



**Workshop:**

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# **Designing Your US Operations**

*A 45-Minute Interactive Workshop for Health-tech Startups*

# GOAL:

Help you make *better early US design decisions* and avoid costly mistakes

## About the Speakers



### Malcolm Joy, CA, CTA

UK Office Managing Partner and leader of FD's UK Tax Practice, with 35 years of experience in international tax and transaction advisory.

Specializes in transfer pricing, including policy design, benchmarking, documentation, dispute resolution and value chain analysis.

Advises fast-growing tech and biotech companies expanding into the U.S., as well as UK subsidiaries of U.S.-parented groups.

Recognized authority on cross-border tax matters; frequent speaker and technical expert featured by BBC News and Bloomberg.

Former leader of a Top Ten firm's Transfer Pricing and Life Sciences practices; began his career as Tax Director at a Big 4 firm.

#### Professional Affiliations:

- Chartered Tax Advisor, Chartered Institute of Taxation
- Chartered Accountant, Institute of Chartered Accountants in England and Wales (ICAEW)

- **Name:** Malcolm Joy
- **Designation:** Managing Partner, Frazier & Deeter UK LLP
- **Expertise:** Cross Border Tax, Transfer Pricing, Intellectual property ownership, supply chain restructuring, acquisition planning.
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### Mike Whitacre, CPA

Member of the firm's Tax Practice with 35 years of experience, specializing in U.S. expansion, cross-border structuring and international tax.

Advises inbound and outbound businesses on tax minimization strategies, controversy resolution, income tax accounting and provision analysis.

Works with middle-market and international businesses, including public companies, privately held enterprises and private-equity-backed entities.

Guides multinational organizations through complex tax planning, global compliance and cross-border M&A.

Industry focus includes manufacturing & distribution, technology and real estate, with services such as global credits & incentives, nexus studies, cost segregation, treaty interpretation and international tax attribute management.

#### Professional Affiliations:

- American Institute of Certified Public Accountants (AICPA)
- Georgia Society of Certified Public Accountants (GSCPA)
- Association for Corporate Growth (ACG)

- **Name:** Mike Whitacre
- **Designation:** US Tax Partner
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## Why are you setting up in the US?

1. Customers?
2. Investors ?
3. Partnerships?
4. “Everyone told us to”?



*'Most US expansion problems are not tax problems. They're design problems made too early or too late'*

# UK HoldCo Vs US HoldCo

## Understanding the Core Concepts

- UK HoldCo + US Sub vs US HoldCo
- When a flip is actually required
- Buyer and investor expectations
- What breaks if you choose wrong

## UK HoldCo Vs US HoldCo

### Scenario 1:

VC Backed/ US Investors  
Expected

### Scenario 2:

Revenue-Led, Testing US  
Market

### Scenario 3:

Enterprise Pilots/  
Partnerships

**Each person choose the scenario that resonates with you and answer the below questions:**

1. Which structure feels right *for you*?
2. What are you optimising for?
3. What would a buyer or investor push back on?

# Where Value Really Sits

## Understanding the Core Concepts

- Early-stage transfer pricing (why it matters *before* scale)
- Arm's-Length principle
- Allocation of profits in accordance with value creation
- IP location and commercial reality
- What investors or buyers actually care about in diligence

## Where Value Really Sits

### Interactive Case Scenario

#### The Scenario:

A UK health tech startup sets up a US subsidiary, hires a small US team, generates early revenue, but IP stays in the UK

#### Answer the following questions:

1. What's the first problem that appears?
2. What would worry an investor?
3. What would be expensive to fix later?

## Where Value Really Sits

### The Scenario:

If your first meaningful US revenue lands tomorrow, which entity earns it, and can you clearly justify why?

### Answer the following questions:

- Which entity invoices the customer?
- Where is the value actually being created?
- If the US entity earns revenue:
  - Why is that arm's length?
  - What services/IP does it control?
- If the UK entity earns revenue:
  - Why does the US exist operationally?
  - How is the US compensated?

## CFCs & PFICs

### Understanding the Core Concepts

- Why US investors care about structure *early*
- CFC / PFIC issues explained through investor lens
- What stops deals vs what just slows them

## CFCs & PFICs

If you were investing, what would make you pause?

## Understand the Fundamentals

Design before you  
expand

Don't create  
structures for  
problems you don't  
have

Fix alignment issues  
*before* investors find  
them

**“The cheapest time to get US expansion right is  
before you start.”**



# Thank You!

*Disclaimer:*

*The information shared during this session is for general informational purposes only and does not constitute tax, accounting, legal, or investment advice.*

*The content is intended to highlight common considerations and potential issues faced by UK companies expanding into the United States but is not tailored to the specific circumstances of any individual company.*

*Participants should not rely on this information as a substitute for professional advice and should seek independent advice based on their particular facts and objectives before making any decisions.*

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