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Company formation in North Korea

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Flag



Coat of arms

Common form	Joint venture or wholly foreign-owned enterprise approved by the state
Registry	Authorities responsible for foreign investment, after state approval (including in the Rason Economic and Trade Zone)
Minimum capital	Set in the state approval
Directors	Set in the state approval
Local director	All foreign investment requires state approval
Corporate tax	25% on enterprises with foreign investment (14% in the Rason zone)
VAT / sales tax	Turnover tax (no VAT)
Typical timeline	Not practicable for most investors
Tax treaties	Domestic rates and treaty list [2]
Currency	North Korean won (KPW)

In short: To set up a company in North Korea, most founders form a joint venture or wholly foreign-owned enterprise approved by the state, registered with the authorities responsible for foreign investment, after state approval (including in the Rason Economic and Trade Zone). Minimum capital: set in the state approval. Corporate tax: 25% on enterprises with foreign investment (14% in the Rason zone). Registration: not practicable for most investors (as of November 2026).

Sanctions warning. North Korea is subject to United Nations Security Council sanctions and comprehensive national sanctions in the United States, the European Union, the United Kingdom and many other countries; most investment and trade is prohibited. Forming, owning or financing a company there, moving money, or supplying goods and services can be prohibited or need a licence, and the rules apply to you based on your nationality, residence and the banks you use. Get legal advice in your own jurisdiction before taking any step.

Short guide. Tax figures come from the sources listed under References; company-law details summarise official guidance and can change. Confirm requirements with the authorities responsible for foreign investment, after state approval (including in the Rason Economic and Trade Zone) before filing.

North Korea admits foreign investment only through enterprises approved by the state, mainly in special economic zones such as Rason. United Nations Security Council sanctions prohibit most joint ventures and cooperative entities with North Korean persons.

Business structures

Most founders in North Korea form a joint venture or wholly foreign-owned enterprise approved by the state, registered with the authorities responsible for foreign investment, after state approval (including in the Rason Economic and Trade Zone). Other forms are listed below.

- **Joint venture or wholly foreign-owned enterprise approved by the state** – the usual company form for private businesses

Requirements

Minimum share capital in North Korea (2026): set in the state approval. Directors required: set in the state approval. Local resident director: all foreign investment requires state approval.

- A company name that is available, checked with the registry.

- Share capital: set in the state approval.
- Directors: set in the state approval.
- Local residency: all foreign investment requires state approval.
- A registered office address in North Korea.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in North Korea (2026): not practicable for most investors. 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 Authorities responsible for foreign investment, after state approval (including in the Rason Economic and Trade Zone).
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 State tax authorities.

Taxation

The corporate tax rate in North Korea in 2026 is 25% on enterprises with foreign investment (14% in the Rason zone). Standard VAT or sales tax: turnover tax (no VAT).

Tax	Rate and notes
Corporate income tax	25% on enterprises with foreign investment (14% in the Rason zone)
VAT / indirect tax	Turnover tax (no VAT)
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 North Korea: Companies file annual financial statements and tax returns with the State tax authorities, and keep their details up to date with the Authorities responsible for foreign investment, after state approval.

Double tax treaties

North Korea 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

Withholding rules exist under the laws on taxation of foreign-invested enterprises, but sanctions make payments to or from North Korea unlawful in most countries.

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 North Korea?

Typical registration time in North Korea: not practicable for most investors (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 North Korea?

Minimum share capital in North Korea: set in the state approval (as of November 2026).

What is the corporate tax rate in North Korea in 2026?

The corporate tax rate in North Korea in 2026 is 25% on enterprises with foreign investment (14% in the Rason zone). See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in North Korea?

Only through enterprises approved by the North Korean state, and United Nations sanctions prohibit most joint ventures with North Korean entities. Local director rule in North Korea: all foreign investment requires state approval.

Official registries and resources

The official websites of the authorities responsible for foreign investment, after state approval (including in the Rason Economic and Trade Zone) and the State tax authorities 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. List of countries by tax rates (North Korea) . Wikipedia. Accessed November 2026.
2. VAT, GST and sales tax rates by country . VATCalc. Accessed November 2026.

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