

How to Set Up A Worldwide E-Commerce Site – A Legal Checklist

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What are the legal issues involved in selling product worldwide over the internet? The following questions make up an initial checklist for companies looking their products internationally over the internet.

1. What type of legal entity(ies) are you going to want? Where will you want them? These two questions must be answered in tandem.
2. From what countries will you accept purchases? Are you going to accept purchases from every country or are you going to limit yourself? Selling into multiple jurisdictions means you are going to be subject to multiple tax regimes. Who is going to figure out your taxes in each country? Are you going to use a third-party merchant of record to do this for you?
3. Selling into multiple jurisdictions means you are going to be subject to the privacy and consumer protection laws of multiple jurisdictions. We need to know the jurisdictions in which you will be selling to know what laws will apply to your company. Many countries have very strict shipping date and return requirements.
4. Is your product legal in all of the countries to which you intend to sell it? Is it legal for foreign companies to sell that particular product into all of the countries in which you intend to sell it? Is it legal in your home country to export your products into all of the various countries in which you intend to sell?
5. It would be nice if we could set you up with one law applying everywhere in the world, but most countries do not allow this when it comes to the sale of consumer goods. So we are going to have to discuss where you will be focusing your efforts.
6. Are you going to sell your products in local currencies or in just the major ones or in just dollars? Are you aware that some countries forbid its citizens from using foreign currencies?
7. Are the electronic contracts you propose using enforceable in all of the countries in which you will be selling?
8. Let's talk about dispute resolution. Arbitration? Where? Will all of the countries in which you are selling enforce this? Many will not enforce an online provision requiring their consumers to arbitrate in a foreign country.

