



## Tax&Legal Highlights

### Lithuania

#### **The court clarified the relation between personal data and the company's interest**

The Supreme Administrative Court of Lithuania stated that the formal notice of professional e-mail's monitoring at work is not necessary if the employee must understand it taking into account the nature of his/her position.

This case is relevant to the General Data Protection Regulation, which comes into force on 25<sup>th</sup> May, by which it is mandatory for employees to be informed about the monitoring of professional e-mail in written form.

#### **The Centre of Registers initiates the development of a virtual company's prototype**

The Centre of Registers announces that the necessary legal changes will be clarified and the virtual company's concept will be constructed.

Virtual companies would be subjects of Lithuanian jurisdiction and would have to pay taxes in Lithuania without the obligation to submit financial statements. The aim is to create a legal form that allows to fully develop the blockchain and DLT (Distributed Ledger Technology) businesses in Lithuania.

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The main innovation would be the transition to a legal entity's (virtual company's) stock market based only on blockchain technology.

### The court ruled that employee must compensate for disclosure of commercial secrets

**The Supreme Court of Lithuania ruled that the employee is liable for disclosure of commercial secrets and has an obligation to compensate damages.**

The court clarified that the employee's obligation to protect confidential business secrets originated from the contract of confidential information concluded with the company. The fact that the information provided to third parties was publicly available does not invalidate the information's commercial value for the company's business.

### New rule regarding conflict of interests applicable to the head of the company

**The Supreme Court of Lithuania examined the situation in which the CEO having its professional duties was also engaged in individual activities and provided the same services as the company.**

The court stated that the CEO should give priority to the interests of the company and avoid a situation when personal interests are in conflict with the interests of the company. If it is needed for a CEO to carry out the same activities as the company carries, the CEO must obtain a consent of the shareholders.

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