

Reading Time: 3 minutes

Operating in Mozambique is an exciting accomplishment for your company. However, it can turn into a long process, as you have to set up a Mozambique subsidiary before you can hire new employees, run your payroll, and give out compensation and benefits.

Globalization Partners can make your expansion easier and more productive through Mozambique subsidiary outsourcing. As a global PEO, we can use our existing subsidiaries in countries around the world to help you expand. When you work with us, you'll find that we also handle all matters of compliance, so you'll only have to worry about running your business.

How to Set up Your Mozambique Subsidiary

We recommend looking at two factors when discussing how to set up your Mozambique subsidiary — location and structure. Different cities and regions can operate under separate incorporation rules, costs, and availability. You should research the area where you want to incorporate before choosing a physical office space, or work with a consultant who can help you choose.

Mozambique offers several types of structures for companies looking to expand in the country. You can become a limited liability company (LLC), public limited company (SA), branch, or representative office. Each entity comes with its own Mozambique subsidiary laws and benefits, so it's important to review your business goals and company structures to make the right decision.

Many companies opt to incorporate as an LLC because of its benefits for both the subsidiary and the parent company. The Mozambique subsidiary setup process for an LLC includes the following steps:

- Obtaining a certificate of your unique name at the Legal Entities Registrar
- Signing Articles of Association before a notary
- Opening a provisional bank account and paying registration fees
- Registering with Mozambique's Legal Entities Registrar of Maputo
- Requesting a commercial registry certificate
- Publishing company statutes in the official gazette
- Registering for taxes and getting NUIT
- Applying for a simplified operating license with the One-Stop Shop of Maputo
- Declaring the start of your business activity at the tax department
- Registering your job candidates at the provincial employment center
- Registering all your employees with the social security system

Mozambique Subsidiary Laws

Mozambique's subsidiary laws differ with every entity you choose. Limited liability companies have their own set of subsidiary laws related to start-up capital, structure, and more. You'll need at least one director and one shareholder of any nationality. These individuals do not have to live in Mozambique while working for your company.

If your company employs a foreign director, they'll need a personal tax number but won't have to file tax returns unless they live in the country. Once you officially incorporate, you'll need to hire a local accountant who will file your monthly VAT returns with the Mozambique Tax Office.

LLCs do not have minimum capital requirements, but the company's share capital will get divided into quotas. Every quota is nominative and expressed in the local currency. Quota holder liability is limited to the value of which each of them has subscribed.

Benefits of Setting up a Mozambique Subsidiary

Although it can take weeks or months to set up a Mozambique subsidiary, it does bring helpful benefits to all expanding companies. LLCs ensure that both the parent company and the subsidiary operate with limited liability. The parent company will not be responsible for any litigation regarding the subsidiary, and the subsidiary can choose its own operating structure in Mozambique.

Globalization Partners offers these benefits and more through Mozambique subsidiary outsourcing. Instead of you going through the lengthy Mozambique subsidiary setup process, we'll help you start working in a few days. Globalization Partners will also shoulder all compliance, so you won't have to worry about Mozambique subsidiary laws.

What Do You Need to Set up a Subsidiary?

While you learn how to set up a Mozambique subsidiary, it can help to set aside everything you need to incorporate successfully. We recommend working with your accounting team to budget the right amount for the subsidiary setup process since certain steps can cost. You should also budget the money and time you'll need to fly back and forth to Mozambique.

Contact Globalization Partners Today

Globalization Partners will strive to make your expansion easier through Mozambique subsidiary outsourcing services. Contact us today to learn more.