

Establishing a Latvia subsidiary is the most important part of your expansion. You need a registered entity before you can hire employees, establish a payroll, and give out benefits and salaries. However, it can take months to learn how to set up a Latvia subsidiary — even longer if you fail to follow all of the country's laws.

Globalization Partners offers Latvia subsidiary outsourcing to make sure you can start working faster. You won't have to set up your own Latvia subsidiary because you can use our existing PEO in the country. You also won't have to worry about Latvia's subsidiary laws because we'll shoulder all compliance instead of you.

How to Set up a Latvia Subsidiary

Before you set up a subsidiary in Latvia, you need to find the best location and the best entity for your country. Different locations, such as cities or regions, can have different Latvia subsidiary laws to follow. If you're not familiar with Latvia's regions, we recommend working with a professional consultant who can help you find the places most friendly to incorporation.

Next, you need to look at the different entities you can incorporate as. Latvia will allow you to incorporate as one of several structures, including a limited liability company (LLC), joint-stock company, branch office, or representative office. Every Latvia subsidiary setup has its own laws, times, and restrictions. Choosing the right entity will make a difference in what you can and cannot do as a company in Latvia.

The steps to set up your Latvia subsidiary as an LLC include:

- Choosing a unique company name that contains only Latin or Latvian letters
- Drafting Articles of Association and the Memorandum of Association
- Depositing minimum capital into your company's in-country bank account
- Registering the subsidiary with the Commercial Register
- Registering for VAT purposes depending on your company's commercial activities
- Obtaining any special permits and licenses that may apply to your industry

Latvia Subsidiary Laws

Many companies incorporate as an LLC because its Latvian subsidiary laws are favorable for foreign companies. However, there are still many laws you'll have to follow to stay compliant. For example, you'll need at least one shareholder and one director who can be of any nationality. Total minimum share capital must be at least 2,800 EUR, and you need to deposit at least 50% when you register your subsidiary.

If you meet two out of three criteria below, your Latvia subsidiary will need to go through an audit:

- Over 800,000 EUR in annual turnover
- Over 400,000 EUR in assets
- Average of 25 employees during the year

Benefits of Establishing a Subsidiary in Latvia

Although it can take weeks or months to finally set up your Latvia subsidiary, you'll get the benefit of finally working in the country. An LLC will also protect your subsidiary and parent company and allow them to operate somewhat independently. Your parent company won't have to worry about incurring fines or litigation from the subsidiary, and your subsidiary will get the opportunity to choose its own structure.

You won't start to realize these benefits until you spend months setting up your Latvia subsidiary. Instead, Globalization Partners can provide the same benefits and more through Latvia subsidiary outsourcing. We'll help you start working in as little as a day, and you won't have to worry about Latvia's subsidiary laws.

Everything You Need to Succeed

If you decide to register your own subsidiary instead of working with a global PEO, you'll need time, money, and an expert to succeed. It usually takes at least four weeks to establish an LLC, and you'll need to travel back and forth to Latvia during that time. Total incorporation

costs in just year one total close to 9,000 EUR, and you'll also have to factor in travel costs.

It will take even more time and money to establish a subsidiary if you do not have a Latvia subsidiary law expert. Try finding a lawyer, accountant, or consultant who can help you stay compliant throughout the process.

Talk to Globalization Partners Today

The team at Globalization Partners wants to help you expand without boundaries. Contact us today for more information on Latvia subsidiary outsourcing and the rest of our global expansion services.