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REPUBLIC OF LITHUANIA
LAW
ON THE BANK OF LITHUANIA

1 December 1994 No I-678

Vilnius

(As last amended on 30 June 2016 – No XII-2562)

CHAPTER 1
GENERAL PROVISIONS

Article 1. The Bank of Lithuania

1. The central bank of the Republic of Lithuania shall be the Bank of Lithuania, belonging by the right of ownership to the State of Lithuania. The Bank of Lithuania shall form an integral part of the European System of Central Banks and shall pursue the objectives and carry out the tasks of the European System of Central Banks in accordance with the guidelines and instructions of the European Central Bank. The Bank of Lithuania shall perform its functions and carry out its activities to the extent that it does not interfere with the objectives of the European Central Bank and of the European System of Central Banks and complies with the legal acts of the European Union, including the legal acts of the European Central Bank. The regulation of the activities of the Bank of Lithuania has been harmonised with the legal acts of the European Union specified in Annex 3 to this Law.

2. The ownership of the State of Lithuania in the Bank of Lithuania shall be expressed by the capital of the Bank of Lithuania. The assets of the Bank of Lithuania shall belong to it by the right of ownership. The Bank of Lithuania shall manage, use and dispose of, its assets in accordance with legal acts of the European Union and this Law.

3. The Bank of Lithuania shall be established by the Seimas.

Article 2. Legal Status of the Bank of Lithuania

1. The Bank of Lithuania shall be a legal person.

2. The Bank of Lithuania shall have a seal bearing the State Emblem of Lithuania and words 'Lietuvos bankas' ('Bank of Lithuania').

3. The registered office of the Bank of Lithuania shall be at 6 Gedimino Avenue, Vilnius.
4. The State of Lithuania shall not be liable for the obligations of the Bank of Lithuania, and the Bank of Lithuania shall not be liable for the obligations of the State of Lithuania.

Article 3. Independence of the Bank of Lithuania

1. The Bank of Lithuania shall be governed by the Treaty on the Functioning of the European Union, the Protocol on the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty on the Functioning of the European Union, as well as other legal acts of the European Union. The Bank of Lithuania shall be also governed by laws and other legal acts of the Republic of Lithuania in as much as they are in compliance with the Treaty on the Functioning of the European Union and the Protocol on the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty on the Functioning of the European Union. In the event of a conflict between the legal acts of the Republic of Lithuania and the international treaties of the Republic of Lithuania, the international treaties of the Republic of Lithuania shall take precedence.
2. When implementing the objectives and performing its functions as well as pursuing the activities necessary for that, neither the Bank of Lithuania, nor the Chairperson of the Board of the Bank of Lithuania, the Deputy Chairpersons, the Members of the Board, nor other members of the staff of the Bank of Lithuania (hereinafter: ‘the Bank of Lithuania staff’) must seek and take instructions from the institutions and bodies of the European Union, the governments of the Member States of the European Union or any other institutions or bodies. The Government of the Republic of Lithuania and State institutions must respect the independence of the Bank of Lithuania and must not seek to influence the Bank of Lithuania and its staff in discharge of their duties.

Article 4. Branches, Representative Offices, Institutions and Enterprises of the Bank of Lithuania

The Bank of Lithuania shall have the right to establish branches, representative offices, institutions and enterprises, to be a shareholder or stakeholder in other institutions and enterprises in the Republic of Lithuania and foreign states, provided this is needed to carry out its functions.

Article 5. Foreign Relations of the Bank of Lithuania and its Representation of the State of Lithuania

1. The Bank of Lithuania shall maintain relations with foreign and international financial institutions and shall conclude agreements with them.
2. The Bank of Lithuania may represent the State of Lithuania in international financial institutions.

Article 6. Issue of Banknotes and Coins

1. The Bank of Lithuania shall have the right to issue banknotes and coins in compliance with the requirements of the Treaty on the Functioning of the European Union.
2. The Bank of Lithuania is hereby designated as the National Analysis Centre (NAC) and the Coin National Analysis Centre (CNAC) in the Republic of Lithuania.
3. The Bank of Lithuania shall establish for credit institutions and payment institutions as well as other economic entities, which are involved in the collecting, handling and recycling of banknotes and coins, the requirements of verifying authenticity of the banknotes and coins of the money of the Republic of Lithuania and of the single currency of the European Union and of ensuring detection of counterfeit money and shall supervise the implementation of these requirements.

Article 7. The Primary Objective of the Bank of Lithuania

1. In accordance with the Treaty on the Functioning of the European Union, the primary objective of the Bank of Lithuania shall be to maintain price stability.
2. Without prejudice to its primary objective, the Bank of Lithuania shall, within the range of its competence, support the general economic policies in the European Union with a view to contributing to the achievement of the objectives of the European Union established in the Treaty on the Functioning of the European Union, and support the economic policy carried out by the Government of the Republic of Lithuania, without prejudice to the primary objective of the Bank of Lithuania and to the extent this meets the objectives of the European Central Bank and of the European System of Central Banks.

Article 8. Functions and activities of the Bank of Lithuania

1. In implementing the provisions of the Treaty on the Functioning of the European Union and acting as an integral part of the European System of Central Banks, the Bank of Lithuania shall perform the following functions:
 - 1) issue banknotes and perform other related activities;
 - 2) implement monetary policy;

3) manage, use and dispose of the official foreign reserves of the Bank of Lithuania (hereinafter: 'foreign reserves');

4) encourage stable and efficient operation of payment and securities settlement systems;

5) collect statistical information necessary for the performance of the tasks of the European System of Central Banks from state and municipal institutions and economic entities.

2. In addition, the Bank of Lithuania shall:

1) act as a state treasury agent according to the agreement with the Ministry of Finance of the Republic of Lithuania (hereinafter: 'the Ministry of Finance');

2) exercise financial market supervision, except in cases where in accordance with the provisions of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ 2013 L 287, p. 63) (hereinafter: 'Regulation (EU) No 1024/2013') the abovementioned functions are performed by the European Central Bank, as well as carry out the functions assigned to national supervisory authorities under Regulation (EU) No 1024/2013;

3) settle disputes between the consumers and financial market participants out of court;

4) collect statistical information necessary for the performance of the functions of the Bank of Lithuania that are not related to the activities of the European System of Central Banks from state and municipal institutions and economic entities, set the procedures for the collection, compilation and dissemination of the said statistical information, and compile the balance of payments and international investment and financial accounts of the Republic of Lithuania;

5) may grant loans, secured by adequate collateral for the Bank of Lithuania, to credit institutions registered in the Republic of Lithuania in accordance with the procedure, conditions and terms established by the Bank of Lithuania, without prejudice to the requirements derived from its participation in the European System of Central Banks and notably those resulting from operations on behalf of public entities;

6) issue coins in compliance with the requirements of the Treaty on the Functioning of the European Union and perform other related activities;

7) implements a policy that aims to contribute to the protection of the stability of the entire financial system, including strengthening the resilience of the financial system and the reduction of systemic risks in order to ensure sustainable financial sector's contribution to economic growth (hereinafter – macro-prudential policy);

8) perform the functions assigned by laws of the Republic of Lithuania to the financial sector resolution authority, except in cases where such functions are performed by the Single Resolution Board in accordance with the provisions of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a

uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ 2014 L 225, p. 1) (hereinafter: ‘Regulation (EU) No 806/2014’); it shall also perform the functions assigned to a national resolution authority in accordance with Regulation (EU) No 806/2014.

3. The Bank of Lithuania shall carry out activities necessary for the implementation of the functions laid down in paragraph 1 and 2 of this Article and for the development and maintenance of the infrastructure necessary for their implementation.

4. In carrying out its functions, and pursuing its activities, the Bank of Lithuania shall participate in maintaining stability and soundness of the entire financial system and, within its remit, shall take all the necessary measures.

Article 9. Legal Acts of the Bank of Lithuania

Within their competence, the Board of the Bank of Lithuania shall adopt resolutions, and the Chairperson of the Board of the Bank of Lithuania shall issue orders.

CHAPTER 2

ORGANISATION AND MANAGEMENT OF THE ACTIVITIES OF THE BANK OF LITHUANIA

Article 10. The Board of the Bank of Lithuania

1. The Bank of Lithuania shall be governed by the Board of the Bank of Lithuania. The Board shall be comprised of a Chairperson, two Deputy Chairpersons, and two Members of the Board.

2. Only citizens of the Republic of Lithuania may be the Chairperson, Deputy Chairpersons, and Members of the Board of the Bank of Lithuania, provided they have not reached the age of 65 by the date of their appointment.

3. The Chairperson, Deputy Chairpersons and Members of the Board of the Bank of Lithuania may participate in the management of international financial institutions of which the Republic of Lithuania or the Bank of Lithuania is a member.

4. The Chairperson of the Board of the Bank of Lithuania shall be appointed for a term of five years and dismissed prior to the expiration of his or her term of office by the Seimas on the recommendation of the President of the Republic.

*5. Deputy Chairpersons and Members of the Board of the Bank of Lithuania shall be appointed for a term of six years and dismissed prior to the expiration of their term of office by the

President of the Republic on the recommendation of the Chairperson of the Board of the Bank of Lithuania.

6. The Chairperson of the Board of the Bank of Lithuania may be appointed to his position for unlimited number of terms of office. The Deputy Chairpersons and Members of the Board may be appointed to their respective positions for no more than two consecutive terms.

*7. The amount of salaries of Deputy Chairpersons and Members of the Board of the Bank of Lithuania, without exceeding 90 per cent of the amount of the salary of the Chairperson of the Board of the Bank of Lithuania, shall be established by the Board of the Bank of Lithuania.

***Note:** it shall be applied to Deputy Chairpersons and Members of the Board of the Bank of Lithuania appointed after the entry into force of Law No. XI-1319.

Article 11. Functions and Activities of the Board of the Bank of Lithuania

1. The Board of the Bank of Lithuania shall:

- 1) repealed as of 1 January 2015;
- 2) repealed as of 1 January 2015;
- 3) repealed as of 1 January 2015;
- 4) establish the principles and procedures for the management, use and disposal of foreign reserves that in accordance with the procedure laid down by legal acts of the European Union have not been transferred to the European Central Bank, in compliance with the requirements of the European Central Bank applicable to foreign reserves of the national central banks;
- 5) repealed as of 1 January 2015;
- 6) develop a financial market supervision policy, except in cases where in accordance with the provisions of Regulation (EU) No 1024/2013 this is carried out by the European Central Bank;
- 7) adopt resolutions;
- 8) upon the consent of the European Central Bank, decide on issues concerning the participation of the Bank of Lithuania in international monetary institutions;
- 9) decide on matters of issue and withdrawal of the banknotes and coins and other issues related thereto in compliance with the requirements of the Treaty on the Functioning of the European Union;

- 10) establish branches, representative offices, enterprises and institutions of the Bank of Lithuania for carrying out its functions and decide on the acquisition of shares of (stakes in) enterprises and institutions related to the functions of the Bank of Lithuania;
 - 11) approve the structure of the Bank of Lithuania;
 - 12) establish the principles of service (work) and the status of the staff of the Bank of Lithuania; approve the rules of procedure of the Board;
 - 13) apply to the financial market participants defined in Article 42(1) (hereinafter: 'financial market participants under supervision') the enforcement measures established by laws and legal acts of the European Union as well as the requirements, obligations, prohibitions and other mandatory measures established by financial market legislation, except in cases where in accordance with the provisions of Regulation (EU) No 1024/2013 this is carried out by the European Central Bank;
 - 14) in accordance with the provisions of the Law on Financial Sustainability decide on financial sector resolution, appeal to the court regarding initiation of bankruptcy proceedings against financial market participants under supervision;
 - 15) approve the Bank of Lithuania budget;
 - 16) in compliance with the requirements of the legal acts of the European Central Bank, establish the financial accounting policy of the Bank of Lithuania, approve a set of annual financial statements and the allocation of profit for the financial year, as established in Paragraph 3 of Article 23 of this Law;
 - 17) establish procedures for the management, use and disposal of the assets of the Bank of Lithuania, following the main principle of achieving the objectives and carrying out the tasks of the European System of Central Banks using the most economical, effective and productive means, and establish procurement procedures;
 - 18) resolve issues pertaining to the issuance of licenses, permits, consents, approvals, non-objections established by laws regulating the financial market as well as suspension of their validity, cancelation of suspension of their validity and revocation (termination of their validity);
 - 19) take decisions as regards the disputes between the consumers and the financial market participants; and
 - 20) establish measures of macro-prudential policy;
 - 21) perform other activities related to the implementation of the primary objective of the Bank of Lithuania.
2. The Board may authorise the Chairperson of the Board of the Bank of Lithuania to carry out a part of its functions, except for the functions provided for by points 4, 6, 7, 9, 10, 12, 13, 14, 15, 16, 18, 19 and 20 of paragraph 1 of this Article.

3. The Board of the Bank of Lithuania may authorise the structural units of the Bank of Lithuania to carry out all functions, or a part thereof, provided for by subparagraphs 13, 18 and 19 of Paragraph 1 of this Article, if laws do not provide otherwise.

Article 12. Dismissal of the Members of the Board of the Bank of Lithuania

1. The Chairperson of the Board of the Bank of Lithuania, Deputy Chairpersons and Members thereof shall be dismissed prior to the expiration of their term of office only if they do not fulfil the conditions required for the performance of their duties or they have been found guilty of serious misconduct.

2. A decision regarding the dismissal of the Chairperson of the Board of the Bank of Lithuania on the grounds provided for in Paragraph 1 of this Article shall be made by the Seimas of the Republic of Lithuania on the recommendation of the President of the Republic; a decision regarding the dismissal of Deputy Chairpersons and Members of the Board shall be made by the President of the Republic on the recommendation of the Chairperson of the Board of the Bank of Lithuania.

3. A decision regarding a dismissal shall be adopted within one month from the date of submission of the recommendation thereon to the Seimas of the Republic of Lithuania or the President of the Republic. In the event a decision is not adopted within the above time limit, the person in question shall continue to perform his or her duties.

4. The Chairperson of the Board of the Bank of Lithuania shall have the right to refer to the Court of Justice of the European Union a decision regarding his dismissal prior to the expiration of his term of office within two months from the announcement of the decision or from the receipt of the notification thereof or, if the above has not occurred, from the date when the decision became known to the plaintiff on the grounds that the decision was in breach of the Treaty on the Functioning of the European Union or any other legal provision related to the application of the above Treaty. The Deputy Chairpersons and the Members of the Board of the Bank of Lithuania shall have the right to appeal to Vilnius Regional Court against a decision regarding a dismissal prior to the expiration of their terms of office.

Article 13. Resignation of the Members of the Board of the Bank of Lithuania

1. The Chairperson of the Board of the Bank of Lithuania may resign from his or her post upon submitting a resignation request to the President of the Republic of Lithuania; Deputy Chairpersons and Members of the Board may resign upon submitting resignation requests to the Chairperson of the Board.

2. The resignation request submitted by the Chairperson of the Board shall be considered by the Seimas and requests of Deputy Chairpersons and Members of the Board shall be considered by the President of the Republic.
3. A decision regarding the resignation shall be adopted within one month from the date of receipt of a resignation request.
4. In the event a decision is not adopted during the time period indicated in Paragraph 3 of this Article, the Chairperson of the Board, Deputy Chairpersons and Members of the Board shall be considered to have resigned after one month from the day of filing such request.
5. In the event a decision to decline a request is adopted, the Chairperson of the Board, Deputy Chairpersons and Members of the Board shall be regarded to have resigned after one month from the date of the adoption of the above decision if they submit a request confirming their previous request within two weeks after the adoption of the decision to decline the request.

Article 14. Meetings of the Board of the Bank of Lithuania

1. Meetings of the Board of the Bank of Lithuania shall be held as necessary, but at least once a month. Procedures for the arrangement of Board meetings shall be established by the rules of procedure of the Board of the Bank of Lithuania.
2. Meetings of the Board of the Bank of Lithuania shall be considered valid if at least three members of the Board are present. Decisions of the Board shall be adopted by a majority of at least three votes.
3. Meetings of the Board of the Bank of Lithuania shall be presided over by the Chairperson of the Board or by one of the Deputy Chairpersons in accordance with the procedure established by the rules of procedure of the Board.
4. Decisions of the Board of the Bank of Lithuania shall be implemented by resolutions thereof, or by orders of the Chairperson of the Board.

Article 15. Voting Right Restriction for the Members of the Board of the Bank of Lithuania

Where an issue considered during a meeting of the Board is related to the private interests of a Member of the Board, involving the conflict between public and private interests, the Member of the Board concerned shall, prior to the discussion of the above issue, present a written notice thereon and shall not have the right to participate in the discussion of the said issue and in the adoption of a decision thereon.

Article 16. Work Restriction to the Members of the Board of the Bank of Lithuania

1. The Chairperson, Deputy Chairpersons and Members of the Board of the Bank of Lithuania may only be employed at the Bank of Lithuania and may not engage in any other activities that would cause a conflict of private and public interests. The Board of the Bank of Lithuania may give them consent to engage in research and pedagogical activities.

2. The Chairperson, Deputy Chairpersons, and Members of the Board of the Bank of Lithuania must, during the first year after their duties have ceased, avoid any conflict of private and public interests that would be caused by their new activities. When intending to engage in the activities that the above-mentioned persons consider might cause a conflict of private and public interests, they shall inform in writing the Board of the Bank of Lithuania and shall seek its opinion before committing themselves.

*3. Upon the expiration of the term of office, the Chairperson, Deputy Chairpersons, and Members of the Board of the Bank of Lithuania shall be paid a severance pay. The pay shall amount to the number of the average monthly salaries, paid to them, corresponding to the years of their uninterrupted term of office at the Bank of Lithuania, but shall not exceed five average monthly salaries. The severance pay shall not be paid if they have stopped performing their duties because they have been found guilty of serious misconduct.

***Note:** it shall be applied to the Chairperson of the Board of the Bank of Lithuania who commences his term of office on the day of the entry into force of Law No XI-1319 and afterwards as well as to Deputy Chairpersons and Members of the Board of the Bank of Lithuania appointed after the entry into force of this Law.

Article 17. Chairperson of the Board of the Bank of Lithuania

1. The Chairperson of the Board of the Bank of Lithuania shall:

- 1) organise the work of the Bank of Lithuania;
- 2) represent the Bank of Lithuania in the Republic of Lithuania and abroad without any special power of attorney;
- 3) conclude employment contracts with staff members and heads of the branches, representative offices, institutions and enterprises of the Bank of Lithuania, provide incentives for distinguished employees and impose disciplinary penalties;
- 4) approve the distribution of duties between the Chairperson, Deputy Chairpersons and Members of the Board;
- 5) issue powers of attorney;
- 6) approve regulations of the structural divisions of the Bank of Lithuania; and
- 7) perform other functions delegated by the Board of the Bank of Lithuania.

2. In the event of the absence of the Chairperson of the Board of the Bank of Lithuania, his or her duties shall be performed by one of the Deputy Chairpersons or one of the Members of the Board on a mandate from the Chairperson of the Board of the Bank of Lithuania.

3. The Chairperson of the Board of the Bank of Lithuania, his or her deputy or a Member of the Board shall have the right to attend sittings of the Government of the Republic of Lithuania in a deliberative capacity.

*4. The salary of the Chairperson of the Board of the Bank shall be equal to five average monthly salaries of the employees of monetary intermediation institutions announced by the Department of Statistics to the Government of the Republic of Lithuania.

*5. In order to finance expenses related to the representation both in Lithuania and abroad, every month the Chairperson of the Board of the Bank of Lithuania shall be granted a sum accounting for 15 percent of his or her salary without justifying expenses.

***Note:** it shall be applied to the Chairperson of the Board of the Bank of Lithuania who commences his term of office on the day of the entry into force of Law No XI- 1319 and afterwards.

Article 18. Staff of the Bank of Lithuania

1. The staff of the Bank of Lithuania shall perform the functions of the Bank of Lithuania laid down in this Law by implementing resolutions of the Board of the Bank of Lithuania and orders of the Chairperson, and by observing the regulations of a relevant structural division and employment contracts.

2. Laws regulating labour relations shall be applicable to the staff of the Bank of Lithuania.

3. The staff of the Bank of Lithuania may only be employed at the Bank of Lithuania. Upon the consent of the Board of the Bank of Lithuania, they may also be employed elsewhere.

4. The Board of the Bank of Lithuania shall have the right to delegate a staff member for temporary work at the European Union and international institutions and bodies or institutions or bodies of another state at the request of the staff member and at its own initiative, subject to the consent of such staff member, without cancelling the employment contract and suspending the counting of the period of employment at the Bank of Lithuania, without changing the terms of remuneration set in the employment contract or by changing said terms by mutual agreement between the parties of the employment contract. At the request of the staff member and subject to the consent of the Board of the Bank of Lithuania, such staff member may take up employment for a certain period of time at the institutions and bodies mentioned herein by requesting for a leave of absence, without suspending the counting of the period of employment at the Bank of Lithuania.

5. The staff of the Bank of Lithuania may be granted financial services pursuant to the procedure and terms established by the Board of the Bank of Lithuania.
6. The Bank of Lithuania shall disclose information concerning a staff member only in the cases and pursuant to the procedure provided for by law.

Article 18¹. Requirements for the Avoidance of a Conflict of Public and Private Interests Applicable to the Staff of the Bank of Lithuania

1. The Staff of the Bank of Lithuania must avoid engaging in the activities that would cause a conflict of public and private interests
2. The Board of the Bank of Lithuania, in ensuring the lawful interests of the Bank of Lithuania and in order to ascertain that the staff of the Bank of Lithuania avoid a conflict of public and private interests and do not use or allow the use by third parties of the information constituting a state, official and bank secret in their own or the third parties' interests, may establish the kinds of information on personal and family financial operations to be disclosed by the Bank of Lithuania staff to the Bank of Lithuania, and may establish restrictions on entering into certain financial transactions or engaging in certain activities.

Article 19. Responsibility in Protecting Secrets

1. The staff of the Bank of Lithuania as well as other persons, who have been granted the right of access to the information constituting state, official and bank secrets or who have come into possession of such information without such a right, shall protect the information constituting state, official and bank secrets. This obligation shall continue to exist after the end of an employment relationship with the Bank of Lithuania or after the end of any other service or function related to the Bank of Lithuania.
2. A secret of the Bank shall be any non-public information related to the European System of Central Banks and any other information used in the activities of the Bank of Lithuania that does not constitute a state or official secret with respect to its significance, the illegal disclosure or loss of which could nevertheless have negative consequences on the functioning of the Bank of Lithuania and its activities, and could harm legitimate interests of other persons.
3. The Chairperson of the Board of the Bank of Lithuania shall approve detailed lists of information constituting state and official secrets. Detailed lists of information constituting state and official secrets shall be approved and amended in accordance with the procedure laid down by the Republic of Lithuania Law on State and Official Secrets.
4. Usage procedures in relation to information constituting a bank secret shall be approved by the Chairperson of the Board of the Bank of Lithuania.

5. Protection of information constituting a bank secret in court proceedings shall be subject to the provisions of the laws of the Republic of Lithuania ensuring protection of commercial secrets.

CHAPTER 3

FINANCES OF THE BANK OF LITHUANIA

Article 20. Capital of the Bank of Lithuania

1. The capital of the Bank of Lithuania shall be comprised of its authorised capital and reserve capital.
2. The authorised capital shall be EUR 60 million. It shall be accumulated from the funds of the State of Lithuania and/or profit of the Bank of Lithuania.
3. The reserve capital shall be accumulated from the profit of the Bank of Lithuania.

Article 21. Budget of the Bank of Lithuania

The Bank of Lithuania shall plan its annual budget taking into account the needs related to the implementation of the objectives and functions, as well as its activities prescribed by this Law. The budget shall consist of operating expenses and investment in tangible and intangible assets.

Article 21¹. Financing of Activities of a Financial Market Supervision and Financial Sector Resolution Authority

1. Financial market supervision shall be financed by contributions of financial market participants and by funds of the Bank of Lithuania. Activities of a financial sector resolution authority shall be financed by contributions of financial market participants.
2. Financial market participants who must pay contributions to cover financial market supervision expenditure, contribution base and maximum contributions shall be set out in Annex 1 of this Law. Financial market participants who must pay contributions to cover expenditure of the financial sector resolution authority, contribution base and maximum contributions shall be set out in Annex 2 of this Law. Annual contribution rates shall be set by the Bank of Lithuania. Rates of contributions for financial market supervision shall be set by the Bank of Lithuania after consultation with the financial market participants under supervision. When setting contribution rates, account must be taken of the functions performed by the Bank of Lithuania and its incurred expenses related to the relevant financial market participants as well as of the scope and form of activities of the said financial market participants, and in the case of financial market participants under supervision – the risk taken by them. The detailed calculation method of contributions of financial market participants under supervision and the procedure of payment thereof as well as

the procedure of payment of contributions to finance activities of the resolution authority shall be laid down by legal acts of the Bank of Lithuania.

3. If in a given year the sum of paid contributions of financial market participants exceeds the expenditure incurred by the Bank of Lithuania that year, where such expenditure is related to financial market supervision or the functions of the financial sector resolution authority, the Bank of Lithuania shall correspondingly reduce the sum of contributions planned for the following year by the said amount and the sum of contributions paid in excess shall be used to finance next-year financial market supervision or activities of the financial sector resolution authority.

4. If in a given year the sum of contributions paid by financial market participants is insufficient to cover the expenses of the Bank of Lithuania related to the functions of the financial sector resolution authority, the Bank of Lithuania may temporarily cover the shortfalls with other funds of the Bank of Lithuania, however, it must increase by an appropriate amount the contributions planned for coming years to finance activities of the financial sector resolution authority (without exceeding maximum annual contributions set in Annex 2 to this Law) with the purpose of recovering the used funds of the Bank of Lithuania.

5. Financial market participants referred to in Annexes 1 and 2 to this Law must transfer contributions for the current year to the accounts specified by the Bank of Lithuania by 31 May of that year at the latest. Financial market participants must pay the following default interest for the missed deadline for contribution payment: 0.05 per cent of the outstanding amount for each day. Payment of default interest shall not afford exemption from the obligation to pay the whole delayed amount.

6. Unpaid contributions and default interest shall be, by a decision taken by the Bank of Lithuania, be subject to uncontested recovery (without debiting the person's account on his order) from the financial market participant's cash accounts with the Bank of Lithuania, credit or payment institutions. Unpaid contributions and default interest may, by a decision taken by the Bank of Lithuania, be recovered from other assets of the financial market participant. In this case, the enforcement shall be carried out by bailiffs in accordance with the procedure laid down by the Republic of Lithuania Code of Civil Procedure.

Article 22. Profit (Loss) of the Bank of Lithuania

The profit (loss) of the Bank of Lithuania for the financial year shall be calculated by deducting expenses from income.

Article 23. Coverage of the Loss and Allocation of the Profit of the Bank of Lithuania

1. After the set of financial statements of the last ended financial year is approved in accordance with the procedure laid down by this Law, profit (loss) for that year and undistributed profit carried over from the previous financial periods shall be attributed to the net distributable profit (loss). Thereafter the net distributable profit shall be distributed or the net distributable loss shall be covered following the provisions established in this Article.
2. Net distributable loss shall be covered from the reserve capital of the Bank of Lithuania. When reserve capital is not sufficient to cover distributable loss, remaining uncovered losses are carried forward to be covered by the distributable profit of the succeeding financial years.
3. Net distributable profit shall be allocated in the following sequence:
 - 1) to cover the uncovered loss carried forward;
 - 2) from the excess remaining after the allocation under the subparagraph 1 herein, an amount shall be allocated to authorised capital up to the amount specified in Article 20 of this Law;
 - 3) from the excess remaining after the allocation under the subparagraph 2 herein, an amount shall be allocated to reserve capital up to the amount, independently established by the decision of the Board of the Bank of Lithuania taking into account potential impact of risks however this capital shall be no less than five amounts of the authorised capital of the Bank of Lithuania;
 - 4) from the excess remaining after the allocation under the subparagraph 3 herein, an amount shall be allocated to the State Budget as the profit contribution of the Bank of Lithuania. This contribution shall not exceed the amount corresponding to 70 per cent of the calculated average of the profit (loss) of the Bank of Lithuania of the last three financial years.
4. The surplus of the distributable profit after the allocation established in observance of paragraph 3 of this Article shall be carried forward as undistributed profit and shall be distributed following the provisions established in this Article in succeeding financial years.

Article 24. Relation of the Bank of Lithuania to the State Budget

The contribution of the Bank of Lithuania shall be paid to the state budget once a year not later than by 1 May of the following year.

CHAPTER 4 MONETARY POLICY

Article 25. Opening of Accounts and Instruments of Monetary Policy

1. The Bank of Lithuania, acting as an integral part of the European System of Central Banks, shall implement the defined monetary policy.

2. In order to conduct operations, the Bank of Lithuania may open accounts for credit institutions, public entities and other market participants and accept assets, including book entry securities, as collateral.

3. In accordance with general principles for open market and credit operations established by the European Central Bank, including the announcement of conditions under which it stands ready to enter into such transactions, the Bank of Lithuania may:

- 1) operate in the financial markets by buying and selling outright (spot and forward) or under repurchase agreement and by lending or borrowing claims and marketable instruments, whether in EU or in non-EU currencies, as well as precious metals;
- 2) conduct credit operations with credit institutions and other market participants, with lending being based on adequate collateral.

Article 26. Repealed as of 1 January 2015.

Article 27. Repealed as of 1 January 2015.

Article 28. Repealed as of 1 January 2015.

Article 29. Repealed as of 1 January 2015.

Article 30. Repealed as of 1 January 2015.

Article 31. Setting and Publication of Exchange Rates Between the Euro and Foreign Currencies

1. The Bank of Lithuania shall publish in the Republic of Lithuania reference exchange rates between the euro and foreign currencies as published by the European Central Bank.
2. The Bank of Lithuania may also set and publish in the Republic of Lithuania other reference exchange rates between the euro and foreign currencies that were not indicated in Paragraph 1 of this Article.

Article 32. Repealed as of 1 January 2015.

CHAPTER 5 FOREIGN RESERVES AND OPERATIONS

Article 33. Foreign Reserves

The Bank of Lithuania shall manage, use and dispose of foreign reserves following the principles and procedure meeting the requirements of European Union law.

Article 34. The Structure of Foreign Reserves

Foreign reserves may be composed of:

- 1) gold;
- 2) foreign currency in banknotes and coins;
- 3) assets in foreign currency held abroad;
- 4) Special Drawing Rights (SDRs) and reserves in the International Monetary Fund; and
- 5) other universally recognised international reserves.

Article 35. Operations of the Bank of Lithuania

1. In performance of its functions, the Bank of Lithuania shall have the right to conduct the following operations:

- 1) open accounts on its own behalf and put deposits thereon;
- 2) open and manage accounts and accept deposits;
- 3) take and grant loans;
- 4) purchase and sell gold and assets in foreign currency;
- 5) carry out other operations.

2. Foreign reserves of foreign central banks held in accounts opened by the Bank of Lithuania may not be subject to recovery (in a judicial or extrajudicial manner).

Article 36. Settlement Agreements

The Bank of Lithuania may enter into settlement agreements with foreign public and/or private institutions.

CHAPTER 6**FUNCTIONS OF A STATE TREASURY AGENT**

Article 37. Repealed as of 1 January 2015.

Article 38. Opening of Accounts for State Treasury

The Bank of Lithuania shall have the right to open and manage the accounts of the State Treasury of the Republic of Lithuania.

Article 39. Operations with Government Securities

On the basis of an agreement with the Ministry of Finance, the Bank of Lithuania may organise the issue and redemption of Government securities and the payment of interest thereon.

Article 40. Administration of the National Debt

On the basis of an agreement with the Ministry of Finance, the Bank of Lithuania may administer the national debt.

Article 41. Consulting the Government

The Bank of Lithuania may consult and give proposals to the Government on the issues related to financial markets, including its regulation, and State Treasury policy.

CHAPTER 7

FINANCIAL MARKET SUPERVISION

Article 42. Aim, Functions, Rights and Obligations of the Bank of Lithuania in Performance of the Financial Market Supervision

1. Financial market participants under supervision shall be: banks, foreign bank branches established in the Republic of Lithuania, the Central Credit Union, credit unions, insurance companies, reinsurance companies, branches of foreign insurance and reinsurance companies established in the Republic of Lithuania, insurance broker companies and branches of foreign insurance and reinsurance intermediaries established in the Republic of Lithuania, electronic money institutions, intermediaries of electronic money institutions and branches of foreign electronic money institutions established in the Republic of Lithuania, brokerage firms, financial advisor firms, regulated market operators, management companies, investment companies, depositories, foreign financial brokerage firms and branches of management companies established in the Republic of Lithuania, pension associations, investment holding companies and issuers, payment institutions and agents of payment institutions, consumer lenders and consumer credit intermediaries, payment and securities' settlement system operators and currency exchange offices' operators.

2. In supervision of how the financial market participants comply with the requirements set in legal acts regulating the financial market, the Bank of Lithuania shall:

1) perform the supervision of banks, branches of foreign banks established in the Republic of Lithuania, Central Credit Union, credit unions and fulfil other functions assigned to the Bank

of Lithuania by the Law on Banks, the Law on the Central Credit Union and the Law on Credit Unions;

- 2) perform the supervision of insurance companies, reinsurance companies, branches of foreign insurance and reinsurance companies established in the Republic of Lithuania, insurance brokerage firms and branches of foreign insurance and reinsurance intermediaries established in the Republic of Lithuania and fulfil other functions assigned to the Bank of Lithuania by the Law on Insurance;
- 3) perform the supervision of e-money institutions, intermediaries of e-money institutions and branches of foreign e-money institutions established in the Republic of Lithuania and fulfil other functions assigned to the Bank of Lithuania by the laws regulating the activities of these entities;
- 4) perform the supervision of financial brokerage firms, financial advisor firms, operators of regulated markets, management companies, investment companies, depositories, branches of foreign financial brokerage firms and management companies established in the Republic of Lithuania, pension associations, investment holding companies and issuers and fulfil other functions assigned to the Bank of Lithuania by the Republic of Lithuania Law on Markets in Financial Instruments, Law on Securities, Law on Management Companies of Collective Investment Undertakings, Law on Collective Investment Undertakings for Informed Investors, Law on Management Companies of Collective Investment Undertakings for Professional Investors, Law on Supplementary Voluntary Pension Accumulation, Law on Pension Accumulation, Law on Occupational Pension Accumulation, Law on Investment Holding Companies;
- 5) perform the supervision of payment institutions and intermediaries of payment institutions and fulfil other functions assigned to the Bank of Lithuania by the Law on Payment Institutions;
- 6) fulfil the functions assigned to the Bank of Lithuania by the Law on Financial Institutions, Law on the Supplementary Supervision of Entities in a Financial Conglomerate, Law on the Prevention of Money Laundering and Terrorist Financing, Law on Payments and other laws;
- 7) perform the supervision of consumer credit providers and consumer credit intermediaries and fulfil other functions assigned to the Bank of Lithuania by the Law on Consumer Credit;
- 8) perform the supervision of operators of the payment and securities settlement systems and fulfil other functions assigned to the Bank of Lithuania by the Law on Settlement Finality in the Payment and Securities Settlement Systems;

9) perform supervision of currency exchange offices' operators and other functions assigned to the Bank of Lithuania as provided for in the Republic of Lithuania Law on the Operators of Currency Exchange Offices;

10) fulfil functions assigned to the competent authority by the (EC) No 1060/2009.

2¹. The Bank of Lithuania shall exercise financial market supervision insofar as this is not assigned to the European Central Bank in accordance with the provisions of Regulation (EU) No 1024/2013.

3. In performance of the financial market supervision, the Bank of Lithuania shall have the right to:

1) adopt legal acts and recommendations regarding the activities and supervision of the financial market participants under supervision;

2) receive information necessary for the performance of the supervisory function from state institutions, financial market participants under supervision as well as from other enterprises, institutions and organisations;

3) inspect (examine) financial market participants under supervision and in the cases established by laws – other persons as well;

4) in the cases and according to the procedure established by laws and legal acts of the European Union apply enforcement measures against financial market participants under supervision as well as other persons;

5) have other rights as established by the legal acts listed in paragraphs 2 and 21 of this Article and their implementing legislation.

4. The Bank of Lithuania shall use the rights established in paragraph 3 of this Article:

1) directly;

2) in cooperation with other supervisory authorities, state and municipal institutions;

3) with the assistance of other persons to carry out certain actions;

4) with the assistance of law enforcement bodies.

5. The Bank of Lithuania shall provide consultations on the competence of the supervision performed by the Bank of Lithuania and shall undertake other preventive actions established in the Law on Public Administration and other legal acts to prevent the potential breach of the legal acts.

6. Upon establishing facts which prove the potential criminal activities, the Bank of Lithuania shall inform the responsible judicial authorities thereof.

Article 43. Protection of Information Received for the Purposes of Financial Market Supervision

In order to protect the information received by the Bank of Lithuania for the purposes of financial market supervision, the provisions of Article 19 of this Law and the provisions of legal acts regulating the financial market shall apply.

Article 44. Repealed as of 24 November 2015

Article 45. Reimbursement for the Damage Caused by the Illegal Actions of the Bank of Lithuania or Bank of Lithuania Staff, and Compensation of Expenses Incurred by Bank of Lithuania Staff in Relation to Proceedings or Actions Brought Against Them

1. The damage caused by illegal actions of the Bank of Lithuania or Bank of Lithuania staff in relation to the performance of the financial market supervision shall be reimbursed only in the case if the person to have suffered the damage proves that the damage was caused through intent or gross negligence of the Bank of Lithuania or Bank of Lithuania staff.

2. The Bank of Lithuania shall pay a compensation to its current or former staff equal to their expenses incurred due to criminal or administrative actions brought against them or due to other actions taken by law enforcement institutions in relation to such acts or omissions, or due to civil actions brought against them in relation to their acts or omissions done in the course of official duty related to the performance of financial market supervisory. The reimbursement procedure shall be established by the Board of the Bank of Lithuania.

Version valid as of 1 January 2017:

2. The Bank of Lithuania shall pay a compensation to its current or former staff equal to their expenses incurred due to a criminal action brought or proceedings related to an administrative offence initiated against them or due to other actions taken by law enforcement institutions in relation to such acts or omissions, or due to civil actions brought against them in relation to their acts or omissions done in the course of official duty related to the performance of financial market supervisory. The reimbursement procedure shall be established by the Board of the Bank of Lithuania.

3. A member or former member of the staff of the Bank of Lithuania must repay the compensation paid by the Bank of Lithuania as provided by paragraph 2 herein in the following cases:

1) when he or she, following the settlement of criminal or administrative actions against him or her, is found guilty of criminal act or violation of administrative law or is found guilty by the court of causing damage;

Version valid as of 1 January 2017:

1) when he or she, following the settlement of criminal or administrative actions against him or

her, is found guilty of criminal act or administrative offence or is found guilty by the court of causing damage;

2) when the expenses incurred by him or her and the legal charges he or she is awarded are paid by the party ordered to pay the charges. If the sum of legal charges ordered by the court and paid to him or her is lower than the compensation, the amount to be repaid shall be equal to the sum paid by the party ordered to pay the charges.

Article 46. Cooperation with Financial Market Supervision Authorities of Other States

The Bank of Lithuania shall have the right to conclude agreements on cooperation in the area of financial market supervision with the institutions of other states performing the financial market supervision, the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Securities and Markets Authority and other institutions of the Republic of Lithuania and foreign countries.

Article 46¹. Repealed as of 1 January 2012.

CHAPTER 7¹

OUT OF COURT SETTLEMENT OF DISPUTES BETWEEN CONSUMERS AND FINANCIAL MARKET PARTICIPANTS

Article 47. Out of Court Settlement of Disputes between Consumers and Financial Market Participants

1. The Bank of Lithuania shall settle disputes between the consumers listed in paragraph 2 of this Article (hereinafter: ‘consumers’) and providers of insurance, financial and (or) additional investment services, which arise from the provision of financial and (or) additional investment services and the insurance service contract or related thereto, in case the law of the Republic of Lithuania applies to such a contract; as well as the disputes between the consumers and economic entities, which arise from the compliance with the requirements laid down in the Law of the Republic of Lithuania on Payments. The Bank of Lithuania shall also settle the disputes between consumers – participants of collective investment entities or pension funds established in Lithuania – and managers of these entities and funds, which arise from the relations of participation in an appropriate entity or fund, as well as disputes between investors and issuers, who perform the primary securities issue on their own, arising from the relations of securities circulation. Hereinafter the services mentioned in this paragraph shall be referred to in this

Article as ‘financial services’, and the providers of these services – as ‘financial market participants’.

2. For the purposes of this Article, the consumer shall be a natural person:

- 1) concluding the financial services contract with the financial market participant, except for professional clients, to meet personal, family or household needs;
- 2) the insured, beneficiary, aggrieved third person or other person, in case the financial services are aimed at their personal, family or household needs, while the financial market participant at the moment of the conclusion of the contract was aware or had to be aware about the purpose of financial services;
- 3) whose rights and obligations in respect of the financial market participant are related to the financial services contract, even if he is not the financial service contractual party, provided that in the relations with the financial market participant such a person has no aims related to business or professional activities.

3. The consumer, who considers that the financial market participant has violated his rights or legitimate interests in contractual or related relations, shall have the right to appeal to the court or to the Bank of Lithuania, which is an institution of consuming-related dispute settlement out of court. The appeal to the Bank of Lithuania shall not deprive the consumer from the right to appeal to the court.

4. The consumer, who considers that the financial market participant has violated his rights or legitimate interests in contractual or related relations, and intends to appeal to the Bank of Lithuania for the settlement of the dispute in issue, prior to appealing to the Bank of Lithuania must contact the financial market participant in writing indicating the dispute’s circumstances and his claim. The financial market participants shall investigate the consumers' applications unrequitedly.

5. The decision of the Bank of Lithuania shall be of the nature of recommendation and shall not be appealed to court. The Bank of Lithuania shall on its website announce the information about those financial market participants who do not comply with the decisions of the Bank of Lithuania.

6. The procedure of out of court settlement of disputes between consumers and financial market participants shall be regulated by the Law of the Republic of Lithuania on Consumer Protection and the Rules of the Procedure of Out of Court Settlement in the Bank of Lithuania of Disputes Between Consumers and Financial Market Participants, approved by the Bank of Lithuania.

CHAPTER 7²

MACRO-PRUDENTIAL POLICY

Article 47¹. Functions and rights of the Bank of Lithuania when conducting macro-prudential policy

1. The Bank of Lithuania shall conduct macro-prudential policy on its own initiative or with regard to the recommendations or warnings regarding systemic risk of the European Systemic Risk Board. In case the Bank of Lithuania does not take the recommendations of the European Systemic Risk Board into account, it must submit the reasons for that to the European Systemic Risk Board.

2. Measures of macro-prudential policy and their application procedure shall be established by the legislation of the Bank of Lithuania.

3. In conducting macro-prudential policy, the Bank of Lithuania shall:

- 1) identify, monitor and evaluate threat arising to the stability of the financial system of the country;
- 2) determine and announce strategy of the macro-prudential policy;
- 3) apply necessary macro-prudential policy measures established in the legislation;
- 4) establish selection methods of systemically important financial institutions on the state level;
- 5) without delay and to the extent necessary in order to ensure financial stability, announce about the adopted decisions, including the reasons thereof, unless it poses a threat to the financial stability and/or is related to confidential information.

4. In conducting macro-prudential policy, the Bank of Lithuania shall have the right to:

- 1) issue legal acts and recommendations for financial market participants;
- 2) upon request, receive information and data required for conducting macro-prudential policy from state institutions, financial market participants and other enterprises, institutions, organizations, including data on specific institutions, financial market participants and other enterprises, institutions, organizations and information indirectly related to the macro-prudential policy conducted by the Bank of Lithuania (information about the real estate market and other factors influencing activities of financial institutions);
- 3) apply macro-prudential policy measures for financial market participants in the cases and according to the procedure set forth in the legal acts of the Bank of Lithuania;
- 4) make public and non-public communications intended for specific persons on systemic risk.

Article 47². Protection of information received when carrying out macro-prudential policy

Information received by the Bank of Lithuania in conducting macro-prudential policy shall be considered confidential, except for information which has already been publicly announced or made accessible or on the basis whereof data on specific persons cannot be directly or indirectly

established. The confidential information obtained may be used solely for the performance of the functions specified by this Law and related to conducting macro-prudential policy and supervising financial market participants and may not be publicly announced, divulged or made otherwise accessible, except in the cases specified by laws.

Article 47³. Payment of damages resulting from illegal activities of the Bank of Lithuania and staff of the Bank of Lithuania and compensation of expenses for the staff of the Bank of Lithuania related to the actions brought against them or claims lodged

Provisions of Article 45 of this Law shall apply *mutatis mutandis* to the payment of damage resulting from the illegal activities of the Bank of Lithuania or the staff of the Bank of Lithuania related to conducting macro-prudential policy and compensation of expenses related to the actions brought against the staff of the Bank of Lithuania or claims lodged related to conducting macro-prudential policy.

Article 47⁴. Cooperation with other institutions in the area of macro-prudential policy

1. In conducting macro-prudential policy and before adopting a decision regarding application of measures of macro-prudential policy, the Bank of Lithuania shall have a right to consult with the Ministry of Finance of the Republic of Lithuania without prejudice to the respective powers of the Ministry of Finance and its own independence.
2. The Bank of Lithuania shall cooperate, exchange information and have the right to enter into agreements with the European Central Bank, the European Systemic Risk Board, institutions conducting macro-prudential policy in other states, and the financial market supervisory institutions, other institutions of the Republic of Lithuania, foreign states, the European Union and/or international institutions. The Bank of Lithuania shall inform the European Systemic Risk Board about the actions taken to address the issues of systemic risk at a national level.

CHAPTER 8

FINANCIAL ACCOUNTING AND REPORTING OF THE BANK OF LITHUANIA

Article 48. The Financial Year of the Bank of Lithuania

The financial year of the Bank of Lithuania shall begin on the first day of January and end on the thirty-first day of December.

Article 49. Financial Accounting and a Set of Annual Financial Statements

1. The Bank of Lithuania shall manage its financial accounting and prepare a set of annual financial statements (a balance-sheet, profit (loss) statement, and explanatory notes) as well as other financial statements in accordance with the legal acts, guidelines and instructions of the European Central Bank regulating the accounting and reporting of operations undertaken by the national central banks.
2. The annual financial statements of the Bank of Lithuania shall comprise a balance-sheet, profit (loss) statement, and explanatory notes.
3. The Bank of Lithuania shall, within four months after the end of a financial year, submit its annual financial statements together with the opinion of an independent auditor to the Seimas and shall make it public.

Article 50. Audit of the Annual Financial Statements of the Bank of Lithuania

The audit of sets of annual financial statements of the Bank of Lithuania shall be carried out by independent external auditors selected by the Bank of Lithuania and approved by the Council of the European Union upon the recommendation of the European Central Bank.

Article 51. Annual Report of the Bank of Lithuania

The Bank of Lithuania shall announce its annual report and issue it as a separate publication. The annual report shall provide information on basic tasks regarding monetary policy and their implementation, monetary policy operations, activities while supervising financial market, conducting macro-prudential policy and discharging other functions established by laws, as well as information on the national macroeconomic situation, such as analysis of the developments in the national economy and financial markets, and on the financial position of the Bank and the results of its activities.

Article 52. Reports by the Chairperson of the Board of the Bank of Lithuania on the Implementation of the Primary Objective

The Chairperson of the Board of the Bank of Lithuania shall twice a year present reports to the Seimas on the implementation of the primary objective of the Bank, the situation of the financial market and the performance of its functions.

Article 52¹. Information provided by the Bank of Lithuania to the Seimas of the Republic of Lithuania on the issues of macro-prudential policy

1. Upon a reasoned request of the Seimas Committee on Budget and Finance, the Bank of Lithuania shall submit confidential information about warnings and/or recommendations issued when conducting macro-prudential policy. This information shall be submitted to the extent and in the way which would ensure the protection of confidential information.
2. The Chairperson of the Board of the Bank of Lithuania shall, once a year, and in case of a financial crisis on a more frequent basis, be invited to the hearings of the Seimas Committee on Budget and Finance regarding the macro-prudential policy conducted by the Bank of Lithuania.
3. Where appropriate, the Bank of Lithuania shall submit to the chair of the Seimas Committee on Budget and Finance proposals regarding improvement of laws and other legal acts regulating macro-prudential policy and comments and suggestions on preventive measures in order to reduce the risk of financial system on a macro level.

CHAPTER 9

FINAL PROVISIONS

Article 53. Recovery of Funds and Securities from Borrowers Failing to Fulfil their Obligations

1. The Bank of Lithuania shall have the right to debit, without an instruction of a financial institution, funds from the accounts of the said financial institution if it fails to fulfil its obligations to the Bank of Lithuania in due time specified in the Bank of Lithuania legal acts and contracts.
2. In the event bankruptcy proceedings are initiated against a financial institution or a decision is made concerning the prohibition to dispose of funds, the Bank of Lithuania shall have the right to use without a decision of the court or any other authorised institution, the funds from the accounts of the financial institutions held at the Bank of Lithuania in order to fulfil its financial obligations to the Bank of Lithuania.
3. In the event that a borrower fails to fulfil its obligations on the date specified in the agreement, and the performance of said obligations has been secured by a financial collateral (collateral), the Bank of Lithuania shall have the right to take over the provided financial collateral (collateral) and realise it in the manner prescribed by legal acts. The Bank of Lithuania may exercise such a right even if bankruptcy proceedings have been initiated against the borrower or a prohibition on the disposal of the financial collateral (collateral) has been imposed.

Article 54. Obtaining and provision of information

1. State and municipal institutions and economic entities must provide to the Bank of Lithuania all information required for the performance of its functions.
2. The Bank of Lithuania may provide information to the European Central Bank, central banks of the European Union states, international monetary and financial organisations, state and municipal institutions, provided such information is necessary for performing their functions and this Law or other laws of the Republic of Lithuania do not prohibit the provision of such information. This prohibition shall not apply in cases when statistical information is to be provided to the European Central Bank, in such case confidentiality regime as provided in Article 8 of Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank shall apply.
3. Loans received by legal persons registered in the Register of Legal Entities of the Republic of Lithuania from natural or legal persons without a state guarantee, and the place of residence of these persons or the registered office is located outside the Republic of Lithuania, shall be registered at the Bank of Lithuania in accordance with the procedure established by the Bank of Lithuania.

Article 54¹. Sanctions for Non-Compliance with Statistical Obligations

The Bank of Lithuania shall have the right to impose fines and penalties on economic entities for infringements with regard to submission of statistical information as established by the Bank of Lithuania for the performance of the functions of the Bank of Lithuania that are not related to the activities of the European System of Central Banks and also the functions that are related to the activities of the European System of Central Banks, if the procedure of sanctions of the European Central Bank is not applied to such infringements. The size of fines and penalties, arrangements for their application and the terms for the storage of related material shall be determined by the Bank of Lithuania.

Article 55. Publication of Information

The Bank of Lithuania shall at least once a month publish statistical and other information.

Article 56. Aspects of the Formation of the Reserve Capital

When this Law comes into force, the general reserve accumulated by the Bank of Lithuania shall be transferred to the reserve capital.

Article 57. Repealed as of 1 May 2004.

Article 58. Distribution of the Profit of the Bank of Lithuania Earned in the Year 2000

1. The profit of the Bank of Lithuania earned in the year 2000 shall be distributed in the following manner:

- 1) 10 per cent – to form the authorised capital of the Bank of Lithuania;
- 2) 50 per cent – to form the reserve capital of the Bank of Lithuania.

2. The remaining part of the profit shall be paid to the State budget of the Republic of Lithuania by 1 May 2001.

I promulgate this Law passed by the Seimas of the Republic of Lithuania.

PRESIDENT OF THE REPUBLIC

ALGIRDAS BRAZAUSKAS

Republic of Lithuania

Law on the Bank of Lithuania

Annex 1

**FINANCIAL MARKET PARTICIPANTS PAYING CONTRIBUTIONS
TO COVER EXPENDITURE OF FINANCIAL MARKET SUPERVISION,
CONTRIBUTION BASE AND MAXIMUM CONTRIBUTIONS**

Seri al No	Market participants	Base of contributions	Maximum contributions
1.	Credit institutions; branches of foreign banks which are licensed in the states other than the states of the European Economic Area and established in the	Annual average assets	0.017 per cent

Serial No	Market participants	Base of contributions	Maximum contributions
	Republic of Lithuania		
2.	Branches of foreign banks which are licensed in the states of the European Economic Area and established in the Republic of Lithuania	Annual average assets	0.0057 per cent
3.	Consumer lenders, other than credit institutions and their branches in the Republic of Lithuania	Annual average assets	0.0085 per cent
4.	Electronic money institutions; branches of electronic money institutions which are licensed in the states other than the states of the European Economic Area and established in the Republic of Lithuania.	Average outstanding electronic money and annual turnover of electronic services	0.01 per cent
5.	Branches of electronic money institutions which are licensed in the states of the European Economic Area and established in the Republic of Lithuania	Average outstanding electronic money and annual turnover of electronic services	0.005 per cent
6.	Payment institutions	Annual turnover of payment services	0.01 per cent
7.	Branches of payment institutions which are licensed in the states of the European Economic Area and established in the Republic of Lithuania	Annual turnover of payment services	0.005 per cent
8.	Insurance and reinsurance companies; branches of insurance and reinsurance companies which are licensed in the states other than the states of the European Economic Area and established in the Republic of Lithuania.	Insurance and reinsurance premiums written in the Republic of Lithuania	0.26 per cent
9.	Branches of insurance and reinsurance companies which are licensed in the	Insurance and reinsurance premiums	0.13 per cent

Seri al No	Market participants	Base of contributions	Maximum contributions
	states of the European Economic Area and established in the Republic of Lithuania	written in the Republic of Lithuania	
10.	Brokerage firms	Annual income	0.3 per cent
11.	Branches of brokerage firms which are licensed in the states other than the states of the European Economic Area and established in the Republic of Lithuania.	Annual income	0.15 per cent
12.	Management companies, investment companies with variable capital, closed-end investment companies and branches of these entities established in the Republic of Lithuania	Assets managed by collective investment undertakings and supplementary voluntary pension funds	0.05 per cent
13.	Operators of the regulated market	–	EUR 21 721
14.	Central securities depository	–	EUR 28 962
15.	Issuers whose equity securities are admitted to trading on a regulated market in the Republic of Lithuania and/or in other state of the European Economic Area, and which are under supervision of the Bank of Lithuania	–	EUR 868
16.	Issuers whose non-equity securities are admitted to trading on a regulated market in the Republic of Lithuania and/or in other state of the European Economic Area, and which are under supervision of the Bank of Lithuania	–	EUR 434
17.	Insurance broker companies	–	EUR 434
18.	Financial advisor firms	–	EUR 434
19.	Currency exchange offices' operators	–	EUR 434 “

**FINANCIAL MARKET PARTICIPANTS PAYING CONTRIBUTIONS TO COVER
EXPENDITURE OF THE FINANCIAL SECTOR RESOLUTION AUTHORITY,
CONTRIBUTION BASE AND MAXIMUM CONTRIBUTIONS**

No	Market participants	Contribution base	Maximum contributions
1.	Banks licensed in the Republic of Lithuania, the Central Credit Union, branches, established in the Republic of Lithuania, of foreign banks licensed in the states other than the countries of the European Economic Area	Annual average assets	0.0043 per cent
2.	Branches, established in the Republic of Lithuania, of foreign banks licensed in the states of the European Economic Area	Annual average assets	0.0014 per cent
3.	Brokerage firms licensed in the Republic of Lithuania and subject to the requirement of Article 12 ¹ (2) of the Law on Markets in Financial Instruments	Annual income	0.075 per cent
4.	Branches, established in the Republic of Lithuania, of brokerage firms licensed in other countries	Annual income	0.038 per cent
5.	Financial undertakings established in the Republic of Lithuania (except brokerage firms), which are subsidiaries of the entities referred to in points 1 and 3 of this Annex and which are subject to consolidated supervision by parent undertakings under Regulation (EU) No 806/2014:		
5.1.	Electronic money institutions	Average outstanding electronic money and	0.0025 per cent

		annual turnover of electronic services	
5.2.	Payment institutions	Annual turnover of payment services	0.0013 per cent
5.3.	Management companies, investment companies with variable capital, closed-end investment companies and branches of these entities established in the Republic of Lithuania	Assets managed by collective investment undertakings and supplementary voluntary pension funds	0.013 per cent
5.4.	Financial advisor firms	–	EUR 109
5.5.	Currency exchange offices' operators	–	EUR 109”

Republic of Lithuania

Law on the Bank of Lithuania

Annex 3

IMPLEMENTED LEGAL ACTS OF THE EUROPEAN UNION

1. Treaty establishing the European Community of 25 March 1957, as last amended by the Lisbon Treaty of 17 December 2007 (OJ 2007 C 306, p. 1).

2. Protocol No. 18 of 7 February 1992 on the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty establishing the European Community, as last amended by the Lisbon Treaty of 17 December 2007 (OJ 2007 C 306, p. 1).

3. Council Regulation (EC) No. 3603/93 of 13 December 1993 specifying definitions for the application of the prohibitions referred to in Articles 104 and 104b (1) of the Treaty (OJ 2004 special edition, Chapter 10, volume 1, p. 27).

4. Council Regulation (EC) No. 3604/93 of 13 December 1993 specifying definitions for the application of the prohibition of privileged access referred to in Article 104a of the Treaty (OJ 2004 special edition, Chapter 10, volume 1, p. 30).

5. Council Regulation (EC) No. 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting (OJ 2004 special edition, Chapter 19, volume 4, p. 152), as last amended by Council Regulation (EC) No. 44/2009 of 18 December 2008 (OJ 2009 L 17, p. 1).

6. Council Regulation (EC) No. 1339/2001 of 28 June 2001 extending the effects of Regulation (EC) No. 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting to those Member States which have not adopted the euro as their single currency (OJ 2004 special edition, Chapter 19, volume 4, p. 157).

7. Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements (OJ 2004 *special edition*, Chapter 10, Volume 3, p. 89).

8. Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ 2009 L 302, p. 1), with the latest amendments done by Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 (OJ 2013 L 146, p. 1).

9. Recommendation of the European Systemic Risk Board of 22 December 2011 on the macro-prudential mandate of national authorities (OJ 2012 C 41, p. 1).

10. Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ 2014 L 173, p. 1903).