



Entity or EOR?

Your Blueprint for Borderless Expansion

From speed to market to compliance risk, use this guide to weigh your options and find the best fit for your business.

The pre-market entry checklist

Use this checklist to audit your expansion readiness and compare the administrative burden of entity setup vs. the EOR model

1. Governance and corporate substance

- ☐ **Resident director/sponsorship requirements:** Check for jurisdictions needing local citizens, permanent residents, or corporate sponsorship models to legally incorporate.
- ☐ **Nominee director services:** See if a third-party director is needed for your initial setup.
- ☐ **Entity substance requirements:** Verify local physical office, minimum staff, or local management presence requirements to meet global permanent establishment (PE) and economic substance rules.
- ☐ **Beneficial ownership filing:** Confirm that all ultimate beneficial owners (UBOs) and individuals with control are properly registered in local corporate registries.

2. Banking and capital flow

- ☐ **Capital deposit accounts:** Check if the target country needs a local bank account to hold share capital before incorporation.
- ☐ **KYC/AML readiness:** Prepare real-time identity verification and compliance documentation for all UBOs to clear global banking standards and anti-money laundering (AML) protocols.
- ☐ **EMI vs. traditional bank:** Confirm if an electronic money institution (EMI) is enough for day-to-day payroll or if a Tier-1 bank is needed to access local credit and specialized financial services.

3. Labor relations and collective bargaining

- ☐ **Employee representative thresholds:** Confirm local headcounts that mandate the formation of internal employee forums, works councils, or union representations.
- ☐ **Transnational consultation:** Check if regional employee counts trigger cross-border consultation requirements for large-scale organizational changes.
- ☐ **Collective bargaining agreements (CBAs):** See if your industry or target country is subject to national, regional, or sectoral labor agreements.

4. Compliance and pay transparency

- ☐ **Global pay transparency directives:** Check whether your target markets require salary ranges in job postings or pay equity reporting – requirements vary by country, and pay equity and transparency laws are tightening globally.
- ☐ **Local language contract enforceability:** Audit which expansion targets require localized or dual-language employment contracts. In many jurisdictions, drafting contracts only in English makes them legally unenforceable.
- ☐ **Right-to-work and global mobility:** Cross-check visa rules for remote workers vs. local residents. Digital nomad visas, border-crossing permits, and digital travel authorizations change globally.

5. Benefits and payroll infrastructure

- ☐ **Mandatory 13th/14th-month pay:** Budget for statutory bonus payments, if applicable in your target region (key across LATAM and select APAC regions).
- ☐ **Local insurances:** Secure mandatory regional insurance for workers' compensation, life assurance, or professional indemnity.

6. Flexible workforce management

- ☐ **Worker misclassification risk:** Align your hiring model with global definitions of contractors vs. employees to avoid retroactive tax and legal penalties.

The C-suite perspective

Traditional entity registration ties up capital before market viability is proven. Switching to a global EOR turns heavy capital expenses into operational flexibility, reducing risk while maintaining agility.

Since global expansion touches every corner of your organization, let's look at what it means for executive, HR, finance, legal, IT, and procurement leaders – and their core responsibilities.

Chief executive officers (CEOs) – strategic scale and market agility

Measure your target market goals against the operational friction of building a team from the ground up. Factor in the executive overhead required to manage cross-border complexities before locking into a permanent international structure.

Chief financial officers (CFOs) – capital and maintenance costs

Evaluate the opportunity cost of trapped capital. Factor in deposit requirements, currency risks, and ongoing fees for local professionals, before setting up an entity.

Chief human resources officers (CHROs) – speed and employee experience

Compare the cost of delayed market entry against your talent pipeline. Prioritize fast, compliant onboarding to secure global talent. If registration delays extend hiring, competitors will win.

Chief legal officers (CLOs) and general counsel – risk and liability

Assess your local liability and potential risks like worker misclassification or severance laws. Using an EOR is a safer and easier way to enter new markets.

Chief information security officers (CISOs) – infrastructure risk and data privacy

Factor in platform integration capabilities, authentication standards, and cross-border data transfer measures before expanding into new international territories.

Chief procurement officers (CPOs) – vendor evaluation and cost management

Benchmark the efficiency of your global supplier network against your long-term expansion budget. Consider the administrative overhead of individual country vendor assessments and the legal protections of a strong global SLA before committing capital.

Comparison summary: EOR vs. entity

There are two main ways to hire globally. The first option is using an EOR, and the second is setting up a local entity. We've compared these two routes so you can decide which one fits your expansion plan.

Entity setup: your ongoing responsibilities



Legal compliance

Constant oversight of local tax, worker rights, and statutory contributions.



Regional complexity

Managing localized mandates, from LATAM severance funds and European data privacy laws to APAC statutory contributions.



Admin load

Manually tracking localized expenses, multicurrency payroll, and onboarding updates across time zones.



Capital stagnation

Meeting minimum deposit requirements in local bank accounts and navigating currency risk.

EOR: your built-in global employment partner



Automated compliance

Digitized labor laws across 180+ countries with real-time compliance updates remove local HR complexity.



Automated payroll

All regional statutory contributions are handled for you.



G-P Gia™

Our agentic AI gives instant compliance answers and generates HR documents in minutes across 50 countries and all 50 U.S. states.



Self-service professional portal

Onboarding and benefits management on one unified platform removes manual ticket queries for your global teams.

EOR vs. entity setup

Feature	EOR	Entity setup
Speed to market	48–72 hours	3–6 months*
Resident director	Not required	Often mandatory
Banking and capital	The EOR's infrastructure avoids the need for local bank accounts or handling foreign currency.	Needs a local bank account, tax registration, and a capital deposit.
Compliance risk	Managed by EOR as the legal employer	Carried by your company
Strategic intent	Ideal for teams of any size looking for immediate market entry without long-term administrative lock-in.	Suited for long-term operations with a stable, large-scale workforce.

*Estimates can vary by country and specific circumstances.



G-P snapshot

Unlike providers that rely on third-parties, G-P owns infrastructure in 100+ countries, ensuring fewer manual layers and legal accountability for easy global hiring.



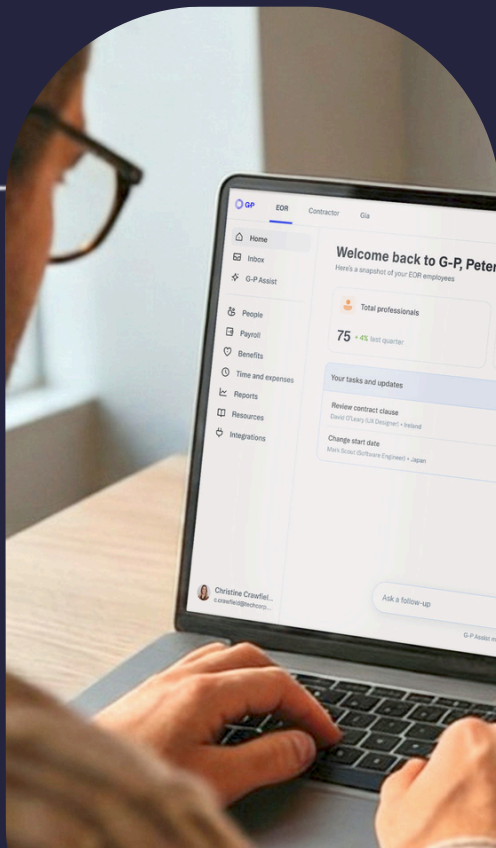
Exit strategy

Business needs shift. If you're offboarding employees or exiting a market, here's what to expect with each approach.

Entity setup	EOR
The exit trap Winding down operations in many international jurisdictions is difficult, time-consuming, and expensive. Ongoing liability You have to continue to finance and oversee <u>entity closures</u>. This can require local liquidators, in-person court filings, and legal expertise to navigate statutory termination and <u>capital repatriation laws</u>.	Compliant offboarding HR and legal experts ensure compliant offboarding, reducing the risk of local labor disputes Quick market exit Final payroll and full operational wind-down can be completed in as little as 30 days.

The G-P shortcut

G-P EOR allows you to skip the administrative burden of entity setup and move straight to onboarding in a single step. We manage local tax, benefits, and evolving global compliance mandates on your behalf.



Real stories from global companies



We didn't have entities there, and we didn't necessarily want to spend the resources to set ourselves up to hire one or two people within a given country. That's where G-P really comes into play – we're able to piggyback off of their robust global infrastructure and hire our folks through their entities.

Eduardo Ramos

Sr. Staff Total Rewards Analyst at [Boston Dynamics](#)



Compared to our previous provider, G-P stands out for being easier to navigate and more flexible when it comes to non-standard requests. There's also an added layer of review for things like contracts and changes, which we didn't have before, and the pricing is much clearer. Invoicing and payments are more streamlined as well. It really helps to have an engaged local customer success manager we can rely on.

Steve Kilroe-Smith

Finance Manager at [Away Digital](#)



Setting up a Swedish entity from day one would have required significant time and effort. I found G-P online and appreciated their fast response and helpful explanations about starting up, costs, and more. A consultant helped me assess my needs and tailor the solution. With G-P, I was able to hire the right people and get them onboarded fast, without having to become an expert in Swedish employment law, pensions, and local regulations.

Martin Bjorheim

CEO and Founder at [Sublimtech](#)



About G-P

G-P (Globalization Partners) is the leader in global employment. As the world's first agentic Global Employment Platform, G-P codes global labor laws and compliance directly into existing corporate workflows, helping companies of all sizes manage the employee lifecycle.

We support teams in 180+ countries backed by more than a decade of global operational data and the largest team of in-country HR, legal, and compliance experts. This unmatched proprietary knowledge powers our [EOR](#), [Contractor](#), and global HR agent, [G-P Gia™](#), products.

Hire anywhere and scale everywhere with G-P. [Request a proposal today.](#)