

Your Malawi subsidiary is important to your success in the country. Registering an entity in Malawi will allow you to hire employees, establish a payroll, and provide benefits and compensation. However, it can take weeks, months, or even a year to establish a subsidiary, which will delay your plans to work in the country.

Globalization Partners offers a solution that will eliminate the need to set up your own Malawi subsidiary. We'll use our own in-house structure in the country to help your company operate in as little as a day or two. As a global PEO, we'll act as the Employer of Record to lift the burden of tax, legal, and HR matters from your shoulders and onto our own.

How to Set up Your Malawi Subsidiary

The first step to operating in Malawi if you expand on your own is learning how to set up a Malawi subsidiary. Your company will need to consider various factors that impact the Malawi subsidiary setup process. For example, different regions or cities in Malawi could have their own Malawi subsidiary laws related to incorporation, just like states in the US have different regulations. Choose a location that fits your business goals and offers an easy expansion process.

When you choose to work in Malawi, you'll find that there are several different types of subsidiaries. The option you choose should depend on how you want to work in the country, as each structure has its own regulations and levels of flexibility. If you plan to provide a wide range of products and services, we recommend incorporating as a limited liability company (LLC). This structure is one of the most popular and helps foreign companies operate like resident companies.

Setting up your Malawi subsidiary will include several steps. You'll need to:

- Register online or offline
- Reserve a unique company name
- Apply for a certificate of incorporation
- Register for income, Pay As You Earn (PAYE), and fringe benefit taxes
- Obtain a company seal

- Obtain a license from the city assembly
- Register your workplace with the Occupational Safety, Health, and Welfare Department
- Obtain a certificate after officials inspect your workplace

Malawi's Subsidiary Laws

Malawi's subsidiary laws are different based on where you are and what type of entity you incorporate as. For an LLC, you need a minimum of two people associated for any lawful purpose. You'll also need to write up:

- Names and contacts of company owners and everyone involved in the LLC
- Nationality of company owner(s)
- Number of employees
- Physical address of LLC
- Share capital

We recommend keeping all these important documents at your LLC's office. Keep in mind that Malawi's subsidiary laws often include different costs. For example, you'll need to work with a private lawyer to prepare your Memorandum of Association and Articles of Association, about 300,000–500,000 MK. You'll also need to pay registration fees to the government, which can range from 50,000–100,000 MK.

Benefits of Establishing a Subsidiary

Many companies in Malawi decide not to incorporate and instead work as informal businesses. While this setup is allowed, it will affect your ability to grow, obtain a loan or credit, hire employees, and work with technology. Following Malawi's subsidiary laws and establishing a subsidiary will give you better access to resources and help you operate with greater efficiency and success.

Unfortunately, it's difficult for some companies to spend months going through the Malawi subsidiary setup process, as it causes them to lose valuable time. Globalization Partners provides more benefits and a faster timeline through Malawi subsidiary outsourcing. You can use our Malawi PEO to operate in the country instead of trying to establish your own entity.

Doing so will help you start working faster, and you won't have to worry about compliance.

What Will Your Expansion Need to Succeed?

Your expansion requires money, time, and a complete understanding of Malawi's subsidiary laws. You should work with various departments within your company to make sure you're prepared for your expansion. For example, set aside money for the setup process by working with your accounting team. Then, you should hire an expert who can make sure you're staying compliant and won't face any fines or delays.

Work With Globalization Partners Today

Globalization Partners is your payroll, hiring, and compliance team all in one. Contact us today for more information about Malawi subsidiary outsourcing and our global expansion solution.