MONACO

LIMITED LIABILITY COMPANY (SARL)
CLIENT GUIDE 2026

Company formation, Monaco business tax
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

Monaco SARL at a Glance

A Monaco Société à Responsabilité Limitée (SARL) is a limited-liability commercial company governed by the Monaco Commercial Code. Following the 2025 company-law modernisation, a one-person form (SURL) is also recognised. For international founders, the proposed activity and the required Monaco authorisation are central to the formation process.

Topic	Current legal / practical position
Shareholders	SARL: two or more persons. A single shareholder forms a SURL. Foreign shareholders are possible, but foreign nationals generally require authorisation to carry on business in Monaco.
Manager	One or more individual managers, shareholders or non-shareholders. A legal entity cannot act as manager.
Business activity	Only a company carrying on a commercial activity may use the SARL form. Regulated activities require the relevant approvals.
Registered office	A genuine business address / premises in Monaco is required and must be supported in the authorisation and registration process.
Minimum capital	SARL: EUR 15,000. SURL with a sole natural-person shareholder: EUR 8,000. Capital must be fully subscribed; at least the statutory minimum must be paid in at incorporation.
Capital bank account	Capital is paid into an account opened for that purpose with a credit institution established in Monaco; full payment must generally occur within 18 months.
Business profits tax	Normal ISB rate: 25% where the company falls within the scope of Monaco business profits tax.
VAT	Standard VAT rate: 20%. Monaco applies turnover taxes on the same bases and rates as France under the Franco-Monegasque tax convention.

Key Benefits for International Clients

- A Monaco commercial company can fall completely outside ISB where it does not meet the statutory business-profits-tax scope - most importantly, where less than 25% of turnover is derived from operations carried out outside Monaco, subject to the specific IP rule.
- Even an ISB-taxable company excludes profits attributable to foreign permanent establishments and qualifying complete cycles of transactions habitually carried out outside Monaco.
- Qualifying genuinely new Monaco businesses within ISB can receive 100% exemption for the first two years and phased relief over the following three years.
- Normal ISB rate is 25% when applicable.
- Foreign tax paid on qualifying foreign-source income can be credited against Monaco ISB within the statutory rules.
- 2025 reforms introduced a single-shareholder SURL and modernised SARL capital and governance rules.

Important 2026 Tax Position

Monaco can offer a genuine 0% business-profits-tax outcome - but only in defined circumstances

ISB does not apply to every Monaco company. Industrial or commercial enterprises are within ISB when at least 25% of turnover comes from operations carried out outside Monaco; companies earning specified IP income in Monaco are also within scope. A locally focused Monaco business below that foreign-turnover threshold can therefore be outside ISB. The exact operation-by-operation analysis is essential.

Ownership, Management & Share Capital

Topic	Current legal / practical position
SARL shareholders	Two or more persons, with liability generally limited to contributions.
SURL	A single-shareholder limited liability company is recognised under the current Commercial Code.
Foreign founders	Foreign nationals wishing to exercise an activity in Monaco generally require prior business authorisation; regulated activities have additional requirements.
Manager	One or more natural persons; may be shareholders or non-shareholders. A legal person cannot be manager.
SARL capital	EUR 15,000 statutory minimum.
SURL capital	EUR 8,000 where the sole shareholder is a natural person; otherwise the ordinary SARL minimum applies.
Beneficial owners	Beneficial-owner information must be declared to Monaco's Register of Beneficial Owners and kept current; the official guidance uses a 25% ownership threshold together with control criteria.

Business Profits Tax (ISB) - When Does It Apply?

Monaco's ISB is not a universal corporate income tax. It applies to industrial or commercial enterprises operating in Monaco when at least 25% of turnover is derived from operations carried out, directly or indirectly, outside Monaco. It also applies to companies whose Monaco activity consists of receiving specified income from patents, trademarks, manufacturing processes/formulas or literary/artistic property.

Genuine 0% ISB position for qualifying locally focused businesses

If an ordinary commercial company remains outside the statutory ISB scope - for example, its foreign operations do not reach the 25% turnover threshold and the special IP rule does not apply - no Monaco ISB is imposed under this regime. This is not an 'offshore exemption': the company must have a real Monaco business and the location of operations must be analysed.

25% ISB Rate & Foreign Operations Exclusions

For companies within ISB, the normal rate is 25%. The legislation nevertheless excludes from the Monaco tax base profits or losses attributable to foreign permanent establishments and to complete cycles of operations, such as habitual purchase-and-sale cycles, carried out outside Monaco. Foreign income taxes on qualifying income may also be creditable against Monaco ISB.

New Business Incentive - 0% for First Two Years

A qualifying genuinely new enterprise created in Monaco and falling within ISB can be fully exempt for its first two years. Relief then phases out over the following three 12-month periods: only one-quarter, one-half and three-quarters of the profit is taxed respectively. The regime excludes specified activities and does not apply where more than 50% of the new company's capital is held directly or indirectly by other companies, among other anti-restructuring rules.

VAT - 20%

The standard Monaco VAT rate is 20%. Reduced rates include 10% and 5.5% for specified supplies. Monaco's VAT system is aligned with France under the Franco-Monegasque fiscal convention, and cross-border transactions require transaction-specific analysis.

Formation Process & Documents Required

1. Activity, licensing and ISB review 2. Shareholder / UBO and manager KYC 3. Monaco business-authorisation application where required 4. Articles and capital deposit 5. Registered premises evidence 6. RCI registration and publication formalities 7. NIS and tax registrations 8. Social-security and operational registrations where applicable

For foreign founders, obtaining authorisation to exercise the proposed activity is normally a core pre-registration step. After authorisation, the company proceeds through the Répertoire du Commerce et de l'Industrie (RCI), statistical identification, tax declaration and other post-authorisation registrations. Regulated activities require the relevant sector approvals.

Official Government Fees

The current RCI tariff published by the Monaco business portal states EUR 75 for SARL/SNC/SCS registration or five-year renewal and EUR 23.03 for the related registry (greffe) charge. The official five-year declaration page confirms a EUR 75 SARL fee. Publication, document, tax-registration, authorisation, professional and other ancillary costs can arise separately. BRIS professional fees are quoted separately.

Documents Required from the Client

- Passport / acceptable identification for shareholders, managers and UBOs.
- Birth certificate and recent criminal-record extract where required for the authorisation file.
- Recent proof of residential address.
- For corporate shareholders: registry extract, constitutional documents, decision to invest, representative details and ownership chain.
- Proposed company name, Monaco premises and detailed commercial activity.
- Shareholding, capital and management/signing arrangements.
- Bank evidence of capital contribution.
- Business plan / economic information and expected countries, customers, suppliers and turnover.
- Source-of-funds and, where appropriate, source-of-wealth evidence.

Accounting & Annual Accounts

The manager must prepare annual accounts and a management report and submit them to shareholders for approval within six months after the financial year end. The company must also submit the balance sheet, profit-and-loss account and the prescribed manager's attestation to the RCI each year.

Annual accounts are an RCI compliance obligation

If the required annual documents have not been sent to the RCI within nine months after year-end, the RCI may issue a formal notice and the Commercial Code provides enforcement measures.

Annual Compliance Checklist

- Maintain Monaco registered premises and current RCI particulars.
- Maintain shareholder, manager and statutory corporate records.
- Keep beneficial-owner information current.
- Prepare annual accounts and obtain professional accounting / audit support where legally required.
- Approve accounts within six months after year-end.
- Submit annual financial documents to the RCI.
- Complete the RCI five-year declaration / renewal when due.
- File ISB returns where the company falls within ISB and VAT returns where applicable.
- Reassess the 25% foreign-turnover test and foreign-operation exclusions annually.

International Business & Tax Planning

Monaco's company-tax system is highly distinctive. The correct question is not simply 'what is the corporate tax rate?' but first whether the company falls within ISB at all. An ordinary commercial business with less than 25% of turnover from operations outside Monaco can be outside ISB, while a company reaching the threshold is generally taxed at 25% subject to foreign-operation exclusions, incentives and credits.

Three important legitimate low-tax outcomes

1) A qualifying Monaco-focused commercial company outside the ISB scope can have 0% ISB. 2) An ISB-taxable company excludes profits attributable to foreign permanent establishments and qualifying complete foreign transaction cycles. 3) A qualifying genuinely new ISB business can receive 0% ISB for its first two years, followed by phased taxation for three years. Each result depends on strict factual and statutory conditions.

International Income & Participation Relief

Monaco law provides a foreign-tax credit for qualifying foreign-source income included in the ISB base. It also contains a parent-company regime for certain participation income, subject to ownership, holding and expense-add-back conditions. The precise tax treatment of dividends, royalties and other cross-border payments should be reviewed against Monaco law and any applicable tax treaty before payment.

How BRIS Group Supports You

Structure & tax review - Assess SARL/SURL suitability, activity authorisation, the 25% foreign-turnover test, ISB scope, foreign-operation exclusions, start-up relief, VAT and treaty issues.

Company formation - Coordinate articles, capital deposit, authorisation, RCI registration, publication and registered-premises arrangements.

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

Accounting & compliance - Coordinate bookkeeping, annual accounts, RCI filings, ISB, VAT and professional review/audit support where required.

Banking - Prepare corporate and KYC documentation and coordinate 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 Monaco registered premises, accounting, tax, licensing, publication, translations, professional review and banking support - are quoted separately according to the required services.

Official sources reviewed for this 2026 guide: Legimonaco - Commercial Code (version in force August 2026), Business Profits Tax Ordinance No. 3.152, New Enterprise Ordinance No. 10.324 and VAT Code; Monaco Government / MonEntreprise - business authorisation, RCI registration and tariffs, five-year declaration and beneficial-owner guidance; Journal de Monaco - 2026 VAT legislation.

PREPARED BY BRIS GROUP

Monaco SARL / SURL - Client Guide 2026

Professional incorporation and corporate administration for international clients.