



Standard VAT rate

The standard VAT rate in Lithuania in 2023 is 21%.

Reduced rate

A reduced 5% VAT rate is applicable for electronic newspapers, magazines, and other periodical publications.

Thresholds

EU-based companies can use the rules for low annual turnovers. Then the threshold is €10,000.

Non-EU companies cannot benefit from the intra-EU threshold. They are obliged to register from the first sale, so the threshold for them is zero. Such businesses may register for non-Union OSS instead of registration in Lithuania.

Taxable persons in the Republic of Lithuania are allowed not to register as VAT payers if their turnover from the sales of goods and/or services during the last 12 calendar months does not exceed €45,000.

Pieces of evidence

The list of criteria for determining the buyer's location is the same for the entire European Union:

- Customer's permanent address;
- Billing address (bank or electronic payment operator);
- Internet Protocol (IP) address;
- Telephone number;
- The location of the customer's fixed landline through which the service is supplied to him;
- Other commercially relevant information.

And if two of them are in Lithuania, then the customer can be identified as a Lithuanian.

E-services list

The legislation establishes that any product that is stored, delivered, and used in electronic format is considered a digital product. A customer can receive these goods or services by e-mail by downloading them from the Internet or logging into a website. In particular, the law names the following as digital services:

- Electronic books, images, movies, and videos, whether buying a copy from Shopify or using a service (for example Amazon Prime). In tax materials, these products are referred to as “Audio, visual or audiovisual products”;
- Downloadable and streaming music, whether buying an MP3 or using music services;
- Cloud-based software and as-a-Service products (SaaS, PaaS, IaaS);
- Websites, site hosting services, and Internet service providers;
- Online ads and affiliate marketing.

Registration procedure

To register, you need to fill out a registration application. To do this, you will need to fill out the following information about the company in the special application form:

- Full information about the company;
- Company’s name, a trading name of the company (If applicable), full postal address, email address and website of the taxable person, name and phone number of the contact person;
- National tax number (If applicable);
- Country in which the taxable person has his place of business;
- International bank account number or IBAN number and BIC;
- An electronic declaration that the taxable person is not registered for VAT within the Union;
- Date of commencement of using the scheme.

If the documents are in a language other than the official Lithuanian, they must be supported by a translation, signed and sealed by the translator.

Tax representative

To register and file VAT returns in Lithuania, you do not need a tax representative, which makes this country attractive for the development of digital services.

Keeping records

It is necessary to keep the documents for 10 years – the tax authorities have the right to request them.

Filing VAT returns and payment date

The standard reporting period in Lithuania is a month. Taxpayers must submit a return and pay the tax within 25 days after the end of the reporting period.

The May declaration must be submitted no later than June 25.

The deadlines for VAT payment are the same as the deadlines for filing VAT returns.



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