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Company formation in Israel

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Flag



Emblem

Common form	Private company limited by shares (Ltd) [1]
Registry	Israeli Corporations Authority (Registrar of Companies) [1]
Minimum capital	None [1]
Directors	1 director [1]
Local director	Not required [1]
Corporate tax	23% [2]
VAT / sales tax	18% [2]
Typical timeline	Usually 1–2 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Israeli new shekel (ILS)

In short: To set up a company in Israel, most founders form a private company limited by shares, registered with the Israeli Corporations Authority (Registrar of Companies). [1] Minimum capital: none. Corporate tax: 23%. Registration: usually 1–2 weeks (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 29 June 2026); company-law details summarise official guidance and can change. Confirm requirements with the Israeli Corporations Authority (Registrar of Companies) before filing.

Companies in **Israel** are registered with the **Registrar of Companies** at the Israeli Corporations Authority. Corporate tax is 23%, and reduced rates apply to qualifying technology and industrial companies under the investment incentive law.

Business structures

Most founders in Israel form a private company limited by shares, registered with the Israeli Corporations Authority (Registrar of Companies). [1] Other forms are listed below.

- **Private company limited by shares** – the usual company form for private businesses

Requirements

Minimum share capital in Israel (2026): none. Directors required: 1 director. Local resident director: not required. [1]

- A company name that is available, checked with the registry.
- Share capital: none.
- Directors: 1 director.
- Local residency: not required.
- A registered office address in Israel.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Israel (2026): usually 1–2 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 Israeli Corporations Authority (Registrar of Companies).
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 Israel Tax Authority.

Taxation

The corporate tax rate in Israel in 2026 is 23%. [2] Standard VAT or sales tax: 18%. [2]

Tax	Rate and notes
Corporate income tax	23%
VAT / indirect tax	18%
Withholding tax on dividends to non-resident companies	25 or 30%

Ongoing compliance

Annual compliance in Israel: Companies file annual financial statements and tax returns with the Israel Tax Authority, and keep their details up to date with the Israeli Corporations Authority. [1]

Double tax treaties

Israel 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
25 or 30%	23%	23%

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

Typical registration time in Israel: usually 1–2 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 Israel?

Minimum share capital in Israel: none (as of November 2026).

What is the corporate tax rate in Israel in 2026?

The corporate tax rate in Israel in 2026 is 23%. See the Taxation section for reduced rates and other taxes.

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

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

What withholding tax applies to dividends paid from Israel?

Israel withholds 25 or 30% 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

- Israeli Corporations Authority (Registrar of Companies)
- Israel Tax Authority

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. Official Israeli Corporations Authority (Registrar of Companies) . Government of Israel. Accessed November 2026.
2. Official Israel Tax Authority . Government of Israel. Accessed November 2026.
3. Israel: Corporate – Taxes on corporate income (reviewed 29 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. Israel: Corporate – Withholding taxes . PwC Worldwide Tax Summaries. Accessed November 2026.

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