

# Establishing a Foreign-Owned Manufacturing Company (UAB) in Lithuania: A Guide for Investors

A factual guide for foreign investors entering EU solar module production via a UAB structure

**Content Partner: J. v. G. technology GmbH**

*Turnkey solar module production lines — since 1997*

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# Technical Overview: Establishing a Foreign-Owned Manufacturing Company (UAB) in Lithuania



Created as part of the PVKnowHow Knowledge Network



Prepared by J.v.G. Technology GmbH



European specialists in turnkey solar module production lines

# Key Project Data

**20–50 ...**

## Typical Entry Scale

Investment depends on line automation level and factory scale

**1–3 wk**

## Company Setup

UAB incorporation timeline before production setup phase begins

**2 Types**


## Line Options

Semi-automated or fully automated module assembly lines

**EU / LT**

## Target Region

Lithuania / European Union – full single market access

 **Factory Type:** Solar module assembly (EU market entry) · **Line type:** Semi-automated or automated · **Region:** Lithuania / European Union · **Source:** PVKnowHow / J.v.G. Technology GmbH

# EU Market Entry: Why Manufacture in Europe?

## Market Opportunity

- EU solar PV capacity target: 605 GW by 2030
- Record 870 MW installed in Lithuania alone in 2024
- EU-origin modules increasingly preferred in public tenders
- Rising demand driven by energy security policy

## Manufacturing Logic

- Tariff-free access to the entire EU single market
- Avoidance of anti-dumping and import exposure
- Local production supports "Made in EU" certification
- Proximity to demand reduces logistics cost and lead time

# Why Lithuania as a Manufacturing Base

## EU Member Since 2004

- Full access to EU single market and regulatory framework
- Strong transposition record — 0.3% deficit vs. EU average
- Ranks among best EU members for directive compliance

## Competitive Cost Base

- Lower labor and operational costs vs. Western Europe
- Skilled industrial workforce available
- Business registration rate ~1.5× higher than EU average

## Solar Market Momentum

- 3,040 MW installed solar capacity by end of 2025
- National target: 4.1 GW by 2030, 9 GW by 2050
- Established domestic supply chain and installer network

## FEZ Tax Incentives

- Free Economic Zones offer 0% CIT for up to 10 years
- Exempt from real estate tax for duration of FEZ operation
- Minimum qualifying investment: €1 million in fixed assets

# What Is a UAB?

## Legal Definition

- *Uždaroji akcinė bendrovė* — private limited liability company
- Most common corporate form in Lithuania for domestic and foreign investors
- Separate legal entity: assets and liabilities distinct from shareholders
- Equivalent to a GmbH (Germany), Ltd. (UK), or SRL (France/Italy)

## Why It Is Used

- Provides full limited liability protection for investors
- Recognized by EU banks, partners, and procurement authorities
- Enables clean shareholding structure and exit via share transfer
- Capital can be increased by issuing additional shares

# Key Advantages of the UAB Structure

## Limited Liability

- Shareholders liable only up to amount of invested capital
- Personal assets fully protected from company obligations
- Reduces financial risk for foreign parent or individual investors

## Foreign Ownership

- 100% foreign ownership permitted — no local partner required
- No residency requirements for shareholders
- Founders may be individuals or corporate entities

## Market Credibility

- UAB is the standard legal vehicle across Lithuania
- Recognized by EU financial institutions and trade partners
- Required for serious tender participation and financing

# Core Requirements for UAB Incorporation

Requirement	Detail
Minimum Share Capital	€2,500 — must be deposited in a Lithuanian bank account before registration
Director	At least one natural person; no Lithuanian residency required; must be formally employed by the UAB
Shareholders	One or more individuals or legal entities; no residency restrictions; 100% foreign ownership permitted
Registered Address	Physical address in Lithuania required for official correspondence; can be a registered agent address
Articles of Association	Must specify company name (with "UAB"), capital, business scope, headquarters, and governance structure
Registration Authority	Centre of Registers (Registru centras) — Lithuania's Register of Legal Entities

# Step-by-Step Incorporation Process

1

## 1 – Name Reservation

Check name availability with the Centre of Registers; reserve chosen name

Name must end with "UAB" or "Uždaroji akcinė bendrovė"

2

## 2 – Document Preparation

Draft Articles of Association, Founding Agreement, and shareholder minutes

Non-resident founders may grant notarized Power of Attorney to a local agent

3

## 3 – Share Capital Deposit

Transfer minimum €2,500 to a Lithuanian bank accumulation account

Bank issues a certificate confirming the deposit – required for registration

4

## 4 – Submission to Register

File application, Articles, Founding Agreement, bank certificate, and director data

Submission online (via Registrų centras portal) or through notary in Lithuania

5

## 5 – Registration Confirmed

Registration typically completed within 3–5 business days after full submission

Tax registration with State Tax Inspectorate (VMI) must follow within 5 days

# Governance and Ongoing Compliance

## Corporate Governance

- Governed by the General Shareholders' Meeting – no supervisory board required
- Director must be a natural person; formally employed and salaried by the UAB
- Company information (director, shareholder, capital) is publicly available in the state register

## Accounting & Reporting

- Annual financial statements mandatory for all UABs
- Audit required above defined revenue/employee thresholds
- VAT registration mandatory above €45,000 annual turnover; monthly returns apply

## Tax Framework

- Standard corporate income tax (CIT): 15%
- Reduced rate of 0%–7% available for qualifying small/new companies
- FEZ-based manufacturers: 0% CIT for up to 10 years; dividend and real estate tax exemptions

# Practical Investor Considerations

1

## Legal Setup

Remote incorporation possible via Power of Attorney; no physical presence required during registration

2


## Banking

Opening a Lithuanian business bank account is a prerequisite; timeline varies by institution — plan accordingly

3

## Production Ramp-Up

Company setup: 1–3 weeks; production line installation and commissioning is a separate subsequent phase

 An experienced European turnkey provider integrates factory planning, equipment supply, and on-site team training — reducing the learning curve for investors with no prior manufacturing experience.

# FAQ Highlights

## Can a non-resident own 100% of a UAB?

Yes. There are no residency requirements for shareholders. Foreign individuals and corporate entities may hold full ownership.

## Is a local director required?

The director does not need to be a Lithuanian resident. However, the director must be a natural person, formally employed, and salaried by the UAB.

## How long does registration take?

Typically 3–5 business days after all documents are submitted. Remote registration via a local agent or notary is possible.

## What is the minimum capital for a manufacturing UAB?

€2,500 minimum share capital for a UAB. For FEZ tax incentives, a minimum €1 million investment in fixed assets is required.

# Strategic Next Steps

01

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## Define Production Scale

Confirm target capacity (20–50 MW entry level) and automation level (semi or fully automated line)

02

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## Select Legal Structure & Location

Assess standard UAB vs. FEZ-based UAB; engage a Lithuanian legal or formation agent

03

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## Initiate Incorporation

Prepare founding documents, deposit share capital, and submit to Centre of Registers

04

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## Engage Turnkey Line Provider

Commission a proven turnkey manufacturing concept; align factory layout, equipment, and commissioning timeline

05

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## Begin Production Setup

Install and commission line; on-site operator training included in proven turnkey concepts — no prior experience required

# About the Content Partner

## **J. v. G. technology GmbH** – The DESERT Company

Founded in 1997 in Bavaria, Germany. Family-owned engineering company specializing in turnkey solar module production lines.

More than 90 factory projects delivered worldwide.

On-site team training included – no prior manufacturing experience required.

### **Key areas:**

Turnkey PV manufacturing lines | DESERT Technology® |  
TÜV-certified module designs | Factory planning to production

[www.jvg-thoma.com](http://www.jvg-thoma.com)

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