

Opening a new company location in Lithuania will open doors to relationships with other Eastern European countries. It's also a great way to add talented new employees to your team and offer more products or services. However, setting up a Lithuania subsidiary to operate legally in the country can take weeks or months and derail your plans to start working in the country quickly.

Globalization Partners is the global PEO you need on your team during an expansion. We'll use our existing subsidiary to help you avoid the lengthy Lithuania subsidiary setup process. You also won't have to stress over compliance. We're experts in Lithuania subsidiary laws, and we take on the compliance, so you can focus solely on growing your new location.

How to Set up a Lithuania Subsidiary

Learning how to set up a Lithuania subsidiary is different depending on your location and entity. It's a good idea to work with your other company executives to outline factors such as your company goals, desired trading location, and more before diving into the subsidiary setup process.

Different areas can operate like states, with different Lithuania subsidiary laws. You should always research the location in Lithuania where you want to incorporate before choosing an office space. Lithuania also offers several different types of entities that companies can incorporate as, including a limited liability company (LLC), public limited company, branch office, and representative office. Many companies looking to set up a Lithuania subsidiary choose to incorporate as an LLC because of its benefits for both parent companies and subsidiaries.

The steps to set up an LLC include:

- Opening a bank account
- Depositing your capital at the Company Register, the State Tax Inspectorate, and the State Insurance Fund Board
- Receiving a VAT number, tax identification number, certificate of registration, and unique registration number

- Obtaining the official seal of the subsidiary

Lithuania Subsidiary Laws

Lithuania's subsidiary laws differ based on which subsidiary structure you choose. Although LLCs are the most popular, you still need to understand the laws that apply to your company. LLCs require one director, who must be a natural person, and one shareholder. You also need 2,500 EUR as share capital to go through the incorporation process.

It's important to set up a Lithuanian bank account to stay compliant and deposit your share capital. Your company also needs to register with the Lithuanian Revenue Authority and make sure you submit all accounts and declarations for tax purposes. Once incorporated, your LLC is responsible for paying corporate taxes as a Lithuanian company.

Benefits of the Subsidiary Setup Process

The benefits of the subsidiary setup process include working legally in Lithuania and enjoying a limited liability status. Your parent company has limited liability from the subsidiary's actions, and the subsidiary can operate independently with its own structure and culture.

In total, it takes about 22 days from the moment you open a bank account until you obtain your company's official seal. That's 22 days before you can hire employees, run your payroll, and start giving out benefits. Globalization Partners offers an alternative through Lithuania subsidiary outsourcing. We can use our Employer of Record solution to hire talented employees who work for you, then add them to our locally compliant payroll. When you work with us, you can start operating in Lithuania in a few days instead of 22 or more.

Everything You Need to Establish a Subsidiary

Since the Lithuania subsidiary setup process can take a significant amount of time and energy, we recommend setting aside everything you'll need to make your expansion successful. Start by learning Lithuania's subsidiary laws or designating another staff member to learn them. If no one in your company has the time, you should hire a lawyer, consultant,

or other individual who's an expert in Lithuania subsidiary laws.

You should also set aside the time you'll need to fly back and forth to Lithuania and complete the setup process. If you don't have the time to deal with incorporation, you should promote another company executive to handle the process. We also recommend working with your accounting department to set aside the money you'll need so that you don't have to worry about any hidden fees or costs.

Contact Us Today

Globalization Partners can help make your expansion easier through Lithuania subsidiary outsourcing. Contact us today to learn more.