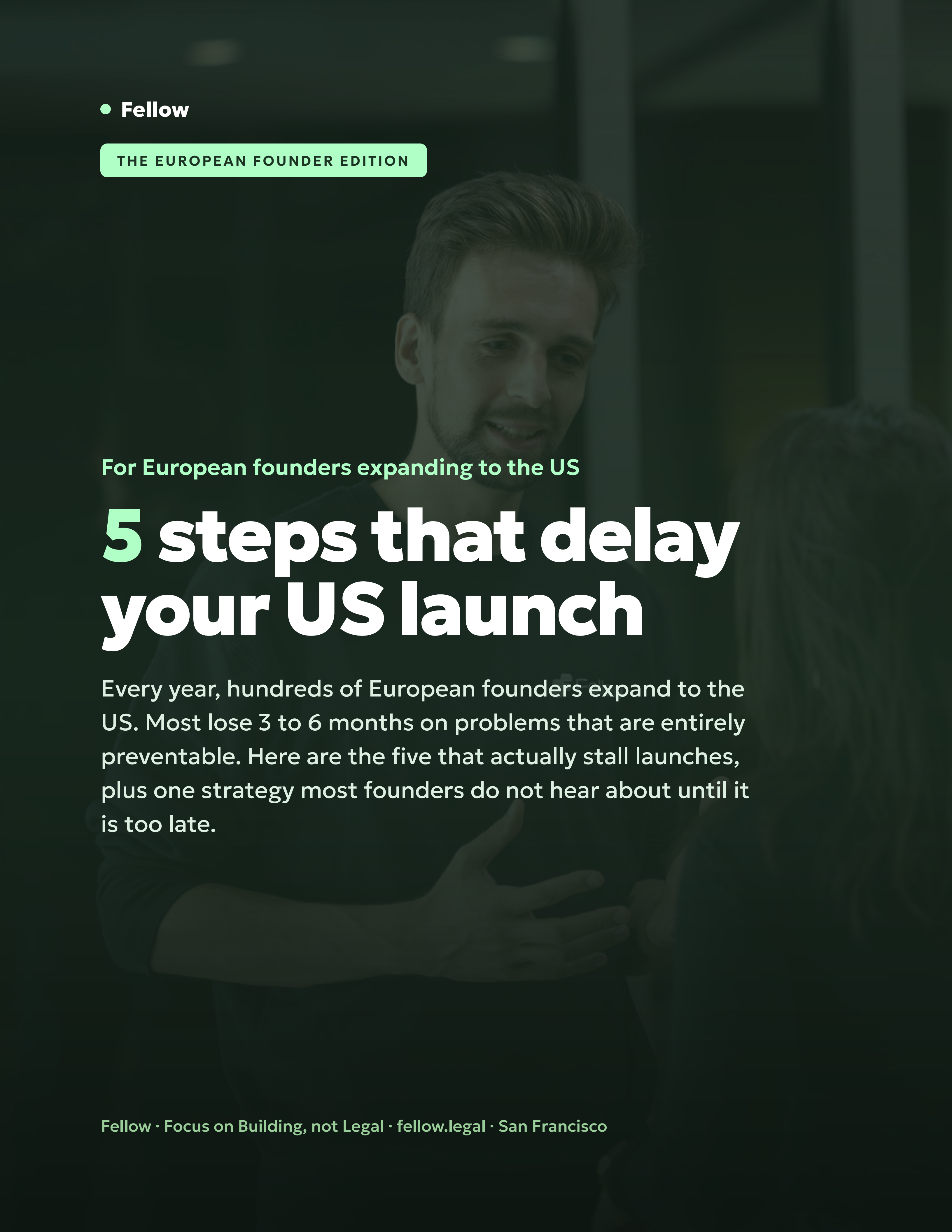

Fellow

THE EUROPEAN FOUNDER EDITION

For European founders expanding to the US

5 steps that delay your US launch

Every year, hundreds of European founders expand to the US. Most lose 3 to 6 months on problems that are entirely preventable. Here are the five that actually stall launches, plus one strategy most founders do not hear about until it is too late.

STEP 1 OF 5

Incorporating in the wrong structure

$10K to $15K to fix

Most European founders incorporate locally first. Berlin, Prague, Paris. Familiar ground. Then they try to raise US capital. **US investors expect Delaware C-Corps.** Every term sheet and every NVCA document is built for that system, so showing up with anything else means you need a US Flip: a restructuring where a new Delaware C-Corp becomes the parent and your shareholders exchange their shares. It takes months and runs $10,000 to $14,500 in legal fees alone, before the tax planning you now need.

> **The fix:** If you plan to raise US capital, incorporate a Delaware C-Corp from day one. Validate first, structure second. If you already have a European entity, do the flip before you need investor money, not during the fundraise.

STEP 2 OF 5

Starting immigration too late

6 to 12 months lost

Immigration is the longest lead-time item in US expansion. Most founders start thinking about visas 2 months before they want to be in the US. The process takes 6 to 12. **For most founders the O-1A is the strongest path:** no lottery, self-sponsorable through your own US company, but you must meet at least 3 of 8 criteria. The H-1B has a lottery, the E-2 requires 50% or more ownership (which you lose after a VC round), and the L-1A requires an established foreign company with employees.

> **The fix:** Start collecting O-1A evidence now. Every press mention, talk, and milestone strengthens your petition. Budget 6 or more months from start to US entry, and note a spouse cannot work on an O-3.

STEP 3 OF 5

The EIN bottleneck nobody warns you about

4 to 7 weeks stalled

You need an Employer Identification Number (EIN) to open a bank account, file taxes, hire, or accept investment. If any founder has a US Social Security Number, the EIN is instant online. If nobody does, common for EU founders, you fax Form SS-4 to the IRS and wait 4 to 7 weeks, longer during backlogs. **No EIN means no bank account,** which means you cannot receive investment, pay vendors, or run payroll. Your entire US operation stalls on a fax machine.

> **The fix:** Apply for the EIN the same day you incorporate. Some neobanks like Mercury let you open with a pending EIN, so use that window to get operational while you wait.

STEP 4 OF 5

Banking setup that blocks your first wire

2 to 4 weeks lost

Foreign founders face verification hurdles US founders never see. Address checks fail, beneficial ownership documents confuse banks, and some (Rho) now require a US-based owner with a valid SSN and US address. Traditional banks want in-person visits, neobanks are faster but strict on documents. Without the right sequence you burn weeks going back and forth.

The fix: Use Mercury or Relay. Have your Certificate of Incorporation, passport copies, and cap table ready, and use your registered agent address as the legal address.

STEP 5 OF 5

IP ownership gaps that kill deals

Deals killed

Your product was built by contractors in Europe, but nobody signed a Proprietary Information and Inventions Assignment Agreement (PIIA). **Under US law, creators own their work by default,** so without a signed assignment you may not legally own your core IP. It surfaces in investor due diligence, and it delays or kills deals. Retroactive assignments are expensive, and former contributors may demand payment.

> **The fix:** Get PIIAs signed by every contributor before their first day. No exceptions, not even co-founders. If you already missed this, do confirmatory assignments now.

THE ONE THING THAT ACTUALLY MOVES THE NEEDLE

The 83(b) decision tree for foreign founders

Why generic US advice can cost you hundreds of thousands of dollars

Every US startup guide says the same thing: file your 83(b) within 30 days. For US founders, that is correct. For you, it might be wrong. Section 83(b) lets you pay tax on founder stock at its current (tiny) value instead of its potentially massive value when it vests. Miss the 30-day deadline and there is no fix, ever. But the election only matters for US tax.

> **Will you become a US tax resident during the 4-year vesting period?**
> Green card, substantial presence in the US, or US citizenship.

YES: moving to the US

File the 83(b) immediately. Same logic as US founders. Unvested shares will vest while you are in the US tax system. Without the election, you could owe $100K or more in tax on paper gains you cannot sell.

NO: staying in Europe

Filing may create a US tax filing obligation where none exists, and discloses personal information to the IRS with no benefit. Non-resident aliens are generally not taxed on US stock gains, so skipping is often the right call.

UNCERTAIN: might relocate

The hardest case. If shares are worth almost nothing now, the downside of filing is small (an admin burden). The downside of not filing and then moving to the US is a six-figure tax bill with no remedy. Lean toward filing.

How to file without a US tax ID: write "Foreign individual" in the TIN field, attach a cover letter explaining you are not currently a US taxpayer, and mail via certified mail to the IRS Austin, TX service center. Keep the receipt. If you later get a TIN, supplement the election.

Start the long ones first.

> The flip, the visa, the EIN, and the bank all run on someone else's timeline. The best time to start them is 6 months before you need them. The second best time is now, because none of them move faster once an investor is waiting.

MORE, EVERY MONTH

This guide is one piece of what we send founders. Once a month, our newsletter brings one costly mistake and its fix to your inbox. No filler, no pitch. We would love to keep them coming your way.

TALK TO FELLOW

If any of these five feel shaky for your company, email **your@fellow.legal** and we will help you get it right before it costs you months. Either way, if a US move or raise is on the horizon, we are happy to run a quick readiness check first.

General information, not legal advice.