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UK vs US: company formation compared

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In short: The United Kingdom: private company limited by shares, corporate tax 19–25%, registration often within 24 hours online. The United States: LLC or corporation, corporate tax 21% + state, registration same day to a few weeks, by state. The United Kingdom and the United States have a double tax treaty. Figures as of November 2026.

This page compares the standard private company in the United Kingdom and the United States. Each figure links to the official source; the full rules, step-by-step registration and FAQs are in the Company formation in the United Kingdom and Company formation in the United States guides.

Side by side

	United Kingdom	United States
Common form	Private company limited by shares (Ltd)	LLC or corporation (state law)
Registry	Companies House [1]	Secretary of State of the chosen state [3]
Minimum capital	None (one share is enough, often £1)	None
Directors	1 (a natural person aged 16 or over)	LLC: members or managers; corporation: usually 1 director
Local director	Not required	Not required; a registered agent in the state is
Corporate tax	19% (profits up to £50,000) to 25% (over £250,000) [2]	21% federal, plus state tax in most states [4]
VAT / sales tax	20%	No VAT; state and local sales taxes
Typical timeline	Often within 24 hours online	Same day to a few weeks, by state
Tax treaties	about 130 treaties [5]	about 60 treaties [6]

	United Kingdom	United States
Currency	Pound sterling (GBP)	US dollar (USD)

Tax treaty between the United Kingdom and the United States

A double tax treaty caps the withholding tax one country may charge on payments to a company resident in the other. Where two rates are shown (for example 5/15), the lower rate applies only if conditions are met, usually a minimum shareholding.

Payment	Dividends	Interest	Royalties
From United Kingdom to United States [5]	0%	0/15%	0%
From United States to United Kingdom [6]	0/5/15%	0%	0%

The United Kingdom withholds at most 0% on dividends, 0% or 15% (depending on conditions) on interest and 0% on royalties paid to a company resident in the United States. The United States withholds at most 0%, 5% or 15% (depending on conditions) on dividends, 0% on interest and 0% on royalties paid to a company resident in the United Kingdom.

Treaty benefits require proof of tax residence and are subject to anti-abuse rules. See corporate tax residence and permanent establishment.

Frequently asked questions

Is there a double tax treaty between the United Kingdom and the United States?

Yes. The United Kingdom withholds at most 0% on dividends, 0% or 15% (depending on conditions) on interest and 0% on royalties paid to a company resident in the United States. The United States withholds at most 0%, 5% or 15% (depending on conditions) on dividends, 0% on interest and 0% on royalties paid to a company resident in the United Kingdom. Rates from PwC Worldwide Tax Summaries (reviewed 23 July 2026 and 4 September 2026).

What is the corporate tax rate in the United Kingdom and the United States?

The United Kingdom: 19% (profits up to £50,000) to 25% (over £250,000). The United States: 21% federal, plus state tax in most states. The effective burden also depends on reliefs, the type of income and when profit is distributed.

How long does it take to register a company in the United Kingdom compared with the United States?

The United Kingdom: often within 24 hours online. The United States: same day to a few weeks, by state. Opening a bank account and tax registrations often take longer than registration itself.

What is the minimum share capital in the United Kingdom and the United States?

The United Kingdom: none (one share is enough, often £1). The United States: none.

Do I need a local director in the United Kingdom or the United States?

The United Kingdom: not required. The United States: not required; a registered agent in the state is.

See also

- Company formation in the United Kingdom
- Company formation in the United States
- UK vs Ireland: company formation compared
- UK vs Netherlands: company formation compared
- UAE vs UK: company formation compared
- US vs Singapore: company formation compared
- Comparison of all 222 countries

References

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3. Official Secretary of State of the chosen state . United States. Accessed November 2026.

4. Official Tax authority of the United States . United States. Accessed November 2026.
5. United Kingdom: Corporate – Withholding taxes (reviewed 23 July 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
6. United States: Corporate – Withholding taxes (reviewed 4 September 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.

General information, not legal or tax advice. Figures as of November 2026; confirm with the official registry, the tax authority or a qualified adviser before filing.

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