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Company formation in Libya

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Flag



Coat of arms

Common form	Joint-stock company or branch of a foreign company
Registry	Ministry of Economy (commercial registration)
Minimum capital	Set by law for each form
Directors	A board
Local director	Foreign participation rules apply
Corporate tax	20%
VAT / sales tax	None
Typical timeline	Usually several months
Tax treaties	Domestic rates and treaty list [5]
Currency	Libyan dinar (LYD)

In short: To set up a company in Libya, most founders form a joint-stock company or branch of a foreign company, registered with the Ministry of Economy (commercial registration). Minimum capital: set by law for each form. Corporate tax: 20%. Registration: usually several months (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 31 May 2026); company-law details summarise official guidance and can change. Confirm requirements with the Ministry of Economy (commercial registration) before filing.

Companies in **Libya** register with the **Ministry of Economy**. Political division and security conditions significantly affect doing business, and foreign participation rules vary.

Business structures

Most founders in Libya form a joint-stock company or branch of a foreign company, registered with the Ministry of Economy (commercial registration). Other forms are listed below.

- **Joint-stock company or branch of a foreign company** – the usual company form for private businesses

Requirements

Minimum share capital in Libya (2026): set by law for each form. Directors required: a board. Local resident director: foreign participation rules apply.

- A company name that is available, checked with the registry.
- Share capital: set by law for each form.
- Directors: a board.
- Local residency: foreign participation rules apply.
- A registered office address in Libya.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Libya (2026): usually several 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 Ministry of Economy (commercial registration).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax with the Tax Department.

Taxation

The corporate tax rate in Libya in 2026 is 20%. Standard VAT or sales tax: none.

Tax	Rate and notes
Corporate income tax	20%
VAT / indirect tax	None
Withholding tax on dividends to non-resident companies	0%

Ongoing compliance

Annual compliance in Libya: Companies file annual financial statements and tax returns with the Tax Department, and keep their details up to date with the Ministry of Economy.

Double tax treaties

Libya 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%	0%	0%

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

Typical registration time in Libya: usually several 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 Libya?

Minimum share capital in Libya: set by law for each form (as of November 2026).

What is the corporate tax rate in Libya in 2026?

The corporate tax rate in Libya in 2026 is 20%. See the Taxation section for reduced rates and other taxes.

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

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Libya: foreign participation rules apply.

What withholding tax applies to dividends paid from Libya?

Libya 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 Ministry of Economy (commercial registration) and the Tax Department 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 South Africa
- Company formation in Mauritius
- Company formation in Angola
- Company formation in Botswana
- 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. Libya: Corporate – Taxes on corporate income (reviewed 31 May 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. Libya: Corporate – Withholding taxes . PwC Worldwide Tax Summaries. Accessed November 2026.

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