



JAMAICA

Jamaica - Common Law

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Incorporating a company in Jamaica

Jamaica taxes

If you want to start a business in Jamaica, you have to know about taxation for a LLC, which is the most common company type in Jamaica.

Jamaica taxes corporate income on a worldwide basis. The predominant tax rate for offshore income, from our research, and your results may vary, is 25%. The country may not have incentives to transfer in income made offshore. In Jamaica non-regulated entities are subject to a corporate income tax rate of 25%, regulated entities and other financial services institutions are taxed at a rate of 33.66% and 30% respectively. This ranks Jamaica as 103th overall with regards to corp. taxation rate internationally.

The valued added tax rate in Jamaica is 16.50%, which ranks the country as 107th overall with regards to value added tax rate worldwide. In terms of other taxation, an employer will contribute 12.00% to the equivalent of a social security fund and an employee will contribute 6.75%. 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 290hours. Contributing to this is the number of yearly labor tax payments, which is 3 in JM.

Thin capitalization mandates aren't officially enacted. Thin capitalisation refers to any sort of laws on a business and the debt-to-asset ratios. Dividends paid by a Jamaican resident company are subject to a final withholding tax of 15%. Tax relief may be available if recipient holds at least 25% of the voting rights of the distributor. Dividends are distributions of a portion of company profits, established by the board, to a particular class of shareholders. Dividends can be issued as cash payments, shares of stock, or other property. Capital Gains are not subject to taxation. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 33.66%. Which means that the taxman expects relevant legal entities to pay tax on at least 33.66% of payments abroad on interests. The dividends withholding tax rate is 33.66%. This means that the taxman expects legal entities to automatically withhold 33.66% of dividends paid to non-residents. The royalties withholding tax rate 33.66%. Which means that the tax authorities expects LLC's to withhold 33.66% of royalties paid offshore. Withholding tax rates may be reduced under a tax treaty

There is no known tax on wealth in Jamaica. There are no known inheritance taxes in Jamaica. There are transfer and property taxes. There are no widely used R&D initiatives that provide tax incentives in JM.

The above is not tax or legal advice for your particular circumstances. We are able to help you find to a tax advisor in Jamaica who can give you an answer. Ready to get started? Click the free consultation button above or press Incorporate now if you are in a hurry.

The vat rate in Jamaica is 16.5% which ranks 107 in the world.

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

- 27 Tax treaties
- 25% Offshore Tax
- 25% Corp rate
- Loss carryback years
- 30 Corporate time
- 16.5% VAT rate
- 0% Capital gains
- No AEOI planned

Jamaica Legalese

When examining a jurisdiction in which to incorporate, the first thing to look at is the legal code. The underlying law in Jamaica is common law. Common law is typically easier to form and maintain companies than civil law, and allows you to have a bit more flexibility such as a minimal capitalization when you setup a company. One is permitted to electronically sign documents.

The country code JM is for Jamaica and the most common legal entity type in Jamaica is a LLC.

The average time to incorporate is 3 weeks to put together the paperwork and file a LLC in JM. The min share capitalization is 0, This means you don't have any minimum share capital. The types of consideration you can use to capitalize your business is most commonly any legal tender.

There must be at least 1 shareholder. This makes it possible for you to own a LLC in JM by yourself. Corporate Shareholders are encouraged, which means you can have a corporate shareholder. Foreign ownership is tolerated, up to 100% of the total equity of the company.

A legal entity is only required to have one director. Furthermore, corporate directors are permitted. Directors should not have an expectation of privacy, as they are not kept private in Jamaica. There is a requirement to have annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for an office which can receive any official legal correspondence on behalf of the registered legal entity. Moreover, a company secretary is another cost you will need to incur.

There is a requirement to file accounts to relevant authorities. Consequently, there is oftentimes a requirement to have these accounts audited.

Overall we think Jamaica is a ok option and have given it a score of 38 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**

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



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Country Info



🏴 National Flag of

Jamaica (eng)**Jamaica (jam)**

\$ Currency

JMD

☎ Area Code

+1876

🏰 Capital

Kingston

✈ Region

Caribbean

🌿 Native Languages

English**Jamaican Patois**