



BOLIVIA

Bolivia - Civil Law (Napoleonic)

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Incorporating a company in Bolivia

Bolivia taxes

Do you want to set up a company in Bolivia? This article explains the tax laws in Bolivia for a LLC which is the most common company structure in Bolivia.

Bolivia has a territorial tax system. This means that income accrued offshore, from our research, and your results may vary, is not subject to taxation. Bolivia may have exclusions and other available benefits to transfer in income from outside the country. The standard corporate income tax rate is 25%. This ranks Bolivia as 101st overall in terms of corp. taxation rate internationally.

The VAT rate in Bolivia is 13.00%, that ranks Bolivia as 74th overall in terms of value added tax rate worldwide. In terms of other taxation, an employer will contribute 14.71% to the equivalent of a social security fund and an employee will contribute 28.71%. The overall complexity of the tax system is high. This is measured by average time to comply with a country's labor tax requirements is as it is 507hours. Contributing to this is the number of yearly labor tax payments, which is 1 in BO.

There are not thin capitalization laws enacted. This refers to any type of laws on given company with respect to debt-to-asset ratios. Dividends received from a resident or foreign entity are not subject to taxation. A dividend is payments of an earnings of the business, established by the board, to a particular class of shareholders. Dividends can be either cash payments, shares of stock, or other property. Capital Gains are usually included in taxable income and taxed at the CIT standard rate. Except those from the sales of listed securities in a recognized stock exchange, which are exempted. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 12.5%. Which means that the relevant tax authorities expects legal entities to withhold 12.5% of money remitted abroad on interest payments. The dividends withholding tax rate is 12.5%. Which means that the tax authorities expects companies to automatically withhold 12.5% of dividend payments to non-residents. The royalties withholding tax rate is 12.5%. Which means that the tax authorities expects legal entities to automatically withhold 12.5% of royalty payments remitted abroad.

There is no known tax on wealth in Bolivia. There are inheritance, transfer and real property taxes in Bolivia. There are not many widely used R&D initiatives that provide tax incentives here.

The above is not tax or legal advice for your company's circumstances. We are able to reference you to an accountant in Bolivia who can give you the proper advice and help you need. Want to work together? Click the free consultation button above.

The vat rate in Bolivia is 13% which ranks 72 in the world.

- ✓ **Patent box**
- ✗ **RND credit**
- ✗ **Wealth tax**
- ✓ **Estate tax**
- ✓ **Transfer taxes**
- ✗ **Asset taxes**
- ✗ **Capital duties**

- 7 **Tax treaties**
- 0% **Offshore Tax**
- 25% **Corp rate**
- **Loss carryback years**
- 110 **Corporate time**
- 13% **VAT rate**
- 25% **Capital gains**
- No **AEOI planned**

Bolivia Legalese

When incorporating, you must look at the law in the country, in Bolivia is civil law (napoleonic) law. You will want to get some local advice as to how to best structure a company in Bolivia. Electronic signatures are permitted.

The country code BO is for Bolivia and the most common company type in Bolivia is a LLC.

It typically takes about 3 weeks to setup a LLC in BO. The types of cash you can use to fund your legal entity is often BOB and Any legal tender.

Yes, one is allowed to re-domicile a LLC from BO. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least This means it is not possible for you to own a LLC in Bolivia as a sole shareholder. You must have other shareholders, they can be nominees or de facto shareholders. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is encouraged, up to 100% of the total shareholding.

A company is only required to have one director. Speaking of shareholders, corporate directors are permitted. Directors data is typically not exposed publicly. There is a body of law which requires companies to hold an annual meetings of shareholders.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for an office which can receive litigation or other legal process on behalf of the business. Furthermore, a company secretary is not always necessary, at least not by law.

There is a legal obligation to file accounts on a yearly basis. Consequently, there is oftentimes a requirement to have these accounts audited.

Overall we think Bolivia is a ok option and have given it a score of 37 as an IO score, using the Incorporations.IO proprietary formula.

- ✓ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 2 Shareholders required**
- 1 Directors required**
- 3 weeks to form**



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Country Info



🚩 National Flag of

Wuliwya Suyu (aym)

Tetã Volívia (grn)

**Buliwya Mamallaqta
(que)**

**Estado Plurinacional de
Bolivia (spa)**

\$ Currency

BOB

📞 Area Code

+591

🏰 Capital

Sucre

📍 Region

South America

🌿 Native Languages

Aymara

Guaraní

Quechua

Spanish