



THE COMPARISON OF THE LEGAL ENVIRONMENT OF BUSINESS IN LATVIA AND LITHUANIA

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Annotation

Republic of Latvia and Republic of Lithuania are important trade partners within European Union. The authors have tried to do some comparison of the legal environment of the business in the Republic of Latvia and the Republic of Lithuania. Issues of the registration of the companies, comparison of the taxation, insolvency issues as well court proceedings are covered in this article. As there are not some specific academic researches on this issue, the authors overlook normative acts of the two countries. If we compare company laws of two countries, it looks that there are not big differences concerning company registration. Both Latvia and Lithuania implements newest EU directives in the national legislation. From the research we could come to the finding that taxation of labour force is more favourable in Lithuania; it means that companies in Lithuania performs business activities in better conditions. Standart corporate income tax is 15% in Latvia, but starting from January 1st 2018, Latvia will introduce 0% rate for reinvested profit; in case profit will be distributed as dividends, the personal income tax will be 20%. Lithuania has one of the smallest corporate income tax in EU for small companies – only 5%, if turnover is not more than 300 000 Euros and it has less than 10 employees. This good practise could be overtaken by Latvia. Legal protection proceedings were introduced in the latest law of the Republic of Latvia on insolvency. Probably the Republic of Lithuania has to introduce legal protection proceedings in the national law on insolvency. One or several methods shall be applied in legal protection proceedings:

- 1) the postponement of the honouring of payment obligations;
- 2) the alienation of movable property or immovable property or encumbrance with rights in rem in order to achieve the extension of the time period for meeting the creditors' claims, or satisfying of the creditors' claims;
- 3) the increase of the basic capital of a debtor – capital company (including the investing of the right of the creditor to claim against the debtor in the equity capital);
- 4) reorganisation of a debtor – commercial company;
- 5) other methods which comply with the objective of legal protection proceedings.

National court systems are very similar in both countries. National court practise show that most cases cannot be resolved in a single court hearing. Court hearings of a case in a court of first instance may take several months, starting from the date of the registration of the application by the court. Waiting for a final judgment on the average may last up to a few years. Therefor in order to reduce the lengthy proceedings of a legal dispute in the state courts, parties to a commercial agreement may agree to resolve disputes arising from such agreement in a so-called court of arbitration.

KEY WORDS: registration of the companies, labour taxation, insolvency of the companies.

Introduction

Republic of Latvia and Republic of Lithuania are two neighboring Memberstates of the European Union (EU). Latvia's main export products are: wood and wood products, machinery and equipment, iron and steel, textiles and foodstuffs. Latvia's main export partners are Lithuania, Russia, Estonia, Germany and Sweden. Latvia imports machinery and equipment, chemicals, fuels and vehicles. Main import partners are Lithuania, Germany, Russia, Poland and Estonia. So, it means that Lithuania is the main trade partner for Latvia both for export and import within EU.

According to provisional data of the Central Statistical Bureau of Latvia, in July of 2017, the main export partners in trade with EU countries were Lithuania (17.7 % of total export), Estonia (11.6 %), Germany (8.7 %) and Sweden (5.6 %), whereas the main import partners were Lithuania (18.4 % of total imports), Germany (11.9 %), Poland (11.4 %) and Estonia (8.0 %). Russia was the main partner in trade with third countries; its share in total Latvian exports in September of 2017

accounted for 7.8 %, whereas in imports – for 6.6 %. (Balance of trade of Latvia 2017)

The goal of this article is to compare in general the legal environment of the business in the Republic of Latvia and the Republic of Lithuania, concerning establishment of the companies, taxation aspects of direct tax, insolvency issues of the companies etc. The analyses of the legislative acts as prime sources are done in order to understand business environment in both countries. Unfortunately there is not a serious academic research on this topic; of course we could find some comparison by professionals in some Internet webpages, for example: www.baltic-legal.com. Taking into account import and export amounts between Latvia and Lithuania, no doubts that this article is a very relevant from practical and academical point of view. Of course, it is not so easy to compare legal regulation in two countries, as laws are still different and don't corresponds 1:1 in both countries. Before we start to investigate business conditions, we will start with general comparison

Table 1. General statistics about two countries

No	Type of comparison	Latvia	Lithuania
1.	Number of population (2017)	1 953 163	2 849 715
2.	Main aging groups (2015)	0-14 -15% 15-64 – 65,6% Older than 65 – 19,4%	0-14 -14,6% 15-64-66,6% Older than 65 – 18,7%
3.	Unemployed persons (2017)	9,6	7,9
4.	Total area of country	64,559 km ²	65 300 km ²
5.	Density of population (persons per km ²)	30,3	43,6

Source: (Eurostat 2015, 2017)

If we look to the general statistics about two countries, commercial companies operate in a very similar conditions: aging structure of the people are almost the same; unemployment rate is a little bit less in Lithuania, but Lithuania has a little bit more density of population.

Registration process of the companies

The Commercial law of the Republic of Latvia regulates establishment of the companies and commercial activities within Latvia (Commercial law 2000).

The firm name of a limited liability company shall contain a reference “sabiedrība ar ierobežotu atbildību” [limited liability company] or its abbreviation “SIA”. The firm name of a stock company shall contain a reference “akciju sabiedrība” [stock company] or its abbreviation “AS”. The references to the type of merchant shall be placed at the beginning or end of the firm name. (Article 27 of the Commercial law 2000).

The Memorandum of Association and the Articles of Association are the main documents of incorporation of a company in Latvia.

In the Memorandum of Association shall be indicated:

1) information regarding the founders:

a) for natural persons – given name, surname, personal identity number (if the person does not have a personal identity number – the date of birth, the number and date of issue of a personal identification document, the state and authority, which issued the document) and residential address,

b) for legal persons – name, registration number, legal address, the given name, surname, personal identity number (if the person does not have a personal identity number – the date of birth, the number and date of issue of a personal identification document, the state and authority, which issued the document), office and residential address of the representative who signs the memorandum of association in the name of the legal persons;

2) the firm name of the company;

3) the amount of the equity capital of the company, the number of shares and nominal value;

4) the amount of the equity capital each founder has subscribed to and the amount of equity capital to be paid-up before registration, the procedures and time periods for payment;

5) the number of shares due to each founder according to the part of the equity capital such founder has subscribed to;

6) the number of and the nominal value total of those shares which, when founding the company, are to be paid-up with material contributions, indicating each item of the material contribution, and the given name, surname, personal identity number (if the person does not have a personal identity number – the date of birth, the number and date of issue of a personal identification document, the state and authority, which issued the document) and residential address of those persons who have assumed obligations to make property contributions;

7) the allowed amount of founding costs and the procedures for covering these costs;

8) any special duties, rights or advantages which are granted during the period of the founding of the company to a person who has taken part in the founding of the company;

9) the given names, surnames, personal identity numbers (if the person does not have a personal identity number – the date of birth, the number and date of issue of a personal identification document, the state and authority, which issued the document) and residential addresses of the members of the board of directors of the company;

10) the given names, surnames, personal identity numbers (if the person does not have a personal identity number – the date of birth, the number and date of issue of a personal identification document, the state and authority, which issued the document) and residential addresses of members of the company council (if the company has a council);

11) the given name, surname, personal identity number (if the person does not have a personal identity number – the date of birth, the number and date of issue of a personal identification document, the state and authority, which issued the document) and residential address of the auditor, if an auditor is intended in the company;

12) other provisions which the founders consider to be significant and which are not in contradiction to law. (Article 143 of the Commercial law 2000).

In the Articles of Association of the company shall be indicated:

1) the firm name of the company;

2) the time period or goals of the activities of the company (if the company is founded for a specific period of time or to reach a specific goal);

3) the amount of the equity capital, the number of shares and nominal value;

4) the number of members of the board of directors of the company, especially indicating the rights of members of the board of directors to represent the company separately or jointly;

5) the number of council members of the company (if the company has provided for a council);

6) special provisions for the alienation of shares (if such are provided for);

7) other provisions which the founders consider to be significant and which are not in contradiction to law.

In addition to mentioned information, the Articles of association of stock companies shall additionally indicate:

1) if the company has different categories of stock – the categories of stock (indicating the rights which arise

from each category of stock) and the number and the nominal value of each category of stock;

2) whether the stock is registered stock or bearer stock and if the Articles of Association provide that registered stock can be converted into bearer stock or vice versa – the provisions for such conversions;

3) whether the stock is in printed form or dematerialised and, if the Articles of Association provide for the conversion of printed form stock into dematerialised stock and vice versa – the provisions for such conversions (Article 144 of the Commercial law).

Law on Companies of the Republic of Lithuania from July 13, 2000 regulates incorporation, management, activities, reorganisation, transformation, split-off and liquidation of the companies having the legal form of public and private limited liability company, the rights and duties of the shareholders, as well as establishment of branches of foreign companies and termination of their activities (Law on companies 2000).

The name of the public limited liability company must include the words “akcinė bendrovė” (public limited liability company) defining its legal form or the acronym “AB”. The name of the private limited liability company must include the words “uždaroji akcinė bendrovė” (private limited liability company) defining its legal form or the acronym “UAB”(Subarticle 5 of the Article 3 of the Law on companies 2000).

The main documents for making commercial company in Lithuania are: Memorandum of Association and Articles of Association.

The Memorandum of Association of the company as a minimum must indicate:

1) the incorporators (full name, personal number and place of residence of the natural person; the name of the legal person, legal form taken, its registration number, registered office, the register in which data relating to the person is accumulated and kept and the full name, personal number and place of residence of the representative of the legal person);

2) the name of the company being incorporated;

3) the persons who have the right to represent the company being incorporated and their rights and duties;

4) the amount of the company's authorised capital;

5) the nominal value of shares, the share issue price;

6) the number of shares according to classes, the rights attached to the shares;

7) the number of shares acquired by each incorporator and the number of shares according to classes;

8) the procedure and time limits for the payment for the shares acquired by each incorporator, including the procedure and time limits for the payment of initial contributions;

9) each shareholder's contribution made otherwise than in cash if payment for shares is made partly otherwise than in cash;

10) the time limits for convening the statutory meeting;

11) the procedure for submitting the documents of the company being incorporated and of information relating to the statutory meeting;

12) compensation of incorporation costs and remuneration for incorporation;

13) the procedure for concluding contracts in the name of the company being incorporated and for approving them;

14) the initial contribution repayment procedure, should the company be refused registration;

15) the date of the conclusion of the Memorandum of Association. (Article 7 of the Law on companies 2000)

The Articles of Association of a company shall constitute a document governing the conduct of the company's business.

2. The Articles of Association of a company must state:

1) the name of the company;

2) the legal form of the company (public limited liability company or private limited liability company);

3) the registered office of the company;

4) the purposes of the company, specifying its object of activity;

5) the amount of the company's authorised capital;

6) the number of shares and their number according to class, their nominal value and the rights they carry;

7) the powers of the General Meeting of Shareholders, the procedure for convening the Meeting;

8) other organs of the company, their powers, the procedure for electing or removing from office their members;

9) the procedure for publishing the notices of the company;

10) the daily of the Republic of Lithuania in which public notices shall be published;

11) the procedure for presenting the company's documents and other information to the shareholders;

12) the decision-making procedure as regards the establishment of branches and representative offices of the company, and appointment and removal from office of the heads of the company's branches and representative offices;

13) the procedure for amending the Articles of Association of the company;

14) the company's duration period if the company is established as a company of limited duration;

15) the date of signing of the Articles of Association. (Article 4 of the Law on companies 2000)

If we compare company laws of two countries, it looks that there are not big differences concerning company registration. Both Latvia and Lithuania implements newest EU directives in the national legislation.

Taxation issues of the companies

Indirect taxation is a very harmonized within EU. But EU Member States still have a lot of sovereignty concerning direct taxation. Therefore we will make a brief comparison on corporate income tax, personal income tax and social contributions in both countries.

Lithuania has one of the smallest Corporate income tax in EU for small companies – only 5%, if turnover is not more than 300 000 Euros and it has less than 10 employees; in other cases Corporate income tax is 15% (Law on Corporate income tax 2001).

Standart corporate income tax is 15% in Latvia, but starting from January 1st 2018, Latvia will introduce 0% rate for reinvested profit; in case profit will be distributed as dividends, the personal income tax will be 20% (Enterprise income tax 1995). Discussions is still going on this issue in Latvia. According to opinions of the authors of the Article, Lithuanian approach, when small companies have lower tax rate, is better than Estonian approach. But only time will show which way is better. Latvia has also so called Micro-enterprise tax regime (Micro-enterprise Tax law 2010). According to this law by micro-enterprise we understand an individual merchant, an individual undertaking, a farm or fishing enterprise, as well as a natural person registered as a performer of economic activity at the State Revenue Service, or a limited liability company, if they conform to all of the following criteria:

- a) the participants (if any) are natural persons,
- b) the turnover does not exceed 100 000 euros in a calendar year,
- c) the number of employees does not exceed five at any time. An employee who is absent during employment relationship (including on study leave without retaining work remuneration, on maternity leave, parental leave, leave for the father of the child, adopters or another person who actually takes care of the child, as well as on leave without retaining work remuneration, or receiving sickness benefit) and who does not receive income from the micro-enterprise for the period of time, as well as employees suspended from work shall not be included in the number of employees,
- d) members of the board of directors of a limited liability company may only be employees of the micro-enterprise,
- e) the natural or legal person mentioned before is not a member of a partnership.

Micro-enterprise tax includes:

- a) State social insurance mandatory contributions, personal income tax and State fee of the business risk for micro-enterprise employees,
- b) enterprise income tax, if the micro-enterprise conforms to the features of the enterprise income taxpayer,
- c) personal income tax of the micro-enterprise owner for the part of the micro-enterprise revenue from the economic activity. A micro-enterprise tax rate is 15 per cent. Problem is that case of Micro-enterprise tax persons are not socially protected, therefore Latvian government starts to think how to end this practise.

Personal income tax (On personal income tax 1994) in Latvia is a tax, which is imposed on income acquired by a natural person, and it of:

- 1) salary tax calculated from the income acquired by the employee and paid by the employer;
- 2) fixed income tax regarding income from economic activity;
- 3) tax for income from economic activity where it is not the object of the enterprise income tax, and tax from other sources of income;
- 4) tax for income from capital, including tax from an increase in capital;
- 5) licence fees for the performance of separate types of economic activities;

6) the parts of the micro-enterprise tax in accordance with the Micro-enterprise Tax Law;

7) seasonal agricultural worker income tax.

Lithuanian Personal income tax (Law of the Republic of Lithuania on income tax of individuals 2002) provides that tax shall be paid by any individual who has derived and/or earned income. By income law presumes positive income, attributed income of the European economic interest grouping, contributions (or a part thereof) returned after terminating life insurance contracts or leaving a pension fund, as well as remuneration received for the work done, services provided, rights transferred or granted, property or means sold or otherwise transferred and invested and/or any other benefit in cash and/or in kind, with the exception of:

1) shares issued to shareholders free of charge, in proportion to the number of their shares, or the sum whereby the par value of the shares issued earlier has been increased as a result of the increase of the authorised capital, as well as the amount by which the value of member shares or interests has been increased as a result of the increase of the authorised capital for holders of member shares or interests, in proportion to the value of their member shares or interests, as well as funds (a part thereof) and/or assets (a part thereof) received when the authorised capital of an entity is reduced, according to the reduction part of the authorised capital consisting from the contributions made by the members of the entity;

2) real property recovered under the Law of the Republic of Lithuania on the Restoration of the Rights of Ownership of Citizens to the Existing Real Property, as well as savings restored under the Law of the Republic of Lithuania on the Restoration of Savings of the Population;

3) profit or a part thereof of a European economic interest grouping received by an individual (a participant of the European economic interest grouping);

4) the output VAT amount calculated in respect of the goods supplied and services provided by an individual (to an individual);

5) amounts (except for the expenses of an individual compensated by a person connected to the individual concerned through employment relations or corresponding relations) allocated to cover expenses related to accommodation, catering, participation registration or travel, provided those expenses are related to voluntary work that is organised in accordance with the procedure established by the legal acts, the duties of work or individual activities of an individual;

6) benefit received by individuals, if it is impossible to determine individual benefit of a specific person;

7) difference in the value of assets resulting from operations effected between the entities indicated in subparagraph 2 of paragraph 1 of Article 41 of the Law of the Republic of Lithuania on Corporate Income Tax in the course of reorganisations or transfers specified in paragraph 2 of Article 41 of the Law on Corporate Income Tax where the shares (interests, member shares) are acquired by means of an exchange of the shares (interests, member shares) held by members of an entity for the shares (interests, member shares) of another entity, with the exception of cash payments for the difference in the price of the shares; 8) difference in the

value of assets resulting from operations effected between the entities indicated in subparagraph 1 of paragraph 1 of Article 41 of the Law of the Republic of Lithuania on Corporate Income Tax in the course of reorganisations or transfers specified in paragraph 2 of Article 41 of the Law on Corporate Income Tax where the shares (interests, member shares) are acquired by means of an exchange of the shares (interests, member shares) held by members of an entity for the shares (interests, member shares) of another entity, with the exception of cash payments for the difference in the price of the shares.

Table 2. Taxation of Labour force in Latvia and Lithuania

No	Type of comparison	Latvia	Lithuania
1.	Minimum salary (2017)	380 Euro	370 Euro
2.	Tax rate	23%	15%
3.	Social contributions	34,09%	30,98%
4.	Tax – exempt income	75-100 Euro	200 Euro

From the table we could see that taxation of labour force is more favourable in Lithuania; it means that companies in Lithuania perform business activities in better conditions. Also, using salary calculation calculators in both countries (http://m.vid.lv/lv/kalkulatori/algu_kalkulators/2 in Latvia; <http://www.auditum.lt/index.php/atlyginimu-skaiciuokle/277-atlyginimo-skaiciuokle-2.html> - in Lithuania)

we could come to the following result: if employee receives bruto salary 1000 Euros, after tax employee in Latvia will receive 706 Euros, employee in Lithuania will receive 760 Euros. Also, if we will take for comparison minimum wage of Lithuania – 370 Euro, then after tax Latvian employee will receive 278 Euros, but Lithuanian employee 310 Euro.

Insolvency regulation

Insolvency processes in the Republic of Latvia are regulated by Insolvency law. The purpose of this law is to promote the honouring of the obligations of a debtor in financial difficulties and, where possible, the renewal of solvency, applying the principles and lawful solutions specified in the law. Insolvency law in Latvia shall apply to a legal person (except the entirety of property of an estate) or to a natural person. In respect of the State, local government or other legal person governed by public law the insolvency proceedings and legal protection proceedings shall not be applied (Insolvency law 2010). The following principles of legal protection proceedings, the insolvency proceedings of a legal person and insolvency proceedings of a natural person in Latvia shall be applied:

1) principle of the preservation of rights – the rights of creditors acquired prior to proceedings shall be observed during the proceedings. The restriction of rights of creditors specified within the scope of the proceedings may not be greater than is necessary for achieving the objective of the respective proceedings;

2) principle of creditor equality – creditors shall be given equal opportunities to participate in proceedings and receive satisfaction of their claims in accordance with the

obligations which they have established with the debtor prior to the commencement of proceedings;

3) the principle of not allowing arbitrariness – a creditor and debtor may not perform individual activities which cause harm to the interests of the creditors in general;

4) principle of honouring of obligations – measures which allow the obligations undertaken by a debtor to be honoured in a greater amount shall be applicable within the scope of proceedings;

5) principle of effectiveness of proceedings – such measures which allow the objective of the proceedings to be achieved in a most complete manner with the least resources shall be applicable within the scope of proceedings;

6) principle of quick turnover – the task of the proceedings is to maintain a commercially lawful quick turnover. The sale of the property of a debtor shall be performed in order to ensure the return thereof to commercially lawful circulation as quickly as possible;

7) principle of transparency – in order to ensure credibility, information regarding proceedings must be accessible to all persons involved in the proceedings, thereby promoting the observation of the interests of these persons and the achievement of the objectives of the proceedings. An exception is information the unrestricted disclosure of which might harm the lawful interests of a debtor or a creditor;

8) principle of good faith – persons involved in proceedings shall use their rights and fulfil their duties in good faith. A debtor and creditor may not use the proceedings in order to make a living unfairly (Insolvency law 2010).

Republic of Lithuania Enterprise bankruptcy law regulates insolvency processes in Lithuania. This law applies to all legal persons registered in the manner prescribed by the legal acts of the Republic of Lithuania, except for budgetary institutions, political parties, trade unions and religious communities and associations. The specific features of bankruptcy process may be established in special laws regulating the activities of legal persons. Definition “Bankruptcy” means the state of an insolvent enterprise where bankruptcy proceedings have been initiated against the enterprise in court or the creditors are performing extrajudicial bankruptcy procedures in the enterprise.

“Bankruptcy process” means the totality of judicial or extrajudicial enterprise bankruptcy procedures (Republic of Lithuania Enterprise bankruptcy law 2001).

Legal protection proceedings were introduced in the latest law of the Republic of Latvia on insolvency. It shall be applicable to legal persons, partnerships, individual merchants, persons registered in a foreign country who perform permanent economic activity in Latvia, and to the producers of agricultural products. The court decision on initiation of a matter of legal protection proceedings has the following effects:

1) a stay of the enforcement of judgments in matters regarding that adjudged, and the recovery of the amount not yet recovered and in matters regarding the honouring of obligations through the court in accordance with the procedures laid down in the Civil Procedure Law;

- 2) a prohibition for the secured creditor to request the sale of the pledged property of the debtor, with some exceptions;
- 3) a prohibition for the creditor to submit an application for the insolvency proceedings of a legal person;
- 4) a prohibition to perform the liquidation of a debtor;
- 5) the suspension of the penalty increment;
- 6) the suspension of such an interest increment which exceeds the statutory interest, except the cases where the main refinancing operations rate specified by the European Central Bank is above the statutory interest rate; then the main refinancing operations rate specified by the European Central Bank shall apply;
- 7) the suspension of the late payment charge increment;
- 8) the suspension of the calculation of the late charges of tax claims.

One or several methods shall be applied in legal protection proceedings:

- 1) the postponement of the honouring of payment obligations;

Court system

In Latvia, court cases shall be heard by district (city) courts, regional courts and the Supreme Court, but in the event of war or a state of emergency, also by military courts. Constitutional Court shall review cases concerning the conformity of laws with the Constitution, as well as other cases conferred within the jurisdiction thereof by law. The Constitutional Court is entitled to declare laws or other enactments or parts thereof invalid (The Constitution of the Republic of Latvia 1922).

According to the Article 111 of the Constitution of the Republic of Lithuania, the courts of the Republic of Lithuania shall be the Supreme Court of Lithuania, the Court of Appeal of Lithuania, regional courts, and local courts. For the consideration of administrative, labour, family, and cases of other categories, specialised courts may be established according to the law. The Constitutional Court shall decide whether the laws and other acts of the Seimas are in conflict with the Constitution, and whether the acts of the President of the Republic and the Government are in conflict with the Constitution or laws (The Constitution of the Republic of Lithuania 1992).

National court practise show that most cases cannot be resolved in a single court hearing. Court hearings of a case in a court of first instance may take several months, starting from the date of the registration of the application by the court. Waiting for a final judgment on the average may last up to a few years.

Therefor in order to reduce the lengthy proceedings of a legal dispute in the state courts, parties to a commercial agreement may agree to resolve disputes arising from such agreement in a so-called court of arbitration, established pursuant Arbitration law of Latvia (Arbitration law 2014) or to the Law on Commercial Arbitration of Lithuania (Law on Commercial Arbitration 2012).

Court of arbitration may be established in accordance with the procedures laid down or resolving a specific civil legal dispute (so called – ad hoc arbitration), or for

- 2) the alienation of movable property or immovable property or encumbrance with rights in rem in order to achieve the extension of the time period for meeting the creditors' claims, or satisfying of the creditors' claims;
- 3) the increase of the basic capital of a debtor – capital company (including the investing of the right of the creditor to claim against the debtor in the equity capital);
- 4) reorganisation of a debtor – commercial company;
- 5) other methods which comply with the objective of legal protection proceedings.

A plan of measures of legal protection proceedings is in effect from the day when it has been approved by court. The time period for implementation of legal protection proceedings shall be determined as not exceeding two years from the day of entering into effect of the court adjudication regarding the implementation of the legal protection proceedings. (Insolvency law 2010). Probably the Republic of Lithuania has to introduce legal protection proceedings in the national law on insolvency.

permanent operation (so called – permanent court of arbitration).

Conclusions

According to general statistics aging of population, number of active companies are more less the same in both countries. It means business entities operates in a very similar conditions in Latvia and Lithuania. Thanks to the Directives of the European Union establishment process of the commercial companies is very similar. Labour Taxation level is more favourable in the Republic of Lithuania from the point of view of business and employees. Therefor Latvian legislator must to make changes in Latvian Personal Income Tax law to improve competitiveness of the Latvian companies. Lithuanian 5% rate of the Corporate income tax is a very attractive for small companies; Latvian legislator must think about similar approach in Latvia. There are not big differences in the insolvency processes in both countries; but some nuances are different. State court proceedings are comparative long in both countries. Therefor it is better to choose commercial arbitration for dispute resolution between companies from Latvia and Lithuania.

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Latest Scientific publications:

- 1) J.Grasis (2017) Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes. 4th International Multidisciplinary Scientific conference on Social Sciences & Arts SGEM 2017. Conference proceedings, p. 511-518.
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