

Setting up a subsidiary in Mongolia is a necessary step if you're expanding without the help of a global PEO. However, the Mongolia subsidiary setup process can get in the way of accomplishing your business goals and meeting your desired timeline. You also have to spend time learning Mongolia's subsidiary laws, tax codes, and numerous regulations to stay compliant.

The entire process can take you a few months to complete and cause you to lose promising job candidates and potential business relationships. Globalization Partners eliminates these challenges through Mongolia subsidiary outsourcing. You can use our existing subsidiary to start working faster, then sit back while we manage the risk.

## How to Set up Your Mongolia Subsidiary

You can't set up your Mongolia subsidiary until you consider business factors, location, and regional language. Start by considering your industry, type of business, existing trade agreements, and other business goals that could impact incorporation. Location is another factor, as different cities or regions can have their own Mongolia subsidiary laws. Since the country's population is sparse, you should try to find a location with plenty of employees to hire and other businesses you can work with.

Mongolia's younger generation includes many English speakers. However, all your documents still need to get translated into Mongolian. If you'd rather work with English speakers, research the area where you would like to incorporate before choosing an office space so that you can find a place with a younger population that speaks English.

Finally, the Mongolia subsidiary setup process varies based on the type of entity you choose. You can incorporate as a limited liability company (LLC), joint stock company, or representative office. Each structure has its own Mongolia subsidiary laws and will impact how you can work in the country. Many companies choose to incorporate as an LLC because it provides the most freedom, while a representative office provides the least.

Setting up a Mongolia subsidiary as an LLC includes the following steps:

- Verifying and reserving a unique company name
- Paying the registration fee
- Registering your company for incorporation
- Registering a taxpayer
- Applying for a social security code
- Creating a company seal

## Mongolia's Subsidiary Laws

It's vital to follow all of Mongolia's subsidiary laws, or you could deal with fines and delays. LLCs need to get registered by one shareholder, which can be a non-resident foreign individual or a company. You also need one individual who will act as a director. This person does not need to be a Mongolian resident or national.

A shareholder that holds at least a 25% stake in the company needs to deposit at least \$100,000 into a Mongolian bank account before setting up the subsidiary. You should also open a local bank account where you can deposit the share capital and pay employees.

## Benefits of Establishing a Subsidiary

Once you learn how to set up your Mongolia subsidiary and complete the incorporation process, you can start benefitting from the work you do in the country. LLCs will also help you benefit from a limited liability structure. Your subsidiary has the opportunity to create operations around Mongolia's business culture, while the parent company does not have to worry about incurring any financial liability.

While these are great benefits, you won't get to realize them until months after finishing the Mongolia subsidiary setup process. Within that time, you'll have to learn all of Mongolia's subsidiary laws then still tackle hiring, compensation, benefits, and payroll. Choosing Mongolia subsidiary outsourcing will help you begin working in a few days and also take care of compliance.

## Everything You Need for the Mongolia Subsidiary Setup Process

First, you need an expert in Mongolia subsidiary laws if you're going to establish a subsidiary. A consultant, lawyer, or other expert can make sure you stay compliant. You'll also need to clear your schedule for a few weeks or months to make sure you have the time to travel back and forth to Mongolia. If you're too busy to handle setting up a subsidiary, you should work with another company executive with the time to handle the incorporation process.

## Contact Globalization Partners Today

Globalization Partners wants to help you expand successfully. Contact us today to learn more about Mongolia subsidiary outsourcing.