

Questionnaire on Beneficial Ownership Information

Contact Information

1. Definition of beneficial ownership & mechanisms for obtaining beneficial ownership information

- 1.1 Please provide the definition of “beneficial ownership” in your country for: (a) legal persons; and (b) legal arrangements, including the relevant legislation (if applicable). Please describe criteria and thresholds that are applied to determine beneficial ownership, including any criteria for exercising control without legal ownership (e.g. voting rights, right to appoint or remove board of directors).

*Pursuant to article 2, paragraph 14, of the Law on the Prevention of Money Laundering and Terrorist Financing (LPMLTF) **Beneficial owner** shall mean any natural person who owns the customer (a legal person or a foreign undertaking) or controls the customer and/or the natural person on whose behalf a transaction or activity is being conducted. The beneficial owner shall include:*

1) in the case of a legal person:

a) the natural person who owns or manages the legal person through direct or indirect ownership of a sufficient percentage of the shares or voting rights in that legal person, including through bearer shareholdings, or through control via other means, other than public limited liability companies whose securities are traded on regulated markets that are subject to disclosure requirements consistent with the European Union legislation or subject to equivalent international standards. A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the customer held by a natural person shall be an indication of direct ownership. A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the customer held by an undertaking, which is under the control of a natural person(s), or by multiple undertakings, which are under the control of the same natural person(s), shall be an indication of indirect ownership;

b) if no person under sub-point (a) of this paragraph is identified, or if there is any doubt that the person identified is the beneficial owner, the natural person who holds the position of senior managing official in the legal person who has been identified;

2) in the case of a trust, all following persons:

a) the settlor/settlors;

b) the trustee/trustees;

c) the protector/protectors, if any;

d) the natural persons benefiting from the legal person or entity not having legal personality, or where such persons have yet to be determined, persons in whose main interest that legal person or entity not having legal personality is set up or operates;

e) any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means;

3) *in the case of a legal person which administers and distributes funds, an entity similar to a trust – the natural person holding an equivalent position to that referred to in point 2 of this paragraph.*

2. Access to basic information on legal persons

2.1 Please describe the **process** for obtaining *basic information* on legal persons created or registered in your country, including the role of the company registry.

According to article 2.71, paragraph 1, of the Civil Code, data of the Register of legal persons, documents stored in the register as well as any information supplied to the Register shall be made public. Every person shall have the right to receive, free of charge, oral information on the legal status of a legal person and restrictions imposed of his activities in accordance with the procedure established by the Register of legal persons (paragraph 4).

In accordance with article 2.72, paragraph 1, of the Civil Code, every person shall enjoy the right to be issued copies of any data, documents and information stored in the Register after a fee.

Pursuant to the Law on the Management of State Information Resources and the Regulations of the Register of Legal Persons, the Register of legal persons' data, information and copies of electronic documents and copies of documents shall be provided in the following ways: transmitted automatically via electronic communications networks; submitted for review by authorized access to the internet or electronic communications networks; provided in writing, orally and / or by electronic means.

The manager of the Registry may provide: extracts from the Register, the structure and content of which are determined by the Rules for the Management of the Register; information prepared and summarized, systematised or otherwise processed in accordance with the data of the Register and the information of the Register; copies of electronic documents in the Register and copies of documents.

2.2 Please list the **categories** of *basic information* on legal persons that is obtained and recorded by the company registry (or other relevant registries), e.g. name of entity, date of incorporation, tax ID number, etc.

According to article 2.66, paragraph 1, of the Civil Code, Register of legal persons shall have to include:

- 1) *business name of a legal person;*
- 2) *juridical form of a legal person;*
- 3) *code of a legal person;*
- 4) *registered office of a legal person;*
- 5) *the address of the legal person's electronic delivery box;*
- 6) *bodies of a legal person;*
- 7) *members of managing bodies of a legal person (name, surname, personal code, place of residence);*
- 8) *members of managing bodies of a legal person and members of a legal person having the right to conclude contracts in the legal person's name, limits of authority;*
- 9) *branch offices and representative offices of a legal person (names, codes, registered offices, members of managing bodies of branch offices and representative offices);*
- 10) *restrictions on the activities of a legal person;*

- 11) *legal status of a legal person;*
- 12) *expiry of the term of a legal person;*
- 13) *dates of alterations in the data filed with the register and dates of the alteration of documents;*
- 14) *a financial year of a legal person;*
- 15) *other data prescribed by the law.*

2.3 Is the company registry available publicly & online in your country? **YES / NO**

YES

If **YES**, please provide links to the company registry and any other relevant registries of legal persons, or provide details about how the public can access them

[Juridinio asmens paieška | VJ Registrų centras \(registrucentras.lt\)](http://Juridinio_asmens_paieška_VJ_Registrų_centras_(registrucentras.lt))
[VJ Registrų centras \(registrucentras.lt\)](http://VJ_Registrų_centras_(registrucentras.lt))

3. Access to beneficial ownership Information of legal persons

3.1 Through which mechanism(s) can competent authorities (such as law enforcement, police, financial intelligence unit and tax agencies) access *beneficial ownership information* on companies and other legal persons created or registered in your country. Please select all that apply.

Through a registry/registries with beneficial ownership information

Through a different mechanism

Competent authorities do not currently have access to beneficial ownership information

If **REGISTRY**, please provide further details on such registry(ies) including:

- Authority(ies)/agency(ies) responsible for obtaining and maintaining beneficial ownership information and for maintaining the register(ies). Please list if more than one;

The manager of sub-system of Legal Entities Beneficial Owners (JANGIS) of Information System of Members of Legal Persons (JADIS) is the State Enterprise Center of Registers.

- Categories of beneficial ownership information (data fields) obtained, recorded and maintained on the registry(ies), e.g. name, nationality, date of birth, address, etc.;

Pursuant to article 25 of the LPMLTF, all legal persons established in the Republic of Lithuania, except for legal persons whose sole member is the state or a municipality, must obtain, update and store accurate information on their beneficial owners – their name, surname, date of birth, personal number, the state which issued the identity document, place of residence, ownership rights held by them and their scope (the number of shares expressed as a percentage and the number of voting rights expressed as a percentage) or other rights of control (the chair of the board, board member, director, senior manager, other position and the number of transferred voting rights expressed as a percentage) and must submit such information not later than within ten days from the date of change in the data to the manager of the JADIS in accordance with the procedure laid down in the regulations of this information system.

- Types of legal entities covered within the scope of the beneficial ownership registry(ies), including any exempt entities;

It should be noted that JADIS has two sub-systems: i.e. the sub-system of Participants and the sub-system of Beneficial Owners, which is called JANGIS (Articles 20.1 and 20.2 of JADIS Regulations).

It also should be noted that JANGIS processes data on beneficial owners of legal entities of all legal forms, including collective investment undertakings (which according to law of the Republic of Lithuania do not have the status of legal entity) (the only exception is legal entities whose sole member is a State or a municipality and whose managers are recorded in the Register of Legal Entities (RLE)).

Since the information on beneficial owners must be provided by all legal entities established in the Republic of Lithuania (except for legal entities whose sole participant is the State or municipality) and collective investment undertakings, the JADIS Regulations do not list concrete legal forms of legal entities in detail. However, the entire scope of data processed in JANGIS is listed in detail in Articles 16 and 17 of the Regulations

- Details of the registry's(ies) access policy:
 - Is the information on the registry(ies) available to the public? **YES / NO**
 - If **YES**, please include a link(s) to the registry(ies).

YES. [VI Registry centras \(registrucentras.lt\)](http://www.registrucentras.lt)

- If **NO**, please list the authorities/agencies that have access to this information, or that can request access.
- Does accessing beneficial ownership information in the registry(ies) entail any costs?

Until December 31st, 2023, the information of the beneficial owners will be available to everyone free of charge, and from January 1st, 2023 onwards – the data will be provided for remuneration, with some exceptions provided for by law (eg public authorities).

- Does the registry(ies) provide features to search information by different types of information, e. g. legal entity name, name of director, name of beneficial owner, by first or last name, by business address, by registered agent? Is it possible to search for a combination of information (Boolean searches)?

JANGIS information on beneficial owners will be searchable by legal entity (indicating the name or code of the legal entity) and beneficiary (indicating the name, surname and personal identification number or year and month of birth of the natural person). Some authorized authorities may search for beneficiary information according to fewer search criteria.

- Frequency of updates of information and triggers for updates;

Pursuant to article 25 of the LPMLTF, the information on beneficial owners

shall be submitted to JANGIS not later than within ten days from the date of change in the data.

- Any mechanisms to verify beneficial ownership information submitted to the registry(ies) by legal persons or their representatives (if they exist).

Pursuant to provisions of Article 25 of the LPMLTF, all legal persons established in the Republic of Lithuania (except for legal persons whose sole member is the state or a municipality), must not only submit accurate information on their beneficial owners to JADIS, but also update the information not later than within ten days from the date of change in the data.

The information provided by data providers is cross-checked with the information contained in other registers, for example, data on legal and natural persons are cross-checked with information in the Population Register, addresses with information in the Address Register, etc. Moreover, the staff of the Centre of Registers checks in addition the documents submitted by foreign persons, as the data about these persons is not always contained in our registers, for example, provided for the first time. In case of discrepancies or inaccuracies, the data provider shall be informed in writing and requested to correct the data. If the data provider does not take these actions within the set deadline, the information shall not be recorded in the information system.

Moreover, from 1 August 2022 a provision of the LPMLTF comes into effect prohibiting the obliged entities from entering into business relationships or conducting monetary operations or transactions with a client if it has not submitted data to JADIS or provided inaccurate information. The law stipulates that an obliged entity should offer a client to submit revised data in JADIS and only when the client performs these actions a business relationship may be initiated.

We would like to draw your attention to the fact that the obliged entities verify information provided to them by the clients and information stored in JADIS; however, it should be treated as an additional verification.

The obligated entities mentioned in the LPMLTF (credit institutions, other obligated entities, e.g., auditors, bailiffs, notaries, etc.) have an obligation to check that the information they have about the beneficial owners of their customer (legal entity) has been submitted to JANGIS and corresponds to the information provided by JANGIS. Otherwise, business relationship or monetary operations and conclusion of transactions with such a customer cannot be initiated and performed. These requirements ensure that legal entities submit information to JANGIS and update it in a timely manner; otherwise, they would not be able to pursue their activities.

- 3.2 Please describe any other sources (mechanisms) through which competent authorities/agencies can access beneficial ownership information in your country. In each case, please describe how beneficial ownership information on companies and other legal entities is made available to authorities and/or the public (if applicable).

Examples may include through private-public partnerships (e.g. involving financial institutions, notaries and/or corporate service providers), though stock exchange or security exchange commission, or disclosure obligations for participation in public procurement processes, etc.

Information on participants of legal entities can be retrieved from JADIS, while some part of the information may be retrieved from the Register of Legal Entities (RLE). Moreover, political parties submit the data of their members to the separate information

system which is managed by the Ministry of Justice (PPMIS).

Before the creation of JANGIS, information about beneficial owners was available from other registers and information systems (Register of Legal Entities <https://www.registrucentras.lt/p/1094>, sub-system of Participants in JADIS, Information System of the Lists of Members of Political Parties <https://www.registrucentras.lt/p/1514>). However, it should be noted that when JANGIS (i.e. a sub-system of beneficial owners in JADIS) is in full operation, it will process the data of legal entities of all legal forms, including beneficial owners of collective investment undertakings (the exception is legal entities whose sole participant is a State or a municipality).

- 3.3 Are foreign legal persons, foreign (express) trusts or foreign legal arrangements allowed to operate in/own assets/ and/or register in your country? **YES / NO**

YES, they are not prohibited from operating.

If YES,

- how is basic information on these arrangements recorded (if at all)?
- how is beneficial ownership information on these arrangements recorded (if at all)?
Please provide details of the relevant legislation and practices.

4. Access to basic Information and beneficial ownership Information of (express) trusts and other similar legal arrangements

- 4.1 Does your country recognize (express) trusts or other similar legal arrangements? **YES / NO**

NO

- If **YES**, please provide a broad overview of your country's system and mechanisms for obtaining beneficial ownership information on (express) trusts and other similar legal arrangements created or registered in your country.
- If **NO**, please skip to question 5

- 4.2 How is *basic information* on (express) trusts and other legal arrangements obtained and recorded in your country?

- 4.3 How is *beneficial ownership information* on (express) trusts and other legal arrangements obtained and recorded in your country?

- Through a registry/registries with beneficial ownership information
- Through a different mechanism
- Competent authorities do not currently have access to beneficial ownership information

information

If **REGISTRY**, please provide details on the registry(ies), authority(ies)/agency(ies) in charge of maintaining the registry(ies), type of information collected, and details on the access policy. If **ALTERNATIVE MECHANISM**, please provide details on the mechanism, type of information collected, and details on the access policy.

5. Sanctions

- 5.1 Please describe the types of sanctions, sanctionable conduct, and targets of sanctions for non-compliance with beneficial ownership disclosure regulations (whether on the

registry(ies) or through an alternative mechanism).

As mentioned above, from 1 August 2022 a provision of the LPMLTF comes into effect prohibiting the obliged entities from entering into business relationships or conducting monetary operations or transactions with a client if it has not submitted data to JADIS or provided inaccurate information. The law stipulates that an obliged entity should offer a client to submit revised data in JADIS and only when the client performs these actions a business relationship may be initiated.

The obliged entities verify information provided to them by the clients and information stored in JADIS; however, it should be treated as an additional verification.

As per the Code of Administrative Offences (CAD) (Art. 589 and 223) the Manager of JADIS has the right to initiate administrative proceedings against the responsible person of the legal entity (management body) for failure to submit new data or for submitting inaccurate data to the Register.

Furthermore, under Art 2.67 of the Civil Code managing body of a legal person shall be responsible for the timely submission of documents of a natural person, data and other requested information to the Register of Legal Entities except as otherwise provided by the law or incorporation documents. Similar provisions are established in laws regulating individual legal forms of legal persons (e.g. Art. 41¹ para. 3 of the Law on Companies) regarding the submission of data to the JADIS.

Art. 2.64 para. 2(4) of the Civil Code indicates that documents verifying the authenticity of documents which are produced to the Register and the compliance of incorporation documents with the provisions of laws as well as documents verifying the fact that a legal person may be registered because contractual obligations assumed in the incorporation contract have been fulfilled and the circumstances prescribed by the law and incorporation documents have emerged shall have to be produced to the Register of Legal Persons for the registration of a legal person. These documents are drawn up or approved by a notary, except in the cases provided for in the Regulations of the Register of Legal Persons. Under Art. 2.66, para 3 documents listed in point 4 paragraph 2 of Article 2.64 of the Civil Code and full text of the altered document, where the document has been altered, must be produced together with the application requesting the registration of the alterations. Regulations of the Register of Legal Entities (para 44-59) specify cases when data and documents are verified by a notary public, the Ministry of Justice or the manager of the Register.

As per the Code of Administrative Offences (CAD) (Art. 589 and 223) the Manager of RLE or JADIS has the right to initiate administrative proceedings against the responsible person of the legal entity (management body) for failure to submit new data or for submitting inaccurate data to the Register.

It also should be noted that from 1st July, 2024 the new amendments to the Code of Administrative Offences (16 December, 2021, No. XIV-785) comes into force. These amendments include provisions providing for an automatic (administrative offense recorded by software used in state registers) process of drawing up protocols of administrative offenses with an administrative instruction for violations of Article 223 (2) of the CAO. These amendments are expected not only to simplify and speed up the procedure for administrative misconduct, but also to ensure the inevitability of administrative liability of heads of legal entities or other persons specified in the memorandum of association, which in turn reduces the number of legal entities not submitting annual financial statements to the RLE, publishing relevant data on the annual financial statements of companies and ensuring accurate register data.

The Bank of Lithuania supervises financial market participants in accordance with the procedure set out in Section 5 of the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania and within the limits of its competence (in accordance with Article 30(1) and Article 4(1) of the Law on the Prevention of Money Laundering and

Terrorist Financing).

The Law on the Prevention of Money Laundering and Terrorist Financing provides that the Bank of Lithuania, having carried out a procedure of the supervision of entities entrusted thereto and having established that an entity does not comply with the requirements set out in Article 12(1) and (3) of the Law on the Prevention of Money Laundering and Terrorist Financing concerning collecting, storing and verifying the data on the beneficiaries of legal persons obtained from clients, shall apply the measures referred to in Articles 36 and 39 of the Law on the Prevention of Money Laundering and Terrorist Financing, the most stringent of which shall be a fine or the revocation of the license or withdrawal of the authorization to operate (further information on the actual application of these provisions is provided below in this written reply to the Questionnaire).

The sanctions provided for in Article 198(1) and (4) of the Code of Administrative Offences of the Republic of Lithuania (hereinafter referred to as "the Code") shall be a fine of between EUR 500 and EUR 6,000 imposed on an economic entity and its executive. The Bank of Lithuania is not an institution which has the competence to apply Article 198¹ of the Code pursuant to Article 589(7) of the Code.

In exercising its functions, the Bank of Lithuania shall give priority to the application of the sanctions set out in the Law on the Prevention of Money Laundering and Terrorist Financing, taking into account the following considerations:

- a) The Law on the Prevention of Money Laundering and Terrorist Financing provides for a broader range of sanctions than the Code, including non-pecuniary measures which may be even more severe in nature (e.g. revocation of a licence or authorisation to operate),*
- b) The Bank of Lithuania carries out the full supervisory procedure - the investigation - in accordance with the Law on the Prevention of Money Laundering and Terrorist Financing but in accordance not with the Code;*
- c) The application of the provisions of both the Law on the Prevention of Money Laundering and Terrorist Financing and the Code would potentially give rise to a conflict in terms of the prohibition of double punishment for the same offence.*

In the light of the above, we are unable to provide statistics on the application of Article 198(1) and (4) and Article 198¹ of the Code.

5.2 Please describe the powers available to the designated authority(ies)/agency(ies) to enforce sanctions for non-compliance with the beneficial ownership disclosure requirements, including any statistics on enforcement of such sanctions.

The law imposes an obligation on the State Enterprise Center of Registers, as the manager of JANGIS, to impose sanctions on the heads of legal entities for non-submission of data and for submission of incorrect data to JANGIS. Since JANGIS has recently started operating, the application of administrative liability has not been applied yet.

Sanctions imposed by the Bank of Lithuania for breaches of the prevention of money laundering and terrorist financing part of the law relating to the collection of data on final beneficiaries include only administrative (not criminal law) measures.

The measures or sanctions taken by the Bank of Lithuania are published on the Bank of Lithuania website: <https://www.lb.lt/lt/poveikio-priemones-2>.

In 2021, the following sanctioning measures were imposed in cases of breaches of Article 12(1) and (3) of the Law on the Prevention of Money Laundering and Terrorist Financing:

- In two cases, the most severe sanction was the revocation of the licence, in which case no additional pecuniary sanction was imposed for breaches of the procedure of the

prevention of money laundering and terrorist financing.

- In three cases, depending on the financial market participant's annual income, fines of between EUR 280,000 and EUR 350,000 were imposed for the totality of the infringements committed, including fines of between EUR 40,000 and EUR 100,000 for the infringements related to the identification of the beneficiaries.

We hereby would like to point out that in all the cases where sanctions were imposed on entities for breaches in the collection and storage of information on beneficiaries, breaches of other legislation regulating the activities of financial market participants were also detected, therefore, the most severe sanction was imposed, i.e., the revocation of the licence to operate which, in turn, covers the breaches referred to in Article 12(1) and (3) of the Law on the Prevention of Money Laundering and Terrorist Financing as well as other breaches.

No sanctions for infringements of Article 12(1) and (3) of the Law on the Prevention of Money Laundering and Terrorist Financing have been imposed so far in the year 2022.

It should be noted that the managers of legal entities are encouraged to submit data on beneficial owners to JANGIS not so much by the administrative fines or their amounts but by the sanctions provided for in Article 12 (12) of LPMLTF establishing that the obliged entities (commercial banks, notaries, etc.) would not be able to start business relationships or provide their services if a legal entity fails to submit data to JANGIS or update the data. Therefore, such legal entity will not be able to perform its activities.

6. International Cooperation, asset recovery and challenges

6.1. Does your country make beneficial ownership information available to foreign competent authorities (directly or upon request)? Please provide details of the relevant legislative and regulatory framework in your country that allows for the international exchange of such information.

The State Enterprise Center of Registers, as the manager of JANGIS, has started the process of integration of JANGIS with the Beneficial Ownership Registers Interconnection System (BORIS), as required by Directive 2015/849, amended in May 2018. BORIS will serve as a common system to track beneficial owners of corporate or other legal entities throughout the EU.

6.2. Please describe how foreign competent authorities may request or access beneficial ownership information on legal persons and legal arrangements formed in your country. Which agency(ies)/authority(ies) is/are responsible for receiving and responding to foreign requests? **Please provide contact information and instructions.**

JANGIS data shall be provided to natural and legal persons, unincorporated entities, their branches and representative offices of the Member States of the European Union and / or the countries of the European Economic Area, third countries in accordance with the Law on Management of Information Resources, other laws and JADIS regulations.

6.3. In your opinion, what are the main challenges faced by foreign competent authorities to access beneficial ownership information held in your country?

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6.4. In your opinion, what are the main challenges faced by competent authorities of your

country to access/receive beneficial ownership information held in a foreign country?

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- 6.5. Do you have any case studies or examples where the transparency of beneficial ownership has *enabled or enhanced the effective recovery and return of proceeds of crime in (or for) your country?*

Case study on the transparency of beneficial ownership is not available

7. Good Practices for Beneficial Ownership Transparency

- 7.1. Has your country implemented any specific good practices relating to Beneficial Ownership Transparency that you wish to highlight? *Examples could include good practices in verification, data format, searchability, use of technology, enforcement of sanctions, automatic red flagging, use or risk-based approach.*

The Supervision Unit within Lithuanian FIU is responsible for implementation of the European Commission 2022 round Technical Support Instrument (TSI) project “Training on risk-based AML/CFT supervision practices and developing relevant tools” for the improvement of supervision actions 2021-2023.

The start of the project – June 2022. The total value – 600 thousand EUR.

The results sought:

- *Development of the Methodology for the identification of the obliged entities, that have not reported the start of the activity;*
- *Improvement of supervisory actions through a risk-based approach — selection of entities, scope of inspections;*
- *Development of the Supervision Manual;*
- *Development of the virtual learning program for the new staff.*

The expected results:

1) Better identification of the reporting entities that potentially violate the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania compared to the beginning of the activity;

2) Increasing and improving the quality of supervision for implementation of the anti-money laundering and counter terrorist financing measures by the reporting entities, carried out by the Supervision Unit using risk-based approach;

3) Increasing the number of the supervisory actions by the Supervision Unit compared to the beginning of the activity;

4) Increasing the number of reports concerning potential violations of the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania requirements provided by the Supervision Unit compared to the beginning of the activity;

5) A control (supervision) manual developed;

6) Virtual e-learning interactive training program for newly coming supervisors designed.

8. Follow-up to the special session of the General Assembly against corruption

- 8.1. Please describe any other measures, if any, that your country may have taken to implement paragraph 16¹ of the political declaration adopted by the General Assembly at its special

¹ 16. We commit to making efforts in international cooperation and taking appropriate measures to enhance beneficial ownership transparency by ensuring that adequate, accurate, reliable and timely beneficial ownership

session against corruption held in June 2021.

N/A

information is available and accessible to competent authorities and by promoting beneficial ownership disclosures and transparency, such as through appropriate registries, where consistent with the fundamental principles of domestic legal systems and using as a guideline the relevant initiatives of regional, interregional and multilateral organizations against money-laundering. To this end, we will develop and implement the measures necessary to collect and share such information on the beneficial ownership of companies, legal structures and other complex legal mechanisms, and we will enhance the ability of competent authorities in this regard.