



**Legal Structure, Investment
Incentives and Doing
Business
in South Carolina**

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Major Types of Legal Entities

Limited Liability Company

- Owned by members with personal liability protection
- Formed by articles and operated by agreement
- Managed by members or appointed managers
- Taxes paid directly by owner per ownership % of profits

Corporation

- Owned by shareholders with personal liability protection
- Formed by articles and operated by bylaws
- Policy by directors; operations by officers
- Profit taxes paid by corporation and by shareholders

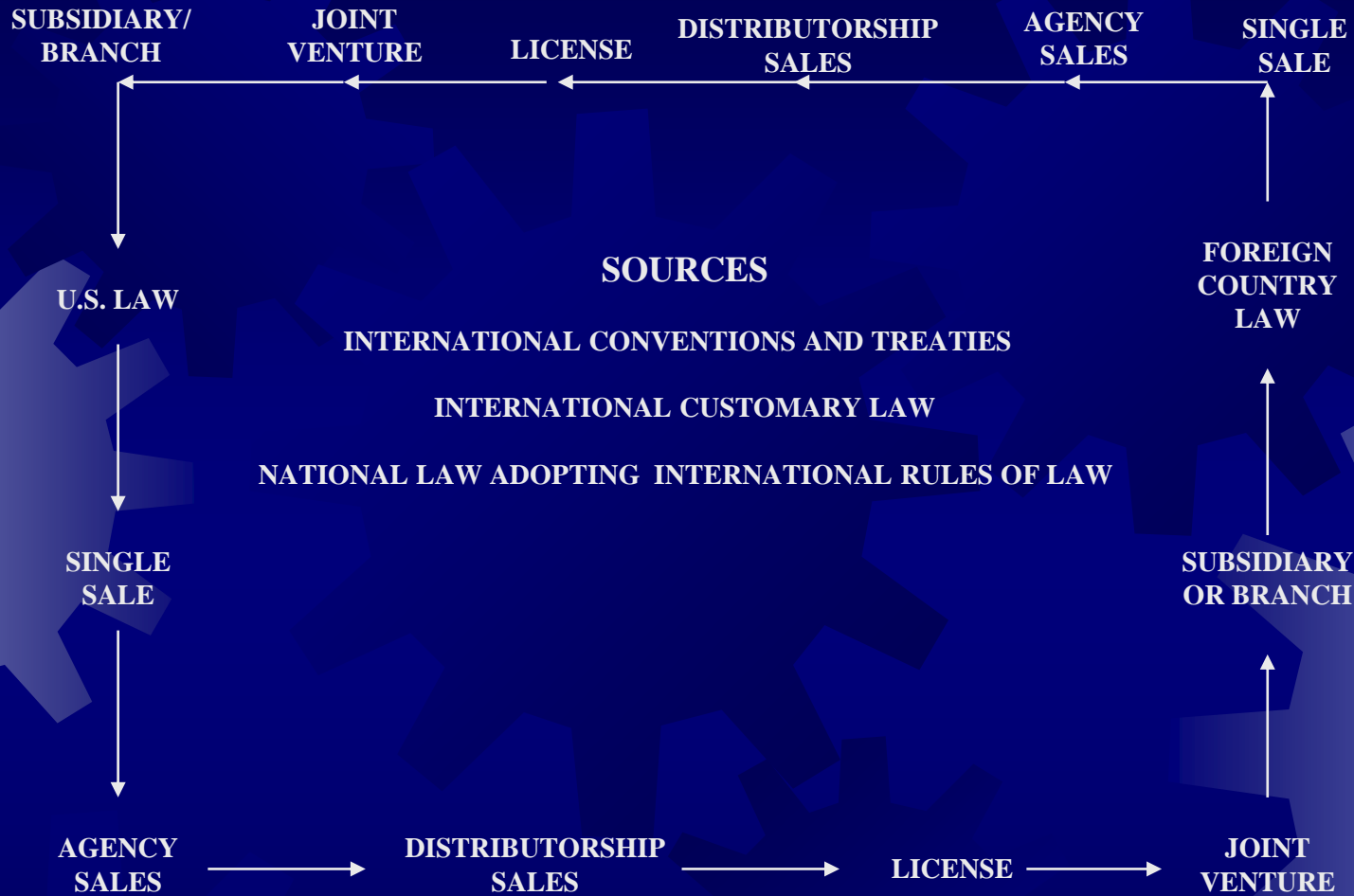
Partnership

- No protection from claims for personal liability
- Limited partner exposed to limit of % interest in the venture

Branch Office

- Exposes foreign investor to commercial and tax liability

International Transactions and Legal Relationships



Legal risk increases as the transaction progresses invoking the laws of state sovereigns with an overlay of international treaties, conventions, customs and principles of international law. U.S. statutes and regulations which need to be considered in an export transaction can affect licensing, taxation, financial reporting, pricing, antitrust, and trade.

INTERNATIONAL PROJECTS IN THE U. S.

Research Phase

- Business plan
- Site Review and Selection

Formation Phase

- Establish Entity
- Structure Ownership
- Obtain Financing
- Establish Customer Relationships
- Establish Supplier Relationships
- Initiate Immigration Plan
- Review Insurance
- Secure Investment Incentives

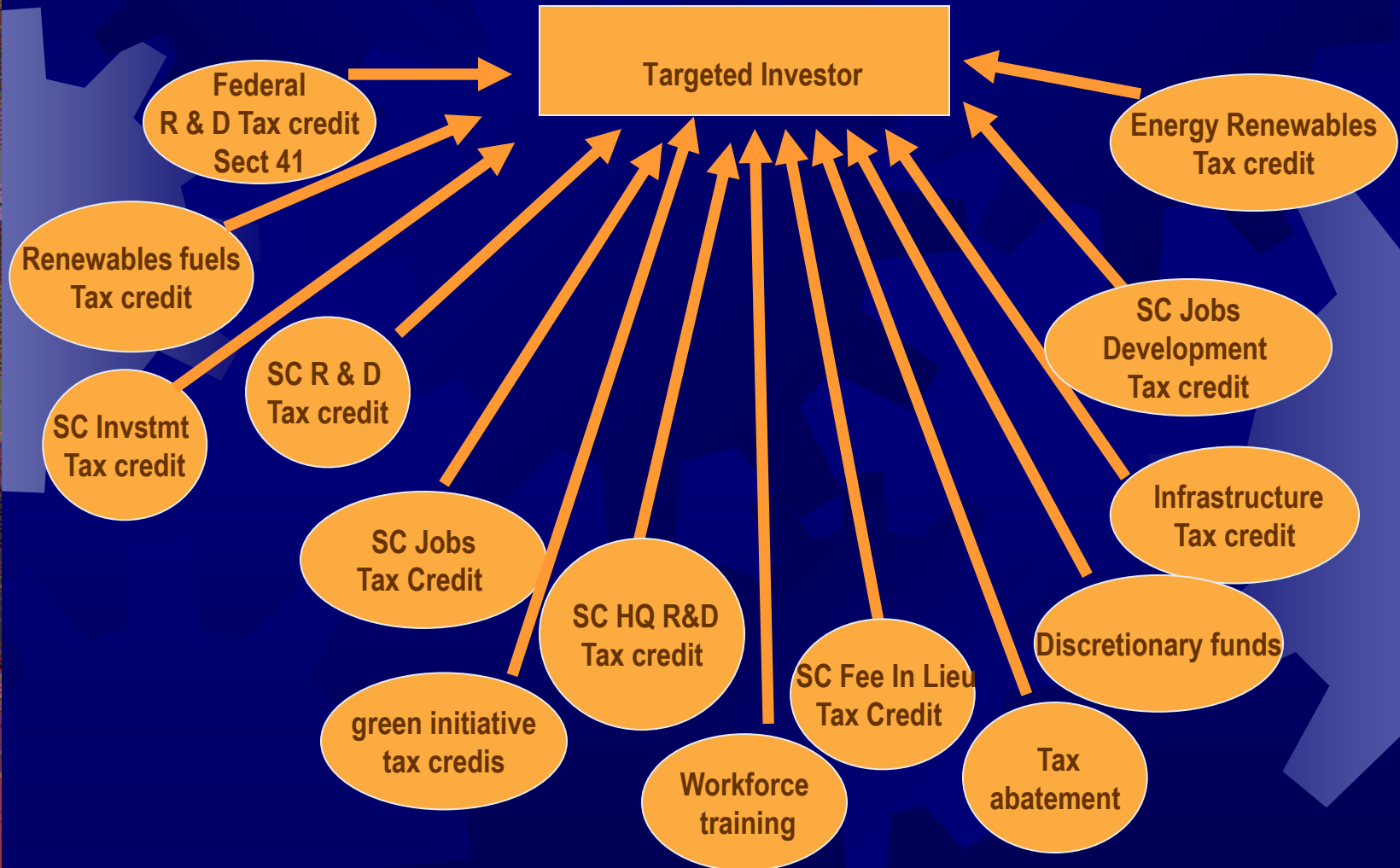
Operations Phase

- Acquire Realty
- Construct and Accept Facility
- Install, Test, Accept Equipment
- Vendor Certification
- Customer Qualification
- Procurement System
- Terms of Sale
- Warranty and CLAIMS Administration

CRITICAL PATH START-UP ACTIVITY



South Carolina Fiscal and Tax Incentives



SUMMARY

- **Research**
- **Formation**
- **Operation**
- **Legal and financial issues**
- **Documentation Requirements**
- **Critical Path Analysis**
- **Interdisciplinary Interface**

About the Author

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Co-director of the International Practice team for the law firm of Nelson Mullins Riley & Scarborough, LLP, a multi-state firm with over 750 attorneys practicing in 25 offices in California, Colorado, Florida, Georgia, Massachusetts, New York, North Carolina, South Carolina, Tennessee, Washington, D.C. and West Virginia with 40 years experience in starting over 150 Greenfield manufacturing operations in various industries practicing in the areas of international business transactions and trade, government procurement, economic development incentives, business immigration and related corporate matters for a start-up enterprise.

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