Need help opening a UK subsidiary or registering a UK branch? **Email marketing@goodwille.com**

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UK Branch vs UK Subsidiary

If you are looking to enter the UK market, you may consider registering a UK branch (Permanent establishment) or forming a UK subsidiary company (LTD company). There are pros-and-cons of each approach, so we have provided a summary of the differences between the two, covering profits, filing requirements & closing down.

	UK Subsidiary	UK Branch
Legal Entity	Separate legal entity	No separate legal entity. Legally part of the overseas company.
Profits	Subject to UK corporation tax on worldwide profits.	Subject to UK corporation tax on the activities carried on in the UK branch.
Filing Requirements	Required to file annual financial statements with Companies house for public inspection. Financial statements may require a UK audit. Copies to be filed with HMRC for tax purposes.	Branch financial statements of the local trade are required to be filed for tax purposes. A UK audit is not required. Financial statements of the overseas company of which is part must be filed with Registrar of Companies for public inspection.
Closing Down	Exit can be achieved by the overseas company disposing of the shares in the subsidiary. No capital gains tax should arise.	As a branch does not have a separate legal personality it cannot be disposed of. Instead, exit would be achieved by disposing of each of the individual branch assets. UK capital gains tax may arise on the disposal of such assets.

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