

Everyone wants a slice of Apple or Tesla until they realize the account opening process takes longer than expected and the tax questions never quite go away. Trading US stocks from outside America sounds simple in theory. In practice, there's a handful of details that trip people up before their first order even gets filled.



Not Every Broker

Actually Gives You Real Shares Some platforms marketed to international users offer CFDs on US stocks rather than actual share ownership. You're speculating on price movement, not holding anything, no dividends, no shareholder voting rights, nothing. Other brokers offer genuine fractional or full share ownership through US-regulated custodians. These are completely different products wearing similar-looking interfaces, and beginners often don't realize which one they signed up for until later. Read the account type carefully. It matters more than the flashy app design. The Withholding Tax Nobody Explains Properly US dividend income for foreign investors typically gets a 30% withholding tax deducted automatically, unless your broker has you fill out a W-8BEN form to potentially reduce that rate under a tax treaty. Skip this paperwork and you're just losing money for no reason. A lot of beginners find out about this form after their first dividend payment looks smaller than expected. Currency Conversion Eats Into Returns Quietly Depositing in ringgit and trading in USD means conversion fees on the way in and often on the way out too. Some brokers hide this in a wide exchange rate margin rather than a visible fee, which makes it harder to notice until you actually calculate what you lost. Market Hours Don't Match Your Sleep Schedule US markets run according to Eastern time, which means regular trading hours fall late at night or into early morning depending on daylight saving adjustments. Setting alerts or limit orders becomes less optional and more necessary once you're not physically available to watch price action live. Diversification Isn't Automatic Just Because [How to trade US stocks from abroad](#) It's American Buying five different tech stocks feels diversified. It isn't, not really. Sector concentration risk exists regardless of which country's stock market you're trading in, and US markets have enough tech-heavy momentum that beginners sometimes build accidentally lopsided portfolios without noticing.