



CONSIDERATIONS FOR Italian Companies Expanding into the US Market

Contacts:

Dario Ciapponi

SENIOR ASSOCIATE
Corporate M&A

One Vanderbilt Avenue
New York, NY 10017
C +1 786.922.0447

ciapponid@gtlaw.com

Milan:

Alessandra Boffa

LOCAL PARTNER
Corporate

Galleria San Babila 4B
20122

Milan, Italy

T + (39) 02.771971

Alessandra.Boffa@gtlaw.com

GT LAW.COM

AS OF NOVEMBER 2025



Greenberg Traurig, LLP



GreenbergTraurigLLP



GT_Law



GT_Law

CONTENTS

INTRODUCTION	1
CORPORATE STRUCTURING.....	2
Selecting the Appropriate Entity and Jurisdiction.....	2
IMMIGRATION	5
E-2 Treaty Investor Visa Considerations.....	5
L-1 Intracompany Transfer Visa Considerations.....	6
Immigration Updates	7
EMPLOYMENT: NAVIGATING U.S. LABOR LAWS	7
TAXATION: UNDERSTANDING U.S. TAX OBLIGATIONS.....	9
ADDITIONAL KEY LEGAL CONSIDERATIONS FOR U.S. MARKET ENTRY	10

This guide is informational and not legal advice. Laws and practice change; seek counsel for guidance specific to your situation.

INTRODUCTION

For Italian enterprises contemplating expansion into the United States, it is essential to appreciate the country's multifaceted legal landscape. Although the regulatory and commercial environment may appear complex, the United States offers access to capital, a large and diverse consumer base, and a robust framework for commercial growth.

However, achieving success in the U.S. market requires thorough preparation and an understanding of several key legal areas, including but not limited to corporate structuring, immigration, employment law, taxation, and trade regulations. This GT Advisory provides considerations for Italian businesses navigating both the opportunities and challenges of the U.S. market, with an emphasis on the dynamic regulatory environment and current legal trends.

CORPORATE STRUCTURING

Selecting the Appropriate Entity and Jurisdiction

Selecting the right legal entity and jurisdiction is a critical early step for Italian companies entering the U.S. market. This decision may affect liability, tax treatment, financing prospects, and long-term flexibility of the business itself.

Regardless of the state of incorporation (e.g., Delaware), companies generally must register (foreign qualify) in each U.S. state where they do business.

AVAILABLE STRUCTURES



LIMITED LIABILITY COMPANY (LLC)

- Might be best for subsidiaries and joint ventures.
- Offers flexibility in management and the option for “pass-through” taxation at the federal level, meaning profits and losses flow directly to the owners without entity-level federal income tax.
- May elect to be treated as a C Corporation for federal income tax purposes.
- Must comply with state-specific requirements, such as franchise taxes and annual filings, which vary by jurisdiction.



C CORPORATION

- May be best for businesses seeking outside investment, particularly from venture capital and private equity firms.
- Subject to “double taxation” – at the corporate level (the current federal rate is 21%) and again on shareholder dividends.
- Might provide scalability, easier access to U.S. capital markets, and eligibility for stock option plans (critical for attracting and retaining talents).



S CORPORATION

- Allows for pass-through taxation while maintaining corporate liability protection.
- Generally available only to U.S. citizens or residents.
- Cannot have more than 100 shareholders.
- Typically not viable for foreign-owned entities

Important Note on B Corporation Certification:

“B Corp” certification is a private designation B Lab awards to companies meeting high standards of social and environmental performance. It is not a separate legal entity.

WHY DELAWARE? THE “GOLD STANDARD” FOR U.S. INCORPORATION

Delaware is widely regarded as the premier jurisdiction for incorporation in the United States, as the corporate domicile for a majority of public and private companies, including Fortune 500 and S&P 500 companies. The state seeks to offer companies:



Clarity and Predictability

Offers clarity, flexibility, and predictability in corporate governance—making Delaware particularly attractive to foreign investors.



Expert Courts

The state’s specialized Court of Chancery and Complex Commercial Litigation Division aim to provide swift, expert resolution of corporate disputes



Confidentiality

Provides privacy advantages through limited public disclosure of ownership and governance details.



Market Signal of Sophistication

For Italian companies planning to raise U.S. investment or pursue future transactions, Delaware incorporation may signal credibility and predictability to the market.



Evolution with Business Needs

Recent legal updates clarify rules on conflicts of interest and shareholder control, which aim to help companies operate with greater confidence and certainty.



Flexibility for LLCs

Delaware LLCs are governed by the Delaware Limited Liability Company Act, which maximizes freedom of contract and operational flexibility.

ALTERNATIVES TO DELAWARE

Sometimes foreign companies may consider incorporation in other states, though it is important to avoid confusion between operational matters and matters of corporate internal affairs.



NEW YORK

- May seem a logical choice for companies with a significant presence in New York City.
- Imposes somewhat heavier regulatory requirements compared to Delaware.



FLORIDA

- Increasingly attractive for technology, healthcare, and logistics operations.
- Aims to offer a business-friendly environment.
- No personal income tax.
- Despite these advantages, not considered competitive with Delaware in corporate law and court expertise.



TEXAS

- Might appeal to energy, manufacturing, and technology sectors from an operational standpoint.
- No corporate income tax, though businesses are subject to a franchise tax based on gross receipts.
- Has begun developing its court system for corporate disputes to attract incorporations.



NEVADA

- Offers no state corporate or personal income tax, though certain gross-receipts and payroll-based taxes and business-license fees still apply.
- Has amended its corporation law and strengthened its courts to attract more incorporation.

When selecting the right jurisdiction, companies may wish to align with their long-term strategy, particularly regarding corporate internal affairs and the context of its business strategy, tax planning objectives, and operational realities.

IMMIGRATION

E-2 Treaty Investor Visa Considerations

For Italian companies expanding into the United States, the E-2 Treaty Investor Visa might be an effective immigration solution, allowing Italian nationals to direct and develop U.S. operations. Italy maintains a longstanding bilateral treaty with the United States that grants eligibility for this visa category.

E-2 ELIGIBILITY REQUIREMENTS

- To qualify for an E-2 visa, the Italian investor – whether an individual or an Italian parent company – must demonstrate ownership of at least 50% of the U.S. business and possess operational control through a leadership/management role.
- Falling below 50% may jeopardize eligibility, which might disrupt business continuity and employee immigration status. Only Italian nationals may be the beneficiary of an E-2 visa.
- The investment must also be substantial relative to the total cost of the enterprise. While there is no formal minimum threshold, investments under \$100,000 often receive heightened scrutiny.
- The capital must be “at risk,” meaning committed and subject to potential loss, and must be used for active business operations rather than passive investment (such as merely purchasing real estate).

E-2 OPERATIONAL REQUIREMENTS

- ✓ **The enterprise must be a real, operating commercial business**—not a shell or speculative venture.
- ✓ **It must produce more than marginal income**, sufficient to support more than just the investor.
- ✓ **A credible business plan and detailed financial projections are required** to demonstrate viability.
- ✓ **Applicants must provide evidence of committed investment** and active business operations.

The visa initially allows Italian nationals to reside and work in the United States for up to five years (subject to reciprocity schedules), with unlimited renewals as long as treaty conditions are maintained. Spouses of E-2 visa holders are also authorized to work.

E-2 STRATEGIC CONSIDERATIONS

Italian companies using the E-2 visa to transfer key personnel must ensure ongoing compliance with ownership, investment, and operational requirements. Companies may wish to carefully manage any corporate restructuring, outside fundraising, or ownership dilution to avoid inadvertently affecting visa eligibility.

Additional Recommendations:

- Companies should also consider alternative or complementary visa options, such as:
 - > L-1 for intracompany transfers
 - > O-1 for individuals with extraordinary ability, or
 - > EB-5 for larger investments leading to permanent residency
- Companies might wish to engage immigration counsel early and coordinate with corporate advisors to ensure their U.S. structure supports both business and immigration goals.

L-1 Intracompany Transfer Visa Considerations

The L-1 Intracompany Transfer Visa may also be an effective option for Italian companies seeking to transfer key personnel from a qualifying Italian entity to a U.S. affiliate, branch, or subsidiary. Unlike the E-2 visa, the L-1 is not limited by nationality and therefore may be particularly useful for transferring executives, managers, or employees with specialized knowledge who do not hold an Italian passport.

L-1 ELIGIBILITY REQUIREMENTS

- To qualify, both the foreign and U.S. businesses must be linked by a qualifying relationship:
 - > Parent company, branch office, subsidiary, affiliate
- The foreign company must continue to operate during the employee's stay in the United States.
- The employee must also:
 - > Have worked full-time for the foreign company for at least one year within the past three years, and
 - > Have served in an executive, managerial, or specialized-knowledge role.

OPERATIONAL REQUIREMENTS

- If the U.S. operation is newly established or has been operating for less than one year:
 - > Initial L-1 visa is granted for up to one year, and
 - > Extensions available upon demonstrating active business operations, hiring, and revenue growth.

STRATEGIC CONSIDERATIONS

The L-1 visa may be well-suited for staffing U.S. subsidiaries with experienced personnel who have deep familiarity with the parent company's culture, products, and operations. It allows for strategic continuity in cross-border management and supports international growth.

Unlike the E-2 visa, the L-1 does not require a financial investment in the U.S. business, making it potentially advantageous for companies seeking to enter the U.S. market with minimal upfront capital risk.

Immigration Updates

U.S. immigration laws and policies remain in flux. Recent changes include higher costs and new registration rules for the H-1B visa program (an employer-sponsored “specialty occupation” status, generally bachelor’s+ and subject to an annual cap/lottery), as well as announcements of so-called “Gold” and “Platinum” investor-visa options.

These initiatives are still evolving, subject to legal and policy review, and may change further. Companies should approach U.S. immigration planning with flexibility and may wish to seek tailored legal advice before acting.

EMPLOYMENT: NAVIGATING US LABOR LAWS

Italian companies entering the U.S. market should recognize that American labor and employment laws differ substantially from European and Italian frameworks.

The U.S. model may provide greater flexibility for employers, but it also imposes compliance obligations that vary between federal, state, and local levels.



AT-WILL EMPLOYMENT

- The default employment relationship in some U.S. jurisdictions is at-will, meaning either the employer or the employee may terminate the employment relationship at any time, with or without cause or notice, provided the termination is not unlawful (e.g., based on discrimination or retaliation).
- Business hubs such as New York, Florida, Texas, and California recognize at-will employment, although various U.S. jurisdictions, including California, impose additional employee protections through statutes and court decisions.
- Italian companies unfamiliar with this concept may wish to draft employment agreements carefully, clearly define the at-will nature of employment, and also consider when it may be strategic to include severance arrangements or “cause” termination provisions to attract key U.S. hires.



RESTRICTIVE COVENANTS

- Restrictive covenants present another area where differing state and municipal laws and regulations may pose challenges for employers.
- Some employers seek to impose restrictive covenants on employees, independent contractors, and other service providers; however, certain jurisdictions either prohibit outright or impose specific requirements for their enforceability.
- The additional employment protections that state and municipal laws and regulations establish create a multilayered and complex framework that employers must consider.



WAGE AND HOUR COMPLIANCE

- Employers must comply with federal, state, and local wage and hour laws, particularly the Fair Labor Standards Act (FLSA), which governs minimum wage, overtime pay, and child labor standards.
- Some states and cities, including New York City, have established higher minimum wage thresholds than the federal minimum.
- Non-compliance may lead to financial penalties and class action litigation.



EMPLOYEE CLASSIFICATION AND INDEPENDENT CONTRACTORS

- Correctly classifying workers as employees or independent contractors is critical. Misclassification of employees as exempt may result in liability for back wages, taxes, and penalties.
- The distinction primarily hinges on the degree of control the company exerts over the worker's activities. Some jurisdictions, notably California and Massachusetts under the "ABC Test," have made it particularly difficult to justify contractor classifications.
- Italian businesses should consider implementing vetting processes before engaging workers classified as independent contractors and periodically reviewing worker classifications to enhance ongoing compliance with evolving legal standards.



MANDATORY EMPLOYMENT POLICIES

- Certain policies are legally required or strongly advisable depending on the jurisdiction.
- For example, New York and California mandate detailed anti-harassment training and require written policies against workplace harassment and discrimination to be provided to employees at various points during the employment relationship.
- Multi-state employers may wish to tailor their handbooks and internal procedures to reflect both federal and state-specific requirements.

TAXATION: UNDERSTANDING US TAX OBLIGATIONS

Italian companies expanding into the U.S. must navigate a multilayered tax system involving federal, state, and local obligations. Strategic tax planning may help companies avoid unexpected liabilities and maximize operational efficiency.

FEDERAL CORPORATE INCOME TAXATION

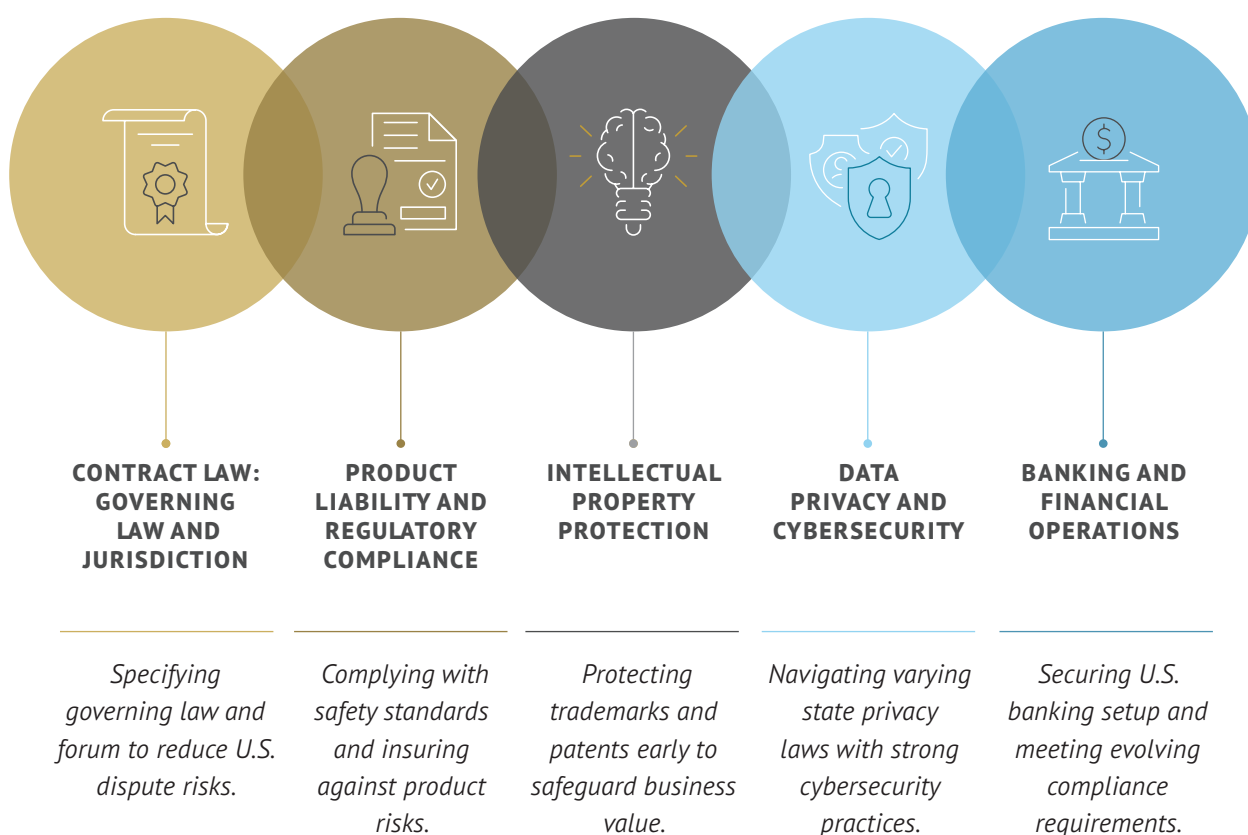
- At the federal level, C Corporations are subject to a flat 21% corporate income tax rate.
- Dividends distributed to shareholders are also taxed at the shareholder level, resulting in “double taxation.”
- Pass-through entities (such as LLCs that do not elect to be classified as corporations for federal income tax purposes) generally avoid entity-level federal income taxation, with income taxed directly at the owner level. U.S. pass-through status may not be recognized abroad, and some jurisdictions may treat such entities as corporations, triggering local tax and filing obligations.
- Cross-border operations must comply with transfer pricing rules, ensuring that transactions between the U.S. and Italian affiliates reflect arm’s-length terms.
- U.S. international tax rules, such as BEAT (Base Erosion and Anti-Abuse Tax), may impact Italian parent companies owning U.S. subsidiaries.
- Companies should consider leveraging benefits under the Italy-U.S. double taxation treaty to reduce withholding taxes on dividends, interest, and royalties.

STATE AND LOCAL TAXATION AND TAX PLANNING

U.S. state and local tax rules vary significantly by jurisdiction, and even limited activities in a state can potentially trigger tax obligations under state-specific nexus standards.

ADDITIONAL LEGAL CONSIDERATIONS FOR US MARKET ENTRY

Beyond corporate structuring, immigration, employment, and tax matters, Italian companies entering the U.S. may wish to address several other important legal and regulatory areas to manage risk. Companies might consider:



CONTRACT LAW: GOVERNING LAW AND JURISDICTION

Unlike Italy, U.S. contract law varies between states. Companies might consider negotiating and clearly specifying the governing law (e.g., New York law) and jurisdiction clauses in all agreements.

Choosing a favorable forum may reduce litigation risks and provide greater predictability in the event of disputes. Italian companies should also familiarize themselves with typical U.S. contract provisions, including broad indemnities, warranty disclaimers, and limitations of liability, which differ from European norms.

As an alternative to courts, some parties select binding arbitration, often administered by institutions such as the American Arbitration Association (AAA) / International Centre for Dispute Resolution (ICDR), or JAMS, and specify the place (seat) (e.g., New York or Delaware), rules, number of arbitrators, and language.

PRODUCT LIABILITY AND REGULATORY COMPLIANCE

Companies selling goods into the U.S. market are subject to a robust framework of product liability laws. These laws vary across states, though there are similarities among the jurisdictions. Even without negligence, businesses may be held liable for defective products that cause harm, or for breaching implied or express warranties.

Italian exporters should consider comprehensive product liability insurance, enhancing compliance with applicable U.S. safety standards (e.g., Food and Drug Administration, Consumer Product Safety Commission, Occupational Safety and Health Administration), maintaining quality controls, assessing marketing claims, and including clear instructions and warnings with their products to mitigate risks.

INTELLECTUAL PROPERTY PROTECTION

Intellectual property (IP) rights are a critical component of doing business in the United States. The U.S. legal system provides protection for patents, trademarks, copyrights, and trade secrets—but that protection might depend on taking timely, proactive steps. For example, U.S. trademark rights are based on use in commerce, not just registration, so companies may wish to establish and document use early. Similarly, patent rights are granted to the first inventor to file, making speed and strategy essential. Federal registration enhances enforcement options, including access to federal courts and U.S. Customs protection.

A well-planned IP strategy may help prevent infringement and counterfeiting as well as increase business valuation and support licensing and expansion opportunities.



DATA PRIVACY AND CYBERSECURITY

The United States does not have a unified federal data privacy law comparable to the GDPR. Instead, companies must navigate and comply with a patchwork of state laws, notably the California Consumer Privacy Act (CCPA), as well as industry-specific regulations.

Italian businesses collecting or processing personal data from U.S. individuals must assess their legal obligations regarding data security, transparency, consumer rights, and breach notification. Implementing clear privacy policies, maintaining robust cybersecurity practices, and staying current with evolving state laws may help to mitigate legal and reputational risk.

BANKING AND FINANCIAL OPERATIONS

Opening a U.S. bank account is an essential operational step but may present challenges for foreign-owned entities. Companies must obtain a U.S. Employer Identification Number (EIN) and satisfy anti-money laundering checks.

Banks will verify authorized signers and beneficial owners, run sanctions screening, and typically request formation/governance documents, EIN confirmation, and a signer authorization; a physical street address (not just a P.O. box) is generally required.

Some institutions may also require an in-person visit from a signer. If U.S. customer billing or card processing is expected, consider arranging merchant services early (separate underwriting) and setting up ACH/wire and online-banking entitlements at the outset. Separately, federal beneficial ownership reporting rules administered by FinCEN may apply; because these requirements evolve, companies may wish to confirm current obligations and deadlines at formation and after any ownership/control changes (banks may ask about this during onboarding).



AUTHORS

This GT Advisory was prepared by:

[Dario Ciapponi](#) | +1 212.801.6795 | ciapponid@gtlaw.com

[John R. Richards](#) | +1 617.310.6070 | John.Richards@gtlaw.com

[Adam S. Namoury](#) | +1 212.801.6721 | Adam.Namoury@gtlaw.com

[Courtney B. Noce ‡](#) | +1 678.553.2457 | Courtney.Noce@gtlaw.com

[Laura Foote Reiff ‡](#) | +1 703.749.1372 | reiff@gtlaw.com

[James Maynor ‡](#) | +1 703.749.1329 | James.Maynor@gtlaw.com

[Marina Olman-Pal](#) | +1 305.579.0779 | Marina.Olman@gtlaw.com

[Rebecca B. Schechter ‡](#) | +1 703.903.7578 | Rebecca.Schechter@gtlaw.com

[Tzy-Ying \(Sandy\) Chiu](#) | +1 212.801.6488 | Sandy.Chiu@gtlaw.com

[Whitney Bly Edwards](#) | +1 678.553.2187 | Whitney.Edwards@gtlaw.com

[Gina Faldetta](#) | +1 212.801.9253 | Gina.Faldetta@gtlaw.com

[Mario Santa Maria](#) | + (39) 02.77197203 | Mario.SantaMaria@gtlaw.com

‡ Admitted in New Jersey and New York. Not admitted in Georgia. Practice limited to federal immigration practice.

‡ Admitted in the District of Columbia and Maryland. Not admitted in Virginia. Practice limited to federal immigration practice.

‡ Admitted in the District of Columbia and Florida. Not admitted in Virginia. Practice limited to federal tax practice.

‡ Admitted in Maryland and Connecticut. Not admitted in Virginia. Practice limited to federal immigration practice.

Abu Dhabi,* Albany. Amsterdam. Aspen. Atlanta. Austin. Berlin.* Boston. Charlotte. Chicago. Dallas. Delaware. Denver. Dubai: Fort Lauderdale. Houston. Las Vegas. London.* Long Island. Los Angeles. Mexico City.* Miami. Milan.* Minneapolis. Munich.* New Jersey. New York. Northern Virginia. Orange County. Orlando. Philadelphia. Phoenix. Portland. Riyadh.* Sacramento. Salt Lake City. San Diego. San Francisco. São Paulo.* Seoul.* Shanghai. Silicon Valley. Singapore.* Tallahassee. Tampa. Tel Aviv.* Tokyo.* Warsaw.* Washington, D.C. West Palm Beach. Westchester County.

Greenberg Traurig, LLP | gtlaw.com

This Greenberg Traurig Advisory is issued for informational purposes only and is not intended to be construed or used as general legal advice nor as a solicitation of any type. Please contact the author(s) or your Greenberg Traurig contact if you have questions regarding the currency of this information. The hiring of a lawyer is an important decision. Before you decide, ask for written information about the lawyer's legal qualifications and experience. Greenberg Traurig is a service mark and trade name of Greenberg Traurig, LLP and Greenberg Traurig, P.A. Greenberg Traurig's Abu Dhabi office is a branch of Greenberg Traurig, P.A., which is registered with the Abu Dhabi Global Market Registration Authority (Registration No. 29906) and licensed to carry out legal services and regulated as a DNFBP by the ADGM Financial Services Regulatory Authority. *Greenberg Traurig's Berlin and Munich offices are operated by Greenberg Traurig Germany, LLP, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Greenberg Traurig's Dubai office is operated by Greenberg Traurig Limited, a company registered in the Dubai International Financial Centre (Registration No. CL7238), regulated as a DNFBP by the Dubai Financial Services Authority and licensed by The Government of Dubai Legal Affairs Department. *Operates as a separate UK registered legal entity. *Greenberg Traurig's Mexico City office is operated by Greenberg Traurig, S.C., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. *Greenberg Traurig's Milan office is operated by Greenberg Traurig Studio Legal Associato, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. *Greenberg Traurig operates in the Kingdom of Saudi Arabia through Greenberg Traurig Khalid Al-Thebity Law Firm, a professional limited liability company, licensed to practice law by the Ministry of Justice. *Greenberg Traurig's São Paulo office is operated by Greenberg Traurig Brazil Consultores em Direito Estrangeiro – Direito Estadunidense, incorporated in Brazil as a foreign legal consulting firm. Attorneys in the São Paulo office do not practice Brazilian law. ∞Operates as Greenberg Traurig LLP Foreign Legal Consultant Office. *Greenberg Traurig's Singapore office is operated by Greenberg Traurig Singapore LLP which is licensed as a foreign law practice in Singapore. *Greenberg Traurig's Tel Aviv office is a branch of Greenberg Traurig, P.A., Florida, USA. *Greenberg Traurig's Tokyo Office is operated by GT Tokyo Horitsu Jimusho and Greenberg Traurig Gaiokuhohjimubengoshi Jimusho, affiliates of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. *Greenberg Traurig's Warsaw office is operated by GREENBERG TRAURIG Nowakowska-Zimoch Wysokiński sp.k., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Certain partners in GREENBERG TRAURIG Nowakowska-Zimoch Wysokiński sp.k. are also shareholders in Greenberg Traurig, P.A. Images in this advertisement do not depict Greenberg Traurig attorneys, clients, staff or facilities. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. ©2025 Greenberg Traurig, LLP. All rights reserved. r. 43324-1025