

Published based on [How To Take A Chinese or Indian Company Public In The USA](#)

# **How To Take A Chinese or Indian Company Public In The USA**

With global economics the way they are it would be redundant to rant and rave about the downsides of corporate fund-raising. Quick infusions of cash from venture capital firms and institutional lenders are on hold and it is what it is but companies are becoming creative and corporate attention is steering away from the problems and toward the solutions.

The US and Chinese markets are intertwined in many ways and now a new trend in finance is making the relationship even closer. It's a fact that Chinese corporations are still trying to figure out how to make their domestic stock market profitable and stable. Many of these companies have global ambitions with unique technology solutions business products and strategies but because of the weak Chinese economy (compared to the power of other currencies) they have no choice but to head to the Frankfurt Exchange or the OTCBB market here in the United States.

As a corporate consultant that facilitates the process of going public for both domestic and global entities I have received maybe 5 to 10 calls per year from Chinese companies wanting to set up American corporate subsidiaries to absorb their foreign corporations and trade on the Bulletin Boards but all that has changed. I now receive 5 to 10 calls from Chinese and Indian companies per week to take advantage of the global market place that centers around America's gravitational pull.

Here is how you can take your foreign entity public: set up a domestic corporation (I usually have corporations set up in Delaware because its fast, easy and the states statutes go back to the original 13 colonies so there is sufficient case law and precedence to protect a public entity affectively). Next you will need a professionally written business plan in English. Translated business plans don't work as Western investors look for different details in transactions than their Asian counterparts. Write a new business plan based off of this new corporate entity.

After this you will use the Regulation D Rule 504 exemption to offer discounted stock to a core group of investors via DPO (direct public offering) we have spent 11 years putting our core group of investors together that can finance around 80% of the public process so it becomes extremely reasonably priced for foreign companies. Then the S1 is put together while simultaneously their SEC audit begins which is simple and fast because the company in the US is a startup. We go through and get the SEC approval, then FINRA and then the market maker that we have attached to the deal goes to work.

Now here is the kicker. If you have any experience with taking companies public you'll see one common thread throughout all the companies that you work with and that is the fact that the company executives who started this company and are more than likely the majority share holders, want to retain as much equity as possible so this is simple. When the company is publicly trading, limit the issuance of stock specifically to your original core group and let the stock price stabilize then you simply take some of the company owned shares and use them as collateral for equity loans and lines of credit.

Once you're public the last thing you want to do is liquidate shares to raise capital quickly. Instead, use your shares as collateralized bartering chips and you'll never have a problem with cash flow or fund raising or the threat of losing control of your company. Foreign companies that want to go public in the United States are often intimidated by the strenuous process and the concern of 'who to trust'. Find a consulting firm with experience in turnkey 'go public' facilitation and you'll be fine.

Indian and Chinese Companies, [Take Your Company Public](#), call Princeton Corporate Solutions at 267-233-0183 [Take Your Company Public](#) the easy way!

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