

THE INTERNATIONAL PRE-IPO INVESTOR

► Want to invest in private, early-stage investment opportunities but don't live in the U.S? No problem! This guide will explain how you can still take part in these kind of deals...

If you are a non-US citizen who is interested in investing in Pre-IPO investment opportunities, you might find yourself locked out of certain investment opportunities.

Why? It all has to do with how securities laws work in America; All offers and sales of securities (i.e. Pre-IPO stocks) in the U.S. must be registered with the SEC as part of a public offering (i.e. an IPO), or it must be done through something called an *"Exempt Offering."*



The JOBS Act provides the framework for the most commonly used Exempt Offerings – Regulation D (Reg D) Regulation A (Reg A+) and Regulation Crowdfunding (Reg CF).

If you are investing in Pre-IPO opportunities, chances are, you are doing so under one of these frameworks. However, in order for a company to raise money (called an *"Issuer"*) under these frameworks, they have to comply with certain rules and regulations.

One of those is ensuring all investors meet the minimum requirements for the exemption being used.

This means that in order to accept any investment from a non US-citizen, the Issuer must bear the legal burden of assuring the exempt offering meets the requirements of ***every country of residence they accept investments from!***

For this reason, some Issuers will refuse to accept any investment from anyone who doesn't have a **US Taxpayer Identification Number (TIN)**

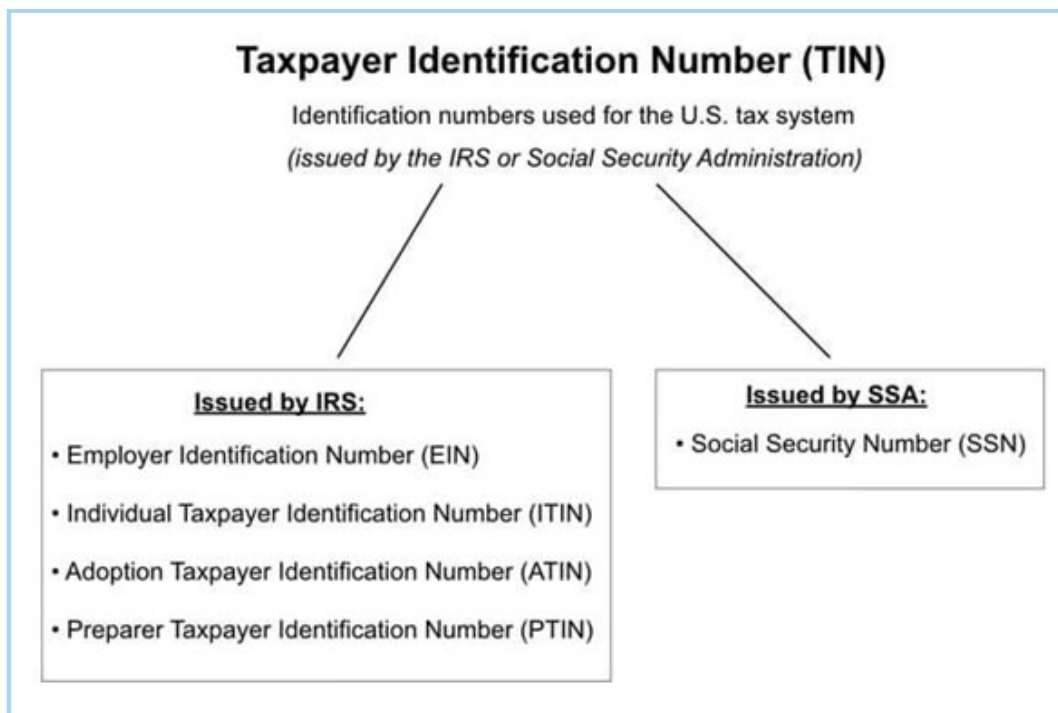
But there's another important reason why you need a TIN. If you own any US-based assets you are required to file a tax return to report any gains/losses.

However, with some relatively simple planning – and some patience – a non-US citizen can obtain a TIN (and by extension, invest without restrictions in the US).

In this guide, we will outline the process of obtaining one.

What is a Taxpayer Identification Number (TIN)?

A **United States Taxpayer ID Number (TIN)** is issued by either the Internal Revenue Service (IRS) or the Social Security Administration (SSA). TINs are used to govern and administer US tax laws as well as perform other functions.



There are various types of Taxpayer ID Numbers (TINs), so a TIN in and of itself is not a number.

The Social Security Number (SSN) is the only TIN that is issued by the Social Security Administration. All other TINs are issued by the IRS.

What is a Social Security Number (SSN)

A **Social Security Number (SSN)** is issued by the Social Security Administration (SSA) to identify an individual person, such as a US Citizen, Permanent Resident, or Temporary Nonimmigrant Worker.

Initially, the SSN was used as a way to keep track of earnings for those who worked jobs covered by the Social Security program.

However, after [Executive Order 9397](#) was signed on November 22nd, 1943, the SSN began being used by federal agencies as a way to keep accurate records for individuals. They realized nearly 70 million Americans already have this number, so making them more widespread was convenient and effective. As computers became more powerful in the 1960s and more legislation was passed, the SSN became somewhat of a “national identification number”.

If you are not eligible to get an SSN, you can apply for an ITIN using [IRS Form W-7](#). Getting an ITIN can be helpful in the overall process of obtaining a business EIN since it will allow you to use the [online IRS form](#) to fill out the application for your business EIN.

What is an Individual Taxpayer Identification Number (ITIN)?

An **individual taxpayer identification number (or “ITIN”)**, is a 9-digit number issued by the IRS so that individuals can process their taxes.

These ITINs are normally issued to people who do not have or are not eligible to get a social security number from the Social Security Administration.

If a foreign investor owns assets in the US – like a Pre-IPO investment or real estate – this number is critical for reporting and collecting taxes they are **legally required to pay**.

What is an Employer Identification Number (EIN)?

For a variety of reasons, you might decide you'd rather own your investments inside of a corporate entity (like an LLC).

In the same way that individuals have taxpayer identification numbers, businesses do as well. This is called the ***Employer Identification Number (EIN)***.

An EIN is a unique 9-digit number issued by the IRS to persons or entities doing business in the United States for purposes of identification. It is also known as Federal Employer Identification Number or Federal Tax Identification Number.

Although an EIN is most often used to identify a company (such as an LLC) with the IRS, it's also needed to open a business bank account, apply for business licenses and permits, do business with other companies, and handle payroll for employees (if applicable).

EIN Numbers are used for:

- All correspondence with the IRS
- Deposits and payments for federal taxes
- Opening an LLC business bank account (checking, savings, or investment accounts)
- Filing tax return and other documents (federal, state, and local)
- Handling employee payroll (if applicable)
- Obtaining business lines of credit or business loans
- Obtaining credit cards in the name of the LLC
- Applying for business licenses

If you have a foreign-owned LLC, you can get an EIN without an SSN or ITIN. You just can't apply for your EIN online. Instead, you'll need to mail or fax [Form SS-4](#) to the IRS.

[For more information on how to apply, please visit the IRS website at this link here.](#)

You do not need to have an ITIN in order to get an EIN for your LLC. However, you will eventually need to get an ITIN if you have an obligation to pay and/or report US taxes.

► [For more information on private investing and vetted opportunities, please visit: https://equifund.com/](https://equifund.com/)



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