



# STEPS FOR STARTING A BUSINESS



## Step 1 CHOOSE A TYPE OF BUSINESS. For starting a business, it is important to consider the nuances of different business forms.

The decision on the form of activities can be made based on the following criteria:

- Nature of business. The decision depends on planned business activities, i.e. on the complexity of activities and other circumstances related to the planned specific activities.
- The amount of the available capital. When establishing legal entities of certain types, the founder of a legal entity must obtain an established amount of the authorized capital.
- Taxes. The amount of taxes directly depends on the form of activities a person has chosen.
- Degree of personal liability. If a person intends to limit his liability for business failures with his personal or family property, he should choose a legal entity of limited civil liability.
- The number of founders. If there are several or more interested persons wishing to jointly conduct business activities, they should establish a legal entity for these business activities.
- The degree of complexity of business activities. Conducting individual activities is easier, i.e. no management structure for a legal entity is required, and there is no need to perform other formalities necessary for legal entities.



## Step 2 REGISTER THE OFFICE OF THE LEGAL PERSON When establishing a legal entity in Lithuania, it is necessary to have premises where the registered office of the legal entity to be established can be registered.



## Step 3 CHECK THE REQUIREMENTS and find out what kind of permits is needed for your activity.



## Step 4 RESERVE A TEMPORARY COMPANY NAME Price: ~16 Eur. Time: 1 day.



## Step 5 OPEN A BANK ACCOUNT

Choose the amount and the type of share capital:

- Private limited liability company – minimum required share capital – 2500 Eur, if the share capital is higher than 2500 Eur, then at least 25 % must be transferred to the accumulative account (with the remaining amount paid in 12 months). In order to obtain a residence permit in Lithuania, your investment / value of the share capital must be at least 14 481 Eur. Also, You will have to recruit 3 citizens of Lithuania as an employees.
  - Small partnerships and Public institutions. Contributions can be of the monetary or non-monetary form. A minimum amount of capital is not specified.
- Price: ~30 Eur.  
Time: 5 working days.



## Step 6 PREPARE DOCUMENTS OF FUNDING Sample founding documents (in Lithuanian, because these documents have to be prepared in two different copies – Lithuanian and national language of founder).



## Step 7 NOTARIZE THE FOUNDING DOCUMENTS AT A REGISTERED NOTARY'S OFFICE Price: 72–290 Eur (depending on the amount of share capital). Time: 1–2 days.



## Step 8 REGISTER YOUR COMPANY

Do it at the Register of Legal Entities of Lithuania – it can be done online (for the online procedure must have Lithuanian ID and electronic signature) or in person. They will help you make your business legally recognized by the state.

Price: 57 Eur.

Time: 3 days.



## Step 9 REGISTER IN TAXPAYER REGISTER

After registration in the Register of Legal Entities, a legal entity is automatically registered to the Taxpayer Register on the next working day. In the case of the data change submitted in the relevant forms, the data shall be updated. VAT payer registration is voluntary, unless if the annual income for the goods sold or services provided is over 45 000 Eur. If during the last calendar year

Lithuanian taxable person has acquired goods from other EU member states and the taxable amount of those goods has exceeded 14 000 Eur or it is foreseen that it will exceed this threshold during the current year, then such taxable person is obliged to register as VAT payer even in cases where the annual turnover threshold (45 000 Eur) is not exceeded.



## Step 10 CHECK ADDITIONAL REQUIREMENTS FOR EMPLOYMENT

- Employment in Lithuania;
- Employment of foreigners:
  - employing an alien under an employment contract;
  - employing a foreigner to work under a distance contract;
  - recruiting a foreigner to work temporarily in the Republic of Lithuania.