

Congratulations on your expansion to Egypt! Choosing to push your company across global borders is an exciting decision, but it doesn't come without hassles. You have to consider how you'd like to operate in the country and figure out which entity is best for you. Then, you'll need to go through the Egypt subsidiary setup process, which can take weeks or months. That's all before you can hire employees and actually start working in the country.

Instead, you can choose to work with Globalization Partners, a global PEO. We have subsidiaries around the world that we use to help companies start working in foreign countries quickly. We'll make sure you stay compliant with all of Egypt's subsidiary laws and can help you stay productive from the start.

How to Set up a Subsidiary in Egypt

If you decide to set up your Egypt subsidiary alone, you'll need to discuss where you'd like to incorporate in the country. Just like states in the U.S. have their own laws and regulations, different regions in Egypt can have separate subsidiary laws that make it either easy or difficult to incorporate. Always research the area where you want to place your physical office space ahead of time.

Since Egypt offers several different subsidiary structures, you should choose the one that best fits your business goals. Your options include a limited liability company (LLC), joint stock company, foreign branch office, and representative office. Most companies choose to incorporate as an LLC because of the benefits it offers to both subsidiaries and parent companies.

The steps to set up an Egypt subsidiary as an LLC include:

- Completing a trade name clearance certificate
- Obtaining a certificate from an authorized bank
- Submitting documents to the Companies Establishment Department
- Notarizing the company's contract
- Issuing notification of incorporation
- Completing a commercial registry certificate

- Registering for taxes
- Registering all employees with the National Authority of Social Insurance

Egypt Subsidiary Laws

The type of subsidiary entity you choose also determines which Egypt subsidiary laws you have to follow. LLCs require at least two shareholders as well as at least one manager who has to be an Egyptian citizen. Every LLC has to register with the Commercial Registry and stay under the supervision of GAFI. Though Egypt subsidiary laws do not stipulate a minimum amount of capital required, we recommend having a minimum paid-up share capital of \$1,000.

An LLC needs constitutive documents that follow model statutes issued by a Ministerial decree. You also have to come up with a company name that refers to your activities and includes one or more of your shareholders' names. In addition, LLCs are required to keep financial books and records and submit annual audited tax returns to stay compliant.

Benefits of the Egypt Subsidiary Setup Process

Companies choose to incorporate because if they do, they get the benefit of operating legally in Egypt. LLCs are a popular subsidiary structure because they benefit both the parent company and the subsidiary. Subsidiaries get to operate per Egypt's laws and customs, while the parent company has limited liability from the subsidiary and doesn't have to worry about litigation.

Globalization Partners can provide more benefits through Egypt subsidiary outsourcing. We'll use our existing Egypt subsidiary to hire employees who work on your behalf and establish a locally compliant payroll. Instead of having to learn Egypt subsidiary laws yourself and worry about compliance, you can let us take the stress off your shoulders and onto our own.

Everything You Need to Establish a Subsidiary

Since learning how to set up an Egypt subsidiary is time-consuming, we recommend

budgeting the time you need to establish a subsidiary as well as the funds you'll require to complete the process. Set aside time to travel back and forth to Egypt while setting up your subsidiary, or work with another person in your company who can lead the project. You should also check out the costs of the Egypt subsidiary setup process and be sure to budget the right amount of money.

Contact Globalization Partners to Learn More

At Globalization Partners, we want to see your company succeed through Egypt subsidiary outsourcing. Contact us today to learn more about how we can help your expansion.