



Smith & Smith

## Lithuania Company Formation

### Introduction to Company Incorporation Lithuania

---

#### Introduction to Company Incorporation Lithuania

Lithuania is the biggest of the Baltic states and regards itself as the region's economic powerhouse. Certainly it has succeeded in attracting significant inflows of foreign direct investment, with investors encouraged by a combination of a stable economy, low inflation, low labour costs and a liberal business environment. Corporation tax is 15%, one of the lowest rates in the EU. But investors are advised to tread carefully. If you are thinking of opening a company in Lithuania, please contact us and we will help you every step of the way. Please contact us for further details today.

READYMADE COMPANIES IN LITHUANIA WITH BANK ACCOUNT AND VAT NUMBER NOW AVAILABLE!  
PLEASE CONTACT US TODAY TO RESERVE ONE. NO SHARE CAPITAL PAYMENT REQUIRED

#### What are the main types of company in Lithuania?

There are four main kinds of business entity for foreign investors, and they are as follows:

- public limited company (AB)
  - private limited company (UAB)
  - general partnership (TUB) or limited partnership (KUB)
  - branch or representative office
- 
- **What are the main features of a public limited company?**
  - the most common business vehicle for medium/large companies
  - minimum share capital is approx. €44,000, at least 25% to be paid up
  - one of more shareholders are required in order to register a public company
  - auditors required to prepare annual financial statement
  - company and its shareholders have limited liability
  - you must appoint a supervisory council or "board of management"

#### What documents are required to register a public limited company?

- incorporation agreement or act of incorporation
- the company's articles of association
- minutes of the founding meeting
- confirmation of Lithuanian bank account
- confirmation of share registration with Securities Commission



## Smith & Smith

- report on company together with auditor's opinion
- **What are the main features of a private limited company?**
- popular format for smaller foreign investors
- minimum share capital is approx. €2,900
- maximum number of shareholders is 250
- company and its shareholders have limited liability

### **What documents are required to register a private limited company?**

- incorporation agreement or act of incorporation
- the company's articles of association
- minutes of the founding meeting
- confirmation of Lithuanian bank account

### **What are the main features of a partnership?**

- available as a general or limited partnership
- general partnerships have unlimited liability
- limited partnerships have limited liability

### **What are the main features of a branch or representative office?**

- foreign parent is responsible for all liabilities
- ranch office can conduct trade within scope set by parent
- representative office can promote but cannot trade
- at least one manager must reside in Lithuania
- no formal auditing requirements

### **How easy is it to recruit staff in Lithuania?**

Lithuania used to be known as Soviet Silicon Valley, such was the reputation of its workforce for innovation and productivity. The Soviet era may now be over but its reputation remains intact. Lithuania's workforce is generally young, well educated and very highly motivated, while labor costs are among the lowest in Europe. Recruitment is straightforward – contact us if you require local help with this, as well as information on setting up a company in Lithuania

### **What is the regulatory environment like?**

- government committed to free-market economy liberal business environment
- member of the WTO and has ratified most international treaties
- investment laws conform to European Union standards
- foreign investors are free to buy Lithuanian companies
- unrestricted movement of capital and dividends
- double-taxation agreements with many countries



Smith & Smith

### **Are there financial incentives available?**

Investment incentives in Lithuania are centered on three Free Economic Zones in the cities of Klaipeda, Utena and Kaišiadorys. They include the following:

- tax holidays and tax reductions for companies investing over €1 million
- no taxes on dividends paid on foreign investments
- EU support funds for companies setting up in Klaipeda

### **And what about banking facilities?**

Lithuanian banks offer the standard range of facilities, including foreign exchange and international payments. There are no foreign exchange restrictions. You will need a local bank account if you open a company in Lithuania and we will be happy to help you with this.

### **How can I get more information?**

Our company formation service makes it easy for you to open a company in Lithuania, so please contact us for further details, and we can help you register a company in Lithuania in the quickest possible timeframe!

### **Info Lithuania**

Company foundation with legal, tax and financial experts

Other services and offers:

- Opening company bank accounts and private bank accounts
- Establishment of an office and addresses structure
- Mediation of licenses
- Nominee service
- Accounting
- Marketing

**We have already established companies (shelf companies) in stock.**