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Company formation in Azerbaijan

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Company formation in Azerbaijan



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Common form	LLC (limited liability company) [1]
Registry	State Tax Service (registration of commercial legal entities) [1]
Minimum capital	None [1]
Directors	1 director [1]
Local director	Not required [1]
Corporate tax	20% [2]
VAT / sales tax	18% [2]
Typical timeline	Often 1–3 working days online [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Azerbaijani manat (AZN)

In short: To set up a company in Azerbaijan, most founders form an LLC, registered with the State Tax Service (registration of commercial legal entities). [1] Minimum capital: none. Corporate tax: 20%. Registration: often 1–3 working days online (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 28 September 2026); company-law details summarise official guidance and can change. Confirm requirements with the State Tax Service (registration of commercial legal entities) before filing.

In **Azerbaijan**, commercial companies are registered by the **State Tax Service**, which acts as both registry and tax authority, often online within a few days.

Business structures

Most founders in Azerbaijan form an LLC, registered with the State Tax Service (registration of commercial legal entities). [1] Other forms are listed below.

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

Requirements

Minimum share capital in Azerbaijan (2026): none. Directors required: 1 director. Local resident director: not required. [1]

- A company name that is available, checked with the registry.
- Share capital: none.
- Directors: 1 director.
- Local residency: not required.
- A registered office address in Azerbaijan.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Azerbaijan (2026): often 1–3 working days online. [1] 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 State Tax Service (registration of commercial legal entities).

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 State Tax Service.

Taxation

The corporate tax rate in Azerbaijan in 2026 is 20%. [2] Standard VAT or sales tax: 18%. [2]

Tax	Rate and notes
Corporate income tax	20%
VAT / indirect tax	18%
Withholding tax on dividends to non-resident companies	5%

Ongoing compliance

Annual compliance in Azerbaijan: Companies file annual financial statements and tax returns with the State Tax Service, and keep their details up to date with the State Tax Service. [1]

Double tax treaties

Azerbaijan 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
5%	10%	14%

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Azerbaijan lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). 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 Azerbaijan?

Typical registration time in Azerbaijan: often 1–3 working days online (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 Azerbaijan?

Minimum share capital in Azerbaijan: none (as of November 2026).

What is the corporate tax rate in Azerbaijan in 2026?

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

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

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Azerbaijan: not required.

What withholding tax applies to dividends paid from Azerbaijan?

Azerbaijan withholds 5% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

Official registries and resources

- State Tax Service (registration of commercial legal entities)
- State Tax Service

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 Georgia
- Company formation in the United Arab Emirates
- Company formation in Armenia
- Company formation in Saudi Arabia
- 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.

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2. Official State Tax Service . Government of Azerbaijan. Accessed November 2026.
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5. Quick charts: Value-added tax (VAT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
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7. Azerbaijan: Corporate – Withholding taxes . PwC Worldwide Tax Summaries. Accessed November 2026.

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