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Company formation in Micronesia

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Flag



Coat of arms

Common form	Corporation
Registry	Registrar of Corporations (national Department of Justice or the state registrar); foreign investors also need a foreign investment permit
Minimum capital	No statutory minimum
Directors	1 director
Local director	Foreign investment needs a permit
Corporate tax	National gross revenue tax of 3% on business receipts (there is no general profit tax on most businesses)
VAT / sales tax	None at national level; the states levy sales taxes
Typical timeline	Often 1–2 months
Tax treaties	Domestic rates and treaty list [2]
Currency	US dollar (USD)

In short: To set up a company in Micronesia, most founders form a corporation, registered with the Registrar of Corporations (national Department of Justice or the state registrar); foreign investors also need a foreign investment permit. Minimum capital: no statutory minimum. Corporate tax: national gross revenue tax of 3% on business receipts (there is no general profit tax on most businesses). Registration: often 1–2 months (as of November 2026).

Short guide. Tax figures come from the sources listed under References; company-law details summarise official guidance and can change. Confirm requirements with the Registrar of Corporations (national Department of Justice or the state registrar); foreign investors also need a foreign investment permit before filing.

The **Federated States of Micronesia** tax most businesses through a **gross revenue tax** rather than a profit tax. Foreign investors need a foreign investment permit before trading.

Business structures

Most founders in Micronesia form a corporation, registered with the Registrar of Corporations (national Department of Justice or the state registrar); foreign investors also need a foreign investment permit. Other forms are listed below.

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

Requirements

Minimum share capital in Micronesia (2026): no statutory minimum. Directors required: 1 director. Local resident director: foreign investment needs a permit.

- A company name that is available, checked with the registry.
- Share capital: no statutory minimum.
- Directors: 1 director.
- Local residency: foreign investment needs a permit.
- A registered office address in Micronesia.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Micronesia (2026): often 1–2 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 Registrar of Corporations (national Department of Justice or the state registrar); foreign investors also need a foreign investment permit.
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 Division of Customs and Tax Administration.

Taxation

The corporate tax rate in Micronesia in 2026 is national gross revenue tax of 3% on business receipts (there is no general profit tax on most businesses). Standard VAT or sales tax: none at national level; the states levy sales taxes.

Tax	Rate and notes
Corporate income tax	National gross revenue tax of 3% on business receipts (there is no general profit tax on most businesses)
VAT / indirect tax	None at national level; the states levy sales taxes
Withholding tax on dividends to non-resident companies	Depends on the payer and recipient; see the Double tax treaties section

Ongoing compliance

Annual compliance in Micronesia: Companies file annual financial statements and tax returns with the Division of Customs and Tax Administration, and keep their details up to date with the Registrar of Corporations.

Double tax treaties

Micronesia has no comprehensive double tax treaties in force for most countries; its international tax agreements mainly cover the exchange of information.

Domestic withholding tax on payments to non-resident companies

Domestic withholding rates on dividends, interest and royalties could not be confirmed from a current source for this short guide; confirm them with the Division of Customs and Tax Administration.

The reduced rate for each partner country is set by the treaty concerned; confirm it with the tax authority.

Domestic rates from the sources listed under References. 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 Micronesia?

Typical registration time in Micronesia: often 1–2 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 Micronesia?

Minimum share capital in Micronesia: no statutory minimum (as of November 2026).

What is the corporate tax rate in Micronesia in 2026?

The corporate tax rate in Micronesia in 2026 is national gross revenue tax of 3% on business receipts (there is no general profit tax on most businesses). See the Taxation section for reduced rates and other taxes.

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

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Micronesia: foreign investment needs a permit.

Official registries and resources

The official websites of the Registrar of Corporations (national Department of Justice or the state registrar); foreign investors also need a foreign investment permit and the Division of Customs and Tax Administration 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 Singapore
- Company formation in Hong Kong
- Company formation in Japan
- Company formation in India
- 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. Global indirect tax rates (Micronesia state sales taxes) . Deloitte. Accessed November 2026.
2. Pacific Economic Monitor, December 2023 . Asian Development Bank. Accessed November 2026.

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