

The typical path to expansion in Peru involves setting up a subsidiary. You must set up a subsidiary or choose an alternative before you can hire employees, add them to your payroll, or put together a benefits package. However, incorporating a subsidiary in a foreign country can be challenging. Every step of the process involves time and money and requires a complete understanding of Peru subsidiary laws.

Globalization Partners can simplify the expanding process with our Employer of Record solution. We'll get you set up and ready to work in a matter of days instead of the months it could take to set up a Peru subsidiary. We're the alternative to establishing a Peru subsidiary you need when you want to work quickly.

How to Set up a Subsidiary

If you decide to expand to Peru, you'll first need to determine what type of subsidiary you would like to establish. The most common is a Sociedad Comercial De Responsabilidad Limitada (S.R.L), which is a limited liability commercial company. However, you could also incorporate as a Sociedad Anónima, which is a standard corporation. The three types of standard corporations are:

- Sociedad Anónima Ordinaria (S.A.)
- Sociedad Anónima Abierta (S.A.A.)
- Sociedad Anónima Cerrada (S.A.C.)

Peru subsidiary laws differ based on what type of subsidiary you decide to set up. In general, the country does not require a minimum share of capital. However, many financial institutions will require 1000 sol — around \$306 in US currency — as a minimum deposit. If you have migratory status, you will need a foreign investor with a minimum share capital of US\$30,000 to apply for an investor visa.

The number of shareholders you'll need depends on the Peru subsidiary setup you choose. An S.A. requires at least two but no more than 750 shareholders. Any standard corporation has to appoint three directors, and all three cannot reside in Peru. All foreign shareholders will need an attorney-in-fact to sign off on any laws on their behalf.

Another step of the incorporation process is opening a local bank account. You will need to deposit your capital contribution in either local or foreign currency before you can start your business. You'll also need to check and register your name to make sure it is unique to your company.

Peru Subsidiary Laws

The General Law of Companies outlines Peru subsidiary laws. Under this law, corporations need at least two shareholders of any nationality when they incorporate who are either individuals or corporate legal entities.

Since a limited liability subsidiary is the most popular option, understanding the laws relating to its setup is essential. An S.R.L is a commercial partnership divided into equal parts. Every partner's involvement is limited to the amount of non-transferable company shares they have. For an S.R.L, you'd need at least two but no more than 20 partners who can be of any nationality and do not have to live in Peru. When you choose a name, it needs to include "Sociedad de Responsabilidad Limitada" or "S.R.L."

Benefits of a Peru Subsidiary

The most significant benefit of setting up a Peru subsidiary is that you can begin your operations in the country. Additionally, with an S.R.L, liability between the subsidiary and the parent company is limited. Therefore, the parent company doesn't have to worry about any losses or litigation. The subsidiary can also operate independently with its own structure and code of conduct.

You can enjoy even more benefits by choosing an alternative to establishing a Peru subsidiary. Globalization Partners will allow you to start operations quickly through our Peru PEO. With us, you won't have to undergo the lengthy subsidiary setup process, and you won't have to worry about employment compliance.

What Do You Need?

As you consider setting up a Peru subsidiary, you'll need to think about the time and resources required to get started. You will have to find the time and money to travel back and forth to Peru and learn all of Peru's subsidiary laws. You should also prepare to spend money during several parts of the process.

Alternatively, you can save both time and money by entrusting all issues of compliance and setup to Globalization Partners' already-established subsidiary.

Contact Globalization Partners

Our alternative to establishing a Peru subsidiary offers many benefits for your business. Contact us today to learn more about our services.