

A Cyprus subsidiary is the heart of your expansion to the country. You need a legal entity to work in Cyprus and handle everything from hiring and forming business relationships to giving out compensation and benefits, but most companies will need anywhere from a few weeks to a year to complete the Cyprus subsidiary setup process.

Globalization Partners knows how hard it is to expand to a country such as Cyprus while also running your parent company. That's why we offer Cyprus subsidiary outsourcing — so that companies can expand without needing their own subsidiary. You can use our Cyprus PEO to work immediately, and our team will handle all Cyprus subsidiary laws as the Employer of Record.

How to Set up a Cyprus Subsidiary

Do you know the factors that impact how to set up a Cyprus subsidiary? The two most important considerations are location and business activities. Your location will determine what type of Cyprus subsidiary laws you need to follow. For example, incorporating in one city could lead to more difficult-to-follow incorporation laws while incorporating in the next city is more favorable. Talk to a consultant, lawyer, or expert if you need help finding the right location.

Next, you should discuss your planned business activities, which can impact your choice of entity. Cyprus allows companies to incorporate as a corporation, branch office, or representative office. Many businesses decide to incorporate as a corporation because it offers the most freedom and flexibility. However, businesses needing to perform only a few activities may opt for a branch or representative office.

The Cyprus subsidiary setup process for a corporation, also known as a limited liability company (LLC), includes these steps:

- Gain approval for a company name.
- Contract with a lawyer to prepare the memorandum and articles of association.
- Submit documents at the Companies Sector of the Department of Registrar of Companies and Official Receiver.
- Register with the Cyprus Inland Revenue Department.
- Obtain a tax identification number.
- Register for VAT.
- Register with the employers' register of the social insurance services.

Cyprus Subsidiary Laws

There are two main types of corporations — LLCs and public limited companies. An LLC is the more common type of entity and has the most favorable Cyprus subsidiary laws. For example, it does not have any minimum or maximum share capital requirements. However, you do need between one and 50 members who will submit their own share capital.

LLCs must be managed by at least one director and one secretary who do not have to live in Cyprus. If you have only one member, that person can act as the director and secretary. You can base your memorandum of association to show that directors have unlimited liability for the debts and obligations of the company.

Benefits of the Cyprus Subsidiary Setup Process

The Cyprus subsidiary setup process provides several benefits to companies that have the time to establish their own subsidiary. First, you can legally work in Cyprus. Second, you can protect your parent company from any fines or litigation the subsidiary incurs. You can also benefit from this independent structure, as you can keep your subsidiary's operations separate.

For companies that don't have the time, money, or expertise to establish a subsidiary, Globalization Partners provides more benefits through Cyprus subsidiary outsourcing. We can help you start work in a day or two through our existing subsidiary. As the Employer of Record, we'll handle everything about your expansion, from complying with Cyprus subsidiary laws to recruiting all the top candidates.

What Do You Need for the Process?

Companies that don't work with a global PEO will need to prepare for the incorporation process to be successful. You should start clearing your schedule to make time for important tasks and working with your accounting department to create a budget. Ensure that you have enough time and enough money for the Cyprus subsidiary setup process.

Do you have anyone in your company who understands Cyprus subsidiary laws? If not, you need to look at hiring an expert who can help you stay compliant. Without any help, you could face fines or delays from noncompliance.

Globalization Partners Can Help

Globalization Partners has an entire team of experts who know how to make your subsidiary succeed in Cyprus. [Contact us today](#) to learn more about Cyprus subsidiary outsourcing.