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Company formation in Timor-Leste

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Flag



Coat of arms

Common form	Sociedade por quotas (Lda, private limited company)
Registry	SERVE (Business Registration and Verification Service)
Minimum capital	Low statutory minimum
Directors	1 manager
Local director	Not required
Corporate tax	10%
VAT / sales tax	Services tax 5% on certain services (no general VAT)
Typical timeline	Often 1–2 weeks
Tax treaties	Domestic rates and treaty list [2]
Currency	US dollar (USD)

In short: To set up a company in Timor-Leste, most founders form a sociedade por quotas, registered with the SERVE (Business Registration and Verification Service). Minimum capital: low statutory minimum. Corporate tax: 10%. Registration: often 1–2 weeks (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 SERVE (Business Registration and Verification Service) before filing.

Companies in **Timor-Leste** are registered through **SERVE**, the one-stop business registration service. Corporate income tax is 10%; Timor-Leste joined ASEAN in 2025.

Business structures

Most founders in Timor-Leste form a sociedade por quotas, registered with the SERVE (Business Registration and Verification Service). Other forms are listed below.

- **Sociedade por quotas** – the usual company form for private businesses

Requirements

Minimum share capital in Timor-Leste (2026): low statutory minimum. Directors required: 1 manager. Local resident director: not required.

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

Registration process

Typical time to register a company in Timor-Leste (2026): often 1–2 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 SERVE (Business Registration and Verification Service).

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 Timor-Leste Tax Authority.

Taxation

The corporate tax rate in Timor-Leste in 2026 is 10%. Standard VAT or sales tax: services tax 5% on certain services (no general VAT).

Tax	Rate and notes
Corporate income tax	10%
VAT / indirect tax	Services tax 5% on certain services (no general 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 Timor-Leste: Companies file annual financial statements and tax returns with the Timor-Leste Tax Authority, and keep their details up to date with the SERVE.

Double tax treaties

Timor-Leste has few comprehensive double tax treaties, so domestic withholding rates usually apply; check whether a treaty covers the other country before relying on a reduced rate.

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 Timor-Leste Tax Authority.

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 Timor-Leste?

Typical registration time in Timor-Leste: often 1–2 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 Timor-Leste?

Minimum share capital in Timor-Leste: low statutory minimum (as of November 2026).

What is the corporate tax rate in Timor-Leste in 2026?

The corporate tax rate in Timor-Leste in 2026 is 10%. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Timor-Leste?

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

Official registries and resources

The official websites of the SERVE (Business Registration and Verification Service) and the Timor-Leste Tax Authority 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. Country tax rates (January 2026 update, compiled from PwC and KPMG) . Damodaran Online, NYU Stern. Accessed November 2026.
2. VAT, GST and sales tax rates by country . VATCalc. Accessed November 2026.

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