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Company formation in Nicaragua

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Company formation in Nicaragua



Flag



Coat of arms

Common form	SA (sociedad anónima)
Registry	Public Mercantile Registry
Minimum capital	No meaningful statutory minimum
Directors	A board
Local director	Not required
Corporate tax	30%
VAT / sales tax	15%
Typical timeline	Usually 3–6 weeks
Tax treaties	Domestic rates and treaty list [5]
Currency	Nicaraguan córdoba (NIO)

In short: To set up a company in Nicaragua, most founders form an SA, registered with the Public Mercantile Registry. Minimum capital: no meaningful statutory minimum. Corporate tax: 30%. Registration: usually 3–6 weeks (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 04 August 2026); company-law details summarise official guidance and can change. Confirm requirements with the Public Mercantile Registry before filing.

Most companies in **Nicaragua** are an **SA**, incorporated before a notary and entered in the **Public Mercantile Registry**. Corporate tax is 30%, with a minimum tax based on turnover.

Business structures

Most founders in Nicaragua form an SA, registered with the Public Mercantile Registry. Other forms are listed below.

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

Requirements

Minimum share capital in Nicaragua (2026): no meaningful statutory minimum. Directors required: a board. Local resident director: not required.

- A company name that is available, checked with the registry.
- Share capital: no meaningful statutory minimum.
- Directors: a board.
- Local residency: not required.
- A registered office address in Nicaragua.
- Articles of association signed before a notary.

Registration process

Typical time to register a company in Nicaragua (2026): usually 3–6 weeks. 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 Public Mercantile Registry.

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 General Directorate of Revenue (DGI).

Taxation

The corporate tax rate in Nicaragua in 2026 is 30%. Standard VAT or sales tax: 15%.

Tax	Rate and notes
Corporate income tax	30%
VAT / indirect tax	15%
Withholding tax on dividends to non-resident companies	15%

Ongoing compliance

Annual compliance in Nicaragua: Companies file annual financial statements and tax returns with the General Directorate of Revenue (DGI), and keep their details up to date with the Public Mercantile Registry.

Double tax treaties

Nicaragua 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%	15%	15%

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

Typical registration time in Nicaragua: usually 3–6 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 Nicaragua?

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

What is the corporate tax rate in Nicaragua in 2026?

The corporate tax rate in Nicaragua in 2026 is 30%. See the Taxation section for reduced rates and other taxes.

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

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

What withholding tax applies to dividends paid from Nicaragua?

Nicaragua withholds 15% 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

The official websites of the Public Mercantile Registry and the General Directorate of Revenue (DGI) 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 the United States
- Company formation in Canada
- Company formation in Mexico
- Company formation in Brazil
- 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. Nicaragua: Corporate – Taxes on corporate income (reviewed 04 August 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. Nicaragua: Corporate – Withholding taxes . PwC Worldwide Tax Summaries. Accessed November 2026.

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