



Tax and Legal Newsletter

August 2018

Audit and consulting company, Deloitte Lithuania, is glad to introduce you with Tax and Legal Newsletter. In this edition, you will be presented with the latest tax and legal news prepared by our Managers from Tax and Legal Department.

Legal News

Deloitte poll shows that only one-third of responding organizations are compliant with General Data Protection Regulation

Although European Union (EU) General Data Protection Regulation (GDPR) took effect on 25 May, the majority of organizations are still not prepared to meet GDPR requirements, according to Deloitte international poll.

On 22 June 2018, a Deloitte Dbriefs webcast titled "EU General Data Protection Regulation: practical steps for compliance" polled more than 490 professionals involved in their organizations' GDPR compliance efforts. One-third of respondents (32.7 percent) hope to be compliant within 2018. And, 11.7 percent plan to take a "wait and see" approach amid uncertainty over how EU regulators in various countries will enforce the new regulation. The poll results are clear – only 34.5 percent of respondents say their organizations can defensibly demonstrate compliance with the new data privacy rules today. The poll also showed that organizations do not know what data and to whom they have disclosed.

More information about the poll is available [here](#) and [here](#).

The State Tax Inspectorate announced real estate tax rates for 2019 year

On 3 August 2018, the State Tax Inspectorate announced the tax rates imposed by municipalities on real estate. Vilnius City Municipality set a 1% general real estate tax rate. 0.7% tax rate will apply to hotels, also properties designated for catering, recreation, culture, sports and science. 3% tax rate is imposed on untended property. Kindergartens and schools are exempted from real estate taxes in Vilnius.

General real estate tax rate in Kaunas is 1%, in Šauliai – 0.7%, in Panevėžys – 0.8%.

More information is available [here](#).

The court stated that private individuals have no right to challenge building permits

On 20 August 2018, the Supreme Court of Lithuania has clarified the right of a private person to challenge a construction permit and other construction documentation. The court noted that a private person is not entitled to claim cancellation of construction permit or other documentation unless the alleged violation affects his/her rights and legitimate interests.

According to the Supreme Court, the private person is not eligible to defend the public interest, as it a function of state institutions. Seeking to prevent violation of construction laws and thus defend the public interest, the private person has to notify the state authorities to that effect.

More information is available [here](#).

Get in touch:



Kristine Jarve
Partner
Tax
+370 5 255 3000
kjarve@deloittece.com



Lina Minkė
Senior Manager
Tax
+370 5 255 3000
lminke@deloittece.com



Gintautas Bartkus
Partner-in-Charge, Advocate
Deloitte Legal
+370 5 255 3000
gbartkus@deloittece.com



Tomas Davidonis
Legal Partner, Advocate
Deloitte Legal
+370 5 255 3000
tdavidonis@deloittece.com

The European Union Intellectual Property Office has published a publication in the field of commercial secrecy

The European Union Intellectual Property Office (EUIPO) has analysed cases in Member States in the area of commercial secrets and published its analysis in August 2018. EUIPO emphasises that the notion of commercial secrecy as well as the sources and measures of commercial secrets protection vary greatly from state to state. The study showed that commercial secrets are protected in different ways, including confidentiality, licenses and know-how agreements, as well as confidentiality clauses in employment contracts. The analysis of the litigation revealed that better results were achieved by those companies that had a strategy for protecting business secrets and relevant internal procedures, also the company that ensured a higher level of cyber security.

According to EUIPO, only 6 countries (including Lithuania) have been evaluated satisfactorily in the field of business secrets protection. However, the overall situation in the EU Member States remains weak.

More information is available [here](#).

The National Lithuania's Cybersecurity Strategy was approved

On 13 August the Government of Lithuania approved the National Cybersecurity Strategy, which sets out key national security policies for public and private sectors for five years.

The Strategy implements the Directive (EU) 2016/1148 on security of network and information systems. It foresees strengthening of cyber security and defense capabilities of the state as well as ensuring prevention and investigation of criminal activities in cyberspace. The Strategy also promotes cyber security culture and innovation, international cooperation in the area of cyber security, strengthens close connections between public and private sectors.

More information is available [here](#).

The government approved the migration reform

On 31 July 2018 the Government approved statutory amendments aimed to reform the state's migration policy. The amendments will still have to be approved by the Seimas also.

The amendments propose to redistribute functions between institutions implementing migration policies, improve regulation of the legal status of foreigners, create the Lithuanian Migration Information System (MIGRIS).

The reform foresees abandoning of excessive procedures and facilitation of possibilities for foreigners to work in Lithuania. A new institutional migration model was also created - migration functions would be carried out by the Migration Commission, the Migration Affairs Unit and the Migration Department.

If the Seimas approves the amendments at its autumn session, they will come into force in July 2019.

More information is available [here](#).



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