

LITHUANIA

Lithuania - Civil Law (Dutch)

Incorporate Now | Consultation

Click request a call for a free, no obligation consultation.
In a hurry? Click incorporate now, and startup your company immediately.

Incorporating a company in Lithuania

Far Horizon Capital Inc
10 Anson Road, Suite 26-04
International Plaza, Singapore

Lithuania taxes

If you want to do business in Lithuania, reading this will help you becoming knowlegeable on the specific tax laws and rates for a LLC which is the most common company structure in Lithuania.

Lithuania taxes corporate income on a worldwide basis. The established estimated tax rate for offshore income, from our research, and these things do change, is 15%. However, income derived from a P.E. established in a EEA country or in a country where Lithuana has concluded a tax treaty with, may be exempted from corporate income tax. Taxes are very reasonable in Lithuania as the CIT standard rate is 15%. This ranks Lithuania as 47th overall with regards to corporate tax rate worldwide.

The VAT rate in Lithuania is 21.00%, that ranks Lithuania as 155th overall in terms of VAT globally. In terms of other taxation, an employer will contribute 32.1% to the equivalent of a social security fund and an employee will contribute 9%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 85hours. Contributing to this is the number of yearly labor tax payments, which is 1 in LT.

Thin capitalisation restrictions are officially enacted. Thin capitalisation refers to any sort of laws on a business and the debt-to-asset ratios. Dividends received may be subject to corporate income tax and taxed at 15% rate. Dividends may be exempt if the recipient holds at least 10% of shares of the subsidiary. Dividends are a distribution of a portion of a company's earnings, passed by the board of directors, to shareholders. Dividends can be one of the following stock, cash, or property. Capital Gains are included in CIT and taxed at a flat rate of 15%. Exemptions may apply for gains of the disposal of shares, if shareholder holds at least 10% of participation of a subsidiary. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 10%. This means that the taxman expects companies to withhold 10% of payments on interests to non-residents. The dividends withholding tax rate is 15%. This should be interpreted that usually the taxman expects companies to pay 15% tax of dividends remitted abroad. The royalties withholding tax rate is 10%. This means that the tax authorities expects legal entities to withhold 10% of payments abroad on royalties. Withholding taxes may be reduced under a tax treaty.
There is no known tax on wealth in Lithuania. There are real property and inheritance taxes in Lithuania. There are widely used research and development tax incentives in this country.
The above is not tax or legal advice for your company's particular tax obligations. We are able to point you to a lawyer in Lithuania who can answer all your questions. Contact us today. Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Lithuania is 21% which ranks 155 in the world.

- ☑ **Patent box**
- ☑ **RND credit**
- ✖ **Wealth tax**
- ☑ **Estate tax**
- ✖ **Transfer taxes**
- ✖ **Asset taxes**
- ✖ **Capital duties**

- **56** **Tax treaties**
- **15%** **Offshore Tax**
- **15%** **Corp rate**
- **-** **Loss carryback years**
- **32** **Corporate time**
- **21%** **VAT rate**
- **15%** **Capital gains**
- **2017** **AEOI planned**

Lithuania Legalese

The underlying legal code in Lithuania is civil law (dutch) law. You will want to get some local advice as to how to best structure a company in Lithuania. E-signatures are allowed.

The letters LT is for Lithuania and the most common legal entity type in Lithuania is a LLC.

The amount you'll have to wait is about 3 weeks to incorporate a LLC in LT. The minimal capitalization, or amount you're expected to put into a bank, is 0, This means you don't have any minimum share capital. The types of cash you can use to setup your business is frequently EUR and any legal tender.

Yes, one is allowed to re-domicile a LLC from LT. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LLC in LT by yourself. Corporate Shareholders are encouraged, which means you can have a corporate shareholder. Foreign ownership is encouraged, up to 100% of the ownership of the LLC.

A legal entity is only required to have 1 director on the board. Furthermore, corporate directors are not permitted. Directors are disclosed publicly. There is a body of law which requires companies to hold an annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for an address which can receive any official legal correspondance on behalf of the company. Furthermore, a company secretary is another cost you will need to incur.

There is an On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Lithuania is a good option and have given it a score of 70 as an IO score, using the Incorporations.IO proprietary formula.

- ✖ **Directors not disclosed in a public registry**
- ✖ **Shareholders not disclosed in a public registry**
- ☑ **Redomiciliation permitted**
- ☑ **Registered office required**
- ✖ **Corporate director permitted**
- ☑ **Local Secretary not required**
- ☑ **Local Director not required**
- ☑ **Electronic signature**

1 **Shareholders required**

1 **Directors required**

3 weeks **to form**

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Country Info



National Flag of

Lietuvos Respublikos (lit)

Currency

EUR

Area Code

+370

Capital

Vilnius

Region

Northern Europe

Native Languages

Lithuanian