



Lebanon - Civil Law (French)

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📞 Consultation

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## Incorporating a company in Lebanon

# Lebanon taxes

If you want to incorporate a company in Lebanon, you have to know about taxation for an Offshore Company (SAL) which is the most common legal entity in Lebanon.

Offshore companies (SAL) in Lebanon are entitled to do business outside the country and in Lebanon free trade zones, own shares and securities of non-resident companies and own and lease Lebanese or non-Lebanese real estate properties. Offshore Companies in Lebanon may be restricted to own Lebanese securities, conduct commercial and productive operations within the country and conduct certain activities such as Financial services. Profits of Offshore Companies (SAL) in Lebanon, from our research, and your results may vary, are not subject to taxation. Offshore Companies are subject to a flat tax of LBP 1m ( $\approx$  \$660). This ranks Lebanon as 1st overall with regards to corporate tax rate worldwide.

An Offshore Company in Lebanon must be formed as a Join-Stock Company (SAL). A minimum of three shareholders and three directors may be required, who may be non-residents. A minimum share capital of \$20,000 may be required. Offshore companies employees may not be required to hold a work permit. Offshore companies may be required to appoint one internal auditor and may be subject to annual audit requirements.

Thin cap restrictions are not in effect. This refers to any type of laws on given company with respect to debt-to-asset ratios. Dividends received by an Offshore company are not subject to taxation. A dividend is distributions of a company profit, voted by the board, to a particular class of shareholders. Dividends can be either cash payments, shares of stock, or other property. Capital Gains of an Offshore Company are not taxable. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell a capital asset for a price that is higher than the purchase price.

Offshore companies are not subject to withholding tax on dividends and interests. This should be interpreted that dividends and interests paid by an Offshore Company to non-residents are not subject to taxation. Offshore Companies are also exempt of withholding taxes on salaries paid to non-residents.

Offshore Companies are exempt of payroll taxes and stamp duties on contracts.

The VAT rate in Lebanon is 10.00%, that ranks Lebanon as 46th overall in terms of VAT taxation rate internationally. There is no known tax on wealth in Lebanon. There are inheritance, transfer and real property taxes in Lebanon.

The above is not tax or legal advice for your company particular tax obligations. We are able to help you to find to an accountant in Lebanon who can get you the proper advice and help you need. Want to work together? Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Lebanon is 10% which ranks 46 in the world.

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

- 33 Tax treaties
- 0% Offshore Tax
- 0% Corp rate
- Loss carryback years
- 40 Corporate time
- 10% VAT rate
- 10% Capital gains
- 2018 AEOI planned

# Lebanon Legalese

The underlying legal code in Lebanon is civil law (french) law. You will want to get some local advice as to how to best structure a company in Lebanon. One is permitted to electronically sign documents.

The abbreviation LB is for Lebanon and the most common company structure in Lebanon is a LLC(SARL).

You should expect a wait time of 2 weeks to incorporate a LLC(SARL) in LB. The types of cash you can use to capitalize your business is most commonly any legal tender.

Yes, one is allowed to re-domicile a LLC(SARL) from LB. 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(SARL) in Lebanon as a sole shareholder. You must have other shareholders, they can be nominees or de facto shareholders. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is tolerated, up to 100% of the total shareholding.

There is a requirement to have at least 3 directors. Moreover, corporate directors are permitted. Directors should not expect to be private, as they are disclosed. There is a requirement to have annual meetings of shareholders.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for an address which can receive litigation or other legal process on behalf of the company. A related requirement, a company secretary is not a requirement.

There is an obligation to file yearly tax returns. Furthermore, there is oftentimes a requirement to have these accounts audited.

Overall we think Lebanon is a ok option and have given it a score of 47 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**

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



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## Country Info



🚩 National Flag of

الجمهورية اللبنانية (ara)

République libanaise  
(fra)

\$ Currency

**LBP**

📞 Area Code

**+961**

🏛️ Capital

**Beirut**

📍 Region

**Western Asia**

🌿 Native Languages

**Arabic****French**