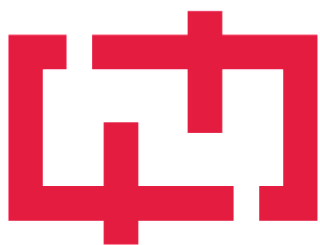


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Subsidiary v. Branch Establishment in Australia

	SUBSIDIARY	BRANCH
REGISTRATION COSTS Cost to Register including other registrations as required with other government authorities including Australian Taxation Office	\$1,200 AUD	\$700 AUD
REGISTERED OFFICE REQUIRED	Yes	Yes
RESIDENT DIRECTOR	Yes	No
NO. OF RESIDENT DIRECTORS REQUIRED	Minimum 1	No
RESIDENT AGENT REQUIRED	No	Yes
FINANCIAL ACCOUNTS PREPARATION	Yes	Yes Can use audited accounts from country of incorporation. However must lodge full set every year
INCOME TAX RETURN REQUIRED	Yes	Yes
GOODS AND SERVICE TAX REGISTRATION REQUIRED	Yes	Yes
GOODS AND SERVICES REPORTING AND REMITTANCE	Yes	Yes
AUDIT REQUIRED	Yes	No
TAX RATE APPLICABLE	Corporate Tax Rate 30%	Corporate Tax Rate 30%

Clearly, there are savings available in using a branch establishment, specifically in respect of the cost of compliance. Specifically, the preparation of the financial statements and the need to have an auditor appointed if it is a subsidiary set up.

In comparison a branch does not require the appointment of an auditor and the financial statements can be extracted from a sub ledger of the main entity. All other costs are the same and the corporate veil still exists