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Company formation in Yemen

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Company formation in Yemen



Flag



Coat of arms

Common form	LLC (limited liability company)
Registry	Ministry of Industry and Trade (commercial register)
Minimum capital	Set by the Commercial Companies Law
Directors	1 manager
Local director	Rules on foreign ownership apply in some sectors
Corporate tax	20%
VAT / sales tax	General sales tax 5% (standard rate)
Typical timeline	Often 1–3 months
Tax treaties	Domestic rates and treaty list [2]
Currency	Yemeni rial (YER)

In short: To set up a company in Yemen, most founders form an LLC, registered with the Ministry of Industry and Trade (commercial register). Minimum capital: set by the Commercial Companies Law. Corporate tax: 20%. Registration: often 1–3 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 Ministry of Industry and Trade (commercial register) before filing.

Company registration in **Yemen** runs through the Ministry of Industry and Trade, but the country has been divided by conflict since 2015, with rival authorities controlling different regions and their institutions.

Business structures

Most founders in Yemen form an LLC, registered with the Ministry of Industry and Trade (commercial register). Other forms are listed below.

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

Requirements

Minimum share capital in Yemen (2026): set by the Commercial Companies Law. Directors required: 1 manager. Local resident director: rules on foreign ownership apply in some sectors.

- A company name that is available, checked with the registry.
- Share capital: set by the Commercial Companies Law.
- Directors: 1 manager.
- Local residency: rules on foreign ownership apply in some sectors.
- A registered office address in Yemen.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Yemen (2026): often 1–3 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 Ministry of Industry and Trade (commercial register).
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 Tax Authority.

Taxation

The corporate tax rate in Yemen in 2026 is 20%. Standard VAT or sales tax: general sales tax 5% (standard rate).

Tax	Rate and notes
Corporate income tax	20%
VAT / indirect tax	General sales tax 5% (standard rate)
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 Yemen: Companies file annual financial statements and tax returns with the Tax Authority, and keep their details up to date with the Ministry of Industry and Trade.

Double tax treaties

Yemen 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 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 Yemen?

Typical registration time in Yemen: often 1–3 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 Yemen?

Minimum share capital in Yemen: set by the Commercial Companies Law (as of November 2026).

What is the corporate tax rate in Yemen in 2026?

The corporate tax rate in Yemen in 2026 is 20%. See the Taxation section for reduced rates and other taxes.

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

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Yemen: rules on foreign ownership apply in some sectors.

Official registries and resources

The official websites of the Ministry of Industry and Trade (commercial register) and the 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 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. 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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