BRIS GROUP

LITHUANIA

PRIVATE LIMITED COMPANY (UAB)

CLIENT GUIDE 2026

EU company formation, taxation, holding structures and annual compliance

Professional company formation and ongoing corporate administration

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Lithuania Private Limited Company (UAB) at a Glance

A Lithuanian Uzdaroji akcine bendrove (UAB) is a private legal entity with limited liability. It is the standard private limited company form for Lithuanian operating businesses and is suitable for both domestic and international shareholders.

Foreign ownership	A UAB may be established by one or more natural persons and/or legal entities. The number of shareholders is not limited.
Legal liability	The UAB is a private legal entity with limited liability; shareholders are not generally liable with their personal assets for the company's obligations.
Minimum capital	Minimum authorised capital is **EUR 1,000**.
Registered office	The company must have a registered office in Lithuania.
Management	A UAB has a company manager; additional corporate bodies may be established where required or chosen under the articles/law.
Corporate income tax	For tax periods beginning in 2026, the standard Lithuanian corporate income tax rate is **17%**.
Small-company rate	Qualifying small entities with annual revenue not exceeding EUR 300,000 may apply a **7%** rate, subject to the statutory related-entity restrictions.
New small companies	A qualifying newly established entity can apply **0% corporate income tax for its first and second tax periods**, subject to all statutory conditions.
VAT	Standard VAT **21%**; from 2026 the principal reduced rates are **12%** and **5%**, with 0% for specified transactions.

Key Benefits for International Clients

• EU private limited company with limited shareholder liability.

• EUR 1,000 minimum authorised capital.

• One or more individual and/or corporate shareholders.

• 17% standard corporate income tax from 2026.

• 7% reduced rate for qualifying small companies.

• Potential 0% corporate income tax for the first two tax periods of a qualifying new small company.

• Participation exemption can eliminate Lithuanian tax on qualifying corporate dividends.

• Access to EU VAT rules and Lithuania's double-tax treaty framework.

The 0% New-Company Regime - Important 2026 Benefit

A genuine 0% corporate income tax opportunity - but only under strict conditions

From the 2026 tax period, a qualifying small newly registered entity may apply a **0% corporate income tax rate for its first and second tax periods**. This is a statutory start-up/small-company incentive - not a foreign-source exemption.

VMI confirms that, among the conditions, revenue for each relevant tax period must not exceed **EUR 300,000**; the entity must not fall within the related-entity restrictions of Article 5(3); its participants must be **natural persons only**; and during three consecutive tax periods including the first two, the business must not be suspended, liquidated or reorganised and its shares/interests must not be transferred to new participants.

Tax Position for a Foreign Owner

Lithuania is NOT a blanket 0% foreign-source jurisdiction

A Lithuanian UAB does not become tax-free simply because its shareholder, customers or income are outside Lithuania. The ordinary 2026 corporate tax rate is 17%. The 0% and 7% rates are specific statutory small/new-company regimes with eligibility conditions.

Shareholders, Management & Capital

Topic	Current legal / practical position
Shareholders	One or more natural and/or legal persons. Foreign shareholders are permitted, subject to registration, AML and document requirements.
Manager	A company manager is required. Management and representation powers are recorded under the articles and Register of Legal Entities rules.
Registered office	A Lithuanian registered office is required.
Capital	Minimum authorised capital EUR 1,000.
UBO	Lithuanian legal entities, including UABs, must obtain, update, keep and submit accurate beneficial-owner information through JANGIS.

Share Capital

The Lithuanian Innovation Agency's current 2026 official guidance states that a UAB must have authorised capital of at least **EUR 1,000**. The company can be formed by one or more natural and/or legal persons.

Capital should reflect the proposed business

EUR 1,000 is the statutory minimum. Banks, suppliers, landlords, licensing authorities and counterparties may expect additional working capital appropriate to the company's activities.

Corporate Income Tax - 2026

VMI confirms that the standard corporate income tax rate increased from 16% to **17%** for the 2026 and subsequent tax periods.

Reduced 7% Rate for Small Entities

From 2026, qualifying entities whose tax-period revenue does not exceed **EUR 300,000** may apply the **7%** reduced corporate income tax rate, provided they do not fall within the exclusions/related-entity conditions in Article 5(3) of the Corporate Income Tax Law. Eligibility must be reviewed annually.

0% for the First Two Tax Periods

VMI's 2026 guidance expressly confirms a **0% rate for the first and second tax periods** for qualifying small entities. The conditions include the EUR 300,000 annual revenue ceiling, the Article 5(3) restrictions, natural-person-only participants and continuity/ownership conditions extending through three consecutive tax periods. A company incorporated in 2025 may potentially use the 0% rate for its second tax period in 2026 if all conditions are satisfied.

Participation Exemption / Dividends

Lithuania has a participation exemption for qualifying corporate dividends. VMI confirms that dividends can be exempt where the recipient has held at least **10% of the voting shares/interests for an uninterrupted period of at least 12 months**, including the distribution moment, subject to statutory anti-abuse and other conditions.

Dividends Paid to Foreign Companies

The general 2026 Lithuanian corporate withholding rate on dividends paid to a foreign entity is **17%**. However, VMI confirms an exemption where the qualifying foreign entity has held at least 10% of voting shares/interests for at least 12 months, subject to exclusions for target territories and anti-abuse rules. Applicable tax treaties may also provide relief.

VAT - 2026

Lithuania's standard VAT rate remains **21%**. From 1 January 2026, the previous 9% reduced rate is replaced by a **12%** reduced rate for specified supplies; a **5%** reduced rate and **0%** treatment for qualifying statutory transactions also apply.

Documents Required from the Client

- Passport / acceptable identification for shareholders, manager(s) and UBOs.
- Recent proof of residential address.
- For corporate shareholders: incorporation, constitutional, management and full ownership-chain documents.
- Proposed company name and Lithuanian registered-office arrangement.
- Proposed ownership percentages, share capital and management structure.
- Detailed business activities and expected countries of operation.
- Expected turnover, customers/suppliers and transaction profile.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Certified translations, apostilles/legalisation and powers of attorney where required.

Formation Process & Documents Received

1. Structure/tax review **2.** KYC/UBO and name preparation **3.** Articles / registered office / capital **4.** Register of Legal Entities incorporation **5.** Tax/VAT/accounting setup **6.** Banking and annual compliance

Typical corporate file: registration/extract from the Register of Legal Entities; articles of association; company code; shareholder/share records; manager/representation details; registered-office information; beneficial-owner records and tax/VAT documentation where applicable.

Beneficial Ownership - JANGIS

The Centre of Registers confirms that Lithuanian legal entities, including UABs, must obtain, update and keep accurate beneficial-owner information and submit it to the JADIS beneficial-owner subsystem **JANGIS**. The obligation applies even where the entity is not carrying on activity. Beneficial ownership generally includes natural persons with more than 25% ownership/voting rights or control by other means.

Accounting & Annual Financial Statements

A UAB must maintain Lithuanian accounting records and prepare annual financial statements. Under the current Companies Law, the annual general meeting must be held within the applicable statutory period after financial year-end, and annual financial statements together with the management report and auditor's opinion where required must be filed with the Register of Legal Entities within the statutory filing period. Amendments effective for financial years ending from July 2026 should be checked when setting the annual compliance calendar.

Corporate Tax Return

For a calendar-year taxpayer, VMI confirms that the annual corporate income tax return **PLN204** for the 2025 tax period is due by **15 June 2026**. Where the tax period differs from the calendar year, the return and tax are generally due by the 15th day of the sixth month of the following tax period.

Audit

Statutory audit depends on the applicable Lithuanian financial-reporting/audit thresholds and the company's circumstances. Audit requirements should be checked each year based on the company's size, activities, group status and any sector-specific rules.

0% / 7% status must be reviewed every tax period

The preferential rates are conditional. Revenue, ownership, related-entity status and other statutory tests must be monitored. A company that ceases to satisfy the requirements should not continue applying the preferential rate without a fresh tax review.

Annual Compliance Checklist

- Maintain Lithuanian registered office and current Register of Legal Entities particulars.
- Maintain current shareholder, manager and beneficial-owner information.
- Keep JANGIS beneficial-owner data accurate and updated.
- Maintain proper Lithuanian accounting books and supporting documents.
- Prepare annual financial statements and management reporting as applicable.
- Complete statutory audit where required.
- File annual corporate income tax return and pay tax due.
- Re-test eligibility for the 0% or 7% corporate tax rate every year.
- File VAT returns and EU VAT reporting where applicable.
- Review 17% dividend tax and participation/treaty exemption before distributions.
- Review payroll/social-security obligations where applicable.
- Review transfer-pricing and related-party transactions.
- Maintain bank AML/KYC and evidence of genuine commercial activity.

Bank Account & Operational Setup

A Lithuanian UAB may apply for corporate banking/payment services in Lithuania, elsewhere in the EEA or internationally, subject to provider policy. Banks may request company-registration records, shareholder/manager/UBO details, source of funds/wealth, contracts, projected turnover, customer/supplier countries and evidence of genuine business activity.

Why Lithuania UAB Can Be Attractive

Topic	Current legal / practical position
EU company	Lithuanian legal entity operating within the EU corporate and VAT framework.
EUR 1,000 capital	Relatively low minimum authorised capital for a share company.
17% standard CIT	Competitive standard corporate income tax rate from 2026.
7% small-company rate	Available to qualifying entities within the EUR 300,000 revenue threshold and statutory conditions.
0% start-up rate	Potential 0% corporate tax for the first two tax periods for qualifying new small companies.
Participation relief	Potential exemption for qualifying corporate dividends and cross-border holding structures.

How BRIS Group Supports You

Structure & tax review - Assess whether a Lithuanian UAB and the 0%, 7% or standard 17% corporate tax regime fit the client's ownership and business plan.

Formation - Coordinate company name, constitutional documents, capital and registration with the Lithuanian Register of Legal Entities.

Foreign founder documents - Coordinate corporate extracts, translations, authentication and powers of attorney where required.

Registered office - Coordinate Lithuanian registered-office services where available.

KYC / UBO - Coordinate shareholder, manager, JANGIS beneficial-owner and source-of-funds/wealth due diligence.

Accounting & tax - Coordinate bookkeeping, annual accounts, corporate income tax and VAT support.

Dividend / holding review - Coordinate professional review of participation exemption, withholding tax and treaty relief.

Banking & annual compliance - Prepare banking/KYC documentation and coordinate ongoing corporate administration.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to Lithuania UAB formation and maintenance and is not a fee quotation. BRIS Group professional fees, official registration costs, registered-office services, accounting/tax, translations/certifications, banking support and other optional services are quoted separately according to the structure and required work.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute Lithuanian or foreign legal, tax, accounting, regulatory or investment advice. **Lithuania is not a blanket 0% foreign-source jurisdiction.** The standard 2026 corporate income tax rate is 17%. The 0% and 7% rates are specific statutory incentives available only where all eligibility conditions are satisfied.

Primary official/legal sources reviewed: State Tax Inspectorate (VMI), including 2026 corporate income tax rate guidance, the 2026 Corporate Income Tax Law text, dividend taxation guidance; Ministry of the Economy and Innovation; Centre of Registers, including JANGIS beneficial-owner guidance; and current Lithuanian Companies Law

Information reviewed: August 2026. The 2026 tax changes materially affect the standard, reduced and new-company corporate tax rates. Eligibility for 0%/7%, dividend exemptions, annual-report deadlines, audit requirements and VAT treatment should be reconfirmed for the client's actual facts before incorporation or transactions.

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