

When a foreign company decides to establish a business presence in Australia, this can be done in three main ways:

- Registered Foreign Company** – establishing a branch office (tax presence) by registering with ASIC to do business in Australia.
- Representative Office** – for foreign companies with NO branch office (tax presence) in Australia.
- Proprietary Company** – establishing or acquiring an Australian subsidiary company as a separate legal entity, registered as a private limited liability company.

Foreign companies should carefully consider the advantages and disadvantages of each type of company. CoSec can guide you through the relevant legal, regulatory and taxation issues and help you to choose the most suitable way for your company to enter the Australian market.

ITEM	TYPE	REGISTERED FOREIGN COMPANY	REPRESENTATIVE OFFICE	PTY LTD
1	Set up time	Up to 3 months	1 month	1 month
2	Income tax liability / tax losses	Yes / Quarantined	No / Back to parent	Yes / Quarantined
3	Annual corporate Income Tax Return (full filing) required?	Yes	No	Yes
4	Goods & Services Tax (GST)	Yes	Yes	Yes
5	Transfer pricing arrangements required?	Yes	No	Yes
6	Repatriation of profits	Direct – after tax profits (to parent)	Direct (with no tax)	Dividend and interest
7	ASIC (Australian Corporate Regulator) – register required?	Yes	No	Yes
8	Annual Financial Statements required to be submitted to ASIC?	Yes	N/A	No (subject to exemption if foreign-controlled)
9	Audit required?	Depends on home country reporting requirements	N/A	No (subject to exemption if foreign-controlled)
10	Commercial / business risk	Held by parent	Held by parent	Quarantined in Pty Ltd
11	Dealings with suppliers	Somewhat difficult	Difficult	Minimal
12	Expect long term commitment	Worst	Worst	Best
13	Closure	Easy	Easier	More challenging
14	Officeholders required	Local Agent & Resident Public Officer	N/A	Resident Director & Resident Public Officer
15	Can open local bank account?	Yes	No	Yes
16	Ability to employ	Easy	Difficult	Easy

Note: The above table is general in nature and is presented as a guide only. We recommend you seek advice specific to your situation from an accountant/tax advisor before making any decisions regarding your inbound activity(ies).

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