

GATEWAY TO THE USA

America is open for business and still able to attract expats, but can you obtain temporary or permanent residence, build a business, or buy a property?

Banking In USA

Due to the nation's continental size, there have traditionally been relatively few banks operating nationwide in the United States. Government regulations protect small local banks from being overwhelmed by the large institutions, although recent years have seen several large banking mergers. Interstate branch-banking has been permitted only in recent years.

Many large foreign banks have branches in the United States, mostly located in a few large cities, primarily New York; and their dealings are primarily with businesses.

The first step in selecting a bank should be to check on the financial strength of all banks being considered. There are services that specialise in tracking and reporting on the safety of banks, such as Veribanc and Standard & Poor's. These fee-based services provide information via telephone or email, and will send a follow-up mailing.

The next important consideration is the type of service you may require. If an account is to be used primarily to meet personal financial needs, a small local bank or a convenient neighbourhood branch of a larger institution may be satisfactory. Should more complicated personal or business services be required, a larger bank with personnel experienced in international transfers or specialised areas may be a better choice. Rates can vary significantly. Some banks offer higher interest on savings accounts than others, but they also may charge more for chequeing privileges. Some require that a high minimum balance be maintained in the account, while others set a lower figure but may apply other limitations.

There is a more detailed guide to Living and Working in USA which you can access in the Destination Guides section (under Expat Resources) of www.expatsnetwork.com

Perhaps due to the proliferation of American culture around the world, a generalised picture of the American has emerged. Sometimes unflattering, often inaccurate, Americans are characterised as friendly but shallow, business-like but unsophisticated, educated but uncultured, polite and helpful but rude, obsessed with making money but philanthropic, to name only a few.

Anyone who has had any degree of contact with Americans will recognise many of these traits. Perhaps they describe some characteristics of some Americans, but few people can be said to be typical. In a country of 295 million, Americans - like other nationalities - vary greatly from individual to individual. In addition, regional differences in behaviour and cultural norms vary enough that a visitor may marvel that he or she is in the same country.

Americans do tend to be outgoing and unpretentious. As a rule, they do not put on airs and do not respond positively to those who do. They do not stand on ceremony and, upon meeting someone, are quick to shift to a first-name basis. They are usually sociable and often will go out of their way to assist a stranger. There is much less class-consciousness in the United States than in many other countries, although distinctions do exist. These for the most part are not based upon birth, but upon education, occupation, achievement, and income. The self-made man or woman is usually much admired.

Americans tend to be much more mobile than people in most other countries. For much of the country's history, a frontier moving ever farther westward beckoned settlers to pack up and move on in search of a better life. Although many can be found today who have never travelled any great distance from where they were born, many more have moved several times from one part of the country to another because their work required it or simply because they wanted a change of scene.

In general, Americans are patriotic. They are proud of the size, power, diversity, and opportunities of their country. The American flag is widely displayed, on private homes as well as public buildings. Although it is virtually a national pastime to complain about the government and the state of public affairs, very few can be found who would rather be living in any other country. Do not expect them to be familiar with the politics of other countries, however.

Americans, to a considerable degree, believe in the American Dream. It is quite possible to achieve success and even great wealth through perseverance and hard work. This faith in a better future and in an individual's capabilities is very strong, particularly among the most recently arrived Americans.

Americans of European descent remain the majority, with about 75 per cent of the total population. By national origin, those of German ancestry are the most numerous at about 30 per cent of Europeans. Those of Irish descent follow, at about 20 per cent; Scots-English account for just under 20 per cent.

African-Americans comprise 13 percent of the total population, constituting the largest minority group. Hispanics, however, represent 12 percent of the population and are the fastest-growing minority group in the United States; and Asians represent just over 4 per cent of the population. Many present-day Americans also are descendants of the original inhabitants of what is now the United States.

According to a recent census, 2.4 million claimed at least part Native American ancestry.

American culture is an amalgam of elements from many foreign sources. Its original British heritage has been enriched and expanded over more than three centuries by contributions from every continent and virtually every other country in the world. The result is a rich, multifaceted, and uniquely American experience.



Passports & Visas for USA

All visitors to the United States must possess valid passports. Previously-exempted Canadian and Mexican citizens are also required to produce a passport. For citizens of all countries, every family member should have his or her own passport. Expiration dates should be six months or more beyond the expected end date of a visit to the United States.

Visitors should be in good health unless entering the country specifically for medical treatment. US entry is now controlled by the US Citizenship & Immigration Service (USCIS), under the Department of Homeland Security (DHS). Entry is denied to those who otherwise pose threats to the welfare and security of the United States, who do not have adequate means of support while in the country, or who may be deemed undesirable for other reasons.

Interviews

More interviews with prospective foreign arrivals are now being made. These interviews take place in the applicant's home country, prior to arrival, given by a US consular officer. Citizens of countries taking part in the visa waiver program will not be affected.

Verifying travel documents

Since 2004, fingerprints and pictures taken of foreign citizens are reviewed and stored in a government database so that individuals' comings and goings can be monitored. The US employs Integrated Automated Fingerprint Identification System (IAFIS), a fast, electronic fingerprint ID system holding a database of 55 million fingerprint sets, available for cross-checking when travelers enter the country. Finger scans, photographs, or other biometric measures of identification may be required.

Visa Waiver Program

Under the Visa Waiver Program (VWP), nationals of 35 countries do not require visas to enter the United States for visits of up to 90 days, for either holiday or business. A visit to the Visas section of the US Department of State website (<http://travel.state.gov/content/visas/en.html>) gives you the list of those countries. All citizens entering from VWP countries must present a machine-readable passport. Citizens of eight VWP countries - Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, South Korea, and the Slovak Republic - must present an e-Passport.

Grounds for exclusion from the VWP include contagious disease and criminal activity. Fingerprinting is not required of people arriving in the United States under the visa waiver program. Travelers must, however, be in possession of a non-transferable onward or return ticket for transportation to a destination outside the United States. The requirement is waived for those entering by land from Canada and Mexico.

Non-immigrant Visas

Two major categories of visas are issued, immigrant and non-immigrant. Most business visitors to the United States require the latter. Such visas are issued directly by US consulates abroad; you may obtain the appropriate form from the Department of State website. Before you travel to the United States for employment purposes, you must obtain USCIS approval. You may also be required to file paperwork with the Department of Labor. Typically this is handled by the employer.

There are several subcategories of non-immigrant visas, depending upon the length of stay, multiple or single entries, and other factors. Consulates can advise you on the appropriate visa, which often can be processed and issued on the same day.



Investor Visas

Over the years the American dream has been an alluring proposition for a number of investors where the prospects of year round sun, an outdoors lifestyle and the chance to be a part of the world's largest economy has been too tempting to resist.

According to Heather Landau, managing director of immigrationintoamerica.com, while obtaining a green card is not without its challenges and often requires an investment of \$500,000 or more, an alternative and more suitable option could be the E-2 Investor Visa. Within six to eight weeks the visa allows the holder to establish a business in the US and while the level of investment has no clear definition, experience shows the amount required would be at least \$100,000.

An increasingly popular consideration for investors who don't want to build a new business from the ground up, is investing in a pre-existing franchise that gives you the necessary training, support and branding that can often take years to obtain.

By investing in a US franchise and taking an active role in the day-to-day management of the company, you, your spouse and any children under the age of 21 could find that the E-2 Visa an attractive option.

There are a number of requirements for choosing this route that include: the applicant must be a national of a treaty country; a detailed business plan describing how your franchise will be profitable; every franchise is supposed to employ at least two US nationals; and you have an active role in the business.

Franchising is huge business in the US and accounts for 18 million jobs, approximately 14% of all private sector employment. The process of investing in a franchise isn't as complicated as many think, but there are a number of steps that will need to be completed for a successful E-2 application.

Understandably you'll need to purchase a franchise in order to fulfil the E-2 Visa requirements, but you should also take into consideration what's best for you, possibly your family and any lifestyle requirements you may have.

You have to find a desirable and qualifying franchise. This stage is arguably the one that takes the most time as you not only have to find available franchising opportunities, but that they're a solid investment and a viable option.

The Dreaded FATCA

The foreign account tax compliance act (FATCA) became law in March 2010. A key focus of this piece of legislation, says Philip Teague, director of financial planners, Alexander Beard Group, is reporting by US taxpayers of certain foreign financial accounts and offshore assets. It also covers reporting by financial institutions about financial accounts held by US taxpayers.

The objective of FATCA is to ensure the US government gets its tax dollar of assets that US taxpayers have hidden or not reported outside of the US. British expats in the US may well not consider themselves a tax dodger as they believe they are paying the correct amount of tax in the US and UK. But they may have an issue if they have left behind bank accounts or investments. FATCA will look at the underlying structure of the accounts or investments and if they deem it non-compliant, there could be further taxes to pay.

An example of this is an offshore investment bond which would likely be deemed as a passive foreign investment company (PFIC) and would have its own tax consequences. For a good number of reasons British expats in the US may want to keep assets outside of the US denominated in sterling. There are investment options to cater for this scenario which are compliant with the rules of the US taxman, the IRS. They allow a British expat in the US to retain sterling investments outside of the US and become tax compliant. They also allow expats to manage currency risk by allowing a switch to US dollars should it be advantageous to do so (and back again if required).

Another area which will be affected by FATCA is the use of qualifying recognised overseas pension schemes (QROPS) by British expats in the US. The majority of QROPS are based in Malta, which has signed up to FATCA reporting. There is a widely-held belief that should a British expat transfer their UK pension to a QROPS while US resident, this will create a tax charge on the transfer as it will no longer be a qualifying UK pension scheme. Currently the IRS doesn't know when this happens and Britons just report income, which is taxed through self-assessment.

FATCA reporting will mean that the IRS will find out when they transferred to the QROPS and could quite easily issue a tax bill as this a chargeable event. There are compliant pension schemes available for Britons living in the US which allow them to make use of tried and tested double taxation agreements without using QROPS. These allow the expat to have a US dollar-denominated pension which stays in the UK - therefore remains a qualifying UK pension in the eyes of the IRS.

FATCA's powers are far reaching and the quantity of information it will uncover will be staggering. It will take the IRS a long time to sift through it all but at some point, if your US/UK financial planning isn't compliant, you may well get a very unwelcome letter from the taxman.

Top Ten Tips For Expats In USA

1. With over 800,000 UK expats the US is the second most popular destination.
2. With a landmass that covers more than 3.6 million sq. miles and the outlying states of Hawaii and Alaska, US citizens that move within its borders face many of the same challenges as expats moving to the US or other countries.
3. Due to its vast size, the US experiences a wide range of seasonal and regional variations, from arctic in Alaska to subtropical in Florida. In January, temperatures in the coldest parts of the country average -12°C/10°F, whereas, the thermometer can top 38°C/100°F throughout much of the nation in July.
4. Under the Visa Waiver Program (VWP), nationals of 35 countries do not require visas to enter the United States for visits of up to 90 days, for either holiday or business. For longer stays there are a variety of Visas available depending on the length and purpose of your stay.
5. Expats of all backgrounds can be found through the US. While there are some exceptions, Americans often go out of their way to make a newcomer feel welcome and to help in their adjustment to living in the United States.
6. English is the language of common usage throughout the United States, however it has never been designated as the nation's official language. Spanish is the second most widely used language, with some 37 million speakers. Other languages with more than one million speakers, are French, German, Italian, and Chinese.
7. The property market is still recovering from the 2008 crash, however listing prices are starting to rise albeit faster than actual sold prices.
8. With a population of 314 million people, the United States of America is the largest economy in the world with an annual GDP of \$16.76 trillion.
9. America's currency is the US dollar, \$.
10. The US continues to face threats from international terrorism. Some areas, most prominently inner cities, suffer from high crime rates but there are very few instances of domestic terrorism or public unrest.



Thinking of Settling in USA?

Make sure you understand the real estate market first, says Expat Living's property expert Christopher Nye.

The buying process in the USA follows a British model – more accurately a Scottish one – rather than a continental European model. This means it is cheaper than in most countries, typically adding less than 3% to the purchase price.

One big difference to other countries is the Multiple Listing Service (MLS), an online database where you can quickly see every property for sale in the area, from every agent, without needing to contact each individually.

In the USA there are buyers' agents and sellers' agents. As a buyer you normally sign up to just one agent and it is they who will go to the sellers' agents to find you a property. They have access to every home on the MLS, so avoid going to a sellers' agent as it will be in their interests to show you only their own clients' property. If you buy, the commission is paid from the sales price and divided between both agents.

In some states a lawyer is essential while in others it isn't, for instance. As an overseas buyer it makes sense to have an independent lawyer working just for you.

Americans are very fond of the Open House approach, with all the viewers invited at once. If looking at a show home check if the furniture package you are buying is of the same quality as shown or will cost extra.

When you have chosen the property, you make an offer orally via your own realtor to the seller's agent or the seller personally. Via offer and counter-offer hopefully you reach agreement on the price and other conditions such as the date or the deal being contingent on getting a mortgage, for example.

There's more on buying property in USA under Property Buying Guides in the Property section at www.worldofexpats.com

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