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Company formation in Iraq

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Common form	LLC (limited liability company)
Registry	Companies Registration Department (Ministry of Trade)
Minimum capital	Set by the registry for each activity
Directors	1 managing director
Local director	Requirements vary; foreign companies often operate through a registered branch
Corporate tax	15% (35% for certain oil and gas companies)
VAT / sales tax	Sales tax; rates vary by good or service
Typical timeline	Usually 1–3 months
Tax treaties	Domestic rates and treaty list [5]
Currency	Iraqi dinar (IQD)

In short: To set up a company in Iraq, most founders form an LLC, registered with the Companies Registration Department (Ministry of Trade). Minimum capital: set by the registry for each activity. Corporate tax: 15% (35% for certain oil and gas companies). Registration: usually 1–3 months (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 24 June 2026); company-law details summarise official guidance and can change. Confirm requirements with the Companies Registration Department (Ministry of Trade) before filing.

Companies in federal **Iraq** are registered with the **Companies Registration Department** of the Ministry of Trade; the Kurdistan Region has its own registration procedures. Security conditions and licensing requirements vary by region.

Business structures

Most founders in Iraq form an LLC, registered with the Companies Registration Department (Ministry of Trade). Other forms are listed below.

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

Requirements

Minimum share capital in Iraq (2026): set by the registry for each activity. Directors required: 1 managing director. Local resident director: requirements vary; foreign companies often operate through a registered branch.

- A company name that is available, checked with the registry.
- Share capital: set by the registry for each activity.
- Directors: 1 managing director.
- Local residency: requirements vary; foreign companies often operate through a registered branch.
- A registered office address in Iraq.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Iraq (2026): usually 1–3 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 Department (Ministry of Trade).
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 General Commission for Taxes.

Taxation

The corporate tax rate in Iraq in 2026 is 15% (35% for certain oil and gas companies). Standard VAT or sales tax: sales tax; rates vary by good or service.

Tax	Rate and notes
Corporate income tax	15% (35% for certain oil and gas companies)
VAT / indirect tax	Sales tax; rates vary by good or service
Withholding tax on dividends to non-resident companies	0%

Ongoing compliance

Annual compliance in Iraq: Companies file annual financial statements and tax returns with the General Commission for Taxes, and keep their details up to date with the Companies Registration Department.

Double tax treaties

Iraq 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
0%	15%	15%

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

Typical registration time in Iraq: usually 1–3 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 Iraq?

Minimum share capital in Iraq: set by the registry for each activity (as of November 2026).

What is the corporate tax rate in Iraq in 2026?

The corporate tax rate in Iraq in 2026 is 15% (35% for certain oil and gas companies). See the Taxation section for reduced rates and other taxes.

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

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Iraq: requirements vary; foreign companies often operate through a registered branch.

What withholding tax applies to dividends paid from Iraq?

Iraq charges no withholding tax on dividends paid to non-resident companies under domestic law. See the Double tax treaties section.

Official registries and resources

The official websites of the Companies Registration Department (Ministry of Trade) and the General Commission for Taxes 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. Iraq: Corporate – Taxes on corporate income (reviewed 24 June 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
2. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
3. Quick charts: Value-added tax (VAT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
4. Quick charts: Withholding tax (WHT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
5. Iraq: Corporate – Withholding taxes . PwC Worldwide Tax Summaries. Accessed November 2026.

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