

The Centre of Registers: an easier way for EU citizens to start a business in Lithuania

From now on, citizens of the European Union (EU) can easier start a business in Lithuania. The State Enterprise Centre of Registers, being the main national data processor, has offered a possibility for EU citizens to register a private limited liability company or a branch of a foreign company online using the electronic Self Service system. In this way, the incorporation of a company in Lithuania became faster and cheaper for foreigners.

"In order to implement the provisions of the EU Digital Directive and to make it easier for citizens and businesses of other EU countries to set up a business in our country, we have decided to allow online registration. We believe that this will not only minimize the bureaucracy but also attract more foreign start-ups and well-established companies to our country, which will create new jobs for skilled employees," says Vice Minister of Economy and Innovation Eglė Markevičiūtė.

Each year, around 13 000-15 000 new legal entities are registered by the Centre of Registers. About 90% of such companies are registered online by submitting an application via the Centre of Registers' Self Service. Private limited liability companies make up about half of the new legal entities registered each year.

"It is easier, faster and more convenient to register a company and then handle all matters related to its management online. Until recently, the login to the Self Service system was only possible with the Lithuanian electronic means of identification. After the necessary technological improvements to the system, the EU citizens will be able to log in and submit applications with electronic identification means issued in their own country as well as the persons with an e-resident card. We hope that this solution will ease the incorporation of companies for foreigners, whereas the advanced electronic services will be more user-friendly in Lithuania," says Director General of the Centre of Registers Saulius Urbanavičius.

Until now, EU citizens had to apply for the registration of a new company through authorised persons or arrive in person at the Customer Service Unit of the Centre of Registers.

From now on, not only citizens of Lithuania, but also citizens of the EU and the European Economic Community who log in to the Centre of Registers' Self Service system with an e-identification tool issued in their own country, which complies with the requirements of the EU Regulation on electronic identification and trust services for electronic transactions in the internal market (eIDAS), will be able to submit applications electronically. This also includes foreign citizens who log in to the system with their e-resident card.

These individuals may submit applications electronically to establish a private limited liability company in Lithuania or a branch of a company registered in an EU country, also submit or change data on participants to the Information System of Legal Entities Participants (JADIS).

Foreign citizens will be able to use the Self Service system in English for filling in data, and then all the documents of incorporation (statutes, regulations, applications) generated automatically by the system will be drawn up in two languages - English and Lithuanian. In addition, all documents generated by the system (e.g. consent to the granting registered office, statutes or regulations) can be downloaded and, if necessary, submitted to foreign nationals for signature, and then uploaded back into the system.

When establishing a private limited liability company, an accumulation account may be opened not only in Lithuania but also in the bank operating in another EU country. It will only be required to provide evidence of the opening of the account and the funds it contains for the initial payment of the shares.

The solution enabling EU citizens to log in with their e-identification tools to the Centre of Registers' Self Service and to register a company in Lithuania was created by implementing the provisions of the EU Directive on digital tools and processes in company law (Digital Directive).

About 250 000 legal entities are currently registered in the Register of Legal Entities managed by the Centre of Registers, and about half of them are private limited liability companies. Online registration of legal entities in Lithuania has been available since 2010. Currently, one can set up private limited liability companies, small partnerships, public enterprises, associations, charitable and sponsorship funds, and individual enterprises electronically. According to the fees of the Centre of Registers approved by the Government of the Republic of Lithuania, registering a private limited liability company online costs just €14.02.