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Company formation in El Salvador

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Common form	SA de CV (sociedad anónima de capital variable) [1]
Registry	Commercial Registry (Registro de Comercio, CNR) [1]
Minimum capital	USD 2,000 for an SA [1]
Directors	1 sole administrator or a board [1]
Local director	Not required [1]
Corporate tax	30% [2]
VAT / sales tax	13% [2]
Typical timeline	Usually 2–4 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	US dollar (USD); bitcoin has also been legal tender since 2021

In short: To set up a company in El Salvador, most founders form an SA de CV, registered with the Commercial Registry (Registro de Comercio, CNR). [1] Minimum capital: USD 2,000 for an SA. Corporate tax: 30%. Registration: usually 2–4 weeks (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 27 September 2026); company-law details summarise official guidance and can change. Confirm requirements with the Commercial Registry (Registro de Comercio, CNR) before filing.

In **El Salvador**, companies are incorporated before a notary and registered with the **Commercial Registry** of the National Registry Centre (CNR). The country uses the US dollar.

Business structures

Most founders in El Salvador form an SA de CV, registered with the Commercial Registry (Registro de Comercio, CNR). [1] Other forms are listed below.

- **SA de CV** – the usual company form for private businesses

Requirements

Minimum share capital in El Salvador (2026): USD 2,000 for an SA. Directors required: 1 sole administrator or a board. Local resident director: not required. [1]

- A company name that is available, checked with the registry.
- Share capital: USD 2,000 for an SA.
- Directors: 1 sole administrator or a board.
- Local residency: not required.
- A registered office address in El Salvador.
- Articles of association signed before a notary.

Registration process

Typical time to register a company in El Salvador (2026): usually 2–4 weeks. [1] The usual steps are:

1. Choose the company form and check that the name is available.
2. Sign the articles of association before a notary.
3. File the registration with the Commercial Registry (Registro de Comercio, CNR).

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 Ministry of Finance (Ministerio de Hacienda).

Taxation

The corporate tax rate in El Salvador in 2026 is 30%. [2] Standard VAT or sales tax: 13%. [2]

Tax	Rate and notes
Corporate income tax	30%
VAT / indirect tax	13%
Withholding tax on dividends to non-resident companies	5%

Ongoing compliance

Annual compliance in El Salvador: Companies file annual financial statements and tax returns with the Ministry of Finance (Ministerio de Hacienda), and keep their details up to date with the Commercial Registry. [1]

Double tax treaties

El Salvador 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 or 20%	20%

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

Typical registration time in El Salvador: usually 2–4 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 El Salvador?

Minimum share capital in El Salvador: USD 2,000 for an SA (as of November 2026).

What is the corporate tax rate in El Salvador in 2026?

The corporate tax rate in El Salvador in 2026 is 30%. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in El Salvador?

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

What withholding tax applies to dividends paid from El Salvador?

El Salvador 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

- Commercial Registry (Registro de Comercio, CNR)
- Ministry of Finance (Ministerio de Hacienda)

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 Brazil
- 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 Commercial Registry (Registro de Comercio, CNR) . Government of El Salvador. Accessed November 2026.
2. Official Ministry of Finance (Ministerio de Hacienda) . Government of El Salvador. Accessed November 2026.
3. El Salvador: Corporate – Taxes on corporate income (reviewed 27 September 2026) . PwC Worldwide Tax Summaries. 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. El Salvador: Corporate – Withholding taxes . PwC Worldwide Tax Summaries. Accessed November 2026.

Source: https://companyformationwiki.com/company-formation/el-salvador/
Version: last updated 25 November 2026. Check the online version for later changes.

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