



Sierra Leone - Mixed (English and Customary law)



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Consultation

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## Incorporating a company in Sierra Leone

# Sierra Leone taxes

If you want to do business in Sierra Leone, this article explains the tax laws for a LLC which is the most common legal entity in Sierra Leone.

Uganda taxes corporate income on a worldwide basis. The prevailing approximate tax rate for offshore income, from our research, and your results may vary, is 30%. Sierra Leone doesn't have major incentives to remit income accrued abroad. Standard rate of taxation on a LLC entity is 30%. This ranks Sierra Leone as 139th when compared to CIT globally.

The value added tax (VAT) rate is 15%, which ranks Sierra Leone as 80th when compared to VAT taxation rate internationally. In terms of other taxation, an employer will contribute 10% to the equivalent of a social security fund and an employee will contribute 5%.

Thin capitalisation standards are not in effect. Thin capitalisation refers to any sort of laws on a business and the debt-to-asset ratios. Dividends received are included to corporate income tax base. Dividends are a distribution of a portion of a company earnings, voted by the board of directors, to a particular class of shareholders. Dividends can be either cash payments, shares of stock, or other property. Capital Gains are usually subject to Corporate Income Tax. 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 15%. This means that the relevant tax authorities expects relevant legal entities to automatically withhold 15% of interest payments to non-residents. The dividends withholding tax rate is 10%. Which means that the tax authorities expects legal entities to withhold 10% of payments abroad on dividends. The royalties withholding tax rate is 25%. Which means that the taxman expects companies to withhold 25% of payments on royalties to non-residents.

There is no tax on wealth in Sierra Leone. There are real property and transfer taxes. There are no known inheritance taxes. We are aware of widely used R&D initiatives that provide tax relief in this country.

The above is not tax or legal advice for your company's circumstances. We are able to help you to find a lawyer in Sierra Leone who can properly advise 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 Sierra Leone is 15% which ranks 80 in the world.

✗ **Patent box**

✓ **RND credit**

✗ **Wealth tax**

✓ **Estate tax**

✓ **Transfer taxes**

✗ **Asset taxes**

✗ **Capital duties**

0 **Tax treaties**

30% **Offshore Tax**

30% **Corp rate**

- **Loss carryback years**

343 **Corporate time**

15% **VAT rate**

30% **Capital gains**

No **AEOI planned**

# Sierra Leone 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 Sierra Leone is mixed (english and customary law) law. You will want to get some local advice as to how to best structure a company in Sierra Leone. Electronic signatures are permitted.

The letters SL is for Sierra Leone and the most common legal entity type in Sierra Leone is a LLC.

The average time to incorporate is 20 weeks to setup a LLC in SL. The min share capitalization is SLL 0, This means you don't have any minimum share capital. The types of cash you can use to capitalize your business is often any legal tender.

There must be at least 1 shareholder. This makes it possible for you to own a LLC in SL by yourself. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is tolerated, up to 100% of the ownership of the LLC.

A company is only required to have 1 director on the board. Additionally, 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 business. A related requirement, 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 Sierra Leone is a bad option and have given it a score of 28 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
- 20 weeks to form



# SIERRA LEONE

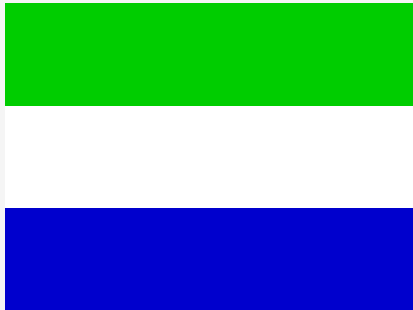
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## Country Info



🏴 National Flag of

**Republic of Sierra Leone (eng)**

\$ Currency

**SLL**

☎ Area Code

**+232**

🏰 Capital

**Freetown**

📍 Region

**Western Africa**

🌿 Native Languages

**English**