



Tax&Legal Highlights

Lithuania

[The release of the new edition of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations](#)

On 10 July 2017 the Organisation for Economic Co-operation and Development (hereinafter – OECD) released new edition of the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (hereinafter – the Guidelines), which replaced the 2010 edition of the Guidelines.

Amendments to the Guidelines have been made in order to implement the provisions of Base Erosion and Profit Shifting (hereinafter – BEPS) project. The Guidelines are used by the taxpayers and tax administrators in determining the applicable pricing principles in the controlled transactions.

Main amendments to the Guidelines include:

- Implementation of BEPS project actions 8-10 and 13 to the Guidelines by amending Chapters I, II, V, VI, VII, VIII, IX. New recommendations relate to:
 - Country-by-Country report;
 - Pricing aspects regarding intangibles;
 - Intra-group services;
 - Cost contribution arrangements; and

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- Business restructurings;
- Amendments to Chapter IV of the Guidelines regarding safe harbours;
- Other editorial changes.

With respect to the Lithuanian entities and permanent establishments of the foreign entities operating in Lithuania, it should be noted that the Guidelines are applicable to the extent they do not contradict the Order No. 1K-123 of the Minister of Finance of the Republic of Lithuania, providing the Lithuanian transfer pricing documentation rules.

New rules regarding documentation of excise goods and determination of the time of release of the excise goods for consumption have entered into force

On 2 August 2017 State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (hereinafter - STI under MF) informed that some legislation amendments will enter into force as of 1 November 2017. The amendments relate to:

- Supreme Administrative Court of Lithuania (hereinafter – SACL) ruling regarding determination of the time of release of the excise goods for consumption under suspension from excise duties regime. In that regard amendments on classification of codes of transactions related to excise goods were adopted;
- Rules regarding issuance of excise duty calculation documents and data submission to state tax authorities' excise duty administration system.

STI under MF clarification on taxation of excise duties on energy products

On 27 July 2017 STI under MF clarified that energy products which are used for purposes other than as motor fuel, heating fuel or fuel additives are exempted from excise duty in accordance with Article 43 (1)(3) of the Lithuanian Law on Excise Duty. The clarification is also valid in cases where the relevant quantities of energy products are used as samples for tests and analysis.

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