

Congratulations on your decision to expand to Tanzania! There are many benefits to a global expansion, such as new business relationships, talented employees, and the chance to offer international products and services. Unfortunately, you won't get to experience those benefits until you spend weeks or months trying to complete the Tanzania subsidiary setup process.

Globalization Partners can cut that time down to just a day or two. We'll use our Tanzania PEO on your behalf, so you won't need to set up your own subsidiary. When you use our existing subsidiary, we'll act as the Employer of Record to handle all Tanzania subsidiary laws on your behalf. While we manage the risk, you can focus exclusively on managing your company and increasing your profits.

How to Set up a Tanzania Subsidiary

Tanzania recently made it easier for companies to learn how to set up a Tanzania subsidiary. Today, there are no requirements for inspections by health, town, and land officers before obtaining a business license. Despite these changes, companies still find it hard to enter the market, as corruption runs rampant. The government, land administration, taxation, and customs are some of the most corrupt sectors.

The first step to establishing a subsidiary is deciding what type of entity is best for your needs. Tanzania legislation allows for a wide range of forms, but the four most popular include private limited liability company (LLC), public company, branch, and representative office. Most companies decide to incorporate as an LLC, as it gives them the most freedom to work in the country with the most flexible laws.

Setting your Tanzania subsidiary up as an LLC will include the following steps:

- Submitting an application for a company name at the BRELA agency
- Notarizing a declaration of compliance
- Submitting an application for company incorporation
- Submitting an application to the Tanzania Revenue Authority for a taxpayer identification number (TIN)
- Submitting an application for a business license
- Submitting an application for VAT
- Registering for the workmen's compensation insurance
- Registering for social security

Tanzania Subsidiary Laws

Once you incorporate as an LLC, you'll need to make sure you follow the right Tanzania subsidiary laws for that entity. For example, you must appoint at least two directors and two shareholders, who can be of any nationality. Tanzania does not have any minimum paid-up share capital requirement, which can help companies incorporate faster.

You'll be required to submit audited financial statements to the Business Registrations and Licensing Agency (BRELA) each year. Unless your annual sales are less than \$45,000, you'll also have to apply for VAT.

Benefits of Incorporating in the Country

Although the incorporation process can take up to a few months or even a year, there are benefits of establishing a subsidiary. You can legally work in the country, and you can protect your shareholders through the LLC structure. LLCs also operate separately from the parent company, which keeps both entities safe from litigation and potential fines.

Globalization Partners will make sure you get to enjoy all these benefits and more when you choose Tanzania subsidiary outsourcing with us. We have an established subsidiary in Tanzania that you can use to start working immediately. Our experts will work on your behalf to make sure your company follows Tanzania's subsidiary laws. While we handle compliance and recruiting, hiring, payroll, and benefits, you can focus on growing your bottom line.

What You Need for the Tanzania Subsidiary Setup Process

Before officially starting your expansion, you can benefit from finding a Tanzania subsidiary law expert. This person can be a lawyer, accountant, or other expert, but they should help you avoid fines and delays. We also recommend working with other people in your company who can help you delegate tasks and create a financial plan for your expansion. Doing so will help you maintain a clear path forward, even if you encounter issues along the way.

Partner With Our Team for Your Expansion

Globalization Partners will make sure your expansion is smooth from the beginning while you maintain complete compliance. [Reach out to us today](#) to learn more about Tanzania subsidiary outsourcing, our entire suite of Global Expansion Platform™, and how we can help you succeed in the country.