

Native Teams

Global Expansion Report

**The New Economics
of Going Global:**

A Benchmark of Cost,
Risk, and Complexity
Across 19 Markets



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Executive summary

Companies expanding across borders face **fragmented legal regulations, varying digitalisation levels, and hidden costs** that are rarely obvious at the start. This report provides the **first cross-market benchmark** of what it really takes to establish and operate a legal entity across **19 jurisdictions**, from cost and timelines to digitalisation levels and regulatory risks.

The report was conducted during **Web Summit 2025** and in partnership with **Swiss Entrepreneurship Program (Swiss EP), Startup Club Skopje, Fil Rouge Capital, Eleven VC, and MFG Invest**, providing a clear, comparable view of the true cost of establishing and maintaining an international presence.

The findings are based on three core data sources:

Standardised cost and timeline data from

19

countries

Operational input from

17

legal, tax and accounting providers

Aggregated data from more than

3,000

internationally active companies

To complement this benchmark, more than **100 founders, executives, and HR leaders** across SaaS, fintech, and professional services participated in the **Global Expansion Survey**, providing **first-hand insights** on the **hiring models they use, the regions they prioritise, and the biggest mistakes that should be avoided**.

The results highlight a recurring pattern: **contractors dominate early stages, EORs enable fast and compliant entry into new markets, and owned entities become essential once teams grow and investors demand greater control**. Yet founders often underestimate legal and tax risk, misjudge when flexible hiring stops being efficient, and delay infrastructure until operational issues appear.

The Global Expansion Report, released in early 2026, combines **quantitative benchmarks with real-world insights** based on 2025 data, outlining the real global expansion costs, where complexity accumulates, and strategic tipping points shaping global expansion. The goal is not to describe a single path, but to provide a **framework for making informed and time-sensitive decisions** as teams scale globally.

1.

Introduction

This report provides a comparative assessment of incorporation and ongoing maintenance for LLC-equivalent entities across 19 jurisdictions. It evaluates the full lifecycle of establishing and running a local entity, including costs, procedural requirements, and complexity. The analysis also identifies when operating an entity becomes more cost-efficient than using an Employer of Record (EOR) model.

The objective is to provide a structured, evidence-based assessment of when establishing a local entity becomes commercially and operationally preferable to an EOR model.

The analysis is based on a combination of primary and secondary sources, including aggregated operational data from more **than 3,000 internationally active companies** and **verified input from 17 independent legal, accounting, and compliance service providers across the covered jurisdictions**. The data have been standardised for comparability. Amounts represent standard market-average quotations from both sources and are shown in EUR using October 2025 exchange rates. The blended methodology ensures the findings reflect both real-world entity management experience and up-to-date regulatory requirements.



2.

Analysed jurisdictions

This study covers 19 jurisdictions selected to provide a balanced comparison across different regulatory maturities, cost structures, and operational complexities. The sample includes both large mature markets and smaller developing economies, giving a realistic view of how incorporation costs, ongoing maintenance, penalties, and regulatory environments vary across the full spectrum of global entity-management conditions.

Continent	Analysed jurisdictions	%
Europe	Austria, Belgium, Croatia, Cyprus, Estonia, France, Germany, Ireland, Kosovo, Malta, North Macedonia, Serbia, Spain, Sweden, United Kingdom	79%
Asia	Hong Kong, Philippines	11%
North America	United States (Delaware)	5%
Oceania	Australia	5%

The jurisdiction set is predominantly European (79%), with a smaller number of non-European markets (the United States, Australia, the Philippines, and Hong Kong) included to provide broader geographic coverage. The selection spans across both higher-cost jurisdictions (e.g., Germany, Belgium, Spain) and lower-cost markets (e.g., North Macedonia, Kosovo, Philippines), alongside a mix of high-complexity and leaner administrative environments. This diversity enables a meaningful cross-market comparison of costs, procedural burdens, and operational feasibility.

3.

Legal entity setup process

The process of establishing a legal entity follows a similar sequence across most jurisdictions, though the **complexity, required documentation, and duration vary significantly by country**. Broadly, incorporation can be divided into **three main phases: Preparation, registration, and post-incorporation compliance**.

3.1. Preparation & due diligence

- Collect shareholder and director KYC documents (IDs, proof of address, police certificates)
- For corporate shareholders, add notarised and apostilled documents (certificate of incorporation, articles of association, board resolutions)
- Signing of engagement letters or Power of Attorney (if incorporation is handled by a local agent)
- Prepare Articles of Association / Constitution and internal resolutions
- Obtain bank reference letters, source-of-funds verification, and sign engagement letters.

3.2. Incorporation & registration

- Execute and notarise incorporation documents
- Deposit share capital
- File for Commercial Register entry/company number
- Open a local or digital bank account (often the most time-consuming step)
- Register for tax IDs/business numbers.

3.3. Post-registration

- Obtain the certificate of incorporation/registration extract
- Register for VAT, social security, and employer obligations where applicable
- Ensure certified translations of foreign documents
- Maintain ongoing KYC updates and annual filings.

While the overall structure is globally consistent, factors that determine overall complexity and cost vary substantially between markets, mainly depending on the level of manual involvement, notarisation and required local presence.

4.

Complexity across jurisdictions:

remote services, digitalisation vs manual workflows and in-person notarisation

The complexity of entity incorporation varies considerably between jurisdictions. This study uses a **1-5 complexity scale** (1 = Very Easy, 5 = Very Hard) to benchmark these differences.

This distribution highlights the **broad procedural diversity across countries** - from fully digital incorporation systems to highly manual, notarised processes.

Level 5 - Very Hard

Requires in-person appearance, multiple notarisations, apostilles, and slow manual workflows.

 *Philippines*

Level 4 - Hard

Needs notarised Power of Attorney, apostille, and translation steps.

 *Germany, Belgium, Spain, France, Croatia, Austria*

Level 3 - Moderate

Can be completed remotely but involves friction with banking, capital deposits, or notarised docs.

 *Sweden, Serbia, North Macedonia, Kosovo*

Level 2 - Easy

Fully remote via authorised agent; limited notarisation requirements

 *Australia, Hong Kong, Malta, Cyprus, United States*

Level 1 - Very Easy

Fully online and digital incorporation; no local presence or notarisation

 *United Kingdom, Ireland, Estonia*

Country	Difficulty score	Notes
 Philippines	5	High barriers, manual TIN/banking process
 Germany	4	Notary required, partial e-notary options
 Belgium	4	Notary deed and apostilles needed
 Croatia	4	Notary presence or apostilled POA
 Austria	4	Requires a notary and a share capital deposit; partial online filing is available, but limited for foreigners
 France	4	POA possible, but notarisation and translation required; partial online process
 Spain	4	Requires POA, NIE, notarisation, apostille; partial online, local bank account needed
 Sweden	3	Digital filing, but the capital deposit is often manual
 North Macedonia	3	Remote setup with notarised and translated docs; local bank account required
 Serbia	3	Possible remotely via POA; notarisation and apostille required
 Kosovo	3	Remote incorporation via POA; notarisation and translation required
 United States (Delaware)	2	Easy filing, only banking may complicate
 Australia	2	Simple online setup, local director needed
 Hong Kong	2	Online registration; bank KYC adds friction
 Malta	2	Remote via agent; KYC is manageable
 Cyprus	2	Agent-handled, remote POA accepted
 UAE	2	Free Zone setup fully remote via agent; minimal notarisation
 United Kingdom	1	Fully online via Companies House
 Ireland	1	Fully digital CRO registration
 Estonia	1	Fully online via e-Residency; digital signatures accepted

The average incorporation complexity across 19 jurisdictions is 2.9 (Moderate), indicating that while some countries allow digital registration, **entity incorporation in most regions remains partially manual and dependent on local legal infrastructure**, with roughly half of jurisdictions still requiring some degree of notarisation or in-person formalities.

Across the reviewed markets, **the main procedural barriers are mandatory notarisation, share capital deposits, and local bank account verification** - all of which extend setup timelines and raise overall incorporation costs.

5.

Cost & time

Entity incorporation timelines and costs vary widely across jurisdictions, primarily influenced by variations in procedural requirements, documentation standards, and the level of digitalisation in local authorities.

5.1. Timeline

While **some markets enable fully online registration within a few business days, others require multiple legal and procedural steps that can extend the process to several weeks.**

Country	Typical timeline
 Philippines	6-8 weeks
 Spain	4-8 weeks
 Germany	4-6 weeks
 Cyprus	1 month
 Sweden	3-5 weeks
 Belgium	3-5 weeks
 France	3 weeks
 Croatia	2-4 weeks
 Austria	2-3 weeks
 Kosovo	10 business days
 United States <i>(Delaware)</i>	1-3 weeks
 Ireland	1-2 weeks

 Hong Kong	1 week
 Malta	5-7 business days
 Serbia	5 business days
 North Macedonia	5 business days
 Australia	3-7 business days
 Estonia	3 business days
 United Kingdom	2-5 business days

Average incorporation time: **15-23 business days**

5.2. Incorporation costs

Initial incorporation expenses cover all one-off legal and administrative steps required to establish a company - from notarised filings to bank account setup and capital deposit.

The table below highlights the most common incorporation cost categories and their ranges; these represent only a subset of all possible one-off setup items but capture the largest cost differences between jurisdictions.

Category	Cost range (€)	Lowest-cost country	Highest-cost country
Minimum Share Capital	€0 - €25,000	Estonia, US (Delaware), Kosovo (€0)	Germany (€25,000)
Legal support for incorporation	€150 - €5,300	United Kingdom €150	Spain €5,300
Notarisation	€400 - €2,000	Croatia €400	Austria €2,000
Business registration	€37 - €1,708	France €37.45	Sweden €1,708

On average, incorporation across 19 reviewed jurisdictions costs around €7,300, with wide variation mostly depending on jurisdictional complexity and share-capital requirements.

5.3. Recurring/Annual maintenance costs

Once incorporated, **entities must maintain ongoing compliance obligations** - including accounting, annual reporting, payroll, registered address and governance updates, alongside other statutory requirements.

The table below highlights the most common recurring cost categories and their ranges; these represent only a subset of all possible maintenance obligations but account for the largest cost differences across jurisdictions.

Category	Cost range (€/year)	Lowest-cost country	Highest-cost country
Virtual/Legal address	€62 - €3,600	Sweden (€62.45)	Germany (€3,600)
Accounting	€35 - €4,980	Hong Kong (€35)	Spain (€4,980)
Payroll (5 employees)	€340 - €9,720	Sweden (€340.20)	Austria (€9,720)
Secretary (admin support)	€299 - €3,840	Philippines (€299)	Hong Kong (€3,840)

Across 19 analysed jurisdictions, **the yearly maintenance cost averages around €7,700**, with variations driven mainly by local service pricing and the differing levels of mandatory and Common maintenance requirements across jurisdictions.

6.

Overall insights



Across the 19 reviewed markets, **setting up a legal entity costs an average of €7,300 and takes 15 to 23 business days to incorporate**, while **ongoing maintenance averages €7,700 per year** - bringing the average **total annual cost** to approximately **€15,000**.



From a cost perspective, Entity Management becomes economically viable once total **EOR spend reaches or exceeds €15,000 annually** - which occurs after roughly **3 to 7 employees**, depending on the average **EOR fee (€200 - €500 per employee/month)**.



However, **managing an entity involves additional overhead and liabilities** - including legal filings, payroll setup, Tax registrations, and ongoing compliance - which makes it significantly harder to operate compared to EOR. **To account for this complexity, a recommended 50% cost buffer should be applied before making the switch. This means using a higher breakeven threshold of roughly €22,500/year on average**, shifting the decision point to approximately **4 to 10 employees**, depending on jurisdiction and the company's capacity to manage an entity.



In essence, the decision to **switch depends on both the cost ratio (EOR \geq 1.5x EM cost) and the level of complexity one is prepared to manage**, balancing financial efficiency with administrative manageability.



While these figures provide an overall benchmark, **the underlying cost, complexity, and regulatory burden differ significantly by country**.

7.

Global Expansion Survey

How founders really scale across borders

To complement the country-by-country cost, timeline, and complexity analysis, Native Teams ran the **Global Expansion Survey**, with over **100 founders, executives, and HR leaders** from tech-driven companies worldwide during Web Summit Lisbon. The goal was to understand how companies actually expand across borders - what works, what breaks, and where the hidden blind spots are.

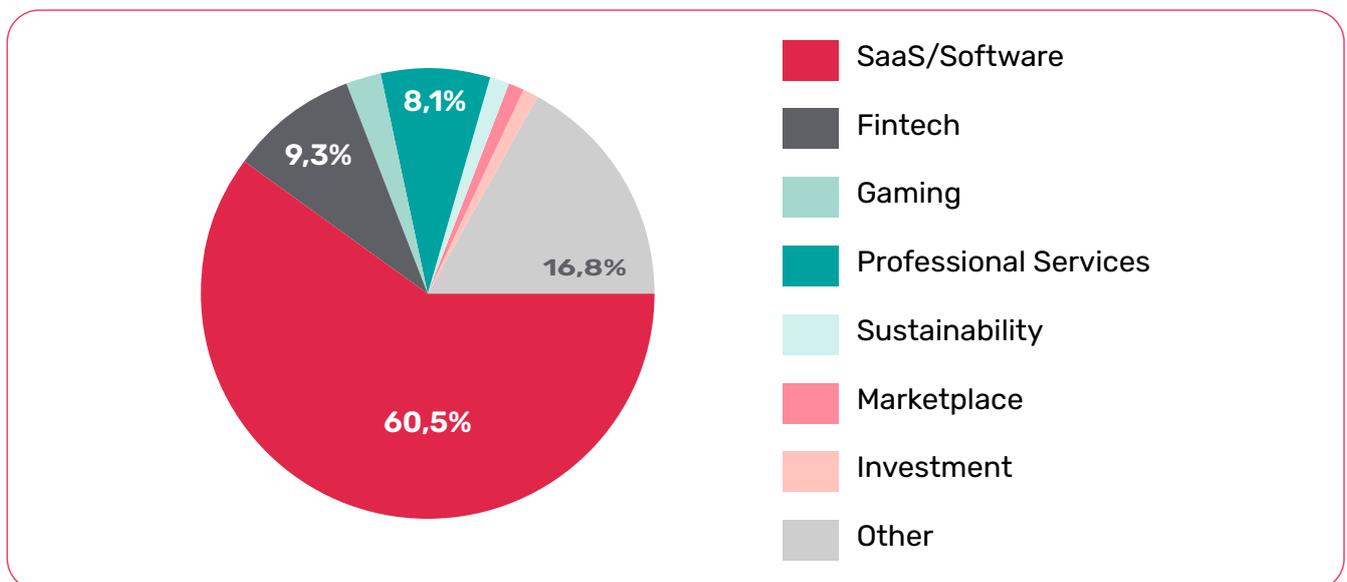
Respondents ranged from **pre-seed startups to 500+ employee scale-ups**, primarily in SaaS, fintech, and professional services.

7.1. Who responded?

Digital-first, global by design

- The majority operate in **SaaS, software, AI, cybersecurity, and digital infrastructure**.
- Other sectors include **fintech, gaming, media, professional services, education, retail, and VC**.

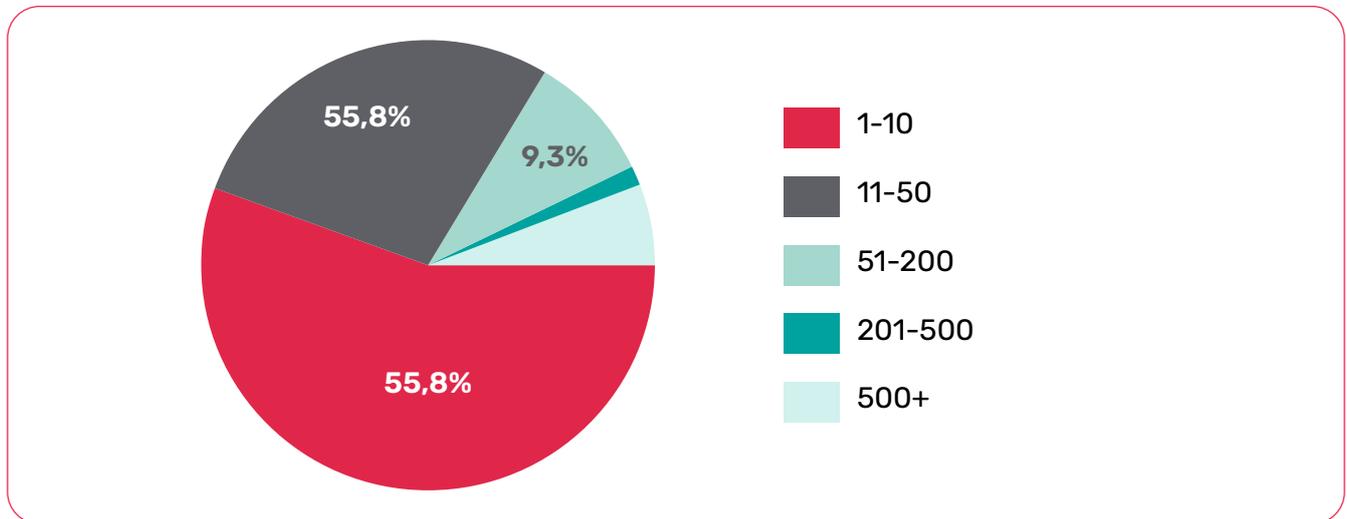
Chart 1: Which industry best describes your company?



Company size

- 1-10 employees: ~50%
- 11-50 employees: ~33%
- 51-200 employees: ~15%
- 201+ employees: <2%

Chart 2: How many total employees does your company have?



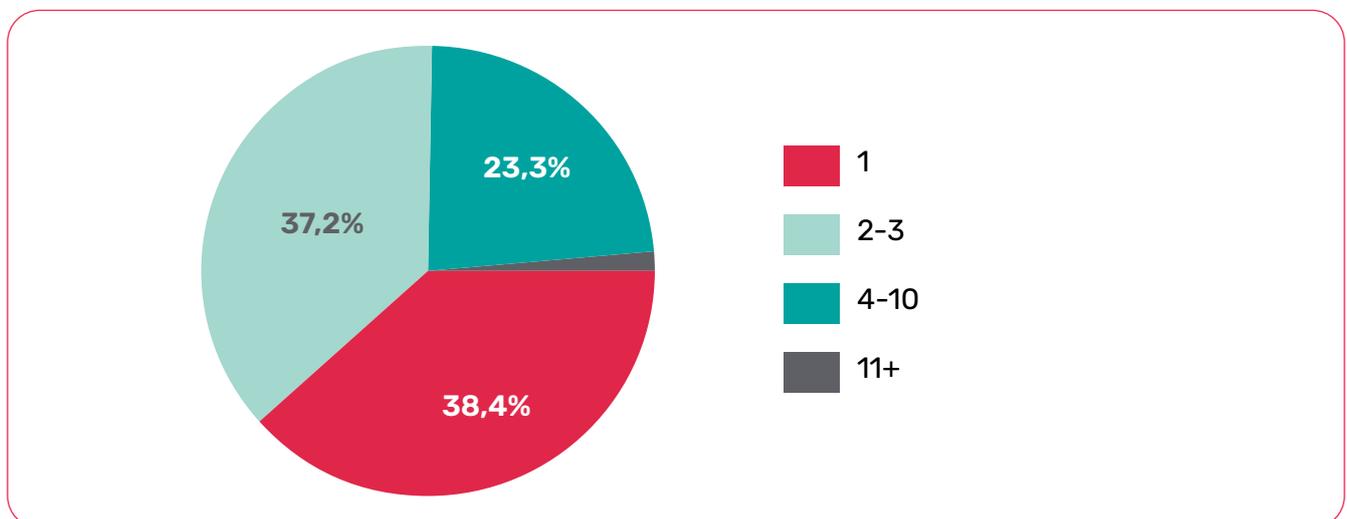
Most respondents are **early- and growth-stage companies**, with a meaningful minority of scale-ups (51–200 employees) and a few 200+ headcount organisations.

Countries of employment

- 1 country only: early-stage group
- 2-3 countries: very common
- 4-10 countries: “real global” cluster
- 11+ countries: only a few

The majority are already operating in **2-10 countries**, with a smaller group in a single market and a handful managing 11+ geographies, actively living through global expansion challenges.

Chart 3: In how many countries do you currently employ people?

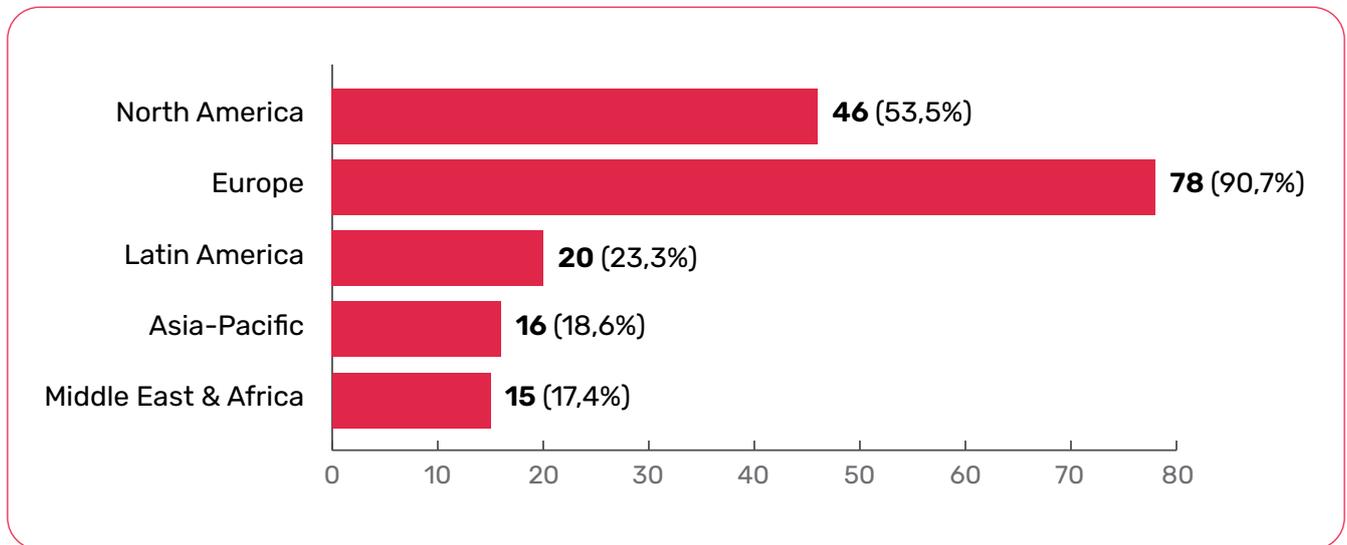


7.2. Where are they expanding?

Europe and North America dominate, with APAC, LatAm, and MENA as secondary waves

- Europe and North America are the **top target regions** for the next 12-24 months.
- APAC, Latin America, the Middle East, and Africa appear as **secondary markets** once product-market fit and funding are established.

Chart 4: What regions are most important for you in the next 12-24 months?



Country-specific patterns

- **UK:** strategic beachhead in Europe, easier compliance.
- **US:** the largest single market for SaaS and fintech.
- **Portugal and Spain:** soft-landing markets, language and cultural proximity.
- **DACH (Germany, Austria, Switzerland):** enterprise demand and high-value B2B markets.
- **Brazil, Mexico, Chile:** key LatAm markets, often based on existing networks.
- **Nigeria:** high-growth market for financial infrastructure.

Founders prioritise **Europe and North America first**, followed by APAC, LatAm, and MENA. Entry country choice is guided by **market size, networks, language, and regulatory familiarity**.

Expert insight:

“Central and Eastern Europe has proven talent that knows how to do more with less. LATAM is another strong region, supported by a fast-growing fintech ecosystem and good time zone alignment with the US. Both regions deliver high performance but still do not receive the attention they deserve. For many early stage companies, they offer world-class teams without world-class burn.”

– **Simeon Iliev, Chief Opportunity Navigator at MFG Invest.**

7.3. How they employ talent abroad

Contractors as the default

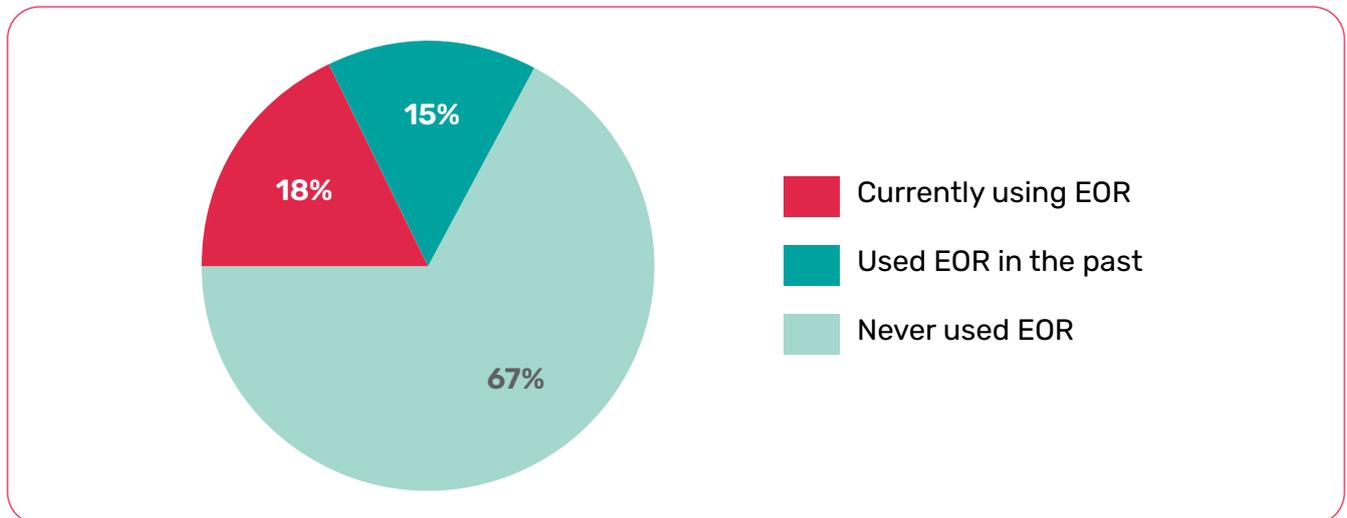
- The most widely used model among **1-10 employee companies** and those in **1-3 countries**.
- Many describe themselves as **“not there yet”** for formal structures.

Entities and hybrid models increase with scale

- Own entities/subsidiaries: common among companies with **larger headcounts** or strategic market focus.
- Hybrid models (entities + contractors + occasional EOR): frequent in **4-10 countries**.
- Mature scale-ups often use a **patchwork**: entities where there is mass, contractors for testing, and EOR in complex jurisdictions.

Employer of Record (EOR) usage

- Currently using EOR: 18%
- Used EOR in the past: 15%
- Never used EOR: 67%



Stage framework

- **Stage 0 - Contractors-only:** fast, lightweight, experimental.
- **Stage 1 - EOR/ hybrid:** rent compliance to move fast and safely.
- **Stage 2 - Own entities:** scale where strategic and cost-effective.

7.4. The expansion tipping point

4-country threshold: companies operating in 4+ countries, 73% primarily use their own entities (>75% of workforce)

Company size correlation:

- 1-10 employees: 68% rely on contractors/EOR
- 11-50 employees: 52% have entities
- 51-200 employees: 78% primarily use entities
- 500+ employees: 100% primarily use entities

The **transition occurs when companies reach 4+ countries or exceed 50 employees**, whichever comes first.

Region-specific patterns

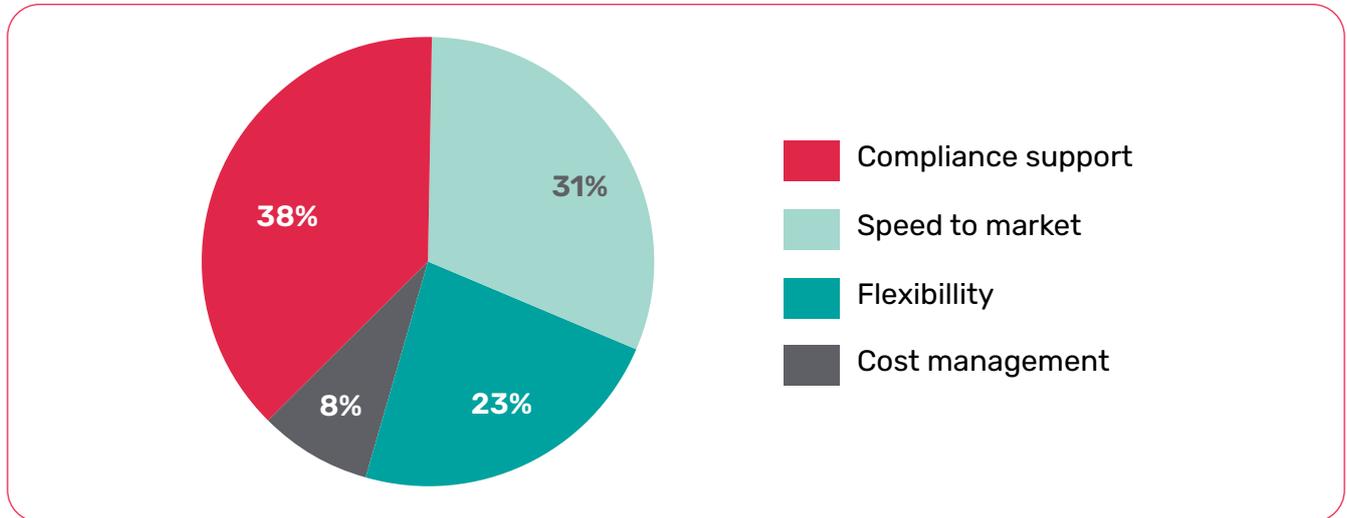
Region	Own Entities	Contractors	EOR
Europe	45%	35%	20%
North America	58%	27%	15%
Asia-Pacific	31%	48%	21%

North American expansion drives entity establishment, while APAC favours contractors initially.

7.5. Why founders use (and leave) EOR

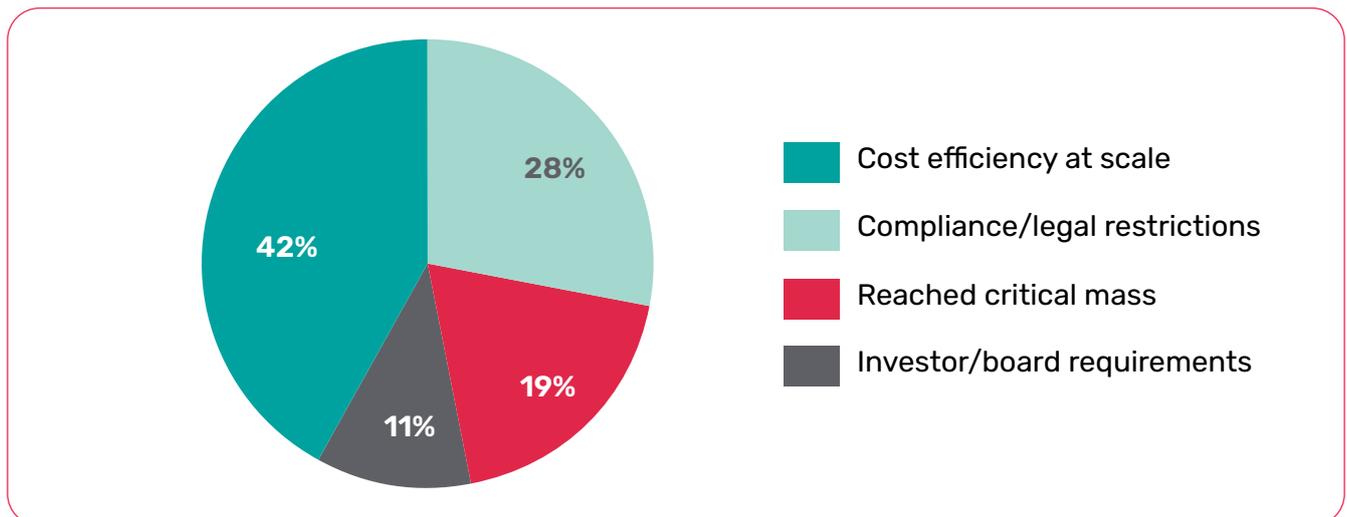
The reported benefits of using EOR (current or past users)

- Compliance support: 38%
- Speed to market: 31%
- Flexibility: 23%
- Cost management: 8%



Reasons for leaving EOR

- Cost efficiency at scale: 42%
- Compliance/legal restrictions: 28%
- Reached critical mass (headcount justified entity): 19%
- Investor/board requirements: 11%



EOR is a **lifecycle stage**, valued for speed and compliance, and often replaced when scaling or meeting investor expectations.

7.6. Cost vs compliance

Average ratings (1-5 scale)

- **Cost-effectiveness of current setup:** 3.9/5
- **Compliance complexity:** 2.8/5

EOR users consistently reported valuing **speed to market** and **compliance support**, while companies operating **owned entities** cited **cost efficiency and control** as key advantages.

Hybrid setups (mix of contractors, entities, and EOR) were associated with the **highest perceived complexity**, which confirms that global expansion challenges compound as companies diversify hiring channels.

7.7. What founders wish they'd known before expanding

The open-text answers to “*What do you wish you knew before expanding globally?*” are some of the most valuable parts of the survey. A few strong themes emerge.

1) Infrastructure first, hiring second (28% of open responses)

Ivan Ivanka, Markster’s CEO and Founder, shared a story that perfectly captures the pain of sequencing things the wrong way:

“I built everything backwards. Started hiring internationally because talent was cheaper. Had zero infrastructure ready. No multi-currency accounts, no local payroll, no compliance set-up. Just me, Wise, and spreadsheets. When we hit 20 people across five countries, the whole thing imploded. Spent a full year retrofitting proper systems while bleeding cash. I treated global expansion like a recruiting exercise. It’s not. It’s building financial and legal infrastructure across multiple jurisdictions.”

– **Ivan Ivanka, Founder & CEO, Markster**

This is the core of the two-stage playbook: **rent infrastructure when you’re small and testing, own it when you’re serious - but make sure you’re actually planning for infrastructure at all.**

Expert insight:

“Global hiring should follow internal alignment. Before bringing new people into the company, founders need clarity around their processes, culture and compliance, otherwise they create complexity faster than value. Multiply zero by any number and it is still zero; the same applies to a weak process. On top of that, the local culture and regulatory environment need to be understood before entering any new market.”

– **Simeon Iliev, Chief Opportunity Navigator at MFG Invest.**

2) Legal, tax and banking are much harder than expected (24%)

Many respondents pointed to **compliance, banking and tax** as underestimated pain points:

- “Compliance and overall banking are part of the process.”
- “Cost and operations.”
- “Regulatory differences.”
- “Tax application.”

- “How to set up all aspects of a business in each geo.”

Ciarán Harris, the Founder & CEO of CogniStream.ai, highlighted the IP angle:

“The complexities for different regions and the different laws in place in different regions. For example, if you don’t have a watertight contractor agreement with some countries, you can end up not owning the IP that you pay for.”

– **Ciarán Harris, Founder & CEO, CogniStream.ai**

3) You don’t always need an entity for every country (14%)

A particularly important misconception surfaced in one response:

“I wish I knew it is not necessary to open up entities in each country I want to hire.”

– **Austeja Zymantaite, Co-founder & COO, Mindioo**

This directly supports a **hybrid model** approach - use EOR or similar structures where appropriate, and be selective about where you invest in full entity setup.

4) Remote and multicultural teams need more deliberate management (15%)

Not all lessons were purely legal and financial. Several founders stressed the human side:

“Multi-cultural teams that work remotely have very specific needs and require a lot of attention. Especially if you have never seen each other face-to-face. You need to spend quite some time paying attention to them.”

– **Susanne Drews, Founder & CEO, Chemp.ai**

Others mentioned **relations complexity, communication and culture** as non-trivial scaling challenges.

7.8. Tipping point framework

Based on the data, we can establish clear benchmarks for when companies should transition from flexible to permanent structures:

Phase 1

Testing (1-2 countries, <10 employees)

- **Recommended approach:** Contractors or EOR
- **Duration:** 6-12 months
- **Key metric:** <5 employees per country

Phase 2

Validation (2-3 countries, 10-50 employees)

- **Recommended approach:** Mixed model (EOR + contractors)
- **Duration:** 12-18 months
- **Key metric:** 5-10 employees per country

Phase 3

Scaling (4+ countries, 50+ employees)

- **Recommended approach:** Establish own entities
- **Trigger points:**
 - 10+ employees in any single country
 - 4+ countries of operation
 - \$5M+ annual revenue
 - Series A funding or equivalent

Phase 4

Optimisation (11+ countries, 200+ employees)

- **Recommended approach:** Regional hubs with entities
- **Structure:** Consolidate operations in key markets

Expert insight:

“There is no perfect moment when you suddenly know you are ready to scale into new markets. It is much easier to see when you are not ready. If you cannot consistently acquire and retain customers or talent, or if your operations are not yet repeatable, expansion becomes a gamble instead of a strategic step.

We also look for signs that the leadership team can operate in a distributed way - clear communication, documented processes, strong ownership and the ability to manage remote or hybrid teams. These habits are the foundation for managing across borders once expansion begins.”

– **Simeon Iliev, Chief Opportunity Navigator at MFG Invest.**

Country-specific tipping points

- **Fast entity establishment (6–12 months):** US, UK, Germany
- **Flexible model (12–24 months):** Eastern Europe, Latin America, Asia-Pacific
- **Immediate entity required (0–6 months):** France, Brazil, Japan

North America and Western Europe typically **drive early entity creation**, while APAC and LatAm allow **initial flexibility**.

7.9. A two-stage expansion model

Taken together, the survey paints a consistent picture:

- ☑ **Most companies start with contractors**, testing demand and keeping overhead low.
- ☑ **Roughly a quarter have used EOR at some point**, valuing it for **speed and compliance** rather than pure cost.
- ☑ As headcount and country count grow, entities and hybrid models become the norm, driven by:
 - cost efficiency at scale,
 - investor and board expectations,
 - and the need for deeper control over compliance, benefits and employer brand.

☑ Across all stages, the biggest blind spots are:

- underestimating legal, tax, and banking complexity,
- delaying infrastructure until it becomes a fire-fighting exercise,
- and misunderstanding when flexible setups stop being efficient.

☑ This is exactly what the two-stage framework captures:

- **Stage 0-1:** renting compliance and infrastructure to move fast and learn.
- **Stage 2:** owning infrastructure where there is enough mass and strategic importance.

The survey data doesn't just validate the two-stage model - it **grounds it in real founder experiences**, from the ones still experimenting with contractors to those who have already built entities across multiple continents.

8.

Country overview

This section provides a **country-by-country overview of the full cost and compliance footprint of operating an LLC-equivalent legal entity**. For each jurisdiction, the overview includes:

- **Incorporation costs** (one-off legal, notary, registration, translation, bank setup, etc.)
- **Recurring maintenance costs** (address, accounting, tax filings, payroll, secretary, statutory services, etc.)
- **Country-specific requirements** not commonly found elsewhere
- **Common administrative penalties** for non-compliance (financial statements, tax returns, UBO register, etc.)
- **Regulatory & fiscal changes** (2024+) that materially impact the cost, compliance, or attractiveness of operating an entity

Cost items include the most typical and rational requirements needed to operate an entity sustainably; niche or industry-specific obligations are excluded.

All data has been standardised as far as reasonably possible across jurisdictions. Incorporation requirements differ substantially between countries - particularly the scope of legal work, statutory filings, and procedural steps involved - therefore, each jurisdiction's overview includes clarifying notes to reflect these unique elements of the incorporation process.

Definitions

- **Common items** = appear in at least two jurisdictions in this study
- **Country-specific items** = unique to a single jurisdiction (e.g. gazette fees, treasurer-in-trust, registered agent, etc.)
- **Penalties listed** = only the most relevant administrative non-compliance penalties (excluding labour disputes, court-assigned penalties, or niche sector rules)
- **Scope:** LLC-type entities for standard commercial use. *Excludes* regulated professions, transport/taxi, financial services, gambling, and other licence-restricted sectors.

The country overviews that follow apply this structure consistently across all jurisdictions.



8.1. Australia Pty

Difficulty score	2	Simple online setup, local director needed	
Typical timeline	3-7 business days		
Minimum Share Capital	€1.00		
Common incorporation	Legal	Legal support for incorporation*	€839.00
	Registration	Business registration	€698.00
	Bank	Bank account opening	€698.00
	Accounting	Accounting setup	€279.00
	Payroll	Payroll setup	€279.00
Australia-specific incorporation	Audit relief application		€279.00
	Substituted accounting period application		€279.00
	Director Identification Number (DIN) application		€279.00
Common maintenance	Address	Virtual/Legal address maintenance	€558.00
	Accounting	Accounting recurring	€804.00
	Tax	Tax returns	€1,676.00
	Payroll	Payroll recurring (5 employees)	€3,732.00
Australia-specific maintenance	Tax compliance**		€2,236.00
TOTAL COUNTRY COST (excl. VAT)			€12,637.00
TOTAL COUNTRY COST (incl. 19% VAT)			€15,037.84
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			3 to 7 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			4 to 10 employees
Common penalties	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	ATO interest charge 11.17% p.a. + ASIC late fees €55–€215
Australia specific penalties	Failure to notify ASIC of changes	Late update of company details (address, directors, etc.)	€47 – €631

***Legal support for incorporation covers:**

- Preparing the registration application with ASIC (company name, registered office, principal place of business, director/shareholder details).
- Preparing required company formation documents (Consent to Act as Director/Secretary, share structure, Constitution if provided).
- Reviewing shareholder identity and supporting documents listed in the requirements.
- Coordinating the online incorporation process and submitting the ASIC application.
- Managing document preparation timelines and ensuring requirements for directors (including one Australian-resident director) are met.
- Handling follow-ups until the company is officially registered with ASIC.

****Tax compliance:**

- Australia's tax compliance bundles the preparation of annual financial statements and the full preparation and lodgement of the corporate tax return.

Regulatory & fiscal changes:

- **Business incentive:** From 1 July 2024 to 30 June 2026, small businesses (< \$10 m turnover) can immediately deduct assets worth up to \$20 000 each.



8.2. Austria GmbH

Difficulty score	4	Requires a notary and a share capital deposit; partial online filing is available, but limited for foreigners	
Typical timeline	2-3 weeks		
Minimum Share Capital	€10,000.00		
Common incorporation	Legal	Legal support for incorporation*	€4,500.00
	Notarisation	Notarisation	€2,000.00
	Registration	Registration	€500.00
Common maintenance	Address	Virtual/Legal address maintenance	€1,800.00
	Accounting	Accounting recurring	€4,800.00
	Payroll	Payroll recurring (5 employees)	€3,300.00
	Administration	UBO update	€500.00
Austria-specific maintenance	Minimum corporate tax		€500.00
TOTAL COUNTRY COST (excl. VAT)			€27,900.00
TOTAL COUNTRY COST (incl. 20% VAT)			€31,080.00
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			6 to 13 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			8 to 20 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€700 – €3,600 per managing director
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	Up to 10% of tax due + late-payment interest (base rate + 2%)

*Legal support for incorporation covers:

- Drafting all incorporation documents (Articles, resolutions, specimen signatures).
- Preparing and issuing the Power of Attorney (if the shareholder/director won't appear).
- Coordinating notarisation and document signing (virtual or in-person).

- Preparing and filing the Commercial Register application.
- Handling shareholder and director appointments.
- Reviewing shareholder authority and UBO details.
- Coordinating capital contribution confirmation (bank or notary trustee).
- Submitting all documents to the Commercial Court until registration is complete.

Regulatory & fiscal changes:

- **Business incentive:** From Jan 2024, Austria's minimum share capital requirement for GmbHs was cut from €35 000 to €10 000.



8.3. Belgium BV/SRL

Difficulty score	4	Notary deed and apostilles needed	
Typical timeline	3-5 weeks		
Minimum Share Capital	€18,550.00		
Common incorporation	Legal	Legal support for incorporation*	€4,275.00
	Notarisation	Notarisation	€500.00
	Registration	Business registration	€1,000.00
	Registration	UBO registration	€25.00
	Bank	Bank account opening	€200.00
Belgium-specific incorporation	CBE registration		€87.00
	Gazette publication		€100.00
Common maintenance	Address	Virtual/Legal address maintenance	€150.00
	Accounting	Accounting recurring	€500.00
	Tax	Tax returns	€37.00
	Tax	Tax refund procedure	€445.00
	Tax	VAT support services	€320.00
	Audit	Audit services	€335.00
	Administration	Secretary (per year)	€3,840.00
	Administration	UBO update	€6.00
Belgium-specific maintenance	Mail forwarding		€30.00
TOTAL COUNTRY COST (excl. VAT)			€30,400.00
TOTAL COUNTRY COST (incl. 21% VAT)			€32,783.50
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			6 to 14 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			9 to 21 employees

Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€120 – €1,200
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	10% – 20% of tax due + €50 – €1,250 admin fines + 4% interest p.a.
	UBO register non-compliance	Failure to declare or update ultimate beneficial owner information	€500 – €5,000

***Legal support for incorporation covers:**

- Handling the notarial deed of incorporation before the Belgian notary.
- Registering the company with the CBE/KBO (Crossroads Bank for Enterprises).
- Completing the initial UBO registration for all beneficial owners.
- Publishing the incorporation notice in the Belgian Official Gazette (Moniteur Belge / Belgisch Staatsblad).
- Managing the full sequence of incorporation steps until the BV/SRL is formally registered.

Regulatory & fiscal changes:

- **Business incentive:** From Jan 2025, small firms investing in green or digital equipment can deduct 40 % of the cost from taxable income.
- **Regulatory update:** From Jan 2025, Belgium simplified investment-deduction rules - fixed rates, clear eligible-asset list, no annual re-calculation.
- **Mandatory e-invoicing:** All B2B transactions will require e-invoicing starting in 2026, with penalties for non-compliance.



8.4. Croatia DOO

Difficulty score		4	Notary presence or apostilled POA
Typical timeline		2-4 weeks	
Minimum Share Capital		€2,500.00	
Common incorporation	Legal	Legal support for incorporation*	€1,850.00
	Notarisation	Notarisation	€400.00
	Registration	Business registration	€200.00
Common maintenance	Address	Virtual/Legal address maintenance	€2,400.00
	Accounting	Accounting recurring	€3,000.00
TOTAL COUNTRY COST (excl. VAT)			€10,350.00
TOTAL COUNTRY COST (incl. 25% VAT)			€12,212.50
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			3 to 6 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			4 to 8 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€660 – €4,000 for the company; €260 – €2,000 for the responsible person
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	administrative fines €130 – €2,000 + interest (VAT 5.75% p.a., Corporate tax 7.5% p.a.)
	UBO register non-compliance	Failure to declare or update ultimate beneficial owner information	€1,300 – €6,600

*Legal support for incorporation covers:

- Drafting the Articles of Association and the decision on appointing director(s).
- Handling the OIB issuance for founders and directors.
- Coordinating all notary procedures and preparing documents for certification.

- Managing the full Court Register (Sudski registar) submission process until the company is officially registered.
- Completing tax and VAT setup with the Croatian authorities.
- Guiding the Bank account opening process.

Regulatory & fiscal changes:

- **Business relief:** From Jan 2025, VAT registration threshold raised to €60,000, easing VAT compliance for micro-SMEs.
- **Mandatory e-invoicing:** All B2B transactions (VAT-registered businesses) will require e-invoicing starting in 2026, with penalties for non-compliance.



8.5. Cyprus Ltd

Difficulty score	2	Agent-handled, remote POA accepted	
Typical timeline	1 month		
Minimum Share Capital	€1.00		
Common incorporation	Legal	Legal support for incorporation*	€1,400.00
	Registration	UBO registration	€50.00
	Registration	Name registration	€30.00
	Bank	Bank account opening	€950.00
Cyprus-specific incorporation	Company stamp		€20.00
	Registered shareholder		€1,000.00
	Tax certificate & TIC registration		€100.00
Common maintenance	Address	Virtual/Legal address maintenance	€350.00
	Accounting	Accounting recurring	€1,500.00
	Administration	Secretary (per year)	€600.00
	Legal	Legal support (12 hours per year)	€1,920.00
Cyprus-specific maintenance	Tax certificate with apostille		€190.00
	Director / Public Officer		€900.00
TOTAL COUNTRY COST (excl. VAT)			€9,011.00
TOTAL COUNTRY COST (incl. 19% VAT)			€10,722.90
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			2 to 5 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			3 to 7 employees

*Legal support for incorporation covers:

- Drafting and preparing all incorporation documents (MOA/AoA, company forms, shareholder/director details).
- Submission of incorporation documents to the Cyprus Registrar of Companies.

Regulatory & fiscal changes:

- **Regulatory update:** From March 2024, Cyprus allows companies to convert or relocate to another EU country without dissolving.



8.6. Estonia OÜ

Difficulty score	1	Fully online via e-Residency; digital signatures accepted	
Typical timeline	3 business days		
Minimum Share Capital	€0.00		
Common incorporation	Legal	Legal support for incorporation*	€3,000.00
	Notarisation	Notarisation	€1,000.00
	Registration	Business registration	€265.00
	Tax	Tax registration (VAT-ID)	€100.00
Estonia-specific incorporation	E-Residency application		€100.00
Common maintenance	Address	Virtual/Legal address maintenance	€400.00
	Accounting	Accounting recurring	€2,000.00
	Accounting	Annual reports	€600.00
Estonia-specific maintenance	Registered agent		€400.00
TOTAL COUNTRY COST (excl. VAT)			€7,865.00
TOTAL COUNTRY COST (incl. 22% VAT)			€9,375.30
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			2 to 4 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			3 to 6 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€200 – €3,200
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	Interest 0.06% per day + possible €300 – €1,300 fine
	UBO register non-compliance	Failure to declare or update ultimate beneficial owner information	€200 – €3,200

***Legal support for incorporation covers:**

- Handling the incorporation process via e-Residency (online registration through the Estonian Business Register).
- Preparing all company formation documents, including Articles of Association and the incorporation application.
- Coordinating the submission to the Business Register and managing the full filing sequence until the company is registered.
- Guiding the process for shareholder identification, including registry extracts and notarised/ apostilled PoAs when required.
- Supporting director appointment formalities and the digital signing process via e-Residency.
- Advising on banking setup options (typically Wise/Revolut) and sequencing the steps for share-capital contribution.
- Providing procedural guidance if the client chooses the notary route instead of the online route.

Regulatory & fiscal changes:

- **VAT increase:** From Jul 2025, VAT rate increases from 22 % to 24 %, affecting all domestic and EU sales.
- **Income tax increase:** From Jan 2025, corporate income tax on distributed profits increases from 20% to 22%.



8.7. France SARL

Difficulty score	4	POA possible, but notarisation and translation required; partial online process	
Typical timeline	3 weeks		
Minimum Share Capital	€1.00		
Common incorporation	Legal	Legal support for incorporation*	€1,500.00
	Registration	Business registration	€37.45
France-specific incorporation	Declaration of beneficial owners		€20.34
	Publication of the legal notice		€147.00
Common maintenance	Bank	Bank account maintenance (yearly)	€720.00
	Address	Virtual/Legal address maintenance	€720.00
	Accounting	Accounting recurring	€3,000.00
TOTAL COUNTRY COST (excl. VAT)			€6,145.79
TOTAL COUNTRY COST (incl. 20% VAT)			€7,374.75
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			2 to 4 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			2 to 5 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€1,500 - €3,000
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	10% - 40% of tax due + 0.2% monthly interest rate
	UBO register non-compliance	Failure to declare or update ultimate beneficial owner information	€7,500 for the company and its legal representative

***Legal support for incorporation covers:**

- Drafting the **Articles of Association** and preparing all incorporation documents.
- Handling the **registration with the Commercial Court** (Greffe du Tribunal de Commerce) via the INPI one-stop portal.
- Coordinating the **publication of the legal notice** in an approved legal announcements journal. Preparing and submitting the **complete incorporation file** for court registration.
- Providing guidance on obtaining the **certificate of capital deposit** from the bank or notary.
- Managing the full **formalities and filing sequence** until the company is officially incorporated.

Regulatory & fiscal changes:

- **Business incentive:** From 2024, investors in young, innovative startups get income-tax breaks, expanding France's startup funding support programme.



8.8. Germany GmbH

Difficulty score	4	Notary required, partial e-notary options	
Typical timeline	4-6 weeks		
Minimum Share Capital	€25,000.00		
Common incorporation	Legal	Legal support for incorporation*	€3,100.00
	Translation	Translation of documentation (10 pages avg.)	€350.00
	Registration	Business registration	€300.00
	Registration	UBO registration	€250.00
	Address	Company address registration	€200.00
	Accounting	Accounting setup	€1,800.00
Germany-specific incorporation	Company address registration		€300.00
	Representation at notarisation		€550.00
	Certified excerpt from Trade Register		€35.00
	Bilingual formation documents		€500.00
Common maintenance	Address	Virtual/Legal address maintenance	€3,600.00
	Accounting	Accounting recurring	€4,800.00
	Accounting	Annual reports	€4,200.00
	Payroll	Payroll recurring (5 employees)	€4,560.00
TOTAL COUNTRY COST (excl. VAT)			€49,545.00
TOTAL COUNTRY COST (incl. 19% VAT)			€54,208.55
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			10 to 23 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			14 to 34 employees

Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€2,500 – €25,000
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	1% interest per month
	UBO register non-compliance	Failure to declare or update ultimate beneficial owner information	Up to €100,000

***Legal support for incorporation covers:**

- Drafting the Articles of Association (Gesellschaftsvertrag)
- Preparing managing-director appointment documents
- Preparing the application to the Commercial Register (Handelsregisteranmeldung)
- Reviewing all shareholder documents listed in the requirements
- Coordinating notarisation (Notartermin)
- Guiding the bank account opening and share-capital payment (Stammeinlage)
- Handling the business registration (Gewerbeanmeldung)
- Managing filings and follow-ups until entry in the Commercial Register (Handelsregistereintragung)

Regulatory & fiscal changes:

- **Business incentive:** For financial years starting after 31 Dec 2023, eligible R&D expenses up to €10 m/year get a 25 % credit (35 % for SMEs).
- **Regulatory update:** From 1 Jan 2025, all German companies must be able to receive structured e-invoices.



8.9. Hong Kong SAR

Difficulty score		2	Online registration; bank KYC adds friction
Typical timeline		1 week	
Minimum Share Capital*		€1,104.28	
Common incorporation	Legal	Legal support for incorporation**	€1,458.20
	Registration	Business registration	€1,458.20
Common maintenance	Accounting	Accounting recurring	€35.00
	Tax	Tax returns	€100.00
	Tax	Tax refund procedure	€100.00
Hong Kong-specific maintenance		Entity yearly renewal	€1,458.20
		Mandatory audit compliance	€730.00
TOTAL COUNTRY COST (NO VAT)			€6,443.88
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			2 to 3 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			2 to 5 employees
Common penalties	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	€143 - €1,190
Hong Kong specific penalties	Late filing of the annual return	Missing the entity yearly renewal filing deadline with the Companies Registry	€104 - €414

*There's no legal minimum share capital in Hong Kong, but setting it around HKD 10,000 (€1,104.28) is standard best practice for practical operation.

****Legal support for incorporation covers:**

- Handles full company formation, including the Certificate of Incorporation, Business registration Certificate, and Articles of Association.
- Provides a company secretary service for annual returns, AGM documents, and statutory registers (including Significant Controllers Register).

- Includes a registered address with mail scanning and compliance reminders.
- Offers banking support with guidance and assistance for opening business accounts or EMIs.

Regulatory & fiscal changes:

- **Business incentive:** In the 2024-25 Budget, SMEs qualify for expanded support in R&D, digital upgrade, marketing and talent schemes.
- **Regulatory update:** From May 2025, foreign companies can relocate and register in Hong Kong without closing their existing entity.



8.10. Ireland Ltd

Difficulty score		1	Fully digital CRO registration
Typical timeline		1-2 weeks	
Minimum Share Capital		€1.00	
Common incorporation	Legal	Legal support for incorporation*	€529.00
	Ireland-specific incorporation		Filing of company's first 6-month annual return
Common maintenance	Address	Virtual/Legal address maintenance	€249.00
	Accounting	Accounting recurring	€3,000.00
	Administration	Secretary (1h per month/monthly/per year)	€299.00
	Administration	UBO update	€150.00
TOTAL COUNTRY COST (excl. VAT)			€4,414.00
TOTAL COUNTRY COST (incl. 23% VAT)			€5,428.99
Breakeven point - when EOR costs exceed EM costs (EOR fee €200-€500 per employee/month)			1 to 3 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			2 to 4 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	Loss of audit exemption for 2 years
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	5% of tax due; 10% if > 2 months late + 0.0219% daily interest
	Late filing of annual return	Failure to file the annual return with the registration office on time	€100 initial + €3 per day late

***Legal support for incorporation covers:**

- Handling all **CRO filing fees** required to register the company.
- Getting your **Company Registration Number** issued by the CRO.
- Getting your **Tax registration Number** issued.
- Issuing the **Certificate of Incorporation** once the company is approved.
Providing the **Memo & Arts / Company Constitution** for the new company.
- Issuing **share certificates** to the shareholders.
Delivering all formation documents in **digital format by email**.
- Completing the **Tax registration** process with Irish authorities.
- Updating the **Register of Beneficial Owners (RBO)** with shareholder information.

Regulatory & fiscal changes:

- **Business incentive:** From Jan 2024, companies can claim 30 % back on approved R&D costs (was 25 %).
- **Regulatory update:** From 1 July 2024 companies benefit from higher thresholds (+25% for turnover, assets, staff) to qualify as micro/small for audit & financial-reporting reliefs.



8.11. Kosovo SH.P.K.

Difficulty score	3	Remote incorporation via POA; notarisation and translation required	
Typical timeline	10 business days		
Minimum Share Capital	€0.00		
Common incorporation	Legal	Legal support for incorporation*	€1,200.00
	Translation	Translation of documentation (10 pages avg.)	€200.00
Common maintenance	Address	Virtual/Legal address maintenance	€1,800.00
	Accounting	Accounting recurring	€300.00
	Administration	Secretary (12 hours per year)	€1,800.00
	Legal	Legal support (12 hours per year)	€2,100.00
TOTAL COUNTRY COST (excl. VAT)			€7,400.00
TOTAL COUNTRY COST (incl. 18% VAT)			€8,732.00
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			2 to 4 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			3 to 6 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€200 - €2,000
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	15% - 25% of tax due + 0.65% interest per month

*Legal support for incorporation covers:

- Drafting all incorporation documents, including:
 - KBRA registration form
 - Company Charter
 - Incorporation Agreement
 - Consent of the Managing Director

- Preparing and submitting the full KBRA application for LLC registration.
- Representation before KBRA, including following up until the LLC is approved.
- Retrieval and delivery of the official Business Certificate once registration is completed.
- Coordinating the initial setup requirements, including:
 - Managing Director appointment
 - Shareholder information submission
 - UBO registration/ownership disclosures
 - Confirming the LLC's Kosovo address & contact details
- Guidance during Bank account opening, including preparation of forms, stamping, and the required in-person signature.



8.12. Malta Ltd

Difficulty score		2	Remote via agent; KYC is manageable
Typical timeline		5-7 business days	
Minimum Share Capital		€1,200.00	
Common incorporation	Legal	Legal support for incorporation*	€1,500.00
	Malta-specific incorporation	Disbursements - Registry of company	€100.00
Common maintenance	Address	Virtual/Legal address maintenance	€750.00
	Accounting	Accounting recurring	€1,250.00
	Tax	Tax returns	€500.00
	Tax	Tax refund procedure	€600.00
	Tax	VAT support services	€800.00
	Audit	Audit services	€350.00
	Administration	Secretary (per year)	€1,000.00
	Administration	UBO update	€350.00
Malta-specific maintenance		Payments on account	€500.00
TOTAL COUNTRY COST (excl. VAT)			€8,900.00
TOTAL COUNTRY COST (incl. 18% VAT)			€10,286.00
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			2 to 5 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			3 to 7 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	Up to €2,329.37
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	Interest 0.6% per month; VAT late-return admin penalty €50–€250

***Legal support for incorporation covers:**

- Drafting and filing the Memorandum & Articles of Association.
- Company registration with the Malta Business Registry (MBR).
- Obtaining the company registration number and official certificates.
- Preparation and filing of initial statutory forms and declarations.
- UBO registration with the Malta Beneficial Ownership Register.
- Allocation and appointment of the company secretary (mandatory in Malta).
- Providing a registered office address.
- Covering standard disbursements charged by the Registry of Companies.
- First-year compliance setup (Payments on account and initial filings).

Regulatory & fiscal changes:

- **Start-up support:** From Jan 2024, Malta offers repayable advances up to €500k (or €1.5 m for high-innovation ventures) to early-stage startups.
- **R&D incentive:** From Jan 2024 until Dec 2026, Malta offers R&D support with a budget of €5 million per annum.



8.13. North Macedonia D00

Difficulty score	3	Remote setup with notarised and translated docs; local bank account required	
Typical timeline	5 business days		
Minimum Share Capital	€5,000.00		
Common incorporation	Legal	Legal support for incorporation*	€1,200.00
	Translation	Translation of documentation (10 pages avg.)	€200.00
	Bank	Bank account opening	€50.00
Common maintenance	Address	Virtual/Legal address maintenance	€2,760.00
	Accounting	Accounting recurring	€300.00
	Administration	Secretary (per year)	€1,800.00
North Macedonia-specific maintenance	Municipal fee		€65.00
TOTAL COUNTRY COST (excl. VAT)			€11,375.00
TOTAL COUNTRY COST (incl. 18% VAT)			€12,572.50
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)		3 to 6 employees	
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)		4 to 8 employees	
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€500 – €2,000 for the company; €100 – €500 for the responsible person
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	€250 – €1,000 + 0.03% daily interest
North Macedonia specific penalties	Failure to update company information	Late updates of director, address, or ownership details in the Central Register	€500 – €1,000

***Legal support for incorporation covers:**

- Drafting all incorporation documents, including the founding act and director appointment.
- Preparing and submitting the company registration filing through the Trade Registry.
- Handling the UBO registration for all shareholders/beneficial owners.
- Providing legal representation throughout the registration process.
- Coordinating all required notarisations for corporate documents and signatures.
- Guiding the process for basic share capital setup and payment options.
- Managing the full procedure until the DOO is registered, including follow-ups and registry communication.

Regulatory & fiscal changes:

- **Regulatory update:** Since Jan 2024, foreign companies providing taxable goods or services in Macedonia (even without a branch) must register for VAT - aligning them with local firms.



8.14. Philippines OPC

Difficulty score	5	High barriers, manual TIN/banking process	
Typical timeline	6-8 weeks		
Minimum Share Capital*	€0 - 200,000		
Common incorporation	Legal	Legal support for incorporation**	€1,482.00
	Bank	Bank account maintenance	€740.00
Common maintenance	Address	Virtual/Legal address maintenance	€924.00
	Accounting	Accounting recurring	€1,920.00
	Administration	Secretary (per year)	€924.00
Philippines-specific maintenance	Treasurer in Trust nominee		€924.00
TOTAL COUNTRY COST (excl. VAT)			€6,914.00
TOTAL COUNTRY COST (incl. 12% VAT)			€7,743.68
Breakeven point - when EOR costs exceed EM costs (EOR fee €200-€500 per employee/month)			2 to 4 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			2 to 5 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€74 - €664
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	25% surcharge on tax due + 12% annual interest

*Minimum Share Capital:

- Minimum Share Capital for a Philippines OPC ranges from USD 0 to USD 200,000.
- The USD 200,000 threshold applies only to fully foreign-owned entities under Foreign Direct Investment rules, unless the business activity falls under an exempt or 'negative list' category. In practice, service providers commonly request a safeguard deposit of at least 100,000 PHP (€1,466), which must remain in the bank account but is not available for operational use

****Legal support for incorporation covers:**

- Drafting & preparing all incorporation documents
 - Articles of Incorporation
- SEC name reservation filing
 - Reserving the company name with the SEC
- Treasurer-in-Trust setup
 - Preparing the Treasurer's Affidavit / Treasurer-in-Trust Certificate
- Capital remittance documentation
 - Preparing and submitting proof of inward capital remittance
- Submission to SEC
 - Filing all documents and coordinating with SEC until the entity is approved

Regulatory & fiscal changes:

- **Penalty enforcement:** The SEC increased fines and monitoring of late annual report and GIS filings in 2024.



8.15. Serbia D00

Difficulty score	3	Possible remotely via POA; notarisation and apostille required	
Typical timeline	5 business days		
Minimum Share Capital	€1.00		
Common incorporation	Legal	Legal support for incorporation*	€1,590.00
	Translation	Translation of documentation (10 pages avg.)	€150.00
	Registration	Business registration	€85.00
Common maintenance	Address	Virtual/Legal address maintenance	€960.00
	Accounting	Accounting recurring	€3,600.00
TOTAL COUNTRY COST (excl. VAT)			€6,386.00
TOTAL COUNTRY COST (incl. 20% VAT)			€7,663.00
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			2 to 4 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			2 to 5 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€853 – €8,530 for the company; €170 – €1230 for the responsible person
	Late tax return /Filings/ Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	10% of tax due + 0.03% daily interest
	UBO register non-compliance	Failure to declare or update ultimate beneficial owner information	€4,265 – €17,063

*Legal support for incorporation covers:

- Drafting the Articles of Incorporation in both English and Serbian (with one iteration round).
- Coordinating the signing of incorporation documents, including execution via Power of Attorney (PoA) if the founder is not present.

- Filing and managing the company registration with the Serbian Business Registers Agency (BRA).
- Obtaining the company's electronic signature (e-certificate) required for filings and bank onboarding.
- Completing the UBO registration for all beneficial owners.
- Preparing and filing the Bank account opening application and supporting the process with the chosen bank.
- Handling the procedure for obtaining e-banking access, including KYC follow-ups.
- Representing the company before the bank via PoA (without the founder's presence).
- Reserving the company name prior to incorporation.
- Obtaining the Company stamp, required for certain documents and bank procedures in Serbia.

Regulatory & fiscal changes:

- **Regulatory update:** From Jan 2025, Serbia's e-invoicing rules take full effect - all companies must issue invoices through the state SEF platform; fines apply for non-compliance.
- **Owner liability:** From Jan 2025, company owners become personally liable for unpaid company taxes after liquidation.



8.16. Spain SL

Difficulty score	4	Requires POA, NIE, notarisation, apostille; partial online, local bank account needed	
Typical timeline	4-8 weeks		
Minimum Share Capital	€3,000.00		
Common incorporation	Legal	Legal support for incorporation*	€5,300.00
	Notarisation	Notarisation	€1,000.00
	Registration	Name registration	€30.00
	Payroll	Payroll setup	€440.00
Common maintenance	Accounting	Accounting recurring	€4,980.00
	Tax	Tax refund procedure	€1,140.00
	Payroll	Payroll recurring (5 employees)	€7,500.00
	Administration	Secretary (per year)	€1,500.00
	Legal	Legal support (12 hours per year)	€3,600.00
Spain-specific maintenance	Business registered office		€3,960.00
	Electronic address checking (Buzón Electrónico)		€495.00
TOTAL COUNTRY COST (excl. VAT)			€32,945.00
TOTAL COUNTRY COST (incl. 21% VAT)			€39,023.45
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			7 to 17 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			10 to 25 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€1,200 - €60,000
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	50% - 150% of tax due 4.0625% interest p.a.

***Legal support for incorporation covers:**

- Drafting the Bylaws and securing the Company Name with the Mercantile Registry.
- Obtaining 1 NIE (foreigner ID number) for one shareholder/director.
- Completing the Company Incorporation, including notarial deed execution and full UBO submission.
- Filing the NIF request + Tax registration with the Spanish Tax Agency (Hacienda).
- Obtaining the Digital Certificate, required for all corporate filings in Spain.
- Opening the corporate bank account, including coordination with the bank and document preparation.
- Providing Virtual Office Domiciliation (registered address for the company).
- Completing the Business Tax Introduction, enabling the company to operate from day one.
- Issuing the full Employer Kit, including:
 - Employer Code
 - NET registration
 - 1 employment contract drafted and filed

Regulatory & fiscal changes:

Business incentive: Since Aug 2024, private investors in Spanish startups can deduct 50% of their investment (up to €100 000 per year) from income tax.

Regulatory update: From Jan 2026, all companies must use Verifactu-approved invoicing software that automatically reports invoices to Spain's tax agency.



8.17. Sweden AB

Difficulty score		3	Digital filing, but the capital deposit is often manual
Typical timeline		3-5 weeks	
Minimum Share Capital		€2,285.00	
Common incorporation	Legal	Legal support for incorporation*	€1,294.00
	Registration	Business registration	€1,708.78
	Address	Company address registration	€749.27
	Tax	Tax registration (VAT-ID)	€452.50
Common maintenance	Address	Virtual/Legal address maintenance	€62.45
	Accounting	Accounting recurring	€226.00
TOTAL COUNTRY COST (excl. VAT)			€6,778.00
TOTAL COUNTRY COST (incl. 25% VAT)			€7,901.25
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			2 to 4 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			2 to 5 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€435 - €1,305
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	€110 - €870 + interest (Residual tax 2.5% p.a., VAT late payment 17.5% p.a.)

*Legal support for incorporation covers:

- Registration of AB with organisation number and state fee included
- Contact person service (required if no Swedish-resident board member)
- Beneficial owner registration

Regulatory & fiscal changes:

- **Business incentive:** From 1 Jan 2024, companies can deduct 20% of employer contributions for R&D staff.



8.18. United Kingdom Ltd

Difficulty score		1	Fully online via Companies House
Typical timeline		2-5 business days	
Minimum Share Capital		€1.00	
Common incorporation	Legal	Legal support for incorporation*	€150.00
	Registration	Business registration	€56.00
Common maintenance	Address	Virtual/Legal address maintenance	€170.00
	Accounting	Accounting recurring	€1,134.00
	Accounting	Annual reports	€38.60
	Payroll	Payroll recurring (5 employees)	€340.20
TOTAL COUNTRY COST (excl. VAT)			€1,889.80
TOTAL COUNTRY COST (incl. 20% VAT)			€2,248.67
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			1 to 2 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			1 to 3 employees
Common penalties	Late annual financial statements filing	Failure to file mandatory annual financial statements on time	€170 – €1,700
	Late tax return / Filings / Payments	Failure to file or pay VAT, corporate tax, or income tax by the deadline	€114–€228 fixed fines + 10–20% for long delays + interest 7.75% p.a.
UK-specific penalties	Late filing of annual confirmation statement	Failure to submit the annual confirmation of company details to Companies House	€199

***Legal support for incorporation covers:**

- **Company incorporation filing (Form IN01)**
 - Submission to Companies House with company name, director, shareholder, registered office, and PSC details.
- **Memorandum & Articles of Association**
 - Standard formation documents issued at incorporation.
- **Certificate of Incorporation**
 - Official Companies House certificate.
- **Share Certificates**
 - Issued for all shareholders at formation.
- **Name availability check**
 - Ensures that the company name is available before filing.
- **Companies House Authentication Code**
 - Required for all future filings and online management.
- **Initial Companies House + HMRC registrations**
 - Includes HMRC UTR number and VAT registration (if requested).

Regulatory & fiscal changes:

- **Business incentive:** Since Sept 2024, the UK extended its startup investor tax reliefs to April 2035. Investors can reclaim 30% of invested capital via income-tax relief and pay no capital gains tax on profits.
- **Regulatory update:** From Apr 2024, the VAT registration threshold rose from £85 000 to £90 000, allowing small businesses to stay VAT-free longer.
- **Capital Gains Tax:** From Apr 2025, the capital gains tax rate on business asset sales rises from 10 % to 14 %, then 18 % from Apr 2026, lowering returns when founders sell their shares.



8.19. United States (Delaware) LLC

Difficulty score		2	Easy filing, only banking may complicate
Typical timeline		1-3 weeks	
Minimum Share Capital		€0.00	
Common incorporation	Legal	Legal support for incorporation*	€200.00
	Registration	Business registration	€95.00
	Address	Company address registration	€100.00
	Accounting	Accounting setup	€430.00
Common maintenance	Address	Virtual/Legal address maintenance	€100.00
	Accounting	Accounting recurring	€649.00
	Tax	Tax returns	€865.00
	Payroll	Payroll recurring (5 employees)	€600.00
United States (Delaware) specific maintenance		Annual franchise tax	€259.00
TOTAL COUNTRY COST (NO VAT)			€3,298.00
Breakeven point - when EOR costs exceed EM costs (EOR fee €200–€500 per employee/month)			1 to 2 employees
Switch when EOR cost exceeds EM cost with a 50% cost buffer for complexity (EOR fee €200 - €500 per employee/month)			1 to 3 employees
Common penalties	Late annual financial statements filing	Failure to file or pay VAT, corporate tax, or income tax by the deadline	5% of unpaid tax per month (capped at 25%) + interest 8% p.a. (federal) / 6% p.a. (Delaware)
	Late tax return / Filings / Payments	Failure to file the annual return with the registration office on time	\$200 late fee + 1.5% interest per month

***Legal support for incorporation covers:**

- Articles of Organisation
 - Filing the LLC formation document with the state.
- Name availability check
 - Confirms the LLC name is available before filing.
- Operating Agreement
 - Prepared template outlining ownership and management rules.
- EIN (Federal Tax ID)
 - Required for taxes, Bank account opening, and hiring.
- Initial setup guidance
 - Basic step-by-step instructions for completing formation.

Regulatory & fiscal Changes:

- **Regulatory update:** Since Aug 2024, Delaware simplified LLC mergers and document updates
 - companies can now amend their formation papers directly during a merger, cutting legal steps and filing costs.

9.

Strategic interpretation and conclusion

The analysis across 19 jurisdictions shows that the decision between an Employer of Record model and Entity Management mainly depends on two factors: the size of the local team and the level of operational complexity an organisation is prepared to manage.

EOR provides a fixed, predictable cost per employee and a low-complexity operating model, making it ideal for early-stage market entry or small teams. Conversely, Entity Management introduces higher initial setup and administrative demands but delivers lower marginal costs as headcount grows.

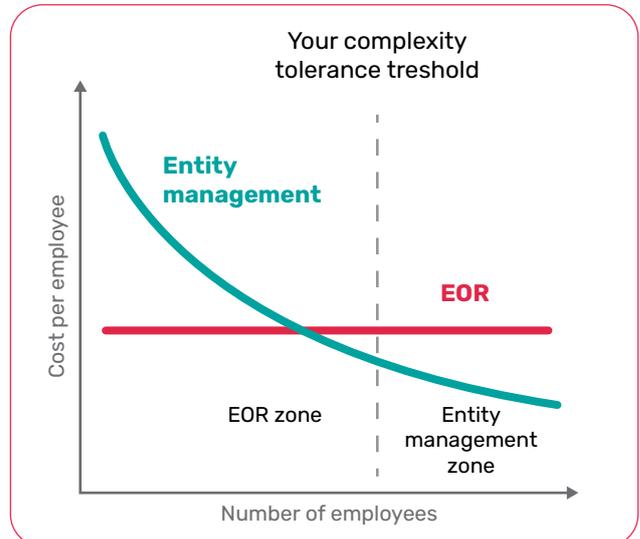
In practical terms, the breakeven point occurs when total EOR expenditure exceeds the annualised cost of establishing and maintaining a local entity. At that point, the financial benefits of EM outweigh the simplicity of the EOR model - provided the organisation can manage the added regulatory and procedural workload.

This visual illustrates how EOR costs remain constant per employee, while EM costs decline as the workforce expands, ultimately crossing below EOR at the complexity tolerance threshold.

Applying a recommended 50% cost buffer to account for the added operational and compliance complexity shifts the **breakeven point to approximately 4-10 employees**, depending on the jurisdiction and the applicable EOR fee level.

This range serves as a practical benchmark for when companies should realistically begin considering a transition from an EOR model to managing a local entity.

Ultimately, the analysis demonstrates that **Entity Management becomes economically and strategically viable only once the number of employees is sufficient to offset the additional administrative and regulatory burden.** Below that threshold, EOR remains the more efficient and agile model. The decision should therefore be driven not only by cost, but by an organisation's capacity to handle compliance requirements, operational risk, and ongoing administrative workload.



DISCLAIMER

All information contained in this document is provided for general guidance only and may be subject to change based on local market conditions and regulatory updates.

