

Incorporating

VS

EOR/AOR



Pros of Incorporating

- ✓ Greater control over operations and strategic decisions
- ✓ Ability to establish a distinct legal entity and brand presence in the US
- ✓ Potential tax benefits and access to government incentives
- ✓ Enhanced credibility and perception among clients and stakeholders
- ✓ Long-term scalability and flexibility for growth and expansion



Cons of Incorporating

- ✓ Complex and time-consuming legal process for establishing an entity
- ✓ High initial setup costs, including legal fees and compliance expenses
- ✓ Ongoing administrative burden for maintaining compliance and reporting requirements
- ✓ Limited flexibility in hiring and workforce management
- ✓ Exposure to legal and financial risks associated with operating as a US entity



Pros of EOR/AOR Services

- ✓ Rapid market entry with minimal setup time and paperwork
- ✓ Outsourcing of HR and payroll responsibilities to a third-party expert
- ✓ Reduced administrative burden and overhead costs
- ✓ Access to specialised expertise in US employment laws and regulations
- ✓ Flexibility to scale workforce up or down quickly in response to business needs



Cons of EOR/AOR Services

- ✓ Limited control over HR and payroll processes compared to in-house management
- ✓ Dependency on external provider for compliance and regulatory adherence
- ✓ Potential for higher service fees compared to in-house HR and payroll functions
- ✓ Perception issues with candidates or clients regarding employment status

For UK recruiters looking to expand to the US, it is vital to carefully evaluate expansion goals, resources, and risk tolerance when choosing between incorporating and using an EOR/AOR service. To ensure a smooth and successful expansion, recruiters should seek professional guidance and conduct thorough due diligence throughout.

Want to know more?

Click here to read the full article!



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