

Expanding your business to Croatia is an exciting time for your company. Amidst all the hustle of hiring new staff, allocating resources, and traveling back and forth to Croatia, you'll also have to learn all of the country's subsidiary laws. While you may think tackling the hassles of setting up a subsidiary is the only option for expanding your business, Globalization Partners, a global PEO, offers a hassle-free alternative.

How to Set up a Croatia Subsidiary

The process to set up a subsidiary in Croatia can take anywhere from a few weeks to a few months. You must establish a subsidiary before you hire employees or begin operation. The steps involved include:

- Registering with the Commercial Court
- Getting a statistical registration number from the Croatian Bureau of Statistics
- Registering for VAT through the Tax Authority
- Registering for pension (HZMO) and health insurance (HZZO)
- Creating a local bank account

The main document for a subsidiary is known as the Articles of Association. Croatia subsidiary laws require this document to include information about the parent company, the subsidiary's purpose and activities, the board of managers, the responsibilities of each founding member, and more.

Croatia Subsidiary Laws

You must follow all of the steps above for your company to remain compliant. Two primary documents — the Croatian Company Act and the Commercial Code — compose Croatia subsidiary laws. These sets of regulations govern all the activities of subsidiaries in the country and are essential if you plan to set up a Croatian subsidiary.

Once you have all the documentation in place, it takes about a week to register your subsidiary. During that time, the Articles of Association are notarized and submitted to the Commercial Court. Every registered subsidiary in Croatia also needs a certificate of

registration and a company seal to use for daily operations.

Benefits of a Croatia Subsidiary

A limited liability subsidiary has the unique advantage of operating independently from the parent company. Shareholders' capital contribution limits liability, which helps the parent company avoid any litigation or losses.

This kind of structure also allows a subsidiary to create its own brand. You can determine the culture and workplace practices you want to enact in Croatia. It's a great way to tailor your business communications to Croatia's culture and business customs.

You can enjoy greater benefits by working with a global PEO. Instead of spending months waiting for your subsidiary to open before hiring, Globalization Partners can shorten that time to mere days. We'll hire employees on your behalf so you can start operations sooner, allowing you to avoid jumping through hoops to set up your own subsidiary.

What Do You Need?

If you don't use a Croatia subsidiary outsourcing service from Globalization Partners or another global PEO, expect to spend a lot of time and money traveling to Croatia. Each step of the subsidiary process takes more time and often costs money or other valuable resources.

What you need to set up a subsidiary in Croatia depends on what type of company you choose — a private or public limited liability company. Private subsidiaries need at least one founder with a minimum share capital of 20,000 HRK. This capital is divided into shares in which each stakeholder's liability is limited to the amount of their invested capital.

If you want to form a public limited liability subsidiary, you'll need at least one member and a minimum capital of 200,000 HRK. Like a private company, its capital is divided into shares, and the shareholder's liability is based on their contribution. You must maintain a management board with at least one member and a supervisory committee of at least three

members to run your public limited liability subsidiary.

Contact Globalization Partners Today

You're not alone on your global expansion journey. We can help you expand your business while staying without the risk or headache of a subsidiary. Contact us today to learn more.