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Company formation in Bhutan

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Flag



Coat of arms

Common form	Private limited company (Companies Act of Bhutan 2016)
Registry	Office of the Registrar of Companies (Ministry of Industry, Commerce and Employment)
Minimum capital	No statutory minimum for a domestic company; minimum investment applies to foreign investment
Directors	Set by the Companies Act
Local director	Foreign investment is limited to sectors and minimum amounts set by the FDI policy and needs approval
Corporate tax	25%
VAT / sales tax	Goods and Services Tax (GST) 7% from January 2026, replacing the sales tax
Typical timeline	Often 1–3 months for foreign-owned companies
Tax treaties	Domestic rates and treaty list [2]
Currency	Bhutanese ngultrum (BTN)

In short: To set up a company in Bhutan, most founders form a private limited company, registered with the Office of the Registrar of Companies (Ministry of Industry, Commerce and Employment). Minimum capital: no statutory minimum for a domestic company; minimum investment applies to foreign investment. Corporate tax: 25%. Registration: often 1–3 months for foreign-owned companies (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 Office of the Registrar of Companies (Ministry of Industry, Commerce and Employment) before filing.

Foreign investment in **Bhutan** is allowed only in sectors and amounts set by the **Foreign Direct Investment Policy**, and needs government approval before the company is registered. A goods and services tax replaced the old sales tax in January 2026.

Business structures

Most founders in Bhutan form a private limited company, registered with the Office of the Registrar of Companies (Ministry of Industry, Commerce and Employment). Other forms are listed below.

- **Private limited company** – the usual company form for private businesses

Requirements

Minimum share capital in Bhutan (2026): no statutory minimum for a domestic company; minimum investment applies to foreign investment. Directors required: set by the Companies Act. Local resident director: foreign investment is limited to sectors and minimum amounts set by the FDI policy and needs approval.

- A company name that is available, checked with the registry.
- Share capital: no statutory minimum for a domestic company; minimum investment applies to foreign investment.
- Directors: set by the Companies Act.
- Local residency: foreign investment is limited to sectors and minimum amounts set by the FDI policy and needs approval.
- A registered office address in Bhutan.

- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Bhutan (2026): often 1–3 months for foreign-owned companies. 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 Office of the Registrar of Companies (Ministry of Industry, Commerce and Employment).
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 Revenue and Customs.

Taxation

The corporate tax rate in Bhutan in 2026 is 25%. Standard VAT or sales tax: goods and Services Tax (GST) 7% from January 2026, replacing the sales tax.

Tax	Rate and notes
Corporate income tax	25%
VAT / indirect tax	Goods and Services Tax (GST) 7% from January 2026, replacing the sales tax
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 Bhutan: Companies file annual financial statements and tax returns with the Department of Revenue and Customs, and keep their details up to date with the Office of the Registrar of Companies.

Double tax treaties

Bhutan 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 Department of Revenue and Customs.

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 Bhutan?

Typical registration time in Bhutan: often 1–3 months for foreign-owned companies (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 Bhutan?

Minimum share capital in Bhutan: no statutory minimum for a domestic company; minimum investment applies to foreign investment (as of November 2026).

What is the corporate tax rate in Bhutan in 2026?

The corporate tax rate in Bhutan in 2026 is 25%. See the Taxation section for reduced rates and other taxes.

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

Only in sectors opened by the Foreign Direct Investment Policy and with government approval; the policy sets minimum investment amounts and foreign ownership limits by sector. Local director rule in Bhutan: foreign investment is limited to sectors and minimum amounts set by the FDI policy and needs approval.

Official registries and resources

The official websites of the Office of the Registrar of Companies (Ministry of Industry, Commerce and Employment) and the Department of Revenue and Customs 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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