SaaS Incorporation Checklist

A working checklist for choosing where to incorporate your SaaS company for global sales — companion resource for the guide “How to Choose Where to Incorporate a SaaS Company for Global Sales.” Work through each section before finalizing your jurisdiction.

1. Understand What Incorporation Location Controls

- [ ] Confirm incorporation location determines your entity's home jurisdiction, governance rules, and usually your corporate tax residency.
- [ ] Confirm incorporation location does NOT determine where you owe VAT or sales tax — that follows your customers.
- [ ] Write down where you want to raise funding from, if at all.
- [ ] Write down where your founders are personally tax resident.
- [ ] Write down which countries make up the bulk of your customer base.

2. Decide Whether You Need a US Entity for Fundraising

- [ ] Confirm whether a US VC round is a real near-term plan or a someday hope.
- [ ] If raising from US VCs, default to a Delaware C-Corp.
- [ ] If bootstrapped or raising from non-US investors, keep jurisdiction options open.
- [ ] If a US citizen founder, account for US worldwide-income filing obligations regardless of entity location.

3. Compare Jurisdictions on Tax Rate and Setup

- [ ] Compare corporate tax rate, setup speed, and remote-management friendliness across your shortlist.
- [ ] Check whether any shortlisted country requires local co-ownership for foreign-owned companies.
- [ ] If considering Estonia, confirm the 0% rate applies only to retained, not distributed, profit.
- [ ] If staying in the US without a VC path, compare Delaware against Nevada, Wyoming, and your home state.

4. Clarify VAT, GST, and Sales Tax Obligations

- [ ] Confirm VAT/sales tax obligations are based on customer location, not incorporation location.
- [ ] If selling to EU consumers, register through the non-Union VAT OSS scheme before or at your first sale.
- [ ] Confirm there is no minimum sales threshold protecting non-EU sellers from EU VAT.
- [ ] If selling in the US, check economic nexus thresholds state by state.

5. Check Permanent Establishment Risk

- [ ] List every country where a founder or employee works long-term.
- [ ] Flag any team member regularly closing deals from a country with no registered entity.
- [ ] Get a specific opinion on PE risk for any flagged situation rather than assuming remote work is automatically safe.

6. Consider Banking, Payment Access, and Compliance Overhead

- [ ] Check how easily your shortlisted jurisdictions open business banking and connect to payment providers.
- [ ] Estimate currency conversion exposure based on where your customers, expenses, and investors are concentrated.
- [ ] Check for high withholding tax on repatriating profits between your incorporation country and home country.

7. Weigh Doing Compliance Yourself Against Offloading It

- [ ] Assess your team's in-house tax and legal capacity honestly.
- [ ] Estimate the ongoing time cost of self-managed registration and filing across your selling countries.
- [ ] Compare that cost against a Merchant of Record's per-transaction fee.

8. Make the Decision and Document It

- [ ] Select the jurisdiction that fits your current fundraising plan, founder location, and customer base.
- [ ] Write down, in plain language, why you chose it.
- [ ] Set a reminder to revisit the decision if fundraising plans or customer base change materially.

Companion resource for: “How to Choose Where to Incorporate a SaaS Company for Global Sales”.