



U.S.
COMMERCIAL
SERVICE

United States of America
Department of Commerce

America's Export Experts



Let our global network work for you.

Worldwide Recognition

As the U.S. government, we can open doors that no one else can in markets around the world.

Global Network

Our unmatched global network with trade experts in more than 80 countries can provide you with on-the-ground knowledge and connections.

Results Driven

Our expert, in-person counseling is unparalleled and designed to help you succeed in global markets.



The world is open for your business.

Our global network of experienced trade professionals is located throughout the United States and in U.S. Embassies and Consulates worldwide. Whether you're looking to make your first export sale or expand to additional markets, we offer the expertise you need to connect with lucrative opportunities and increase your bottom line.

Our Services



Export Counseling

- Develop effective market entry and sales strategies.
- Understand export documentation requirements and import regulations of foreign markets.
- Navigate U.S. government export controls, compliance and trade financing options.



Market Intelligence

- Analyze market potential and foreign competitors.
- Obtain useful information on best prospects, financing, laws, and cultural issues.
- Conduct background checks on potential buyers and distributors.



Business Matchmaking

- Connect with pre-screened potential partners.
- Promote your product or service to prospective buyers at trade events worldwide.
- Meet with international industry and government decision makers in your target markets.



Commercial Diplomacy

- Overcome trade obstacles to successfully enter international markets.
- Benefit from coordinated U.S. government engagement with foreign governments to protect U.S. business interests.



Export Counseling

International Business Development

The U.S. Commercial Service provides you with reliable information and personalized counseling at every step of your export journey- from strategy and planning, financing and logistics, market entry and expansion, to advocacy and dispute resolutions, and even eCommerce counseling. Our trade experts are here to address your concerns and guide you to success in the global marketplace.

eCommerce Innovation Lab

The eCommerce Innovation Lab helps U.S. business by identifying export opportunities across the ecommerce sales channels, through concentration on client digital strategy development, use of Website Globalization Review gap analysis tools, and the online eCommerce Export Resource Center business library to help companies adapt and grow in the digital economy.





Market Intelligence

Country Commercial Guides

Prepared by trade and industry experts, Country Commercial Guides provide information on market conditions, opportunities, regulations and business customs for over 125 countries. Country Commercial Guides detail important factors to help you decide if a market is right for your product or service.

Customized Market Research

Customized Market Research answers questions about an overseas market including; market trends & size, customary distribution and promotion practices, market entry requirements, product standards and registration, regulations, key competitors and potential agents, distributors, and strategic Partners.

Initial Market Check

The Initial Market Check is an initial assessment of the market potential of your product or service in the targeted market. The service gauges the potential of a specific product or service in a market by gathering feedback from up to five industry participants and provides recommendations on whether to pursue the target market.

International Company Profile

The International Company Profile provides U.S. companies and economic development organizations with a comprehensive background report and full analysis on a specific foreign company. Reports provide general business information, background and product information, key officials, references contacted by ITA, financial data/credit worthiness, reputation, results of site visits and interviews with principals; information sources consulted in preparing the report; and analysis of information collected.



Business Matchmaking

Single Company Promotion

Provides U.S. companies with promotional services to help increase the awareness of their product or service in a specific market. The promotional event may consist of a technical seminar, press conference, luncheon, dinner, or reception with targeted direct mail or email campaigns.

International Partner Search

Provides U.S. firms with a list of up to five agents, distributors and partners that have expressed an interest in your product or service. Virtual introduction via teleconference to the identified contacts also available.

Featured U.S. Exporter Listing

A listing in the directory of an overseas U.S. Commercial Service's website gives U.S. exporters targeted exposure to more effectively help them find foreign business partners in specific local markets. It allows local importers to find U.S. exporters interested in exporting to a specific local foreign market.

Business Service Provider Listing

An online program to help U.S. exporters identify a professional export service provider to support them in the assessment, financing, or completion of an export transaction.



Gold Key Service

Provides U.S. firms traveling to a foreign market with up to five pre-screened appointments to establish relationships with potential overseas agents, distributors, sales representatives, business partners and other local, in-country entities.



It's Poll Time!

If you need CPE Credit, please be sure to record a response to all Poll questions. Credit is calculated based upon number of questions answered.

Commercial Service Presented Events

Discover Global Markets

Organized by the U.S. Commercial Service, these annual business development forums focus on an industry and/or world region. The conferences feature one-on-one meetings with U.S. Commercial Service diplomats visiting from abroad; panel discussions on the latest industry trends; export education; and extensive networking with U.S. trade officials and leading private sector experts.

Trade Winds

Organized by the U.S. Commercial Service, Trade Winds is the largest, annual, U.S. Government-led trade mission. Each mission includes a business development forum in its host city, consisting of regional and industry specific conference sessions as well as pre-arranged consultations with U.S. Diplomats representing commercial markets throughout the region. Participating companies can customize a business matchmaking schedule with multiple stops, based on input from our in-country Commercial Specialists, and grow their international sales through meetings with pre-screened potential buyers, agents, distributors and joint-venture partners during the mission.



Trade Events

Certified Trade Missions

Organized with select trade organizations, missions are customized to meet the needs of groups of U.S. companies participating. Missions may include activities such as market briefings, Gold Key Service, receptions, site visits, and technical seminars.

Trade Show Representation

The Trade Show Representation Service provides U.S. companies and economic development organizations with the ability to increase their marketing exposure at an overseas trade show when they are unable to attend in-person. Multiple clients' products and services may be showcased by the Commercial Service at the event.

International Buyer Program

At major domestic industry trade shows, the U.S. Commercial Service provides services including on-site introductions to foreign buyers; networking; export counseling; market analysis; and business matchmaking.

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International Trade Fairs

Certified trade fairs feature a U.S. Pavilion and represent a U.S. Department of Commerce endorsement, ensuring a high-quality, multifaceted opportunity for American companies to successfully market their product/services overseas. Participating companies receive U.S. Commercial Service assistance with access to foreign buyers, agents, and industry representatives. Other services include pre-show industry/country market briefings, one-on-one export counseling, onsite promotion, and more.



Commercial Diplomacy

Advocacy Center

The Advocacy Center coordinates U.S. Government advocacy efforts for U.S. companies bidding on public-sector contracts with overseas governments and government agencies. The Center helps to ensure that sales of U.S. products and services have the best possible chance competing abroad. U.S. Government advocacy assistance can help U.S. companies overcome trade barriers, bureaucratic problems, and unfair trading practices; level the playing field to ensure that your company has the best possible chance to win foreign government contracts; and settle payment disputes with foreign companies.

Report a Trade Barrier

File a complaint with the International Trade Administration's Trade Agreements Negotiations and Compliance Office. This office works with U.S. businesses to remove unfair foreign government-imposed trade barriers.

Trade Dispute Resolution

We can help you resolve common trade disputes like customs issues. We engage directly with foreign governments to advance and protect your business interests and help your company overcome barriers to trade.

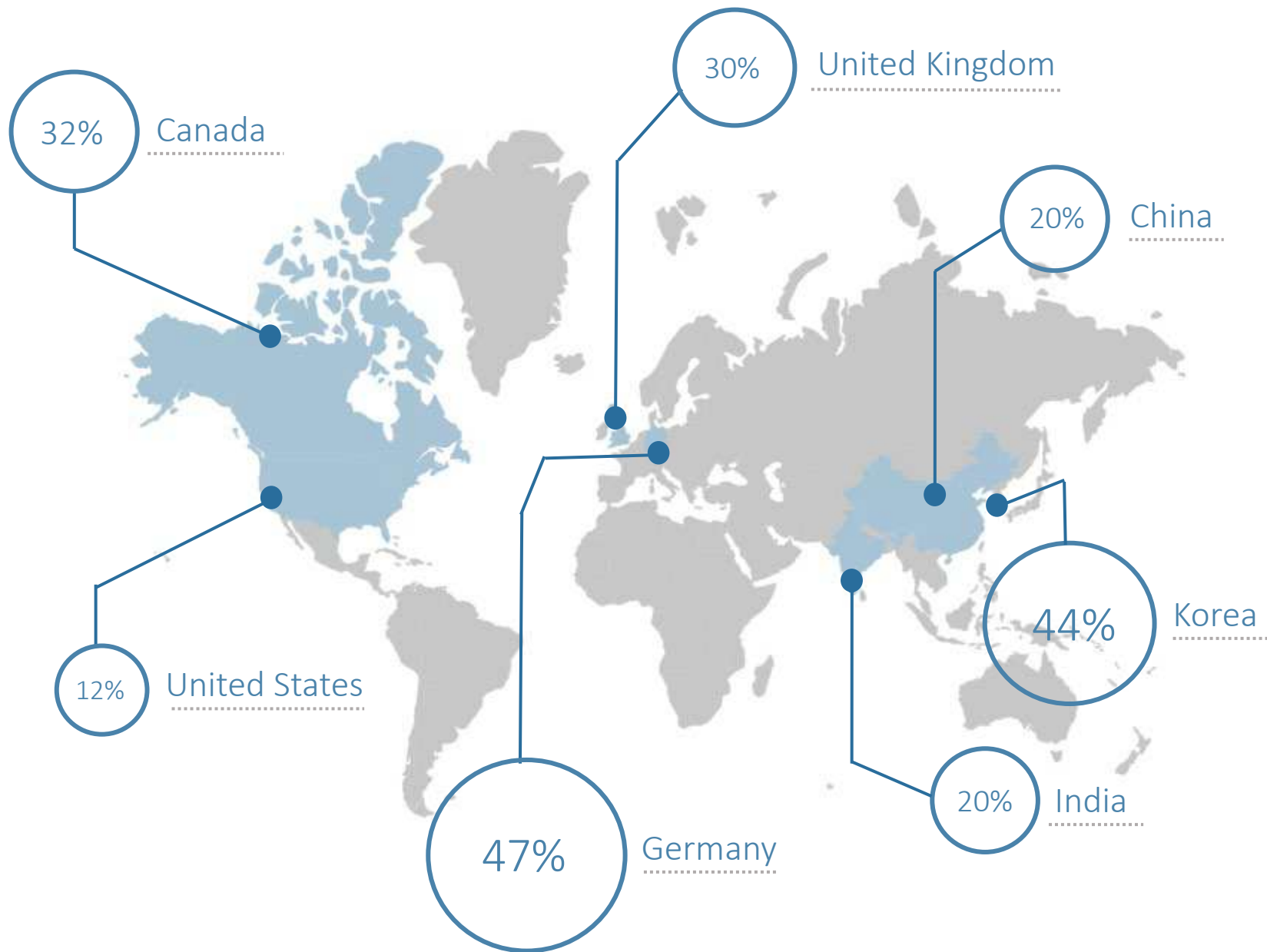


Why Exports Matter

More than **70%** of the worlds purchasing power is **outside** of the United States.
Competitors are **increasing** their global market share while the U.S. is underperforming.

With only 12% of our GDP generated by exports...

It's safe to say we have a lot of room for growth.



Exports of goods & services (% GDP)

Source: WorldBank 2017



Return on Investment

For every \$1 allocated to the Commercial Service, about \$392 returns to the U.S. economy.

The background is a dark blue gradient. In the upper right, there is a faint, stylized world map with a grid of dashed lines and small square markers. In the lower left, there is a stack of shipping containers in shades of blue and red, viewed from an isometric perspective.

31,000+ Exporters

The number of U.S. export clients assisted in FY20.
92% small and medium size businesses.

A person wearing a denim shirt is sitting at a desk, using a handheld taping device to seal a cardboard box. The desk is cluttered with papers, a laptop, and other office supplies. The background shows a window with blinds. The entire image has a blue tint.

Companies that export, grow faster.

8.5% are less likely to go out of business.



**U.S.
COMMERCIAL
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United States of America
Department of Commerce

Increasing Jobs at Home by Growing Exports





State Impact

Investing in exports means more jobs in Ohio.



195,000 Jobs

Supported by exports from Ohio companies.
(2020)



13,498 Companies

In Ohio sell to customer's all over the world.
(2019)



88 Percent

Of Ohio's exporters are small or medium sized companies.



\$50.4 Billion

Goods exports from Ohio in 2021.

Our Mission - Grow U.S. exports to increase U.S. jobs.

How we are different:



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What Clients Say About Us

“...my go-to resource if I have export questions.”

“You care that I will get what I need to succeed.”

“Extensive, good-quality network of country specialists...”

“...FANTASTIC... responsive, knowledgeable, and go beyond the call [of duty] to assist us with any need, large or small.”

“...super helpful and extremely willing to help [accomplish] what I need to do...”

“[They] reach out to companies that I could not be aware of... and check their capabilities to represent us.”

“...overcomes the fear of doing business overseas.”

Cincinnati Crane & Hoist

Company:

Based in Harrison, Ohio, and a veteran-owned, small business, Cincinnati Crane & Hoist is a manufacturer and installer of overhead crane system solutions for commercial, industrial, and specialty applications.

Objective:

Cincinnati Crane & Hoist was interested in exploring international opportunities. Unexpectedly, they found an opportunity in the Dominican Republic and looked to the U.S. Commercial Service for assistance.



"It was a tremendous help to have an on the ground ally with the U.S. Commercial Service. We were able to quote this sale with confidence, knowing that the U.S. Commercial Service had the knowledge and insight to help us successfully complete the order." - President, Cincinnati Crane & Hoist



Assistance:

Through multiple counseling sessions with Commercial Service staff in Cincinnati and Santa Domingo, the company received market intelligence on the Dominican Republic. This included an overview of the US-DR Free Trade Agreement, potential challenges for U.S. companies, labor laws, foreign trade zones, regulations for importing raw materials, customs procedures, and insight into the steel industry.

Result:

As a direct result of working with the U.S. Commercial Service, Cincinnati Crane & Hoist received a purchase order for four cranes, with total export sales over USD \$800,000.



YOUR LOCAL OFFICE

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BARNES DENNIG
Accounting • Tax • Business Insight

The Keys to International Expansion in 2023 and Beyond

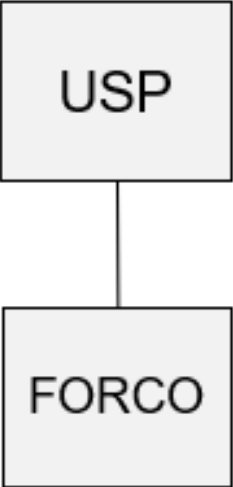
Barnes Dennig International Event
March 2, 2023



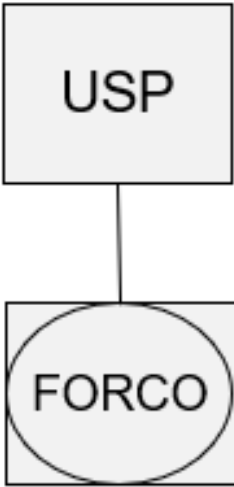
Next Steps in International Expansion Plan

Worldwide Structure

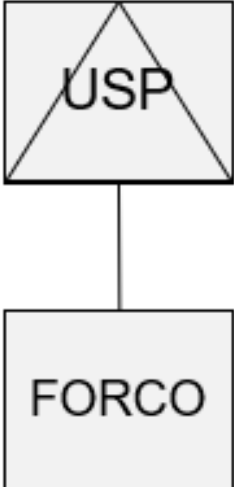
Tax Structure



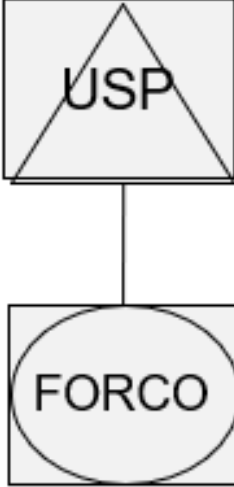
C Corporation owning C Corporation



C Corporation owning Disregarded Entity



Partnership owning C Corporation



Partnership owning Disregarded Entity

It's Poll Time!

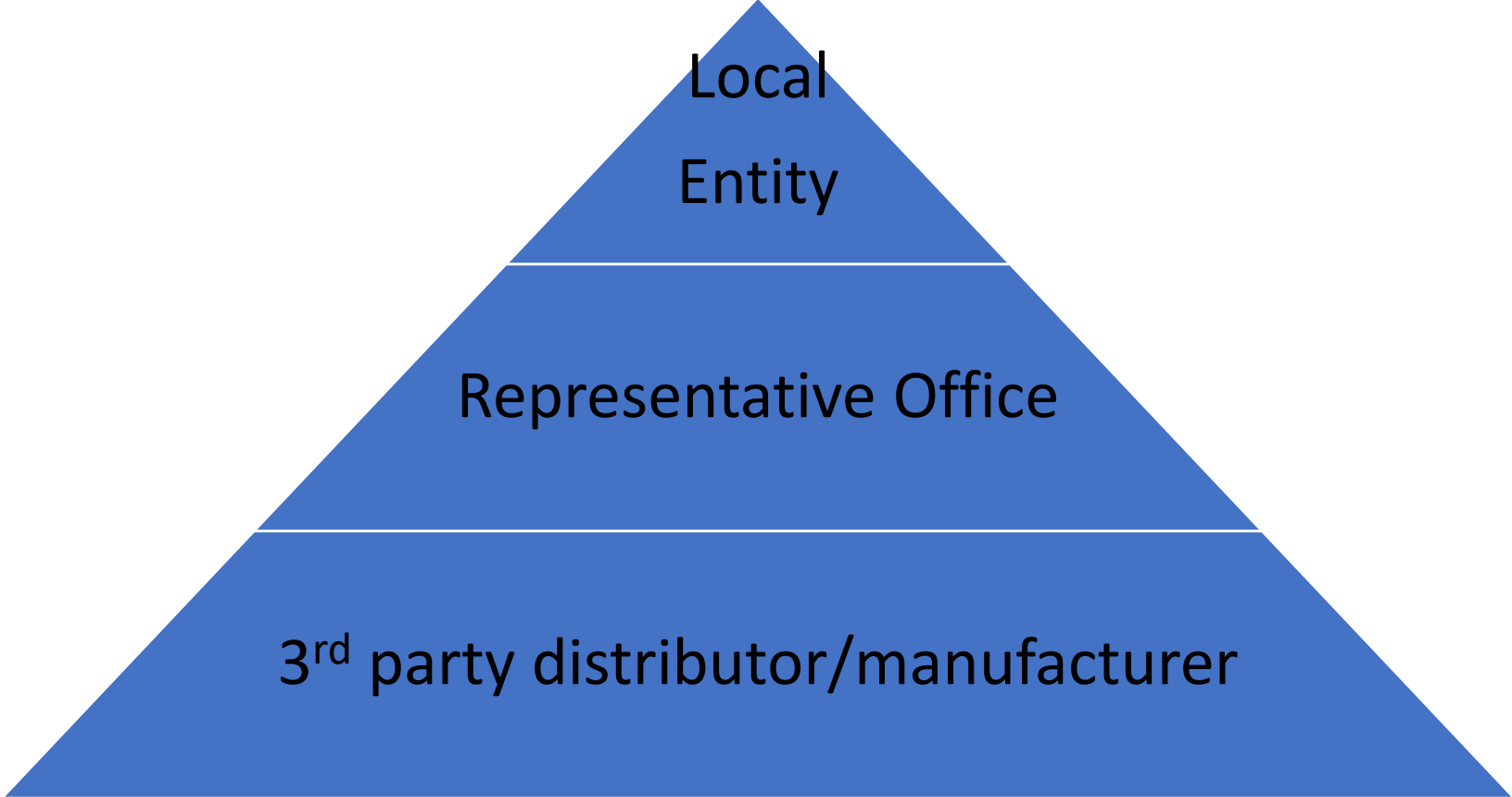
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Tax Considerations

Research Prior to Market Entry

- **Research regarding local tax rates**
 - Income taxes – rate, boycotted country, ease of compliance
 - Can X Co. avoid income tax in Country Z?
 - Value Added Tax (VAT) – assessed on sales of products and some services; rates can vary widely
 - Duties
- **Tax treaties**
 - Income tax treaties – U.S. currently has treaties with 65+ countries
 - Totalization agreements (Social Security Agreements) – U.S. currently has SSAs with 25 countries
 - Important if U.S. company will be sending expats to foreign country
- **Ease of repatriating cash back to U.S.**
 - Local restrictions due to reserve requirements or minimum capitalization requirements
 - Cost of repatriation
 - Withholding tax

Level of Presence in Foreign Market



Level of Presence in Foreign Market

- Factors in determination of level of presence
 - Type of activity
 - Distribution only
 - Performance of services
 - Manufacturing only
 - Manufacturing and distribution
 - Business Model
 - Sales through independent sale representatives
 - Sales through independent distributors
 - Direct sales from the U.S.
 - Independent or joint venture
 - Use of contract manufacturer
 - Self-manufacturing

Level of Presence in Foreign Market

- Factors in determination of level of presence (cont'd)
 - Choice of entity
 - Branch of U.S. entity – no foreign entity
 - Foreign partnership – common if foreign partner is involved
 - Foreign entity
 - Can elect to treat as a corporation or as a disregarded entity for U.S. tax purposes
 - Capitalization and reserve requirements
 - Ease of exit
 - Minimization of global effective tax rate
 - Use of expatriates vs. local employees
 - Expatriate agreements – housing, tax equalization, etc.
 - Social security considerations
 - Pension considerations

International Tax Planning – Key Considerations

- Operational
 - What are the activities in each jurisdiction?
 - What are the plans for future growth/changes?
- Repatriation Planning
 - Where is cash located?
 - Where is cash needed?
 - What are the costs associated with moving cash?
- Transfer Pricing
 - What level of income can be expected in the foreign jurisdiction?
 - What are the risks and responsibilities of each entity?

Repatriation

- What are the costs associated with bringing money home via a dividend?
 - Local country withholding tax
 - Currency fluctuations
 - U.S. tax considerations
- Consider transfer pricing adjustments to move cash within the group.

Transfer Pricing

- Every tax authority gets their ‘fair share’ of income tax from multinational companies
- Transfer pricing rules govern virtually all intercompany transactions (e.g., products, royalties, services, loans)
- Intercompany prices charged across borders drive how much taxes are paid on a global basis
- Many multinationals are unfamiliar with transfer pricing or “Have Always Done It This Way”

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Labor Considerations

Considerations of Global Workers

- Payroll Considerations
 - How will you pay them?
 - Which company will pay them?
 - Withholding requirements?
- Immigration Considerations
 - Visa required?
 - Work permit required?
 - Language and skills required?
- Legal Considerations
 - Labor law
 - Minimum wages, overtime, etc.
 - Worker's compensation
 - Family and Medical Leave
- Tax Considerations

Questions?



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Circular 230 Disclaimer

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