

Bolivia is an increasingly popular destination for companies that want to test unsaturated markets. As a member of the World Trade Organization, the nation has seen more trade and improved business opportunities.

Expanding your company to Bolivia comes with a few challenges, though. One early hurdle you'll face is deciding whether you want to set up your own subsidiary or work with a global PEO that already has an established entity in-country.

## Requirements for Setting Up a Subsidiary

If you decide to set up a subsidiary for your company in Bolivia, you'll need:

- Business visas for any investors staying in-country longer than 30 days.
- An attorney.
- Rented or purchased office space.
- A minimum share capital of at least \$1 (USD).
- All necessary documents, most of which your attorney will gather.

## How to Set Up a Bolivia Subsidiary

Many countries require you to travel and set up your entity in-person. Thanks to Bolivia subsidiary laws, you can complete the setup process without traveling or sending representatives. There are still a few steps you'll need to follow if you're interested in establishing a subsidiary in-country, though.

### 1. Decide How to Classify Your Entity

You can register your business entity as one of five different models:

- Limited liability company (LLC): LLCs are the most common choices for international subsidiaries. You'll need two shareholders and one director of any nationality to form an LLC. While the law doesn't require you to have a company secretary, appointing one is advisable. Owners enjoy less risk, as well as some taxation benefits.

- **Public corporation:** These companies must have three directors, and one must be national. The three shareholders may be international. You'll also need a controller and auditor, a resident company secretary, and a resident agent. Public corporations that make more than 160,000 USD must submit annual financial reports.
- **Limited liability partnership (LLP):** LLPs require two shareholders and two directors of any nationality, plus a capital investment. Shares are tax-exempt when transferred in-country, and shareholders are only liable for their contributions.
- **Branch office:** Branch offices have no regulations surrounding the nationalities of owners. After registration, a manager has the power of attorney over the office.
- **Representative office:** These international-friendly offices cannot generate income, but they're suitable for promoting your parent company and conducting market research.

## 2. Register Your Company

Follow these steps to incorporate your subsidiary:

1. Check your company name for matches at the FUNDEMPRESA Registry of Commerce.
2. Your attorney will appoint a provisory board and create the bylaws, articles of incorporation, and constitution act.
3. The hired attorney will work with notaries, newspapers, and accountants to prepare documents.
4. Obtain your tax identification number (TIN) from the National Tax Service.
5. Register for your municipal business license and municipal registration card.
6. The Municipal Government will inspect the venue.
7. Keep proof of a bank deposit for 25 percent of the subscribed capital and 50 percent of the authorized capital.
8. Register the company deed with FUNDEMPRESA for legal capacity.
9. Register with the appropriate social security entities.
10. Register at the Ministry of Labour and enroll in national health insurance.
11. Register your employees with the pension fund managers.

### Pros and Cons of Owning a Subsidiary

Owning a subsidiary in Bolivia has one major benefit. Incorporated companies may apply for a corporate business account. This account gives your subsidiary access to multiple regional markets. Enjoy free trade with countries like Brazil, Chile, Paraguay, and Peru. A subsidiary

can also offer your parent company more freedom from risk.

Still, the setup process takes valuable resources like time and money. Using a global PEO is a cost-effective alternative for fast expansion into new and growing markets.

At Globalization Partners, we have business entities established in more than 180 countries. When you work with us, you can open your doors overseas in record time. Plus, we take all legal responsibility for complying with international business laws.

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[Connect with our team](#) to maximize your company's growth. We'll show you how our Bolivia subsidiary outsourcing services can benefit your company.