ANDORRA

LIMITED LIABILITY COMPANY (SL / SLU)
CLIENT GUIDE 2026

Company formation, foreign investment, taxation
and annual compliance

Professional company formation
and ongoing corporate administration

BRIS GR LIMITED

66 Paul Street, London EC2A 4NA, United Kingdom

Company No. 08404265

general.info@bris-group.com | +44 207 206 2487 | +44 775 479 5814 | bris-group.com

Andorra SL / SLU at a Glance

The Societat Limitada (SL) is Andorra's private limited-liability company. A sole-shareholder company is a Societat Limitada Unipersonal (SLU). The structure is suitable for privately held trading, service and holding activities, subject to foreign-investment approval, licensing and sector-specific requirements.

Topic	Current legal / practical position
Shareholders	One or more shareholders. A sole shareholder may incorporate an SLU. Natural persons and legal entities may participate.
Foreign ownership	100% foreign investment is possible in principle. Foreign direct investment may require prior Government authorisation; the current official creation process expressly includes foreign-investment authorisation for non-resident founders.
Administration	The shareholders appoint the management body. It may be a sole administrator, joint administrators, several administrators acting jointly/severally, or a board of directors.
Registered office	The registered office must be established within the Principality of Andorra.
Minimum capital	EUR 3,000 for an SL / SLU. The capital is deposited with an Andorran bank and evidenced by a bank certificate for incorporation.
Incorporation	Company name approval, foreign-investment authorisation where applicable, capital deposit, articles, public deed before an Andorran notary and Commercial Companies Register inscription.
Corporate income tax	General corporate income-tax rate: 10%.
IGI	General indirect tax (IGI) rate: 4.5%. Other statutory rates include 0%, 1%, 2.5% and 9.5% for specified transactions.

Key Benefits for International Clients

- Low 10% general corporate income-tax rate.
- 100% foreign ownership can be authorised; the official 2026 foreign-investment form expressly provides for 100% foreign investment.
- Qualifying dividends and gains from participations can be fully exempt from corporate income tax under the participation-exemption rules.
- A special holding-company regime is available to qualifying SL or SA companies whose exclusive object is holding and managing participations, subject to authorisation and statutory conditions.
- Very low 4.5% standard IGI compared with many European VAT rates.
- Collective investment institutions regulated under Andorran law are subject to a statutory 0% corporate tax rate; this is a regulated investment-fund regime, not an ordinary trading-company exemption.

Important 2026 Tax Position

Andorra is low-tax, but an ordinary SL is not a blanket 0% offshore company

An ordinary Andorran SL is generally subject to 10% corporate income tax. Foreign customers, foreign-source invoices or non-resident shareholders do not by themselves create a 0% tax result. Genuine 0% outcomes are targeted - especially qualifying participation income and the statutory 0% rate for regulated collective investment institutions.

Ownership, Management & Share Capital

Topic	Current legal / practical position
Shareholders	One or more natural persons or legal entities. SLU is available for a sole shareholder.
Foreign investors	Prior foreign-investment authorisation applies in the cases prescribed by the Foreign Investment Law. The 2026 Government process requires detailed KYC, criminal-record, CV and business-plan information for relevant foreign founders.
Management body	Sole administrator, joint administrators, several administrators with joint/several powers, or a board.
Registered office	Mandatory in Andorra.
Minimum capital	EUR 3,000 for an SL / SLU, deposited before incorporation.
Bank account	A future shareholder opens an account with an Andorran bank, deposits initial capital and obtains a certificate stating the contribution and ownership allocation.
Beneficial owners	Beneficial-owner information is part of the incorporation / compliance documentation and must be maintained in accordance with Andorran AML and registry requirements.

Corporate Income Tax - 10%

The Andorran Corporate Income Tax Law sets the general rate at 10%. The taxable base is determined from accounting profit with the adjustments required by the tax legislation. An Andorran resident company should therefore not be marketed as tax-free merely because its customers or investments are outside Andorra.

Participation exemption - genuine 0% on qualifying income

Article 20 provides a full exemption for qualifying dividends / profit participations and positive gains from the disposal, liquidation or specified restructuring of participations. Key conditions include, in general, a direct or indirect participation of at least 5%, a one-year holding period (which may be completed after a dividend), and the required subject-to-tax condition for the investee. Detailed limitations and proof requirements apply.

Special Holding Company Regime

An Andorran SL or SA whose exclusive object is the management and holding of participations in resident or non-resident companies may apply for the special holding-company regime. The regime exempts qualifying dividends and positive disposal results from the tax base and requires authorisation plus portfolio disclosure in the annual accounts.

0% Rate for Regulated Collective Investment Institutions

The Corporate Income Tax Law applies a 0% tax rate to collective investment institutions regulated by Andorran Law 10/2008, excluding their management companies, which remain under the general regime. This is a regulated investment-vehicle provision and should not be confused with the tax treatment of an ordinary SL carrying on commercial business.

IGI - 4.5% Standard Rate

The general IGI rate is 4.5%. Official guidance also lists a 2.5% special rate, 1% reduced rate, 0% super-reduced rate and 9.5% increased rate for banking and financial services. The correct rate and place-of-supply treatment depend on the transaction.

Formation Process & Documents Required

1. NIA and electronic certificate 2. Company-name reservation 3. Foreign-investment authorisation where required 4. Andorran registered office 5. Bank account and EUR 3,000 capital deposit 6. Articles and public deed before notary 7. Commercial Companies Register inscription 8. Tax / IGI registration, trade-name and business-opening formalities 9. CASS registration where applicable

The Government's current company-creation procedure requires the corporate object used in the articles to correspond with the approved company name and foreign-investment application. Foreign documents may need apostille/legalisation and translation. The notary sends the public deed to the Commercial Companies Register for registration.

Official Government Fees

Current Government guidance states: company-name reservation EUR 5.69; the foreign-investment authorisation procedure currently carries a EUR 300 fee; and registration of an SL / SLU in the Companies Register is EUR 1,016.67. It also states an annual maintenance fee of EUR 851 where the SL is a patrimonial company or does not have an open trade/business. Notarial, professional, licensing and other third-party costs are separate. BRIS professional fees are quoted separately.

Documents Required from the Client

- Certified passport / ID for each relevant shareholder and administrator.
- Recent proof of residential address.
- Criminal-record certificate not older than three months for relevant foreign-investment applicants.
- Updated CV with photograph for the foreign-investment process.
- For corporate shareholders: registry extract, constitutional documents, directors and full ownership chain.
- Detailed business plan, target market, value added, activities and planned investment.
- Proposed company names, Andorran registered office and business activities.
- Shareholding, EUR 3,000 capital and management/signing arrangements.
- Source-of-funds and, where appropriate, source-of-wealth evidence.

Accounting & Annual Accounts

SL and SA companies must prepare and deposit annual accounts electronically through the Tax Administration's virtual office. Accounts must give a true and fair view. They are approved within the first six months after year-end and filed within the timetable applicable to the corporate income-tax return. Signed originals must be retained at the registered office for six years.

Audit requirements apply from financial years beginning 1 January 2025

An SL / SA is audit-required if, for two consecutive years, at least two thresholds are exceeded: assets EUR 3.6 million, annual turnover EUR 6 million, or more than 50 employees. Audit is also required if annual turnover exceeds EUR 10 million for two consecutive years, and for specified regulated/public-interest entities and other statutory cases.

Annual Compliance Checklist

- Maintain Andorran registered office and current Companies Register data.
- Maintain shareholder, administrator and beneficial-owner records.
- Prepare and approve annual accounts within six months after year-end.
- Deposit annual accounts electronically and retain signed originals for six years.
- File corporate income-tax and IGI returns as applicable.
- Obtain statutory audit where thresholds or sector rules require it.
- Maintain trade/business and CASS registrations where applicable.
- Reassess participation-exemption / holding-regime conditions annually.
- For authorised foreign investment, maintain effective activity and evidence required by Government follow-up.

International Business & Tax Planning

Andorra combines a 10% general corporate income-tax rate with a 4.5% standard IGI rate and targeted exemptions for qualifying investment income. It is therefore attractive for appropriately structured international businesses, but an ordinary foreign-owned SL is not automatically tax-free. The company's real activity, residence, related-party transactions, foreign investments and treaty position must be analysed.

Where a genuine 0% Andorran corporate-tax result can arise

Qualifying dividends and qualifying gains from participations can be fully exempt under Article 20. A qualifying authorised holding company can also exempt eligible participation income under its special regime. Separately, regulated Andorran collective investment institutions have a statutory 0% corporate-tax rate. Ordinary trading and service profits of an SL remain generally taxable at 10%.

Foreign Investment & Substance

The 2026 foreign-investment framework places strong emphasis on effective activity after authorisation. Government materials describe post-authorisation checks of implementation, active business, annual accounts, beneficial owners and an operational Andorran bank account. Foreign investment therefore requires more than a nominal registered company and does not itself create a right to Andorran residence.

How BRIS Group Supports You

Structure & tax review - Assess SL/SLU suitability, 10% corporate tax, participation exemption, holding-company regime, IGI and treaty considerations.

Company formation - Coordinate NIA, name reservation, foreign-investment process, articles, capital deposit, notarial deed and Companies Register filing.

KYC / UBO - Coordinate shareholder, administrator, beneficial-owner and source-of-funds / source-of-wealth due diligence.

Accounting & compliance - Coordinate bookkeeping, annual accounts, corporate tax, IGI, audit and statutory filings.

Banking - Prepare corporate and KYC documentation and coordinate Andorran banking support where available.

Professional Fees & Official Sources

Professional fees are quoted separately

This guide is informational and is not a fee quotation. BRIS Group professional fees and third-party costs - including Andorran registered office, local legal support, notary, banking, translations, accounting, tax, audit, licensing and foreign-investment support - are quoted separately according to the required services.

Official sources reviewed for this 2026 guide: Govern d'Andorra - company creation and incorporation procedure, foreign-investment process, annual-account deposit, audit regulation and IGI guidance; Departament de Tributs i de Fronteres - Corporate Income Tax Law guidance and binding tax consultations on Article 20 participation exemption and the special holding-company regime; current 2026 Government foreign-investment monitoring materials.

PREPARED BY BRIS GROUP

Andorra SL / SLU - Client Guide 2026

Professional incorporation and corporate administration for international clients.