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# Offshoring African Startups: Beyond Founder Choice

Assumptions and hypotheses around patterns, structures, incentives, and practical guidance for founders, early investors, and policymakers

April 2026

# About this discussion paper

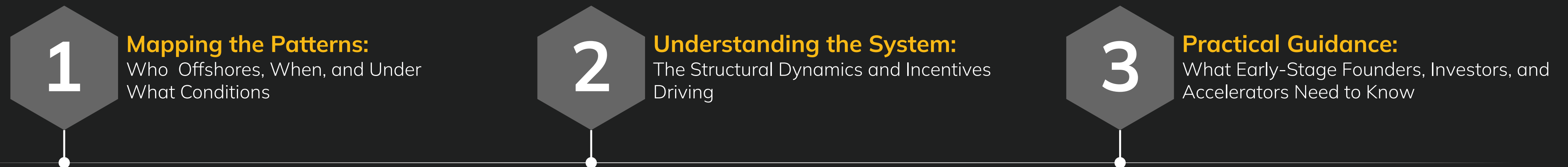
When high-growth African ventures raise external capital, they frequently restructure their legal ownership outside the continent - incorporating holding companies in Delaware, the UK, the Netherlands, or Mauritius rather than in their home markets. This discussion paper provides an early integrated analysis of why that happens, who it affects, and what it means for African economies, investors, and founders

The purpose is to:

- separate perception from empirical reality by identifying which ventures offshore, when, and under what conditions;
- explain the structural incentives and constraints that make flipping a rational pathway in many ecosystems;
- highlight policy and regulatory implications for taxation, capital flows, IP management, and domestic capability development;
- equip founders, investors, and support organisations with clearer guidance for decision-making at early stages—without offering false precision about jurisdiction choices that depend heavily on context

This work is not an advocacy position for or against offshore incorporation. It is the start of an evidence-driven examination of the market architecture, institutional dynamics, and investment behaviours that shape African venture formation today.

The report is structured as follows:



# Why this matters

The findings presented here represent a series of hypotheses - grounded in early (but not yet exhaustive or comprehensive) evidence - which were tested and validated with founders, investors, and ecosystem leaders at the VC Unconference in Cape Town in late November 2025.

This update responds to a changed strategic context: the emergence of EU Inc and renewed attention to incorporation design. The shift reflects the European Commission's decision to advance EU Inc as part of the EU's "28th regime" agenda for innovative companies, signalling that incorporation design is moving into the foreground of policy debates rather than remaining a background legal detail.

New incorporation options alone do not explain the dynamics at play. This analysis therefore begins by examining the underlying drivers of offshore incorporation among African startups: capital constraints, regulatory frictions, institutional capability gaps, and the legitimacy dynamics that shape investment decisions. Without understanding these pressures, policy responses risk focusing on surface manifestations while leaving the underlying drivers unchanged.

These dynamics matter because offshore incorporation is frequently the visible outcome of deeper system conditions that shape what founders, investors, and institutions perceive as possible, legible, and investable at early stages of company formation. For many founders, the decision emerges from practical considerations around access to capital, investor familiarity with particular jurisdictions, regulatory predictability, and the credibility signals that incorporation structures send to international markets.

In this sense, incorporation decisions function as a diagnostic signal within the wider entrepreneurial system. When founders consistently choose external jurisdictions, the pattern often reflects accumulated judgements about transaction costs, governance certainty, contract enforceability, and the ease of structuring cross-border investment.

For this reason, the central question extends beyond the availability of new external incorporation vehicles. The more consequential issue is whether African systems are being redesigned in ways that reduce the structural pressures pushing firms toward inherited offshore structures during the earliest phases of growth.

# Approach & methodology & limitations

This early analysis draws on a triangulation of sources to map the drivers, timing patterns, and rationales behind offshore incorporation:

- Quantitative survey and Qualitative interviews with founders, accelerators, investors, legal experts, and fund managers
- Comparative jurisdiction analysis covering Delaware, UK, Netherlands, UAE, Singapore, France, and key African home markets.
- Review of incorporation templates used by accelerators, funds, and legal providers.
- Dealroom and ecosystem data to identify the subset of ventures exposed to structured early-stage pipelines.
- Policy and regulatory document review across tax, IP transfer, FX control, and cross-border restructuring rules.

This mixed input allows us to identify patterns and systemic dynamics that shape offshoring behaviour. However, the evidence is still emerging - this is a discussion document, intended to surface hypotheses, highlight system forces, and guide further validation rather than claim final certainty.

A short note on the methodological limitations:

- **Incomplete incorporation data:** Company registries (African and offshore) lack standardised, comparable data. Many flips occur privately, limiting precise measurement.
- **Limited visibility on reverse flips:** No continental data exists on ventures attempting to move back onshore, restricting assessment of reversibility and barriers.
- **Imprecise jurisdictional comparisons:** Legal, tax, and FX regimes change frequently; some comparisons rely on expert interpretation rather than fully standardised models.
- **Small and selective interview sample:** also potentially over-representing high-growth pathways relative to the wider SME base.
- **Regulatory ambiguity partly anecdotal:** Uncertainties around valuation transfer and IP migration reflect inconsistent enforcement; documentation is limited.
- **Under-studied donor/accelerator influence:** Little empirical evidence exists on how templates and TA programmes shape incorporation choices.
- **Incomplete FX analysis:** Cross-country modelling of volatility, hedging costs, and convertibility risks remains partial.
- **Survey data still pending:** Founder and investor surveys are not yet complete; findings remain indicative.

Part

1

## Trends & observable patterns

Offshore incorporation is often treated as an individual founder choice. In reality, it signals deeper structural features of Africa's early-stage investment landscape - including fund domiciliation, investor requirements, regulatory uncertainty, and the limited availability of local risk capital.

Understanding who flips, when, and why provides critical insight into:

- how global investment pipelines shape domestic entrepreneurial pathways,
- where policy and regulatory incentives create unintended behaviours,
- how early-stage actors rely on templates, heuristics, and precedent, and
- the longer-term consequences for local capability, taxation, and economic governance.

This section presents a series of observations drawn from founder interviews, investor perspectives, ecosystem data, and comparative jurisdiction analysis. Together they illustrate how venture behaviour, institutional constraints, and global incorporation regimes interact to shape offshore incorporation patterns.

The aim is not to judge the practice, but to illuminate the system dynamics that drive it.

## Observation 1: Only a small minority of ventures offshore - the subset pursuing external equity and scale.

Across African ecosystems, offshore incorporation is far less widespread than commonly assumed. Approximately 90–95% of ventures remain locally registered, spanning SMEs, innovative SMEs, grant-funded firms, and digitally-enabled businesses that do not pursue external equity. Offshoring is concentrated in a very specific population shaped by exposure to global investment pathways::

- Growth-oriented ventures that design their early pathways around external equity.
- Ventures entering structured accelerator pipelines where incorporation templates are provided early.
- Teams receiving interest from early angels or seed-stage funds, who require specific documentation.
- Startups able to demonstrate traction sufficient to pursue a seed or pre-Series A round.
- Ventures with early exposure to international accelerators or investor networks, which increases the likelihood of incorporating offshore from the outset.

In most ecosystems, this could represent c5–10% of all ventures - sometimes higher in South Africa and Egypt where deeper domestic capital markets allow firms to delay flipping further into their lifecycle.

**The phenomenon is not about founders generally. It is about the small population of high-growth ventures selected into globalised finance pathways and the structured routines of early-stage investment.**



## Observation 2: Flipping occurs early - usually before or around the seed stage

Offshore transitions typically occur well before product maturity, reflecting the expectations embedded in the early investment pipeline. Early-stage incorporation decisions are rarely the result of independent legal assessment. Ventures typically adopt structures embedded in accelerator playbooks, investor templates, or cohort precedents, which collectively pull the offshore decision earlier in the life-cycle.

Two clear timing patterns emerge

### Institutional flips (investor- or accelerator-aligned)

These occur prior to the first external investment. Early-stage programmes and investors often require ventures to:

- adopt specific documentation, simplify due diligence,
- align governance structures, and
- ensure predictable cap table management.

These requirements reflect operational efficiency, investor familiarity, and low tolerance for legal variation, leading many ventures to flip pre-seed or at seed - sometimes even earlier for ventures entering international accelerator pipelines.

### Intentional flips (venture-initiated)

These occur post-seed, once initial traction is validated and the venture prepares for a larger round.

Beyond operational reasons, teams also report relocating due to:

- Limits to local capital or regulatory predictability
- Personal ties or prior experience in a familiar jurisdiction
- Cultural/legal proximity that lowers setup friction
- Upfront cost considerations across jurisdictions

### Offshoring is an early lifecycle decision

Most transitions occur between pre-seed and pre-Series A, long before scaling inflection points.

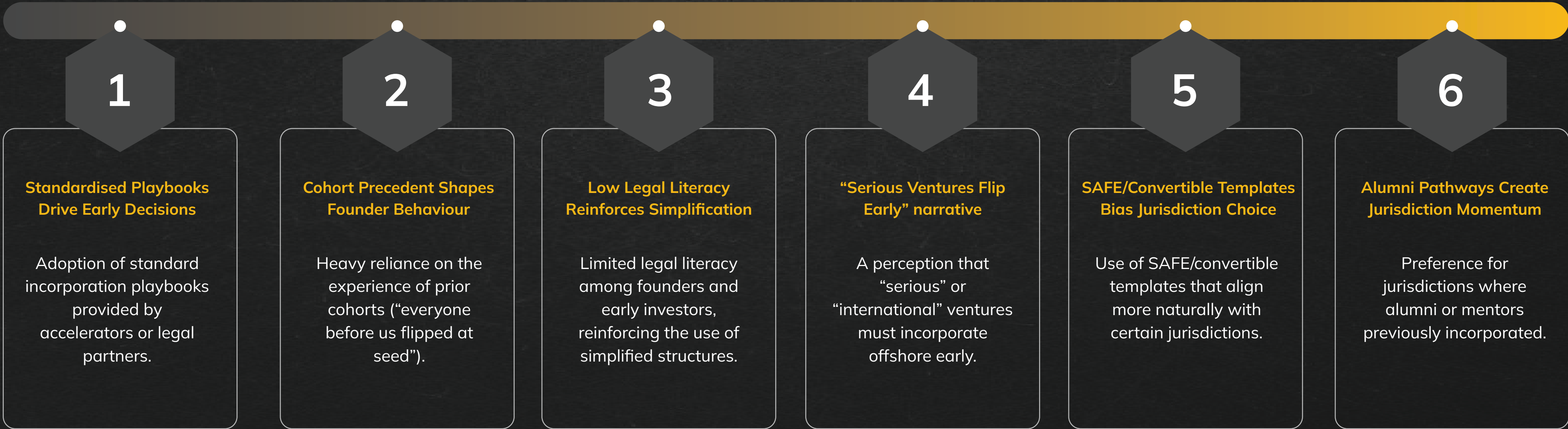
# Observation 3: A small set of justifications dominate offshore destinations

Founders cite a narrow set of operational criteria when comparing jurisdictions, including registration simplicity, business administration cost, legal predictability, the behaviour of later-stage investors, and access to tax treaties or withholding exemptions.



# Observation 4: Early-stage actors rely heavily on templates, precedents, and peer heuristics.

At the early stage, most ventures have limited time or resources to undertake independent legal assessments. This creates reliance on standardised templates, peer advice, and narratives circulating through accelerator and investor networks.



Founders adopt the structures that circulate most widely in their networks, resulting in the early offshore decision becoming a default pathway for ventures entering structured investment pipelines. These heuristics shape the timing and mechanics of incorporation, not necessarily the deeper strategic rationale (covered in Part II).

## Observation 5: Perceived administrative friction strongly shapes destination choice.

Founders frequently emphasise administrative ease over tax or legal optimisation. At early stages, the primary goal is to avoid delays in banking, address registration, and basic compliance - factors that overshadow more technical fiscal considerations.

- opening a bank account
- accessing professional services
- obtaining a registered address
- handling basic compliance
- navigating visa or residency requirements
- navigating incentive regimes (e.g., free zones or startup incentives)
- receiving support from diaspora family or networks

These operational frictions are often more salient to founders than legal or tax considerations at the time of decision-making. Founders also rely heavily on:

- personal familiarity with a jurisdiction's business environment,
- language comfort,
- familiarity with local administrative or legal procedures
- relatives or friends living in the country, and
- networks from education or work experience.

These factors influence destination rather than the decision to offshore itself. They explain which jurisdiction is selected, not whether offshoring happens.



## Observation 6: Personal & social considerations influence the choices among offshore destinations

For ventures making an intentional relocation, personal attributes of founders play a modest but observable role in jurisdiction selection. These considerations rarely determine whether a venture offshores, but they meaningfully influence which jurisdiction founders select within the narrow band of viable options.

- prior international experience,
- citizenship or residency options,
- political comfort or familiarity with legal culture,
- the desire for geographical proximity to family members,
- perceived safety or lifestyle considerations, and
- founders' tolerance for upfront incorporation costs.
- sensitivity to substance requirements (e.g., need for local presence or minimum activity)

These variables create individualised preferences:

- Some founders prioritise the lowest administrative cost.
- Others choose countries that align with their educational background or diaspora networks.
- Some seek jurisdictions offering future mobility for themselves or their families.
- Founders with greater financial means may be less constrained by upfront administrative or residency costs.
- Some seek jurisdictions offering future mobility for themselves or their families.

While not decisive in driving offshoring overall, these personal considerations shape patterns within the subset that does offshore.

## Observation 7: New local digital jurisdictions are emerging

A small set of African markets are beginning to experiment with startup-friendly regulatory zones designed to reduce the need for offshore incorporation. The most prominent example today is Itana (Nigeria), which combines simplified company formation, digital administration, IP registration, immigration pathways, and integrated compliance services. These emerging “local digital jurisdictions” aim to solve three systemic frictions:

- 1. Administrative friction and speed:** Digital first incorporation, streamlined licensing, and centralised compliance aim to match the convenience founders associate with Delaware and UAE structures.
- 2. Regulatory clarity for digital and cross-border firms:** Zones provide clearer rules for IP holding, contract enforceability, and dispute resolution - areas where many African jurisdictions struggle with predictability.
- 3. Domestic value retention:** By making it easier to domicile IP, capital, and operations locally, these models seek to counter long-term leakage of tax revenue, data, and ownership associated with offshore defaults.

But they remain early-stage and unproven at scale

- Investor familiarity is still limited: most global funds lack templates for SEZ-based entities in Africa.
- Treaty networks remain thin compared to UK/NL/Singapore.
- FX constraints persist, especially for ventures earning in local currency but raising in USD.
- Operational reliability varies: banking, compliance, and licensing integration is still evolving.
- Legal durability is untested: stability depends heavily on regulatory and political continuity.

## Observation 8: Ventures often navigate unclear or incomplete rules when transferring assets during a flip.

Across many African jurisdictions, the regulatory frameworks governing cross-border restructuring, valuation transfers, or IP migration are not fully codified for startup scenarios. As a result:

- Ventures report inconsistent practices regarding post-seed valuation transfers.
- Some founders transfer shares nominally, others through shareholder agreements, and others via informal arrangements.
- In most countries, there is limited clarity on tax treatment of asset migration or IP transfer.
- Few regulators have published clear protocols for startup flipping, leading to wide variation in interpretation.
- Founders overwhelmingly indicate they defer handling these questions until later rounds, when legal structures are revisited.
- Post-seed share transfers often occur at inconsistent or nominal valuations, with limited regulatory guidance.
- IP transfer rules remain ambiguous in most countries, creating uncertainty on fiscal treatment and future compliance exposure.

This shapes early-stage behaviour without necessarily determining long-term outcomes.

# Observation 9: Global competition over incorporation regimes is intensifying

Recent policy developments suggest that incorporation regimes themselves are becoming an active arena of economic competition. Governments are increasingly redesigning company-law frameworks to attract high-growth firms and simplify cross-border investment structures.

One prominent example is the proposed EU Inc framework emerging from the European Union's "28th regime" initiative. Announced in January 2026 by European Commission President Ursula von der Leyen at the World Economic Forum in Davos, the proposal aims to introduce a single European company form designed specifically for innovative firms operating across multiple EU markets.

The model under discussion would allow companies to be established digitally with minimal capital requirements and standardised venture financing instruments. It is intended to reduce the complexity of navigating multiple national incorporation regimes while making the European market more attractive to globally mobile high-growth ventures.

These developments highlight a wider trend: incorporation frameworks are increasingly treated as strategic infrastructure for entrepreneurship and innovation policy. As major economic blocs experiment with legal architectures designed to attract globally scalable firms, the institutional environment in which African startups make incorporation decisions is also evolving.

## EU Inc: Emerging global competition over incorporation regimes

- Announced 20 January 2026 by Ursula von der Leyen at the World Economic Forum Annual Meeting.
- Adoption targeted by 2027, with first registrations from Q1 2027 (as proposed; timeline subject to legislative process)

## Key design features:

- €1 minimum capital requirement (vs €25,000 German GmbH; €120,000 SE)
- Structured as an EU Regulation (directly applicable across member states)
- Qualified majority voting (15/27 states) removes unanimity constraint
- Standardised venture instruments including employee share options and convertible notes
- Designed to reduce fragmentation and compete with Delaware-style incorporation models

## Observation 10: Incorporation regimes are becoming a strategic policy instrument

The emergence of initiatives such as EU Inc signals a broader shift in how governments view corporate legal infrastructure. Incorporation frameworks are no longer treated as static administrative systems; they are increasingly designed as strategic tools to attract high-growth firms, capital flows, and innovation activity.

This shift has important implications for African startup ecosystems. When incorporation regimes elsewhere become easier, faster, and more aligned with venture finance, the relative pressures pushing African startups toward offshore structures may intensify rather than diminish. Founders are not simply comparing local administrative systems; they are comparing the institutional infrastructure available across competing jurisdictions.

The result is that incorporation choices increasingly reflect global institutional competition rather than purely domestic regulatory conditions. African policymakers therefore face a more complex challenge: **improving local administrative processes alone will not change behaviour if the broader architecture of capital markets, legal predictability, and cross-border operational infrastructure remains structurally misaligned.**

A second implication is that incorporation regimes increasingly function as part of a broader competition for mobile innovation activity. High-growth firms are unusually sensitive to legal infrastructure because their financing structures, intellectual property arrangements, and exit pathways depend heavily on predictable corporate law and investor familiarity. As a result, **even relatively small differences in administrative friction, capital requirements, or governance flexibility can influence where holding companies are established. Jurisdictions that align their corporate frameworks with venture financing norms tend to accumulate disproportionate shares of global startup activity, reinforcing their attractiveness to both investors and founders.**

This dynamic also reveals how incorporation regimes interact with wider ecosystem architecture. Legal infrastructure does not operate in isolation; it connects to banking systems, capital markets, regulatory capacity, and cross-border operational frameworks. When jurisdictions redesign incorporation regimes, they often do so alongside improvements in financial infrastructure, dispute resolution, and investment compatibility.

The result is that incorporation structures become a gateway into broader economic ecosystems. For founders navigating global capital markets, the jurisdiction of incorporation therefore signals not only legal form but also access to networks of investors, professional services, and institutional support.

# Ecosystem discussion insights: Francophone African perspectives

The Francophone African context provides a partial validation layer for the patterns described in Parts I and II - confirming some dynamics while revealing important variations. Following the presentation of early findings at the VC Unconference in Cape Town (November 2025), practitioners shared the following observations.

First, the majority of startups in French-speaking African markets remain incorporated locally and do not initially plan to offshore. Founders typically aim to attract domestic or regional capital to finance early growth. Offshore structures therefore tend to appear later in the lifecycle, particularly once startups enter international venture capital pipelines. As a result, the companies that offshore are often the most visible and internationally funded ventures rather than a representative sample of the wider startup population.

Second, jurisdiction patterns can differ slightly from those seen in Anglophone ecosystems. Delaware remains the dominant destination when companies enter US-oriented funding pipelines. However, France and Mauritius appear more frequently in Francophone contexts, often reflecting linguistic proximity, legal familiarity, and the preferences of investors or advisors operating within those networks. Several practitioners also noted that Dubai sometimes appears earlier where startups are seeking connections with Gulf-based investors.

Third, founder nationality, residency status, and mobility constraints can shape incorporation choices in ways often overlooked in high-level analysis. Founders with dual nationality or residence rights in European jurisdictions may find it easier to establish holding structures there, while others may face administrative hurdles where company formation requires residence permits or immigration approvals.

Finally, practitioners noted that jurisdictions commonly used in European venture ecosystems, such as the Netherlands or Ireland, appear rarely in Francophone African startup structures. This appears to reflect limited awareness, language barriers, and the absence of legal advisors or investor networks promoting these models locally.

These observations reinforce a central conclusion of this analysis: offshore incorporation rarely reflects a purely individual founder preference. Instead it tends to emerge as startups enter international financing pipelines where investor familiarity, legal infrastructure, language networks, and founder mobility constraints shape the set of viable jurisdictional options.

## Evidence gaps: Future research needs

Despite the prevalence of offshore flipping among high-growth ventures, major evidence gaps remain:

- No systematic data on the volume or timing of flips across African ecosystems.
- Limited visibility on valuation arbitrage and unreported IP transfers, especially post-seed.
- Sparse regulatory analysis on how tax, FX, and IP rules are applied in practice to startup flips.
- Little empirical work on the long-term economic consequences (tax leakage, capability erosion, governance risk).
- Opaque early-stage decision pipelines: accelerator templates, investor preferences, and legal-provider incentives are not publicly documented.
- Few country-level diagnostics on how domestic policy could reduce unnecessary early flipping.

**A continent-wide evidence framework is needed to understand the true economic and institutional implications of offshore incorporation.**

## Summary: What these patterns reveal

- Offshore incorporation is not a general founder behaviour, but a feature of a small, externally financed subset of ventures.
- Early flipping reflects structural defaults - templates, investor expectations, legal precedents, and risk-management routines embedded in the early-stage pipeline.
- Domestic ecosystems currently lack the liquidity, regulatory clarity, and support structures required to offer competitive onshore pathways.
- These patterns expose a system where global investment architecture shapes domestic entrepreneurial trajectories.
- This raises deeper questions about why the system behaves this way - which Part II examines.



Part  
**2**

## Systems structures & reinforcing causal dynamics

Offshore incorporation is not simply the result of founder preference or administrative convenience. It emerges from a deeper architecture of incentives, constraints, and institutional design choices that shape how African ventures engage with global capital. Where Part I mapped the empirical patterns, Part II examines the underlying logic that produces those patterns.

This section explores the systemic drivers that determine:

- why early-stage investment pipelines push firms toward specific jurisdictions,
- how fund domiciliation, LP restrictions, and standardised legal templates shape founder decisions,
- how regulatory uncertainty, FX exposure, and weak local capital markets create structural push factors,
- the role of political economy dynamics in making early flipping the low-friction default, and
- the path dependencies and social-learning loops that lock these behaviours in place over time.

Rather than treating offshore incorporation as a binary choice, Part II analyses the incentive systems, institutional gaps, and market structures that collectively make early flipping a rational - and often unavoidable - strategic response within Africa's venture ecosystem.

This section shifts from “what is happening” to “why the system produces these outcomes”.

# Reframing Offshoring: A system behaviour, not a founder choice

Offshore incorporation in African startups is often described as a tactical founder decision - a legal convenience, an investor requirement, or a shortcut to raising capital abroad. But this framing obscures the deeper reality. What appears to be an individual preference is, in fact, the predictable output of a system whose structures, incentives, and constraints consistently funnel high-growth African ventures toward foreign jurisdictions.

Across capital markets, regulatory environments, currency regimes, legal frameworks, accelerator playbooks, and cross-border operational barriers, founders face a landscape in which offshore incorporation does not simply seem attractive - it appears rational, expected, and increasingly inevitable. When such a pattern becomes widespread, the relevant question is no longer “Why do founders choose Delaware?” but rather “What set of reinforcing dynamics make domestic incorporation so difficult that offshoring emerges as the default?”

Understanding offshoring through a systemic lens is essential because reforms that target symptoms - faster company registration, marginal tax incentives, or isolated startup-friendly legal tweaks - cannot meaningfully shift the deeper forces that generate this behaviour. Without diagnosing the system that creates and reinforces offshoring, African policymakers risk building interventions that treat surface issues while leaving underlying drivers untouched.

The consequence is a path-dependent model that:

- Extracts value from African economies rather than recycling it;
- Externalises institutional learning, preventing regulators, courts and tax authorities from gaining exposure to venture-scale firms;
- Keeps local capital shallow and dependent, because offshore structures limit the development of domestic financial markets; and
- undermines long-term economic sovereignty, even as the continent builds dynamic entrepreneurial activity on the ground.

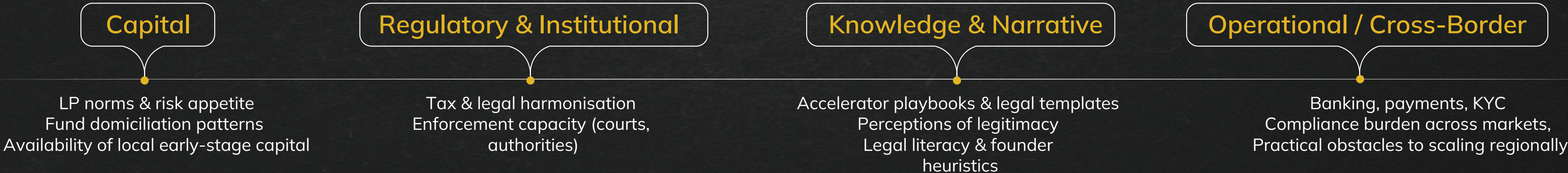
This diagnostic exists to make those underlying dynamics visible. By positioning offshoring as a system output, not a founder choice, it enables more meaningful debate on what must change structurally - and what a balanced, locally anchored system might look like.

Viewed this way, the conversation shifts from founder choices to system design. The question is no longer whether offshoring is good or bad, but why domestic environments make it the path of least resistance. A systemic lens helps clarify what is at stake: **the ability of African markets to retain value, build institutional capability, and shape their own entrepreneurial futures.**

# Our Approach

We apply a systems-thinking lens. Instead of treating offshoring as the sum of founder preferences or investor demands, we examined the wider architecture within which these decisions occur - capital availability, regulatory capability, legitimacy narratives, and the operational realities of cross-border business.

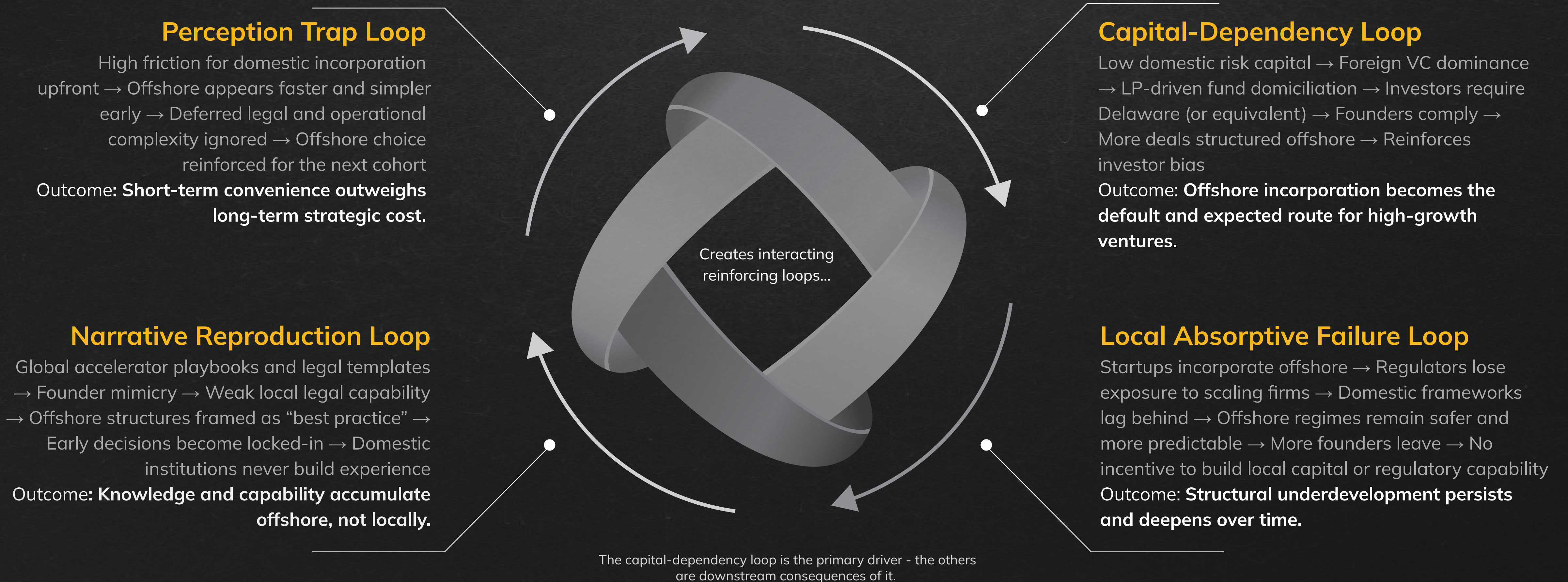
This perspective allows us to move beyond description toward explanation: to surface the reinforcing loops that make offshore incorporation the path of least resistance. By mapping how capital systems, regulatory environments, knowledge flows, and operational infrastructure interact - including FX regimes, convertibility constraints, and cross-border compliance - we identify where structural intervention is possible, and where incremental reforms are unlikely to shift system behaviour.



Emergent Behaviour: Offshore Incorporation as a Systems Output

# The systemic nature of offshoring

Offshoring is not driven by founder preference but by a set of interlocking forces that make foreign incorporation appear rational, credible, and expected. Capital constraints, regulatory gaps, narrative norms, and operational frictions reinforce one another, creating a system in which offshoring becomes the natural outcome.



# Root cause 1: Capital dependency (and attraction) loop

The early-stage financing landscape in most African markets is characterised by a chronic shortage of domestic risk capital. Pension funds face restrictive regulation, banks have no venture products, corporate investment remains sporadic, and private wealth is fragmented. This creates a structural condition in which founders cannot realistically raise early capital locally. As a result, they turn to the only pools capable of supplying meaningful early-stage funding: foreign VCs, donor-backed accelerators, and international investment networks.

But foreign capital does not arrive alone. It brings with it the governance requirements, legal preferences, and risk management structures of its Limited Partners (LPs), most of whom sit in Europe or the United States. These LPs mandate fund domiciliation in jurisdictions they know and trust - Delaware, Cayman, Mauritius, the UK - where enforcement is predictable and exit pathways are better understood. VCs, in turn, extend these conditions to founders: to invest, they require a holding company in the same offshore jurisdiction.

Founders comply because the capital they need is conditional, and because domestic alternatives are too weak or too slow to compete. Over time, each offshore deal reinforces the perception that “serious” startups incorporate elsewhere. Lawyers learn foreign frameworks, accelerators standardise foreign templates, and local institutions lose exposure to high-growth firms. The dependency deepens: domestic markets cannot develop VC capability because the very firms that could anchor that development are structurally funnelled offshore.



## Root cause 2: Absorptive failure & institutional capability gap



Startups in Africa scale across borders far faster than domestic regulatory systems have been able to adapt. In most markets, rules governing foreign exchange, investment instruments, tax treatment, data transfers, and corporate structures were designed for traditional brick-and-mortar firms, not high-growth companies operating simultaneously in three, five, or ten markets. Currency non-convertibility, inconsistent tax regimes, gaps in double-taxation agreements, and slow or uneven cross-border enforcement mean that a locally incorporated startup must navigate a patchwork of requirements that make regional scaling both slow and administratively costly.

Against this backdrop, offshore jurisdictions provide something African markets currently cannot: predictable enforcement, interoperable tax treatment, standardised instruments, and a single legal home from which to manage multi-country operations. The result is a strong structural push away from domestic incorporation.

But the deeper consequence is systemic. When the most dynamic firms incorporate offshore, regulators lose exposure to exactly the cases they need in order to modernise. Courts never handle startup equity disputes; tax authorities never process cap table changes or stock-based exits; central banks never observe VC flows at scale; and policymakers lack real-world precedents to guide reform. Over time, this produces a capability deprivation trap: because scaleups leave, institutions cannot learn; because institutions cannot learn, scaleups continue to leave. Institutional capacity stagnates, and the cycle reinforces itself.

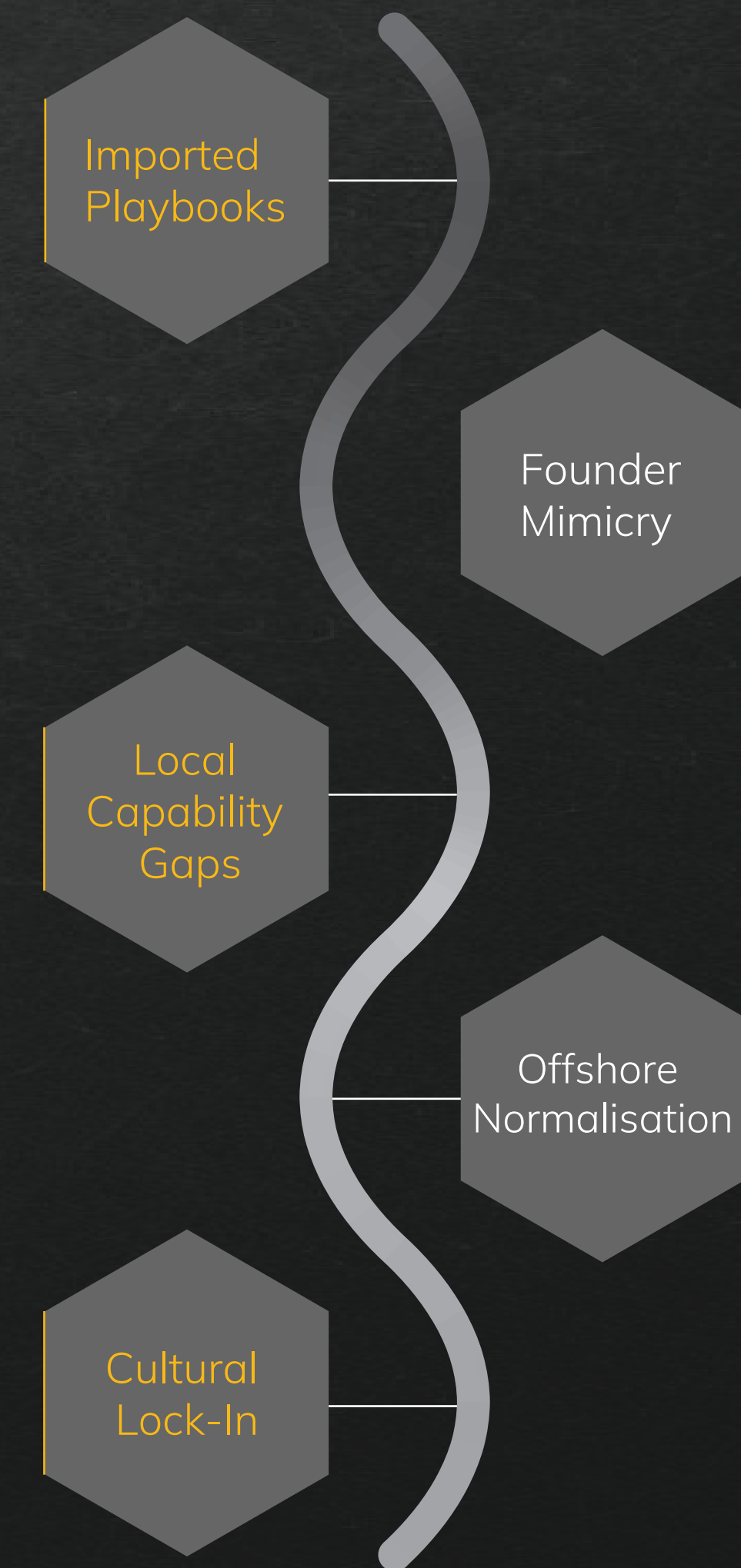
## Root cause 3: Legitimacy, narratives, and knowledge gaps

Across much of the continent, early-stage founders operate without accessible, startup-literate legal services or locally recognised templates for venture deals. Into this gap flow the practices, norms, and cultural signals embedded in global accelerator playbooks, diaspora mentorship networks, and foreign investor expectations. In this environment, jurisdictions like Delaware function less as informed strategic choices and more as symbols of legitimacy - a shorthand for being “investable,” “serious,” or “ready for global capital.”

This perception persists not because Delaware or similar hubs are inherently suited to African growth models, but because they are familiar to foreign investors and deeply embedded in the narratives that dominate global entrepreneurship.

As a result, founders imitate what appears credible and proven. Local lawyers receive fewer venture-scale instructions, slowing the development of domestic capability. Accelerators, often influenced by donor programmes or international partners, replicate foreign templates wholesale. Over time, these practices coalesce into a self-reinforcing cultural norm: offshore-first becomes the taken-for-granted path, reproduced across cohorts and embedded in ecosystem identity.

This is the Narrative Reproduction Loop - a cycle in which heuristics, perceived legitimacy, and capacity gaps reinforce one another, locking ecosystems into patterns that favour offshore incorporation even when it is not optimal.



# Root cause 4: Operational frictions & perception traps

	Offshore Incorporation	Domestic Incorporation
NOW	<p><b>Low friction</b> <i>(fast set up, familiar documents, easy payments)</i></p>	<p><b>High friction</b> <i>(banking, FX, compliance)</i></p>
LATER	<p><b>High friction</b> <i>(legal fees, filings, cap-table complexity, regulation)</i></p>	<p><b>Medium friction</b> <i>(ongoing admin efforts, still uneven, no multi-jurisdiction complexity)</i></p>

As a result, Founders often choose the “low now” option, reinforcing offshore as the default.

Domestic incorporation places founders directly into operational friction at the earliest and most fragile moment of their company’s life. Opening corporate bank accounts can take weeks or months; FX restrictions make it difficult to receive revenue in foreign currency or pay suppliers abroad; cross-border payment systems are inconsistent; and multi-country tax compliance consumes time founders simply do not have. These constraints can appear immediately - not years into scaling.

Offshore jurisdictions present the inverse experience. Their value proposition is front-loaded. Registration is instant, documentation is familiar to investors, and standardised instruments like SAFEs and convertible notes are readily available. International payment rails work cleanly. For a founder trying to hire, close their first investors, or transact across borders, these early “wins” feel decisive.

But the simplicity is temporary. Offshore structures introduce their own long-tail complexity: recurring legal fees, tightening regulatory and KYC requirements, misaligned tax exposure, administrative overhead, and increasingly tangled cap tables as companies add multiple jurisdictions. By the time this complexity becomes visible, it is too late to reverse course without substantial cost.

Founders therefore make decisions under acute short-term pressure and limited information. The system exploits this bias. Offshore incorporation appears smoother today, while its consequences - dependency, institutional hollowing, and long-term strategic cost - are deferred into the future. This is the essence of the Perception Trap: short-term friction dominates long-term strategy, locking each cohort into the same structural patterns as the last.

# Root cause 5: Regional regulatory fragmentation

Most African startups remain local or national in scope for much of their early development. However, the subset of high-growth, venture-oriented firms - the same firms most affected by offshoring - often need to operate across multiple markets earlier than the regulatory environment is able to support. This pressure comes not from rapid traction, but from market fragmentation, small addressable markets, and investor expectations to demonstrate multi-country potential.

Here lies the structural tension: while these firms may only be in one or two markets operationally, they must design for regional customers, regional payments, regional tax exposure, and regional compliance from the outset. Yet African regulatory systems remain overwhelmingly country-bound. FX controls, tax rules, licensing requirements, data regulations, and enforcement mechanisms differ sharply across borders. In practice, the same startup can face repeated licensing processes across markets, inconsistent withholding-tax and treaty outcomes, differing founder documentation requirements, and uneven KYC/AML treatment as it expands regionally.

Because domestic incorporation typically does not provide a coherent way to manage these cross-border realities, offshore jurisdictions become the de facto workaround - offering a single legal home, predictable tax treatment, and cleaner investor alignment. But this workaround removes the very interaction between scaling ventures and domestic policymakers that would be needed to drive harmonisation. The system thus reinforces its own fragmentation.

Offshore incorporation becomes the de facto workaround for Africa's fragmented regulatory environment.

## Across Borders

- FX controls differ
- Tax rules inconsistent
- Licensing repeated across countries
- Enforcement uneven
- Duplicate compliance costs

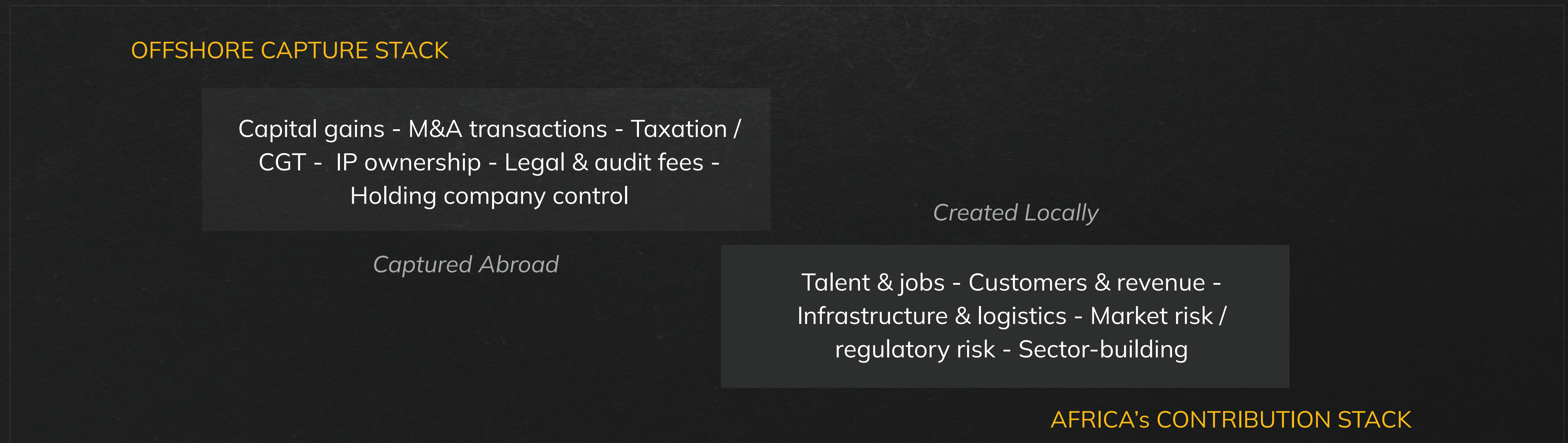
## Within One Offshore Jurisdiction

- Single FX/tax environment
- Unified compliance process
- One legal home for all ops
- Predictable dispute resolution
- Standardised instruments

# The extractive value flow: How Africa loses value

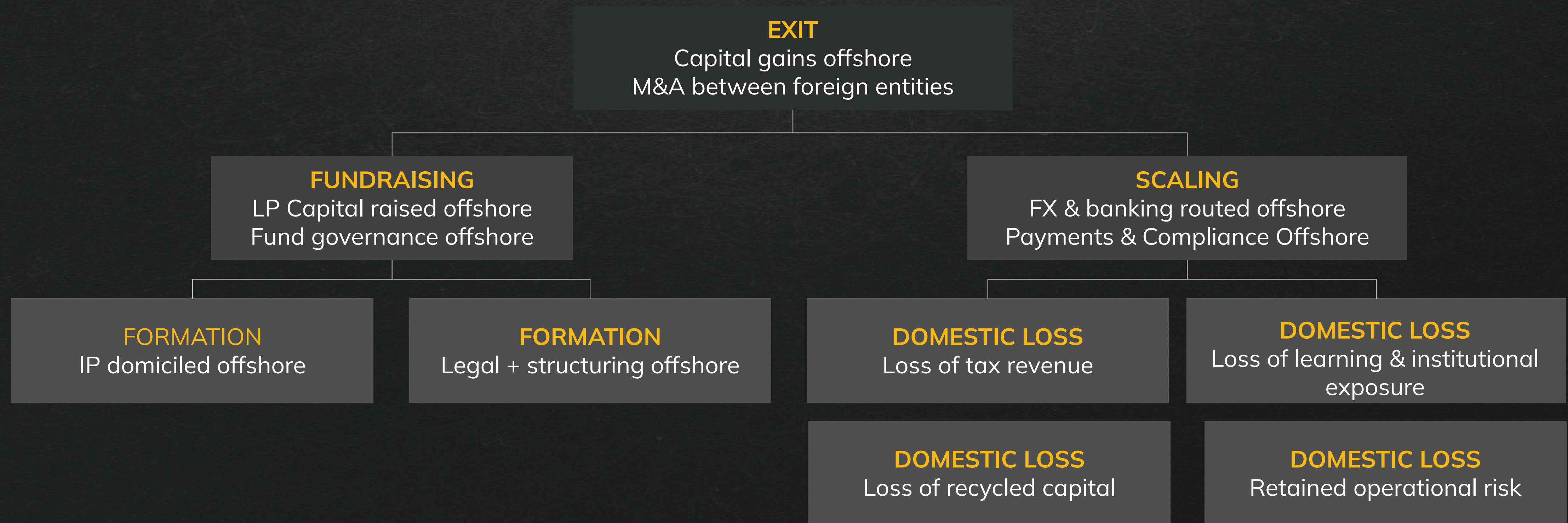
High-growth African startups increasingly operate across the continent, building teams, paying salaries, generating revenue, and creating real economic activity in local markets. Yet much of the legal and financial value generated by this activity is captured outside the continent. When holding companies, IP, investment vehicles, and exit pathways are domiciled offshore, capital gains accrue offshore, taxes are paid offshore, and M&A transactions occur between foreign entities. Even legal, audit, and compliance spending flows to service providers in London, New York, Mauritius, or Delaware - not to local firms.

The result is a structural imbalance: Africa carries the operational risk while foreign jurisdictions capture the financial upside. This is not intentional, but it is reinforced by donor programmes, global accelerator playbooks, and investor norms that normalise offshore structuring as “best practice.” Over time, domestic institutions lose learning opportunities, public revenues erode, and ecosystems struggle to recycle capital -a pattern more akin to extractive industries than to innovation-led development.



# Leakage across the startup life cycle: At every stage

Leakage occurs at every stage of the startup lifecycle: at formation (IP ownership and legal structuring sit offshore), during fundraising (LP capital is mobilised and governed offshore), throughout scaling (payments, FX flows, and banking often route through foreign entities), and at exit (capital gains, tax events, and M&A transactions are realised offshore). Each point of leakage compounds the next, producing a system-level hollowing-out of domestic fiscal capacity, institutional learning, and capital recycling. Over time, even as African markets host the operations, teams, customers, and risks of high-growth firms, the mechanisms of value capture sit elsewhere. The continent becomes the site of entrepreneurial activity - but not the site where ownership, returns, and accumulated capability remain.



# Why late stage investor don't fix it

Late-stage investors do not fix offshore structures for a simple reason: there are too few of them, and they enter too late to matter. Africa has a tiny pipeline of Series B and beyond, and even fewer meaningful exits. By the time a company reaches this stage, the jurisdictional structure set at formation is already deeply locked in - embedded in shareholder agreements, fund documents, valuation logic, and governance processes.

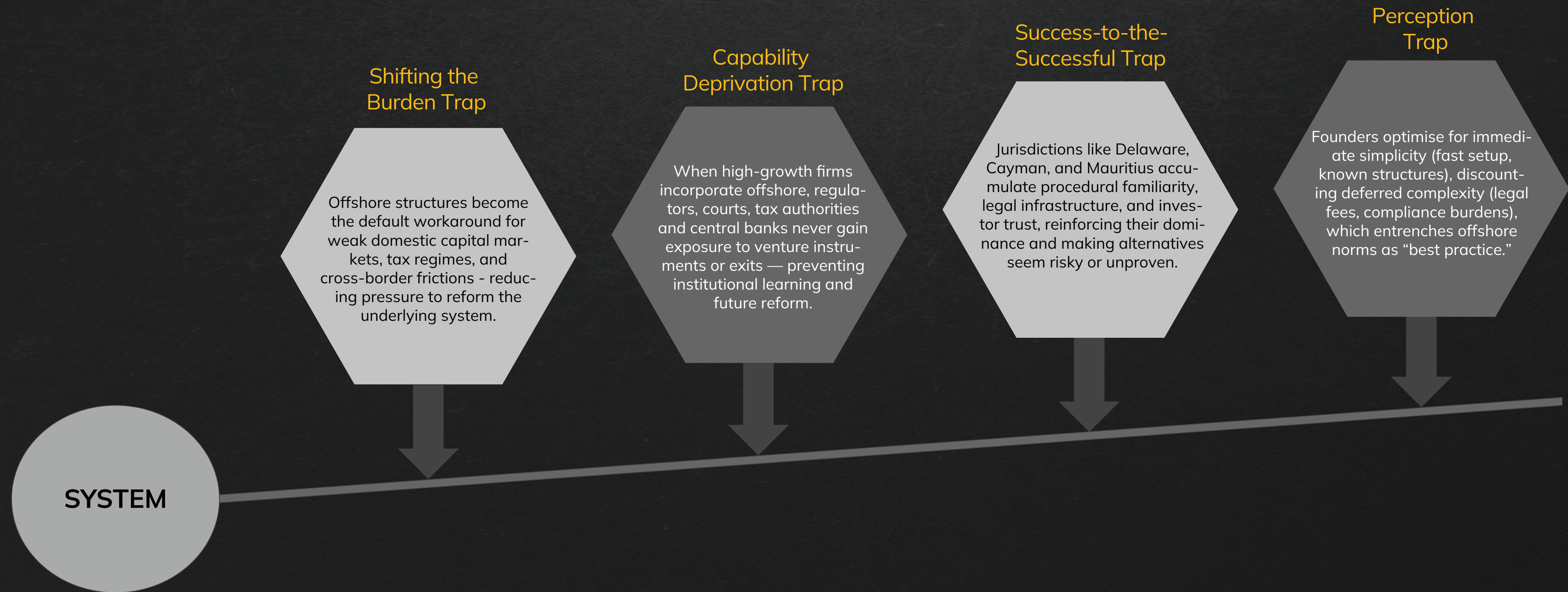
Re-domiciliation is administratively complex, legally risky, and often prohibited by LP mandates. FATF grey-list concerns, global fund governance norms, and international tax considerations reinforce the default: keep the structure offshore, even when it creates friction.

Crucially, Africa's actual exit market - small, infrequent, and predominantly regional - offers no corrective pressure. Offshore structures were designed for a US-style exit pathway that almost never materialises. But because later-stage capital is scarce and risk-averse, investors prefer to inherit the existing offshore regime rather than introduce jurisdictional change.

The result is a structural trap: limited capital, rare exits, high inertia leaves zero incentive to redesign incorporations, even when those structures undermine domestic capability, value capture, and long-term ecosystem development.

# Traps keep the systems locked in place

Offshoring persists not because it is optimal, but because the system is held in place by a set of reinforcing traps that distort incentives and block adaptation. These traps reinforce one another, locking the system into a path where offshore incorporation becomes self-validating. Without a systemic intervention that targets the traps themselves, the model compounds over time and becomes increasingly difficult to unwind.



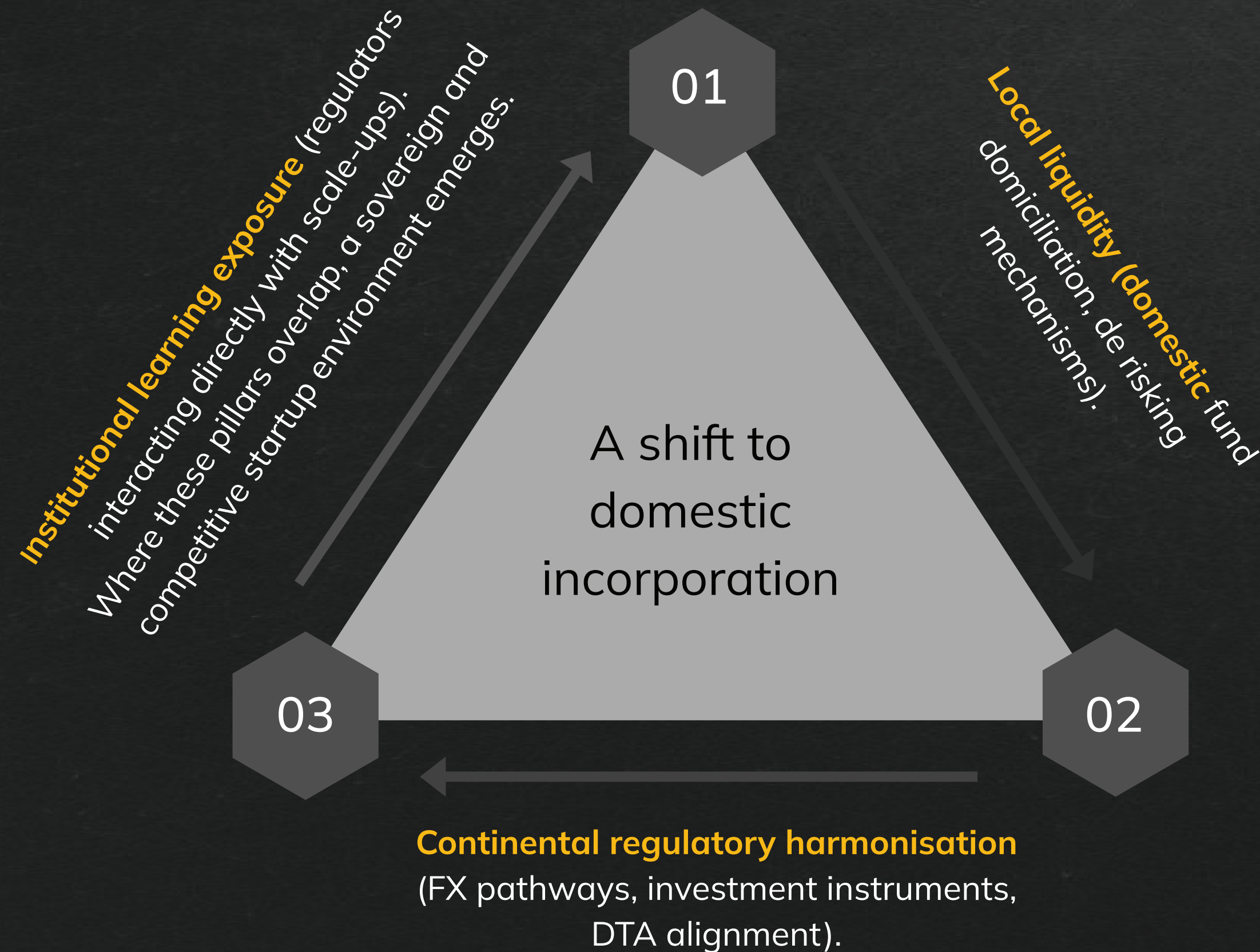
## Symptoms V Root Causes

Policy often targets symptoms: slow registration, unclear tax incentives, or the absence of startup-friendly instruments. But these are downstream effects. The real root causes lie deeper in currency controls, fund-domiciliation norms, legal and tax fragmentation, domestic capital scarcity, and the narrative dominance of offshore jurisdictions. Reforms aimed at symptoms may improve convenience, but they cannot shift system behaviour. Only interventions at the structural level move the system.

Part III includes specific orientations for regulators and policymakers on where systemic intervention is possible.

# What a re-balanced system might look like

A rebalanced system would make domestic incorporation a logical default - not by mandate, but by making it viable. This requires three pillars:



Yet the current model prevents Africa from building sovereign innovation capability. Without local value retention, domestic reinvestment, and regulatory learning, ecosystems cannot evolve from donor-dependent early-stage activity into self-sustaining growth engines. This weakens job creation, tax revenue, capital-market depth, and long-term competitiveness.

Emerging models such as Nigeria's Itana digital economic zone show how locally anchored, startup-friendly jurisdictions could begin reversing this pattern by keeping governance, IP, and value creation onshore.

# Systemic evidence gaps still remain

Systemic reform requires targeting feedback loops, not symptoms: expanding domestic liquidity, building cross-border regulatory infrastructure, aligning incentives with value retention, and gradually dismantling the narrative dominance of offshore defaults.

This is not about preventing offshoring; it is about creating a system in which founders have credible domestic alternatives alongside global options. Yet critical evidence gaps limit the ability of governments, investors, and ecosystem actors to design these alternatives:

- **Redomiciliation patterns:** no continent-wide data on startups trying to move back onshore.
- **Cross-country FX modelling:** no comparative analysis of real FX exposure and hedging costs.
- **Legal cost transparency:** little visibility on effective incorporation, compliance, and IP-transfer costs across jurisdictions.
- **LP restrictions in Africa-based funds:** poorly documented rules shaping fund domiciliation and founder requirements.
- **Donor impact:** limited assessment of how accelerator/technical-assistance templates reinforce offshore defaults.
- **Fiscal implications:** insufficient analysis of tax leakage, IP expatriation, and long-term state revenue losses.
- **Regulatory ambiguity:** inconsistent interpretation of local rules on valuation transfer, IP migration, and cross-border restructuring.

Closing these gaps is essential for designing alternatives that are credible in the eyes of founders, investors, and regulators.

The structural forces shaping offshore incorporation are powerful but they are not immutable. Founders, accelerators, early investors, and legal partners still face choices, and the quality of those choices depends on accessible, accurate, and context-specific guidance.

Part III translates the systemic insights from Parts I and II into practical, actionable advice on:

- Navigating early-stage incorporation choices,
- Understanding trade-offs across jurisdictions,
- Engaging investors and accelerators with greater clarity, and
- Reducing unnecessary risks around valuation transfer, IP migration, and compliance.

# Summary

- Offshore incorporation is a system outcome, shaped by investor requirements, fund domiciliation, templates, and early-stage constraints - not founder ideology.
- Domestic ecosystems currently lack credible onshore alternatives: limited liquidity, regulatory ambiguity, fragmented compliance pathways, and weak cross-border infrastructure.
- These dynamics produce long-term effects: value leakage, IP expatriation, and weakened local capability.

Why this leads to Part III

Founders, accelerators, and early investors still face real choices - but only if they have clear, practical guidance on:

- navigating early-stage incorporation decisions,
- understanding jurisdictional trade-offs,
- reducing risks around valuation transfer, IP, and compliance.

Part III turns the system insights into simple advice.

Part

3

## International jurisdictions - a short comparative assessment for Founders, Investors, and Policymakers

The patterns in Parts I and II show that offshore incorporation is rarely the result of deliberate strategic choice. It emerges from templates, investor requirements, structural constraints, and information gaps that shape early behaviour. Yet founders, accelerators, and early investors still make pivotal decisions about where to locate a holding company, when to flip, and what trade-offs each jurisdiction entails. These decisions carry long-term implications for valuation, governance, tax exposure, IP ownership, and future financing pathways.

Part III consolidates what founders actually need: jurisdiction-by-jurisdiction signals, three strategic pathways, and three decision filters that narrow the field based on your specific situation. The goal is not to identify a 'best' jurisdiction - no such thing exists across 54 markets and the full range of investor types - but to enable informed, context-specific decisions that avoid unnecessary risks and inherited defaults.

Part III also includes specific orientations for regulators and policymakers on where systemic intervention could shift the underlying dynamics - not through symptom-level reforms, but by targeting the loops that make offshore incorporation the path of least resistance.

# Founder assessment criteria

Founders tend to compare jurisdictions using isolated features (tax rate, banking ease, legal reputation). But incorporation choices only make sense when evaluated across four interacting dimensions. These categories explain what each dimension means for real-world decisions and how to weight them against your specific situation.

		Determines	Influence	Look For
1	VC / Investor Compatibility	<ul style="list-style-type: none"> <li>Investor ability to deploy</li> <li>Availability of standard docs</li> </ul>	<ul style="list-style-type: none"> <li>Hard filter (must match investor expectations)</li> </ul>	<ul style="list-style-type: none"> <li>Familiarity</li> <li>Standard templates</li> <li>Low onboarding friction</li> </ul>
2	Legal & Regulatory Predictability	<ul style="list-style-type: none"> <li>Governance stability</li> <li>IP &amp; share-transfer certainty</li> </ul>	<ul style="list-style-type: none"> <li>High (drives long-term risk)</li> </ul>	<ul style="list-style-type: none"> <li>Dispute resolution</li> <li>FX certainty</li> <li>Corporate law clarity</li> </ul>
3	Tax & Treaty Position	<ul style="list-style-type: none"> <li>WHT/CGT exposure</li> <li>Treaty benefits</li> </ul>	<ul style="list-style-type: none"> <li>Medium (affects future rounds/exits)</li> </ul>	<ul style="list-style-type: none"> <li>DTT coverage</li> <li>Substance rules</li> <li>Repatriation rights</li> </ul>
4	Operational Ease	<ul style="list-style-type: none"> <li>Setup cost &amp; speed</li> <li>Banking &amp; admin comfort</li> </ul>	<ul style="list-style-type: none"> <li>Low (affects convenience, not viability)</li> </ul>	<ul style="list-style-type: none"> <li>Banking ease</li> <li>Admin simplicity</li> <li>Talent/substance options</li> </ul>

# Why we don't offer a single comparative ranking

A comparative matrix across jurisdictions is an appealing tool. It is also a misleading one.

The four dimensions that shape incorporation choices - investor compatibility, legal and regulatory predictability, tax and treaty position, and operational ease - are not a single scale. They reflect different types of judgement, different evidence bases, and different weights depending on the venture's model, market, and financing pathway.

A Delaware C-Corp scores strongly on VC familiarity for US-oriented rounds. It scores poorly on tax treaty coverage for African operations. Whether that trade-off is acceptable depends entirely on whether you are raising from a US fund or a pan-African vehicle, whether your revenue is in USD or KES, and whether you plan to exit via a global M&A process or a regional trade sale. The same jurisdiction can be optimal for one founder and structurally wrong for another. Process simplicity is a genuine advantage - incorporation is fully automated with very low fixed setup costs. The friction emerges later; banking access and KYC requirements can be significant obstacles for African residents.

The same logic applies across every jurisdiction in this analysis. France's treaty network with Francophone Africa is a genuine advantage - but the tax social security system is highly specific, frequently changing, and difficult to navigate without advisers already embedded in it. Investors unfamiliar with French structures tend to avoid it and default to the Netherlands, which offers a more familiar framework in English. The Netherlands offers excellent holding structures for European funds - but substance requirements add cost that early-stage ventures may not be able to absorb. The UAE offers fast setup, tax advantages, and a useful time zone and geographic position between Asia, Europe and Gulf capital - making it particularly relevant for Egyptian and North African founders seeking Gulf investor connections. It is best suited to founders who can structure efficiently within a free zone from the outset and who have the capital to absorb higher upfront setup costs than France or the UK. However, setup costs can reach \$40k, depending on structure, substance requirements add significantly to this, and office space within free zones is expensive. Outside free zones costs fall, but tax benefits are lost. Governance frameworks are still maturing.

No matrix can capture this without producing false precision. We therefore offer what is actually useful: **jurisdiction-by-jurisdiction signals, three strategic pathways, and three decision filters that narrow the field based on your specific situation.** Treat what follows as a prompt for informed conversation with legal and tax advisers - not a substitute for it.



# Jurisdiction signals: What the signals mean

No jurisdiction is universally optimal. Each signal below reflects observed fit for specific African venture pathways - read them in the context of your funding strategy, operating footprint, and growth route.

## USA (Delaware)

- Gold standard for VC familiarity; strongest investor compatibility.
- Deep case law + predictable corporate governance framework.
- Weak treaty coverage for Africa; higher long-term tax exposure.
- Increasing admin/compliance burden post-2025 reforms.

**Best fit for:** ventures raising from US institutional investors using SAFE/SSA documentation, targeting global or cross-continental markets. Least suitable for Africa-first operations with no US investor anchor.

## Netherlands (BV)

- Preferred by European funds; highly stable legal environment.
- Excellent treaty coverage; strong for holding + cross-border operations.
- Higher substance requirements and admin cost.

**Best fit for:** ventures with European fund backing, IP-intensive models, or cross-border holding requirements. Substance requirements make it less practical at pre-seed.

## UAE

- Tax advantages, strategic time zone, and proximity to Gulf, Asian, and European capital - particularly relevant for Egyptian and North African founders. Setup costs can reach USD 40K depending on structure; substance requirements and free zone office costs add significantly. Outside free zones costs fall but tax benefits are lost.
- Strong familiarity among Gulf-based investors and accessible to Egyptian and North African investor networks. Less familiar to US and European institutional investors.
- Limited treaty depth with some African markets.
- Emerging governance frameworks, still uneven.

**Best fit for:** operationally light ventures needing fast low-cost setup, or those seeking Gulf-based investor connections. Monitor governance frameworks closely for later-stage structuring

## Uk

- Strong legal predictability + relatively founder-friendly structures.
- Familiar to European/African investors; good for early-stage rounds.
- Solid treaty network across Africa; clearer IP rules.
- Moderate admin and ongoing compliance requirements.
- EIS and SEIS incentive schemes make the UK particularly attractive for innovation-driven and R&D businesses - UK-based investors receive tax relief equivalent to their investment loss if the investment is lost, and the business benefits from significant additional incentives.

**Best fit for:** early-stage ventures seeking broad optionality with European or African investor bases. A solid default where investor expectations are mixed or unclear.

## France

- High predictability + strong treaty ties with West/North Africa.
- Good fit for Francophone founder networks.
- Complex and frequently changing tax and social security system - hard to navigate without France-specialist advisers. Investors unfamiliar with French structures tend to default to the Netherlands. US investors face additional disincentives due to tax treatment of investments outside the US.

**Best fit for:** Francophone African ventures raising from French or European institutional investors, or those with significant West/North African treaty exposure. Less desirable for investors outside France.

## Singapore

- Strongest R&D/IP protections; excellent for IP-heavy models.
- Global investor familiarity, especially in fintech and deep tech.
- High admin cost; far from African operating theatres.

**Best fit for:** IP-heavy or R&D-driven models, or ventures targeting Asian capital alongside African operations. High admin cost and geographic distance make it a specialist choice, not a default

# Strategic routes & pathways

There is no single “correct” jurisdiction. The optimal route depends on your funding strategy, operating footprint, and long-term scale path. These are the three most common pathways for Africa-linked high-growth ventures:

## Path 1 Investor-Led Route (US/UK/EU VC Pathway)

Best when:

- You expect to raise from US or European institutional investors
- Your early rounds require standardised SAFE/SSA documentation

You aim for global or cross-continental markets

Typical jurisdictions:

- Delaware
- UK
- Netherlands

Trade-offs:

- Strong investor familiarity
- Predictable governance
  - Weak treaty networks (US)
  - Higher long-term compliance costs

## Path 2 Africa-First Regional Scaling Route

Best when:

- Most of your team, customers, and revenue are in Africa
- You plan to scale across multiple African markets
- FX, tax exposure, and regulatory friction are real concerns

Typical jurisdictions:

- Mauritius
- South Africa
- France (Francophone pathways)

Trade-offs:

- Better treaty coverage
- Smoother regional expansion
  - Less familiarity for US investors
  - Higher perceived “risk premium” at fundraising

## Path 3 Operational & IP-Optimised Route

Best when:

- Your model depends heavily on IP, licensing, or R&D
- You want to separate capital from operations
- You need fast setup, low tax friction, or efficient restructuring

Typical jurisdictions:

- UK / Singapore (IP-heavy/R&D)
- UAE (operational lightness)
- Hybrid structures (Delaware HoldCo + Africa OpCos)

Trade-offs:

- Strong IP/tax structures
- Very low operational friction
  - Distance from African regulators
  - Can complicate later investor onboarding

Choose the pathway that fits your funding strategy and operating footprint - not the one inherited through templates or accelerator defaults.

# Decision filters: Narrowing viable jurisdiction options

Before choosing a jurisdiction, founders and early investors should run through three simple filters. These filters narrow the field to a small set of viable jurisdictions before deeper legal and tax analysis.

## Filter 1: Who Are Your Likely Investors?

This is the primary constraint. If your expected lead investors cannot deploy capital through a jurisdiction, it is not a viable option.

If raising from:

- US VC funds → Delaware / UK
- European funds → UK / Netherlands
- African funds → SA / Mauritius / Local entities
- Angels + early institutions → UK / UAE / Delaware

If investor expectations are unclear → choose a jurisdiction that maximises future optionality (UK or Netherlands).

## Filter 2: Where Will the Business Actually Operate?

Operational footprint determines legal exposure, tax liability, and FX risk. If:

- 80–90% of revenue/team/customers are African → prioritise treaty networks + FX stability
- Multi-country expansion is planned → avoid jurisdictions with poor DTT coverage
- You operate in fintech/health/regulated sectors → choose predictable regulatory environments
- Founder relocation or distributed teams → consider jurisdictions with supportive visa and mobility regimes

This filter often removes US-only structures for Africa-first operations.

## Filter 3: What Do You Need in the Next 12–24 Months?

Short-term needs can strongly influence practical choices.

Examples:

Need fast setup? → UAE or UK

Need strong IP regime? → UK / Singapore

Need low early cost? → UK or UAE

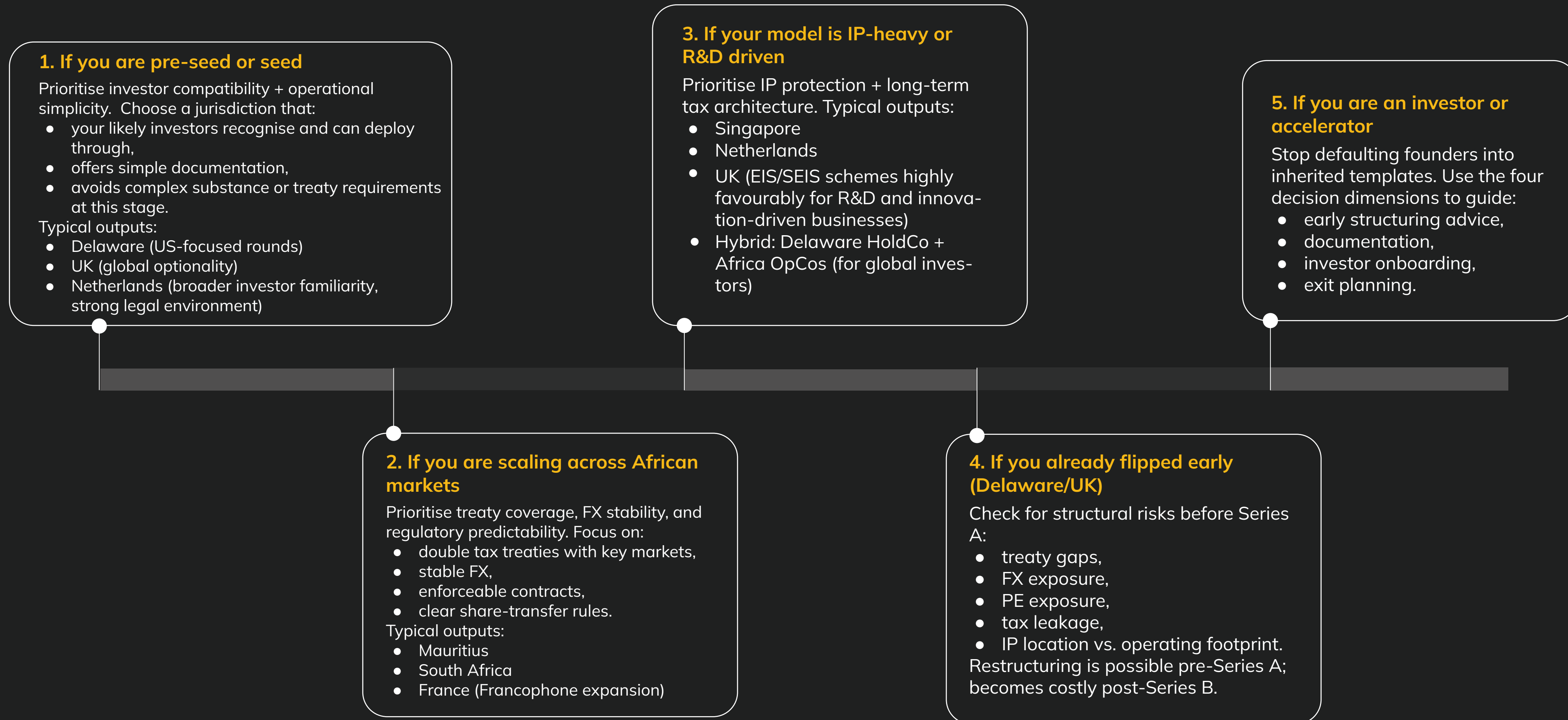
Expect major regulatory audits? → Netherlands / UK

Preparing for M&A? → Delaware / Netherlands

These filters are designed to reduce the menu, not to make the final decision. They help founders identify 2–3 viable jurisdictions before deeper legal and tax analysis - while highlighting how investor expectations, regulatory fragmentation, and operational realities shape incorporation choices in practice.

# What founders & investors could do next

Use this as a working guide when evaluating or restructuring a venture.



# What regulators & policymakers could do next

Parts I and II show that offshoring is a system output. If that is true, then the policy response has to target the system — the capital-dependency loop, the absorptive failure trap, the narrative defaults embedded in donor programmes and accelerator templates. The following orientations map where that intervention is possible.

## If you are a national regulator

Target the absorptive failure loop directly. This means creating structured exposure to venture-scale transactions - fast-track registration pathways, sandbox frameworks that keep high-growth firms visible to domestic courts and tax authorities, and published protocols for startup flipping that reduce regulatory ambiguity around valuation transfer and IP migration.

## If you are a DFI or multilateral

Review whether your fund domiciliation requirements and LP mandates are inadvertently driving offshore defaults. Where feasible, develop templates for Africa-domiciled investment vehicles that meet fiduciary standards without requiring Delaware or Cayman structures as a condition of deployment.

## If you are a regional body (AU, AfCFTA)

The loops identified in this analysis are continental in scale and cannot be addressed country by country. Priority areas: FX pathway harmonisation, mutual recognition of investment instruments across member states, and cross-border double taxation agreement coverage that reduces the treaty advantage currently held by offshore jurisdictions.

## If you are a donor or technical assistance provider

Audit whether your accelerator templates, TA programmes, and legal support mechanisms are reinforcing offshore defaults. The narrative reproduction loop is partly donor-driven. Funding locally anchored legal capacity - startup-literate lawyers, locally recognised venture templates - is a higher-leverage intervention than further improving registration speed.

## Across all actors

The evidence base is thin. A continent-wide data framework tracking incorporation patterns, flip timing, IP migration, and tax leakage is a prerequisite for designing credible alternatives. This is a collective action problem - no single government or institution can build it alone.

**The goal is not to prevent offshoring. It is to create conditions in which founders have credible domestic alternatives alongside global options.**



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