



# LIBYA

Libya - Islamic law (Sharia)

Sorry we cannot help you in Libya.

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# Libya taxes

Want to setup a company? This will tell you about tax laws in Libya, reading this will help you becoming knowledgeable on the specific tax laws and rates for a Private Limited Company which is the most common company type in Libya.

Libya has income tax levied earned outside the borders separately then it it was derived locally. The predominant estimated rate for offshore tax, from our research, and this is not personal tax advice, is 0%. LY does not have known exemptions to transfer in income earned abroad made internationally. Taxes are reasonable in Libya as the highest corporation tax rate is 20%. This ranks Libya as 63rd overall with regards to CIT globally. . .

The VAT rate in LY is 0.00%, that ranks Libya as 63rd overall with regards to value added tax rate worldwide. In terms of other taxation, an employer will contribute 3,098.00% to the equivalent of a social security fund and an employee will contribute %. 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 210 hours. Contributing to this is the number of yearly labor tax payments, which is 10 in LY.

Thin cap mandates are not in effect. Thin capitalisation refers to any type of restrictions on given company with respect to debt-to-asset ratios. Dividends are a distribution of a portion of an earnings of the business, passed by the board of directors, to a particular class of shareholders. Dividends can be either stock, cash, or property. The capital gains taxation rate in LY is 0%. 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.

The interest withholding rate is estimated at 0%-25%. This should be interpreted usually that the tax authorities expects legal entities to automatically withhold 0%-25% of payments offshore for on interest payments. The dividends withholding rate is 0. This means that the relevant tax authorities expects legal entities to automatically withhold 0 of money remitted abroad for dividend payments. The royalties withholding rate 0. This means that the taxman expects to withhold 0 of payments offshore for for royalty payments.

There is no known tax on wealth in Libya. There are no known inheritance taxes in LY. There are no popular and well known research and development breaks on taxation here.

The above is not tax or legal advice for your particular personal tax obligations. Incorporations.io can to reference you to an expert in Libya 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 Libya is 0% which ranks 1 in the world.

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

- 14 **Tax treaties**
- 20% **Offshore Tax**
- 20% **Corp rate**
- **Loss carryback years**
- 679 **Corporate time**
- 0% **VAT rate**
- 10% **Capital gains**
- No **AEOI planned**

# Libya 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 Libya is islamic law (sharia) law. You will want to get some local advice as to how to best structure a company in Libya. Electronic signatures are permitted.

The letters LY is for Libya and the most common company type type in Libya is a Private Limited Company.

The amount you'll have to wait is about 14 weeks to incorporate a Private Limited Company in LY. The types of consideration you can use to setup your legal entity is most commonly any legal tender.

Yes, one is allowed to re-domicile a Private Limited Company from LY. 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 Private Limited Company in LY by yourself. Corporate Shareholders are encouraged, which means you can have a corporate shareholder. Foreign ownership is encouraged, up to 65% of the ownership of the legal entity.

A legal entity is only required to have one director. Furthermore, 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 agent is normally required, which means the company will have to pay a fee on a yearly basis, for an agent which can receive litigation or other legal process on behalf of the company. A related requirement, a corporate secretary is not a requirement.

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

Overall we think Libya is a bad option and have given it a score of 11 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**
- 14 weeks **to form**



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## Country Info



🚩 National Flag of

الدولة ليبيا (ara)

\$ Currency

**LYD**

☎ Area Code

**+218**

🏰 Capital

**Tripoli**

✈ Region

**Northern Africa**

🌿 Native Languages

**Arabic**