

Expanding to Madagascar is an extremely exciting and challenging time in the life of your company. While pushing your company across borders is certainly something to celebrate, it also requires careful thought and planning, especially when you're still learning how to set up a Madagascar subsidiary. The incorporation process can take anywhere from a few weeks to a few months and involves everything from learning complicated tax laws to trying to hire international employees under a new set of employment compliance regulations.

Globalization Partners takes these challenges out of the expansion process through Madagascar subsidiary outsourcing. When you work with us, you won't have to set up a subsidiary, and you can start working in the country in just a few days. Our team of international compliance experts can also take on the risk for you so that you can run your company every day with peace of mind.

How to Set up a Madagascar Subsidiary

Your company can benefit from discussing a few elements of expansion before learning how to set up a Madagascar subsidiary. For example, where would you like to establish an office in the country? Certain areas, cities, and regions have their own costs, availability, and Madagascar subsidiary laws that can make it either easier or more difficult to incorporate. You should research the different areas you have in mind and choose the one with the simplest subsidiary laws.

Another factor to consider is what type of business you want to conduct in Madagascar. You can set up your Madagascar subsidiary as one of a variety of structures, including a limited liability company (LLC), public limited company, free zone company, branch, or representative office. Each entity will give you a certain degree of freedom, with LLCs giving you the most.

The steps to set up a Madagascar subsidiary as an LLC include:

- Choosing and registering a unique company name
- Applying for licenses and statistical identifications
- Establishing an in-country bank account
- Depositing paid-up share capital
- Filing a notice of constitution to get published in a daily newspaper in French
- Registering for social security and tax obligations

Madagascar Subsidiary Laws

Every subsidiary structure has its own Madagascar subsidiary laws to follow. As an LLC, you'll

need at least one director and one shareholder who can be of any nationality. You also need minimum paid-up share capital of \$1 to go through the incorporation process.

Since French is the main language in Madagascar, all of your LLC's financial books must be in French to stay compliant. You must appoint a resident representative to keep these books at your registered office in Madagascar. Madagascar subsidiary laws also require you to prepare annual financial statements and submit an audit each year through your approved, appointed auditor.

Benefits of the Madagascar Subsidiary Setup Process

Completing the Madagascar subsidiary setup process means you can finally start working in the country legally. LLCs are the most popular structure for companies expanding to Madagascar because they provide additional benefits. The limited liability structure will protect your parent company and give your subsidiary the freedom to operate differently.

You can also use Madagascar subsidiary outsourcing to receive more benefits faster. If you don't work with a global PEO such as Globalization Partners, you'll have to set up a subsidiary and worry about compliance every step of the way. Fortunately, we can eliminate both of those steps by acting as the Employer of Record. You won't have to set up a subsidiary, as you can use our existing entity in Madagascar. We'll also shoulder all compliance, so you can devote your time to running your company.

Everything You Need to Incorporate Successfully

We recommend setting aside everything you need for the Madagascar subsidiary setup process before you start. First, you'll need an expert in Madagascar subsidiary laws, or you'll have to designate a current employee to learn the laws. It can take a few months to incorporate, so you should also clear your schedule for those months in case you need to travel back and forth to Madagascar. Finally, we recommend working with your accounting department to make sure your company is prepared for the costs involved with incorporation.

Work With the Experts at Globalization Partners

Globalization Partners has the knowledge and expertise you need for a successful expansion. Contact us today to learn more about Madagascar subsidiary outsourcing.