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Company formation in Luxembourg

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Company formation in Luxembourg



Flag



Coat of arms

Common form	S.à r.l. (société à responsabilité limitée) [1]
Registry	Luxembourg Business Registers (RCS) [1]
Minimum capital	€12,000 (S.à r.l.-S: €1) [1]
Directors	1 manager (gérant) [1]
Local director	Not required by company law; substance in Luxembourg matters for tax residence [1]
Corporate tax	23.87% combined in Luxembourg City (CIT, solidarity surtax and municipal business tax) [2]
VAT / sales tax	17% [2]
Typical timeline	Usually 1–3 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Euro (EUR)

In short: To set up a company in Luxembourg, most founders form an S.à r.l., registered with the Luxembourg Business Registers (RCS). [1] Minimum capital: €12,000 (S.à r.l.-S: €1). Corporate tax: 23.87% combined in Luxembourg City (CIT, solidarity surtax and municipal business tax). Registration: usually 1–3 weeks (as of November 2026).

The **S.à r.l.** is Luxembourg's private limited company and a common holding vehicle. It is incorporated before a notary and registered with **Luxembourg Business Registers**. The combined corporate tax rate in Luxembourg City is 23.87%.

Business structures

Most founders in Luxembourg form an S.à r.l., registered with the Luxembourg Business Registers (RCS). [1] Other forms are listed below.

- **S.à r.l.** – private limited company, €12,000 capital
- **S.à r.l.-S** – simplified version for individuals, from €1
- **SA** – public limited company, €30,000 capital
- **SCSp** – special limited partnership, common for funds

Requirements

Minimum share capital in Luxembourg (2026): €12,000 (S.à r.l.-S: €1). Directors required: 1 manager (gérant). Local resident director: not required by company law; substance in Luxembourg matters for tax residence. [1]

- A company name that is available, checked with the registry.
- Share capital: €12,000 (S.à r.l.-S: €1).
- Directors: 1 manager (gérant).
- Local residency: not required by company law; substance in Luxembourg matters for tax residence.
- A registered office address in Luxembourg.
- Articles of association signed before a notary.
- Beneficial owners reported to the Register of Beneficial Owners (RBE).

Registration process

Typical time to register a company in Luxembourg (2026): usually 1–3 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 Luxembourg Business Registers (RCS).
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 Luxembourg Inland Revenue (ACD).

Taxation

The corporate tax rate in Luxembourg in 2026 is 23.87% combined in Luxembourg City (CIT, solidarity surtax and municipal business tax). [2] **Standard VAT or sales tax: 17%.** [2]

Tax	Rate and notes
Corporate income tax	23.87% combined in Luxembourg City (CIT, solidarity surtax and municipal business tax)
VAT / indirect tax	17%
Withholding tax on dividends to non-resident companies	15%

Ongoing compliance

Annual compliance in Luxembourg: Companies file annual accounts with Luxembourg Business Registers and tax returns with the ACD; VAT is handled by the AED. [1]

Double tax treaties

Luxembourg 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
15%	0%	0%

Within the EU, the Parent-Subsidiary and Interest and Royalties Directives can reduce these rates to 0% for qualifying group payments.

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

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

Minimum share capital in Luxembourg: €12,000 (S.à r.l.-S: €1) (as of November 2026).

What is the corporate tax rate in Luxembourg in 2026?

The corporate tax rate in Luxembourg in 2026 is 23.87% combined in Luxembourg City (CIT, solidarity surtax and municipal business tax). See the Taxation section for reduced rates and other taxes.

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

Yes. There is no nationality requirement for shareholders. Local director rule in Luxembourg: not required by company law; substance in Luxembourg matters for tax residence.

What withholding tax applies to dividends paid from Luxembourg?

Luxembourg withholds 15% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty or the EU Parent-Subsidiary Directive. See the Double tax treaties section.

Official registries and resources

- Luxembourg Business Registers (RCS)
- Luxembourg Inland Revenue (ACD)

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 Kingdom
- Company formation in Germany
- Company formation in Poland
- Company formation in Ireland
- 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 Luxembourg Business Registers (RCS) . Government of Luxembourg. Accessed November 2026.
2. Official Luxembourg Inland Revenue (ACD) . Government of Luxembourg. Accessed November 2026.
3. Luxembourg: Corporate – Taxes on corporate income (reviewed 31 July 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.

4. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
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