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Company formation in Iran

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Flag



Coat of arms

Common form	Private joint-stock company or limited liability company
Registry	Companies Registration Office (State Organization for Registration of Deeds and Properties)
Minimum capital	Set by the Commercial Code for each company form
Directors	A board of directors (joint-stock company) or 1 manager (LLC)
Local director	Not required by company law; foreign investment is approved under the Foreign Investment Promotion and Protection Act
Corporate tax	25%
VAT / sales tax	VAT and levies of about 9% in total (as reported by VATCalc)
Typical timeline	Often 1–2 months
Tax treaties	Domestic rates and treaty list [2]
Currency	Iranian rial (IRR)

In short: To set up a company in Iran, most founders form a private joint-stock company or limited liability company, registered with the Companies Registration Office (State Organization for Registration of Deeds and Properties). Minimum capital: set by the Commercial Code for each company form. Corporate tax: 25%. Registration: often 1–2 months (as of November 2026).

Sanctions warning. Iran is subject to comprehensive United States sanctions and extensive United Nations, European Union and United Kingdom measures. Forming, owning or financing a company there, moving money, or supplying goods and services can be prohibited or need a licence, and the rules apply to you based on your nationality, residence and the banks you use. Get legal advice in your own jurisdiction before taking any step.

Short guide. Tax figures come from the sources listed under References; company-law details summarise official guidance and can change. Confirm requirements with the Companies Registration Office (State Organization for Registration of Deeds and Properties) before filing.

Companies in **Iran** are registered with the **Companies Registration Office**; foreign investors seek protection under the **Foreign Investment Promotion and Protection Act**. Corporate income tax is 25%.

Business structures

Most founders in Iran form a private joint-stock company or limited liability company, registered with the Companies Registration Office (State Organization for Registration of Deeds and Properties). Other forms are listed below.

- **Private joint-stock company or limited liability company** – the usual company form for private businesses

Requirements

Minimum share capital in Iran (2026): set by the Commercial Code for each company form. Directors required: a board of directors (joint-stock company) or 1 manager (LLC). Local resident director: not required by company law; foreign investment is approved under the Foreign Investment Promotion and Protection Act.

- A company name that is available, checked with the registry.
- Share capital: set by the Commercial Code for each company form.
- Directors: a board of directors (joint-stock company) or 1 manager (LLC).
- Local residency: not required by company law; foreign investment is approved under the Foreign Investment Promotion and Protection Act.
- A registered office address in Iran.

- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Iran (2026): often 1–2 months. 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 Companies Registration Office (State Organization for Registration of Deeds and Properties).
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 Iranian National Tax Administration (INTA).

Taxation

The corporate tax rate in Iran in 2026 is 25%. Standard VAT or sales tax: VAT and levies of about 9% in total (as reported by VATCalc).

Tax	Rate and notes
Corporate income tax	25%
VAT / indirect tax	VAT and levies of about 9% in total (as reported by VATCalc)
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 Iran: Companies file annual financial statements and tax returns with the Iranian National Tax Administration (INTA), and keep their details up to date with the Companies Registration Office.

Double tax treaties

Iran 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 Iranian National Tax Administration.

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 Iran?

Typical registration time in Iran: often 1–2 months (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 Iran?

Minimum share capital in Iran: set by the Commercial Code for each company form (as of November 2026).

What is the corporate tax rate in Iran in 2026?

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

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

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Iran: not required by company law; foreign investment is approved under the Foreign Investment Promotion and Protection Act.

Official registries and resources

The official websites of the Companies Registration Office (State Organization for Registration of Deeds and Properties) and the Iranian National Tax Administration (INTA) 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 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.

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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