

State Enterprise Centre of Registers and legal entities: how to establish your own enterprise, company, or charity foundation?

Living in Lithuania, you almost inevitably encounter the Centre of Registers – a state-owned company that administers the Real Property Register, the Address Register, the Population Register and more. One of its most important functions is the management of the Register of Legal Entities.

On the website of the Centre of Registers <https://www.registrucentras.lt/> you can register various types of legal entities. In this article, we note the most popular ones, as well as their advantages. The first three types of legal entities are especially relevant for those planning to start their own business.

	Individual Enterprise (IE)	Private Limited Liability Company (PLLC)	Small Partnership (SP)	Association	Public Institution	Charity and Relief Foundation
Accessing the self-service system of the Centre of Registers	Citizens of the Republic of Lithuania and foreigners possessing identity documentation may access the Centre of Registers on https://www.registrucentras.lt/savitarna/ via online banking, electronic signature or mobile signature.					
The list of required documents	Link	Link	Link	Link	Link	Link
Registration fee	Submitting the documents at the department – Eur 21,12; Submitting the documents online – Eur 13,08	Submitting the documents at the department – Eur 30,83; Submitting the documents online – Eur 14,02	Eur 17,13	Submitting the documents at the department – Eur 25,65; Submitting the documents online – Eur 11,99	Eur 11,65	Submitting the documents at the department – Eur 25,65; Submitting the documents online – Eur 11,99

* Please kindly note, when applying to the Centre of Registers for the registration of a Foundation, the application must be notarised.

More information is available [on the website of the Centre of Registers](#) or by phone (8 5) 268 8262 (working hours: I–IV 8:00–17:00, V 8:00–16:00).

Individual Enterprise

What is it? Individual Enterprise is a type of legal entity most recommended for those planning to start a business owned by one person. It is great for one-man businesses as it does not require any minimum share capital (as compared to a Private Limited Liability Company, PLLC), but it is not suitable for larger businesses as the owner is personally responsible for the enterprise's financial obligations. Only one person can be the owner and the founder of the enterprise, and he can own only one Individual Enterprise at a time.

Advantages: minimum share capital is not required (in comparison, Private Limited Liability Company requires not less than Eur 2,500); the owner can use funds and other property of the enterprise without any restriction (it is different in case of PLLC); if the Individual Enterprise has a sole person only, he may work without the contract and pay lower taxes; if the enterprise has less than 10 people (and the profit is less than Eur 300,000), it is subject to 5% Income-tax (as compared to 15% for larger Individual Enterprises). In addition, an Individual Enterprise can be re-registered as PLLC, if required.

Disadvantages: the founder of an Individual Enterprise is financially responsible for the losses and debts of the business; Individual Enterprise cannot be established with co-owners/partners; Individual Enterprise cannot issue shares and raise funds this way.

Private Limited Liability Company

What is it? Private Limited Liability Company is a private legal entity with limited liability suitable for those planning to start their own business. PLLC can be established by one or more founders (legal or natural – for example, PLLC can be established by a person as well as by an Individual Enterprise). Shareholders are not liable for the financial obligations of PLLC with their assets. A minimum share capital of at least Eur 2,500 is required to establish a company.

Individual Enterprise is managed exclusively by its owner. In the case of a Private Limited Liability Company, the decisions are made by shareholders by voting, and they can further resell or donate their shares.

Advantages: the shareholders are liable for PLLC's debts only with the money they have invested in it, their personal property is safe (unlike in case of Individual Enterprise); PLLC may receive additional funds by issuing new shares; PLLC's shareholders may transfer shares to others at any time and thus withdraw from the business; if there are less than 10 people in the company (and the profit is less than Eur 300,000), it is subject to 5% Income-tax (as for larger PLLC, it is 15%).

Disadvantages: a minimum share capital not less than Eur 2,500 is a must; shareholders can receive the profit made by PLLC only through dividends.

Small Partnership

What is it? A Small Partnership is a private legal entity with limited liability. It may be established by up to 10 natural persons who are not financially liable for its outstanding obligations. A Small Partnership may engage in any activity not prohibited by the Law.

Unlike PLLC, Small Partnership does not require a minimum share capital, and, unlike IE, Small Partnership can be established by several people. The members of Small Partnership pay contributions, the amount of which is determined by the members themselves. The profit is distributed in proportion to the amount of the member's contribution.

Advantages: in case of debt, members of a Small Partnership risk only the contributions they made for the Partnership, their private assets are safe (unlike in the case of Individual Enterprise); no minimum share capital is required; members may withdraw from the Small Partnership at any time; the number of Small Partnership members may vary – Small Partnership may be established by one person and later be joined by others.

Disadvantages: only natural persons and non-juridical entities may be the founders and members of a Small Partnership, and their number cannot exceed more than 10 (as compared to Private Limited Liability Company, which may be established by legal entities as well, and the number of shareholders can be as high as 249); the procedures for the distribution of contributions and profits are regulated by the Small Partnership members themselves; accounting is not less complicated than that of a PLLC.

Association

What is it? Association is a public legal entity, the purpose of which is to coordinate the activities of its members and to represent their mutual interests. In other words, an Association is created to mobilize a certain type of people and help them to express their claims or complaints to the state, to communicate with similar associations abroad, and so on. Associations can bring together a wide variety of people: professionals, art enthusiasts, hobbyists, and more. The Association is very similar to the Public Institution (see below).

Association may engage in economic and commercial activities, which are inextricably linked to the objectives of the Association. Therefore, when establishing an Association, it is necessary to specify as clearly and in as much detail as possible the scope and type of its activities, as further work depends on it: which type of funding and taxes will be or will not be permitted, which assets allowed for transfer and so on.

The number of members of the Association is not limited. The members pay an entrance and annual membership fees set by the Association itself. The Association must organize a general meeting of members and have a governing body (director, president, board, or similar).

Public Institution

What is it? A Public Institution is a non-profit public legal entity. The purpose of a Public Institution is to meet the public interest through education, training and scientific, cultural, health care, environmental protection, sports development, social or legal assistance and other activities.

On the opposite, an Association brings together a number of people with mutual interests and represents them. In the meantime, a Public Institution may also be established by one legal entity or natural person. Public Institutions often include schools and other educational organizations, social service providers, curators of exhibitions and other artistic activities, and so on.

Just like in the case of an Association, the Law does not prohibit a Public Institution from engaging in legal economic and commercial activities, which are inextricably linked to its main objectives. Therefore, when establishing a Public Institution, it is necessary to specify as clearly and in as much detail as possible the scope and type of its activities, as further work depends on it: which type of funding and taxes will be or will not be permitted, which assets allowed for transfer and so on.

A Public Institution must have a meeting of shareholders (if there are more than one of them) and a sole governing body. The number of members, other types of governing bodies, meeting arrangements, etc. is determined by the Public Institution itself. Profits generated by a Public Institution may be used only for the objectives set by the Public Institution itself and may not be distributed to its shareholders, members or employees as bonuses.

Charity and Relief Foundation

What is it? It's a public legal entity whose objectives are to provide support or charity to natural persons and legal entities in fields of science, culture, education and other areas of public interest.

Charity and Relief Foundation may be established by both natural persons and legal entities. They enter into a founding agreement and, prior to the registration of the foundation, undertake to make the contributions and to provide the services. The Law does not prohibit a Charity and Relief Foundation from engaging in legal economic and commercial activities, which are inextricably linked to its main objectives.

Charity and Relief Foundations are very similar to Public Institutions. The main difference is the nature of their activities – the purpose of the foundation is to provide charity and/or support.