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Your Djibouti expansion is something to celebrate. However, no expansion comes without challenges. You have to hire employees under local labor laws, follow Djibouti subsidiary laws, and make sure your payroll, compensation, and benefits are all compliant. Plus, don't forget that you have to keep running your company at home.

That's why Globalization Partners offers Djibouti subsidiary outsourcing services. You can use our existing subsidiary to operate your company instead of creating an entirely new entity. We'll handle hiring employees to work for you, making sure payroll is compliant, and more. As the Employer of Record, you can trust us to comply with all of Djibouti's regulations and laws on your behalf.

How to Set up a Djibouti Subsidiary

Setting up a Djibouti subsidiary isn't always simple. Before you begin the process, you'll need to look at certain factors that will impact the incorporation process, such as your location, entity, and more. Just like different states in the U.S. have their own laws, regions or cities in Djibouti may have their own Djibouti subsidiary laws. Choosing the right location can make the incorporation process either easier or more difficult.

Once you find the right place for your physical office, you need to choose a type of subsidiary that fits your business goals. The three most common types of subsidiaries in Djibouti include a limited liability company (LLC), a limited company (S.A.), and a limited liability single-member company (EURL). Most companies use the limited liability structure because it protects both the subsidiary and the parent company.

The steps to set up a Djibouti subsidiary as an LLC include:

- Creating an in-country bank account and depositing initial capital
- Submitting a document saying that you want to start a new business
- Drafting the company's statutes (either by yourself or with a lawyer)
- Registering the statutes with the Direction des Impôts
- Reserving a unique company name
- Registering with the Chamber of Commerce
- Publishing a notice that you're starting activity
- Obtaining all required documents for registration
- And more

Djibouti Subsidiary Laws

Since Djibouti's subsidiary laws vary by entity, you have to follow the regulations that specifically apply to LLCs. For example, you'll face several different requirements before you obtain your articles of association. You'll need the identity cards of all your associates, repartition of associates' shares, and your company's name, purpose, and address. Failing to comply with any of Djibouti's subsidiary laws could mean you end up dealing with fines and delays that impact the process.

Benefits of Establishing a Subsidiary

Once you finally go through the Djibouti subsidiary setup process, you're ready to benefit from working in the country. Using an LLC will also help you keep all your businesses protected. Your parent company will not be liable for any of the subsidiary's actions, and your subsidiary can choose its own company culture and similar factors.

Unfortunately, you'll get these benefits only after months of work trying to register your entity. That's why Globalization Partners offers Djibouti subsidiary outsourcing. We use our Djibouti PEO to help companies expand without the stress of setting up a subsidiary. Instead of learning how to set up a Djibouti subsidiary and worrying about complying with the country's laws, you can relax and focus on your business. We'll act as the Employer of Record to shoulder all compliance.

Everything You Need for the Incorporation Process

When you prepare to start setting up your Djibouti subsidiary, you should make it a group effort. Start by working with your accounting or finance departments to figure out how much money you'll need for every step of the process. Then, you should free up your schedule for a month or two to make sure you can travel back and forth to Djibouti. If you don't have the time for that, recruit another company executive who can take your place.

Finally, you should work with an expert in Djibouti subsidiary laws. A lawyer, accountant, or consultant can help you follow all of Djibouti's subsidiary laws and stay compliant. If you don't want to hire an expert, work with another employee to see if they can learn the laws for your team.

Work With the Globalization Partners Team

Globalization Partners is here to help you expand quickly without any hassle. Contact us

today to learn more about Djibouti subsidiary outsourcing.

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