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Company formation in Afghanistan

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Flag



Coat of arms

Common form	LLC (limited liability company)
Registry	Ministry of Industry and Commerce (Afghanistan Central Business Registry)
Minimum capital	Set by the Limited Liability Companies Law
Directors	1 director
Local director	Foreign investment needs a licence
Corporate tax	20%
VAT / sales tax	Business receipts tax 4% (no VAT)
Typical timeline	Often 1–2 months
Tax treaties	Domestic rates and treaty list [2]
Currency	Afghan afghani (AFN)

In short: To set up a company in Afghanistan, most founders form an LLC, registered with the Ministry of Industry and Commerce (Afghanistan Central Business Registry). Minimum capital: set by the Limited Liability Companies Law. Corporate tax: 20%. Registration: often 1–2 months (as of November 2026).

Short guide. Tax figures come from the sources listed under References; company-law details summarise official guidance and can change. Confirm requirements with the Ministry of Industry and Commerce (Afghanistan Central Business Registry) before filing.

Since August 2021 **Afghanistan** has been governed by the Taliban, whose government is not recognised by most states, and individual members are under United Nations sanctions. The banking system is severely restricted, which affects any foreign investment.

Business structures

Most founders in Afghanistan form an LLC, registered with the Ministry of Industry and Commerce (Afghanistan Central Business Registry). Other forms are listed below.

- **LLC** – the usual company form for private businesses

Requirements

Minimum share capital in Afghanistan (2026): set by the Limited Liability Companies Law. Directors required: 1 director. Local resident director: foreign investment needs a licence.

- A company name that is available, checked with the registry.
- Share capital: set by the Limited Liability Companies Law.
- Directors: 1 director.
- Local residency: foreign investment needs a licence.
- A registered office address in Afghanistan.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Afghanistan (2026): often 1–2 months. The usual steps are:

1. Choose the company form and check that the name is available.
2. Prepare and sign the articles of association.

3. File the registration with the Ministry of Industry and Commerce (Afghanistan Central Business Registry).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the Afghanistan Revenue Department (Ministry of Finance).

Taxation

The corporate tax rate in Afghanistan in 2026 is 20%. Standard VAT or sales tax: business receipts tax 4% (no VAT).

Tax	Rate and notes
Corporate income tax	20%
VAT / indirect tax	Business receipts tax 4% (no VAT)
Withholding tax on dividends to non-resident companies	Depends on the payer and recipient; see the Double tax treaties section

Ongoing compliance

Annual compliance in Afghanistan: Companies file annual financial statements and tax returns with the Afghanistan Revenue Department (Ministry of Finance), and keep their details up to date with the Ministry of Industry and Commerce.

Double tax treaties

Afghanistan has few comprehensive double tax treaties, so domestic withholding rates usually apply; check whether a treaty covers the other country before relying on a reduced rate.

Domestic withholding tax on payments to non-resident companies

Domestic withholding rates on dividends, interest and royalties could not be confirmed from a current source for this short guide; confirm them with the Afghanistan Revenue Department.

The reduced rate for each partner country is set by the treaty concerned; confirm it with the tax authority.

Domestic rates from the sources listed under References. Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Afghanistan?

Typical registration time in Afghanistan: often 1–2 months (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Afghanistan?

Minimum share capital in Afghanistan: set by the Limited Liability Companies Law (as of November 2026).

What is the corporate tax rate in Afghanistan in 2026?

The corporate tax rate in Afghanistan in 2026 is 20%. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Afghanistan?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Afghanistan: foreign investment needs a licence.

Official registries and resources

The official websites of the Ministry of Industry and Commerce (Afghanistan Central Business Registry) and the Afghanistan Revenue Department (Ministry of Finance) have not yet been verified by our editors, so they are not linked here. Use the names above to find them, and beware of unofficial look-alike sites.

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Singapore
- Company formation in Hong Kong
- Company formation in Japan
- Company formation in India
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

1. Country tax rates (January 2026 update, compiled from PwC and KPMG) . Damodaran Online, NYU Stern. Accessed November 2026.
2. VAT, GST and sales tax rates by country . VATCalc. Accessed November 2026.

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