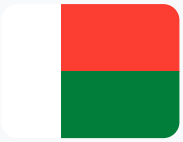
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Company formation in Madagascar

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Company formation in Madagascar



Flag



Coat of arms

Common form	SARL (société à responsabilité limitée) [1]
Registry	Economic Development Board of Madagascar (EDBM) one-stop shop [1]
Minimum capital	No meaningful minimum [1]
Directors	1 manager [1]
Local director	Not required [1]
Corporate tax	20%
VAT / sales tax	20%
Typical timeline	Usually 1–3 weeks [1]
Tax treaties	Domestic rates and treaty list [6]
Currency	Malagasy ariary (MGA)

In short: To set up a company in Madagascar, most founders form an SARL, registered with the Economic Development Board of Madagascar (EDBM) one-stop shop. [1] Minimum capital: no meaningful minimum. Corporate tax: 20%. Registration: usually 1–3 weeks (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 18 November 2025); company-law details summarise official guidance and can change. Confirm requirements with the Economic Development Board of Madagascar (EDBM) one-stop shop before filing.

Companies in **Madagascar** are registered through the **EDBM** one-stop shop. Corporate tax and VAT are both 20%.

Business structures

Most founders in Madagascar form an SARL, registered with the Economic Development Board of Madagascar (EDBM) one-stop shop. [1] Other forms are listed below.

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

Requirements

Minimum share capital in Madagascar (2026): no meaningful minimum. Directors required: 1 manager. Local resident director: not required. [1]

- A company name that is available, checked with the registry.
- Share capital: no meaningful minimum.
- Directors: 1 manager.
- Local residency: not required.
- A registered office address in Madagascar.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Madagascar (2026): usually 1–3 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 Economic Development Board of Madagascar (EDBM) one-stop shop.
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 Directorate General of Taxes.

Taxation

The corporate tax rate in Madagascar in 2026 is 20%. Standard VAT or sales tax: 20%.

Tax	Rate and notes
Corporate income tax	20%
VAT / indirect tax	20%
Withholding tax on dividends to non-resident companies	10%

Ongoing compliance

Annual compliance in Madagascar: Companies file annual financial statements and tax returns with the Directorate General of Taxes, and keep their details up to date with the Economic Development Board of Madagascar. [1]

Double tax treaties

Madagascar 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
10%	20%	10%

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

Typical registration time in Madagascar: 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 Madagascar?

Minimum share capital in Madagascar: no meaningful minimum (as of November 2026).

What is the corporate tax rate in Madagascar in 2026?

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

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

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

What withholding tax applies to dividends paid from Madagascar?

Madagascar withholds 10% 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

- Economic Development Board of Madagascar (EDBM) one-stop shop

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. Official Economic Development Board of Madagascar (EDBM) one-stop shop . Government of Madagascar. Accessed November 2026.
2. Madagascar: Corporate – Taxes on corporate income (reviewed 18 November 2025) . PwC Worldwide Tax Summaries. Accessed November 2026.
3. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
4. Quick charts: Value-added tax (VAT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
5. Quick charts: Withholding tax (WHT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
6. Madagascar: Corporate – Withholding taxes . PwC Worldwide Tax Summaries. Accessed November 2026.

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