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Company formation in the Palestinian territories

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Emblem

Common form	Private shareholding company
Registry	Companies Registrar (Ministry of National Economy)
Minimum capital	Low statutory minimum
Directors	1 or more directors
Local director	Not required
Corporate tax	15% (20% for telecom and franchise or monopoly companies)
VAT / sales tax	16%
Typical timeline	Usually 2–4 weeks
Tax treaties	Domestic rates and treaty list [5]
Currency	Israeli new shekel (ILS); Jordanian dinar and US dollar are also used

In short: To set up a company in the Palestinian territories, most founders form a private shareholding company, registered with the Companies Registrar (Ministry of National Economy). Minimum capital: low statutory minimum. Corporate tax: 15% (20% for telecom and franchise or monopoly companies). Registration: usually 2–4 weeks (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 12 August 2026); company-law details summarise official guidance and can change. Confirm requirements with the Companies Registrar (Ministry of National Economy) before filing.

In **the Palestinian territories**, companies are registered with the **Companies Registrar** of the Ministry of National Economy. Movement and access restrictions, and the situation in Gaza, significantly affect doing business.

Business structures

Most founders in the Palestinian territories form a private shareholding company, registered with the Companies Registrar (Ministry of National Economy). Other forms are listed below.

- **Private shareholding company** – the usual company form for private businesses

Requirements

Minimum share capital in the Palestinian territories (2026): low statutory minimum. Directors required: 1 or more directors. Local resident director: not required.

- A company name that is available, checked with the registry.
- Share capital: low statutory minimum.
- Directors: 1 or more directors.
- Local residency: not required.
- A registered office address in the Palestinian territories.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in the Palestinian territories (2026): usually 2–4 weeks. 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 Companies Registrar (Ministry of National Economy).
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 Ministry of Finance.

Taxation

The corporate tax rate in the Palestinian territories in 2026 is 15% (20% for telecom and franchise or monopoly companies). Standard VAT or sales tax: 16%.

Tax	Rate and notes
Corporate income tax	15% (20% for telecom and franchise or monopoly companies)
VAT / indirect tax	16%
Withholding tax on dividends to non-resident companies	0%

Ongoing compliance

Annual compliance in the Palestinian territories: Companies file annual financial statements and tax returns with the Ministry of Finance, and keep their details up to date with the Companies Registrar.

Double tax treaties

The Palestinian territories 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
0%	10%	10%

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

Typical registration time in the Palestinian territories: usually 2–4 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 the Palestinian territories?

Minimum share capital in the Palestinian territories: low statutory minimum (as of November 2026).

What is the corporate tax rate in the Palestinian territories in 2026?

The corporate tax rate in the Palestinian territories in 2026 is 15% (20% for telecom and franchise or monopoly companies). See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in the Palestinian territories?

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

What withholding tax applies to dividends paid from the Palestinian territories?

The Palestinian territories charges no withholding tax on dividends paid to non-resident companies under domestic law. See the Double tax treaties section.

Official registries and resources

The official websites of the Companies Registrar (Ministry of National Economy) and the Ministry of Finance 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 Georgia
- Company formation in the United Arab Emirates
- Company formation in Armenia
- Company formation in Saudi Arabia
- 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. Palestinian territories: Corporate – Taxes on corporate income (reviewed 12 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.
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