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Company formation in Brazil

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Company formation in Brazil



Flag



Coat of arms

Common form	Ltda (sociedade limitada) [1]
Registry	State Commercial Registry (Junta Comercial) and the federal CNPJ register [1]
Minimum capital	No statutory minimum [1]
Directors	1 administrator [1]
Local director	The administrator must live in Brazil; foreign shareholders need a local attorney-in-fact [1]
Corporate tax	34% combined (IRPJ 25% including surtax, plus CSLL 9%) [2]
VAT / sales tax	Several taxes (ICMS, ISS, PIS/COFINS); a dual VAT (CBS/IBS) is being phased in from 2026 [2]
Typical timeline	Usually 3–8 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Brazilian real (BRL)

In short: To set up a company in Brazil, most founders form a Ltda, registered with the State Commercial Registry (Junta Comercial) and the federal CNPJ register. [1] Minimum capital: no statutory minimum. Corporate tax: 34% combined (IRPJ 25% including surtax, plus CSLL 9%). Registration: usually 3–8 weeks (as of November 2026).

Most companies in **Brazil** are formed as a **limitada (Ltda)**, registered with the **Junta Comercial** of the state and the federal CNPJ register. Brazil's consumption-tax reform phases in a dual VAT, CBS and IBS, from 2026.

Business structures

Most founders in Brazil form a Ltda, registered with the State Commercial Registry (Junta Comercial) and the federal CNPJ register. [1] **Other forms are listed below.**

- **Ltda** – limited liability company, the usual choice
- **SLU** – single-member limited company
- **S.A.** – corporation

Requirements

Minimum share capital in Brazil (2026): no statutory minimum. Directors required: 1 administrator. Local resident director: the administrator must live in Brazil; foreign shareholders need a local attorney-in-fact. [1]

- A company name that is available, checked with the registry.
- Share capital: no statutory minimum.
- Directors: 1 administrator.
- Local residency: the administrator must live in Brazil; foreign shareholders need a local attorney-in-fact.
- A registered office address in Brazil.
- Articles of association; standard templates are often available.
- Beneficial owners reported to the beneficial owner information in the CNPJ register.

Registration process

Typical time to register a company in Brazil (2026): usually 3–8 weeks. [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 Commercial Registry (Junta Comercial) and the federal CNPJ register.
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 Federal Revenue Service (Receita Federal).

Taxation

The corporate tax rate in Brazil in 2026 is 34% combined (IRPJ 25% including surtax, plus CSLL 9%). [2] **Standard VAT or sales tax: several taxes (ICMS, ISS, PIS/COFINS); a dual VAT (CBS/IBS) is being phased in from 2026.** [2]

Tax	Rate and notes
Corporate income tax	34% combined (IRPJ 25% including surtax, plus CSLL 9%)
VAT / indirect tax	Several taxes (ICMS, ISS, PIS/COFINS); a dual VAT (CBS/IBS) is being phased in from 2026
Withholding tax on dividends to non-resident companies	10%

Ongoing compliance

Annual compliance in Brazil: Companies file monthly and annual federal, state and municipal tax returns and keep digital bookkeeping (SPED). [1]

Double tax treaties

Brazil 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
10%	15%	15%

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Brazil 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 Brazil?

Typical registration time in Brazil: usually 3–8 weeks (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 Brazil?

Minimum share capital in Brazil: no statutory minimum (as of November 2026).

What is the corporate tax rate in Brazil in 2026?

The corporate tax rate in Brazil in 2026 is 34% combined (IRPJ 25% including surtax, plus CSLL 9%). See the Taxation section for reduced rates and other taxes.

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

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Brazil: the administrator must live in Brazil; foreign shareholders need a local attorney-in-fact.

What withholding tax applies to dividends paid from Brazil?

Brazil withholds 10% 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 Commercial Registry (Junta Comercial) and the federal CNPJ register
- Federal Revenue Service (Receita Federal)

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 States
- Company formation in Canada
- Company formation in Mexico
- Company formation in Chile
- 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. Official State Commercial Registry (Junta Comercial) and the federal CNPJ register . Government of Brazil. Accessed November 2026.
2. Official Federal Revenue Service (Receita Federal) . Government of Brazil. Accessed November 2026.
3. Brazil: Corporate – Taxes on corporate income (reviewed 23 September 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
4. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
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6. Quick charts: Withholding tax (WHT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
7. Brazil: Corporate – Withholding taxes . PwC Worldwide Tax Summaries. Accessed November 2026.

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