

Choosing the Czech Republic for your expansion means you get to be a part of an advanced economy with high living standards. Despite all the benefits of opening a new company location, you also have to handle the challenges, such as deciphering local labor laws, learning tax issues, hiring employees, and more. That's all in addition to finding the time to run all your company locations.

Globalization Partners offers a whole suite of global expansion services designed to make it easier for you to start working in foreign countries. When you work with us, you won't have to learn how to set up a Czech Republic subsidiary or spend all your time learning a whole new set of compliance laws. We'll manage the risk so that you can manage your business.

How to Set Up a Czech Republic Subsidiary

Setting up a Czech Republic subsidiary isn't an easy task, but you can make it simpler by considering important factors before you start. Different locations, such as specific cities or regions, can have separate Czech Republic subsidiary laws. Choosing the right location will make it easier to incorporate and may have better costs and availability. You should always research a location before choosing a physical office space or work with a consultant who can recommend a good place to incorporate.

You can set up your Czech Republic subsidiary as any one of several acceptable entities, including a limited liability company (LLC), joint-stock company, free zone company, branch office, or representative office. The LLC structure is the most common and will give you more freedom to operate in the Czech Republic as well as favorable tax laws.

The steps to establish an LLC include:

- Providing standard records for all directors
- Notarizing statutory declarations and partnership articles before officially registering at the Trade Licensing Office
- Applying for a Commercial Register to confirm registration
- Registering with the Social Security Administration and Revenue Authority
- Opening in-country bank accounts

- Depositing paid-up share capital

Czech Republic Subsidiary Laws

Czech Republic subsidiary laws vary by both location and entity. A single owner can register an LLC with 1 EUR in share capital. You can only appoint one director who is either an individual or a corporation. The director does not have to live in the Czech Republic to meet the country's subsidiary laws.

As an LLC, you must file financial statements with the tax authority each year. If you meet two of the following requirements, you'll need an external audit each year:

- Balance sheet above 1.5 million EUR a year
- Annual turnover of more than 3 million EUR
- More than 50 employees

Benefits of Setting Up a Czech Republic Subsidiary

Companies usually choose to incorporate in the Czech Republic because it comes with the benefit of getting to operate legally in the country. LLCs are a popular type of entity because they can protect your subsidiary and parent company. The subsidiary can operate independently using a structure that meets the Czech Republic's culture. Your parent company will also be protected from any litigation or costs related to the subsidiary.

Globalization Partners will work to give you more benefits through Czech Republic subsidiary outsourcing. Instead of allowing you to spend all your time setting up a Czech Republic subsidiary, we can help you start working in a few days using our existing structure. We'll hire employees who work on your behalf, handle all Czech Republic subsidiary laws, and set up your payroll. You'll only have to worry about running your company and growing a new location.

Other Important Considerations

We recommend setting aside the money you'll need for the incorporation process. In addition

to share capital, fees may be involved in certain steps. Working with your accounting or finance department ahead of setting up your Czech Republic subsidiary can help you stay financially prepared.

You'll also need an expert in Czech Republic subsidiary laws. This requirement may mean working with a lawyer or a consultant, or you can hire a full-time staff member who knows these laws or is tasked with learning them.

Let Globalization Partners Help With Your Expansion

Globalization Partners has helped numerous companies like yours expand, and we'll ensure that you can start working fast. Contact us today to learn more about Czech Republic subsidiary outsourcing.