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Company formation in Andorra

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Company formation in Andorra



Flag



Coat of arms

Common form	SL (societat limitada)
Registry	Register of Companies (Registre de Societats Mercantils)
Minimum capital	€3,000
Directors	1 administrator
Local director	Not required, but foreign investors need prior government authorisation
Corporate tax	10%
VAT / sales tax	General indirect tax (IGI) 4.5%
Typical timeline	Usually 3–6 weeks including the foreign investment authorisation
Tax treaties	Domestic rates and treaty list [2]
Currency	Euro (EUR)

In short: To set up a company in Andorra, most founders form an SL, registered with the Register of Companies (Registre de Societats Mercantils). Minimum capital: €3,000. Corporate tax: 10%. Registration: usually 3–6 weeks including the foreign investment authorisation (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 Register of Companies (Registre de Societats Mercantils) before filing.

Andorra taxes companies at 10% and charges a general indirect tax (IGI) of 4.5%, the lowest VAT-type rate in Europe. Foreign investors need government authorisation before forming a company.

Business structures

Most founders in Andorra form an SL, registered with the Register of Companies (Registre de Societats Mercantils). Other forms are listed below.

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

Requirements

Minimum share capital in Andorra (2026): €3,000. Directors required: 1 administrator. Local resident director: not required, but foreign investors need prior government authorisation.

- A company name that is available, checked with the registry.
- Share capital: €3,000.
- Directors: 1 administrator.
- Local residency: not required, but foreign investors need prior government authorisation.
- A registered office address in Andorra.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Andorra (2026): usually 3–6 weeks including the foreign investment authorisation. 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 Register of Companies (Registre de Societats Mercantils).
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 Department of Taxation and Borders.

Taxation

The corporate tax rate in Andorra in 2026 is 10%. Standard VAT or sales tax: general indirect tax (IGI) 4.5%.

Tax	Rate and notes
Corporate income tax	10%
VAT / indirect tax	General indirect tax (IGI) 4.5%
Withholding tax on dividends to non-resident companies	0%

Ongoing compliance

Annual compliance in Andorra: Companies file annual financial statements and tax returns with the Department of Taxation and Borders, and keep their details up to date with the Register of Companies.

Double tax treaties

Andorra has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
0%	0%	5%

Dividends and interest paid to non-residents are generally exempt; royalties are taxed at 5% under the non-resident income tax.

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 Andorra?

Typical registration time in Andorra: usually 3–6 weeks including the foreign investment authorisation (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 Andorra?

Minimum share capital in Andorra: €3,000 (as of November 2026).

What is the corporate tax rate in Andorra in 2026?

The corporate tax rate in Andorra in 2026 is 10%. See the Taxation section for reduced rates and other taxes.

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

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Andorra: not required, but foreign investors need prior government authorisation.

What withholding tax applies to dividends paid from Andorra?

Andorra charges no withholding tax on dividends paid to non-resident companies under domestic law. See the Double tax treaties section.

Official registries and resources

The official websites of the Register of Companies (Registre de Societats Mercantils) and the Department of Taxation and Borders 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 the United Kingdom
- Company formation in Germany
- Company formation in Poland
- Company formation in Ireland
- 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. Doing Business In 2026: Andorra . Chambers and Partners. Accessed November 2026.
2. Andorra: Corporate tax comparative guide . Legal 500. Accessed November 2026.

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