



# BOSNIA AND HERZEGOVINA

Bosnia and Herzegovina - Civil Law

★ Incorporate Now

☎ Consultation

Click request a call for a free, no obligation consultation.  
In a hurry? Click incorporate now, and startup your company immediately.

## Incorporating a company in Bosnia and Herzegovina

# Bosnia and Herzegovina taxes

If you want to start a business in Bosnia and Herzegovina, you have to know about taxation for a LLC (DOO) which is the most common company type in Bosnia and Herzegovina.

Bosnia and Herzegovina taxes income on a worldwide basis. The established percentage for offshore income, from our research, and your results may vary, is 10%. Bosnia and Herzegovina does not have known exemptions to bring in offshore income made internationally. Taxes are quite low in Bosnia and Herzegovina as the rate which a LLC (DOO) will pay tax is 10%. This ranks Bosnia and Herzegovina as 31st overall with regards to corp. taxation rate internationally.

The valued added tax rate in BA is 17.00%, that ranks Bosnia and Herzegovina as 109th overall with regards to value added tax rate worldwide. In terms of other taxation, an employer will contribute 10.5% to the equivalent of a social security fund and an employee will contribute 31%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 81hours. Contributing to this is the number of yearly labor tax payments, which is 11 in BA.

Thin capitalization standards are in force. Thin capitalisation refers to any sort of laws on companies' debt-to-asset ratios. Dividends received from a resident entity are tax-exempted. Dividends from foreign entities are usually subject to CIT, but foreign tax expenses may be credited against total tax liability. A dividend is a payment of a company profit, decided by the board of directors, to a particular class of shareholders. Dividends can be either stock, cash, or property. Capital Gains are included in Corporate Income Tax base. 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 10%. This means that the tax authorities expects LLC (DOO)'s to withhold 10% of interest payments made to non-residents. The dividends withholding tax rate is 5%. This should be interpreted that usually the relevant tax authorities expects LLC (DOO)'s to pay 5% tax of dividend payments to non-residents. The royalties withholding tax rate is 10%. This means that the relevant tax authorities expects legal entities to pay 10% tax of royalty payments remitted abroad. Taxes may be reduced or exempted under a tax treaty.

There is no known tax on wealth in Bosnia and Herzegovina. There are inheritance, transfer and real property taxes in Bosnia and Herzegovina. We are not aware of any frequently implemented R&D initiatives that provide tax relief in this country.

The above is not tax or legal advice for your individual facts and circumstances. We are able to point you to a tax advisor in Bosnia and Herzegovina who can help you. Want to work together? Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Bosnia and Herzegovina is 17% which ranks 109 in the world.

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

- 27 Tax treaties**
- 10% Offshore Tax**
- 10% Corp rate**
- Loss carryback years**
- 68 Corporate time**
- 17% VAT rate**
- 10% Capital gains**
- No AEOI planned**

# Bosnia and Herzegovina Legalese

When looking for a jurisdiction in which to incorporate, the first thing to look at is the legal code. The body of law in Bosnia and Herzegovina is civil law. You will want to get some local advice as to how to best structure a company in Bosnia and Herzegovina. E-signatures are allowed.

The letters BA is for Bosnia and Herzegovina and the most common company structure in Bosnia and Herzegovina is a DOO.

The amount you'll have to wait is about 7 weeks to setup a DOO in BA. The types of cash you can use to fund your business is frequently any legal currency.

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

There must be at least 1 shareholder. This makes it possible for you to own a DOO in BA by yourself. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is encouraged, up to 49% of the total equity of the company.

A DOO is only required to have 1 director on the board. Furthermore, corporate directors are permitted. Directors are disclosed publicly. There is a requirement to have annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for an address which can receive a service of process on behalf of the business. A related requirement, a company secretary is not always necessary, at least not by law.

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

Overall we think Bosnia and Herzegovina is a good option and have given it a score of 73 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**
- 7 weeks to form**



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## Country Info



🚩 National Flag of

**Bosna i Hercegovina  
(bos)**

**Bosna i Hercegovina  
(hrv)**

**Босна и Херцеговина  
(srp)**

\$ Currency

**BAM**

📞 Area Code

**+387**

🏛 Capital

**Sarajevo**

📍 Region

**Southern Europe**

🗣 Native Languages

**Bosnian**

**Croatian**

**Serbian**