquartered in the Bay Area, and Silicon Valley is known for high tech as it has the densest concentration of tech companies in the world and there are four national laboratories for tech development and science in the Bay Area. The California Department of Technology includes resources such as the Digital Services Innovation Academy and open data framework to encourage modern solutions.

Smart Mobility

Smart mobility considers advanced transportation and information and communication technologies (ICT), combined with regional public transportation networks, and searches for a more efficient, safe, accessible way to travel. It also considers the car-sharing and mobility services market which have combined revenues expected to surpass $2 trillion globally by 2030. Leading ride-share companies Uber and Lyft are headquartered in the Bay Area, and the region continues to develop mobility information exchanges via a number of smart mobility and connected transportation conferences each year. Almost every global car manufacturer has an R&D/innovation center in the Bay Area, and there is a rich smart mobility ecosystem, consisting of automotive companies, globally-recognized ICT companies, and a vast start-up network. Currently, the Bay Area's Metropolitan Transportation Commission is preparing the region to support automated vehicles and intelligent transportation systems, and Caltrans is implementing a smart mobility framework throughout the state.

Cyber Security

Cyber security protects networks, applications, and electronic information through continuous monitoring, disaster recovery, and end-user education. California was the first state to pass an IoT cybersecurity law to protect consumers from privacy risk, and the California Cybersecurity Task Force both enhances the state's digital infrastructure and increases cyber awareness. There are hundreds of cybersecurity companies in the Bay Area that work independently or with agencies such as the Northern California Regional Intelligence Center to assess risk and address threats.

Marine Tech

With 3,427 miles (5,515 Km) of coastline and as a global epicenter of science and technology research, California's marine technology industry cluster is robust, dynamic and growing rapidly. Marine tech explores uses, protection and exploitation of the marine environment including naval architecture, ship operations, and oil and gas exploration. There are ten navy bases across California. Other marine companies enable ocean research, consider habitat health, and create other projects to address marine exploration. The ports of Los Angeles, Long Beach, and Oakland, rank among the busiest in the nation in terms of total trade. One of the main trade associations for this sector is TMA Blue Tech, and additional resources for marine tech in Northern California include the Seymour Marine Discovery Center, the Schmidt Ocean Institute, Moss Landing and Humboldt State Marine Labs, and the Monterey Bay Aquarium Research Institute, among others. Southern California is home to the renown Scripps Institute, Center for Coastal Marine Sciences, UCSB Marine Science Institute, Wrigley Institute for Environmental Studies, and more, making California an ideal home for any company at the intersection of oceanography and technology.

Media and Entertainment Technology

Media and entertainment technology includes broadcasting, mobile and digital media, eBooks, streaming, eSports, television, film equipment, animation, and videogame subsectors. California is considered the world's entertainment capital and holds host offices from almost every major media company. California is home of Hulu, Paramount Pictures, Univision, Netflix, Lucasfilm, Pixar, and more. Companies can contact the International Trade Administration's Media and Entertainment Team for additional information.

Bay Area Council Economic Institute

http://www.bayareaeconomy.org/

Sean Randolph, Senior Director of the Bay Area Council Economic Institute, spoke in an interview about tech subsectors in the Bay Area, common challenges in setting up a business, and the impact of COVID-19 on tech and Silicon Valley.



What are generally the tech sector clusters in the Bay Area?

You can find essentially any technology you're looking for in the Bay Area, as the region is a global center for digital technology across the board, including cyber, bio-informatics, digital health, CRM, SAAS, fintech, IOT, and digital applications in robotics and cleantech. AI, machine learning and big data are pervasive as enablers.

Geographically, digital media and social media tends to be concentrated in San Francisco while hardware is more concentrated in South Bay/Silicon Valley with a strong focus on R&D. There is also a significant tech cluster in the East Bay, and an enormous biotech cluster in South San Francisco and Berkeley, as well as San Francisco.

How is the tech sector doing right now in the Bay Area?

There's more than one answer to that question. Tech across the board has been cutting staff since the second quarter of 2022 and particularly since Q4. Both large and small companies are affected, with a 6-8% cutback in global workforces typical. While the pain of this is real, for most companies this represents a correction to massive hiring (some would say over-hiring) in 2021 and early 2022. During that period, most of the companies that are now announcing cutbacks grew their employee base by 20-40%, anticipating indefinite growth. So when you look at their payrolls today, most have about the same number of employees they had at the start of 2020 when the pandemic began – and those numbers were already high. The great majority of people who have lost their jobs at tech companies have almost immediately (within 3-4 months) been hired by non-tech companies to fill technology positions. In the past, they couldn't compete for talent with the big tech companies, but now they can.

Venture investment is similar, deals and investment levels are down significantly and we're seeing few IPOs, so startups are tightening their belts and working to extend their financial runways, and a good number will fail (which is normal in the startup world will be a rough rise for many). But this too requires some perspective. The sharp drop in venture investment needs to be compared to historical levels and not just 2021. As with hiring, 2021 was an off-the-charts year so it's better to look at funding levels in 2019 and 2020. From that perspective we're in a rough cycle in an industry that's historically volatile, but we've been there before.

So what's happening today is a major correction but hardly existential. Running in the background, R&D and innovation remain very strong. The economy right now is under pressure from inflation and high interest rates and movement in the larger economy will also affect tech. So it will be interesting to see what this conversation will be a year from now.

What are some common challenges with operating a business in the Bay Area?

The biggest one is cost – including cost of housing for employees, cost of hiring, and general operational cost. Housing supply is still constrained and will never be cheap, but the cost of housing is down 15-20% from what it was before and during the pandemic. That's good news for buyers but this is still the most expensive place in the U.S. to live and work after New York. The good news for companies that are in a position to hire – including non-tech companies - is that with all the layoffs we've been seeing it's much easier now to hire tech talent.

Can you describe the impact of COVID-19 and the economic downturn experienced in the Bay Area?

COVID-19 and the phenomenon of remote work led many workers, particularly in tech, to leave San Francisco and Silicon Valley for other regions where more space was available and housing was less expensive. Perhaps 15-20% went to cities like Austin, Denver, Miami, or to smaller cities like Bend. But 80% never left California – they just went to more distant suburbs or to nearby cities like Sacramento. With remote or hybrid work a permanent phenomenon, the workforce is now more dispersed,

with the highest impact being seen in downtown San Francisco which has the highest percentage of remote work eligible workers of any city in the U.S. Roughly 30% of job listings now are either hybrid or fully remote. This raises big challenges for major cities like San Francisco, particularly in the downtown core.

COVID-19 has also led to more decentralization of companies, but there is still an enormous concentration of science and research in the region due to our great universities and labs here - that are not going anywhere. That's why I think R&D and innovation will remain strong. We're also seeing evidence that some people who left are moving back. So it feels like we're still in a transition that will take another 2-3 years. By the way, it's not entirely a bad thing that tech is getting spread more broadly across the country – it's good for entrepreneurship and technology-driven economic development to be spread more evenly. But I expect the national center of gravity will remain in the Bay Area due to its concentration of talent and venture capital, its deep capacity in scientific research, and its global connectivity – that few other cities outside New York and a handful of others can match.

What do you anticipate are the economic prospects post COVID-19?

I expect life sciences, biotech, agritech, internet of things (including robotics, autonomous driving, electric vehicles) to remain very strong and continue along a growth trend. AI, which is highly concentrated in the Bay Area, will lead to transformations in these and other industries that we can only imagine. I think the Bay Area will be able to rebound because it is ambitious and open to trying new ideas.

How can a startup gain prominence within their subsector?

Getting into an accelerator program can generate both recognition and capital. Other resources for companies to expand their networks include the U.S. Commercial Service, CA GO-Biz, and city and county economic development organizations.

How is the Bay Area connected to the world?

We have direct air service to nearly every major business center in the world, primarily through SFO, and the Port of Oakland is one of the largest in the United States. More broadly, the Bay Area has one of the most globally diverse communities in the United States, along with New York and Los Angeles. Historically, we have deep ties with Europe, which also sends us the most foreign direct investment of any region worldwide and is our largest investment destination as well. We are also a center of Asia-Pacific trade – witnessed by the fact that San Francisco will host APEC in November 2023, and are also strongly connected with Mexico and Canada. So there's a lot of cultural intelligence here. Bay Area companies are also huge investors around the world, with enormous markets and extended workforces overseas.

Higher education is another link, with large numbers of undergraduate and graduate students at our universities, particularly from China and India. Finally, and importantly, the Bay Area is a global magnet for entrepreneurs and startups. They're drawn by the universities, by access to mentors, by access to U.S. and global markets, and by venture capital. entrepreneurship and community. There are large communities of immigrants – hundreds of thousands from Asia, Europe, and Latin America. Finally, the Bay Area is home to the second largest concentration of consulates in the United States after New York, nearly all of which have a tech and innovation focus, and some of which serve as home for their country's global or Silicon Valley tech ambassadors. If you add the more than 300 overseas-headquartered corporations with a Bay Area tech and innovation presence, accelerators that serve global startups, and overseas universities and science organizations with a Bay Area presence, the global connections are extraordinary.

Could you describe the role that the Bay Area Council Economic Institute plays in connecting the Bay Area to the world?

The BAC is the oldest and largest business organization in Northern California. We have been around for 77 years and have close to 350 member companies. We focus on public policy and foundational issues, such as housing, cost of living, and workforce that impact the affordability and livability of the region. Overseas companies are part of our membership and being connected globally is part of our DNA. In addition to operating offices in China, the Council takes government and business leaders overseas (for example to China, India and Australia).The Economic Institute, the Council's research and strategy arm, is deeply connected to the international community in the Bay Area and globally, publishes reports on global economic issues, and hosts events on international business and economic topics. Its reports particularly focus on how the Bay Area connects to its most important and most promising global partners.

Business Entity Types

Below is a general structural overview and key financial benefits associated with some of the more common business entity types. SelectUSA's overview of business structures provides additional information that may be helpful to determine which structure best fits your business.

Sole Proprietorship

A sole proprietor is someone who owns an unincorporated business by himself or herself. Thus, business and personal assets and liabilities are not separate from each other, and the sole proprietor can be personally liable for all business debts and obligations.

Partnership

A partnership is the relationship between two or more people to do trade or business. Each person contributes money, property, labor or skill, and shares in the profits and losses of the business. A Limited Partnership (LP) is an entity operated by two or more partners wherein the general partner is subject to unlimited liability while the other partner is liable for their amount of investment. Further, the limited partner is not able to partake in key business decisions, while the general partner takes responsibility for operating the business. On the other hand, in a Limited Liability Partnership (LLP), both partners are eligible for limited liability. In California, only accountants, architects, and attorneys can form limited liability partnerships. Partners are personally liable for their own negligence but will provide protection from a partners' wrongs, and they are taxed like sole proprietors.

C Corporation (also known as General Stock Corporation)

In forming a corporation, prospective shareholders exchange money, property, or both, for the corporation's capital stock. This is the most common type of business wherein owners' personal assets are not tied to the company's financials; rather, they are treated as separate legal entities. Owners looking to expand their business internationally, attract venture capital funding, and who are planning to list their company on the stock exchange generally opt for this business type. General Stock Corporations are composed of three distinct and separate institutions: stakeholders, directors, and officers. Shareholders own publicly-traded shares in the company which translates to ownership of the company; however, minority shareholders are limited in their ability to impact company decision-making. This group is responsible for electing the board of directors of the company who make the major managerial and financial decisions on behalf of the stakeholders and company. Finally, the board of directors elects officers who carry out the board's broad vision through day-to-day operations.

S Corporation

An S corporation is a corporation that elects to be taxed as a pass-through entity. Income, losses, deductions, and credits flow through to the shareholders, partners or members. An S-Corp avoids the double taxation of a C Corp, but it also has special limitations. For example, S Corp owners or shareholders must be either U.S. citizens or permanent residents.

Limited Liability Corporation (LLC)

Limited liability corporations offer characteristics from corporation and partnership structures. This hybrid structure that has the personal liability protection of a C Corporation and the pass-through taxation of a sole proprietorship. It protects personal assets from being at risk from the firm's financial risks while enabling the owners to bypass corporate taxes and rather attribute profits and losses to personal income.

Nonprofit Corporations

Similar to a for-profit corporation with the main distinction being in general ideology and financial management. More specifically, non-profit corporations are entities formed with the main goal of serving the public interest; examples include charitable, religious, political, or membership organizations. The financial benefit associated with nonprofit corporations is their ability to bypass federal and state income taxes and ability to receive donations and apply for grants. However, while board members are not personally liable for the company's financials, they are not permitted to receive a wage or salary for their services.

Discussion on Business Entity Types

Dean Fealk, Managing Partner DLA Piper LLP discusses optimal business structures for foreign investors entering California.



For foreign tech firms establishing in California, which business structures do you think are most appropriate?

When firms are considering entity type, it is important to assess the pros and cons of the various structures from the perspective of life cycle and goals. For organizations early in the life cycle with the intention of transforming or growing business in the U.S. or obtaining new forms of financing, generally the recommended model is C-Corp. In regard to financing, this structure is hospitable towards VC funding, as well as a public event or acquisition in the future. The LLC model is another common option given its flexibility, tax favorable nature, and relative dearth of corporate formalities. However, considering the benefits of the C-Corp model, the question for many California firms is not whether or not to set up a C-Corp but how early to do so. In many cases, the earlier the better.

What are some typical questions or concerns that emerge for foreign investors when deciding upon their business structure?

Beyond considering the pros and cons of the LLC and C-Corp entity types, a key question is whether or not to adopt a subsidiary model and, if so, when to flip the subsidiary. Some important preliminary considerations regarding subsidiaries are that the subsidiary itself is a full-blown company, with an independent legal identity and character, and the term subsidiary implies it is not the top or parent company. If a firm has a preexisting business in another country and would like to add a U.S. component, it can either add the U.S. business as a C-Corp subsidiary or make its U.S. presence the top company. This decision typically turns on the firm's individual long-term objectives. If a firm is looking to transform their business in the U.S. and begins with the U.S. firm as the subsidiary, a key question is when to flip the business to put the U.S. entity on top.

For a small tech start-up, what would you advise in terms of where to incorporate?

The administrative ease associated with Delaware's business-friendly court decisions and rules make the decision to incorporate in Delaware simple for many.

Are there business structures that are preferred by VC firms and other financiers?

When considering whether to invest in a startup, a VC's main concern often is that the priority of the funding recipient is business growth. Because of this, VCs often see firms with an LLC structure as "red flags" because revenue is tied to the owner instead of funneled back into growth initiatives as is the case with most tech industry C-Corps. For some business models, LLCs may make more sense, such as a high-revenue consulting, and thus will not be viewed negatively by VC firms. But in the case of tech companies, VCs tend to prefer Delaware incorporated C-Corps.

Discussions on Consulates

Barbara Pivnicka is Honorary Consul of the Slovak Republic and President and CEO of the San Francisco Global Trade Council



Is it necessary for nationals to register themselves or their U.S. businesses with their consulate? What are the benefits?

While companies do not typically need to register with their consulate, reaching out to one's home country consulate for aid can only help. Consulates have a responsibility to both businesses and the larger expatriate community. I receive about one inquiry per day from companies interested in receiving information about business development.

How can a consulate aid a national in beginning and continuing their business in the United States?

A consulate can aid inbound/outbound startups, by assisting in locating appropriate service providers and strategic alliances, suggest and critique business plans, suggest technology transfer ideas, make venture capital introductions and introductions to the local ethnic community. Consulates can also create connections with academic/education pipelines like Stanford and UC Berkeley to harness their innovation centers, their research and programs, and their students. In terms of entrepreneurship and team-building, it is extremely helpful to work with a local player in the community. Training programs and mentorships can help in-bound entrepreneurs ramp up their learning cycle quickly, and locals know professionals with the right skill sets. Consulates can help investors with key connections needed to set up a corporation instead of operating as a foreign company to increase the likelihood of domestic investment.

Most consulates offer in-person and online assistance. If your consulate is not represented in California, you can contact your home country embassy in Washington DC or access consular information online. Larger consulates, such as Germany, Italy, or the U.K., may have people dedicated exclusively to specific business sectors to further assist your company.



To what extent can a consulate help a national promote their U.S. business?

Some consulates offer promotional services or have trade representatives. Some countries, such as Norway and Denmark, have incubators that work exclusively with their communities. Some consulates are involved in partnerships with other nations. For example, Slovakia is part of the Visegrad Four, which includes Slovakia, plus the Czech Republic, Hungary, and Poland. Regional partnerships like this strengthen relationships between foreign entrepreneurs from the Visegrad Group once they arrive in the United States.

Building long-term relationships helps consulates be assets to businesses. I host what I call a "Brainiacs & Maniacs Party" annually with contacts that I have made over the years. The purpose is to help tech people from Central Europe interact with smart people from Silicon Valley's deep bench of entrepreneurs, inventors, community leaders, venture capital pros, investors, angel networkers, and academics. It's just good business to take full advantage of local relationships. These relationships can facilitate opportunities for companies that follow up and develop their own relationships.

I can add the most value when a business or an entrepreneur approaches me and gives me a good understanding of their business or their idea, is willing to look at expansion, and eager to look at the U.S. market. For example, a Slovak tech entrepreneur came to me for assistance with starting up his company in the Bay Area. I helped him navigate several issues, such as putting someone here on the ground, how and where to rent office space, incorporating, and networking. He was interested in capital generation and showcasing his product to other companies who might be likely to use his technology.

One of the benefits of the Bay Area is the number of venture capitalists and the capital they can deploy. But I explained to him that in the United States it's hard to get investment dollars without forming a U.S. corporation. I introduced him to law firms and accountants to interview, and who could help set him up for success. I introduced him to contacts in the tech and the Central European expat communities, as well as large companies, which gave him opportunities to present his business plan and his product. Ultimately, he was able to build the business and be successful.

To what extent can a consulate help a national with legal, taxation or financial matters? What other services can a consulate provide that would be valuable to nationals who own businesses in the United States?

Consulates can help companies and individuals find legal counsel and accountants as needed but cannot provide the actual service themselves. Consulates may assist in business matchmaking, trade counseling, and navigating intellectual property issues. It is often helpful for foreign investors to see the consulate like a software API, or a "plug in," to help them access a broader network and resources. Consulates can help by suggesting resources the businesses often don't even know they need.

What are some common challenges that foreign investors have when beginning their business?

Individuals often underestimate the cost of starting a business in the United States. Even if investors have provided great financial backing in their home country, it does not necessarily translate to their new business in California. Beyond that, doing business across State lines within the United States requires an understanding of different rules and the regulatory climate in each state. Frequently, I see entrepreneurs completely ignore the development of a competitive assessment as a key component of their business plan. This can be a deadly mistake—know your competition should become a mantra! An entrepreneur also needs to be a good digital business developer because so much business happens online. Finally, many foreign nationals say they do not want to register for a patent or do not have the money to do it. However, it is vital to protect your idea and your business. This process can become difficult if the entrepreneur's home country does not have a strong rule of law, so it is essential to search for an experienced lawyer.

Besides services for businesses, what other services do consulates provide that their nationals should be aware of? How can a consulate help if a national is involved in an emergency?

Consulates can help with questions about legal status, passport renewal, and other specific requests. The consulate works with the embassy in Washington D.C. to help nationals with emergencies such as repatriations, deaths, and legal issues. Each consulate is different in the ways they are prepared to assist nationals in emergency circumstances. Some examples to illustrate how I have been able to respond to emergencies include assistance during the current pandemic crisis with an emergency repatriation of Slovak nationals, and during the 2020 fires in Northern California, I worked with an emergency response team in San Francisco to ensure that I would be on the first-alert list in the event a Slovak was impacted by the fire. In these cases, I could tap into resources provided by the embassy. In another example, when a jumbo jet crashed at the San Francisco Airport, I was able to coordinate with local U.S. State Department, HHS and DHS authorities to identify that no Slovak citizens were affected. It was helpful to have immediate information to forward to the embassy, so they could quickly alert Slovak governmental leadership.

Visa Matters

Most foreign citizens seeking to enter the United States must obtain a visa from a U.S. embassy or consulate. Some travelers may be eligible to travel to the U.S. without a visa. U.S. citizens who reside outside the United States must enter the United States with a U.S. Passport, which can also be obtained from a U.S. embassy or consulate. To apply for a visa, you must have a valid passport, and may be required to have an interview or present additional documents at a U.S. embassy or consulate. To obtain the right to work and get paid in the U.S., you need the correct type of visa. You can form a company and even serve as an officer in it, but you cannot get paid if you don't have the right to work. Visa fees will vary depending on type and nationality. The following are travel programs and visa categories that may be relevant to foreign direct investment.

Visitor (B) Visas

The B Visa category is the most common type of non-immigrant visitor visa. The B-1 visa allows temporary visitors for business and employees who need to travel temporarily for up to 6 months. Allowable activities through this class include business activities, such as engaging in business ventures, investment seeking, consulting with business associates, negotiating a contract, attending conventions, trade shows, training, conferences. However, they are not allowed to make money in the United States on this visa status. The B-2 visa allows temporary visitors for tourism and other social purposes. The B-1/B-2 visa allows a combination of both business and tourism. Generally, B-visa holders may not study, be employed, receive personal payment from a U.S.-based entity, or begin permanent residence in the United States. The U.S. State Department provides additional information on B visas.

Visa Waiver Program (VWP)

Nationals of participating countries may travel to the United States under the VWP. The VWP facilitates travel of non-immigrant visitors to the United States for business or tourism-related stays of 90 days or less without a visa. Applicants may prefer to apply for a B visa for stays longer than 90 days. Individuals meeting qualifications for the VWP may apply on the Electronic System for Travel Authorization (ESTA) for a small fee. You must complete the ESTA website application at least 72 hours before travel. The U.S. Customs and Border Protection provides additional information about the VWP.

Treaty Trader and Investor (E) Visas

Nationals of countries that maintain commerce treaties with the United States may be eligible for this visa category. The Treaty Trader (E-1) visa is to engage in substantial trade, including trade in services or technology, in qualifying activities, principally between the United States and the treaty country. The Treaty Investor (E-2) visa is to develop and direct the operations of an enterprise in which you have invested a substantial amount of capital. E visas are for non-immigrants, which means the applicant intends to leave the United States when the visa status ends. There are requirements that both the company and applicant must meet to qualify for any E visa. Immigration code says the investment needs to be sufficient for the business to succeed more than just making a living for the investor. Most entrepreneurs who start their business abroad apply for these visas. E2 visas are usually valid for 5 years and can be renewed with 2-year extensions, while E1 visas are valid for 2 years and can also be extended. The U.S. State Department provides additional information on E visas.

Intracompany Transfer (L) Visas

The L visa may be issued to work in the United States at a branch, parent, affiliate, or subsidiary of the current employer in a managerial or executive capacity, or in a position requiring specialized knowledge. L visas are suitable for foreign employers seeking to send an employee to the United States as an executive or manager to establish a new office. The employer must have a physical location in the United States for the new office. The individual must have been employed by the same employer outside the United States continuously for 1 year within the three preceding years. The L-1A visa is for individuals in managerial or executive positions and the L-1B visa is for those in other specialized positions. The employer must file a petition with the U.S. Citizenship and Immigration Services (USCIS) to obtain authorization for qualified employees to be allowed to live and work in the United States. L visas are for non-immigrants, which means the applicant intends to leave the United States when the visa status ends, but it may facilitate the visa holder's ability to get a Green Card eventually as it eliminates the first step of the process. Once secured, the visa can be used for 5-7 years. USCIS provides additional information on L visas.

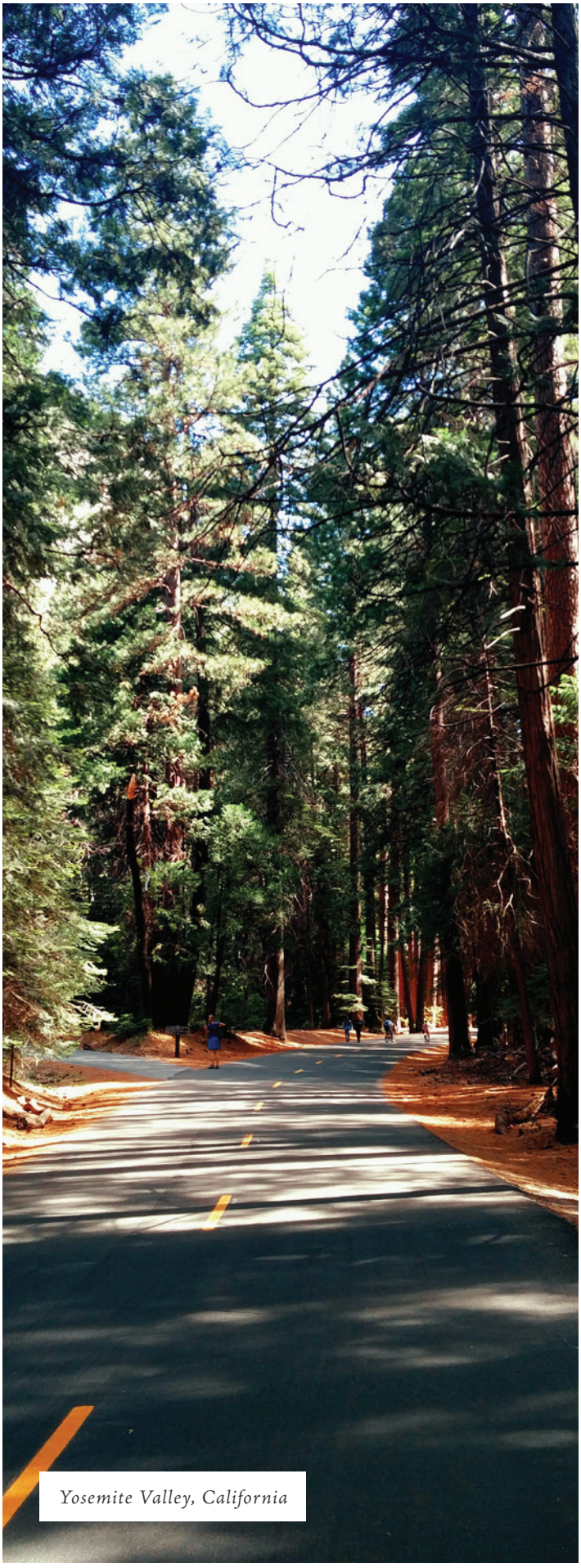
Immigrant Investor (EB5) Visas

This is the only visa category that allows an individual to permanently immigrate to the United States for investment purposes, but there is an annual limit of 10,000 visas that can be issued under this category. Within two years, the qualifying

investment must create full time jobs for at least 10 U.S. citizens, lawful permanent residents, or other immigrants. EB-5 visas are issued in the chronological order in which the petitions were filed until the annual numerical limit for the category is reached. There may be a waiting period of several years before an applicant can immigrate to the United States under this visa category. USCIS provides **details on program requirements and additional information on EB-5 visas**.

ADDITIONAL RESOURCES

- From the U.S. State Department: Additional information on visas, **Visa forms**, **Fees for visa services**
- A **fee schedule** and **interactive fee calculator** to determine filing fees for U.S. Citizenship and Immigration Services (USCIS) forms
- Get questions answered from the National Visa Center (NVC) through an **electronic inquiry** or by phone:
- Non-immigrant visas: +1-603-334-0888
- Immigrant visas: +1-603-334-0700
- The **Consular Electronic Application Center** to complete a visa application or check its status
- A list of **all U.S. embassies, consulates, and diplomatic missions** to schedule an interview appointment and apply for a visa
- **SelectUSA Investor Guide:** Immigration Section on the visa overview and immigration pathways
- You may wish to consult an immigration attorney with proper references to aid you in the application process



Yosemite Valley, California

International Entrepreneur Parole Program

Below is an announcement from Eva Voisin, Attorney at Law and President and CEO of Voisin and Associates. She has been an attorney for 40 years dealing with entrepreneurship as well as investor and working visas. She is also the Honorary Consulate of Hungary in San Francisco.



I am happy to share the news that an International Entrepreneur Parole Program (IEP), has been launched recently by U.S. Department of Homeland Security (DHS). It allows foreign founders of startup businesses to enter the U.S. to manage and develop their business that will have significant public benefit by growth and by creating jobs.

The DHS may grant a period of 30 months of authorized stay, in parole status, to foreign entrepreneurs who can show that their stay in the United States would provide a significant public benefit through their business venture. Grants of parole are case-by-case discretionary determinations that consider the totality of the circumstances of each case.

Entrepreneurs granted parole will be eligible to work only for their start-up business for an initial period of 2.5 years. An additional 30 months of parole may be available if the entrepreneur demonstrates that the business has met its goals. No more than three foreign entrepreneurs may be granted parole per start-up entity.

Unlike other work visas, such as H, L, E, O or EB 5 visas, this is not a visa, it is a "parole", or a discretionary permit to enter. Entrepreneur parolees are not able to become permanent residents. If they wish to do so, they must qualify in a different category.

The International Entrepreneur Parole is a new, much anticipated tool available for foreign startups to enter the U.S. market and gain access to U.S. capital. Parole is also available to the spouse and children under 21.

The application is filed in the U.S., the Approval Notice is taken to a U.S. Embassy for stamp and parole is issued at the U.S. entry point. Estimated processing times are 3-5 months.

To be eligible, the founder must show:

- Ownership of 10%, can later be 5% of the enterprise,
- That he/she takes an active role in the business and has the expertise and experience to manage it,
- That the U.S. entity was established less than 5 years ago and has been active since its inception,
- That the entity has received minimum $250,000 from U.S. investors or $100,000 from a U.S. government entity,
- That the enterprise will provide significant public benefit,
- That the enterprise created at least 5 U.S. jobs or $500,000 in revenue by the time of the renewal of the parole.

Who is a "qualified" entrepreneur?

The founder must own at least 10% but never below 5% of the business, must not merely be an investor but must play an active and crucial role in the operations of the business, must have the required knowledge, skills and experience and provide a detailed description of such, along with supporting evidence that may include:

Documentation from relevant government agencies, qualified investors, or established business associations with knowledge of the entity's research, products or services, and the entrepreneur's knowledge, skills or experience that would advance the entity's business success; proof that the entity has received significant attention or recognition; evidence of participation in a reputable start-up accelerator or incubator; evidence of participation in prior start-up entities; diplomas and training that show that the applicant has the knowledge and experience that would significantly grow the business; and intellectual property rights or patents that the entrepreneur obtained.

What is a "qualified" start up?

The applicant must have established a U.S. start-up business within five years before the application for parole.

The start-up must have received a capital investment of at least $250,000 from qualified U.S. investors or at least $100,000 in grants or awards from qualifying U.S. federal, state, or local government entities; or provide further evidence of the start-up's substantial potential for rapid growth and job creation.

How to prove that the startup will provide "significant public benefit" to the United States?

The law does not define "significant public benefit" but supporting evidence may include:

- Evidence of investments from any investors, government awards or grants, or revenue generation. Such evidence could include bank records, wire transfers, equity purchase agreements, equity certificates, equity ledgers or capitalization tables.
- Newspaper articles or other similar evidence that the entrepreneur or the entity have received significant attention or recognition.
- Patent awards or other documents indicating that the entity is focused on developing innovative technologies or cutting-edge research.
- Tax or payroll records, I-9 records, or other documents indicating that the business has created qualified jobs before filing for parole.

How to prove substantial potential for rapid growth and job creation?

- Social and financial impact, based on the number of users, customers, and revenue generated by the start-up entity,
- Additional investments or fundraising, including any obtained through crowdfunding platforms,
- National scope or positive effects on the start-up entity's locality or region,
- Founder's academic degrees, prior successes, patented innovations, annual revenue, job creation, or other factors.



Los Angeles, California



Bank Accounts & Credit

Obtaining a credit score and bank account are essential to establish once getting to the United States. You may begin this process abroad but remember that some steps may be best completed in-person.

What is a credit score?

Credit is essentially borrowed money that is given from a credit grantor who you must repay in addition to applicable financial charges. Your credit score is a number generally between 300 and 850 for personal and between 1 and 100 for business that reflects financial information and rates your credit risk. The higher your score is, the lower your interest rate is likely to be, and the easier it is to borrow money. In the United States, the three credit bureaus are Equifax, Experian, and TransUnion, all of which should give you approximately the same credit score.

Establishing a strong credit score is critical to establishing a presence in California, and it can be done before entering the United States by finding a cosigner. Often, credit history is the biggest factor in determining whether your funding request and amount for a loan is approved.

What is a credit score based on?

The Fair Isaac Corporation (FICO) score is most often used. It is based on how often you pay on time, the amount of credit given to you that you actually use, how much you owe, length of credit history, the types of credit you have, and the amount of new credit.

How to Build Credit

Get a secured credit card: Some international banks, such as Citibank, Wells Fargo, Bank of America, and HSBC can issue U.S. credit cards to individuals before they move to the U.S. This can be provided by a bank and is secured by collateral. For example, if you deposit $100, you can borrow up to $100. To apply for a secured credit card, you generally need a permanent address — either in your home country or in the U.S. — bank account, social security number, individual taxpayer identification number, and proof of employment. It is important to obtain a credit card in-person, rather than online, to increase your chance of success as a foreigner.

Obtaining a Credit Score

The Fair Credit Reporting Act allows individuals to get their credit score from national credit reporting companies. You can order one free copy of your credit report from each credit bureau once per year here or call 877-322-8228. It is recommended to order one every four months, meaning that you can order one from a different credit bureau each time, or pay for multiple reports after you use your free ones.

This act also requires the bureau to correct incorrect information in your report for personal credit. For example, you should dispute accounts that are not yours and payments that you paid on time that are listed as late. For business credit, you can challenge any discrepancies, but the bureau is not obligated to respond.

For additional information, visit usa.gov, the Federal Trade Commission, or the Consumer Financial Protection Bureau.

What are General Requirements for Bank Accounts?

To open a U.S. bank account as a foreigner, you should have your passport, social security number or individual taxpayer identification number (ITIN), proof of address such as a utility bill, and generally a minimum deposit of $25 once approved. You can obtain a SSN as a noncitizen or apply for an ITIN. You can also use the ITIN if you are ineligible to obtain a SSN. As part of the U.S. Patriot Act and anti-money laundering program, all account holders must have their own physical address in the U.S., a box number, or the address of a contact person. Any legal documents sent from abroad need to be authenticated by apostille stamps that validate the seals and signatures on public documents if you are from one of the countries that are part of the apostille process per the U.S. Authentication Services. You may also need to provide a letter of good standing from your foreign bank or have information about your business model for a business account. Required documents vary between banks/credit unions, so it is best to call and ask each branch directly.

You must call beforehand and personally visit your potential bank/credit union for the best possible outcome. It is a longer and riskier process to obtain a bank account online as you are more likely to get denied. After opening the account, online banking is available regardless of whether you opened it online or in person. Additional potential supporting documentation include a credit history report, secondary identification, and immigration documents if applicable. The best way to separate business and personal finances is by opening a business checking account. TD Bank, Citibank, Capital One, HSBC, and Bank of America allow you to open a personal bank account as a non-resident, but this varies depending on the branch and state.

Specific information needed will vary. For example, LLCs and corporations require more business documentation than sole proprietors. You are legally obligated to use a separate bank account for an LLC or corporation from your personal one, and this is advised but not required for sole proprietors. The Small Business Administration has more information including benefits, required documents, and best practices.

Business checking accounts will protect your liability, simplify your taxes, help you assess business performance, and build a business banking relationship. It is necessary if you would like to accept credit card payments but will also give you a clean financial record. If you use your personal account to conduct business, the IRS will consider your business transactions as a hobby, meaning it will be difficult to audit and you cannot deduct expenses.

Discussion on Credit Cards and Bank Accounts

Below is an interview conducted with Ken Rosenberg, Senior International Banking Executive (retired) and Member, Northern California District Export Council, on essential information about banking in the United States.



In speaking with a number of foreign tech startups, several have commented that one of the most daunting aspects of getting started in the United States was establishing credit and opening a bank account. Th y needed this to do things like get an apartment, buy a car, acquire office space. How would you advise a foreign company to prepare in advance of opening their office in the United States?

First, entrepreneurs must engage a law firm to create a legal entity. Second, entrepreneurs must get a U.S. accounting firm to help establish bookkeeping and accounting processes necessary to work with the banks in the United States. They should look at these two things early on, even before deciding where in the United States they would like to live. Entrepreneurs may already have contacts in their home countries that can begin relationships with U.S. legal and accounting professionals. There are also consulting companies that can also help foreign companies set up in the United States.

What is the process for a foreign company to open a bank account in the United States? What do they need to do to establish a credit score? What do you suggest that might ease this process for foreign companies?

You need to select a bank that's open to working with foreign firms and that has the necessary services. To open an account, you must present the company's articles of incorporation and bylaws, tax identification number, and physical address. These documents establish authority to act on behalf of the company and confirm the company's legitimacy. The entrepreneur must also show evidence of their authorization to be in and do business in the country. Although, many steps in preparation for opening an account can be done online, most banks will want to verify the entrepreneur's identity in-person. So, opening a bank account is best done once you are in the United States. After the company bank account is established, it is typically not necessary to physically enter the bank.

When applying for a line of credit for a company, the bank does not look at credit scores, but at the company documents, financial statements, and history. Credit scores are typically only reviewed for personal accounts and lines of credit. If needed, the company's home country bank may provide a standby letter of credit to be reviewed by the U.S. bank. For example, a standby letter of credit may serve as a guarantee to facilitate the purchase of real estate. However, a standby letter of credit can only be used for companies, not individuals.

When is it necessary to use cosigners or correspondent banks? Does the requirement to use these vary by institution?

A cosigner may not be appropriate for getting a line of credit for a company. Rather, a cosigner can help an individual apply for a personal line of credit when they don't meet the requisite credit, income, or other requirements. Cosigners are seen by the bank as borrowers. It is better to establish a relationship with the bank than to use a cosigner. For personal purposes, such as purchase of personal vehicle or home, you can use your company to provide a guarantee for the individual's personal purchases.

A standby letter of credit from a home country correspondent bank can help provide a guarantee to a U.S. bank. This may facilitate a line of credit for a corporate entity, especially when there are international transactions involved. Correspondent banks also hold multi-currency accounts, which is useful when a company has foreign currency deposits in a U.S. bank account. Using a correspondent bank can help prevent repeated foreign currency transfers and reduce foreign exchange cost and risk.

With the current banking regulatory environment, it takes more time to open accounts and establish business than in previous years. You cannot just get a referral from a correspondent bank and open an account; the U.S. bank still needs to do their due diligence to comply with regulations regarding money laundering and financial crimes, for example. However, it is still important for foreign investors to identify if their home country bank has relationships with U.S. banks that would facilitate moving money between their home country and the United States.

Smaller companies that are new to the United States may find it difficult to open a bank account with large global banks.

In this case, startups may have more success with banks that market to small or medium-size companies but it is necessary to ensure that they have international capabilities.

What additional requirements would foreign investors need to meet in order to obtain a bank account for a business?

A relatively new requirement is documenting beneficial ownership. Regulations require banks to know who owns the company. Banks must investigate and document anyone who owns more than 20% of the company, regardless of entity type.



Joshua Tree, California

Taxes & Insurance

There are various types of federal and state taxes that businesses must pay. This section describes some federal taxes, local taxes, business-specific taxes, business insurance, and the taxes that correspond to each entity type. Please note: tax codes and regulations are subject to change. CALED recommends checking for the latest updates to ensure up-to-date information.



U.S. Federal Tax

Non-residents pay federal tax if their income is connected to a U.S. business or trade, and the income is fixed, determinable, annual, or periodical. Interest paid to non-U.S. creditors is often subject to a 30% federal tax rate, which can be reduced under an applicable U.S. income tax treaty. Corporations may have a U.S. effective marginal tax rate around 25%. An initial analysis of corporate tax is described below with more detailed information from SelectUSA. This link also provides information about state taxes, choice of entity, repatriation, and financing.

CORPORATE TAX RATE OVERVIEW

TAX TYPE	TAX RATE
Corporate income tax	21%
Capital Gains	21%
State and local income tax	Varies from 0-13%, but generally deductible against federal income tax.
FDAP withholding taxes	30%, but may be reduced under applicable treaty
Branch profits tax	30%, but may be reduced under applicable treaty

The State of California Franchise Tax Board has specific details about how taxes operate in California. The following links have information about:

1. How businesses pay taxes in California with specific information about apportionment and allocation and Public Law 86-272 that provides exemption from state taxes.
2. California income returns, rental income, interests and dividends, and sale of capital assets.
3. Filing requirements for information returns and nonresident tax returns.
    a. Information returns include information about employee wages and health coverage. More information about returns can be found on the IRS website.
4. California Competes Tax Credit: This is available for businesses that want to grow in California, and five-year agreements can be negotiated to claim credit on your tax returns. In order to claim credit, you must meet a predetermined annual milestone for full-time employment, salary levels, and project investment.
5. Credit assignments, how to claim or report credit, and other allocation rules.
6. Personal filing requirements, status, situations, income types, credits, and contributions.
7. Tax rates, tables, and an interactive calculator.
8. Required forms
9. Filing based on business type for LLCs, Partnerships, and Sole Proprietorships

TAX RATES BY BUSINESS ENTITY IN CALIFORNIA

ENTITY TYPE	TAX RATE
Corporations other than banks/financials	8.84%
S Corporation Rate	1.5%
Alternative Minimum Tax (AMT rate)	6.65%

The California statewide base sales tax rate is 7.25%. The state of California provides a table on additional sales and use taxes that vary by city and county. There is a presence threshold for remote sellers, such as ecommerce, of $500,000 in California. Your company should assess your sales tax obligations to ensure you have proper compliance and reporting processes in place to prevent significant sales tax liabilities.

POPULAR CALIFORNIA BUSINESS INCENTIVES INCLUDE:

1. California Competes Tax Credit (listed above). Tax agreements are negotiated by GO-Biz.
2. California Advanced Transportation and Manufacturing Sales and Use Tax Exemption.
3. Research and Development tax credit.
4. The Economic Development Rate, which provides a discount of 12%, 18%, or 25% on most electric costs for five years.
5. Employment Training Panel, which provides a cash reimbursement for cost incurred to train employees.
6. The Small Business Loan Guarantee Program, which especially encourages investment into low to moderate income communities, as well as assisting with the creation and retention of jobs.
7. Here is a list of incentives by:
    a. Industry: companies may be particularly interested in energy and environment, biotech, and transportation.
    b. Type: bonds, loans, tax credits/exemptions, and utilities.
    c. Business operations: hiring/training programs, expansion, exporting incentives, startup/small business support, and recycling.

Common business taxes

1. Remember that many business expenses can be written off, such as business insurance and local, state, federal, and foreign taxes.
2. California imposes both business and personal taxes on business owners who create LLC or S corporations. These businesses avoid federal income taxes, and because it is double taxation to tax business owners on income and the business, only the personal income tax rate is applied.
    a. Be aware that California has a state income tax that is higher than average, and the cost of living is also very high. Its state top marginal income rate of 12.3% is the highest in the country.
    b. California has selective conformity to the Internal Revenue Code, meaning it adopts only portions of the code compared to their original date of adoption for tax purposes. Businesses may have sufficient presence in multiple states to be subject to many state income taxation requirements.
3. Corporate tax: a flat 8.84% tax on corporations with net taxable income from business activity. Corporations may pay the alternative minimum tax of 6.65% in lieu of the corporate tax depending on if they claim net taxable income.
4. Franchise tax: applied to LLCs, S corporations, LPs, and LLPs. C corporations must pay this also, regardless of whether the corporation is active or operates at a loss. This is an $800 tax due the first quarter of every accounting period. There is a first-year exemption from this tax.
5. Alternative minimum tax: 6.65%. This tax ensures corporations do not write down income to minimize their corporate tax.
6. LLC fee: California imposes a fee on LLCs doing business in the state. The fee, which is based on gross revenues, ranges from $0 to $11,790.

Financing Operations

U.S. operations can be funded through debt, equity, or a mix of the two. While interest expense is often deductible, the tax code imposes various restrictions on this deductibility. Interest paid to non-U.S. creditors is generally subject to a 30% federal tax rate, and eligibility for a reduced tax rate should be confirmed before entering any financing agreements. You can apply for exemption from business operation tax. This form will vary depending on the city your business operates in.

Business Insurance

Business insurance is tax deductible and protects your businesses from key risks. You can write off the premiums of these insurance policies if they are in place to help your business, and you can write off the full amount if they are widely used and necessary for your business. Commonly bought insurance types for businesses include workers' compensation, general liability, professional liability, commercial property, cyber insurance, and business income insurance.

Finally, you can use the **small business health care tax credit** if you have a small business with less than 25 full time employees who are paid an average of under $55,000 and pay at least 50% of the coverage costs. The maximum credit under this option is 50% of premiums paid for small business employers and 35% of premiums paid for small tax-exempt employers.

Choice of entity as it relates to tax

A limited liability company (LLC) can elect different tax classifications for federal income tax. LLCs that chose to be treated as a corporation in terms of tax are subject to an 8.84% tax rate for business. Net income from LLC business owners pay a personal income tax with marginal tax rates ranging from 1% to 12.3%.

An S corporation can elect to pass its loss, income, credits, and deductions through their shareholders for tax purposes. The tax rate for this in California is 1.5%.

A branch office is for companies that are just starting that may not be subject to corporate income tax if their activities are limited. As it grows, it may become a representative office, which is taxable, meaning transactions must be based on **arm's length U.S. transfer pricing principles**, which means that the amount charged by one party to another must be equivalent to the price if the parties were not related.

If your C corporation pays income through dividends, it can pay a marginal tax rate on dividends up to 13.3%.

General and sole proprietorships will pay only the personal income tax if their income is distributed directly to the business owner.

A corporate subsidiary is where a portion of the company's assets is separate from the others in order to protect from loss or reduce taxes. Many companies use this entity in states with flexible incorporation laws, such as Delaware, Wyoming, or Nevada, then operate in another state through a certificate of authority. They are generally taxed as C corporations, and arm's length transfer pricing principles still apply.

Other resources

California Department of Tax and Fee Administration: administers taxes and funds state initiative programs.

California Tax Service Center: A partnership of tax agencies that provides information on income, payroll, sales and use, and other taxes.

The Internal Revenue Service: The IRS administers federal tax law, both corporate and personal.

The IRS also offers a **small business tax virtual workshop** that includes key lessons about federal taxes, payroll, and Schedule C.

California Bar Association: Search for tax attorneys.

Discussion on Tax Considerations

Below is an interview with Tom Neff, West Coast Regional Leader, International Services and Tax Partner of Aprio. He spoke with the Department of Commerce on tax best practices.

Aprio



How do you recommend a foreign investor navigate taxes in the United States, given that there are federal, state, and local taxes?

From the outset, you must determine what type of entity you want to form and look at whether you will actually have a taxable presence. There are several questions you will need to ask yourself. Will you have a partnership, corporation, or branch? How will you structure the capitalization of the company in terms of debt versus equity? What does the ownership chain look like? What do the long-term goals look like – are you looking for immediate return or trying to grow the business and keep profits in the U.S.? Tax professionals can help guide these decisions.

What should foreign investors understand about taxes specifically when it comes to setting up a business in California?

Entrepreneurs must understand California taxation and various types of state taxes. California is aggressive with determining if you have a taxable presence. For example, you can have a sales tax presence in California through an economic nexus without even having employees in the state. This is essentially a sales tax for online sales in the state if you earn above a certain threshold, and you are responsible for collecting that tax. Therefore, entrepreneurs must consider what their income margin is and how sales tax affects it. They must also understand California economic factors – there is a high cost of doing business and the competition for quality staff is fierce.

There is a business and payroll tax in San Francisco that often catches people by surprise. There are also local property taxes to be aware of – about 1.25%. Each of the California counties has a sales tax on the equipment you purchase for your office. The California Franchise Tax Board is a great resource for this information.

What should foreign investors understand about taxes when it comes to doing business with other U.S. states?

The multi-state taxation challenge is that each state has its own set of rules. Many states have not adopted an economic nexus standard or do not have an income tax. However, there may be a franchise tax in other states based on the amount of capital invested in the business, so you must determine the best capitalization structure for your company. There are additional taxes beyond this based on the state, which is why it is important to consult a tax professional.

How can foreign investors avoid double taxation in California?

Only corporations are subject to double taxation, which means that profits are taxed when earned, and taxed again when dividends are paid to shareholders and investors. There are ways to mitigate this, such as through paying intellectual property royalties or management fees from the company to a foreign investor.

It should be noted that transfer pricing policies regulations require that management fees, royalties, and intercompany sales be at arms' length between related companies, so that profits are properly determined in each jurisdiction. A professional can help you set up an agreement, decide what to charge to the U.S., and determine a markup that the IRS would find acceptable.

Are there some business entity structures that are taxed at lower rates that would benefit tartups?

The corporate structure carries double taxation – profits are taxed when earned and taxed again when dividends are paid to shareholders and investors. As discussed above, there are ways to mitigate this. Another option is to create a partnership LLC with a pass-through structure where profits are passed to investors and subject to only one level of tax.

How would you recommend a foreign investor use a tax professional when beginning their company in the United States?

Many foreign businesses will work with both immigration attorneys and often use tax professionals to learn how to bring workers into the United States. One of the most challenging processes when starting out is establishing a bank account in the United States. You must first determine the correct business entity to form, then apply for tax ID number, all of which require a lot of paperwork and is nearly impossible to do without an agent in the United States. A payroll company and an attorney can help you create your actual entity so you can start hiring and paying wages to U.S. employees.

Which California state taxes would you emphasize to foreign investors? Are there any taxes that business owners often forget about?

What often gets forgotten are the California Secretary of State filings, which happens every other year for most businesses. There are filing fees for these documents which are not very high fees but get missed often. The California Secretary of State will suspend your business entity if you don't pay, and there are legal consequences. For example, you may lose the opportunity to file a lawsuit or lose the company name, which can be taken by another company. Many city taxes often get missed too; for example, San Francisco businesses have to pay a payroll tax to the state and the city.

What recommendations do you have about financing business operations as it relates to taxes?

It is key to look at income tax treaties in deciding whether to finance operations via debt vs. equity. If you are financing business with capital and planning to return the capital to your home country, the profits will be returned as a dividend. If you are investing as a debtor, then profits are repatriated to your home country as interest and note payments. Although the Internal Revenue Code has a flat 30% withholding tax on payment of dividends or interest to an investor or creditor in a foreign country, many countries have income tax treaties with the United States that need to be considered. Certain treaties can reduce the withholding tax to 15%, 5%, or even zero and the rates are often different depending on whether they relate to interest or dividends.

Which tax incentives or credits are most helpful for tech companies?

Many tech startups experience a loss in the early years of the business; such losses may be carried forward for a 20-year period and used to offset profits earned in these later years. Many other countries do not allow such losses to be carried forward. There are also various tax credits including amounts paid for research & development, hiring disadvantaged workers, paying the premiums for employee health insurance, and investing in clean energy, just to name a few. These should be discussed with a tax professional or found online on the **Internal Revenue Service** website.

What type of insurance should each business buy, even if it is not mandatory? How does insurance relate to business size/location?

Business interruption insurance will cover for unforeseen events. Most businesses will also want to protect themselves from cybersecurity risks, which is especially important for tech firms. If you are acquiring real estate, you will need insurance coverage in case someone has an accident, such as a slip and fall, on your property. It is important to separate real estate from the business. You don't want that real estate subjected to potential business claims, so it is best to shelter it from any claims against the business by holding title in a separate entity. The larger the business, the larger the potential for claims.

Is there any other advice you would give in terms of taxes?

There are small tax changes every year, so entrepreneurs should plan well ahead of time. The Tax Cuts and Jobs Act of 2017 was the most significant set of tax law changes that I have seen in my career, which had a particular effect on cross-border taxation. It is also important for an entrepreneur to plan ahead before moving to the United States. I have seen many clients get surprised to learn, for example, that the sale of their home in the foreign country is subject to taxation in the U.S. if sold after becoming a resident here, which often will be the case once they have spent 183 days in the country.

Registration Rules & Incentives

Registration Rules

CALIFORNIA STATE REQUIREMENTS:

In order to operate in California, firms are required to register/form their business with the California Secretary of State. Registration materials and pricing differ based on the type of business entity the firm intends to file as. To determine which form is needed for a particular business entity type please visit the California Secretary of State's Forms, Samples and Fees page.

For more information with regards to business entities please visit the California Secretary of State's Business Entities Frequently Asked Questions page.

COUNTY-SPECIFIC REGISTRATION REQUIREMENTS

Many counties in California require businesses to register at the county-level in addition to city and state requirements. The requirements at the county level are similar across counties with prevalent requirements including filing a Fictitious Business Name form and obtaining a Business License. While specific applications typically vary between counties, the Fictitious Business Name form is generally only required from businesses who operate in or are located in unincorporated areas. Business Licenses ensure that businesses are adhering to tax requirements and for identification purposes.

FICTIOUS BUSINESS NAME LEGALITIES

CHAPTER 5. Fictitious Business Names [17900 - 17930] (Chapter 5 added by Stats. 1970, Ch. 618.)

17920.

(a) Unless the statement expires earlier under subdivision (b) or (c), a fictitious business name statement expires five years from the date it was filed in the office of the county clerk.

(b) Except as provided in Section 17923, a fictitious business name statement expires 40 days after any change in the facts set forth in the statement pursuant to Section 17913, except that a change in the residence address of an individual, general partner, or trustee does not cause the statement to expire.

(c) A fictitious business name statement expires when the registrant files a statement of abandonment of the fictitious business name described in the statement.

CITY REGISTRATION REQUIREMENTS

In assessing the differences in registration between cities, one can see that there is a small degree of variation between the requirements. However, some consistent requirements across these cities include applying for a business license, a home occupation or zoning permit, and building permit. Typically, business licenses can be applied for through the finance department of the respective city's website. The application may require county or state-level requirements such as obtaining a seller's permit and registering a Fictitious Business Name. Home occupation permits are necessary for those who operate their business from their home or in an area zoned as residential, while zoning permits are required for those operating their business outside of the aforementioned areas. Finally, in order to ensure compliance with zoning laws and regulations, businesses looking to build their workplace must submit a building permit through the city's planning division.

To find requirements pursuant to your geographic area of interest, please visit the GO-Biz business permits and registration requirements search engine. Here, you can filter by level of government (city, county, regional, state, and federal) to find the specific regulations.

Incentives

In line with California's friendly FDI environment, the state provides an array of incentives to assist companies in reducing taxes and other expenses. Below you will find popular incentives applicable to both all company types as well as industry or processes specific incentives. For more information on incentives offered by the State of California please visit the Governor's Office of Business and Economic Development's Incentives, Grants & Financing page.

- Tax Credits and Exemptions:
  - California Competes Tax Credits: companies looking to relocate or expand into the California market all submit an application to be considered for up to $180 million in tax credits.
  - Advanced Transportation and Manufacturing Sales and Use Tax Exclusion (STE): this program rewards those companies who utilize alternative energy sources or advanced transportation in the form of tax credits.
  - Sales and Use Tax Exemption for Manufacturing: companies requiring basic manufacturing equipment, equipment for food processing, research and development, and biotechnology are eligible

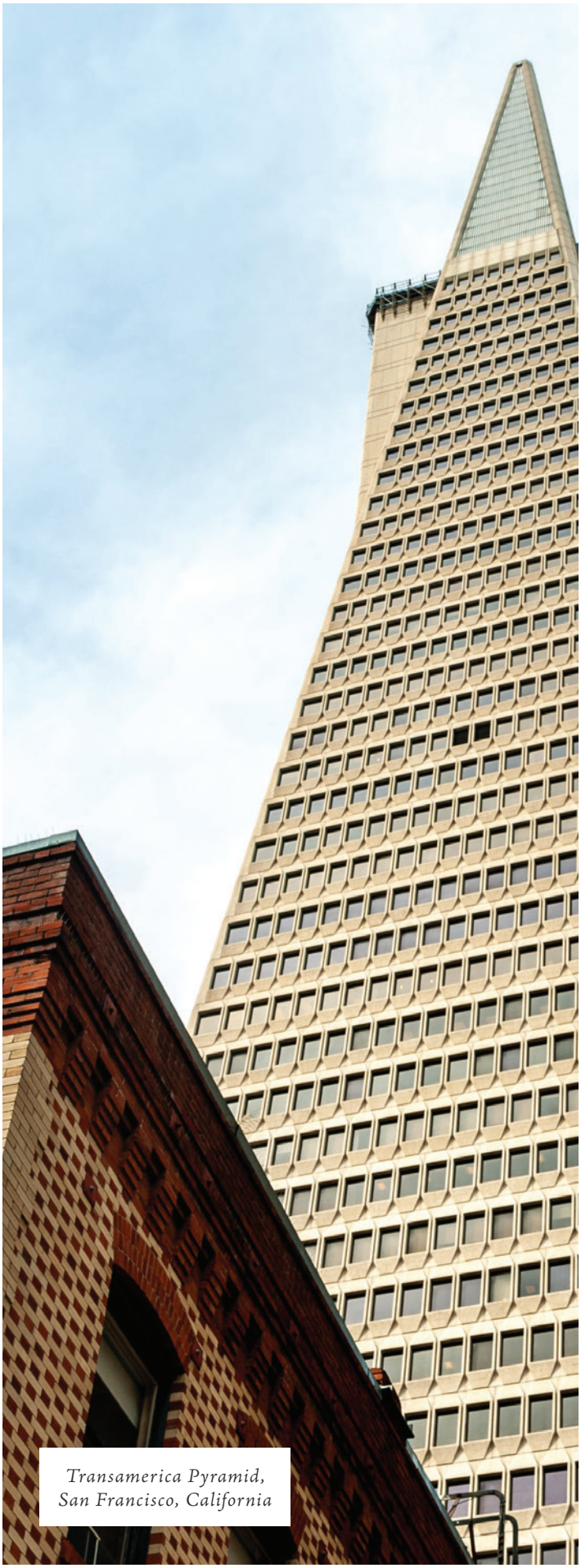
for a 3.9375% sales tax exemption on purchases of aforementioned equipment.

- Research & Development Tax Credit: applicable for companies engaging in research pursuant to California's classification of research. Involves either a rate based on expenses that exceed a base amount or basic research payments.

- Human Capital:
  - Employment Training Panel (ETP): funding opportunity to support companies in their endeavors to provide substantive training to their employees which, in turn, benefits all stakeholders.
  - New Employment Credit: incentivizes companies to hire in California, specifically areas with high unemployment and poverty rates, by covering between 150% and 350% of the minimum wage.

PROGRAMS:

- California Innovation Hub Program
- Food Production and Investment Program
- California State Trade Expansion Program



Transamerica Pyramid, San Francisco, California

Intellectual Property

The following sections explains the basics of intellectual property, filing costs, and California IP resources.

What is Intellectual Property?

Intellectual property (IP) refers to creations of the mind including patents, trademarks, copyrights, and trade secrets. Businesses are often unaware that their business assets include IP rights. Your intellectual property is a valuable intangible asset that should be protected to enhance your competitive advantage in the marketplace. The U.S. is a party to several multilateral treaties and conventions and bilateral agreements with most other countries. You can check to see if your home country has international copyright relations with the United States.

TYPES OF IP INCLUDE:

1. A patent for an invention is the grant of a property right to the inventor, issued by the United States Patent and Trademark Office for a limited period of time.
2. A trademark is a word, name, symbol, or device that is used in trade with goods to indicate the source of the goods and to distinguish them from the goods of others. A servicemark is the same as a trademark except that it identifies and distinguishes the source of a service rather than a product.
3. Copyright is a form of protection provided to the authors of "original works of authorship," including literary, dramatic, musical, artistic, and certain other intellectual works, both published and unpublished.
4. Trade secrets is information that has either actual or potential independent economic value by not being generally known, has value to others who cannot legitimately obtain the information, and is subject to reasonable efforts to maintain its secrecy.

To safeguard your IP, some must be registered, some must be used, and some must be kept secret. In order for the invention to be considered for patent protection, you must be the first inventor to file for protection in the country. You should also consider filing in other countries or jurisdictions depending on factors such as manufacturing location and markets of interest, and location or key markets of your competitors. Remember that IP rights are jurisdictional so if you have IP rights in the United States, these protections do not extend to foreign countries. The reverse is also true.

THINGS TO KNOW BEFORE FILING A PATENT

First and foremost, applying for an application for patent protection does not guarantee issuance. According to the American Intellectual Property Law Association's 2019 Report of the Economic Survey, the national mean cost to prepare and file a relatively complex mechanical non-provisional application in the U.S., including the referenced documents, is $11,008. Between 0.2% to 5% of patents become commercially viable, so it is important to be informed about best filing practices. The average time it takes to bring to final disposition (e.g., allowance or final rejection) a non-provisional application varies and is currently about 23 months. This period is typically less for design patent applications.

50% of the costs associated with filing a patent are prosecution, fees, and patent drafting, while only 1% is USPTO filing fees. Other charges include search expenses, issue fees, and appeal costs.

The government filing fees for a provisional patent application range from $75 to $200. To be useful, the provisional application must describe your invention with the specificity that meets the statutory requirements, and which may include drawings. While provisional patent applications don't require certain formalities, you should take great care in preparing your provisional application because if it does not meet the statutory requirements, it may not serve the function you had intended, namely, to serve as priority to your later-to-file non-provisional application. Also, remember that provisional patent applications will automatically be abandoned in one year, and you must file a non-provisional application before this deadline.

To be patentable, your claimed invention must satisfy each of the following requirements. As these concepts can get very tricky, it's best that you contact a patent attorney or agent:

1. Patentable subject matter. The claimed invention must be directed to patentable subject matter which include processes (e.g., method of making something), machines (e.g., device), manufactures (e.g., an article of clothing) and compositions of matter (e.g., medicine). Software can be patented if it meets subject matter eligibly requirements.
2. Be a novel idea. Your claimed invention must be new or in other words it cannot have been used or known by any other in the United States or a foreign

country before you file your patent application.

3. Be nonobvious. If the differences between the claimed invention and the prior are such that the subject matter as a whole would have been obvious at the time a patent application is filed describing the invention, then it does not meet this requirement.
4. Be useful. An easier way to describe usefulness is to describe what is not useful. A claimed invention is not useful if it is totally incapable of achieving a useful result.
5. Description and enablement. The application must describe the invention with enough particularity such that those skilled in the art will be able to make, use and understand the invention that was made by the inventor.

You should also consider the following questions in deciding whether to file for patent protection:

1. Will it be useful in the pursuit of a viable business opportunity?

2. Will you be able to monetize your patent (if it were to issue) through sale or licensing?

3. Will it give you a competitive edge over competitors?

Once the non-provisional patent application is filed (remember that provisional applications are never examined), the Patent Office reviews your patent application to ensure that it meets the basic requirements before it is assigned to an examiner. It typically takes about fourteen (14) months or more to examine your patent application on the merits, which may be rejected at least at first. You get two bites at the apple, meaning you get two office actions and if the second one finally rejects your application, you can either let it go abandoned or pay more fees and file to continue its prosecution (or appeal the decision).

You can expedite the examination of your application such that it will be finally disposed of within 12 months of the filing date, but as with all other things expedited, it will cost you money, ranging from between $1,000 and $4,000 depending on the company's size.

FILING COSTS

- Schedule of patent fees

USPTO CALIFORNIA-SPECIFIC RESOURCES

The Silicon Valley U.S. Patent and Trademark Office supports creators in California, provides collaboration spaces for public use, has a public search room for patents and trademarks, offers events on key topics in IP and provides individual assistance by appointment. To contact:

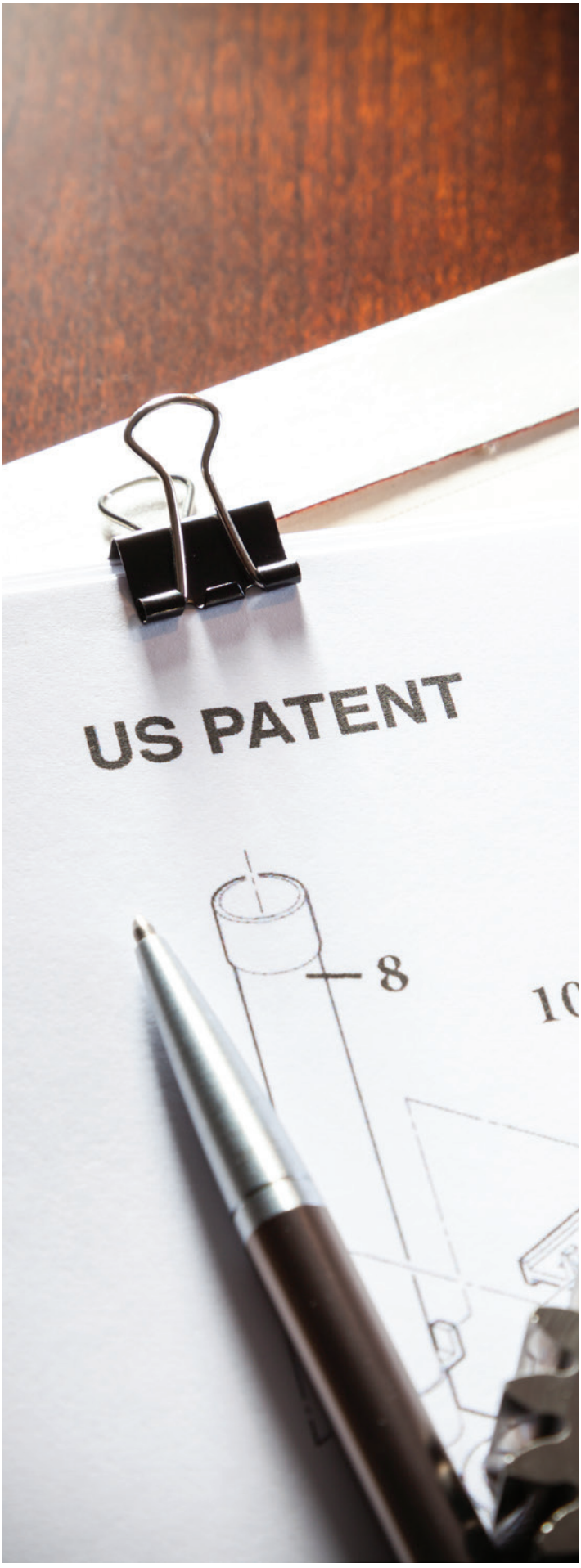
- Call +1 408-918-9900
- Email: SiliconValley@uspto.gov
- Visit 26 S Fourth Street, San Jose, CA 95112
- For patent one-on-one assistance by appointment: schedule online, call +1 866-767-3848 or email innovationdevelopment@uspto.gov
- For trademark one-on-one assistance by appointment: schedule online, call +1 800-786-9199 or email TrademarkAssistanceCenter@uspto.gov

CALIFORNIA HAS OTHER UNIQUE RESOURCES:

1. California State Library: Has a Patent and Trademark Resource Center that should be contacted before visiting. Staff can be contacted at cslgps@library.ca.gov or +1 916-323-9843.
    a. The San Jose Public Library also has another Patent and Trademark Resource Center, which can be contacted at +1 408-808-2397.
2. The California Inventors Assistance Program provides pro bono assistance based on income to pair inventors with professionals who will help you file your patent application.
3. Law school clinics also offer free legal help. Those in the Bay Area include:
    a. Lincoln Law School of San Jose (for patents and trademarks): ipclinic@lincolnlawsj.edu.
    b. University of San Francisco School of Law (for trademarks): lawclinic@usfca.edu.
    c. Certain law school clinics provide free services to any U.S. resident, regardless of location.

RESOURCES

1. Stopfakes.gov: includes online toolkits, a guided training, and webinars/roadshows provided by industry experts.
2. U.S. Copyright Office: Register a copyright, search copyright records, understand the fee schedule, or contact a copyright specialist.
3. World Intellectual Property Organization: beyond what is provided above, learn more general information about the international patent system, resolving disputes, IP databases, legal and technical resources, and other key tools.
4. United States Patent and Trademark Office: information about the application process, maintaining a patent or trademark, policy, and topical questions.
    a. Search for patent attorneys and agents registered with the USPTO.



Discussion on Intellectual Property

Soody Tronson is Founding Managing Counsel at STLG Law Firm, counseling domestic and international clients in IP and technology transactions in a wide range of technologies. In 2016 she formed, Presque, a company developing wearable devices for mothers and infants.



Please tell us about your practice. How long have you been advising? What are your particular areas of expertise?

I was a practicing scientist and engineer for over ten years before starting my legal career. I never gave up my technical work —as a patent attorney, I must keep up to date on technology, health sciences, and other fields. I also have had startups of my own, so technology is part of my daily life.

I own a boutique technology & intellectual property firm in Silicon Valley, counseling medical device, technology, energy, consumer, and pharmaceutical companies worldwide. I have worked with clients from many parts of the world, but if I had to pick a few, I would say Canada, Mexico, Poland, Australia, Netherlands, France, Italy, U.K., and China. We represent companies at all stages and work with founders, management, board, tech transfer offices, and in-house counsel to address challenges, create opportunities, and help move organizations forward. Our team is diverse, with breadth and depth of expertise in law, business, and technology to scale based on client needs. Our team members have operational experience; that is, we have worked as members of technical staff or business managers during our careers. As trusted advisors, we provide sound strategies from a lean perspective, utilizing our combined legal, technical, business experience. We support you as you form and grow your ideas into successful businesses.

Considering foreign enterprises that want to establish themselves in the U.S., how familiar are these firms with IP matters, in your experience? Are there common misperceptions about how to manage IP? What are some of the common mistakes?

One common misperception that comes to mind right away is around trademarks: One of the critical distinctions between trademark laws in the U.S. versus Europe, for example, is the importance of use versus registration. In the U.S., the user of a trademark, who is the first to use that mark in commerce, may acquire certain rights under the common law, even without registration. In the E.U., trademarks must be registered to receive protection. The E.U. has no requirement that a mark is used in commerce at the time of the trademark application or registration. This means a European Union trademark can be registered for goods or services even if the trademark owner is not using it or has no intention of doing so. However, the validity of an E.U. trademark on the register for over five years can be challenged for non-use if there are no legitimate reasons for not having used the mark. In the U.S., there are many advantages to registering one's trademark. There are also some other significant differences related to types of marks, similar marks, and the opposition process. Patent concepts are usually more universal, so to the extent, a company understands international principles, it would be similar here in the U.S. There are, of course, a few key differences, a couple of which include: 1) the availability of provisional patent applications which has fewer 'formal' requirements (but still require meeting the statutory requirement); and 2) while applications in Europe are automatically published within 18 months from their priority date, in the U.S., an applicant who does not plan to file outside of U.S., can request that application remain secret until such time the patent has been issued. That said, the interpretation of patent laws by agencies and courts may vary considerably from country (or region) to country. For example, rules around methods for medical treatment differ as well as software patentability requirements. And, of course, remember that getting a patent issued does NOT necessarily give the patent owner the right to practice the invention (that requires a "right to use" analysis which is different from "patentability" analysis). Other key areas where the U.S. has its challenges include privacy laws, contracts, and other transactions which are not harmonized, and local knowledge is critical.

Some categories of IP include patents, trademarks, trade secrets, and copyrights. Are there others? Are domain names considered IP?

A trade name is an official name under which an individual or company conducts business. The trade name is important because it connects your company to members of the public. A trademark protects the intellectual property (logos, symbol, mark, slogan, word) which may be associated with a trade name (or business). Filing a trademark application is not the same as registering your company's trade name. The business name must be registered with the state where you do business. While having great value, domain names are not part of the traditional bundle of IP rights. They are, however, tied to trademark rights, and they are where people expect to find you on the internet. Registering a domain name is not the same as filing for a trademark.

How long should an entrepreneur expect these processes to take? For example, filing a patent, recording a trademark or copyright? Can these processes be expedited?

The process length for each type of IP is different, and there are no time limits. Patenting process (assuming it gets granted) takes the longest and copyrights the least (2-7 months). Some applications can be expedited. For example, upon payment of additional fees, you can accelerate the examination of a patent application.

How much should companies budget for IP matters and managing their IP portfolio? What are the recurring costs? Do costs ebb/flow based on new market considerations/new products?

I first advise all companies to figure out if and what they need to stay competitive. That could include one or more of the above forms of IP. When it comes to cost, I think of it as building a house: so many variables contribute to its cost. That said, normally, patents cost the most and copyrights the least. Cost can range anywhere from a couple of thousands to tens of thousands of dollars. In the U.S., a significant portion of the cost is attributed to attorney fees.

Are there low-cost ways to get started with IP management in order to understand the basics? Are pro-bono services available? When should an attorney be consulted/retained?

The first rule, especially if you try to do it on the low side, is reading and becoming familiar with the topics and processes. Attend free webinars from reputable individuals/firms. But remember that just because you can read the words, it does not mean you are an expert at them. And I cannot emphasize this enough: Just because it's on the internet, it does not mean 1) that it is correct, 2) that it is complete, or 3) that it covers every scenario and nuance. There is a lot of bad advice out there. The best resource spent, I think, is early on with regard to strategic planning before starting on the tactical plan. In the U.S., we don't have many pro bono resources for IP services. However, the local U.S. Patent and Trademark Offices offer many classes (I have had the pleasure of curating an educational series, for example, with the Silicon Valley USPTO for years). There are also a handful of places that offer pro bono services. Still, the eligibility requirements (economic need) for admission are high. Certain agencies may provide expert advice that is different from giving the actual legal service. The USPTO's Patent Pro Bono Program is a nationwide network of independently operated regional programs that match volunteer patent professionals with financially under-resourced inventors and small businesses to secure patent protection. **This page provides** videos and a map-based listing of resources. That said, there are requirements, including financial need. The California Lawyers for the Arts (CLA) and the New York Volunteer Lawyers for the Arts (VLA) are examples of non-profit organizations participating in this USPTO program.

Are there steps a company can take to protect/manage their IP before coming to the U.S.? Can/should the entire filing be done online or overseas? Is there a scenario when an entrepreneur/enterprise would need to visit the USPTO or Copyright Office in person?

Nowadays, almost everything is done online without needing an in-person visit. The field of IP is not just complex but also complicated. For example, one must file for patent protection regardless of the location before making public disclosures or taking certain actions. For instance, during the examination of a U.S. patent application, all foreign and domestic publications are considered prior art. You can take care of some of your IP planning (including filing through a registered U.S. attorney) before you come to the U.S. For example, you retain counsel to evaluate your product against other patents for non-infringement analysis to assess your freedom to operate. Also, remember that just because you apply for IP registration, there is no guarantee of final issuance. While an applicant cannot prevent the ultimate rejection of their application, they can mitigate the reasons it may get rejected by doing their homework and putting their best foot forward. That requires working with counsel who can advise you early on what to do and what not.

How can different IP types (e.g., patents, trademarks, copyrights) all apply to the same product?

Sometimes, one or more types of IP can apply to the same product. For example, a mobile phone may be covered by patents, trademarks, and copyrights of its software, and most likely, some trade secrets as well. So, the answer is yes: a single product may be covered by multiple types of IP rights.

Are there any initiatives/grants that may fund a foreign investor's path to obtaining a patent?

Not that I know. However, many countries may have grants that would help with filing for IP protection in the U.S., but the U.S. itself does not offer these. As you evaluate counsel, make sure to understand the attorney's billing practices (e.g., attorney services, paralegal and flat-rate services, and agency costs).

How can foreign companies find qualified IP practitioners in the U.S.? Are there certifying bodies/ business associations that would help make referrals?

There are associations for those practicing IP law in the U.S., but they don't recommend practitioners. Attorneys are licensed by the state/s in which they practice. You can search the state's bar (the body that licenses the attorney) to confirm whether that attorney has any disciplinary records. Patent attorneys are additionally licensed with the United States Patent and Trademark Office. The USPTO has a web page that lists the names of registered patent practitioners (agents and attorneys) but does not offer recommendations. You should also note that many publications that bestow some practitioner awards are paid advertisements or paid-for awards. The best is to remember that IP service is a personal service. It's not the firm's name or size, rather the practitioner's experience that matters. Look for word of mouth and trusted agencies you know. Some local consulates may have recommendations through their innovation agencies, but that often depends on how active that representative is in the community.



Santa Monica, California

Incubators & Accelerators

Incubators

An incubator is an organization geared towards fostering seed-stage companies as they navigate early development phases until the company has sufficient physical, financial, and human resources to be self-sustaining. Some common services that incubators offer include access to investors, office space, and the establishment of administrative functions. Incubators tend to take an equity stake in startups or charge a fee for their services. Companies often work with incubators for an extended period (between two months to a year) to develop an intimate relationship between mentors and founding teams. Incubators can be beneficial for both for-profit and nonprofits and provide their services through any of the following modes:

1. Access to financial capital through connections with investors
2. Access to experienced mentorship and consulting
3. Access to physical working space and business software or hardware
4. Access to information and support through university and government relationships

Accelerators

Accelerators are organizations similar to incubators in that they offer an array of services and financing opportunities for startups and access to innovative new companies for investors. In general, accelerator programs range from 2-6 months and offer access to capital and other resources in return for equity.

The two main kinds of accelerators are:

1. Seed programs (2-4 months): These programs work with less developed startups, strengthening their business foundations before preparing them to pitch to investors.
2. Second stage programs (6 months): These programs focus on helping more developed companies develop long-term strategies, grow their network, and access additional resources.

While there is an overlap between incubators and accelerators, there are key characteristics that distinguish them. To begin, they focus on different stages of business development. Incubators tend to be involved with the earliest stages of development. On the other hand, accelerators tend to work with companies that have exited creation phase and moved into an "adolescent" phase. In the "adolescent" phase, startups can support themselves but may need guidance and support to achieve a competitive position at the next level.

Additionally, while they offer similar services they differ in their primary function. Incubators are designed to be creative safe havens that provide startups with shared workspaces, networking opportunities, mentoring, and equipment. Many incubators are affiliated with colleges and universities and are run like nonprofits. Therefore, even though incubators ask for equity less frequently, startups receive less capital than if they were working with an accelerator.

Finally, the timelines that incubators and accelerators work along are very different. Incubators foster slower growth for the long term, and programs are much longer in order to foster deep relationships. On the other hand, accelerators want explosive growth and sponsor intense "boot camps" that last for a few months to help companies rapidly scale and gain market share.

Discussion on Incubators & Accelerators

Serdar Turac, former CEO of SVIgnite and founder of BD partners, has an extensive background in finance and business development. Turac went to UCLA for his MBA and then worked on Wall Street as a broker. Additionally, he has worked both abroad and in the U.S., helping other entrepreneurs and founding teams looking to expand their products and services.



How would you define an incubator? How does that differ from accelerator? Are the terms interchangeable?

Incubators are more like schools – in a way, they support very early stage entrepreneurs to turn a concept into reality. On the other hand, accelerators expedite growth of existing companies that already have a minimum viable product. Additionally, accelerators tend to work with later stage companies, while incubators work with startups. Finally, while incubators usually have rolling admission, accelerators are typically cohort-based with a fixed duration. Even though these two entity types work with companies at different stages, the selection criteria and types of business support are common among both incubators and accelerators.

What are some of the more common services provided by an incubator?

When you look at the journey of startups, you start to see a pattern with their journey and setbacks. The same can be said for some of the more fundamental steps. The main idea of the incubator is getting the foundation set and key elements aligned for new companies. Often entrepreneurs believe they have the very best product or idea but have not really validated their idea/product against the market. They need a lot of help in marketing, sales, finance, business development – focusing on the technical solution only is not enough to commercialize the idea. Some incubators offer office space as well. Another major focus is in fundraising. Demo days are a regular feature and very valuable. Due to COVID, there is an increasing demand for virtual offices. In spite of the pandemic, we have seen that startups globally are still extremely active. They are looking to the U.S. to launch their businesses, sometimes this is due to lack of commercial activity or slowness in their own local economies.

The main benefit of an incubator is to help companies gain fundamental knowledge and develop ideas so that teams are prepared to be successful when their products/services hit the markets. Two key services that incubators offer are curriculums and mentorship. Tech solutions are not enough to commercialize ideas. Incubators help companies develop their business plans, know-how to execute, and provide the financial and community support needed to propel development. Incubators also provide office co-working space. Finally, incubators help companies in their fundraising efforts by preparing teams for and connecting them to venture capitalists. Investors help companies build up financial support by validating the companies for investors and providing opportunities for entrepreneurs to present ideas to multiple investors.

What have you observed in the industry with regard to office space in the COVID world?

Although the physical office space business is having a hard time due to restrictions, there are virtual office options. In fact, there is increasing demand for virtual offices, and many incubators have pivoted to be able to provide this service. Additionally, both incubators and accelerators have been able to host very broad virtual events. In general, this industry is well suited to work virtually.

Incubators/accelerators have many cost structures, some involving equity. When is it appropriate – or not – for a company to consider giving up equity?

No one size fits all. In the early stage, since they're not making profit/revenue, it makes sense to give some equity. That being said, it's important to focus on smart money – who can help with connections to grow, not just giving financial support. It is critical for the success of your team that you find investors who are strategy partners, especially at the company's early stages. Beyond that, the startup company needs to decide what works best for their situation.

How do companies apply and how can companies best prepare to enter an incubator? How much should start ups expect to spend?

The application process usually involves a series of video interviews. Some incubators focus on specific industries. Thus, applicants should do their homework before applying for an incubator, so they know what the incubator is looking for. Incubators like to see that the entrepreneur has a good team. Your pitch doesn't need to be perfect, but the entrepreneur should spend some time on it. Additionally, it doesn't hurt to try and connect with someone already at the organization so that they can give a warm introduction. In total, incubators want to see a carefully thought out plan because they are trusting that the entrepreneur can manage their money and turn it into a good investment.

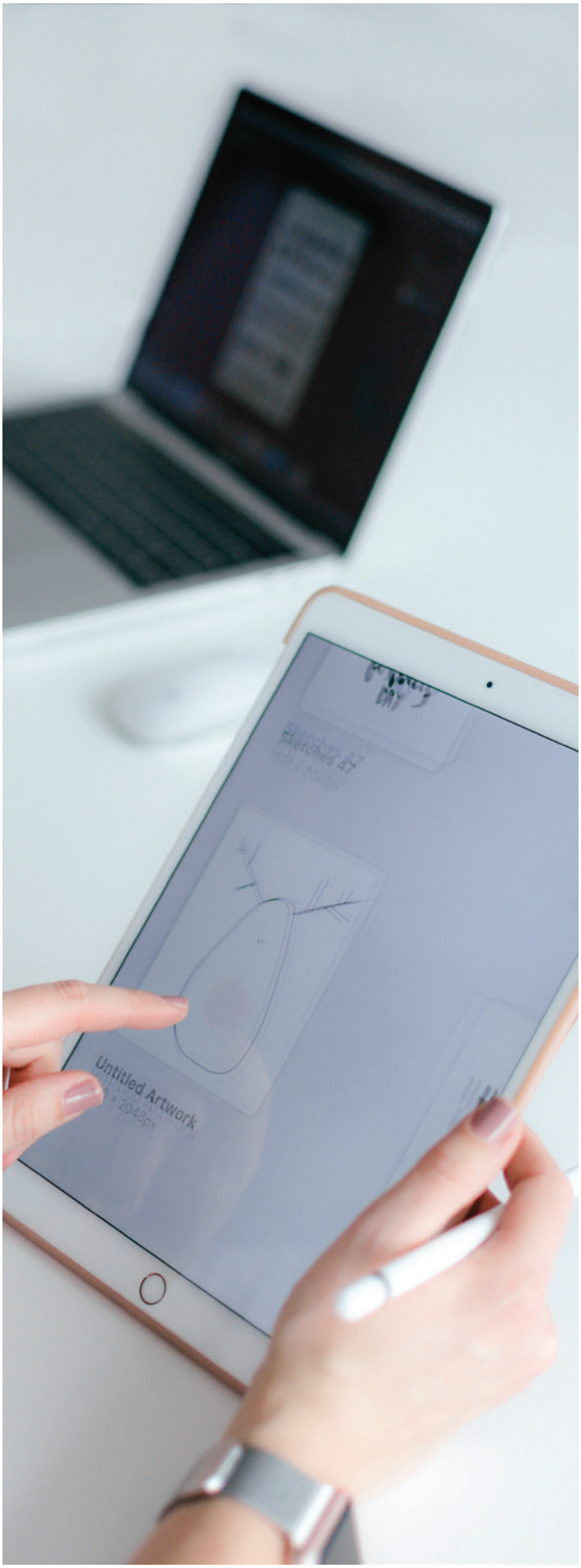
What are some of the common misperceptions your non-U.S. clients/applicants have about establishing themselves in the U.S.? What advice would you give them?

First, there are many cultural differences, and then on top of that there are the specifics of American markets. Many non-U.S. applicants are not familiar with U.S. markets beyond the usual challenges involved with working in a new culture. Another common problem is refusing to invest into their new location. It's really important to have a physical existence and a well-constructed business plan specific to your new location in order to connect with clients. This extends into a related issue of not having a fully formulated business plan because of a lack of understanding of laws and regulations. In the U.S., you can't ignore regulations. It's critical to have the proper legal and tax structure set up.

Finally, they often have unrealistic goals. The U.S. does have an abundance of resources, but it is also very competitive. No one is waiting with a checkbook for the next international investor. You need to prepare to get that check. For advice, utilize the wide range of resources in the U.S., such as the Commercial Service and SelectUSA.

Any other advice you would like to offer foreign tech firms considering California?

In other countries, people often try to keep their ideas secret because they're afraid someone will steal it. But, in the U.S. people are eager to share ideas. It's important to capitalize on that open environment and get your idea out there. Foreign investors often try to get everything done by themselves, but there are many resources in the U.S. that can help them succeed that they should take advantage of.





Sacramento, California

Commercial Real Estate

With nearly 40 million residents across a total area of approximately 163,696 square miles (423,970 km^2), California is the most populous state in the U.S., and third largest by land area. If it were a country, California's approximate $3.6 trillion economy would be the fifth largest in the world, ranked between Germany and the United Kingdom, potentially reaching the fourth spot soon. The state represents 15% of the U.S. economy. The Greater Los Angeles area and the San Francisco Bay Area are the nation's second and fifth most populous urban regions respectively, with the former having more than 18.7 million residents and the latter having over 9.6 million. With its immensely strong global position in technology, research, entertainment, manufacturing, and agriculture, California draws entrepreneurs from around the world.

Given California's vast size, population density, industry mix, and varied urban, suburban, and rural communities, finding the right fit for office space can be a daunting undertaking. Availability and pricing will depend on location, industry, type of arrangement, size, amenities, and much more. As with most aspects of the nation's economy, the real estate sector has been significantly affected by the pandemic. As gathering and social distancing requirements continued to evolve throughout 2021-2022, and workers and employers adjust to reopening opportunities nationwide and began returning to the office, real estate demand and arrangements are expected to see increased activity.

When exploring real estate options, the following considerations are important:

- Be organized and prepared if your company is considering a lease agreement; lack of preparedness can significantly increase costs.
- Consider what your employees (or future employees) find desirable; there is a significant competition for talent, so employees are looking for convenience, amenities, and location. Consider how your employees will get to work. Public transit could be a major factor.
- Flexibility and agility are important when considering location, terms, amenities, and more; as California emerges from the pandemic, the effects on the real estate market are still somewhat unknown.
- Research your options well in advance of relocating; once you arrive, consider working with an experienced, licensed real estate broker who can guide and advise your company in the process.

Types of Leases:

INCUBATOR

Flexible leases; for early stage companies, seed-stage or pre-seed companies, etc. Incubators offer a collaborative program for startups and are designed to help companies in their infancy succeed by providing workspace, seed funding, mentoring and training. Generally, there is a common workspace. Note that some incubators take equity in exchange for the variety of advisory services they provide.

ACCELERATOR

Flexible leases; for start-ups beyond seed stage; generally will require payment on top of the lease for the advisory services they provide; offer shared amenities somewhat like co-working spaces. Accelerators often run programs/cohorts which are several months in duration, offering mentorship, office space and access to capital and investment in return for startup equity.

CO-WORKING

Provides flexibility; generally short-term leases; shared amenities. Workers from different companies share an office space, which results in overall cost savings through shared infrastructure, such as equipment, utilities, and receptionist and custodial services, and more. Co-working spaces are a well-established real estate option, but usually do not offer advisory services like those offered by incubators/accelerators.

SUBLEASE

Tends to be less flexible. Offered when an organization leasing space has excess office space that they wish to lease to another tenant. This can be attractive because these may be less expensive overall than other options; sublease spaces are pre-built, like the options above; already furnished; and typically already have electrical/phone/internet installed; keep in mind that while costs may be lower, the terms may also be much shorter and, as noted, less flexible.

DIRECT LEASE

The least flexible option; most traditional real estate engagement, handled through a landlord and usually includes a real estate broker.

When looking at leases, some of the more common considerations are rent, term of the lease, and tenant improvement dollars. However, there are many more items that might be included in a lease, which companies might not be familiar with, and where a real estate professional, such as a tenant broker, can be very helpful. For example, operating expenses and passthroughs, repairs, landlord & tenant costs, improvement dollar sunsets, subleasing/assignment clauses, move-out conditions, alterations, relocation, security deposits and more.

The State of California Governor's Office of Business and Economic Development (GoBiz) offers a range of services to support companies interested in locating in California, including no cost consultation for a number of services including site selection. Contact GoBiz for more information.

The bottom line is: consider your options well in advance of relocating; once you arrive, consider working with an experienced real estate broker who can guide and advise your company in the process.

Note: in California, realtors and brokers are licensed by the California Department of Real Estate:* **https://www.dre.ca.gov/

Venture Capital

The U.S. venture capital industry is a potent driver of business development and economic growth at large. According to Stanford Research, VC-backed companies are 43% of all companies in the United States. In 2020 alone, $156.2 billion of venture capital was raised in the U.S. and 22.7% of the deal making came from the Silicon Valley. Venture capital plays a central role in the adolescent stage of a company when it is looking to expand its innovative service or product into commercial markets. Venture capital tends to fill the funding void between the entrepreneurs' personal contact or funds from corporations or government bodies at the idea stage and traditional sources of funding such as a loan from a bank. However, venture capitalist firms can be found at almost any stage in a business's development. What, then, are venture capitalists looking for in a business?

1. Sufficient returns at acceptable risk
2. Strong investment profile
3. A resilient and logical deal structure



Anacapa Island, California

Discussion on Venture Capital

Vijay Rajendran, Head of Portfolio Value for the venture capital firm 500 Global, provided insight for foreign investors in an interview.

The following is intended for informational purposes only and does not constitute investment or legal advice.



Can you describe the general role of venture capital in the entrepreneurship ecosystem?

Venture capital is designed to provide an accelerant for startups based on equity instead of debt. It targets high-risk and high returns. Venture capitalists are thus very reliant on big exits such as IPOs, and they are looking for significant outcomes – not just a few wins but grand slams.

Entrepreneurs often have the impression that venture capital is a "must-have." In your experience, under what circumstances would an entrepreneur be advised to seek venture capital? When would it not be advised?

Entrepreneurs do often see VCs as a must have. However, 90% of entrepreneurs are building conventional businesses, not startups. They usually aren't immediately building their business with the intent to get really big really fast. In that kind of scenario, too much capital can lead to undesirable outcomes. For example, high valuations can jeopardize acquisition opportunities because it raises expectations around what your business needs to have to have a successful exit. There can be too much of a good thing. If "too much" venture capital is raised by the company, it prevents the team from running lean, and the result is a waste of resources. This happens to many startup founders who get caught up in the dream of Silicon Valley. Yes, it's important to raise capital, but it's equally as important to stay creative and conservative with what you have. If you're trying to build a big business super-fast, then yes, raise venture capital.

How can a foreign tech company stand out in an environment that can be difficult to navigate even as a native? How has the environment changed with COVID?

COVID-19 made people rethink distance and location, bringing new opportunities and avenues for companies to find a space for themselves. Industries that have seen much growth because of COVID include healthcare, telemedicine, productivity tools, mindfulness, education, distributed learning/meeting, logistics & supply chain tech. Accelerators are also a great way to help startups. We've enabled that for many who are not here physically in Silicon Valley with remote and hybrid support for founders.

Most VCs are spending a lot of time helping companies navigate uncertainty, i.e., how to get to the next milestone with more flexibility. COVID has hit the fast-forward button on many virtual services, obviously, and we now need to look at an accelerated virtual future. For example, the startup community is adapting to reduce expenses and work more flexibly with staff. Venture capital works to help startups make their capital last longer in this virtual environment. It's important to remember that the VC market has not dried up – people are still doing deals, and there is a lot of early-stage investment going on remotely. That will be true even post-COVID.

What are the characteristics of a resilient team?

We invest around the world – more than 75 countries – and attract startups to our flagship accelerator – now virtual. About 40% of startups in our accelerator are typically international.

It's the demonstrated experience and the types of decisions that teams make that determine how resilient they are. Some key qualities include the following

1. Resourcefulness – What have they done/built? Have they actually built a product?
2. Empathy - How are they willing to accelerate their ability to learn from customers? This can help companies develop traction and grow faster.
3. Large Market – At the end of the day, the product or service has to have a high potential for success.

VCs want to back entrepreneurs that might need some help but that have already proven they can do something on their own based on prior effort and productivity.

What are the main differences between U.S. and foreign VC systems? How can foreign companies prepare to enter the U.S. VC system?

The distinction between the United States and the rest of the world still lies in valuation and investment strategy. U.S. VC funds want to knock it out of the park when they partner with a

startup. The 1 in 10 approach, where often 1 investment in 10 will return the whole size of the fund, is a good example of this basic mentality applied to strategy. The go-big-or-go-home attitude isn't really paralleled in European markets. There is a good book – *Out Innovate* by Alex Lazarow – that talks about how startups may not need to grow as fast in other places. In the United States, the availability of capital combined with the interest to grow quickly results in spending to acquire customers in a fast way. Outside of the United States, most investors typically had a financial background versus operating background until recently, and therefore, they place a greater emphasis on the finances of the company and early profitability as opposed to product-market-fit.

The United States also previously made a distinction between East Coast and West Coast investing. It's starting to reach a general consensus, but there are still big cultural differences. For example, West Coast VCs will often put a higher valuation on a startup but prefer not to get involved in the earliest rounds of financing, which may be left to accelerators and angels. The core of how they make decisions is a big difference, too. East Coast VCs, similar to European VCs, tend to be more analytical and may focus on the financial picture of the company. For them, there is a little less emphasis on the narrative and more on being able to answer specifics about the soundness of your venture.

What can you say about the evolution of tech and venture capital in the Bay Area?

There is a history behind the tech and venture capital landscape here. People could quit for one semiconductor company and go work for another easily. There is also the growth of the entrepreneurship ecosystem around Stanford, as well as the overall collaborative aspect of the environment. While people take what they do very seriously, a relaxed and informal attitude remains the backdrop for the environment. People syndicate deals in cafes and there is a strong appetite for risk. People are okay with failing and trying – a gold rush mentality if you will. People want to stake their claim at the epicenter of tech. It's a resulting ecosystem that is constantly feeding startups.

How should a team prepare for a successful meeting with a VC?

First and foremost, tell a great story. While VCs are offering financial support, this isn't just a transaction. They want to back the people. Additionally, don't bring the whole team. Just the key players who can clearly articulate goals, metrics, and current challenges. The next part is do some research. Do your homework on the VCs you are presenting to, as well as on valuation rounds. One really important piece is to know what role VCs expect you to take in the governance of your business. Prepare lots of questions of your own and show that you want to create a long-term relationship with the VC into the future.

What questions should a team ask a VC?

You should ask about their ability to lead rounds, to value the company, where they are in their fund life cycle, and how they may syndicate to other investors. Additionally, you should inquire into what their decision-making process looks like. For example, a corporate investor may need many levels of approval. Other good questions to ask are: What else would they like to see in terms of evidence? What needs to get done? Use that information to build a good virtual data room if you haven't already). It's important to ask the VC what else they bring to the table besides money, like finding customers or securing a great team. VCs are looking for people who can make money, but they may also have a platform they can put in place to help. Additionally, they may be specialized in some areas. Finally, ask for advice. Don't make the meeting about making money. Show that you're coachable, and if that's a fit, then the money will follow.

How do foreign investors come to know about your company and other VCs? How do they identify if you're a good fit?

More U.S. investors are looking at overseas startups, but it requires focus and demands strong references. To find the investors that want to invest in you, start with their website and check out their portfolio, see what they say in their podcasts, and find out what they like to invest in. There are numerous lists of top firms and other ways to look up top VCs. Focus on VCs that have specializations in your industry from those lists. There are also multi-vertical, industry-agnostic options, such as 500 Global with experience investing internationally.



Executive Education Training

Executive education programs, also known as ExEd, are graduate-level academic programs for executives, business leaders, and functional managers. These programs prepare rising leaders for greater management roles and keep entrepreneurs informed of the latest trends and skills across industries. Executive training tends to be non-credit and non-degree granting; however, many offer certificates or continuing education units.

After completing an executive training program, company leaders will have the skills to bring fresh insights to companies, establish innovative strategies, and more quickly implement initiatives. In this way, ExEd training programs do not just benefit the direct participant but can lead to a more resilient team or workforce overall. This, in turn, leads to higher quality products and services.

While many training programs are offered through universities, customized programs are also available. Individualized ExEd programs are tailored to executives of a single company and help expedite the growth of their management capability. There are also open enrollment programs through university-based education offerings. Given all of these options, the executive training program you chose should include the following characteristics:

1. Based in a top business management school or highly ranked professional organization
2. Should go beyond core competencies and expand your knowledge of new trends and challenges in one's industry
3. Develop leadership skills
4. Give skills to navigate and adapt to current trends and challenges arising in one's industry

Discussion on Executive Education Training

Patricia Szasz is Associate Dean for Language & Professional Programs at the Middlebury Institute of International Studies

Middlebury Institute *of* International Studies at Monterey



Northern California has a wide variety of world class educational institutions. The egion is also a world-renowned leader in innovation and entrepreneurship with companies here doing business all over the world, and foreign tech firms and executives setting up here to access the ecosystem. What role do educational institutions play in fostering this globalized, tech-driven, high-performing economy?

It's really important to build partnerships and cooperation between industry and higher education. There is so much synergy between the two, and educational institutions really understand how people learn. Educational institutions have infrastructure and instructional designers, for example. We also have research which corporations can tap into.

The pandemic has placed a spotlight on how education impacts industry. In the education field we need to calibrate what we do for the working professional audience. People want tangible skills that they can take with them immediately after completing the training. In Silicon Valley and the Bay Area the pace of tech is really fast. Traditionally, the pace of the education sector can be rather glacial and heavily focused on book learning. For the local business community, you cannot move slowly. So, the universities in the area have had to change what they offer, instead focusing on practical, hands-on learning that quickly leads to hard skills.

One trend that is rapidly emerging is corporate credentialling and companies getting into the credentialling business themselves (besides higher education institution credentials). For example, several of the major tech companies – Google, for instance – are developing credentialling paths for the general public. Hopefully this trend can be a partnership between industry and the educational institutions because they can learn a lot from one another and grow better together.

How does an ExEd service provider help a foreign business executive grow their business in the U.S.? What do former students say is their most important return on investment from executive training?

The way I like to frame it is as knowledge and network. There's skills-based knowledge training that is asynchronous and self-paced. The other critical piece is networking – being able to meet people from your industry, and other industries, that can lead to partnerships and innovations. Networking is incredibly important because you are learning at the same time as you're building crucial connections.

In 2020, U.S. companies spent roughly $82.5 billion in professional training and that's not much less than what was spent in 2019 ($87.6 billion), in spite of the pandemic. Is this money well spent? It depends. Some programs are "one and done". To really benefit from the experience, it's important to reinforce the information. To do this, training has to be hands-on, experiential, and contextualized. It should be applied to the exact situation the employee needs. The final piece is that it needs to be personal – in order to improve, you have to think about your own past mistakes and try to correct them.

Could you give us a sense of the executive population that has gone through Middlebury programs? Could you describe the demographics with greatest demand for training services (e.g., country of origin, industry?

We have noticed that companies in emerging tech sectors are requesting additional training for their teams – take the new field of fintech, for example. The company's engineering team might benefit from courses related to banking, and vice versa. Given our institution's deep expertise in languages we offer a number of courses on website globalization and localization. Courses like localization management help companies ensure that their project is highly localized to the particular market. Business, technology, and language skills – it's a nexus for us and where we really feel we can differentiate.

For those who are not able/interested in a degree-seeking program, what are the types of short-courses or certificates that are available? What needs do those programs address?

The University Professional and Continuing Education Association (UPCEA) refers to a trend called the "60-year degree" – basically this means micro-credentialling, and in particular, partnering with industry. This type of competency-based training is delivered in small chunks. Individuals can take assessments and get a mini-credential through an electronic badge. Since the badge is meta data, it follows you throughout your career, and many such credentials can be stacked into a certificate. Those who can benefit from this are wide-ranging; some people may have many of the skills already, and some may not yet have any of the skills at all. But the benefit of the digital badge is that it follows you from job to job and organization to organization.

Are studies available that speak to the ROI of continuing education in business? For example, companies that invest in continuing ed, vs those that do not? Are there cultural differences between different countries in the value placed on continuing education?

There is a lot of evidence to support that there is a high ROI for companies that invest in the education of their employees. Having a well-trained and educated workforce has always been known to be important, but recent studies have really reinforced how critical it is for companies to support the education pursuits of their employees. Employees who are reimbursed or supported in some way to engage in badge programs, getting certificates, or degrees, find that those workers are more likely to be promoted, retained, or transferred to more advanced positions. This leads to huge savings on the part of the company because they reduce their turnover rate and can build synergies between themselves and education institutions.

My team launched a program called Harnessing the Power of the Global Team. Studies have found that roughly 80% of U.S.-China business partnerships fail due to cultural issues. These relationships are absolutely critical. Instead of thinking of differences themselves, we try to think of how these multicultural differences can enhance the team. The outcomes from applying this concept include improved communication, intercultural leadership, and strengthening the team across a global network.

What is the value of making business decisions based on the best available evidence? How can executive education help business leaders make more evidence-informed decisions?

Data takes a lot of the guess work out of business strategy. When you have a well-educated and trained work force that is supported in continuous education, they are able to support their business acumen based in experience and theory with real time information. But in order for a company to effectively use business strategy and data strategy, there can't just be engineers and they can't just be business majors in the room. This is why executive education plays such a pivotal role in California. People don't have to stay in one area but can build on their expertise to have a more universal skill set.

What differences are there between an in-house training program versus partnering with an external training provider?

We believe that much of the +$80 billion spent in professional development by companies each year is for training that is done in-house. This type of training is important when you are ensuring the values of the organization; this is the convergent thinking side of the equation. If you're emphasizing the divergent side of the equation, that's when going outside is really beneficial. You are more likely to learn from interdisciplinary approaches and different perspectives if you attend training provided by a third party. External training also enhances your network, which can lead to synergistic partnerships with other organizations.

What capabilities and services should a business executive look for in a training service provider?

It really depends on what you are looking for. The great thing is, there are so many options. Again, there are micro certificates where you earn badges; there are asynchronous certificate programs that focus on gaining particular hard or soft skills; and then there are longer, in-person programs or trainings. So, it's really about what you or your companies needs are and what format will be best utilized. More than key components, these are the questions that are helpful for guiding you to your best fit:

- Does this training service provider understand our industry – the "day to day"?
- Do they customize their content?
- Do they provide a learning journey? What does the pre- and post-training component look like?
- Do they offer multi-channel, hybrid learning options?
- Do they measure progress?

What are some key business trends in executive training to pay attention to? What new training needs do you see coming out of the pandemic?

Before COVID we talked about managing virtual teams, now we really are living it. I think we have also come to realize that we have to better understand virtual collaboration, management and performance. We have found that virtual meeting fatigue is real. Nevertheless, this technology as well as VR/AR is really going to take us places that we never dreamed of. There is a huge difference between collaborating virtually and in-person. What will the role of travel be in the future? Consider virtual reality applied to language learning – you put on your headset and virtually go to China to practice Mandarin.

The field of education is really changing fast in so many ways, and one of the best ways for education to keep pace with industry, is for the two to partner intentionally and actively on an ongoing basis.

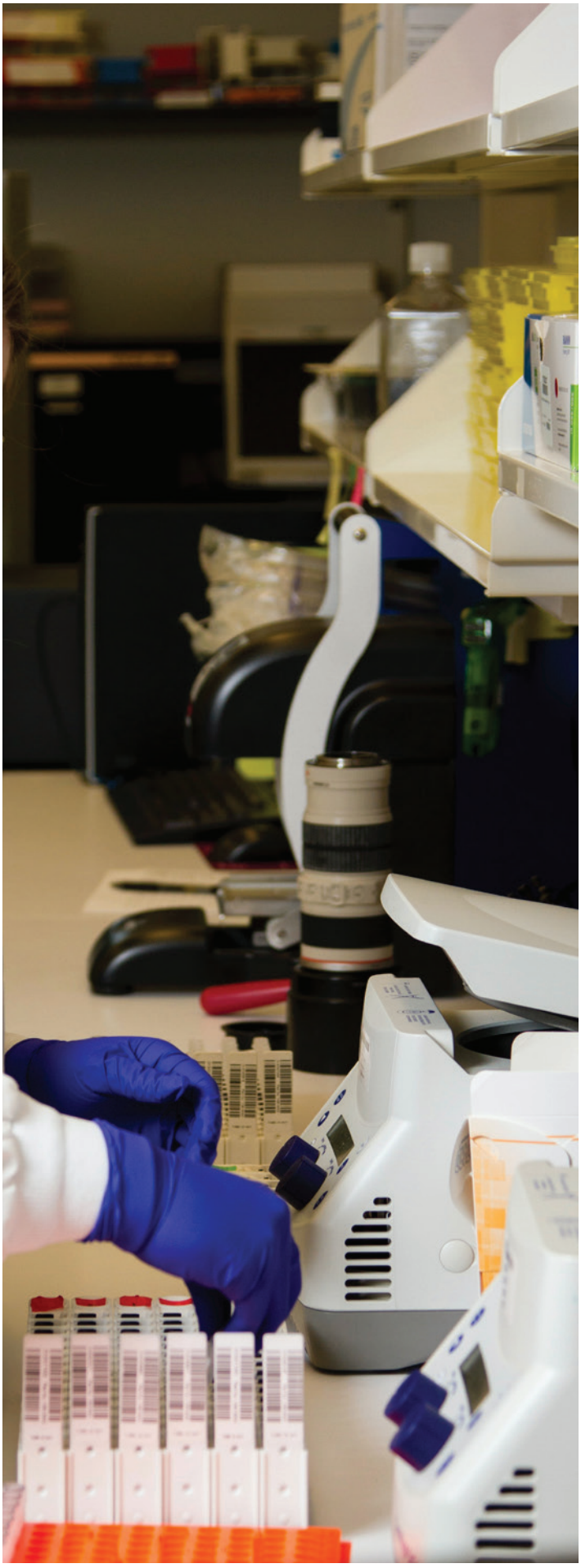


San Francisco, California

Manufacturing Ecosystem

Contract manufacturers are hired by companies of all sizes and at different stages, from small businesses up to big ones like Tesla, to produce products without having to invest in production facilities. This allows companies to quickly bring their products to market and scale without procuring enormous amounts of capital and potentially slowing down the timeline for launching new ideas. Contract manufacturers make an agreement with the hiring company to produce a certain amount according to given specifications. When picking a manufacturer, it is important to do your research and seek out manufacturers that have expertise in the type of products you are seeking to make. Options for contract manufacturers are available in both the U.S. and abroad, and expertise can be demonstrated in multiple ways. For example, a contract manufacturer may help with packaging or the chemical and engineering process. Some key qualities to look for in a contract manufacturer include:

- Industry recognition; good reputation
- Financially sound
- ISO-certified manufacturing quality standards
- Drop shipping capabilities to send the product directly to customers if that's something the business needs



Discussion on Manufacturing Ecosystem

Donovan Lazaro is the Economic Development Director for the City of Fremont, California



Can you describe the nature of manufacturing in California? What are some of the key manufacturing industries and capabilities? Are there clusters that exist?

To some, it may be surprising to learn that California is the largest manufacturing state in the United States. Yes, we are still home to many large and often legacy manufacturers in technology, aerospace, pharmaceuticals, and food and beverage that have deeply established supply networks here. However, the driving forces of California manufacturing are new industries spurring from the state's innovation economy (think ultrafast vehicle charging equipment, genome sequencing machines, industrial-scale 3D printers, modular housing, for example).

These cutting-edge industries have an incredible amount of engineering that go into developing their products, and for homegrown CA companies or companies locating here to take advantage of the skilled workforce and the state's innovation ecosystem, it often makes good business sense to build the products here too. Of course, certain industries may relocate production outside the state as their markets mature, but for every operation that leaves the state, there are many new ones forming here, propelled by the California's driving industries.

In addition to being the global epicenter for the tech industry, the Bay Area is also known for high costs. How does the region continue to retain its advanced manufacturing ecosystem?

As one might expect, manufacturing in this region tends to be linked with the tech sector. Whenever there is a breakthrough in new technology, the companies operating within that space are in arms race to develop the best technology and bring it to market. Intellectual property (IP) protection for these companies is incredibly important, so the idea of sending that IP to a distant contract manufacturing location just to save on unit cost is impractical (and besides, engineers hate having to travel away from their home base!).

There is another practical imperative in these growth-stage technology markets, which is to keep research and development coupled with manufacturing to enable iterative improvements not just in the product itself but also the process for producing that product. In many cases, the process of making a product is considered as much of a startup's "secret sauce" as the product itself. Where I work in Fremont, it is increasingly common to come across a manufacturing operation that has significantly more process-focused patents —such as for an automated line for lithium-ion battery production—than the product itself.

Tech-related manufacturing in the Bay Area is largely characterized by having at least one of the following attributes:

1. Small batch and pilot manufacturing, including new product introductions (NPIs)
2. Products with high-mix or customization that makes mass production impractical
3. High value products where labor is a fraction of total value
4. Products that benefit from or are required to be made domestically

As technologies mature and become more commoditized, manufacturing often transitions out the region, only to be replaced by newer, emerging industries where the Bay Area's innovation ecosystem provides a strong advantage to designing and building products locally. Whether its pilot production or scaled manufacturing, there is a robust supplier and contract manufacturing network here as well as a skilled engineering and technician workforce for nearly every technology market.

You described the Bay Area's innovation ecosystem as a driver for new manufacturing investment. What are some of the major institutions that are helping to spur this ecosystem?

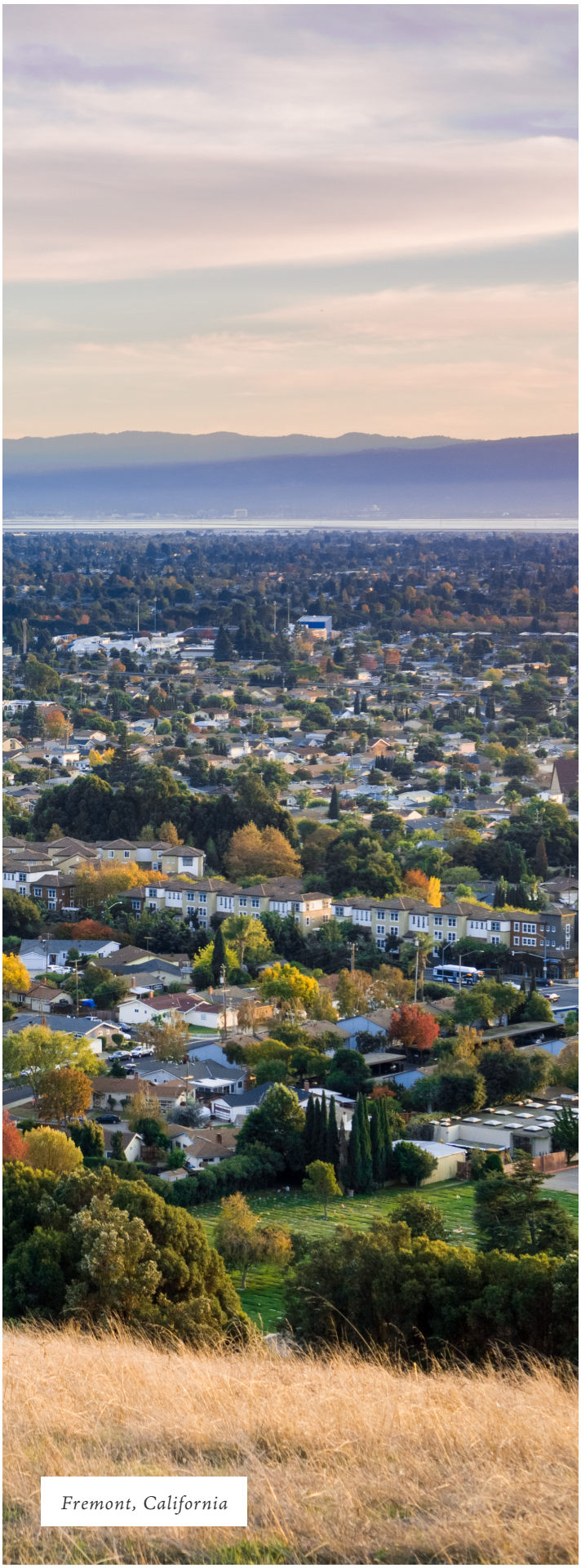
It's impossible to understate the importance of the region's institutions to sustaining the Bay Area's innovation economy. Everyone knows of Stanford's contributions to the tech industry, but most important to the innovation ecosystem are the best-in-class public colleges and universities here. The University of California system (including UC Berkeley, UCSF, UC Davis, and UC Santa Cruz here in the Bay Area), lean more research-oriented, and the California State University system (including SJSU and CSU East Bay) focus on developing skilled workforce. Most important for manufacturing, there are also dozens of community colleges throughout the region with vocational and specialized workforce-focused programs.

In addition to education institutions, the Bay Area's network of national laboratories attracts scientists and researchers from around the company into the region, spinning off discoveries into new technologies and concentrating a highly skilled workforce here. These institutions include Lawrence Livermore, Lawrence Berkeley, Sandia, NASA Ames and Stanford Linear Accelerator. The concentration of all these innovation drivers in such proximity has been foundational to the Bay Area's success and supports continued advancement of the regional and statewide economy.

How do new businesses access these small, highly skilled manufacturers when they lack media presence?

The Bay Area has many accelerator programs that can help smaller and scrappy hardware companies find access to talent, resources, and suppliers. Prospect SV is a great program for cleantech companies; Plug and Play Tech Center has a robust accelerator program that connects startups to financing and potential enterprise partners; the Product Realization Group helps businesses connect with suppliers and design products for manufacturing; and the Biomedical Manufacturing Network assist growth-stage biomedical companies in a variety of ways. Additionally, original design manufacturers (ODMs) like Owen's Design here in Fremont are also an excellent choice for entrepreneurs looking to bring a product idea to realty.

There are many resources out there that you can access online, but it may require some research and diligence to determine what is the best fit for any business!



Fremont, California

What do you think of when you think of the future of manufacturing in California or the USA at large?

The future is very bright for manufacturing in California and the USA overall. There is a tremendous policy push to reshore and nearshore critical supply chains like semiconductors, cleantech, and electric vehicles. We are seeing hundreds of billions of dollars in private investments announced for new chip fabs, battery production, and electric vehicle factories across all regions of the country. These investments are enabled from both federal policy directive, including the Inflation Reduction Act and Chips and Science Act of 2022, as well as a realization from companies that there is risk in having so much of our supply chain centered in Asia.

The U.S. also continues to be an innovator in developing the latest technologies in these industries, and that is largely driven by the innovation occurring in CA. There is a tremendous opportunity for the state to capture a lot of these new investments and the tightly coupled manufacturing operations that come with it. We are excited about recent policies out of Sacramento like the expansion of Cal Competes Program, which we see as a helpful way to create a more supportive business environment for these major capital investments

As manufacturing becomes more automated, the U.S. will continue to become more competitive as a location for manufacturing. This also means that our workforce will need the training to perform higher value functions (like programming robots or running AI-assisted inventory management software) to be able to realize the significant income gains and career opportunities that are available within the advanced manufacturing sector.

Hiring Practices

A key part of doing business is knowing how to recruit, interview, hire, and manage an exceptional workforce. Given the unique characteristics of the hiring and workforce management process in the U.S., it is vital to be aware of how customary practices may differ from other nations. In the U.S. there are three primary regulatory levels:

1. Federal laws: Apply to companies regardless of location
2. States laws: Applied according to the state(s) where the employees are physically working
3. Local (city) based laws: Mainly applicable in larger cities

Through these regulatory structures, both employees and employers are protected. Additionally, employers are given a great deal of freedom concerning their workplace policies and practices. This section is designed to provide a sense of the extent and limitations of these policy freedoms, best hiring practices, and how the U.S. works to provide safeguards against discrimination through the classification of certain demographic characteristics into "Protected Classes."

Part I – The Recruitment Process: Best Practices

In order to create an effective recruitment process and mitigate an organization's risk for potential discrimination claims, California employers must cultivate understanding of a wide range of state and federal laws. Additionally, having a clear vision around what roles are necessary and what functions they will perform will help to avoid ambiguities. Companies should establish hiring policies and procedures addressing:

1. Identification of hiring needs
2. Employment advertisements
3. Candidate scouting
4. Review of applicants
5. Interview
6. Reference checks
7. Making an offer

MANAGING THE WORKFORCE: BENEFITS, INCENTIVES, ENFORCEMENT

Employee benefits play a large role in the U.S. employee recruitment process. Benefits vary by size of the business, sector of the economy, and geographic region so do some research to ensure that what you are offering is competitive to attract the strongest candidates. The most common benefit categories are health care (medical, dental, vision), retirement plans, and paid time off. Each employer is free to choose the types of benefits they offer and how they are provided. However, benefits must be distributed equitably to employees of the same or similar status.

In terms of promotions, pay increases, discipline, termination, or other related internal policies, employers have a lot of autonomy within the boundaries of the Equal Pay Act laws or other non-discrimination laws. Employers are free to design pay policies based on merit, performance metrics, client development, or other relevant measures of productivity. For all of these arenas, it is a helpful practice to regularly check in with federal, state, and local laws.

Part II: Characteristics of an Inclusive Hiring Process

In the most basic sense, employers may not indicate preference for a certain class of people or discourage applicants on the basis of the following categories:

- Race or color.
- Ancestry or national origin (including language use restrictions).
- Religion or creed.
- Age (over 40).
- Mental or physical disabilities.
- Sex or gender (including pregnancy, childbirth, breastfeeding or related medical conditions).
- Sexual orientation.
- Gender identity or gender expression.
- Medical condition.
- Genetic information.
- Marital status.
- Military and veteran status.

RECRUITMENT

These anti-discriminatory policies apply whether an employer recruits through job postings (physical or on the internet), recruiters, or word-of-mouth. For example, employers cannot instruct their recruiters to only interview people inside or outside protected categories or act in a way that prioritizes one group over another. One easy way to ensure that a job posting complies is to use neutral language, establish internal clarity around the key skills the role necessitates, and review the impact of recruiters on the applicant pool. Most of the legal issues that arise in the recruitment process are avoided by following these three key practices:

- Establish nondiscriminatory criteria for job descriptions.
- Implement nondiscriminatory strategies for attracting talent.
- Ensure there is no disparate impact.

INTERVIEWS

Just like in the recruitment stage, employers are prohibited from inquiring into or making offer decisions based on the applicant's disability, race, color, gender, sex, national origin, age, or religion. Additionally, employers should avoid asking about family or marital status and union membership. To be in line with best practices, employers should limit their questions to those surrounding the applicant's skills and experiences to determine if the person is qualified for the job. If the recruitment process for a company involves taking a test, the assessment must also be related to skills associated with the positions. The test cannot exclude people based on their membership in a protected category.

'BAN THE BOX': INQUIRIES INTO PAST CONVICTIONS

Some states have implemented so-called "Ban the Box" that are designed to limit or preclude employers from inquiring into the past criminal convictions. Given that these laws are on the state and local levels, they may vary depending on your location. In general, the purpose of these laws is to restrict the type of convictions that employers can ask about and limit the ability to use past convictions in the hiring decision. Some additional aspects include limiting background checks and requiring the employees be notified when criminal information is used in hiring decisions.

PRE-HIRE DRUG TESTING

Similar to laws pertaining to criminal records, pre-hire drug testing varies widely between the different states and localities. Some states have no restriction while others have completely eliminated the ability to require pre-hire drug testing except under limited situations. In short, the state regulatory landscape is like a spectrum. Companies should be aware of where their state falls in terms of how little or how intensely they limit these sorts of activities. For example, some states take a middle path and restrict testing for certain substances, like cannabis in states where medical or recreational marijuana is legal. Drug testing is a source of some friction between state and federal law since there are substances banned on the federal level that are not banned on the state level.

Part III: The Legal Landscape

The major force of U.S. federal and state employment laws is to prohibit discrimination, harassment, and retaliation based on protected classes, characteristics, or conduct. In general, employers with 15 or more employees are subject to the majority of federal laws.

WAGE & HOUR LAWS

Minimum wage requirements are protected by the Federal Fair Labor Standards Act (FLSA) and is additionally supported by individual state laws. States can enact a higher minimum wage rule but are prohibited from going below the threshold wage set by the federal government. Employers are required to follow the various wage and hour laws on the federal and state level. In general, those requirements include properly classifying workers as exempt or non-exempt from overtime pay and imposing record keeping obligations, child labor restrictions, and posting

requirements. If an employee's role is substantially equivalent in skills, effort, and responsibilities, the FLSA requires that employers compensate them equally with some exceptions for seniority and merit. Most states have enacted their own equal pay laws, and at least seven states have greatly expanded coverage to require equal pay on the basis of all the protected classes.

LEAVE OF ABSENCE (LOA) LAWS

Federal and state LOA laws prohibit retaliations against employees who exercise their LOA rights and require specific circumstances where LOA must be available. The Federal Family Medical Leave Act (FMLA) requires employees with 50 or more employees who work in a 75-mile (120-kilometer) radius to provide 12 weeks of unpaid leave for the care of a covered family member or their own serious medical condition. Other federal and state LOA laws require unpaid leave for military service; voluntary fire fighter, first responder or civil air patrol; jury and witness duty; pregnancy and nursing mothers; voting; school activity; victims of domestic violence or criminal activity; and blood, bone marrow, and organ donation. On the federal level, LOA only requires unpaid leave, but many states and municipalities also require paid sick leave. Given employer freedom to determine benefits and incentives, some companies may choose to exceed mandated requirements and distinguish themselves from others in their industry.

HARASSMENT PREVENTION TRAINING

Federal law does not mandate that employers provide sexual harassment prevention training. Below is a list of states that require these preventative trainings:

- California
- Connecticut
- Delaware
- Illinois
- Maine
- New York

Sexual harassment prevention trainings are also required in some large municipalities and is recommended by the Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Labor.

PRIVACY LAWS

In the United States, employee privacy is a matrix of laws on a local, state, and federal level as opposed to a unified privacy law. Additionally, many of the laws only apply to certain aspects or sectors of the economy. At the federal level, there are three privacy laws that play a dominant role in consideration of hiring and employment matters.

1. The Federal Trade Commission Act (FTC): In general, the FTC governs the collection of personal information on websites. The FTC Act requires that those collecting personal information from a website to specify what information is collected and how it will be used. Even when using a third party or add-in, it is critical to keep these policies in mind when seeking qualified candidates through the internet.
2. The Health Insurance Portability and Accountability Act (HIPAA) - HIPAA presides over health benefits given to employees once hired. HIPAA requires certain disclosures to employees and prohibits disclosure of protected health information without clear authorization. Companies also need to establish HIPAA-specific procedures and practices, conduct a risk assessment, and enter into agreements with third parties that may receive information subject to HIPAA on the employer's behalf.
3. The Genetic Information Nondiscrimination Act (GINA): GINA prohibits employers from using genetic information to make decision about employees.

These three federal laws are supported by laws in almost every state and the District of Columbia. As discussed, laws are highly diverse on the state level and are regularly revised or expanded. However, there are a few key aspects that are common:

1. In the event personal information is used in a way that violates the law or is used contrary to its intended purpose, the individual must be notified about what occurred to facilitate this breach, advised on how to prevent the risk of identity theft, and, often, the employer must contact the state or federal government.
2. Many states have passed laws prohibiting employers from requesting or accessing personal accounts of employees, especially social media.
3. Individuals, including employees, must receive notice of their rights regarding their personal information and how their personal information is being used. For example, in some states, notices must be given about where information is obtained, how long it is stored, who it is shared with, and whether it is sold as a part of a dataset.
4. States are increasingly restricting when and how sensitive information, like biometrics, can be collected and used.

Overall, the burden is on employers to carefully monitor their data collection and maintain employee privacy securely. Meeting these standards at the state and federal level requires

the assistance of trained and knowledgeable professionals. If information is exchanged out of the U.S. in countries that have their own data protection laws, employers must be in compliance in both countries.

Part IV. At-Will Employment

The vast majority of states in the U.S. has some iteration of "at-will" employment. At-will employment is a policy that provides employee or employer freedom to end the employment relationship at any time, for any reason (except those explicitly prohibited), without advance notice. In the absence of an employment agreement, or specific federal or state statute, employers need not pay any separation pay, severance pay, or notice pay. Employers must comply with the law in terms of paying wages and accrued unused benefits. Beyond these requirements, employers are free to create employment policies addressing what is payable at the time of termination.

Any international business investors may be unaccustomed to the at-will doctrine, being more familiar with hiring through employment contracts with a fixed term that restricts the ability to terminate employees. Under at-will employment policies, there is no set term of employment, no standard affecting employment decisions, and each party can end the employment relationship at any time.

Employers and employees can come to their own agreements and disregard the at-will doctrine by entering into contracts that specify the length of employment and the conditions for termination. The at-will doctrine stipulates that both parties (employee and employer) will continue to work together so long as each party desires to do so. However, the application of federal and state law supersedes the doctrine. The most common application of this prioritization would be that an employment decision cannot be based on discriminatory practices.

On top of non-discrimination restrictions placed on the doctrine, several states provide protection against "retaliation," such as termination because an employee was a whistleblower. Furthermore, some states use an amended version of the at-will doctrine. For example, there are instances of implied contract exemption to the doctrine, meaning employers can establish a "just cause" standard for employment decisions through a contract, an employee handbook, or other employment policies. Others employ a "good faith" exemption where even though the at-will doctrine applies, an employer may only terminate employers for "just cause." While the at-will doctrine affords employers with a good deal of autonomy and flexibility, federal, state, and local law provide guard rails to ensure that all parties are being held accountable.

Key Federal Labor Laws

SUMMARY OF THE MAJOR LAWS OF THE DEPARTMENT OF LABOR

Wages and Hours

The Fair Labor Standards Act (FLSA) prescribes standards for wages and overtime pay, which affect most private and public employment. The act is administered by the Wage and Hour Division. It requires employers to pay covered employees who are not otherwise exempt at least the federal minimum wage and overtime pay of 1.5 times the regular rate of pay. For nonagricultural operations, it restricts the hours that children under age 16 can work and forbids the employment of children under age 18 in certain jobs deemed too dangerous. For agricultural operations, it prohibits the employment of children under age 16 during school hours and in certain jobs deemed too dangerous.

The Wage and Hour Division also enforces the labor standards and provisions of the Immigration and Nationality Act that apply to aliens authorized to work in the U.S. under certain nonimmigrant visa programs (H-1B, H-1B1, H-1C, H2A).

Workplace Safety and Health

The Occupational Safety and Health (OSH) Act is administered by the Occupational Safety and Health Administration (OSHA). Safety and health conditions in most private industries are regulated by OSHA or OSHA-approved state programs, which also cover public sector employers. Employers covered by the OSH Act must comply with the regulations and the safety and health standards promulgated by OSHA. Employers also have a general duty under the OSH Act to provide their employees with work and a workplace free from recognized, serious hazards. OSHA enforces the Act through workplace inspections and investigations. Compliance assistance and other cooperative programs are also available.

Employee Protection

Most labor and public safety laws and many environmental laws mandate whistleblower protections for employees who complain about violations of the law by their employers. Remedies can include job reinstatement and payment of back wages. OSHA enforces the whistleblower protections in most laws.

Family and Medical Leave Act

Administered by the Wage and Hour Division, the Family and Medical Leave Act (FMLA) requires employers of 50 or more employees to give up to 12 weeks of unpaid, job-protected leave to eligible employees for the birth or adoption of a child or for the serious illness of the employee or a spouse, child or parent.

Discussion on Hiring Practices



Kristina Hathaway is a People Business Partner on the People Team of the Chan Zuckerberg Initiative



What are key challenges that foreign investors/founders face when trying to hire in the United States?

When thinking about key challenges, foreign investors and founders need to understand the local aspects about how companies are supposed to work. In the United States, you're on the laws and expectations that underly a company. Because of this, having a good advisor who is familiar with startups to help guide you is essential. A legal expert can be particularly helpful with internal structure, but you want to work with someone who's experienced and has been inside an organization. A good question to ask them is, "What are the things that I should know that I may not be aware of?"

The reality is, hiring can be tricky. Startups need to think strategically about where the talent is for what you want to do. Are you going to go to where the talent is, or will you bring the talent to you? If it's an employer's market, you will need to be able to attract talent from other employers. Again, this goes back to knowing the labor environment of your geographic area. By not having clear hiring strategies thought out, you may make the mistake of investments in space and people that are not what you need.

What steps should a foreign investor take prior to hiring in the United States?

One of the key steps founders need to do is have company structure set up so you can pay people. There are many options for working with a consultant to set this up. Additionally, it's important to do interviews ahead of time to identify the individuals who can help you with setting up the company. You want to find people that have prior experience in whatever role you are looking for, especially for newer companies.

What can help startups attract more qualified candidates given fierce talent competition?

The promise of capital is an option, especially if you can work with people who are earlier in their career. Another option is providing an opportunity to work with super sexy technology. Additionally, you can also make one of your first hires someone who has a great network and can attract talent to the company.

What legal HR structures need to be in place?

This goes back to one of the earlier questions. It is essential to have company structure and payroll system set up. You can outsource payroll to another company, but this can also get pricey. Again, when navigating these complex legal structures, the value of mentorship and advisors to help guide you in general and connect you to people with prior experience is invaluable.

What are the top HR mistakes that could get a company into lawsuits and other legal trouble? How can one best prevent those problems?

Many of the mistakes stem from the hiring process, such as not being consistent during the recruitment process or having inappropriate hiring practices. It's absolutely paramount to have someone who can advise you on this before you set up to avoid liability.

Another problem that arises is if you fire someone the wrong way, even if for a valid reason. Then, they have a legal avenue to come back and sue you. Relying on experts will ensure you conduct the hiring process correctly to avoid any legal trouble. You don't want to do anything that looks terrible, even if your intentions were good. For example, you need to be careful you don't do anything that could be interpreted as discriminatory because the employee may believe they're being fired due to a particular part of their identity as opposed to their performance. This opens the door for recourse. Therefore, it is super important to get educated on diversity, equality, and inclusion and how that applies to the internal processes of your company. Having a clear vision for the environment you want to create for your employees and being transparent about who you are and why you are taking certain actions can go a long way in terms of avoiding liability. Additionally, creating an inclusive and transparent work environment can attract employees to work with you. Particularly for places where there's strong talent competition, it matters what the company does to stand out. Part of this is helping individuals understand what the work life is going to be like in the company.

What are some prohibited hiring practices that foreigners may not be familiar with (for example, in some countries it is legal and common to discriminate based on age or gender)?

One of the major differences that comes up is the difference between resume formats in the United States and other countries. Outside the United States, it's common to have a picture on a resume. But in the United States we don't do this. In fact, if you get a picture on a resume, you're going to have to remove it before giving the resume to the hiring manager.

During the interview process, the questions you should ask are if the person is capable of doing the job. Anything else that doesn't have to do with the job shouldn't be considered. For instance, gender, age, sexual orientation, race, ethnicity, or religion should not be considered in hiring. The social context in the United States is particularly sensitive to these matters.

Finally, giving technical challenges (such as a coding test) as part of the hiring process is not legally inappropriate, but it is better used as a second interview after you have had the chance to do a more personal interview.

How does diversity and inclusion in the workplace benefit a company? What recommendations do you have for foreign investors to promote diversity and inclusion, especially given potential cultural differences between the investor's home country and the United States?

Research shows that the more diverse a team is, the better they are at identifying problems. This is helpful for eliminating pitfalls and identifying new trends as your company grows and evolves. The broader your presence, the broader your company needs to be. It is easy to make gross assumptions when you don't have diversity because you are missing out on illuminating perspectives that may give greater insight into target demographics.

Furthermore, the more diversity and the more connected people feel, it's easier to retain people and have them produce better work products. Happy humans make happy products and happy tech. When we feel engaged and feel that we belong, we are more likely to do a better job. If an employee is working in an environment they don't enjoy, they aren't likely to stay there long. People are most effective and productive when they are respected, supported and judged on the merit of their work instead of superficial characteristics.

What are some best practices for creating a system to prevent harassment/discrimination and to facilitate the reporting of such incidents?

The more transparent decisions are, the better. Companies can make it harder for harassment and discrimination to happen by making sure large decisions are openly and clearly communicated. The worse thing to do is to let an incident happen and not be aware of it or hide it. What helps mitigate that is people feeling that they are heard and supported, and that people care about them. Key questions that companies should always be able to provide answers to for their employees include: What am I doing? Where am I doing it? And with whom? If these three things are strong, then it is less likely for there to be harassment or discrimination. Instilling a culture of respect and mutual support is essential, especially with managers. If an incident happens, companies need to deal with it right away and make sure it doesn't continue to happen.

You can create a supportive environment by infusing the company with good, strong, open communication. When people don't have information, they make up their own narrative. People may make up stories to fill in the gaps that they don't know. This is why transparency about what's happening is important. You don't have to tell everyone every decision you make, but you need to regularly share information about both positive and negative issues with employees so that they feel informed.

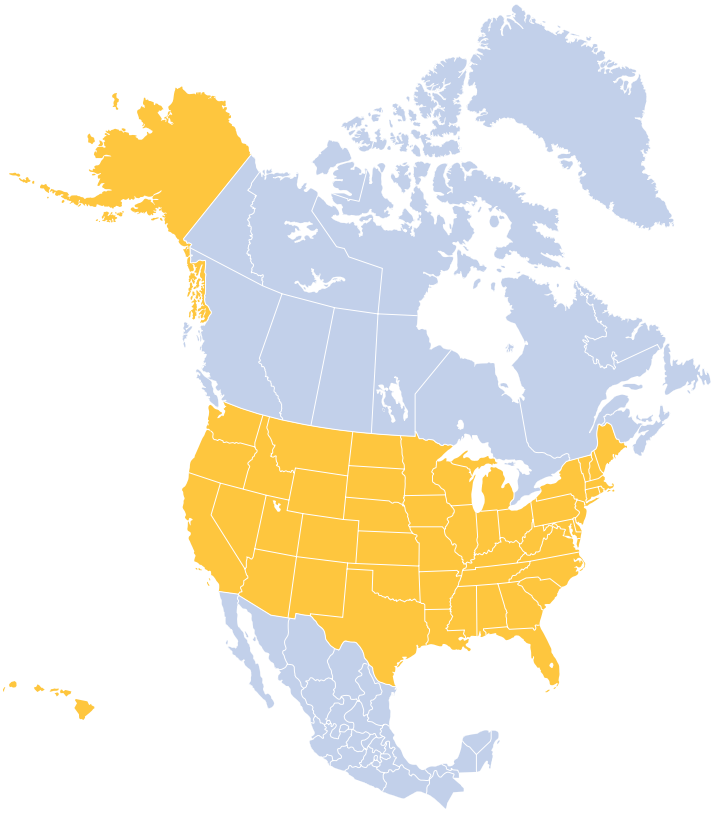
What are some best practices for interviewing and evaluating candidates?

One of the best things to do is to make the interview questions job or behavioral related. By behavior related I mean, tell me about a time you did X. This helps you look for specific skills. Furthermore, be consistent around the questions you ask and how you ask them. You want to make sure you ask every candidate for a position the same questions and then evaluate based on how good of a fit they would be for a certain position as demonstrated by their prior experience.

What programs/software are available to make the hiring process more efficient?

There are a few, but a lot of the recruiting process is still very manual. If you're trying to go after very competitive talent, you really need to be able to connect with humans. That said, you can also find a recruiting firm to get some of the work for you. This is expensive, but it can help you get to people that you may otherwise not find on your own.

U.S. Commercial Service



The U.S. Commercial Service is the trade promotion arm of the U.S. Department of Commerce's International Trade Administration. Its worldwide network of trade professionals in 106 U.S. offices and more than 80 countries serves businesses seeking to enhance their international sales efforts. Through its SelectUSA investment facilitation program, the U.S. Commercial Service provides the information, tools, and connections that business investors need to succeed in the United States and beyond.

The SelectUSA program assists foreign investors in understanding the wide array of considerations pertinent to making strong greenfield investment decisions. SelectUSA is committed to providing firms of all sizes and across a plethora of industries in navigating the dynamic U.S. market. It aids firms in the form of providing personalized introductions to local resources such as Economic Development Organizations (EDOs) as well as to federal government resources. SelectUSA also has a comprehensive database of economic and socioeconomic information to ensure foreign investors are making informed, data-driven decisions. In addition to providing these resources, SelectUSA offers direct assistance in assessing regulatory requirements firms will encounter in the United States. Altogether, the SelectUSA program enables businesses to enter the United States market with confidence for a prosperous expansion.

Services for Foreign Companies

PROVIDING ACTIONABLE INFORMATION

After connecting with SelectUSA, companies will receive actionable information from SelectUSA counselors in the form of providing personalized reports and other relevant resources. This may include reports with information on specific geographic areas or industries as well as resources to aid investors with an array of considerations. At this stage, SelectUSA can also connect foreign investors to EDOs in geographic areas of interest to them.

CREATING A PLATFORM FOR CONNECTIONS

SelectUSA coordinates various events focused on connecting foreign investors with EDOs in addition to the ability to do so through counseling as noted above. These events take the forms of roadshows, seminars, and the SelectUSA Investment Summit which enable foreign investors to directly forge personal relationships with EDOs, government agencies, and service providers.

NAVIGATING THE FEDERAL SYSTEM

When investing in the United States, foreign investors may have questions about federal and local regulatory systems. In order to ensure these inquiries are properly addressed, SelectUSA utilizes a Federal Interagency Working Group to connect foreign investors with the respective agency to assist them.

SelectUSA Investment Summit

The annual SelectUSA Investment Summit draws together senior government officials, C-suite business executives, U.S. economic development organizations, among others to impart their insight on the U.S. market to international investors. Beyond fostering personal relationships between the aforementioned economic developers, the summit focuses on informing foreign investors of the United States' FDI climate and unique opportunities associated with investing in the United States. In addition to providing general investment education sessions, the SelectUSA Summit offers tech companies the opportunity to pitch their business idea to corporate and venture capital investors.

Contact Us

Contact SelectUSA or see the Office Locations map for a specific U.S. or international office of the U.S. Commercial Service.

Golden Rules for FDI: Success Stories

Epilert

Haroun Moula, Co-founder and CEO of Epilert explained some of his strategy for succeeding as a foreign investor.



Tell us a little bit about Epilert and why you decided to establish a presence in the United States.

Epilert has designed a bracelet that monitors and detects epilepsy. The bracelet is connected to a mobile app which is connected to the cloud. This way, doctors and caregivers can monitor patients' bio signals 24/7 through a patient dashboard, so they can study what happens before, during and after a seizure – the frequency of seizures, the duration of each seizure. Our bracelet is a Type 2510k non-invasive device, and we are in the process now of getting FDA approval.

What were the most important factors in your decision to set up where you did in the United States?

We chose the United States as the first market to tackle because the U.S. is one of the largest consumer markets in the world, and it is unified by one language. The Eurozone is a slightly bigger market, but it is broken up into 24 languages and 27 regulations which complicates scaling up for a startup. Additionally, it is easier to start in America and then launch globally, rather than to go the other way around.

In addition to the size of the U.S. market which I just mentioned, we chose to set up in the Bay Area because of the talent and the magnitude of capital flows. As a startup, one of the most valuable assets that the Bay Area has is talent because it is producing high added value. It's often not a factory or logistics that you need, it's mostly brains. The investors and the contacts you can make through networking in the Bay Area are invaluable.

What are key challenges for foreign investors trying to start in the U.S.?

The main challenge is having good references. Coming from outside the United States with a product, you need U.S. references because otherwise it is hard to establish trust. We were lucky to have joined an incubation program in the Bay Area, so through that we managed to build that trust. We were ranked 4th out of 75 startups in the program, so this gave us a good stamp of approval. We have also partnered with one of the largest electronic suppliers in the States which helped us establish trust. We also have a number of medical partners here. If you manage to establish trust, the rest is easy.

How much does the concentration of a particular industry sector affect the decision? Is it important for you to be near your tech peers?

There are huge network effects in the Bay Area, the people you meet, the people you chat with here are a critical lifeline to your company. A great thing about the Bay Area is that it is very diverse. For example, we have a strong Tunisian community which works in places like Google, Facebook, Amazon, eBay, so they helped us a lot. Also, there is a large high-tech employment pool in the Bay Area. This gives lots of flexibility to both employees and companies.

There are numerous industry clusters throughout the Bay Area. Given the considerable costs throughout the region, it may be advisable to align with a consultant or other advisor who can help with site selection, based on your company's needs.

What resources did you utilize to help you in your decision-making process? For example, SelectUSA programs, attorneys, accountants, friends/family, advisors?

SelectUSA events were definitely crucial. We went to the Summit once, and we participated in both the SelectUSA events in California, as well as CES. At the Summit you can compare locations and get a big picture, and when you make a decision you are more convinced that it is correct for you. For California SelectUSA events, we got a lot of useful information about taxes, visas, and incorporating, and I was able to connect with others who were going through a similar situation and compare our strategy, especially when I was picking out a location. Also, it was reassuring to hear from all the representatives from the foreign consulates at a Bay Area event that they are driving their startups to come here as well. In addition, I found the **IRS website** very helpful in making our preparations.

What do you wish you knew about the process before you started considering expansion into the United States?

Getting an EIN number took longer than we expected, primarily due to COVID. It took about two months – it could have taken longer, but we asked our Congresswoman in Delaware to help us. Once we got our EIN number, we were able to open a bank account almost directly. I'd suggest to other startups to apply for permanent residency as soon as possible to expedite getting the EIN number. This was our biggest challenge. Luckily, we are well connected, so our connections helped us to know problems in advance. I'd suggest to others, even if you think you know the answers to certain problems, still keep asking – you may find quicker, more efficient ways to get things accomplished.

What are some common misconceptions you think foreign tech firms might have about opening an office in California?

Foreign tech firms need to study why exactly they need an office here in California. It's not uncommon for companies to have manufacturing, sales, marketing, administrative functions, and R&D in different locations throughout the United States.

What were the easiest tasks? What made them simple? Do you have any recommendations for how the U.S. government could have made your experience easier or more clear?

The only point I'd raise here is that the experience of a startup coming to the States is different than a big investor, although a startup may bring more value to the U.S. economy than a large company. A startup's process is more special I would say. With incorporation, with setting up here, with the visa, I would say startups should get information that is more oriented to their needs. Startups need to cut costs. We discovered **Clerky** which is a platform that allows you to incorporate and set up all the required legal documents for only $700. Clerky is partnered with First Republic Bank, so you don't need to explain again what you are trying to do with your startup. And then there is **Brex** which is a credit card for startups. I got the approval within 3-4 days. The visa is either E2 or O1. Also, startups need inexpensive offices to start up, so more information about that would be helpful. For example, you can rent an office for just $500 per office per month. It's flexible in addition to being cheaper than renting more permanent office space.

Australian Landing Pad

David Brown is the former director of the Australian Trade and Investment Commission (Austrade) Landing Pad in San Francisco, based at the Australian Consulate General, and specializes in assisting Australian scaleups go global. The current director is Sunil Joshi and he can be reached at sunil.josh@austrade.gov.au.

Australian Government
Australian Trade and Investment Commission



The Australian Landing Pad is an excellent example of how a consulate can support its tech firms in California. Can you briefly describe the remit of the Landing Pad?

The Landing Pad is run by the Austrade. It is a three-month market immersion program that provides a soft landing for Australian tech enabled scaleups entering the United States market. It has been operating for four years and has serviced over 100 companies so far. The program has been curated to assist participants honing their U.S. go-to-market strategies, and in non-COVID times comes with three months of office space in San Francisco.

From your perspective as Director of the Australian Landing Pad, what are the top factors tech firms should consider in their decision to operate in California?

Entrepreneurs must first understand:

1. U.S. product-market fit: it may not be the same as in the entrepreneur's home country. They should focus on signals from the U.S. market early and recognize the right pull factors as opposed to push factors from their native market.
2. Competitive landscape: the U.S. is an extremely competitive market; businesses need to find the white space for their offerings. That is, what makes their business different to the rest or better than what customers are doing to solve the problem today.
3. Sales cycle in the U.S. market: without understanding the length and complexity of U.S. sales cycles, it is difficult to strategize and execute on business plans.
4. Timing: go early or go late. Going early means you will leave your home market for now and instead focus on the U.S. as a driver for growth. Alternatively, you can go late once you've dominated your home market or other markets. The risk of being stuck in the middle is that you will likely stretch your resources and be unable to manage both markets adequately.
5. Scrutinize your business model: Does it work for the U.S.? Does it need to be changed? Do you have a realistic timeline, objectives and KPIs for the market, and enough budget to execute?
6. External capital: if you need this, you should consider when and where that money will come from. Entering a new market and trying to raise money in that market at the same time is difficult.

What resources can help foreign investors in their decision-making process?

There is a wealth of resources available through government agencies, e.g. GoBiz, and the city EDOs. Professional advisors, non-profits, incubators, and accelerators are well versed in the challenges of early-stage foreign companies entering California. There is lots of cross pollination through different agencies and events. Industry associations can also be helpful. Austrade has a wide range of digital resources available and also maintains a database of vetted U.S. service providers. For Australian founders, the Aussie Founders Network (a non-profit) offers events, networking and connections for its members in the Bay Area, Denver and New York. The Australian American Chamber of Commerce similarly fosters business networks for Australian companies entering the U.S. market.

What should tech firms know about the process before considering establishing in the Bay Area?

There are many reasons why the Bay Area is an attractive place to establish your first U.S. base. You can truly immerse yourself in a highly innovation-focused ecosystem, draw on the experience of others, establish partnerships, win customers and find investment. On the flip side, it is almost certain to be more costly, competitive and complex than in any startup's home market, but this is not just specific to the Bay Area. In the U.S., in general, you may need to register your business in various cities/

states and pay different taxes in each region. Intricacies like this should be researched when considering your U.S. presence as the difference between your home country's regulations and the Bay Area will vary.

What are some common misconceptions you think foreign tech firms might have about opening an office in California?

One of the bigger misconceptions is that all you need to help you deal with declining sales growth is to enter a new market. If your product or service is not working in your home market, it is unlikely to work here. The U.S. market is so large that it's likely there are multiple people doing what you want to do and winning in the U.S. market requires precision execution. Some may think all you need is an office in Silicon Valley and investors will come knocking on your door, when in fact you need to have a really great business and show commitment to the market. Just having an office here is not sufficient.

What general advice would you give to a tech firm considering California?

Companies that are successful here, are very intentional and focused about their U.S. go to market strategies. Visit often to better understand the U.S. business environment, get the right advice and prepare from your home country as much as possible before you commit to establishing a presence here. In most cases, it would be very hard to enter the U.S. with less than 12 months of preparation and research. It is often comparatively more expensive to establish a business in the U.S., so for most early stage businesses external financing will likely be required to support your go to market strategies.

What are the most difficult tasks foreign tech investors typically encounter in their journey to operate in the U.S.? How do you recommend they overcome them?

One of the great things about the Bay Area is that it is so easy to meet people who have been through these processes. Use that network to get advice along the way. The mere size of the market compared to what non-U.S. businesses are used to, and what it takes to adapt the business to suit such a huge market, is often one of the main challenges. You should concentrate on low hanging fruit initially to build traction, otherwise it can be easy to spread yourself too thin. Focus on a niche you know you can win and build from there. In some situations, seemingly simple things, like opening a U.S. bank account and hiring U.S. employees can also present a challenge for foreign companies. There are many levels of payroll taxes, and you may need to set up a relatively costly infrastructure for paying people. Once you have 5-10 employees it becomes easier, but the trick is how to do it with fewer employees. Get advice early on navigating taxes and structuring your U.S. operation, and don't despair, even though these systems can feel very different there are plenty of resources and advisors to help you along the way.



California poppy flowers

Pick-n-Watch

Pick'n'Watch connects physical products and digital content to engage shoppers, analyze behavior and drive sales lift with its patented chip. Founder of the firm, Erhan Ark, spoke with us about his expansion of the firm from Turkey to San Jose, California

Pick 'n' Watch™
Product Sales Booster



What did you consider when choosing a U.S. location?

For tech companies, the ecosystem is one of the most important considerations. It is vital to the success of tech companies to be surrounded with like-minded companies in similar industries. Establishing in an area with a high concentration of tech investment will provide your company with a strong support network. Further, being in a highly regarded tech hub will enhance your company brand name and influence how your company is perceived. Another benefit of U.S. tech hubs is their strong IP protection laws and transparency.

Find a location where you can learn from others in your ecosystem. Translating your idea into an actual product can pose challenges, but stakeholders such as other companies and the U.S. government among others can help. In my case, the U.S. Embassy in Turkey was directly invited to the SelectUSA initiative. I then attended the SelectUSA Summit, where I visited several booths and ultimately spoke with representatives from 30 states in 2 days. I learned about the various incentives offered at the state and local level as well as developing a better understanding of IP protection, copyright, trademark, and patents. It is also critical for foreign investors to be aware of professional services in their selected area of operation, such as accountants and lawyers. Find bankers who are accustomed to working with foreign tech firms and can help you to establish your account before you arrive. It is also important to surround oneself with mentors and accelerators. This can be done by joining networks such as Innovation Junkie, the San Jose Chamber of Commerce where you are surrounded by peers and mentors as opposed to being isolated in a stand-alone office.

What do you wish you knew about the process before you started considering international expansion?

The importance of establishing trust throughout all dimensions of your company, as well as customers and partners. The U.S. Commercial Service has been extremely helpful for us to identify screened potential partners through matchmaking and due diligence services. Also, being familiar with the legal, accounting, and financial aspects of doing business in the United States beforehand is a huge advantage. SelectUSA helped me understand these business components.

It would be helpful to know in advance how a foreign investor can go about getting a credit score and what you will need it for. I had trouble getting a car as most car dealerships are unfamiliar with investor visas, so it was difficult to secure a loan for a car. I ended up having my friend co-sign on my behalf. Also, it would be helpful to shed more light on STEP grants and other economic development programs.

What are some common misconceptions you think foreign tech firms might have about opening an office in the United States?

I think that many foreign tech firms undermine the value of networking. Though it may be tiring to attend networking events, putting yourself and your company out there will enable you to establish your contacts. Whether this is finding co-founders or just learning about other firms' journeys, it is important to carve out time in your schedule to attend these events. Also, I think that many firms think they can simply sell their products in the same fashion as they have in the past without localizing one's products. When I was in Turkey, I was selling to primarily English-speaking markets; however, now I am also selling my product in China, Korea, and Uruguay, for example. To perform well in these markets, I have had to adjust my methods of communication and marketing. The multicultural and multiethnic nature of the Bay Area has prepped me well for these cultural adaptations.

What were the most difficult tasks you encountered in your journey to operate in the United States? How did you overcome them?

It can be time intensive to establish not only your company in the United States but to also settle yourself and your family here. You have to conduct research on housing and schools to ensure that your location is suitable for you and your employees' families. In my case, before coming to the United States, I spent two months finding a place for my family to live.

Centaur Analytics, Inc.

Sotiris Bantas is Co-Founder, President, and CEO of Centaur Analytics. He also serves as Vice President of the Hellenic Emerging Technologies Industry Association (HETiA).



Please tell us a bit about your company and experience. How does your technology add value to U.S. agriculture companies?

Centaur Internet-of-Crops® employs AI in predictive and prescriptive analytics, and a proprietary Internet-of-Things (IoT) stack, to help food and agricultural businesses preserve quality, eliminate waste, and reduce costs with timely intervention and efficient use of energy and chemicals. This results in higher profits for U.S. grain growers, and to significant efficiencies for commercial agriculture and food processing companies.

Where did you establish your company and why did you choose this location? What were the most important factors in your decision?

We chose Ventura, California as our corporate HQ. Our choice was driven by the State's unique combination of business environment, investor network, and burgeoning agrifood economy. The choice was also influenced by our co-founder and lead investor, Avi Reichental, who is based in the area, and has founded a unique "tech collider" innovation center in Ventura.

Proximity to clients, tech peers, and research institutions is important for us. California strikes a unique balance, being a crossroads for innovation in IoT, cloud, and AgTech. It's no coincidence that some of our sector's not-to-be-missed conferences (World Agri-Tech Summit, Sensors Expo, World IoT Congress, World Ag Expo) are taking place in venues across California.

How did you go about building your business network in California?

California offers an unparalleled networking ecosystem which makes business introductions really easy. In my case, it has been a combination of business associates and friends in Silicon Valley, as well as the omnipresent Greek expat network, which helped with intros to amazing business partners. Our corporate and Intellectual Property attorneys are based in San Francisco and San Jose, CA respectively. They have been instrumental in various stages of our venture (as well as for my previous ventures), from inception, to fundraising and beyond.

I founded my first company and moved the HQ to California in the early 2000's. What I wish I knew from the start is the paramount importance of informal networks and "handshake agreements" that go a long way in California, much more than in any other part of the world.

What were the most and least challenging tasks you encountered in your journey to operate in California?

In California you compete with the tech giants for access to engineering talent. You also "compete" with other hot startups for access to investment deals. Being a global citizen, and amenable to working with a distributed team, allows one to have more options, and still be able to leverage the business opportunities that California uniquely provides.

On the other hand, access to high-caliber services such as legal, marketing, and investment banking was easy. Choice is enormous in California.

As Vice President of the Hellenic Emerging Technologies Industry Association (HETiA), what other advice would you give to a foreign investor to help them have a soft landing in the United States?

Technology has made it possible for fast-growing companies to operate with teams distributed across jurisdictions and time zones. You can start small, and my advice would be:

1. Pick an affordable zip code, which doesn't need to be in the San Francisco Bay Area.
2. Choose a location close to a major university that can be a source of talent for your startup.
3. Hire first for an operations role, not necessarily too senior, who can then help with further recruiting of engineers, salespeople, contractors, and service providers.

Always opt to hire people with 'fire in the belly' and create an environment that rewards entrepreneurial attitude and initiative. Founders should spend periods of time with their U.S. team, and gradually immerse themselves in the local business culture. A breakfast meeting with an investor can be as effective as meeting in an office - as an example of the various nuances that tend to work differently in the U.S. than what a European entrepreneur may be accustomed to.

dRISK

d(risk)



Chess Stetson, Ph.D., is Principal and CEO of dRISK. He is located in the Pasadena, CA office.



Rav Babbra is Principal and COO of dRISK. He is located in the London, England office.



Kiran Jesudasan is Principal and Transport Systems Designer and Strategist of dRISK. He is located in the Pasadena, CA office.



Nils Goldbeck, Ph.D., is Principal and CTO of dRISK. He is located in the London, England office.

Please tell us a bit about your company and experience. How does your technology add value to the development of autonomous vehicles?

dRISK trains and tests autonomous vehicles (AV) using edge-cases. Edge cases are the many individually unlikely events which together make up all of the risk. Our technology is used to make AVs a commercial reality whilst ensuring that they are safe. We collect data from heterogeneous sources from around the world to help AV developers test their vehicles on a greater magnitude. We have many test cases of situations that rarely happen, but when they do, are likely to be deadly. For example, cars merging from different directions, overloaded lorries and freight trucks, pedestrians walking between parked cars, animals crossing, objects falling from vehicles, and vehicle accidents.

There are very different road conditions and dangers from place to place, even when comparing two cities, such as Los Angeles and London. We can capture idiosyncrasies of each location, recombine data from different places to create more complex behavior, and transplant what we see in Los Angeles to what we see in London and vice versa. Or what we learn from Delhi can benefit driving in Phoenix, since ultimately you'd feel safer if you knew your autonomous vehicle could handle both. We also benefit from data from our partners, who convene public consultation sessions to ask people about frightening driving conditions they have experienced. We like to capture odd and unexpected traffic conditions from everywhere!

With this data, we can show AV manufacturers areas of weakness and provide large amounts of training data to help their systems improve. Ultimately, we believe our approach will be responsible for a broad change in how AVs are developed, making them both safe and commercially viable.

Where did you establish your company and why did you choose these locations? What were the most important factors in your decision?

Technically, the U.S. company existed first, but didn't start meaningful operations until the British company was created. The U.S. and UK companies are closely tied, but the majority of the talent is in the UK, while the U.S. company is convenient for our many U.S.-based customers. So, we're both a U.S. and UK company. The UK company was also fortunate enough to win an Innovate UK funding award that supports our efforts to revolutionize AVs training and testing. The California company

was built within a community of people centered around Caltech (including our founder, Dr. Chess Stetson), and now includes one of the leading roboticists from the Jet Propulsion Laboratory in Southern California, Brett Kennedy. The connection with JPL was important, given JPL's specialized expertise in failure mode analysis, and history developing safety case frameworks. We started the UK company in 2019 and galvanized around winning the Innovate UK competition which addressed a need expressed by UK government for autonomous vehicles.

Innovate UK works with the UK Department of International Trade (DIT) across the globe. Our relationship with DIT has also helped us connect to companies and promotional opportunities in California and around the world. For example, in 2018, we won a pitch competition that DIT helped fund at the Consumer Electronic Show (CES) in Las Vegas. Our networking during this trip was incredibly valuable – we even were able to recruit several key team members as a result! The DIT office in Los Angeles helped us showcase the company in Los Angeles and other cities across the United States. Most recently, DIT helped us organize a webinar with a handful of our partners where we showcased our technologies to major U.S. R&D organizations, systems integrators, and manufacturers. DIT paid for the event, publicity, and marketing. It was a win-win experience.

Another factor was that we already had a group of people connected across the continents. This trust on both sides was important. In Southern California, we are centered around the Caltech community, which includes NASA's Jet Propulsion Laboratory (JPL), with which our founder had previously done some work before starting dRISK. In the UK, Imperial College London has been a key partner for many of the same reasons. Being able to tap the top engineering talent from both Caltech and Imperial College London is really fundamental to a leading-edge tech company like ours. We have many commercial partners in both the UK and California. Both of our offices in the U.S. and UK started within exclusive tech incubators, which helped us build our network with other companies already in the space.

How did you go about appealing to VCs to secure funding?

Our lead investor, Okapi Ventures, is a premiere investor within the Southern California tech community. Okapi invests in heavy tech and revolutionary talent and solutions, and not just in Silicon Valley. They have made their home in Southern California partly because of its long and rich history in IP, research, talent, and innovation, and we got to know them through the Caltech community. Another Southern California investor with a similar tech-centric thesis, and closely tied to Caltech, is Mount Wilson Ventures. We also have highly valued international investors such as Netsu Equity Ltd, whom we originally got to know via common relationships at Imperial College. It's probably fair to say that we got to know most of our investors through academic connections.

We have not applied a lot of focus to raising funding from institutional VCs in Silicon Valley, where we have frankly found some of the stereotypes to be true. Nevertheless, we do have private investors from within Silicon Valley who are heavily connected to that community, and we believe we are seeing many investors starting to understand that some of the best opportunities can come from outside the Bay Area.

One key about appealing to VCs in the U.S. is to be direct. Whereas culturally in Great Britain directness can be perceived as rudeness, it's often necessary to elucidate your value proposition, which is the most important thing for raising funding. Of course, investors don't want to hear you brag, but you do need to advocate for your company clearly, directly, and succinctly. You need to demonstrate that you know your competition, your risks, your market, and your problem space inside and out. You need to show how you're going to punch into your market and succeed, and that you're going to have staying power. This takes time and a lot of work – there are no shortcuts. But the result for us has been a highly engaged and valuable group of investors, all of whom have been instrumental in introducing customers and providing valuable direction.

What other external resources, including government agencies, attorneys, accountants, and other advisors, did you use to help you develop your business? How did you use them?

Firstly, it's important to have social, academic, and business connections that can help you get the process started. A trust network goes a long way. We used our networks to find referrals to good attorneys, accountants, and advisors in both countries.

List of Foreign Consulates in California

LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Afghanistan	Consulate of Afghanistan	120 S Doheny Drive, Beverly Hills, CA, 90211	310-288-8334	310-288-8355	info@afconsulate.us
Andorra	Honorary Consulate of Andorra	11040 Roselle Street, San Diego, CA, 92121	858-882-0125		mmarquet@altheatech.com
Argentina	Consulate of Argentina	5055 Wilshire Blvd., 2Nd Fl. Los Angeles, CA, 90036	323-954-9155	323-934-9076	clang@cancilleria.gob.ar
Armenia	Consulate of Armenia	346 N Central Avenue, Glendale, CA, 91203	818-265-5900	818-265-3800	
Armentia	Honorary Consulate of Armenia	1060 Fulton Street, Suite 802, Fresno, CA, 93721	559-228-4328		
Australia	Consulate of Australia	575 Market Street, Suite 1800 San Francisco, CA, 4105	415-644-3620	415-536-1982	sanfrancisco@austrade.gov.au
Australia	Consulate of Australia	2029 Century Park, Suite 3150, Los Angeles, CA, 90067	310-229-2300	310-229-2380	losangeles@dfat.gov.au
Austria	Consulate of Austria	580 California Street, Suite 1500 San Francisco, CA, 94104	415-765-9576	415-727-5000	office@austrianconsulatesf.org
Austria	Consulate of Austria	11859 Wilshire Boulevard, Suite 501, Los Angeles, CA, 90025	310-444-9310	310-447-9897	
Azerbaijan	Consulate of Azerbaijan	11766 Wilshire Boulevard, Suite 1410, Los Angeles, CA, 90025	310-444-9101	310-447-4860	losangeles@mission.mfa.gov.az
Bahamas	Honorary Consulate of the Bahamas	4007 Sunswept Drive, Suite B, Studio City, CA, 91604	818-508-4999		
Bangladesh	Consulate of Bangladesh	501 S Fairfax Avenue, Los Angeles, CA, 90036	323-932-0100	323-932-9703	

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Barbados	Honorary Consulate of Barbados	255 Berry Street, #609 San Francisco, CA, 94158	415-421-8789		jerry@mentorlevine.com
Belarus	Honorary Consulate of the Republic of Belarus	2999 Fulton Ave, Suite 100, Sacramento, CA, 95821	916-835-5009		floorincooman@gmail.com
Belgium	Honorary Consulate of Belgium	155 Montgomery Street, Suite 207 San Francisco, CA, 94104	415-295-4850		Nathalie@belgianconsulsf.com
Belgium	Consulate of Belgium	6300 Wilshire Boulevard, Suite 720, Los Angeles, CA, 90048	323-857-1244		LosAngeles@diplobel.fed.be
Belize	Honorary Consulate of Belize	916 Kearny Street San Francisco, CA, 94133	415-788-7500	415-989-7910	adinarot@yahoo.com
Belize	Consulate of Belize	4801 Wilshire Blvd. Suite 250 Los Angeles, CA, 90010	323-634-9900	323-634-9903	
Belize	Honorary Consul of Belize	4801 Wilshire Boulevard, Suite 250, Los Angeles, CA, 90010	323-634-9900	323-634-9903	belizeconsulate@sbcglobal.net
Bolivia	Consulate of Bolivia	3701 Wilshire Blvd #1065 Los Angeles, CA, 90010	213-388-0475	213-384-6272	info@boliviala.org
Botswana	Honorary Consulate of Botswana	165 Francisco Street, #11 San Francisco, CA, 94133	415-885-2733	415-885-2733	botswanasfo@pacbell.net
Brazil	Consulate of Brazil	8484 Wilshire Boulevard, Suite 300, Beverly Hills, CA, 90211	323-651-2664	323-651-1274	cg.losangeles@itamaraty.gov.br
Brazil	Honorary Consulate of Brazil	8047 Caminito Mallorca, La Jolla, CA, 92037	858-453-8383		consbrsd@gmail.com

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Brazil	Consulate of Brazil	300 Montgomery Street, Suite 300 San Francisco, CA, 94104	415-981-8170	415-986-4625	cg.sf@itamaraty.gov.br
Bulgaria	Honorary Consulate of Bulgaria	4054 20Th Street, San Francisco, CA, 94114			
Bulgaria	Honorary Consulate of Bulgaria	794 N Barcelona Circle, Palm Springs, CA, 92262	310-552-8100	310-552-8188	alevy@tishmanintl.com
Bulgaria	Honorary Consulate of Bulgaria	1410 Ethan Way, Sacramento, CA, 95825	916-563-3264	916-563-3264	ohlsonb@losrios.edu bgconsul@gmail.com
Bulgaria	Consulate of Bulgaria	11766 Wilshire Boulevard, Suite 440, Los Angeles, CA, 90025	310-478-6700	310-478-6277	
Burma	Consulate of Burma	3435 Wilshire Boulevard, Suite 1590, Los Angeles, CA, 90010	213-387-0043		myancgla@gmail.com
Cambodia	Honorary Consulate of Cambodia	3444 E Anaheim Street, Long Beach, CA, 90804	562-494-3000	562-494-3007	Cambodian.hcg.ca@gmail.com
Canada	Consulate of Canada	550 S Hope Street, Suite 900, Los Angeles, CA, 90071	213-346-2700	213-346-2797	ccs.scc@international.gc.ca
Canada	Consulate of Canada	402 W Broadway, Floor 4, San Diego, CA, 92101	619-615-4286	619-615-4287	sndgo-td@international.gc.ca
Canada	Consulate of Canada	580 California Street, Suite 1400 San Francisco, CA, 94104	415-834-3180	415-834-3189	ccs.scc@international.gc.ca
Chile	Consulate of Chile	6100 Wilshire Boulevard, Suite 1240, Los Angeles, CA, 90048	323-933-3697	323-933-3842	losangeles@consulado.gob.cl
Chile	Honorary Consulate of Chile	550 W C Street, Suite 1820, San Diego, CA, 92101	619-232-6361	619-696-0991	George@Gildredco.com

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Chile	Consulate of Chile	870 Market Street, Suite 1058 San Francisco, CA, 94102	415-982-7662	415-982-2384	sanfrancisco@consulado.gob.cl
China	Consulate of China	443 Shatto Place, Los Angeles, CA, 90020	213-807-8088	213-807-8091	
China	Consulate of China	1450 Laguna Street San Francisco, CA, 94109	415-852-5900	415-852-5940	visa.sf@gmail.com
Colombia	Consulate of Colombia	8383 Wilshire Boulevard, Suite 420, Beverly Hills, CA, 90211	323-653-4299		cangeles@cancilleria.gov.co
Colombia	Consulate of Colombia	595 Market Street, Suite 1190 San Francisco, CA, 94105	415-495-3450	415-777-3731	csanfrancisco@cancilleria.gov.co
Costa Rica	Consulate of Costa Rica	8383 Wilshire Boulevard, Suite 641, Beverly Hills, CA, 90211	323-424-7112	213-380-5639	
Côte D'Ivoire	Honorary Consulate Of Côte D'Ivoire	5250 W Century Boulevard, Suite 750, Los Angeles, CA, 90045	424-217-7418	866-995-7378	consulcila@yahoo.com
Côte D'Ivoire	Honorary Consulate Of Côte D'Ivoire	201 Spear Street, Suite 1100 San Francisco, CA, 94105	650-483-2413	650-329-9938	amiessi@att.net
Croatia	Consulate of Croatia	11766 Wilshire Boulevard, Suite 1250, Los Angeles, CA, 90025	310-477-1009	310-477-1866	crocons.los-angeles@mvep.hr
Cyprus	Honorary Consulate of Cyprus	75 Silverwood Drive Lafayette, CA, 94549	925-284-1060	925-284-9745	sfcon-cy@ntheo.com
Cyprus	Honorary Consulate of Cyprus	4219 Coolidge Avenue, Los Angeles, CA, 90066	310-397-0771	310-398-6775	andreaskyp@verizon.net

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Czech Republic	Consulate of the Czech Republic	10990 Wilshire Boulevard, Suite 1100, Los Angeles, CA, 90024	310-473-0889	310-473-9813	losangeles@embassy.mzv.cz
Czech Republic	Honorary Consulate of the Czech Republic	201 Mission Street, Suite 710 San Francisco, CA, 94105	415-813-4040		sanfrancisco@honorary.mzv.cz
Denmark	Honorary Consulate of Denmark	5849 Uplander Way, Culver City, CA, 90230			toraas@umgate.dk
Denmark	Honorary Consulate of Denmark	2235 Encinitas Boulevard, Suite 210, Encinitas, CA, 92024			malfar@umgate.dk
Denmark	Honorary Consulate of Denmark	11766 Wilshire Boulevard, Suite 270, Los Angeles, CA, 90025			toraas@umgate.dk
Denmark	Royal Danish Consulate	1 Capitol Mall, Suite 670 Sacramento, CA, 95814	916-448-9688	916-448-9084	sacramento@umgate.dk
Denmark	Consulate and Innovation Center Denmark	200 Page Mill Road, Suite 100 Palo Alto, CA, 94306	650-543-3180		svicdk@um.dk
Dominican Republic	Consulate of the Dominican Republic	500 N Brand Blvd Glendale, CA	818-504-6605	818-504-6617	
Ecuador	Consulate of Ecuador	3600 Wilshire Blvd #1404 Los Angeles, CA	323-658-6020		
Egypt	Consulate of Egypt	6300 Wilshire Blvd Los Angeles, CA	323-933-9700	323-933-9725	
El Salvador	Consulate of El Salvador	3250 Wilshire Boulevard, Suite 550, Los Angeles, CA, 90010	213-237-9200	213-383-8599	consuladoesla@rree.gob.sv

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
El Salvador	Consulate of El Salvador	507 Polk Street, Suite 280 San Francisco, CA, 94102	415-771-8524	415-771-8522	consulado sanfrancisco @rree.gob.sv
Estonia	Honorary Consulate of Estonia	3741 Meade Avenue, San Diego, CA, 92116	858-717-66379		michael.chan@ estoniaconsul.org
Estonia	Honorary Consulate of Estonia	5363 Tendilla Avenue, Woodland Hills, CA, 91364	818-340-5766	805-552-8733	jaaktreiman@ gmail.com
Estonia	Consulate of Estonia	101 Natoma Street, Floor 3, San Francisco, CA, 94105	415-697-9411		sfconsulate@mfa.ee
Ethiopia	Consulate of Ethiopia	3250 Wilshire Blvd. Suite 1101 Los Angeles, CA	213-365-6651		Info@ ethioconsulatela.org
Fiji	Honorary Consulate of Fiji	18508 Pioneer Boulevard, Artesia, CA, 90701	562-802-8755	562-865-6586	
Fiji	Honorary Consulate of Fiji	150 W Harris Avenue South San Francisco, CA, 94080	650-550-5944		jsingh4567@aol.com
Finland	Honorary Consulate of Finland	219 Brannan Street, Unit 17A San Francisco, CA, 94107	650-996-0336		mgm@iki.fi
Finland	Consulate of Finland	11900 W Olympic Boulevard, Suite 580, Los Angeles, CA, 90064	310-203-9903	310-481-8981	sanomat.los@ formin.fi
Finland	Consulate of Finland	11900 West Olympic Blvd. Suite 580 Los Angeles, CA	310-203-9903	310-481-8981	sanomat.los@ formin.fi
France	Consulate of France	88 Kearny Street, Suite 600 San Francisco, CA, 94108	415-397-4330	415-433-8357	
France	Honorary Consulate of France	1708 Haggin Grove Way Sacramento, CA, 95864	916-715-2479		grm.hcs@ sbcglobal.net

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
France	Consulate of France	10390 Santa Monica Boulevard, Suite 115 & 410, Los Angeles, CA, 90025	310-235-3200	310-235-3267	info.los-angeles-fslt@diplomatie.gouv.fr
France	Honorary Consulate of France	6640 Lusk Boulevard, San Diego, CA, 92121	619-743-8947		
Georgia	Consulate of Georgia	930 Montgomery Street, Unit 301, San Francisco, CA, 94133	415-528-3706	415 -528-3728	ConsulateSF@mfa.gov.ge
Georgia	Honorary Consulate of Georgia	1800 W Katella Avenue, Suite 400, Orange, CA, 92867	714-516-7248	714-922-7210	
Georgia	Honorary Consulate of Georgia	4473 Avenida Aquila, San Diego, CA, 92154	619-606-5544		
Germany	Consulate of Germany	1960 Jackson Street San Francisco, CA, 94109	415-775-1061	415-775-0187	
Germany	Consulate of Germany	6222 Wilshire Boulevard, Suite 500, Los Angeles, CA, 90048	323-930-2703	323-930-2805	
Germany	Honorary Consulate of Germany	10350 Science Center Drive, San Diego, CA, 92121	619-321-0606	619-544-8958	san-diego@hk-diplo.de
Greece	Consulate of Greece	2441 Gough Street San Francisco, CA, 94123	415-775-2102	415-776-6815	grgencon.sf@mfa.gr
Greece	Consulate of Greece	12424 Wilshire Boulevard, Suite 1170, Los Angeles, CA, 90025	310-826-5555	310-825-8670	grgencon.la@mfa.gr
Guatemala	Honorary Consulate of Guatemala	544 Golden Gate Avenue, Suite 100, San Francisco, CA, 94102	415-563-8319		conssanfrancisco@minex.gob

List of Foreign Consulates in California

LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Guatemala	Consulate of Guatemala	659 Merchant Street, Floor 1, San Francisco, CA, 94111	415-696-8573	415-563-8376	conssanfrancisco@minex.gob.gt
Guatemala	Consulate of Guatemala	1975-1989 Riverside Drive, Los Angeles, CA, 90039	213-365-9251		conslosangeles@minex.gob.gt
Guatemala	Consulate of Guatemala	330 N D Street, Suite 120, San Bernardino, CA, 92401	909-572-8800	909-572-8801	conssan bernardino@minex.gob.gt
Guatemala	Honorary Consulate of Guatemala	1433 Market Street, San Diego, CA, 92101	213-631-3299		consul@sapper.com
Guatemala	Honorary Consulate of Guatemala	544 Golden Gate Avenue, Suite 100, San Francisco, CA, 94102			
Guinea	Honorary Consulate of Guinea	1047 17Th Street, Santa Monica, CA, 90403	310-804-1705		
Guyana	Honorary Consulate of Guyana	150 W Providencia Avenue, Burbank, CA, 91502	818-726-6834		Raymond@americanbinderyservice.com
Haiti	Honorary Consulate of Haiti	167 Bryant Street Palo Alto, CA, 94301	415-867-9605	707-996-9602	jerry@sfsinvent.com
Honduras	Consulate of Honduras	1700 California Street, Suite 460 San Francisco, CA, 94109	786-545-9905	415-392-6726	consuladohnensanfrancisco@gmail.com
Honduras	Consulate of Honduras	3550 Wilshire Boulevard, Suite 320, Los Angeles, CA, 90010	213-995-6406	213-383-9306	
Hungary	Honorary Consulate of Hungary	5201 Great America Parkway, Office 3214 Santa Clara, CA, 95054	650-573-7351		Hungarian ConsulateSF@gmail.com

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Hungary	Honorary Consulate of Hungary	841 Cathedral Court, Suite 1 Sacramento, CA, 95825	916-487-1332	916-212-7216	nbartsch@sbcglobal.net
Hungary	Consulate of Hungary	11766 Wilshire Boulevard, Suite 410, Los Angeles, CA, 90025	310-914-7134	310-479-6443	mission.los@mga.gov.hu
Hungary	Consulate of Hungary	5201 Great America Parkway, Office 3214, Santa Clara, CA, 95054			andras.doncsev@mfa.gov.hu
Iceland	Honorary Consulate of Iceland	222 Front Street, Floor 5 San Francisco, CA, 94111	415-433-3103	415-433-0449	rob@cartwrightlaw.com
Iceland	Honorary Consulate of Island	7716 Firenze Avenue, Los Angeles, CA, 90046	310-440-3494		
India	Consulate of India	540 Arguello Boulevard San Francisco, CA, 94118	415-668-0662	415-668-9764	
Indonesia	Consulate of the Republic of Indonesia	1111 Columbus Avenue San Francisco, CA, 94133	415-474-9571	415-441-4320	konsuler@kjrisfo.net
Indonesia	Consulate of Indonesia	3457 Wilshire Boulevard, Los Angeles, CA, 90010	213-383-5126	213-487-3971	losangeles.kjri@kemlu.go.id consular.la@kemlu.go.id
Iraq	Consulate of Iraq	4500 Wilshire Boulevard, Los Angeles, CA, 90010	213-797-6060	219-797-6100	
Ireland	Consulate of Ireland	100 Pine Street, Suite 3350, San Francisco, CA, 94111	415-392-4214	415-392-0885	
Ireland	Consulate of Ireland	6380 Wilshire Boulevard, Suite 1205, Los Angeles, CA, 90048			

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Ireland	Honorary Consulate of Ireland	2725 Congress Street, Unit 2G, San Diego, CA, 92110	619-291-1630		patrick.otoole@honoraryconsul.ie
Israel	Consulate of Israel	456 Montgomery Street, Suite 2100 San Francisco, CA, 94104	415-844-7500	415-844-7555	consulardep@sf.mfa.gov.il
Israel	Consulate of Israel	11766 Wilshire Boulevard, Suite 1600, Los Angeles, CA, 90025	323-852-5500	323-852-5566	
Italy	Consulate of Italy	2590 Webster Street San Francisco, CA, 94115	415-292-9200	415-931-7205	it.sanfrancisco@esteri.it
Italy	Honorary Vice Consulate of Italy	980 El Camino Real, Suite 200 Santa Clara, CA, 95050	408-971-9170	408-998-4088	scaruso@caruso-designs.com
Italy	Honorary Consulate of Italy	2125 Merced Street, Fresno, CA, 93721	559-268-8776	559-268-5701	e.d.fanucchi@qkffirm.com
Italy	Consulate of Italy	1900 Avenue Of The Stars, Suite 1250, Los Angeles, CA, 90067	310-820-0622	310-820-0727	
Italy	Honorary Consulate of Italy	250 W Date Street, San Diego, CA, 92101	619-800-7974	888-485-4825	sandiego.onorario@esteri.it
Italy	Honorary Consulate of Italy	2430 Pavilions Place Lane, Unit 802, Sacramento, CA, 95825	859-533-2086	916-456-1950	
Jamaica	Honorary Consulate of Jamaica	303 N Glenoaks Boulevard, Suite 700 Burbank, CA, 91502	818-406-0503	818-399-6305	honoraryconsulateofJamaica@gmail.com
Japan	Consulate of Japan	275 Battery Street, Suite 2100 San Francisco, CA, 94111	415-780-6000	415-767-4200	
Japan	Honorary Consulate of Japan	8812 N Colfax Avenue, Fresno, CA, 93720			daleikeda@att.net

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Japan	Consulate of Japan	350 S Grand Avenue, Suite 1700, Los Angeles, CA, 90071	213-617-9700	213-617-6725	
Japan	Honorary Consulate of Japan	7676 Hazard Center Drive, Suite 1150, San Diego, CA, 92108	858-354-6335		kleonard@hbllp.com
Jordan	Honorary Consulate of Jordan	972 Mission Street, 4Th Floor, San Francisco, California 94103	415-546-1155	415-546-4041	Consulate@jordansf.org
Kazakhstan	Honorary Consulate of Kazakhstan	9987 Muirlands Boulevard, Irvine, CA, 92618			hcoc@kazconsulate.com
Kenya	Consulate of Kenya	3550 Wilshire Boulevard, Suite 1900, Los Angeles, CA, 90010			
Khazakhstan	Consulate of Kazakhstan	580 Montgomery Street, Suite 950 San Francisco, CA, 94104	415-568-2160		qazconsulsf@gmail.com
Kuwait	Consulate of Kuwait	130 El Camino Drive, Beverly Hills, CA, 90212	310-556-0300	310-556-0331	info@kuwaitconsulate.org
Latvia	Consulate of Latvia	4501 Birch Street, Newport Beach, CA, 92660	949-888-9700		bunkis@ocps.com
Lebanon	Honorary Consulate of Lebanon	262 Michelle Court South San Francisco, CA, 94080	415-691-9694		info@sflebconsulate.org
Lebanon	Consulate of Lebanon	811 Wilshire Boulevard, Suite 1800, Los Angeles, CA, 90017	213-243-0999	213-612-5070	
Liberia	Honorary Consulate of Liberia	1101 Embarcadero West Oakland, CA, 94607	510-452-6373	510-444-3370	gschnitzer@sch.com

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Liechtenstein	Honorary Consulate of Liechtenstein	4322 Wilshire Boulevard, Suite 200, Los Angeles, CA, 90010	323-930-5690	323-930-5693	
Lithuania	Honorary Consulate of Lithuania	2440 Camino Ramon, Suite 335, San Ramon, CA, 94582	925-277-3090		dgarrison@clubsportsr.com
Lithuania	Consulate of Lithuania	11766 Wilshire Boulevard, Suite 560, Los Angeles, CA, 90025	424-465-9901		cons.losangeles@mfa.lt
Lithuania	Honorary Consulate of Lithuania	1035 Via Los Padres, Santa Barbara, CA, 93111	818-451-9966		info@usa.mfa.it
Luxemborg	Honorary Consulate of Luxemborg	23143 Canzonet Street, Woodland Hills, CA, 91367	818-274-2646		laconsullux@aol.com
Luxembourg	Consulate of Luxembourg	1 Sansome Street, Suite 830 San Francisco, CA, 94104	415-788-0816	415-788-0985	sanfrancisco.cg@mae.etat.lu
Malaysia	Consulate of Malaysia	777 S. Figueroa St. #600 Los Angeles, CA	213-892-1238	213-892-9031	
Mali	Honorary Consulate of Mali	2691 Highview Avenue, Altadena, CA, 91001			
Malta	Honorary Consulate of Malta	5449 Endeavour Court, Moorpark, CA, 93021	805-744-4291	805-531-9683	maltaconsul.losangeles@gov.mt
Malta	Honorary Consulate of Malta	50 Victoria Avenue, Suite 103, Millbrae, CA, 94030	650-631-8200	650-453-3209	
Mauritius	Honorary Consulate of Mauritius	2844 Greenwich Street San Francisco, CA, 94123	415-251-7928	415-434-5805	jitu@somaya.net
Mexico	Consulate of Mexico	2401 W 6Th Street, Los Angeles, CA, 90057	213-351-6800 x2518		lapublico@sre.gob.mx

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Mexico	Consulate of Mexico	3151 W Fifth Street, Suite 100, 200, Oxnard, CA, 93030	805-984-8738		consul@consulmexoxnard.com
Mexico	Consulate of Mexico	1549 India Street, San Diego, CA, 92101	619-231-8414		
Mexico	Consulate of Mexico	293 N D Street, Suite 100, 101, 201, 202, San Bernardino, CA, 92401			consulmexsbd@sre.gob.mx
Mexico	Consulate of Mexico	7435 N Ingram Avenue, Fresno, CA, 93711	559-233-3065	559-257-4839	
Mexico	Consulate of Mexico	408 Heber Avenue, Calexico, CA, 92231	760-357-3863	760-357-6284	infocalexico@sre.gob.mx
Mexico	Consulate of Mexico	302 Enzo Drive, Suite 200, San José, CA, 95138	408-294-3414 x128		consjose@sre.gob.mx
Mexico	Honorary Consulate of Mexico	319 Salinas Street, Salinas, CA, 93901	831-424-1975	831-424-1414	consulblanca@gmail.com
Mexico	Consulate of Mexico	2093 Arena Blvd., Sacramento, CA, 95834	916-329-3500	916-419-3048	sacramento@sre.gob.mx
Mexico	Consulate of Mexico	2100 E 4Th Street, Santa Ana, CA, 92705	714-835-3069	714-835-3472	
Mexico	Consulate of Mexico	532 Folsom Street San Francisco, CA, 94105	415-354-1700	415-495-3971	consfrancisco@sre.gob.mx
Monaco	Honorary Consulate of Monaco	100 Universal City Plaza, Building 2252, Universal City, CA, 91608	310-490-4355	818-866-1446	lydia.mayberry@woffilms.com
Monaco	Honorary Consulate of Monaco	10 Miller Place, Unit 2001 San Francisco, CA, 94108	415-627-0729	415-665-5748	MonacoSF@earthlink.net
Mongolia	Consulate of Mongolia	465 California Street, Suite 200 San Francisco, CA, 94104	415-622-4000	415-622-3000	sanfrancisco@mfa.gov.mn

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Montenegro	Honorary Consulate of Montenegro	9663 Santa Monica Boulevard, Suite 1146, Beverly Hills, CA, 90210	301-904-8493		montenegro.consul.la@gmail.com
Morocco	Honorary Consulate of Morocco	2275 Huntington Drive, San Marino, California91118	213-999-2238		
Namibia	Honorary Consulate of Namibia	2050 Gateway Place Suite 100/183 San Jose, CA, 95110	408-791-8705		info@consulateofnamibia.org
Nepal	Honorary Consulate of Nepal	909 Montgomery Street, Suite 400 San Francisco, CA, 94133	415-288-7208	415-434-3130	skelly@blumcapital.com
Nepal	Honorary Consulate of Nepal	1660 Old Airport Road, Auburn, CA, 95603	530-885-6777		
Nepal	Honorary Consulate of Nepal	14920 Alva Drive, Pacific Palisades, CA, 90272	626-538-4159	310-454-5688	georgepappas59@yahoo.com
Nepal	Honorary Consulate of Nepal	3051 C Street, San Diego, CA, 92102	626-320-2437		
Netherlands	Consulate of the Netherlands	1 Montgomery Street, Suite 3100 San Francisco, CA, 94104	877-388-2443	415-291-2049	sfn@minbuza.nl
Netherlands	Honorary Consulate of Santa Monica	1738 Berkeley Street, Santa Monica, CA, 90404	310-890-9766		
Netherlands	Honorary Consulate of the Netherlands	17323 Circaliforniadel Sur, Rancho Santa Fe, CA, 92067	858-756-5556		
New Zealand	Honorary Consulate of New Zealand	1915 Carmelita Avenue, Burlingame, CA, 94010	415-672-4406		
New Zealand	Consulate of New Zealand	2425 Olympic Boulevard, Suite 600E, Santa Monica, CA, 90404	310-566-6555 x10	310-566-6556	nzcg.la@mfat.net

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
New Zealand	Honorary Consulate of New Zealand	44733 North El Macero Drive El Macero, CA, 95618	530-756-7016	530-756-7032	starrned@msn.com
Nicaragua	Consulate of Nicaragua	870 Market Street, Suite 518 San Francisco, CA, 94102	415-765-6821	415-765-6826	dgaleano@cancilleria.gob.ni
Nicaragua	Consulate of Nicaragua	3550 Wilshire Boulevard, Suite 200, Los Angeles, CA, 90010	213-252-1170	213-252-1177	jorozco@cancilleria.gob.ni
Norway	Royal Norwegian Consulate	575 Market Street, Suite 3950 San Francisco, CA, 94105	415-882-2000	415-882-2001	cg.san.francisco@mfa.no
Norway	Honorary Consulate of Norway	11766 Wilshire Boulevard, Suite 270, Los Angeles, CA, 90025	310-444-7750		office@soroylaw.com
Norway	Honorary Consulate of Norway	1940 Garnet Avenue, Suite 300, San Diego, CA, 92109	619-933-4491	619-273-5455	
Pakistan	Consulate of Pakistan	10700 Santa Monica Blvd #211 Los Angeles, CA	310-441-0167		norwegianconsul-sd@kcmgroup.net
Palau	Honorary Consulate of Palau	2327 Kyanite Place, Carlsbad, CA, 92009	786-863-4118		julianpadilla@palauconsulsandiego.com
Palau	Honorary Consulate of Palau	4368 Hayman Avenue, La Canada Flintridge, CA, 91011	818-482-1231		
Panama	Consulate of Panama	111 W Ocean Blvd Suite 1570 Long Beach, CA	562-612-4677	562-612-4675	consulate.pty.lax@outlook.com
Papa New Guinea	Honorary Consulate of Papa New Guinea	1308 Banyan Drive, Fallbrook, CA, 92028	760-731-1436	760-731-0372	ejcheathern@aol.com

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Paraguay	Consulate of Paraguay	3600 Wilshire Blvd Suite 414 Los Angeles, CA	310-417-9500	310-417-9520	
Peru	Consulate of Peru	870 Market Street, Suite 1075 San Francisco, CA, 94102	415-362-5185	415-362-2836	informacion@conpersf.com
Peru	Consulate of Peru	3450 Wilshire Boulevard, Suite 800, Los Angeles, CA, 90010	213-252-5910	213-252-8130	conperla@mpowercom.net
Philippines	Consulate of the Philippines	447 Sutter Street, Floor 6, San Francisco, CA, 94108	415-433-6666	415-421-2641	
Philippines	Consulate of the Philippines	3435 Wilshire Boulevard, Suite 550, Los Angeles, CA, 90010	213-639-0980	213-639-0990	
Philippines	Consulate of the Philippines	701 B Street, Suite 1745, San Diego, CA, 92101	619-241-2114	619-702-9401	Honcon@phconsulatesd.org
Poland	Honorary Consulate of Poland	785 Market Street, Suite 1500 San Francisco, CA, 94103	415-777-4445	415-778-8123	ckerosky@youradvocate.net
Poland	Honorary Consulate of Poland	1050 Ralston Avenue, Belmont, CA, 94002	650-802-1626	650-591-4577	consultaube@gmail.com
Poland	Consulate of Poland	12400 Wilshire Blvd Suite 555 Los Angeles, CA	310-442-8500		losangeles.polishconsulate@msz.gov.pl
Portugal	Consulate of Portugal	3298 Washington Street San Francisco, CA, 94115	415-346-3400	415-346-1440	sfrancisco@mne.pt
Portugal	Honorary Consulate of Portugal	11903 Ashworth Street, Artesia, CA, 90701	562-641-5500		honoraryconsul.la@gmail.com
Portugal	Honorary Consulate of Portugal	3336 Macaulay Street, San Diego, CA, 92106	619-225-8909		

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Portugal	Honorary Consulate of Portugal	1418 Clarete Avenue, Tulare, CA, 93274	559-759-6004		d.borges@comcast.net
Qatar	Consulate of Qatar	150 S Rodeo Drive, Suite 250, Beverly Hills, CA, 90210	310-246-0005	310-246-0023	
Romania	Honorary Consulate of Romania	275 Battery Street, Suite 2600 San Francisco, CA, 94111	415-743-2570	415-393-9887	consulate@romanianconsulate.org
Romania	Consulate of Romania	Los Angeles Consulate 11766 Wilshire Boulevard, Suite 200, Los Angeles, CA, 90025	310-444-0043	310-445-0043	losangeles.economic@mae.ro
Romania	Honorary Consulate of Romania	520 Capitol Mall, Suite B1, Sacramento, CA, 95814	916-709-4580		alinalistar@msn.com
Rwanda	Honorary Consulate of Rwanda	1150 Sacramento Street, Suite 4, San Francisco, CA, 94108	415-265-4463		
Saint Kitts and Nevis	Consulate of Saint Kitts and Nevis	10436 Santa Monica Boulevard, Suite 3050, Los Angeles, CA, 90025			
Saint Vincent and the Grenadines	Honorary Consulate of Saint Vincent and the Grenadines	231 W Vernon Avenue, Suite 101, Los Angeles, CA, 90037	323-231-5181	323-231-7432	cadrineg@msn.com
Samoa	Honorary Consulate of Samoa	833 W Torrance Boulevard, Torrance, CA, 90502	310-619-1464		trotter@blueline.net
San Marino	Honorary Consulate of San Marino	146 Stanyan Street San Francisco, CA, 94118	415-668-7900	415-668-7901	cons.sanfrancisco@gov.sm
Saudi Arabia	Consulate of Saudi Arabia	2045 Sawtelle Boulevard, Los Angeles, CA, 90025	310-479-6000	310-479-2752	uscaemb@mofa.gov.sa

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Senegal	Honorary Consulate of Senegal	156 S. Spruce Avenue, Suite 2088 South San Francisco, CA, 94080		415-753-9072	mouhametdia@hotmail.com
Senegal	Honorary Consulate of Senegal	5670 Wilshire Boulevard, Suite 1800, Los Angeles, CA, 90036	323-936-5434		mamembaye.honconsenegal@gmail.com
Serbia	Honorary Consulate of Serbia	8631 W Third Street, Suite 945E, Los Angeles, CA, 90048	310-657-0123	310-657-0142	osborneohni@gmail.com
Sierra Leone	Honorary Consulate of Sierra Leone	13351 Hawthorne Boulevard, Hawthorne, CA, 90250	310-384-0985		honorary consulsierraleon@gmail.com
Singapore	Consulate of Singapore	595 Market Street, Suite 2450 San Francisco, CA, 94105	415-543-4775	415-543-4788	singcg_sfo@mfa.sg
Slovakia	Honorary Consulate of Slovakia	2220 Stockbridge Avenue Woodside, CA, 94062	650-996-7473	866-224-1941	barbara@pivnicka.com
Slovenia	Honorary Consulate of Slovenia	354 Pine Street, Floor 3, San Francisco, CA, 94104	415-989-1800	415-651-3618	tjb@brandilaw.com
South Africa	Consulate of Los Angeles	6300 Wilshire Boulevard, Suite 600, Los Angeles, CA, 90048	323-651-0902	323-651-5969	SalieR@dirco.gov.za
South Korea	Consulate of the Republic of Korea	3500 Clay Street San Francisco, CA, 94118	415-921-2251	415-921-5946	consularsf@mofa.go.kr
South Korea	Consulate of South Korea	3243 Wilshire Boulevard, Los Angeles, CA, 90010	213-385-9300	213-385-1849	
Spain	Consulate of Spain	1405 Sutter Street San Francisco, CA, 94109	415-922-2995	415-931-9706	cog.sanfrancisco@maec.es

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Spain	Consulate of Spain	5055 Wilshire Boulevard, Suite 860, Los Angeles, CA, 90036	323-938-0158	323-938-2502	la@mofa.go.kr
Spain	Honorary Consulate of Spain	6446 Pasatiempo Avenue, San Diego, California92120	619-265-8800		cog.losangeles@maec.es
Sri Lanka	Consulate of Sri Lanka	3250 Wilshire Boulevard, Suite 2180, Los Angeles, CA, 90010			lacongen@sbcglobal.net
Sweden	Honorary Consulate of Sweden	505 Sansome Street, Suite 1010 San Francisco, CA, 94111	415-788-2631	415-788-6841	sf@consulateofsweden.org
Sweden	Honorary Consulate of Sweden	8880 Rio San Diego Drive, Suite 800, San Diego, CA, 92108	619-209-6170	619-209-6050	sandiego@consulateofsweden.org
Switzerland	Consulate of Switzerland	Pier 17 Green Street, Suite 600 San Francisco, CA, 94111	415-788-2272	415-788-1402	sanfrancisco@eda.admin.ch
Switzerland	Honorary Consulate of Switzerland	5757 W Century Boulevard, Suite 725, Los Angeles, California90045	424-500-2414	888-220-2012	losangeles@honrep.ch
Tanzania	Honorary Consulate of Tanzania	4322 Redwood Highway, Suite 200 San Rafael, CA, 94903	415-492-2122	415-492-1390	
Thailand	Consulate of Thailand	611 N. Larchmont Blvd. #2 Los Angeles, CA	323-962-9574	323-962-2128	
Togo	Honorary Consulate of Togo	10900 Winnetka Avenue, Chatsworth, CA, 91311	818-625-6513	808-831-8147	ggochin@consulateoftogo.com
Tonga	Consulate of Tonga	1350 Bayshore Highway, Suite 610 Hillsborough, CA, 94010	650-685-1001	650-685-1003	consulategeneraloftonga@gmail.com

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Trinidad and Tobago	Honorary Consulate of Trinidad and Tobago	3361 W 83Rd Street, Inglewood, CA, 90305	323-971-0345		joancf@ca.rr.com
Turkey	Honorary Consulate of Turkey	251 Del Rio Paseo, Sonoma, CA, 95476	707-695-7576		
Turkey	Honorary Consulate of Turkey	4520 Dietz Way, Fair Oaks, CA, 65628	206-662-8234		
Turkey	Consulate of Turkey	6300 Wilshire Blvd # 2010 Los Angeles, CA	323-591-6480		
Turkey	Consulate of Turkey	8500 Wilshire Boulevard, Suite 900, Beverly Hills, CA, 90211	310-779-3288		
Turkey	Consulate of Turkey	6300 Wilshire Boulevard, Suite 2010, Los Angeles, CA, 90048	323-655-8832	323-655-8681	consulate.losangeles@mfa.gov.tr
Uganda	Honorary Consulate of Uganda	2907 Shelter Island Drive, Suite 217, San Diego, CA, 92106	619-523-3300		
Ukraine	Consulate of Ukraine	530 Bush Street, Suite 402 San Francisco, CA, 94108	415-398-0240	415-398-5039	gc_uss@mfa.gov.ua
United Arab Emirates	Consulate of the United Arab Emirates	1999 Avenue Of The Stars, Suite 1250, Los Angeles, CA, 90067	310-551-6534		consular.LA@mofaic.gov.ae
United Kingdom	Consulate of the UK	1 Sansome Street, Suite 850 San Francisco, CA, 94104	415-617-1300	415-434-2018	
United Kingdom	Consulate of the United Kingdom	2029 Century Park East, Suite 1350, Los Angeles, CA, 90067	310-789-0031		
Uruguay	Honorary Consulate of Uruguay	455 Capitol Mall, Suite 801, Sacramento, CA, 95814	310-459-5844		cdsacramento@mrree.gub.uy

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LOCATION	CONSULATE NAME	ADDRESS	PHONE	FAX	EMAIL
Uruguay	Consulate of Uruguay	429 Santa Monica Boulevard, Suite 400, Santa Monica, CA, 90401	310-394-5777		conurula@conurula.org
Uruguay	Consulate of Uruguay	111 Pine Street, Suite 1650, San Francisco, CA, 94111	415-986-5222		urusanfra@aol.com
Vietnam	Consulate of Vietnam	1700 California Street, Suite 580, San Francisco, CA, 94109	415-922-1707	415-922-1757	info@vietnamconsulate-sf.org
Yemen	Honorary Consulate of Yemen	1204 Sutter Street, San Francisco, CA, 94109	415-567-3036	415-567-3371	yemenconsulate@gmail.com
Zambia	Honorary Consulate of Zambia	15920 Pomona Rincon Avenue, Unit 7406, Chino Hills, CA, 91709			robert@sichinga.com

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