

When you expand overseas, you may consider creating a subsidiary to conduct business. While this process comes with advantages, it requires many resources to achieve. Globalization Partners offers subsidiary outsourcing in Laos to help you sidestep the process.

How to Set Up a Laos Subsidiary

You can establish two primary company types in the country, a Limited Liability Company (LLC) or a Public Limited Company (PLC). LLCs only allow shareholding within the entity, while PLCs can sell shares to the public. There are different requirements for these companies, but the registration process is the same.

Start by applying for a name reservation certificate at the Department of Enterprise Registration and Management. Then, apply for an enterprise registration certificate. At this stage, you need an established structure with shareholders, directors, and articles of association.

Once you register your enterprise, you can apply for an operating license from the ministry that works with your sector. With all your official documentation, register for a tax identification number (TIN), which allows you to pay corporate taxes.

After your tax registration, you can apply for the company sign approval and create your company seal. The final step is registering with the Social Security Fund. Once you complete the process, you can open a bank account and start operating your company.

Laos Subsidiary Laws

Subsidiary laws change depending on your company type. For example, LLCs require at least one shareholder and one director, whereas PLCs need at least three directors and seven shareholders. Neither company type requires a resident director.

Regardless of your entity, you will need articles of association. This official document covers

your company's processes, from appointing directors to tracking finances. It must meet all the country's formal company laws, so many owners work with a lawyer to ensure their processes are compliant.

What You Need for Your Setup Process

The two essential resources you will need to establish a subsidiary are time and money. You have to pay application fees during every step in the process, from reserving a name to creating a company seal. Depending on your sector and company's circumstances, the government may even require a high investment capital for your entity.

It will likely take six to eight weeks to complete the registration process, though this doesn't account for all the unofficial steps in creating a company. For example, you have to find or build an office to conduct business. If you choose to build, you need various permits and clearances. Drafting your articles of association and finding directors also take time.

Subsidiary Benefits

While the subsidiary setup process in Laos can be lengthy, it offers benefits once you have an established company. Your subsidiary will be a separate entity from your parent company. This arrangement allows you to create a different culture to fit the environment. The setup also offers separate liability — if the subsidiary experiences legal problems, your parent company is not responsible. This can help your parent company stay financially secure.

Globalization Partners uses an Employer of Record model that allows us to hire your employees through our subsidiary. This structure lets you mitigate legal risks and create a country-specific identity without the weeks-long registration process. Rather than dividing liability between your parent company and subsidiary, we become entirely responsible. You gain peace of mind, and your new entity can thrive within the local culture.

Trust Globalization Partners for Subsidiary Outsourcing Services

With Globalization Partners, you can mitigate risk and start your international company faster than you thought possible. [Reach out to our team today](#) to learn more about our services.