



Tax&Legal Highlights

Lithuania

Amended reporting rules of multinational enterprise groups country by country report

On 2 November 2017 the Order No. VA-93 issued by the Director of The State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (hereinafter – STI under MF) has changed a previous Order No. VA-47 regarding the reporting rules for the multinational enterprise (hereinafter – MNE) groups also known as Country-by-Country (hereinafter – CbC) reporting rules in Lithuania.

The main amendments made to the CbC reporting rules:

- Explanation of terminology;
- Specification that if the financial year of MNE Group starts later than on the 1st of January the CbC report for financial year 2016 should be submitted to STI under MF within 12 months after the end of the financial year. Before the amendments the deadline for submitting the first CbC report was 31 March 2018 irrespectively of whether the financial year of the MNE Group starts on the 1st of January or later;

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- Amendment of the term No. 4 in the Annex 3. Based on the amendment of the rules, no adjustments would be required if the accounting policies in different countries were different;
- Addition of Annex 4 "Description of data file";
- Other editorial changes.

Agricultural companies and cooperative companies will have to provide information about their participants to the administrator of information system on participants of legal entities (hereinafter – JADIS)

On 16 November 2017, there were adopted amendments to the Law on Agricultural Companies of the Republic of Lithuania and the Law on Cooperative Companies (Cooperatives) of the Republic of Lithuania stipulating that agricultural companies and cooperative companies will be required to provide JADIS with information about the participant of the agricultural company or cooperative, the date of the person's admission to the participants, the size (when the contribution is monetary) and/or value (when the contribution is non-monetary) of the participant's contribution, also the expiration date of membership.

Agricultural companies will also be obliged to provide JADIS with information about the shareholder, the date of payment of the personal income, the size (when the contribution is monetary) and/or value (when the contribution is non-monetary) of the shareholder's contribution, the date of the transfer of share within the company.

The specified data must be submitted no later than within 5 days from the date of registration of the company or exchange of the data. The new procedure will come into force from 1 May 2018.

The companies, established before the entry into force of the law, will have to submit the specified data by 31 December 2018.

The Bank of Lithuania presented its position on the distribution of virtual currencies and initial coin offering

On 10 November 2017, the Bank of Lithuania has issued requirements that financial market participants should comply with. Nevertheless, this position can not be considered as an official interpretation of the law.

In its position, the Bank of Lithuania set requirements for financial market participants and indicated that financial market participants providing financial services should not participate in activities or provide services related to virtual currencies. Failure to comply with this requirement may constitute grounds for not issuing a license or revoking a license issued. Financial market participants should also ensure that financial service activities are clearly distinguished from activities in the field of virtual currencies and provide proper and non-misleading information on the nature of the services provided. Financial market participants should ensure that money laundering and anti-terrorist financing legislation is complied with by providing financial services to clients engaged in activities related to virtual currencies.

Lithuania has changed average monthly salary

On 24 November 2017, the average monthly salary in Lithuania was raised, at present it is 850.80 EUR/Month. Previously, the average monthly salary in Lithuania was 838.70 EUR/Month.

The part of applicable requirements for purchasers of agricultural land plots has been waived

On 23 November 2017, amendments to the Law on Acquisition of Agricultural Land were adopted

Previously required three years of agricultural activity, declarations of agricultural land and crops, a registered farmer's holding, and a diploma in agricultural education were cancelled as a requirements for a natural person. Eliminated requirements for a legal person - 50% of income from agricultural activity and proof of economic viability. It is also foreseen that land purchase and sale transactions must be executed only in the form of bank settlements. The amendments adopted will facilitate the purchase and sale of agricultural land. However, a legal person still cannot purchase more than 500 ha of agricultural land.

Contacts Details

Kristine Jarve

Partner

Tax and Legal Department

Tel: + 370 5 255 3000

Email: kjarve@deloittece.com

Lina Krasauskienė

Senior Manager

Tax and Legal Department

Tel: + 370 5 255 3000

Email: lkrasauskiene@deloittece.com

Tomas Davidonis

Attorney at Law

Tax and Legal Department

Tel: +370 5 255 3000

Email: tdavidonis@deloittece.com

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