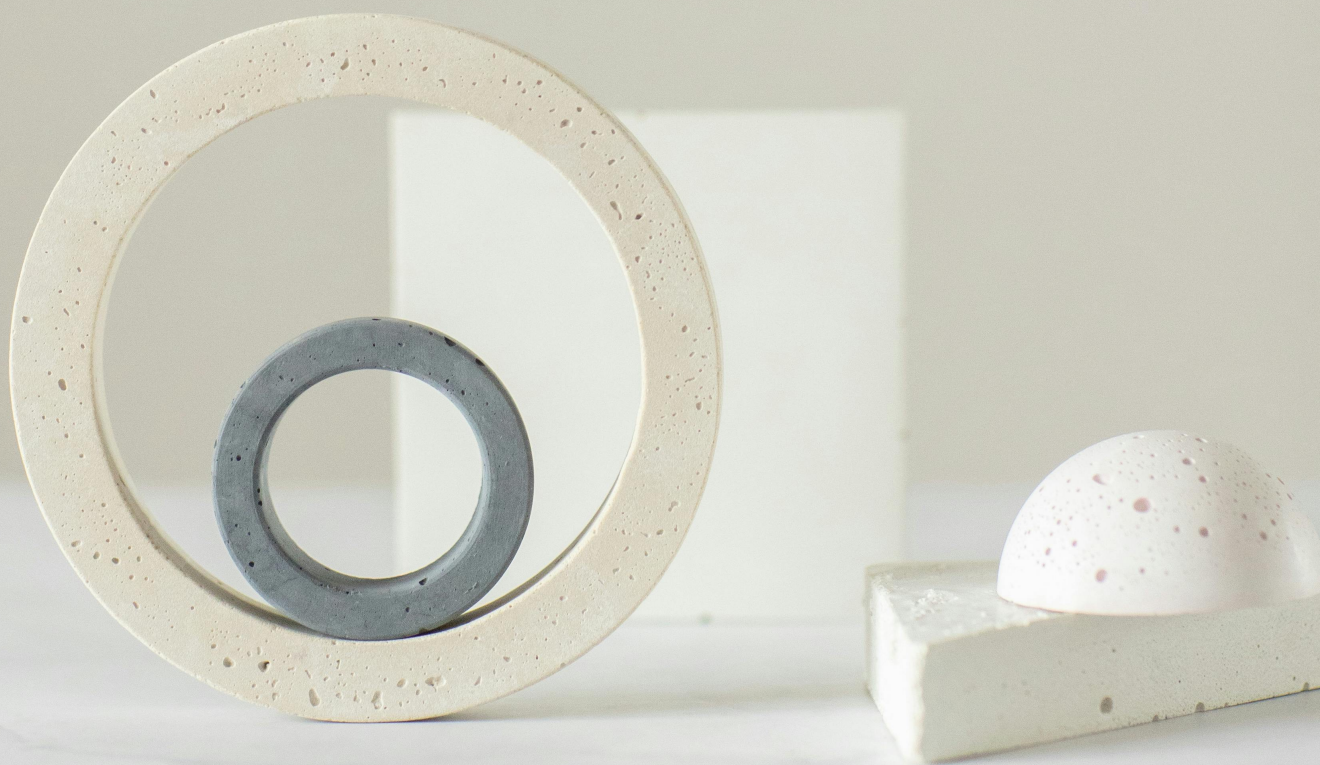


Hiring a Foreign Executive in BALTICS

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Leading Across Borders

At TRINITI, we understand that attracting top executive talent increasingly means looking beyond national borders. However, hiring a foreign executive comes with its own set of legal, administrative, and practical considerations especially when navigating the rules in Lithuania, Latvia, and Estonia.

To support businesses in this process, TRINITI, together with our Baltic law firm partners, has prepared this practical guide. It outlines the key legal requirements, procedures, and strategic considerations for employing foreign executives in each of the Baltic states. Whether you are expanding your leadership team or relocating key personnel, this guide will help you move forward with clarity and confidence.

Let's shape the future on your terms.

How to use this guide?

This guide is structured to help you quickly find the information you need, whether you're hiring in Lithuania, Latvia, or Estonia. Each section follows a consistent format covering legal requirements, permits, taxes, and practical tips to make comparisons easy and navigation intuitive.

Use the index below to jump directly to the country or topic most relevant to your business needs.

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Hiring a Foreign Executive in ESTONIA

What You Need to Know

If you're planning to hire a foreign executive from a non-EU country to lead your company, they'll need a temporary residence permit. To get such a permit based on employment, both the company and the candidate need to meet certain criteria.

First, it's important to keep in mind that the purpose of granting temporary residence permit for working to a third-country national is to further the development of the Estonian economy, research, education or culture. Second thing to keep in mind is that Estonia makes no difference if the executive is hired into a so-called conventional business or start-up.

Company requirements:

- As a general rule, a company must be trustworthy, such as they must not have been punished for a criminal offense or certain misdemeanour or have a tax debt;
- A company has been registered in Estonian business register for at least 5 months prior to lodging an application for temporary residence permit;
- A company has been conducting actual business in Estonia for at least 5 months prior to lodging an application for temporary residence permit;

- A company must pay the foreign national a monthly salary corresponding to at least an average salary in Estonia (currently EUR 2,000);
- There no specific requirements set for company's equity or assets, but the company must be able to prove, if so required, their ability to conduct and finance their business in Estonia.

Executive requirements:

- Should be officially registered as the company's management board member. NB! Please note that such registration is not explicitly required, but is recommended;
- Settling and working in Estonia shall significantly contribute to achieving the purpose of granting a temporary residence permit, i.e., further the development of the Estonian economy, research, education or culture;
- Must actually live in Estonia after granting a temporary residence permit.

Company Requirements	Executive Requirements
Must be trustworthy	The foreign national should be officially registered in the business register as company's management board member
Must be registered in Estonian business register for at least 5 months	Their working in Estonia shall significantly contribute to further the development of the Estonian economy
Must have had actual business activity carried out in Estonia for at least 5 months	Must actually live in Estonia after granting a temporary residence permit
Must pay minimum EUR 2,000 as monthly salary to the hired executive	

It's essential that the company continues to meet these requirements throughout the entire validity of the residence permit. If not, the immigration authorities can refuse from extending or cancel the permit.

A temporary residence permit for executives is granted for a maximum of five years and is extendable for up to ten years.

Remote Work: A Flexible Alternative

If you're not ready or able to bring the executive to Estonia right away, remote leadership has become a viable and increasingly popular alternative. Many companies now operate under hybrid or fully remote models, collaborating with leaders based in other countries.

When a foreign executive is duly appointed and registered in the Estonian Business Register to lead the company remotely, this arrangement presents both challenges and advantages. For example, a foreign executive may, on rare occasions, encounter difficulties obtaining a visa for short visits to Estonia. Furthermore, while remote work offers considerable flexibility, leading a company from afar demands excellent communication skills and a high degree of mutual trust. Therefore, it's crucial to carefully assess whether this setup is suitable for both the company and the executive.

e-Residency: Managing a Business Without Being in Estonia

Estonia's e-Residency program offers a valuable tool for individuals, including foreign executives, who manage businesses or perform duties remotely. With e-Residency, a foreign executive can access Estonian administrative, business, and government services digitally – without needing to be physically present in the country. This digital identity streamlines daily tasks such as signing documents, filing reports, and communicating with institutions, making remote leadership significantly more practical.

Hiring a foreign executive opens the door to new opportunities and global expertise. With proper preparation and a clear understanding of legal requirements, Estonian companies can confidently build international leadership teams and thrive in the global market.

Hiring a Foreign Executive in LATVIA

What You Need to Know

This guide outlines the legal, procedural, and practical aspects of hiring a foreign executive in Latvia, including special provisions for startups and company eligibility requirements.

1. General Framework for Hiring Foreign Executives

Who Needs a Permit?

- EU/EEA/Swiss nationals: Can work freely in Latvia but must register with the Office of Citizenship and Migration Affairs (OCMA) if staying over 90 days;
- Third-country nationals: Require a residence permit and work authorization.

2. Employer Requirements

To hire a third-country national, a company must:

- Be legally registered in Latvia;
- Have no significant tax debts or violations of labor laws;
- Offer a salary at or above the national average or sector-specific minimum*;
- Provide accommodation, health insurance, and cover return travel costs if needed.

*For a foreigner who applies for or has received a residence permit:

- Be wages or income from commercial activities in the Republic of Latvia in accordance with the double average monthly gross wage of those employed in the previous year, if the residence permit is requested by the foreigners referred to in Section 23, Paragraph one, Clauses 2, 3 and 4 of the Immigration Law and their stay is related to employment or commercial activities – **3370 EUR**; (Immigration law Section 23, paragraph 1, clause 3 - for the term of office, but not longer than five years, **if he is a member of the board or council, procurator, administrator, liquidator or member of a partnership registered in the Commercial Register who has the right to represent a partnership, or a person authorised to represent a merchant (foreign merchant) in activities related to a branch, if the commercial company or branch of a foreign merchant has been registered in the Commercial Register for not less than one year prior to the application for a residence permit, it carries out active economic activity and its activities provide economic benefits to the Republic of Latvia.** In relation to an official registered in the Commercial Register of a limited liability company, this condition shall apply if the share capital of the limited liability company is not less than 2,800 EUR);
- wages in the Republic of Latvia in accordance with the average monthly gross wage of those employed in the previous year, applying a coefficient of 1.5, if the residence permit is requested by a foreigner who wishes to receive a European Union Blue Card – 2528 EUR;
- wages in the Republic of Latvia in accordance with the average monthly gross wage of those employed in the previous year, applying a coefficient of 1.2, if the residence permit is requested by a foreigner who wishes to receive a European Union Blue Card and who will be employed in a profession that the Cabinet of Ministers has included in the list of professions in which a significant shortage of labor is forecast – 2022 EUR;

- If the average wage in the sector of expected employment of the foreigner is higher than the average monthly gross wage of workers in the Republic of Latvia in the previous year, the amount of financial resources required by the foreigner is not less than the average monthly gross wage of workers in the Republic of Latvia in the previous year – 1685 EUR per month.

3. Executive-Specific Considerations

EU Blue Card eligibility - requires a higher education degree or 5+ years of experience in a relevant field.

Intra-corporate transfers - must prove prior employment and corporate affiliation.

4. Special Provisions for Startups

Latvia offers a Startup Visa program for founders and executives of innovative companies:

- Up to 5 foreign founders can apply under one business idea;
- The visa is a Temporary Residence Permit valid for up to 3 years;
- Applicants must submit:
 - A free-form business plan;
 - Proof of financial means;
 - Health insurance and accommodation documents.
- Applications are reviewed by LIAA (Investment and Development Agency of Latvia) and OCMA (Office of citizenship and migration affairs Republic of Latvia).

5. Obtaining a long-stay visa for remote work

A long-stay visa for one year can be requested by citizens of third countries who are employed by an employer registered in a member state of the Organization for Economic Cooperation and Development or are self-employed persons registered in one of these countries, and who can perform their duties remotely while staying in the Republic of Latvia.

Documents required for visa application:

- A valid travel document (when submitting documents to the Administration by mail, a copy of the passport must be submitted);
- Completed and signed visa form (fill out the e-form);
- Photograph (not older than 6 months);
- A copy of the document certifying that the foreigner has a health insurance policy (valid in the Republic of Latvia and Schengen member states, the minimum liability limit of the insurer specified in the policy must not be less than 42,600 EUR during the insurance period);
- Documents confirming the expected place of residence in Latvia;
- If the foreigner is an employee: a document certifying the foreigner's current employment issued by the tax administration or social insurance institution of a member state of the Organization for Economic Cooperation and Development (OECD) and a certificate from an employer registered in this country about the foreigner's previous employment with this employer for at least six months, information about work amount of payment (not less than the monthly average gross salary of the employees in the previous year, applying a factor of 2.5 (according to the latest information published by the Central Statistical Office – 4213 EUR)) and the fact that the foreigner can perform his work duties remotely, if the foreigner wants to receive long-term visa for remote work;

- If the foreigner is a self-employed person: a document issued by the tax administration of a member state of the Organization for Economic Cooperation and Development, which certifies the income obtained in the last six months from the activities of a self-employed person in the amount of not less than the average monthly gross wages of the employees in the previous year, applying a factor of 2.5 (in accordance with the last published information of the Central statistical office - 4213 EUR);
- A document confirming the payment of the state fee.

Important to note - remote work visa recipients do not have the right to employment in the Republic of Latvia!

International Talent in LITHUANIA

How to Hire a Foreign Executive?

International experience, diversity, and innovation - these are key benefits a foreign executive can bring to your business. But many companies in Lithuania run into the same questions: how do you properly hire a non-EU national for a leadership role? Is the process complicated?

Here is a practical guide for businesses that want to tap into global talent and smoothly handle the legal aspects of hiring a foreign executive.

Hiring a Foreign Executive in Lithuania: What You Need to Know

If you're planning to hire a foreign executive from a non-EU country to lead your company, they'll need a temporary residence permit. To get such a permit based on employment, both the company and the candidate need to meet certain criteria.

Company requirements:

- A business plan confirming that the company has been operating as described in its founding documents for at least 6 months prior to the application;
- The company must employ full-time staff who are Lithuanian, EU/EFTA citizens, or permanent residents of Lithuania, and pay them at least twice the national average salary from the past two calendar years (currently EUR 4,446);
- The company's equity or assets must be worth at least EUR 28,000.

Executive requirements:

- The foreign national must be officially registered as the company's director.

Company Requirements	Executive Requirements
Business activity carried out for at least 6 months	The executive must be officially registered at the Centre of Registers
Employee salaries ≥ EUR 4,446	The main reason for coming to Lithuania must be to work in the company
Capital or asset value ≥ EUR 28,000	

It's essential that the company continues to meet these requirements throughout the entire 2-year validity of the residence permit. If not, the Migration Department can refuse or cancel the permit.

A Simplified Process for Citizens of Certain Countries

If you plan to hire a foreign executive from Australia, Japan, the United Kingdom, the United States, Canada, New Zealand, or South Korea, the process is simpler. Citizens of these countries benefit from relaxed requirements and less paperwork.

Company requirements:

- If your company is less than a year old, you'll need to provide proof that it's actively operating according to its founding documents;
- If the company has already completed one financial year, a financial report is required.

Executive requirements:

- The person must be officially registered as the company's director.

Remote Work: A Flexible Alternative

If you're not ready or able to bring the executive to Lithuania right away, remote leadership has become a viable and increasingly popular alternative. Many companies now operate under hybrid or fully remote models, collaborating with leaders based in other countries.

However, this approach comes with its own challenges. A foreign executive may encounter difficulties obtaining a visa for short visits to Lithuania. And while remote work offer flexibility, leading a company remotely requires excellent communication skills and high level of mutual trust. It's important to carefully assess whether this arrangement works for both sides.

e-Residency: Managing a Business Without Being in Lithuania

Lithuania offers an e-residency program for those working remotely. With e-residency, a foreign executive can access Lithuanian administrative, business, and government services digitally – without needing to physically be in the country.

This digital ID streamlines daily tasks like signing documents, filing reports, and communicating with institutions, making remote leadership significantly more practical.

Hiring a foreign executive opens the door to new opportunities and global expertise. With proper preparation and a clear understanding of legal requirements, Lithuanian companies can confidently build international leadership teams and thrive in the global market.

Requirement	If less than one financial year has passed since establishment	If more than one financial year has passed
Company activity documents	Provide documents confirming that the company operates in Lithuania according to its founding documents (e.g., a lease agreement, service contracts, required permits/licenses)	Submit the company's financial report (balance sheet, equity changes report, etc.)
Executive requirements	The person must be registered at the Centre of Registers	The person must be registered at the Centre of Registers

Hiring for a Startup? Special Rules Apply

Lithuania actively fosters startup growth by offering a supportive ecosystem. Notably, if a foreign executive is also a shareholder and the business qualifies as a startup, a faster and more streamlined route is available.

Key requirements:

- Proof that the company will meet Lithuania's legal definition of a startup;
- Confirmation that it will carry out startup-related activities;
- Evidence that the founders have the right qualifications, a business plan, and funding;
- A maximum of four foreign co-founders can be included.

Once the residence permit is issued, the startup must be officially established and operational within 120 days - or within 60 days if not all co-founders are involved.

Failure to meet these deadlines may result in the cancellation of the permit.

Authors

This guide is a joint effort by leading legal professionals from the TRINITY law firm alliance, combining cross-border expertise and practical insight to support businesses operating in the Baltic region.



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Disclaimer:

This guide provides general information and is not legal advice. For help with specific situations, please consult a legal professional.