

CEE GUIDE



A PRACTICAL GUIDE FOR INVESTORS AND ENTREPRENEURS

in cross-border transactions across
Central and Eastern Europe

1. Market Entry & Corporate Setup



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Introduction

Mergers and acquisitions are not a stand-alone strategy, they are a key instrument for executing a company's broader agenda and creating long-term value. Delivering a successful transaction requires more than accurate documentation – it requires comprehensive transaction services supported by business insight, sector expertise and a strong understanding of local markets. This is where Ecovis adds value: international experience rooted in Europe, combined with robust local teams across Central and Eastern Europe.

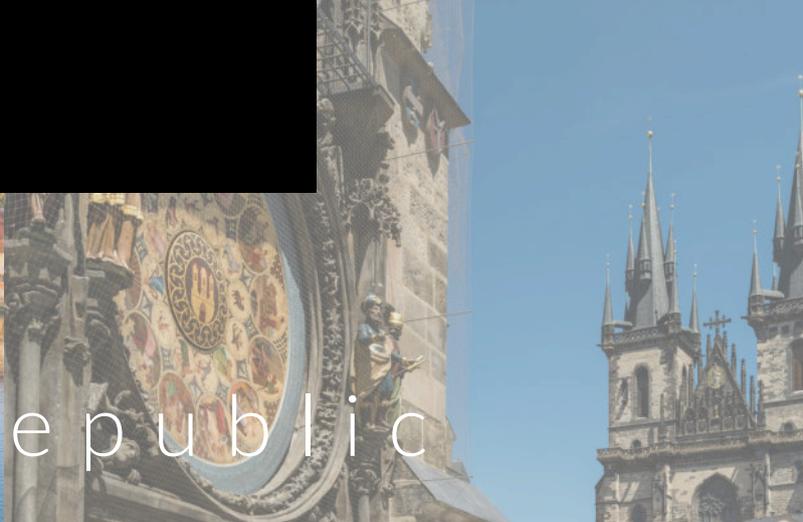
Through the cooperation and commitment of Ecovis members in the CEE region, we have developed a regional platform for entrepreneurs and investors seeking a reliable partner for transactions in these markets. As part of Ecovis International – a leading global consulting firm originating in Continental Europe – we link cross-border capabilities with on-the-ground knowledge in each jurisdiction.

CEE Guide 2026 – “*Every Move Counts*” reflects our core belief that in transactions, market entry and everyday compliance there are no neutral decisions: each step can either reinforce or weaken the process.

The idea “*Every Move Counts*” was inspired by the Rubik's Cube. Just like solving the cube, every transaction requires precision, balance and awareness of how one move influences the whole structure.



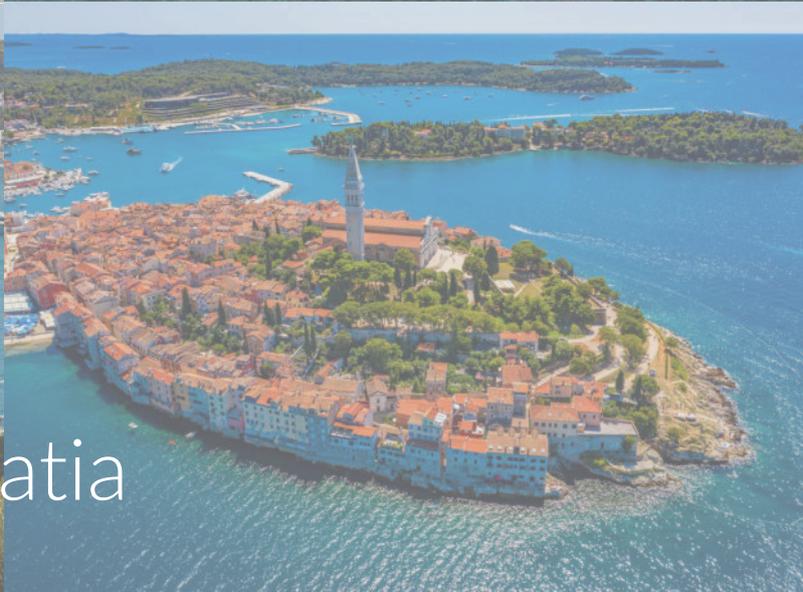
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croatia

Poland

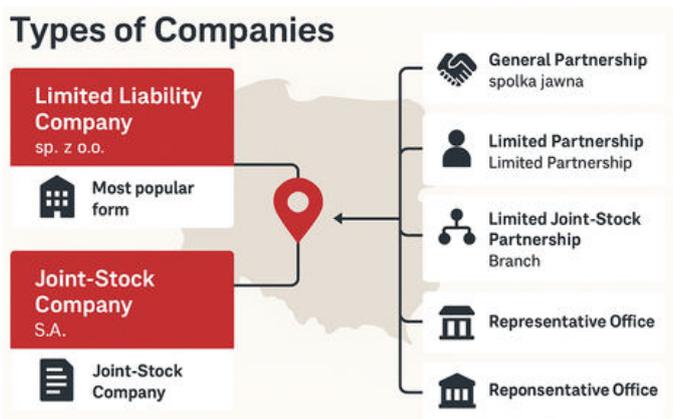
Types of Companies

The most common legal forms of doing business in Poland are the **limited liability company** (spółka z ograniczoną odpowiedzialnością – sp. z o.o.) and the **joint-stock company** (spółka akcyjna – S.A.). These two corporate forms dominate the Polish business landscape, offering different levels of regulatory complexity, capital requirements, and flexibility.

In addition, entrepreneurs may choose from several types of partnerships, such as general partnerships (spółka jawna), limited partnerships (spółka komandytowa), and limited joint-stock partnerships (spółka komandytowo-akcyjna). Each of these structures serves specific business purposes from small, family-run enterprises to joint ventures or investment vehicles with diversified ownership.

Foreign companies can also operate in Poland through branches (oddziały) or representative offices (przedstawicielstwa), which allow them to carry out selected activities without creating a separate Polish legal entity.

For foreign investors, the sp. z o.o. remains by far the most popular form. It combines relatively simple incorporation procedures, a low minimum share capital (PLN 5,000), and wide flexibility in management and ownership structure. The incorporation can be done traditionally through a notary or online via the S24 system, which significantly shortens the registration process. Limited liability also protects shareholders from personal exposure, which makes this structure particularly attractive for cross-border investors and holding arrangements.



Key takeaway:

Limited liability companies (sp. z o.o.) are the preferred vehicle for most foreign investors due to ease of setup, low capital requirements, flexible governance, and reduced risk exposure.

Company Formation Process

The process of establishing a company in Poland is a multi-stage procedure.

When choosing the legal form, the decision should be informed by both business objectives and legal requirements.

Preparing the founding documents is a key step in the process, and these documents include the articles of association or statutes, which often require notarisation. In order to register with the National Court Register (KRS), an application must be submitted, accompanied by the relevant documentation. The registration of a limited liability company is typically completed within 1–2 weeks, while for a joint-stock company, the process may take up to 3–4 weeks. Share capital must be contributed at a minimum of PLN 5,000 for a limited liability company and PLN 100,000

for a joint-stock company, prior to the conclusion of the registration process.

In order to commence business activities, it is necessary to obtain NIP and REGON numbers.

Please note that VAT registration is mandatory for businesses exceeding a certain turnover threshold. The majority of formalities can now be completed electronically, greatly accelerating the process as a whole.

A limited liability company can be established either online via the S24 system or in a notarial form. No, not every type of company can be established through the S24 system. In practice, S24 only allows for the establishment of selected forms of companies - for others, it is necessary to use the traditional procedure.

Share Capital & Ownership Structure

Foreign investors may own 100% of shares in Polish companies, whether directly or through intermediary holding structures. Poland maintains one of the most open ownership regimes in the CEE region, allowing full foreign participation across most industries. There are no general restrictions on foreign shareholding, except in certain sectors considered strategic for public interest or national security (such as defence, air transport, or media), where specific limitations or approval requirements may apply.

Capital contributions can be made either in cash or in-kind, including assets, intellectual property, or receivables, provided their value can be properly assessed and transferred to the company. Once established, the transfer of shares is generally free, although the Articles of Association may introduce consent requirements or pre-emption rights to protect minority shareholders.

Nominee shareholding is not expressly prohibited under Polish law, but in practice it is uncommon due to transparency standards and the obligation to disclose ultimate beneficial owners (UBOs) in the Central Register of Beneficial Owners (CRBR). This register is publicly accessible and ensures a high level of ownership transparency, consistent with EU AML regulations.

Key takeaway:

Poland offers a liberal and transparent ownership regime, granting foreign investors full control over their companies while ensuring compliance with international transparency standards.

Business Licenses & Sector Restrictions

Most commercial activities in Poland can be carried out freely once a company is registered, reflecting the country's generally open investment environment and relatively limited restrictions for foreign investors. That said, a number of regulated sectors require prior authorisation in the form of sector-specific licences or permits—most notably banking and financial services, insurance, energy, transport, telecommunications, and pharmaceuticals. Activities connected with weapons, lotteries, or private security are also subject to additional approvals.

In practice, licensing requirements are administered by specialised regulators. In the energy sector, power generation, transmission, and distribution typically require regulatory approval from the Energy Regulatory Office. In pharmaceuticals, the manufacturing, import, and distribution of medicinal products are subject to strict licensing supervised by the Office for Registration of Medicinal Products, Medical Devices, and Biocidal Products. In finance, banking, insurance, and payment services require authorisation from the Polish Financial Supervision Authority.

As a rule, the licensing process involves submitting detailed documentation on the company, its management, and the scope of the planned activity, and may take from several weeks to several months depending on the sector. Given the intensity of regulatory oversight in these industries, ensuring ongoing compliance with sector-specific rules is essential for lawful operation. Alongside this framework, Poland complements its investment openness with incentives and dedicated support mechanisms, including the Polish Investment Zone.

Practical summary

Poland offers a favorable environment for business formation, with clear legal frameworks and streamlined procedures. Investors should carefully select the appropriate company type, ensure compliance with share capital and ownership rules, and determine whether sector-specific licenses are needed.

Preparing documentation in advance and seeking professional advice can help avoid delays and ensure successful market entry.

Looking ahead to 2026, the Polish market remains attractive to both domestic and foreign investors, particularly in the innovation and service sectors. Further development of the digitisation of administration and simplification of procedures for entrepreneurs is expected, which may contribute to an increase in the number of new business entities. Concurrently, the expanding remit of sustainable development and the energy transition is generating novel prospects for enterprises in the green technology and renewable energy domains. However, entrepreneurs should monitor legislative and political changes in order to effectively take advantage of emerging opportunities and minimise risks.

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Czech Republic

Types of Companies

The Czech Republic offers a robust set of legal vehicles for doing business, well suited to both local entrepreneurs and international investors. In practice, investors can either incorporate a Czech entity or operate through a registered organisational unit of an existing foreign company, depending on governance expectations, liability preferences, and the intended scale of operations.

The private limited liability company (s.r.o.) is the default structure for most market entrants. It is widely used due to its operational flexibility and relatively streamlined governance, making it suitable for everything from early-stage ventures to established groups building a Central European platform. A key advantage is the clear separation between the company's liabilities and the shareholders' personal assets, while day-to-day decision-making can remain efficient.

For larger undertakings, the joint-stock company (a.s.) is typically preferred. It supports more complex ownership arrangements, facilitates capital-raising, and is often used where broader investor participation, more formal governance, and enhanced transparency are commercially relevant.

Czech law also recognises partnerships, including the general partnership (v.o.s.) and the limited partnership (k.s.), which are most often selected for smaller ventures or professional collaborations where contractual flexibility is central, but where liability allocation and exit mechanics require careful structuring. Foreign investors may alternatively establish a branch (odštěpný závod) to conduct revenue-generating activity locally without creating a separate legal entity; representative or liaison-type setups are typically used for limited, non-commercial presence such as promotion and market development.

Company Formation Process

Company formation in the Czech Republic is generally efficient, supported by a mature legal framework and increasingly digital administration. Incorporation is completed via entry in the Czech Commercial Register (Obchodní rejstřík), maintained by registry courts; filings are commonly prepared through a notary and can be submitted electronically (including via data box solutions), which helps keep timelines predictable in standard cases. Typical registration can be completed within approximately one to two weeks from submission of a complete filing set, although practical timelines may extend where document preparation, banking onboarding, or licensing steps require additional time.

The process differs depending on the chosen legal form. For an s.r.o., the statutory minimum registered capital can be as low as CZK 1, which lowers the entry threshold for founders and international groups establishing SPVs. For an a.s., the minimum registered capital is generally CZK 2,000,000 (or EUR 80,000).

From a documentation perspective, the core package typically includes the founding deed (or articles of association), shareholder resolutions or incorporation decisions, and identification details for founders and members of the statutory body. In parallel, the company must designate a registered office address in the Czech Republic for official correspondence and regulatory communications. Where capital contributions are required, a bank account (or other legally permitted mechanism for contribution administration) is typically used to evidence payment, particularly in higher-capital structures. Once the registry court confirms entry, the company becomes fully established and can commence operations, subject to trade licensing and any sector-specific authorisations that may apply.

Share Capital & Ownership Structures

Czech companies may be owned by individuals or legal entities regardless of nationality, and foreign investors generally operate under the same conditions and to the same extent as domestic entities. This supports a predictable environment for inbound investment, including group structures that rely on holding companies, SPVs, and cross-border shareholder arrangements.

Nominee or fiduciary-style arrangements may be used in practice in certain structures, but transparency obligations apply under AML and corporate disclosure rules. Ownership and corporate data are recorded in public registers, while ultimate beneficial ownership is captured in the Czech Register of Beneficial Owners (Evidence skutečných majitelů). Notably, public access to beneficial owner information has been subject to legal and regulatory constraints, and in late 2025 authorities announced further limits on public accessibility, which increases the importance of planning compliance and disclosure strategy early in the setup process.

Business Licenses & Sector Restrictions

While the Czech Republic maintains an open investment environment, market entry often involves a licensing step even

in “standard” commercial activity. Many business activities fall under the Czech trade licensing regime (živnostenské oprávnění) governed by the Trade Licensing Act, with different categories of trades (free, craft, and regulated) and varying requirements as to professional qualification or responsible representatives. As a result, incorporation is frequently coordinated with trade licensing to ensure the company can commence operations without avoidable delays.

Beyond trade licensing, certain regulated industries require prior authorisation through sector-specific licences or permits, reflecting enhanced oversight in areas tied to financial stability, consumer protection, and safety. Key regulated sectors include banking and broader financial services, insurance, energy, telecommunications, and pharmaceuticals. Additional approvals typically apply to activities involving weapons and to gambling and other regulated gaming.

Licensing and supervision are handled by specialised authorities. The Czech National Bank (CNB) acts as the financial market supervisor for banking, insurance, capital markets and a range of payment-related institutions. In energy, licences for generation, distribution and trading are granted by the Energy Regulatory Office (ERÚ). In pharmaceuticals, regulatory oversight and authorisation functions sit with the State Institute for Drug Control (SÚKL). Telecommunications oversight and sector regulation sit with the Czech Telecommunication Office (ČTÚ).

In practice, licensing procedures typically require detailed information on the company, its ownership and management structure, internal policies and controls (particularly in regulated markets), and the precise scope of intended activities. Timelines vary significantly by sector and complexity, and regulators often request clarifications during review. Early regulatory scoping is therefore advisable, especially for investors entering heavily supervised industries.

Practical Summary

The Czech Republic combines a stable EU legal environment with a well-established corporate framework and workable digital administration, making it a strong option for both operational expansion and holding or SPV structures. In most cases, an s.r.o. offers the fastest and most flexible route to market entry, while an a.s. is better suited for larger businesses anticipating complex ownership, capital-raising, or more formal governance.

To execute a smooth setup, investors should (i) select the legal form aligned with financing and governance needs, (ii) plan registered office and documentation workstreams early, (iii) coordinate trade licensing with Commercial Register filings, and (iv) assess sector-specific permits well in advance where regulated activities are contemplated. Local legal and tax support is often decisive in avoiding delays linked to licensing, banking onboarding, and ownership transparency requirements.

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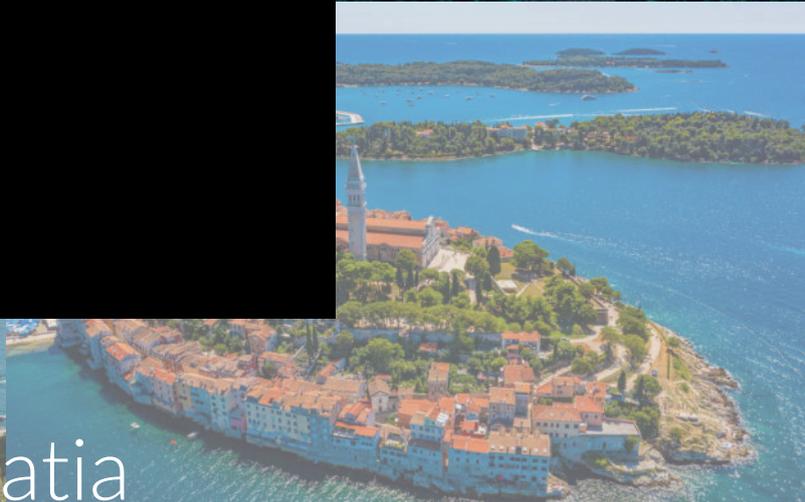
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Slovakia

Types of Companies

Slovakia offers a stable set of legal vehicles for doing business, suited to both local entrepreneurs and international investors. In practice, investors can either incorporate a Slovak entity or operate through an organisational unit of an existing foreign company, depending on governance expectations, liability preferences, and the intended scale of operations.

The limited liability company (spoločnosť s ručením obmedzeným, s. r. o., spol. s r. o.) is the default structure for most market entrants. It is widely used due to its operational flexibility and relatively streamlined governance, making it suitable for everything from early-stage ventures to established groups building a regional platform. A key advantage is the separation between the company's liabilities and the shareholders' personal assets, while internal decision-making can remain efficient.

For larger undertakings, the joint-stock company (akciová spoločnosť, a. s.) is typically preferred. It supports more complex ownership arrangements, facilitates capital raising, and is commonly used where more formal governance and enhanced transparency are commercially relevant, including in structures designed for a broader investor base.

For simpler and/or more flexible investment structures, the simple joint-stock company (jednoduchá spoločnosť na akcie, j. s. a.) is often used. It is designed to accommodate flexible ownership and investor arrangements, particularly for start-ups and venture capital investments. The j. s. a. allows for tailored shareholder rights, simplified governance compared to an a. s., and efficient entry and exit of investors, while still benefiting from the use of shares as participation instruments.

Slovak law also recognises partnerships, including the general partnership (verejná obchodná spoločnosť, v. o. s.) and the limited partnership (komanditná spoločnosť, k. s.), most often used for smaller ventures or professional collaborations where contractual flexibility is central, but where liability allocation and exit mechanics require careful structuring. Foreign investors may alternatively establish a branch or organisational unit (organizačná zložka) to conduct business locally without creating a separate legal entity, with liability remaining at the level of the foreign parent.

Company Formation Process

Company formation in Slovakia is generally efficient and supported by a mature statutory framework and expanding e-government services. Incorporation is completed through entry in the Slovak Commercial Register (Obchodný register), administered by registry courts and accessible through the official online register interface.

Once a complete filing set is submitted, the statutory deadline for registration is typically two working days, although overall timelines can extend where preparatory steps, banking onboarding, or licensing requirements add complexity.

The process differs depending on the chosen legal form. For an s. r. o., the minimum registered capital is EUR 5,000, with a minimum contribution of EUR 750 per shareholder where there are multiple shareholders. For an a. s., the minimum registered capital is EUR 25,000.

From a documentation perspective, the core package typically includes the founding deed or articles of association, shareholder resolutions or incorporation decisions, and identification details for founders and members of the statutory body. The company must designate a registered office address in Slovakia for official correspondence. Capital contributions are typically administered through an appointed contributions administrator and, in many cases, supported by bank confirmations or other required evidence, depending on the structure and the nature of contributions.

In parallel, many business activities require a trade licence (živnostenské oprávnenie) obtained through the Trade Licensing Office, which is valid across Slovakia. This workstream is often coordinated with Commercial Register filings to ensure the company can commence operations immediately after registration.

Share Capital & Ownership Structures

Slovak companies may be owned by individuals or legal entities regardless of nationality, and foreign investors can generally establish and operate businesses under the same corporate law framework as domestic founders. Foreign entities may also conduct business through a registered organisational unit in Slovakia

under the Commercial Code rules applicable to foreign businesses.

Transparency obligations apply under AML and corporate disclosure rules. Data on shareholders and corporate bodies are recorded in public registers, and Slovak entities are subject to ultimate beneficial owner (UBO) registration requirements in the Commercial Register framework. At the same time, public access to UBO information is not equivalent across all Slovak registers. For example, the Register of Public Sector Partners, relevant in certain dealings involving public funds or contracting with the state, is public, while access to UBO data in the general Commercial Register context is restricted primarily to competent authorities. This distinction should be reflected in governance planning and compliance workflows early in the setup process.

Business Licenses & Sector Restrictions

While Slovakia maintains an open investment environment, market entry often includes a licensing step. Many standard commercial activities fall under the trade licensing regime, with different categories and qualification requirements, including the concept of a responsible representative for regulated trades. As a result, incorporation is frequently coordinated with trade licensing to avoid operational delays after registration.

Beyond trade licensing, certain regulated industries require prior authorisation through sector-specific licences or permits, reflecting enhanced oversight in areas tied to financial stability, consumer protection, and safety. Key regulated sectors include banking and broader financial services, insurance, energy, telecommunications, and pharmaceuticals. Additional approvals apply to activities involving weapons and ammunition, and to gambling and other regulated gaming.

Licensing and supervision are handled by specialised authorities. The National Bank of Slovakia (NBS) is the central supervisor for financial market participants and is responsible for licensing and ongoing supervision in key segments of the financial sector. The Regulatory Office for Network Industries (ÚRSO) acts as the government regulator in network sectors such as electricity and gas. Telecommunications regulation is handled by the Regulatory Authority for Electronic Communications and Postal Services. In pharmaceuticals, the State Institute for Drug Control (SIDC, ŠÚKL) performs state authority functions and issues relevant decisions and licences across defined areas of medicinal products, including supervision of manufacturing and distribution. Gambling supervision and licensing are administered by the Office for the Regulation of Gambling (Gambling Regulatory Authority) under the Ministry of Finance.

In practice, licensing procedures typically require detailed information on the company, its ownership and management structure, and the precise scope of intended activities. Timelines vary significantly by sector and complexity, and regulators may request clarifications during review. Early regulatory scoping is therefore advisable, particularly for investors entering heavily supervised markets.

Practical Summary

Slovakia combines a predictable EU legal environment with an established corporate framework and relatively fast registration timelines once documentation is complete. In most cases, an s. r. o. offers the most efficient route to market entry, while an a. s. is better suited for larger businesses anticipating complex ownership, capital raising, or more formal governance.

To execute a smooth setup, investors should (i) select the legal form aligned with financing and governance needs, (ii) plan registered office and documentation workstreams early, (iii) coordinate trade licensing with Commercial Register filings, and (iv) assess sector-specific permits well in advance where regulated activities are contemplated. Local legal and tax support is often decisive in avoiding delays linked to licensing, banking onboarding, and ownership transparency obligations.

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Croatia

Types of Companies

Croatia offers a well-defined set of legal vehicles for doing business, suitable for both domestic entrepreneurs and international investors. In practice, market entrants typically choose between incorporating a Croatian entity or operating through a local extension of an existing foreign company, depending on governance expectations, liability strategy, and the intended scope of activity.

The limited liability company (d.o.o.) is the standard corporate form for most commercial projects. It combines limited liability with a management model that is familiar to international groups and scalable for growth. For smaller setups and early-stage ventures, Croatia also provides the simplified limited liability company (j.d.o.o.), designed as a lighter version of the d.o.o. with a materially lower capital threshold.

For larger undertakings, including those anticipating wider shareholder participation or capital market ambitions, the joint stock company (d.d.) is the typical choice. Croatia also recognises partnership structures, notably general and limited partnerships, which may be attractive for smaller ventures where contractual flexibility is central, but where liability allocation must be addressed carefully. Foreign investors may alternatively establish a branch for operational activity or a representative office for non-commercial functions such as market research, promotion, and representation.

Company Formation Process

Company formation in Croatia is structured around the Court Register, managed by the commercial courts, with practical facilitation available through one-stop services such as HITRO.HR and electronic channels for eligible cases.

A standard incorporation typically requires (i) determining the company name and business activities, (ii) preparing and notarising incorporation documents where applicable, (iii) paying in the share capital to a temporary bank account or via FINA, and (iv) filing for registration in the Court Register. Once registered, the company is legally established and can commence operations, subject to any sector-specific approvals. In simplified cases, the j.d.o.o. framework is designed for speed. The Croatian administration indicates that a simplified limited liability company may be incorporated within theoretically 24 hours via HITRO.HR or a notary office, provided the submission is complete and correct.

In practice, timelines for other structures depend on documentation readiness, translations (where foreign founders are involved), and banking formalities.

Share Capital & Ownership Structures

Croatian corporate forms are supported by clear statutory capital thresholds. For a d.o.o., the minimum share capital is EUR 2,500, paid into a temporary account at a bank or with FINA, with a requirement to pay at least one quarter of the subscribed contribution in cash before registration. The simplified j.d.o.o. is designed around a minimum share capital of EUR 1. For a d.d., the minimum share capital is set at EUR 25,000, reflecting its role as a more formal and capital-oriented vehicle.

From an investor access perspective, Croatia generally maintains an open environment for establishing and owning companies. Official investment guidance emphasises the ability of foreign investors to establish Croatian entities, while broader investment reporting highlights equal treatment of foreign and domestic investors as a baseline rule, subject to limited exceptions.

Transparency obligations are an operational consideration, particularly for groups using layered holdings. Croatia maintains a Beneficial Ownership Register with public, free access to beneficial owner data for obligated entities, supporting legal certainty but also requiring disciplined compliance in shareholding documentation and ongoing updates.

Business Licenses & Sector Restrictions

While most commercial activities can be pursued once a company is registered, Croatia applies prior authorisation requirements in regulated sectors where consumer protection, financial stability, safety, or public interest considerations justify stricter oversight.

Key regulated areas include banking and payment services, insurance and broader non-bank financial markets, energy, electronic communications, education and child-care and pharmaceuticals. Supervision and licensing are handled by specialised authorities: the Croatian National Bank (HNB) for areas such as

payment institutions and other supervised financial segments, HANFA for the non-bank financial market including insurance and capital market supervision, HERA for energy regulation and energy activity licences, HAKOM as the national regulator for network industries including electronic communications, and HALMED for manufacturing authorisations in the medicines space.

Additional restrictions typically apply to activities involving weapons as well as gambling and other regulated gaming, where separate permit regimes and operational constraints may apply. Beyond sector regulators, investors should also account for trade and craft regimes: certain activities are conducted through crafts (obrt) and may require a craft business licence and, for regulated crafts, proof of professional qualifications and compliance with technical requirements.

Licensing processes generally require detailed submissions on ownership, management, internal controls, and the precise scope of intended activity. Timelines vary significantly by sector and complexity, and regulators may request clarifications during review, making early regulatory scoping a practical risk-mitigation step.

Practical Summary

Croatia combines a familiar EU corporate toolkit with increasingly accessible administrative channels, including one-stop and electronic pathways for selected structures. For most investors, the d.o.o. remains the most practical default due to its balance of limited liability, credibility, and operational simplicity, while the j.d.o.o. can support lean entry strategies where speed and minimal initial capital are priorities.

A smooth market entry typically depends on disciplined preparation: selecting the right legal form, aligning governance and capital with the business plan, securing a registered office and banking pathway, and confirming whether the planned activity triggers licensing or professional qualification requirements. Where regulated sectors are involved, the incorporation timeline should be planned together with the licensing critical path. Finally, investors should incorporate transparency and reporting duties into their compliance baseline, including beneficial ownership disclosures and ongoing updates to registers where required.

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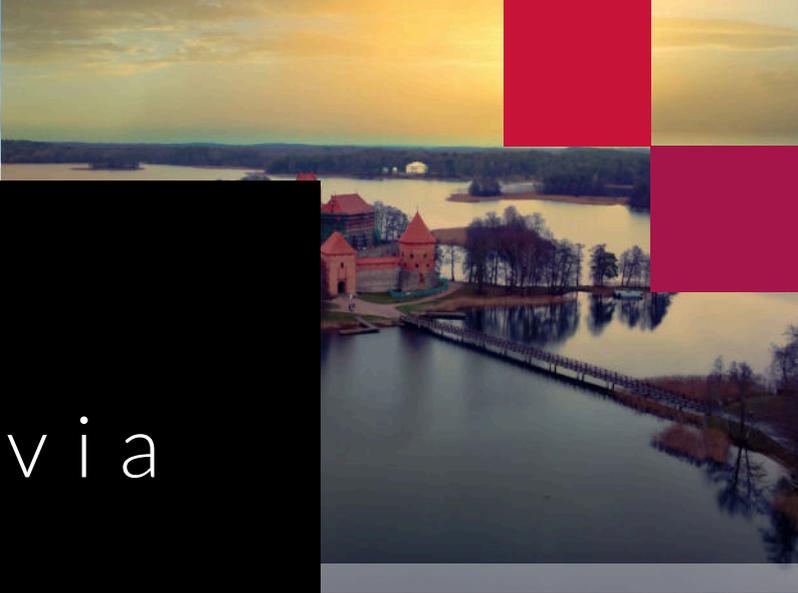


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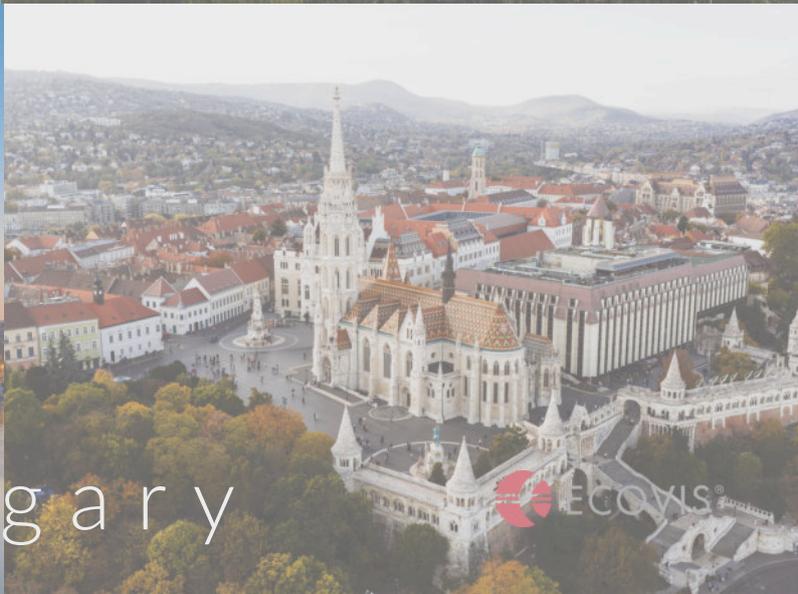
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Latvia

Types of Companies

Latvia offers a strategic location within the Baltic region, a competitive tax environment, and an increasingly digitalized business ecosystem. This guide provides a concise overview of the legal and practical aspects of establishing a business in Latvia, focusing on company types, formation steps, share capital and ownership structures, and sector-specific licensing requirements.

The most common legal forms of doing business in Latvia are the limited liability company (sabiedrība ar ierobežotu atbildību – SIA) and the joint-stock company (akciju sabiedrība – AS). These two corporate forms dominate the Latvian business landscape, offering different levels of regulatory complexity and capital requirements.

Other options include partnerships (general and limited) and sole proprietorships for smaller ventures. Foreign companies can also operate through branches or representative offices, enabling selected activities without creating a separate Latvian legal entity.

For foreign investors, the SIA is the most popular form due to its relatively simple incorporation process, low minimum share capital (€2,800), and flexibility in management and ownership. Latvia also offers an electronic registration system, allowing incorporation online within a few business days.

Company Formation Process

Establishing a company in Latvia is generally a straightforward process and thanks to the country's advanced digital infrastructure often efficient from an operational standpoint. The starting point is selecting the appropriate legal form, aligned with the investor's business objectives, expected scale of activity, and relevant regulatory requirements. The next step is preparing the founding documentation, including the articles of association. Depending on the structure and the chosen setup, certain formalities may require notarisation.

A key milestone is registration with the Latvian Commercial Register. In standard cases, the registration process is typically completed within 3–5 business days, which makes Latvia an attractive jurisdiction for investors seeking a fast go-live timeline. Importantly, share capital must be contributed before the registration can be finalised.

Once the company is incorporated, the focus shifts to tax formalities: obtaining the necessary tax identification numbers and registering for VAT where turnover exceeds the applicable threshold. Latvia's strong support

for digital processes means that many steps can be completed electronically, reducing administrative burden and helping entrepreneurs move from incorporation to business execution with minimal friction.

Share Capital & Ownership Structures

Latvian companies may be owned by local or foreign shareholders with no material nationality-based restrictions in most standard setups. At the same time, the legal framework places a clear emphasis on transparency: shareholder details are disclosed and publicly available through the Latvian Commercial Register, which supports market credibility but also requires investors to consider disclosure and compliance implications early in the structuring phase.

Nominee arrangements are permitted, but they operate within a strict anti-money laundering (AML) environment. In practice, this means enhanced scrutiny around the beneficial ownership chain, documentation of the ultimate beneficial owner, and—depending on the transaction and counterparties—additional verification regarding the source of funds and overall integrity of the structure.

Business Licenses & Sector Restrictions

Most commercial activities in Latvia can be carried out freely once the company is registered. Regulated industries, however—such as finance, energy, telecommunications, and healthcare—require prior authorisation from the competent authority before operations can begin.

Examples:

- Financial services: supervised by the Bank of Latvia
- Energy: licensing/oversight by the Public Utilities Commission
- Pharmaceuticals and healthcare: regulated by the State Agency of Medicines

In practice, licensing typically involves submitting detailed documentation (including compliance and operational information), and timelines range from several weeks to a few months, depending on the sector and the completeness of the application.

Practical Summary

Latvia continues to position itself as an investor-friendly jurisdiction, combining a strategic location, a competitive tax framework, and a steadily expanding digital infrastructure. For many projects, this translates into faster market entry, lower administrative friction, and a more predictable setup phase—particularly for founders who value efficiency and clear processes.

From an investor's perspective, three practical checkpoints should be addressed upfront. First, select the right company type to match the business model, financing strategy, and anticipated growth trajectory. Second, ensure compliance with share capital and ownership requirements, as these rules can directly affect incorporation timing and subsequent expectations from banks and counterparties. Third, confirm whether the planned activity falls within a regulated sector and requires a specific license—an early verification that can prevent delays once operations are ready to launch.

Looking ahead to 2026, Latvia remains focused on digital transformation and green economy priorities. This policy direction is translating into a growing pipeline of opportunities, particularly in logistics, IT services, and renewable energy—sectors where Latvia's structural advantages are increasingly visible. Entrepreneurs should track regulatory developments closely and leverage Latvia's digital tools to streamline incorporation and accelerate a well-controlled, compliant entry into the market.

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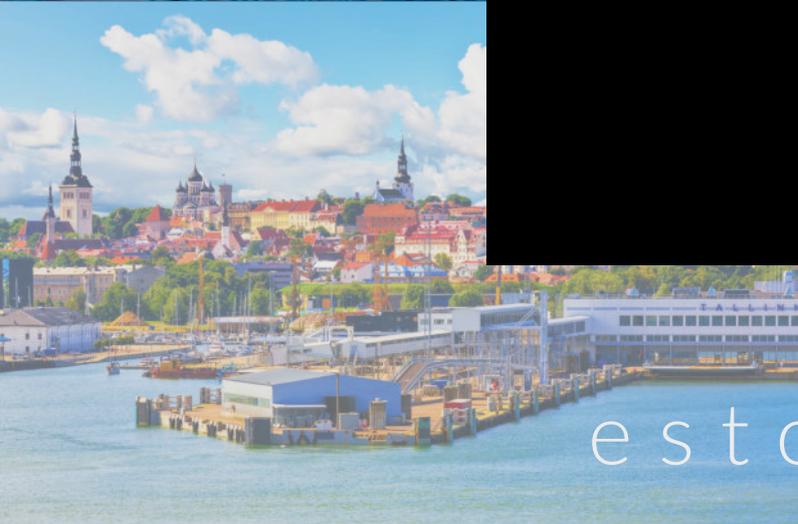
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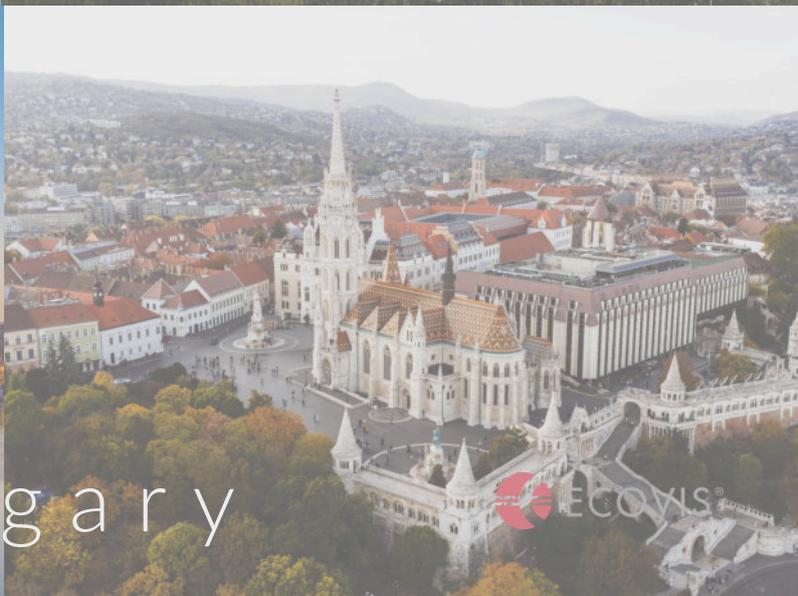
lithuania



estonia



hungary



Lithuania

Types of Companies

Lithuania offers a clear set of legal vehicles for doing business, suited to both local entrepreneurs and international investors. In practice, investors can either incorporate a Lithuanian entity or operate through an extension of an existing foreign company, depending on governance needs, liability preferences, and commercial goals.

The private limited liability company (UAB) is the default structure for most entrants. It combines operational flexibility with a relatively streamlined management model, making it suitable for everything from early-stage ventures to established groups building a regional platform. Importantly, it enables risk separation between the business and the owners while keeping decision-making efficient.

For larger undertakings, the public limited liability company (AB) is typically preferred. It supports more complex ownership structures and is designed for businesses seeking access to capital markets, including fundraising through public offerings, alongside the higher transparency and reporting discipline that come with a more formal corporate framework.

Lithuania also recognises general and limited partnerships, often used for smaller ventures and professional collaborations where contractual flexibility is central, but where liability and exit mechanics must be defined carefully. Foreign investors can alternatively establish a branch for revenue-generating operations or a representative office for limited, non-commercial activities such as market development and promotion. In addition, Lithuanian law recognises small partnerships (MB), which are commonly used by very small businesses and startups due to the absence of minimum share capital and simplified internal governance. However, they are less suitable for external investment.

Company Formation Process

Company formation in Lithuania is generally efficient, supported by streamlined electronic procedures and a clear statutory framework. Incorporation is handled via the Lithuanian Register of Legal Entities, where most filings can be made digitally. The process may be completed entirely online, where founders use qualified electronic signatures recognised in Lithuania or the EU; otherwise, notarisation of incorporation documents is required. In standard cases, registration can be completed within several days, though more complex setups or incomplete documentation can extend the timeframe to a few weeks, particularly when additional verifications are required.

The process differs slightly depending on the selected legal form. For a private limited liability company (UAB), the minimum share capital is EUR 1,000, making it the most accessible option for many market entrants. A public limited liability company (AB) is subject to higher entry requirements, including a minimum share capital of EUR 25,000, reflecting its use for larger businesses and structures intended to raise capital more broadly.

From a documentation perspective, the core package typically includes the articles of association, shareholder resolutions or incorporation decisions, and identification details for founders and members of the management board. Management board members are not required to be Lithuanian residents, but their details must be registered, and fit-and-proper requirements may apply in regulated sectors. In parallel, the company must designate a registered office address in Lithuania, which will serve as its official point of contact for authorities and formal correspondence. A bank account is usually opened to facilitate the payment of share capital contributions, and evidence of these contributions may be required as part of the filing set.

Once submitted, the Register reviews the documentation, registers the entity, and issues a registration certificate. From that moment, the company is legally established and can commence operations, subject to any sector-specific licences that may apply.

Following registration, companies must register with the State Tax Inspectorate (STI) for tax purposes and, where applicable, as VAT payers. VAT registration is mandatory either before commencing taxable activities subject to VAT or once the company reaches the statutory VAT registration threshold, at which point registration must be completed without delay.

Share Capital & Ownership Structures

Lithuanian companies may be owned by individuals or legal entities, regardless of nationality, with no significant restrictions on foreign ownership. Nominee shareholding arrangements are possible, but transparency obligations apply, particularly in sectors subject to enhanced oversight. Details of shareholders and ultimate beneficial owners are recorded in the public register, promoting legal certainty and investor confidence. Ultimate Beneficial Owner (UBO) data must be kept up to date, and failure to maintain accurate or current UBO

information may result in administrative liability. Both local and foreign investors benefit from equal protection under Lithuanian law, ensuring a stable environment for business activities.

Contributions to share capital may be made in cash or as non-cash contributions, with non-cash contributions requiring valuation and additional legal formalities.

Share transfers are generally subject to shareholder pre-emption rights, unless a resolution of the general meeting of shareholders waives such rights.

Business Licenses & Sector Restrictions

While most commercial activities in Lithuania can be carried out freely once a company is registered, a number of industries remain subject to prior authorisation through sector-specific licences or permits. Key regulated sectors include banking and other financial services, insurance, energy, telecommunications, and pharmaceuticals. Additional restrictions typically apply to activities involving weapons, as well as gambling and other forms of regulated gaming. For investors, this means that incorporation alone may not be sufficient to start operations in particular fields; the ability to trade legally will depend on obtaining the relevant approvals and demonstrating ongoing compliance with the applicable regulatory regime.

Specialised authorities handle licensing and supervision. The Bank of Lithuania is the central regulator for a broad range of financial market participants, including many payment and financial service providers.

In the life sciences sector, authorisations related to the manufacture and distribution of medicines are overseen by the State Medicines Control Agency.

Energy activities, including generation, supply, and network operations, fall under the remit of the National Energy Regulatory Council, which monitors compliance and issues sector-specific approvals.

In practice, the licensing process requires submitting detailed documentation on the company, its ownership and management structure, internal policies, and the scope of planned activities. Depending on the sector and complexity, timelines can range from a few weeks to several months, and regulators may request clarifications or additional information during the review. Early regulatory scoping is therefore advisable, particularly for investors operating in heavily supervised markets. Changes in ownership, management, or business scope after licensing often require prior regulatory notification or approval, not merely post-factum reporting.

Ongoing compliance obligations typically include periodic reporting, capital adequacy requirements, and internal control frameworks, especially in financial and energy sectors.

Certain activities (e.g. payment services, crowdfunding, crypto-asset services) may trigger EU-level regulatory regimes, requiring alignment with both Lithuanian and EU law.

Practical Summary

Lithuania's pro-business climate, efficient registration procedures, and transparent legal framework make it an attractive destination for investors and entrepreneurs. It is advisable to select the appropriate company form carefully, to ensure compliance with share capital and ownership requirements, and assess whether sector-specific licenses are necessary for planned operations.

Preparing thorough documentation and seeking local legal or advisory support can help avoid delays and facilitate a smooth market entry. Regulatory and corporate compliance obligations do not end at incorporation; ongoing filings with the Register of Legal Entities and regulators are a key aspect of operating in Lithuania. Looking ahead to 2026, Lithuania continues to strengthen its digital infrastructure and public sector efficiency, while investment opportunities remain strong in technology-driven sectors, including ICT, life sciences, advanced manufacturing, and renewable energy. Investors should monitor regulatory developments and align their strategies with Lithuania's evolving investment ecosystem.

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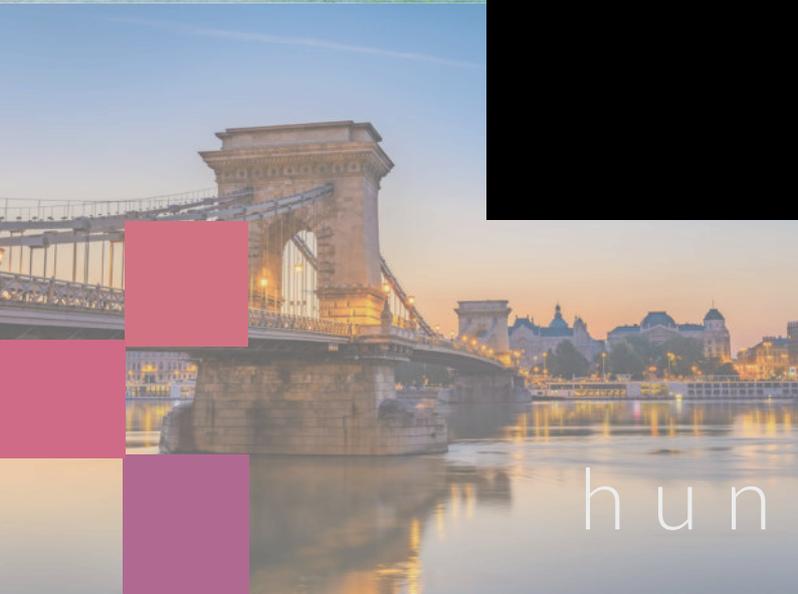
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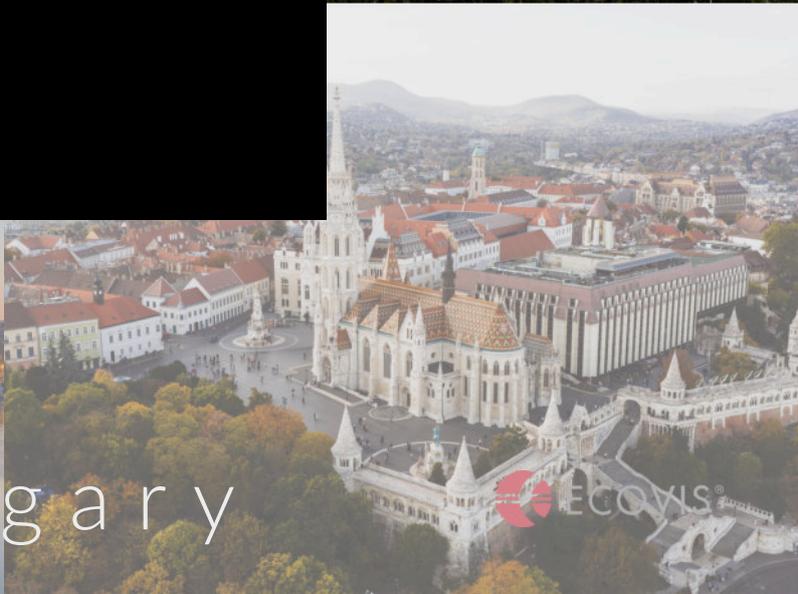
lithuania



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Estonia

Types of Companies

Estonia is widely recognized as one of the most digitally advanced economies in Central and Eastern Europe (CEE), offering a highly efficient business environment and strong support for innovation. This guide provides a concise overview of the legal and practical aspects of establishing a business in Estonia, focusing on company types, formation steps, share capital and ownership structures, and sector-specific licensing requirements.

The most common legal forms of doing business in Estonia are the private limited company (osaühing – OÜ) and the public limited company (aktsiaselts – AS). These two corporate forms dominate the Estonian business landscape, offering different levels of regulatory complexity, capital requirements, and flexibility.

Entrepreneurs may also choose from partnerships such as general partnerships (täisühing) and limited partnerships (usaldusühing), which are suitable for smaller ventures or joint projects. Foreign companies can operate in Estonia through branches or representative offices, enabling selected activities without creating a separate Estonian legal entity.

For foreign investors, the OÜ is by far the most popular form. It combines simple incorporation procedures, a low minimum share capital (€0,01), and wide flexibility in management and ownership structure. Estonia's fully digital registration system allows incorporation online within hours, making it one of the fastest jurisdictions for company formation in Europe, on the condition that the founder possesses a European digital signature or Estonian e-Residency.

Company Formation Process

Estonia offers one of Europe's most streamlined incorporation processes, driven by its advanced e-Government infrastructure. Setting up a company typically includes choosing the appropriate legal form, preparing founding documents (including articles of association, which can be signed digitally), and registering with the Estonian Business Register—often completed within one business day via the online system.

Share capital must be addressed during the setup, although for an OÜ (private limited company) it can be deferred under certain conditions, reducing upfront barriers for founders. After registration, the company obtains the necessary tax identifiers and—if turnover exceeds the threshold—registers for VAT.

For foreign entrepreneurs, Estonia's e-Residency of Estonia enables remote company formation and day-to-day management fully online, making Estonia particularly attractive for international and digital-first businesses.

Share Capital & Ownership Structures

Estonian companies may be owned by local or foreign shareholders without restrictions. Transparency requirements apply, and shareholder information is publicly accessible via the Business Register. Nominee arrangements are permitted but subject to anti-money laundering regulations.

Business Licenses & Sector Restrictions

Most commercial activities in Estonia can be carried out without additional permits once a company is registered—an approach that underlines the country's generally open investment climate. The picture changes in regulated sectors, where operations may start only after obtaining prior authorisation. This typically applies to areas such as finance, energy, telecommunications, construction, gambling, transportation, security services, and healthcare.

In practice, supervision and licensing are handled by dedicated regulators. Financial services fall under the oversight of the Estonian Financial Supervision Authority, while the energy sector is subject to licensing and regulatory oversight by the Estonian Competition Authority. Pharmaceuticals and healthcare are regulated by the State Agency of Medicines.

Licensing procedures generally require comprehensive compliance and operational documentation. Timelines vary, but approvals commonly take from several weeks to several months, depending on the sector and the quality and completeness of the submission.

Practical Summary

Estonia is widely seen as one of Europe's most business-friendly jurisdictions, combining a fully digital incorporation process with low administrative burden, a relatively clear tax framework, and an ecosystem that actively supports innovation.

For investors and founders, the priorities are practical: select the company form that best fits the intended growth path and governance model, confirm share capital and ownership requirements, including transparency and reporting obligations, and assess early whether the planned activity falls within a regulated sector that requires permits or licences before launch.

Looking ahead to 2026, Estonia is expected to retain its advantage in digital governance while intensifying policy and investment focus on green technologies, cybersecurity, and fintech, creating concrete opportunities for new ventures and market entrants. To move quickly while staying compliant, entrepreneurs should monitor regulatory developments and consider leveraging the e-Residency of Estonia framework to set up and manage the business remotely.

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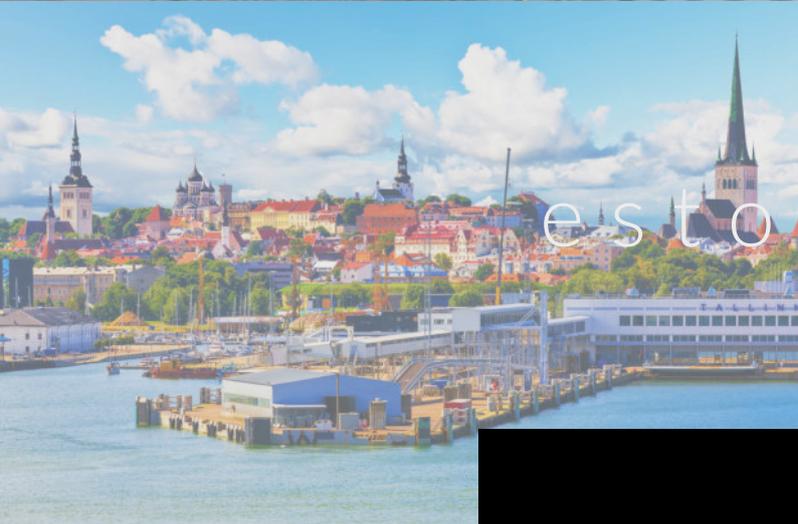
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Hungary

Types of Companies

Hungary offers a familiar and investor-friendly set of legal vehicles for doing business, suitable for both domestic entrepreneurs and international groups. In practice, investors can either incorporate a Hungarian entity or operate through a local organisational unit of a foreign company, depending on governance expectations, liability strategy, and the intended scale of operations.

The limited liability company (korlátolt felelősségű társaság, Kft.) is the default structure for most market entrants. It is widely used due to its operational flexibility and relatively streamlined governance, making it suitable for everything from early-stage ventures to established groups building a regional platform. A key advantage is the clear separation between the company's liabilities and the shareholders' personal assets.

For larger undertakings, the company limited by shares (Részvénytársaság, typically Zrt. for private and Nyrt. for public) is often preferred. This structure supports more complex ownership arrangements, is designed for capital raising, and is used where more formal governance and enhanced transparency are commercially relevant.

Hungarian law also recognises partnerships, including the general partnership (Kkt.) and the limited partnership (Bt.), most often selected for smaller ventures or professional collaborations where contractual flexibility is central, but where liability allocation must be managed carefully. Foreign investors may alternatively establish a branch office to conduct business locally without creating a separate legal entity, or a commercial representative office for limited, non-commercial functions such as promotion and market development.

Company Formation Process

Company formation in Hungary is structured and largely digitalised. Incorporation is completed through entry in the Court of Registration (company registry), and company data is maintained electronically and accessible via the public company information service and e-register platforms. In standard cases, registration can be completed within roughly 7 -15 business days once the filing set is complete, although overall timelines may extend where banking onboarding, translations, or licensing workstreams add complexity.

From a documentation perspective, the core package typically includes the deed of foundation (or articles), shareholder and corporate body details, and registered office information. In practice, investors often run incorporation in parallel with tax and operational readiness steps (bank account, invoicing setup, payroll, etc.) to ensure the entity can operate immediately after registration.

Share Capital & Ownership Structures

Hungary's capital requirements are clear and differentiated by company form. A Kft. requires a minimum registered capital of HUF 3,000,000. For companies limited by shares, the minimum share capital is HUF 5,000,000 for a private company (Zrt.) and HUF 20,000,000 for a public company (Nyrt.).

Foreign ownership is generally permitted, including 100% foreign ownership, and both individuals and legal entities may act as shareholders, which supports inbound investment, holding structures, and SPVs used in regional transactions.

Transparency obligations are a practical consideration. Hungary operates an ultimate beneficial owner (UBO) register, but it does not provide unrestricted general public access; access is typically limited to competent authorities and obliged entities within the AML framework. This makes early planning of ownership documentation and ongoing update duties important, particularly for layered group structures.

Business Licenses & Sector Restrictions

While many commercial activities can be pursued once a company is registered, a number of industries remain subject to prior authorisation through sector-specific licences or permits. These requirements primarily apply where financial stability, consumer protection, safety, or public interest considerations justify enhanced oversight.

Key regulated sectors include banking and financial services, insurance, energy, telecommunications, and pharmaceuticals. Additional restrictions typically apply to

activities involving weapons and to gambling and regulated gaming.

Licensing and supervision are handled by specialised authorities. The Magyar Nemzeti Bank (MNB) is the core supervisor for a broad range of financial market participants. In network industries, energy regulation sits with MEKH (Hungarian Energy and Public Utility Regulatory Authority). Electronic communications and related regulatory supervision are performed by NMHH (National Media and Infocommunications Authority).

In pharmaceuticals, licensing and official drug control functions are performed by OGYÉI (National Institute of Pharmacy and Nutrition). Gambling supervision is linked to Hungary's Supervisory Authority for Regulated Activities (SZTFH) in the regulatory landscape.

In practice, licensing procedures typically require detailed information on ownership, management, internal controls (especially in financial and life sciences), and the precise scope of intended activities. Timelines vary significantly by sector and complexity, and regulators may request clarifications during review, making early regulatory scoping advisable for investors entering supervised markets.

Practical Summary

Hungary combines an established EU corporate framework with a largely electronic registration environment, making it a practical jurisdiction for both operational expansion and transaction-driven SPV structures. In most cases, a Kft. offers the most efficient route to market entry, while a Zrt./Nyrt. structure is better suited for larger businesses anticipating complex ownership, capital raising, or more formal governance.

A smooth setup typically depends on disciplined preparation: selecting the right legal form, aligning registered capital and governance with the business plan, securing a registered office and banking pathway, and confirming whether planned activities trigger sector licences. Where regulated sectors are involved, the incorporation timeline should be planned together with the licensing critical path, and UBO and AML-related disclosure duties should be embedded into the compliance baseline from day one.

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