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# Company formation in Guatemala

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## Company formation in Guatemala



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| | |
|---|---|
| **Common form** | SA (sociedad anónima) [1] |
| **Registry** | Mercantile Registry (Registro Mercantil) [1] |
| **Minimum capital** | GTQ 200 paid in at formation [1] |
| **Directors** | 1 sole administrator or a board [1] |
| **Local director** | A legal representative in Guatemala is needed in practice [1] |
| **Corporate tax** | 25% on net income, or an optional 7% simplified regime on gross income [2] |
| **VAT / sales tax** | 12% [2] |
| **Typical timeline** | Usually 3–6 weeks [1] |
| **Tax treaties** | Domestic rates and treaty list [7] |
| **Currency** | Guatemalan quetzal (GTQ) |

**In short:** To set up a company in Guatemala, most founders form an SA, registered with the Mercantile Registry (Registro Mercantil). [1] Minimum capital: GTQ 200 paid in at formation. Corporate tax: 25% on net income, or an optional 7% simplified regime on gross income. Registration: usually 3–6 weeks (as of November 2026).

**Short guide.** Tax figures come from PwC Worldwide Tax Summaries (reviewed 09 June 2026); company-law details summarise official guidance and can change. Confirm requirements with the Mercantile Registry (Registro Mercantil) before filing.

Most companies in **Guatemala** are an **SA**, incorporated before a notary and entered in the **Mercantile Registry**. Businesses choose between 25% tax on net profit and an optional simplified regime taxing gross income.

## Business structures

Most founders in Guatemala form an SA, registered with the Mercantile Registry (Registro Mercantil). [1] Other forms are listed below.

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

## Requirements

Minimum share capital in Guatemala (2026): GTQ 200 paid in at formation. Directors required: 1 sole administrator or a board. Local resident director: a legal representative in Guatemala is needed in practice. [1]

- A company name that is available, checked with the registry.
- Share capital: GTQ 200 paid in at formation.
- Directors: 1 sole administrator or a board.
- Local residency: a legal representative in Guatemala is needed in practice.
- A registered office address in Guatemala.
- Articles of association signed before a notary.

## Registration process

Typical time to register a company in Guatemala (2026): usually 3–6 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 Mercantile Registry (Registro Mercantil).
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 Tax Administration Superintendency (SAT).

## Taxation

**The corporate tax rate in Guatemala in 2026 is 25% on net income, or an optional 7% simplified regime on gross income.** [2] **Standard VAT or sales tax: 12%.** [2]

| Tax | Rate and notes |
|---|---|
| Corporate income tax | 25% on net income, or an optional 7% simplified regime on gross income |
| VAT / indirect tax | 12% |
| Withholding tax on dividends to non-resident companies | 5% |

## Ongoing compliance

**Annual compliance in Guatemala:** Companies file annual financial statements and tax returns with the Tax Administration Superintendency (SAT), and keep their details up to date with the Mercantile Registry. [1]

## Double tax treaties

Guatemala 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% | 15% |

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

Typical registration time in Guatemala: usually 3–6 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 Guatemala?**

Minimum share capital in Guatemala: GTQ 200 paid in at formation (as of November 2026).

**What is the corporate tax rate in Guatemala in 2026?**

The corporate tax rate in Guatemala in 2026 is 25% on net income, or an optional 7% simplified regime on gross income. See the Taxation section for reduced rates and other taxes.

**Can a foreigner own 100% of a company in Guatemala?**

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Guatemala: a legal representative in Guatemala is needed in practice.

**What withholding tax applies to dividends paid from Guatemala?**

Guatemala 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

- Mercantile Registry (Registro Mercantil)
- Tax Administration Superintendency (SAT)

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 Mercantile Registry (Registro Mercantil) . Government of Guatemala. Accessed November 2026.
2. Official Tax Administration Superintendency (SAT) . Government of Guatemala. Accessed November 2026.
3. Guatemala: Corporate – Taxes on corporate income (reviewed 09 June 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
4. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
5. Quick charts: Value-added tax (VAT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
6. Quick charts: Withholding tax (WHT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
7. Guatemala: Corporate – Withholding taxes . PwC Worldwide Tax Summaries. Accessed November 2026.

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