

**Company Formation in Afghanistan: STA Law Firm** 





We're business lawyers who offer practical, value-driven solutions through outstanding legal knowledge, experience and distinguished reputation.

At STA, we offer bespoke, flexible service delivered by entrepreneurial people. Our team strives for innovative and lateral legal and business solutions to achieve our clients' business objectives. Expansion beyond Horizon...

# **OUR EXPERTISE**

STA has extensive legal experience in all forms of corporate and commercial matters across the United Arab Emirates. We provide a range of corporate and commercial services and advice, including:

- ADX, Nasdaq Dubai, ESCA, and DFM
- Corporate governance
- Capital market and private equity transactions
- Due Diligence
- Joint ventures and shareholder agreements
- Mergers and acquisitions including reverse and hostile takeovers, compulsory acquisitions and divestments
- Private equity and venture capital raising
- Trust structures

We have advised a range of businesses including:

- Financial services
- Construction and infrastructure
- Mining, energy and resources
- Fast moving consumer goods
- Hospitality and tourism
- Transport and aviation

We have earned an outstanding reputation as trusted legal advisors who are closely aligned with our clients, who can add value and who are easy to work with on all corporate and commercial transactions and governance issues

## Why STA?

STA has a highly experienced corporate team, providing commercially sound and cost effective legal advice in a wide range of complex corporate as well as commercial transactions. At STA, we strongly believe 'Good is not good enough'; we aim to set high standards in the legal profession.

### **GLOBAL COMPANY FORMATION**

At STA, we're not just commercially-minded; we're entrepreneurial, clear and also result oriented. At STA, we render legal advice that is timely, practical and individually tailored to meet specific requirements of our clients.

We don't simply form companies. We pay careful attention to varied aspects of formation. We deploy our senior associates and associates to carefully understand clients' requirements. We brainstorm and discuss the right structure, the right entity type or the legal form, tax implications, and shareholder structuring. We draft necessary business plans, forms, and contracts including shareholders' agreement, management contracts and other necessary documents to ensure that contentious shareholder disputes are best avoided. That is why we call 'expansion beyond horizon...'

## **DISCLAIMER**

Although STA makes every effort to ensure that the information supplied herein is true and correct, please be advised that information supplied herein does not constitute legal or financial advice. You must under every circumstances obtain necessary legal counsel and financial advice.

Company Formation in Afghanistan									
Sr. No.	Particulars	Sole Proprietorship	Public Limited Liability Company	Corporations	Partnership	Branches			
1	Domestic law governing the entities	Commercial Laws of Afghanistan 2007, register with Afghanistan Central Business Register.	Commercial Laws of Afghanistan 2007, register with Afghanistan Central Business Register.	Commercial Laws of Afghanistan 2007, register with Afghanistan Central Business Register.	Commercial Laws of Afghanistan 2007, register with Afghanistan Central Business Register.	Commercial Laws of Afghanistan 2007, register with Afghanistan Central Business Register.			
2	Minimum share capital requirement	No prescribed minimum share capital	USD 1	USD 1	No prescribed minimum share capital	No prescribed minimum share capital			
3	Minimum number of shareholders	Minimum one shareholder required	Minimum two shareholders required	Minimum five shareholders required	Minimum two shareholders required	N/A			
4	Requirement of shareholder who is a citizen	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.			
5	Liability of the shareholders or partners	Unlimited	Severally and jointly limited	Limited by shares	Jointly and severally limited	Liability to head office			
6	Minimum number of directors (only natural persons)	One	One	One	One	N/A			
7	Requirement of resident director or manager or company secretary	No requirement of a director, manager or secretary who is a citizen.	No requirement of a director, manager or secretary who is a citizen.	director, manager or	No requirement of a director, manager or secretary who is a citizen.	No requirement of a director, manager or secretary who is a citizen.			
8	Auditing requirements	Statutory auditing required.	Statutory auditing required.	Statutory auditing required.	Statutory auditing required.	Statutory auditing required.			

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Sr. No.	Particulars	Sole Proprietorship	Public Limited Liability Company	Corporations	Partnership	Branches			
9	Company registration fee	Approximately USD 28,450	Approximately USD 28,450	Approximately USD 28,450	Approximately USD 28,450	Approximately USD 31,450			
10	Company license fee	Varies by activity, ranging from USD 50-5000	Varies by activity, ranging from USD 50-5000	Varies by activity, ranging from USD 50- 5000	Varies by activity, ranging from USD 50- 5000	Varies by activity, ranging from USD 50- 5000			
11	Annual license renewal fee	Varies by activity, ranging from USD 50-5000	Varies by activity, ranging from USD 50-5000	Varies by activity, ranging from USD 50- 5000	Varies by activity, ranging from USD 50- 5000	Varies by activity, ranging from USD 50- 5000			
12	Tax liability	Corporate tax at a rate of 20%	Corporate tax at a rate of 20%	Corporate tax at a rate of 20%	Corporate tax at a rate of 20%	Corporate tax at a rate of 20%			
13	Are 'shelf companies' allowed?	Not allowed	Allowed	Allowed	Allowed	Not allowed			
14	Approximate time period for company incorporation	8 – 9 weeks	8 – 9 weeks	8 – 9 weeks	8 – 9 weeks	8 – 9 weeks			