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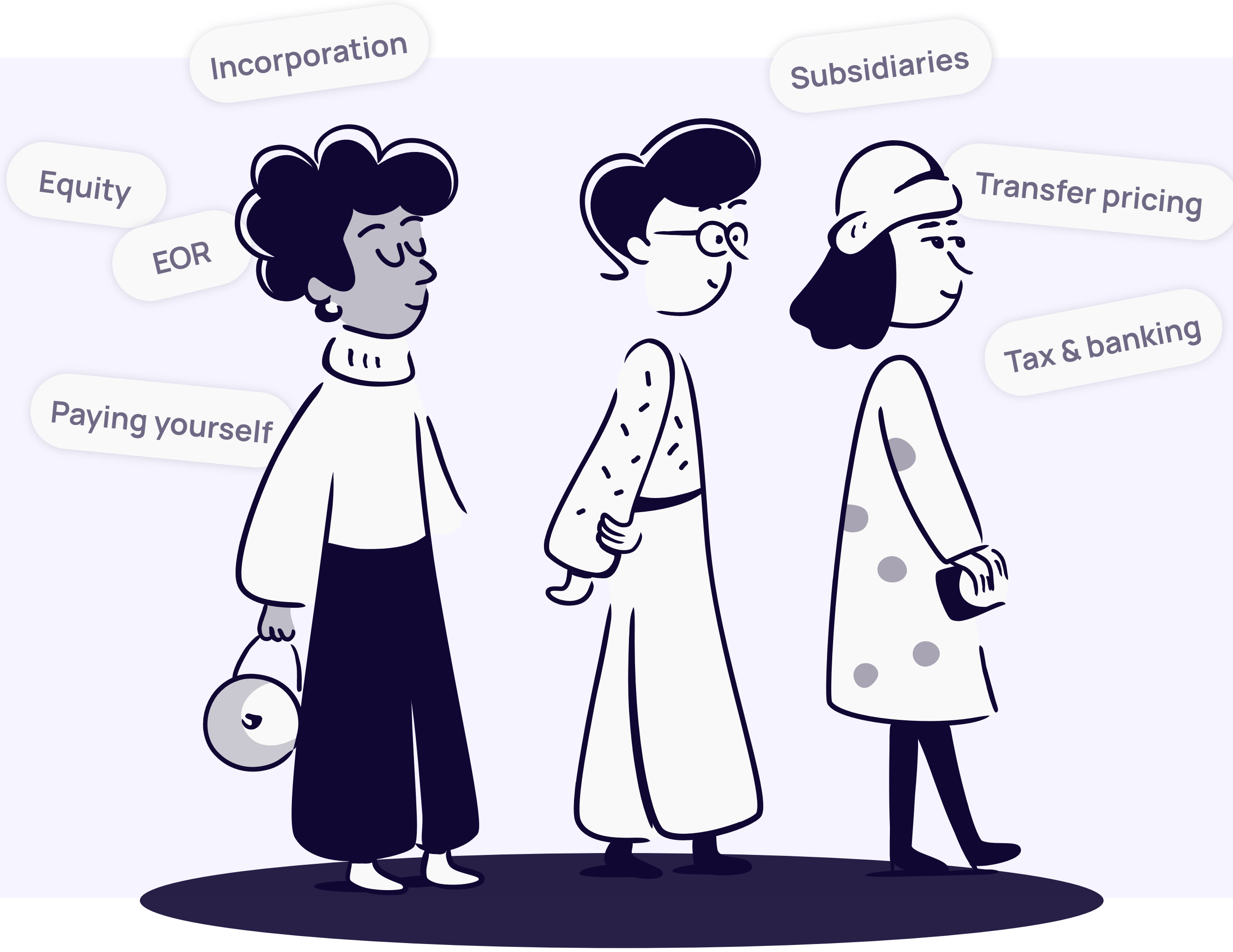

Paying yourself, US tax and compliance

A non-US founder's field guide to incorporating in the US, paying yourself, and running the company across borders.

What we'll cover

Incorporation & fundraising

Set the company up on cheap online rails, and raise your first money on SAFEs

A standard Delaware C-corp, the company type almost every US startup registers as, is a solved problem. The paperwork is completely standardized, US investors expect it, and there's no reason to pay law-firm rates for something templated. Set the company up on cheap, standardized rails, and keep your first fundraising just as light.

Use an online incorporation service instead of hiring a law firm

Both platforms generate cheap, template-driven, YC-standard incorporation documents, the same forms almost every early-stage startup uses. A law firm only earns its fee when you have a genuinely non-standard structure: unusual founder arrangements, cross-border complications, or bespoke investor terms. For a vanilla Delaware C-corp, it's overkill.

Raise your first checks on a SAFE and agree the valuation later

A SAFE (Simple Agreement for Future Equity) lets you raise now and settle valuation later. There's no priced-round negotiation, no new board seat, and no drawn-out legal process. The SAFE simply converts into equity at your next priced round, on the terms agreed then. It's the fastest, cheapest way to take early checks.

NEVER incorporate in December

Incorporating in December costs you a full year of tax filings

A US entity owes annual filings, including federal, state, and Delaware franchise tax, for any part of a year it exists. Incorporate in late December, and you can owe a full year's worth of filings for two weeks of existence. Where you have the choice, start the clock in January.

Equity: stock options & cap tables

Create 10 million shares, hand out only what you need, and track it in software

The 10-million-share model is the market standard for a reason: it keeps ownership percentages clean and easy to reason about (1% is 100,000 shares), and it leaves plenty of headroom. Authorizing a large number costs nothing, and unissued shares simply sit in reserve until you actually grant them.

Authorize 10,000,000 shares, so 1% of the company is around 100,000 shares

Creating shares is not the same as handing them out

Authorized shares are the maximum the company can ever issue; issued shares are what's actually in people's hands. You only dilute when you issue, and everything else is held in reserve. So authorizing a big pool up front is free optionality, not dilution.

Founders own their shares, employees earn the right to buy shares

Founders hold common stock, which typically vests over four years (often with a one-year cliff). Employees receive options granted from an ESOP, an option pool you carve out and top up at each funding round as you hire. Keeping founder equity and the option pool distinct keeps the cap table legible.