

Deciding on an expansion to Kenya is a big move that will include many positive benefits for your company. However, expanding doesn't come without challenges like hiring employees, deciding how to run a payroll, and determining which compensation and benefits will encourage greater retention rates. Plus, you'll have to focus on running your new company location as well as your parent company.

Globalization Partners will erase these barriers to entry through Kenya subsidiary outsourcing. Instead of learning how to set up your own Kenya subsidiary, you can use our existing Kenya PEO to start working fast. We'll shoulder all compliance with Kenya's subsidiary laws and make sure you have the time to focus on building your company.

How to Set Up a Kenya Subsidiary

Learning how to set up your Kenya subsidiary will start with understanding any restrictions on foreigners. For example, Kenya requires any person wanting to run a foreign business in Kenya to obtain a work permit from the Ministry of Immigration. The type of permit you need depends on whether you're acting as the owner of the business or an employee.

Different cities in Kenya have separate minimum wages depending on the type of employee, showing that location is an important factor. Various regions can also have their own Kenya subsidiary laws that impact incorporation. If you're not familiar with the areas in the country, we recommend seeking out a consultant or lawyer who can help.

Finally, you have to choose between three types of subsidiaries — a corporation, branch office, or representative office. Each business form has advantages and disadvantages and will allow you to engage in different types of activities. Many companies decide to incorporate as a limited liability corporation because it gives them the most freedom to operate in Kenya.

Setting up your subsidiary as an LLC will include the following steps:

- Obtaining approval on and reserving a company name through the Registrar of Companies

- Preparing and stamping the Memorandum, Articles of Association, and Statement of Nominal Capital
- Signing the Declaration of Compliance
- Completing and filing all relevant forms
- Registering for taxes with the Kenya Revenue Authority (KRA)
- Applying for a business permit
- Registering with social security services
- Creating a company seal

Kenya Subsidiary Laws

You have to follow Kenya's subsidiary laws that apply to your specific entity. Limited liability companies (LLCs) need at least two shareholders, two directors, and a registered office within Kenya that has a physical and postal address. While Kenya does not have a minimum or maximum share capital requirement, certain industries such as banking, foreign exchange, and some others may have minimum nominal capital requirements.

An LLC cannot have more than 50 members, not including the company's employees. If membership exceeds 50, you have to convert your LLC into a public limited corporation. Keep in mind the right to transfer shares is restricted, and the public cannot be involved.

Benefits of Setting Up a Kenya Subsidiary

While it can take as long as a year to set up your Kenya subsidiary, you'll get the benefit of working in Kenya as if you were a resident company. Companies often choose to incorporate as an LLC because the structure works for both the parent company and subsidiary. Your parent company won't be affected by litigation or other problems related to the subsidiary if you choose this option, and the subsidiary can operate using a structure that works best in Kenya.

You won't realize these benefits until you spend months figuring out how to set up a Kenya subsidiary. Globalization Partners will make it easier to start working in Kenya and other countries. As a global PEO, we have established subsidiaries all over the world that you can use. When you choose Kenya subsidiary outsourcing, we'll take care of everything from

onboarding employees to compliance.

Other Important Considerations

Expanding without Globalization Partners means you'll need an expert in Kenya subsidiary laws to help you stay compliant. A consultant, accountant, lawyer, or similar professional can help you expand without any additional delays or fines. You should also set aside all the money and time you'll need to complete the process so that you don't face any surprises.

Let Globalization Partners Help With Your Expansion

Globalization Partners has the experts you need to make the expansion process easier. Contact us today for more information about Kenya subsidiary outsourcing.