

Once you decide to expand your company to France, you'll have many factors to consider — from whether to set up a subsidiary to what laws you must follow. Globalization Partners can help using our France subsidiary outsourcing services. You won't need to worry about compliance, because we put it on our plate instead of yours. Here is everything you need to know about setting up a subsidiary in France.

## How to Set Up a France Subsidiary

France is an economic powerhouse in Western Europe due to its location and membership in many European organizations. The government also supports foreign investors, making the country an excellent place to expand. France has a stable and modern business climate perfect for startups and other organizations looking to make their mark.

You'll want to consider several different factors during the France subsidiary setup process, such as what industry or type of business you want to organize. Do you have any trade agreements or important relationships? Have you considered the nationality of the individuals you want to hire? You'll need to answer all of these questions before you start the setup process.

The most common form of a subsidiary is a private limited liability company called a SARL (société à responsabilité limitée) in France. To set up a private LLC, you'll need to:

- Check the availability of your company name
- Open a commercial bank account
- Establish a physical office in France
- Appoint an auditor
- Publish your French subsidiary's incorporation in the official journal
- Register your company for taxes, social security, and insurances
- Stamp your company books at Commercial Court

## France Subsidiary Laws

You'll need to follow a variety of France subsidiary laws when preparing to set up your

subsidiary, including various French accounting and tax requirements. If your company is outside the European Union (EU), the withholding tax on dividends is 25%, but you can get lower taxes because of double tax treaties signed by France.

According to France subsidiary laws, you'll need:

- At least two individuals or corporate bodies to form the subsidiary
- At least one euro as minimum share capital
- A manager who is a French resident or from the EEA
- No more than 100 shareholders

### **Benefits of Setting Up a France Subsidiary**

Setting up a subsidiary in France takes both time and money. Each step of the process has time constraints, which could mean you'll have to fly to France and back several times. Before you decide to set up a France subsidiary, you should understand all the money and resources it will take to expand — whether it's capital or numerous high-level employees to send back and forth to France.

You will also need extensive knowledge of France's subsidiary laws to make sure you are staying compliant. A staff member will need to dedicate their time to learning the ins and outs of these laws unless you choose a subsidiary alternative well-versed in French business regulations.

### **Other Important Considerations**

Opening a subsidiary in France is one of the most common ways foreign investors expand into France long-term. A limited liability subsidiary is an independent legal entity that is owned by your parent company. However, the parent company is not liable for any of the subsidiary's debts or other obligations.

This limited liability structure also means the subsidiary can operate independently of the parent company. Once you set up your subsidiary in France, you are free to create your own

bylaws or create a company culture shaped by France's culture.

However, it can take weeks or even months to set up a subsidiary in France, leading potential job candidates to look for other positions. Instead, you'll find significant benefits by choosing France subsidiary outsourcing services from Globalization Partners. We'll start you off on the right foot by hiring employees on your behalf and giving you the opportunity to work in a few days rather than weeks. Acting as your subsidiary, we'll handle everything from HR to legal concerns to establishing payroll.

### **Let Globalization Partners Help With Your Expansion**

If you're looking for time- and money-saving alternatives to establishing a France subsidiary, we can help. Contact us today to learn more about our services.