

ICELAND – THE BASE FOR YOUR BUSINESS Corporate Forms in Iceland

	Public Ltd. Co.(Hf.)	Private Ltd. Co. (Ehf.)	Partnership (Sf.)	Ltd. Partnership (Sif.)	Branch
Application	Larger companies. Only a hf. may be listed on the Icelandic Stock Exchange	Smaller and middle-sized companies	Smaller companies and joint venture projects	Smaller companies	Fixed place of business where the business of a company is wholly or partly carried on
Registration	Must be registered at the Enterprise Register	Must be registered at the Enterprise Register	Optional. Only required if the Sf. is to be a taxable entity.	Optional. Only required if the Sif. is to be a taxable entity.	Must be registered at the Enterprise Register
Registration fees	ISK 171,000	ISK 88,500	ISK 61,000 (if registered)	ISK 61,000 (if registered)	ISK 171,000
Capital requirement	Minimum ISK 4,000,000	Minimum ISK 500,000	No minimum capital requirements	No minimum capital requirements	No minimum capital requirements
Liability	Limited	Limited	Unlimited	Unlimited	Unlimited liability of the foreign corporation
Management	Mandatory two-tier system. A Board of Directors of minimum 3 persons, and at least one Managing Director.	Minimum of 3 Directors unless shareholders are 4 or less, then 1-2. A Managing Director is optional.	No requirements	No requirements	One Branch Manager must be registered.
Residence requirements of directors and managers	The Managing Director(s) and at least half of the directors must reside in Iceland. Does not apply to citizens of an EEA or OECD country residing there. An exemption may be granted from the Minister of Commerce.	The Managing Director(s) and at least half of the directors must reside in Iceland. Does not apply to citizens of an EEA or OECD country residing there. An exemption may be granted from the Minister of Commerce.	No residence requirements	No residence requirements	Residence requirements, unless the Branch Manager is a citizen of an EEA or OECD country and residing there. An exemption may be granted from the Minister of Commerce.
Tax	18%	18%	26%, if registered as taxable entity. If not, taxed on the same basis as the partners.	26%, if registered as taxable entity. If not, taxed on the same basis as the partners.	18%
Accounting	Annual financial statements. Audit requirements apply to publicly-traded companies and companies, which meet two of three conditions: Staff members >50, annual turnover >ISK 240 Million, Equity Capital >ISK 120 Million	Annual financial statements. Audit requirements apply to companies, which meet two of three conditions: Staff members >50, annual turnover >ISK 240 Million, Equity Capital >ISK 120 Million	Annual financial statements, if a taxable entity. If not, included in the annual financial statements of the partners (legal entities) or in the tax return of an individual partner.	Annual financial statements, if a taxable entity. If not, included in the annual financial statements of the partners (legal entities) or in the tax return of an individual partner.	Balance sheet and income statement of the branch together with the annual financial statement or consolidated financial statement of the foreign corporation.
Legislation	Act on Public Limited Companies	Act on Private Limited Companies	No corporate law applies	No corporate law applies	Act on Public and Private Limited Companies