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REPUBLIC OF LITHUANIA

LAW ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

19 June 1997 No VIII-275

(As last amended on 29 June 2017 No XIII-568)

Vilnius

CHAPTER ONE
GENERAL PROVISIONS

Article 1. Purpose of the Law

1. The purpose of this Law shall be to establish measures for the prevention of money laundering and/or terrorist financing and to designate institutions responsible for the implementation of money laundering and/or terrorist financing prevention measures.

2. The purpose of this Law shall be to ensure the implementation of legal acts of the European Union specified in the Annex to this Law.

Article 2. Definitions

1. **Close associate** shall mean:

1) a natural person who participates in the same legal person or an organisation not having legal personality, or maintains any other business relationship, with the person who performs or performed the duties indicated in paragraph 18 of this Article;

2) a natural person who has sole beneficial ownership of the legal person or an organisation not having legal personality which has been set up or is operating for the *de facto* financial or any other private benefit of the person who performs or performed the duties indicated in paragraph 18 of this Article.

2. **Immediate family members** shall mean the spouse, the person with whom partnership has been registered (hereinafter: the ‘cohabitant’), parents, brothers, sisters, children, children’s spouses and children’s cohabitants.

3. **Business relationship** shall mean a business, professional or commercial relationship between a customer and financial institutions or other obliged entities which is connected with

their professional activities and which is expected, at the time when the contact is established, to have an element of duration.

4. **European supervisory authorities** shall mean the European Banking Authority established under Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ 2010 L 331, p. 12), the European Insurance and Occupational Pensions Authority established under Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ 2010 L 331, p. 48), and the European Securities and Markets Authority established under Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ 2010 L 331, p. 84).

5. **European Union Member State** shall mean a state which is a European Union Member State and a state of the European Economic Area.

6. **Shell bank** shall mean a financial institution or an institution that carries out activities equivalent to those carried out by a financial institution, incorporated in a jurisdiction in which it has no physical presence, involving meaningful mind and management, organisational structure and internal control systems, and which is unaffiliated with a financial group supervised by the competent authorities.

7. **Financial institutions** shall mean credit institutions and financial undertakings as defined in the Law of the Republic of Lithuania on Financial Institutions, payment institutions as defined in the Law of the Republic of Lithuania on Payment Institutions, electronic money institutions as defined in the Law of the Republic of Lithuania on Electronic Money and Electronic Money Institutions, operators of currency exchange offices as defined in the Law of the Republic of Lithuania on Currency Exchange Operators, operators of crowdfunding platforms as defined in the Law of the Republic of Lithuania on Crowdfunding, operators of peer-to-peer lending platforms as defined in the Law of the Republic of Lithuania on Consumer Credit and the Law of the Republic of Lithuania on Credit Relating to Immovable Property, insurance undertakings engaged in life insurance activities and insurance brokerage firms engaged in insurance mediation activities relating to life insurance as defined in the Law of the

Republic of Lithuania on Insurance as well as investment companies with variable capital and collective investment undertakings intended for informed investors and management companies managing only those undertakings; branches of these foreign financial institutions set up in the Republic of Lithuania as well as electronic money institutions and payment institutions whose registered office is in another European Union Member State providing services in the Republic of Lithuania through agents, natural or legal persons.

8. **Cash** shall be interpreted as defined in point 2 of Article 2 of Regulation (EC) No 1889/2005.

9. **Suspicious monetary operation or transaction** shall mean a monetary operation or transaction relating to property which is suspected of being, directly or indirectly, derived from a criminal act or from involvement in such an act and/or is, as suspected, associated with terrorist financing.

10. **Other obliged entities** shall mean:

1) auditors engaged in audit activities in a self-employed capacity or audit firms (hereinafter: 'auditors');

2) judicial officers and judicial officer's agents;

3) undertakings providing accounting or tax advisory services and persons providing such services in a self-employed capacity (hereinafter: 'undertakings providing accounting or tax advisory services');

4) notaries, notary's agents and persons entitled to perform notarial actions, as well as advocates and advocates' assistants, whether by acting on behalf of and for their client or by assisting in the planning or execution of transactions for their client concerning the purchase or sale of immovable property or undertakings, management of client money, securities or other assets, opening or management of bank or securities accounts, organisation of contributions necessary for the establishment, operation or management of legal persons and other organisations, emergence or creation and operation or management of trust or company incorporation and administration service providers and/or related transactions;

5) providers of trust or company incorporation or administration services not referred to in points 1, 3 and 4 of this paragraph;

6) persons engaged in economic and commercial activities involving trade in precious stones, precious metals, movable cultural goods, antiques or any other property the value whereof is equal to or exceeds EUR 10 000, or an equivalent amount in foreign currency, irrespective of whether the transaction is carried out in a single operation or in several operations which are linked, provided that payments are made in cash;

7) gaming companies and lottery companies;

8) closed-ended investment companies;

9) estate agents/brokers, whether by acting on behalf of and for their client or by assisting in the execution of transactions for their client concerning the purchase or sale of immovable property and/or related transactions.

11. **Customer** shall mean a person performing monetary operations or concluding transactions with a financial institution or another obliged entity, except for state and municipal institutions, other budgetary institutions, the Bank of Lithuania, state or municipal funds, foreign diplomatic missions or consular posts.

12. **Correspondent relationship** shall mean:

1) the provision of banking services by one bank as the correspondent to another bank as the respondent, including providing a current or other liability account and related services, such as cash management, international funds transfers, cheque clearing, payable-through accounts and foreign exchange services;

2) the relationships between financial institutions including where similar services are provided by a correspondent institution to a respondent institution, and including relationships established for securities transactions or funds transfers.

13. **National risk assessment of money laundering and terrorist financing** shall mean the determination and assessment of money laundering and terrorist financing risk and its level within the state, performed periodically and in a coordinated manner by the institutions specified in this Law responsible for the implementation of money laundering and/or terrorist financing prevention measures.

14. **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;

2) in the case of a trust:

a) the settlor;

b) the trustee;

c) the protector, if any;

d) the natural person benefiting from the legal person or entity not having legal personality, or where such a person has yet to be determined, the group of persons in whose main interest that legal person or entity not having legal personality are set up or operate;

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.

15. **Trust or company incorporation and administration service provider** shall mean any natural or legal person that, by way of its business, provides any of the following services to third parties:

1) the formation of companies or other legal persons;

2) acting as, or arranging for another person to act as, the director of a company or holding another senior position, a partner of a partnership or, based on the competence, a similar position in relation to another legal person (natural person);

3) providing a registered office, business address, correspondence or administrative address or other related services for a company, a partnership or any other legal person;

4) acting as, or arranging for another person to act as, a trustee of an express trust or a similar legal arrangement;

5) acting as, or arranging for another person to act as, a nominee shareholder for another person other than a company listed on a regulated market that is subject to disclosure requirements in conformity with the European Union legislation or subject to equivalent international standards.

16. **Monetary operation** shall mean any payment, transfer or receipt of money, other than payments to state and municipal institutions, other budgetary institutions, the Bank of

Lithuania, state or municipal funds, foreign diplomatic missions or consular posts or settlement with these entities.

17. **Money laundering** shall mean:

1) the conversion or transfer of property, in the knowledge that such property is derived from a criminal act or from involvement in such an act, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such a criminal act to evade the legal consequences of this act;

2) the concealment or disguise of the true nature, origin, source, location, disposition, movement, rights with respect to, or ownership of property, in the knowledge that such property is derived from a criminal act or from involvement in such an act;

3) the acquisition, possession or use of property, in the knowledge, at the time of acquisition/transfer, that such property was derived from a criminal act or from involvement in such an act;

4) preparation, attempts to commit and association to commit any of the acts referred to in points 1, 2 and 3 of this paragraph.

18. **Politically exposed natural persons** shall mean natural persons who are or who have been entrusted with prominent public functions and their immediate family members or close associates of such persons.

19. **Prominent public functions** shall mean the following functions in the Republic of Lithuania, the European Union and international or foreign state institutions:

1) heads of State, heads of government, ministers, vice-ministers or deputy ministers, secretaries of State and chancellors of parliament, government or ministry;

2) members of parliament;

3) members of supreme courts, of constitutional courts or of other high-level judicial bodies whose decisions are not subject to further appeal;

4) mayors of municipalities, directors of municipal administrations;

5) members of the management bodies of supreme audit and control institutions or chairs of the boards of central banks, deputy chairs or board members;

6) ambassadors, chargés d'affaires, envoys extraordinary and ministers plenipotentiary or high-ranking officers in the armed forces;

7) members of the management or supervisory bodies of state enterprises, public limited liability companies and private limited liability companies whose shares or a part of shares carrying more than ½ of all the votes at the general meeting of shareholders of these companies are held by the right of ownership by the State;

8) members of the management or supervisory bodies of municipal enterprises, public limited liability companies and private limited liability companies whose shares or a part of shares carrying more than ½ of all the votes at the general meeting of shareholders of these companies are held by the right of ownership by municipalities and which are considered to be large undertakings under the Law of the Republic of Lithuania on Financial Reporting by Undertakings;

9) heads and deputy heads of international intergovernmental organisations and members of their management or supervisory bodies;

10) heads and deputy heads of political parties and members of their management bodies.

20. **Terrorist financing** shall mean any act which constitutes an offence within the meaning of Article 2 of the International Convention for the Suppression of the Financing of Terrorism of 9 December 1999.

21. **Third party** shall mean a financial institution supervised by competent authorities, another obliged entity or a financial institution or any other obliged entity registered in another European Union Member State or a state that is not a Member State of the European Union (hereinafter: a 'third country') meeting the following requirements:

1) they are subject to mandatory professional registration prescribed by law;

2) they are registered in the European Union Member State or a third country which imposes requirements equivalent to those established by the European Union for the identification of the customer and of the beneficial owner and storage of information and they are supervised by competent authorities for compliance with those requirements.

22. **Property** shall mean items, money, securities, other financial instruments, other assets and property rights, results of intellectual activities, information, actions and results of the actions, other material and non-material goods, as well as any other assets of any kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, and legal documents or instruments in any form including electronic or digital, evidencing title to or an interest in such assets.

23. **Senior manager** shall mean an officer or employee with sufficient seniority, possessing sufficient knowledge of the institution's or undertaking's money laundering and/or terrorist financing risk exposure and responsible for taking decisions affecting its risk exposure.

CHAPTER TWO
INSTITUTIONS RESPONSIBLE FOR THE PREVENTION OF MONEY LAUNDERING AND/OR TERRORIST FINANCING

Article 3. Institutions responsible for the prevention of money laundering and/or terrorist financing

The Government of the Republic of Lithuania (hereinafter: the 'Government'), the Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania (hereinafter: the 'Financial Crime Investigation Service'), the State Security Department of the Republic of Lithuania (hereinafter: the 'State Security Department'), the Bank of Lithuania, the Customs Department under the Ministry of Finance of the Republic of Lithuania, the Department of Cultural Heritage Protection under the Ministry of Culture of the Republic of Lithuania (hereafter: the 'Department of Cultural Heritage Protection'), the Gaming Control Authority under the Ministry of Finance of the Republic of Lithuania (hereinafter: the Gaming Control Authority'), the Lithuanian Chamber of Notaries, the Lithuanian Chamber of Auditors, the Chamber of Judicial Officers of Lithuania, the Lithuanian Assay Office and the Lithuanian Bar Association shall be the institutions responsible, within their remit, for the prevention of money laundering and/or terrorist financing stipulated by this Law.

Article 4. Duties of the institutions responsible for the prevention of money laundering and/or terrorist financing

1. The Bank of Lithuania shall approve instructions aimed at preventing money laundering and/or terrorist financing which are intended for credit institutions, electronic money institutions, payment institutions, operators of currency exchange offices, operators of crowdfunding platforms, operators of peer-to-peer lending platforms, insurance undertakings engaged in life insurance activities and insurance brokerage firms engaged in insurance mediation activities relating to life insurance, financial brokerage firms, management companies, investment companies, the depository and branches of the foreign entities referred to in this paragraph established in the Republic of Lithuania, as well as for electronic money institutions and payment institutions whose registered office is in another European Union Member State providing services in the Republic of Lithuania through agents, natural or legal persons; supervise the activities of these entities related to the implementation of money laundering and/or terrorist financing prevention measures and give advice to these entities on the issues relating to the implementation of the instructions specified in this paragraph.

2. The Department of Cultural Heritage Protection shall approve instructions aimed at preventing money laundering and/or terrorist financing which are intended for persons engaged in economic and commercial activities related to trading in movable cultural goods and/or antiques, supervise the activities of these entities related to the implementation of money

laundering and/or terrorist financing prevention measures and give advice to these entities on the issues relating to the implementation of the instructions specified in this paragraph.

3. The Gaming Control Authority shall adopt instructions aimed at preventing money laundering and/or terrorist financing which are intended for gaming companies and lottery companies, supervise the activities of these companies related to the implementation of money laundering and/or terrorist financing prevention measures and give advice to these companies on the issues relating to the implementation of the instructions specified in this paragraph.

4. The Lithuanian Bar Association shall approve instructions aimed at preventing money laundering and/or terrorist financing which are intended for advocates and advocates' assistants, supervise the activities of advocates and advocates' assistants related to the implementation of money laundering and/or terrorist financing prevention measures and give advice to the advocates and advocates' assistants on the issues relating to the implementation of the instructions specified in this paragraph.

5. The Lithuanian Chamber of Notaries shall approve instructions aimed at preventing money laundering and/or terrorist financing which are intended for notaries, notary's agents and persons entitled to perform notarial actions, supervise the activities of notaries related to the implementation of money laundering and/or terrorist financing prevention measures and give advice to the notaries, notary's agents and persons entitled to perform notarial actions on the issues relating to the implementation of the instructions specified in this paragraph.

6. The Lithuanian Chamber of Auditors shall approve instructions aimed at preventing money laundering and/or terrorist financing which are intended for auditors, supervise the activities of auditors related to the implementation of money laundering and/or terrorist financing prevention measures and give advice to the auditors on the issues relating to the implementation of the instructions specified in this paragraph.

7. The Chamber of Judicial Officers of Lithuania shall approve instructions aimed at preventing money laundering and/or terrorist financing which are intended for judicial officers and judicial officer's agents, supervise the activities of judicial officers and judicial officer's agents related to the implementation of money laundering and/or terrorist financing prevention measures and give advice to the judicial officers and judicial officer's agents on the issues relating to the implementation of the instructions specified in this paragraph.

8. The Lithuanian Assay Office shall approve instructions aimed at preventing money laundering and/or terrorist financing which are intended for persons engaged in economic and commercial activities related to trading in precious stones and/or precious metals, supervise the activities of these entities related to the implementation of money laundering and/or terrorist

financing prevention measures and give advice to these entities on the issues relating to the implementation of the instructions specified in this paragraph.

9. The Financial Crime Investigation Service shall approve instructions aimed at preventing money laundering and/or terrorist financing which are intended for other entities not specified in paragraphs 1-8 of this Article, supervise the activities of financial institutions and other obliged entities related to the prevention of money laundering and/or terrorist financing and provide them with methodological assistance.

10. The institutions specified in paragraphs 1-8 of this Article must designate senior employees for organising the implementation of money laundering and/or terrorist financing prevention measures provided for in this Law and for liaising with the Financial Crime Investigation Service.

11. The Financial Crime Investigation Service must be notified in writing of the designation as well as replacement of the employees specified in paragraph 11 of this Article not later than within seven working days from the date of their designation or replacement.

12. The institutions specified in paragraphs 1-8 of this Article and the Financial Crime Investigation Service shall, in accordance with the mutually determined procedure, cooperate and exchange information about the results of the performed inspections of entities' activities related to the implementation of money laundering and/or terrorist financing prevention measures.

Article 5. Functions of the Financial Crime Investigation Service in implementing money laundering and/or terrorist financing prevention measures

1. The Financial Crime Investigation Service shall:

1) collect and record information which must, on the basis of this Law, be provided by financial institutions, other obliged entities and state institutions to the extent indicated in this Law;

2) accumulate, analyse and publish information relating to the implementation of money laundering and/or terrorist financing prevention measures and effectiveness of the framework for the prevention of money laundering and/or terrorist financing (including the information specified in Article 28(6) of this Law) and the results of the national risk assessment of money laundering and terrorist financing;

3) analyse money laundering and/or terrorist financing trends and patterns;

4) forward information about a possible criminal act or established indications of breaches of legal acts, collected during the analysis of the information received on the basis of this Law, to the competent state or foreign institutions, provide information about the monetary

operations and transactions carried out by the customer to tax administration, law enforcement and other state institutions;

5) conduct a pre-trial investigation into the legalisation of property derived from criminal activity;

6) cooperate and exchange information with foreign institutions and international organisations implementing money laundering and/or terrorist financing prevention measures;

7) approve criteria for identifying possible money laundering and suspicious monetary operations or transactions;

8) submit proposals concerning the improvement of the framework for prevention of money laundering and/or terrorist financing to other institutions responsible for the prevention of money laundering and/or terrorist financing;

9) notify financial institutions and other obliged entities, law enforcement and other state institutions about the results of analysis of and investigation into their reports on suspicious monetary operations or transactions, the observed indications of possible money laundering and/or terrorist financing or breaches of this Law;

10) cooperate, under Regulation (EU) No 1093/2010, Regulation (EU) No 1094/2010 and Regulation (EU) No 1095/2010, with the European supervisory authorities and provide them with all the information necessary for the achievement of their tasks.

2. The information specified in points 2 and 3 of paragraph 1 of this Article shall, where necessary, be provided to the Committee on National Security and Defence and the Committee on Legal Affairs of the Seimas of the Republic of Lithuania in exercising parliamentary scrutiny.

Article 6. Functions and rights of the State Security Department in implementing terrorist financing prevention measures

1. The State Security Department shall, within its remit:

1) collect and analyse information relating to terrorist financing;

2) provide information to the institutions listed in Article 4 of this Law on the possible criteria for identification of terrorist financing.

2. The State Security Department and the Financial Crime Investigation Service shall cooperate and exchange information in implementing terrorist financing prevention measures.

3. In performing the functions specified in paragraph 1 of this Article, the State Security Department shall have the right:

1) to obtain, free of charge, from the institutions referred to in Article 4(1) of this Law, other state institutions, financial institutions and other obliged entities data and documents on monetary operations and transactions, the use of financial instruments and/or means of payment

or any other information necessary for the performance of the functions and tasks laid down in this Law;

2) to obtain from institutions, financial institutions and other obliged entities information related to the implementation of terrorist financing prevention measures.

Article 7. Rights of the Financial Crime Investigation Service in implementing money laundering and/or terrorist financing prevention measures

The Financial Crime Investigation Service shall have the right:

1) to obtain from the institutions referred to in paragraphs 1-8 of Article 4 of this Law, other state institutions (hereinafter in this Article: the 'institutions'), financial institutions and other obliged entities, except for advocates or advocates' assistants in the course of ascertaining the legal position of their client or defending or representing the client in, or concerning judicial proceedings, including advice on instituting or avoiding proceedings, data and documents on monetary operations and transactions necessary for the performance of its functions and any other information necessary for the performance of the functions and tasks laid down in this Law;

2) to obtain from the institutions, financial institutions and other obliged entities information related to the implementation of money laundering and/or terrorist financing prevention measures;

3) to coordinate the activities of the institutions (except for the State Security Department) related to the implementation of money laundering and/or terrorist financing prevention measures;

4) to instruct the institutions about the circumstances and conditions for possible breaches of laws and other legal acts related to the implementation of money laundering and/or terrorist financing prevention measures. The institutions must examine the instructions of the Financial Crime Investigation Service and, not later than within seven working days following the receipt of the instructions, report to the Financial Crime Investigation Service on the measures taken;

5) to instruct financial institutions and other obliged entities to suspend, for up to ten working days, the suspicious monetary operations or transactions carried out.

Article 8. Cooperation of state institutions

1. State institutions not conducting criminal prosecution must report to the Financial Crime Investigation Service about any observed acts of possible money laundering and/or terrorist financing, breaches of this Law and measures taken against those who are in breach.

2. The institutions referred to in paragraphs 1-8 of Article 4 of this Law shall cooperate and exchange information with foreign institutions implementing money laundering and/or terrorist financing prevention measures.

CHAPTER THREE
MONEY LAUNDERING AND/OR TERRORIST FINANCING PREVENTION MEASURES

Article 9. Customer due diligence

1. Financial institutions and other obliged entities, except for the persons referred to in paragraphs 3 and 4 of this Article, must take measures and identify the customer and the beneficial owner as well as verify their identity:

1) prior to establishing a business relationship;

2) prior to carrying out one-off or several linked monetary operations or concluding transactions amounting to or exceeding EUR 15 000, or an equivalent amount in foreign currency, irrespective of whether the transaction is carried out in a single operation or in several operations which are linked, except for the cases where the identity of the customer and of the beneficial owner has already been established;

3) prior to conducting foreign exchange operations (buying or selling currency) in cash, where the amount of cash bought or sold is equal to or exceeds EUR 3 000, or an equivalent amount in foreign currency, irrespective of whether the transaction is carried out in a single operation or in several operations which are linked;

4) when providing money remittance services in cash, where the amount of money sent or received exceeds EUR 600, or an equivalent amount in foreign currency;

5) when executing and accepting money transfers in compliance with the provisions of Regulation (EU) No 847/2015 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006;

6) when there are doubts about the veracity or authenticity of the previously obtained identification data of the customer and of the beneficial owner;

7) in any other case, when there are suspicions that an act of money laundering and/or terrorist financing is, was or will be carried out.

2. Where in the course of carrying out of a monetary operation the final amount of the monetary operation is not known, financial institutions and other obliged entities must establish the customer’s identity immediately after establishing that the value of the monetary operations amounts to or exceeds the amounts specified in paragraph 1 of this Article.

3. Persons engaged in economic and commercial activities involving trade in precious stones, precious metals, movable cultural goods, antiques or any other property the value whereof is equal to or exceeds EUR 10 000, or an equivalent amount in foreign currency, provided that payments are made in cash, must take measures and identify the customer and the beneficial owner as well as verify their identity prior to carrying out one-off monetary operations or concluding transactions amounting to or exceeding EUR 10 000, or an equivalent amount in foreign currency, irrespective of whether the transaction is carried out in a single operation or in several operations which are linked, and in the cases specified in points 6 and 7 of paragraph 1 of this Article.

4. Where low risk of money laundering and/or terrorist financing is identified for electronic money based on the risk assessment and management procedures established by credit institutions and electronic money institutions, when identifying the customer and the beneficial owner, credit institutions and electronic money institutions may derogate from the provisions of Articles 10-12 of this Law and apply only the customer due diligence measures specified in paragraph 16 of this Article and Article 17 of this Law, where all of the following risk-mitigating conditions are met:

1) the electronic money payment instrument can be used only in the Republic of Lithuania;

2) the electronic money payment instrument is not reloadable or, where it is reloadable, has a maximum monthly payment transactions limit of EUR 150;

3) the maximum amount stored on the electronic money payment instrument does not exceed EUR 150;

4) the electronic money payment instrument is used exclusively to purchase goods or services;

5) the electronic money stored on the payment instrument cannot be funded with anonymous electronic money;

6) the electronic money stored on the payment instrument cannot be redeemed in cash.

5. Where low risk of money laundering and/or terrorist financing is identified based on the risk assessment and management procedures established by financial institutions, when opening an account, financial institutions may establish a business relationship with the customer without verifying his identity if they have received the data specified in points 1, 2, 3 and 4 of Article 10(1), Article 10(2) and Article 12(2) of this Law and if they ensure that monetary operations will not be carried out in such an account until the customer identification process is complete and that the customer due diligence is finalised not later than within one month from the date of opening of the account. In all cases, the identity of the customer and of the beneficial

owner must be established prior to carrying out a monetary operation. Financial institutions must also establish internal policies and internal control procedures related to the management of risk arising from the opening of accounts before the customer due diligence is finalised.

6. Insurance undertakings engaged in life insurance activities and insurance brokerage firms engaged in insurance mediation activities relating to life insurance shall additionally establish and verify the identity of the person specified in the insurance contract who is entitled to the insurance benefit or the person who is entitled to the insurance benefit pursuant to legal acts (hereinafter: the 'beneficiary'):

1) in the case of beneficiaries that are designated by characteristics or by class or by other means, obtaining sufficient information concerning those beneficiaries to satisfy themselves that they will be able to establish the identity of the beneficiary at the time of the payout or at the time the beneficiary intends to exercise the rights to payments vested under the policy;

2) in the case of beneficiaries that are identified as specifically named natural or legal persons, taking the name, surname and personal number (or the date of birth, or the number of residence permit in the Republic of Lithuania) of the natural person and his citizenship (in the case of a stateless person – the state which issued the identity document); taking the name, registration number (if such number has been issued), legal form and registered office/address of the legal person.

7. In all the cases specified in paragraph 6 of this Article, the beneficiary's identity must be verified and, where it has not been established, established at the time of the payout or at the time the beneficiary intends to exercise the rights to payments vested under the policy. The undertakings referred to in paragraph 6 of this Article may establish the identity of the beneficiary specified in the insurance contract after the business relationship has been established.

8. When identifying customers that are trusts or entities similar to trusts, financial institutions and other obliged entities must establish and verify the identity of beneficial owners, obtaining information concerning the settlor, trustee/trustees, protector/protectors, beneficial owner/owners and other natural persons exercising control over the management of the trust or the entities similar to the trust (holding a certain ownership interest or controlling in any other way).

9. Gaming companies must additionally verify the identity of the customer and register him at the time of payment of an amount or collection of winnings, or when he exchanges cash into chips or chips into cash where the amount exceeds EUR 1 000, or an equivalent amount in foreign currency, irrespective of whether the transaction is carried out in a single operation or in

several operations which are linked, provided that payments are made in cash, also verify the identity of the customer at the point of entry to a gaming house (casino) and register him.

10. Lottery companies must additionally verify the identity of the customer and register him in the case of collection of winnings where the amount of winnings exceeds EUR 1 000, or an equivalent amount in foreign currency, irrespective of whether the transaction is carried out in a single operation or in several operations which are linked.

11. In the case of several monetary operations which are linked, the customer's identity must be established immediately after establishing that several monetary operations are linked. Several operations shall be considered to be linked if the customer:

1) carries out several payment operations into accounts per day the amount whereof is equal to or exceeds EUR 15 000, or an equivalent amount in foreign currency;

2) carries out several withdrawal operations from accounts per day the amount whereof is equal to or exceeds EUR 15 000, or an equivalent amount in foreign currency;

3) carries out other monetary operations or concludes transactions which, based on the data held by a financial institution or another obliged entity, are linked and the amount whereof is equal to or exceeds EUR 15 000, or an equivalent amount in foreign currency;

4) in the case specified in paragraph 3 of this Article, carries out several monetary operations or concludes transactions per day the amount whereof is equal to or exceeds EUR 10 000, or an equivalent amount in foreign currency;

5) carries out several foreign exchange operations (buying or selling currency) in cash per day the amount whereof is equal to or exceeds EUR 3 000, or an equivalent amount in foreign currency;

6) carries out exchange operations of cash into chips or chips into cash the amount whereof exceeds EUR 1 000, or an equivalent amount in foreign currency;

7) in the cases specified in paragraph 9 of this Article, at the same time pays in amounts or collects several winnings the amount whereof exceeds EUR 1 000, or an equivalent amount in foreign currency;

8) in the cases specified in paragraph 10 of this Article, at the same time collects several winnings the amount whereof exceeds EUR 1 000, or an equivalent amount in foreign currency.

12. In all cases when customer due diligence is applied, financial institutions and other obliged entities must take all appropriate, targeted and proportionate measures to establish whether the customer acts on his own behalf or is controlled and to identify the beneficial owner and, where the customer acts through a representative, also establish the identity of that person.

13. Financial institutions and other obliged entities must, at the time of customer due diligence, require to provide documents and other data on the basis of which the financial

institutions and other obliged entities would understand the management structure and the nature of activities of the customer which is a legal person.

14. In all cases when customer due diligence is applied, financial institutions and other obliged entities must obtain from the customer information about the purpose and intended nature of the customer's business relationships.

15. In all cases when customer due diligence is carried out, financial institutions and other obliged entities must verify the identity of the customer and of the beneficial owner on the basis of the documents, data or information obtained from a reliable and independent source.

16. Financial institutions and other obliged entities must in all cases carry out the ongoing monitoring of the customer's business relationships, including scrutiny of transactions undertaken throughout the course of such relationships, to ensure that the transactions being conducted are consistent with the financial institutions' or other obliged entities' knowledge of the customer, its business and risk profile as well as the source of funds.

17. With a view to ensuring that the documents, data or information submitted by the customer and the beneficial owner during due diligence are appropriate and relevant, they must be regularly reviewed and kept up-to-date by financial institutions and other obliged entities.

18. Financial institutions and other obliged entities shall be prohibited from carrying out transactions through bank accounts, establishing or continuing business relationships and carrying out transactions when they have no possibilities to fulfil the requirements established in this Article: where, in the cases established by this Law, the customer fails to submit the data confirming his identity, where he submits not all the data or where the data are incorrect, where the customer or his representative avoids submitting the information required for establishing his identity, conceals the identity of the beneficial owner or avoids submitting the information required for establishing the identity of the beneficial owner or the submitted data are insufficient for that purpose; also where the financial institution or another obliged entity cannot ensure that the requirements specified in paragraphs 12-16 of this Article are fulfilled. In such cases, the financial institutions and other obliged entities shall, upon assessment of the threat posed by money laundering and/or terrorist financing, decide on the appropriateness of forwarding a report on a suspicious monetary operation or transaction to the Financial Crime Investigation Service.

19. Paragraph 18 of this Article shall not apply to notaries, notary's agents and persons entitled to perform notarial actions, auditors, judicial officers and judicial officer's agents, undertakings providing accounting or tax advisory services in the course of ascertaining the legal position of their client, including advice on instituting or avoiding proceedings. Paragraph 18 of this Article shall not apply to advocates and advocates' assistants in the course of ascertaining

the legal position of their client or defending or representing the client in, or concerning judicial proceedings, including advice on instituting or avoiding proceedings.

20. Points 1, 2 and 6 of paragraph 1 and paragraphs 12 and 14-17 of this Article shall not apply where the customer of a financial institution or another obliged entity is another financial institution or a financial institution registered in another European Union Member State which imposes requirements equivalent to those established by this Law and is supervised by competent authorities for compliance with those requirements.

21. Financial institutions shall be prohibited from issuing anonymous passbooks, opening anonymous accounts or accounts in manifestly fictitious names, also from opening accounts or otherwise establishing business relationships without requesting the customer to submit data confirming his identity or where there is a substantiated suspicion that the data recorded in these documents are false or falsified.

22. Where during customer due diligence a financial institution or another obliged entity has suspicions that an act of money laundering and/or terrorist financing is carried out and further customer due diligence may raise suspicions of the customer that information about him may be forwarded to the competent law enforcement institutions, the financial institutions and other obliged entities may discontinue the process of customer due diligence and not establish a business relationship with the customer. In such cases, the information shall be forwarded to the Financial Crime Investigation Service in accordance with the procedure laid down in Article 16 of this Law.

23. Financial institutions and other obliged entities must apply customer due diligence measures not only in respect of new customers but also in respect of the existing ones, having regard to the level of risk, in the event of new circumstances or new information related to the determination of the level of risk posed by the customer and by the beneficial owner, their identification information, activities and other relevant circumstances.

24. Financial institutions and other obliged entities shall not be responsible to the customer for non-fulfilment of contractual obligations and for the damage caused by non-execution of the customer's monetary operations or transactions where the financial institutions and other obliged entities have failed to execute the customer's monetary operations or transactions due to the reasons specified in paragraph 18 of this Article.

Article 10. Requirements for face-to-face identification of the customer and of the beneficial owner

1. When identifying customers that are natural persons and in the physical presence of the customer, financial institutions and other obliged entities shall require the customer that is a

natural person to provide an identity document of the Republic of Lithuania or a foreign state or a residence permit in the Republic of Lithuania which contains the following data confirming his identity:

1) name/names;

2) surname/surnames;

3) personal number (in the case of an alien – date of birth (where available – personal number or any other unique sequence of symbols granted to that person, intended for personal identification), the number and period of validity of the residence permit in the Republic of Lithuania and the place and date of its issuance (applicable to aliens);

4) photograph;

5) signature (except for the cases where it is optional in the identity document);

6) citizenship (in the case of a stateless person – the state which issued the identity document).

2. When identifying the customer that is a legal person, financial institutions and other obliged entities shall require the customer to provide the identity documents or copies thereof with a notarial certificate, confirming the authenticity of the copy of the document, which contain the following data:

1) name;

2) legal form, registered office/address, address of actual operation;

3) registration number (if such number has been issued);

4) an extract of registration and its date of issuance.

3. Where the customer is a legal person represented by a natural person, or the customer that is a natural person is represented by another natural person, the identity of these representatives shall be established in the same manner as the identity of the customer that is a natural person. The customer must also provide information about the director of the legal person: his name, surname, personal number (in the case of an alien – date of birth (where available – personal number or any other unique sequence of symbols granted to that person, intended for personal identification), his citizenship (in the case of a stateless person – the state which issued the identity document).

4. Where the customer is a legal person represented by a natural person, or the customer that is a natural person is represented by another natural person, a financial institution or another obliged entity must require him to provide a power of attorney and verify its validity (i.e., the right of the person who has issued it to issue such a power of attorney), its period of validity and the actions to be taken as specified in the power of attorney (the power of attorney must comply

with the requirements of the Civil Code of the Republic of Lithuania). The power of attorney issued abroad must be legalised or certified by an Apostille.

5. When commencing the identification of the customer in the physical presence of the customer that is a natural person or a representative of the customer that is a legal person, the responsible staff member of a financial institution or another obliged entity must:

1) assess whether the customer/his representative that is the natural person establishing cooperation with the financial institution or another obliged entity has submitted valid documents referred to in paragraph 1 of this Article; establish whether the document submitted by him contains the photograph of the respective customer;

2) assess the condition of the submitted document (paying particular attention to any modifications, corrections, etc. of the photograph, pages or entries);

3) find out whether the customer that is a natural or legal person will use the financial institution's services itself or whether it will act on behalf of another person;

4) ascertain whether the natural or legal person has the necessary powers to act on behalf of the customer;

5) make a copy of the pages of the document submitted by the natural person and specified in paragraph 1 of this Article, containing the photograph and other data necessary for identification of that natural person, or scan the document; the responsible staff member of pension fund management companies (when concluding pension accumulation agreements) and of insurance undertakings and insurance brokerage firms must make a copy of the pages of the natural person's document specified in paragraph 1 of this Article, containing the photograph and other data necessary for identification of that natural person, or scan the document, or enter his personal data (name, surname, personal number or any other unique sequence of symbols granted to that person, intended for personal identification) on the document which is filled out (a pension accumulation agreement or an insurance policy);

6) verify whether there are any circumstances to apply enhanced customer due diligence.

6. Upon making a copy of a document, the responsible staff member or authorised person of a financial institution or another obliged entity must affix a mark of authenticity to the copy of each customer's identity document (where a paper copy of the document is made).

Article 11. Requirements for non face-to-face identification of the customer and of the beneficial owner

1. The identity of the customer that is a natural person or a representative of the customer that is a legal person and of the beneficial owner may be established without the physical presence of the customer only in the following cases:

1) when using information from third parties about the customer or the beneficial owner in accordance with the procedure laid down in Article 13 of this Law;

2) when using electronic identification means issued in the European Union which operate under the electronic identification schemes with the assurance levels high or substantial, as specified by Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ 2014 L 257, p. 73) (hereinafter: 'Regulation (EU) No 910/2014');

3) when information about a person's identity is confirmed with a qualified electronic signature supported by a qualified certificate for electronic signature which conforms to the requirements of Regulation (EU) No 910/2014. Qualified electronic signatures from third countries supported by a qualified certificate for electronic signature shall be recognised under Article 14 of Regulation (EU) No 910/2014;

4) when using electronic means allowing direct video streaming in one of the following ways:

a) the original of the identity document or an equivalent residence permit in the Republic of Lithuania is recorded at the time of direct video streaming and the identity of the customer is validated using at least an advanced electronic signature which conforms to the requirements laid down in Article 26 of Regulation (EU) No 910/2014;

b) the facial image of the customer and the original of the identity document or an equivalent residence permit in the Republic of Lithuania shown by the customer is recorded at the time of direct video streaming;

5) before making use of the services of a financial institution or another obliged entity, a payment order is made into his payment account from an account held in the name of the customer at a credit institution registered in another European Union Member State or a third country which imposes requirements equivalent to those established by this Law and is supervised by competent authorities for compliance with those requirements, and a paper copy of the identity document, approved in accordance with the procedure laid down by legal acts of the Republic of Lithuania, is submitted. The procedure for approving and submitting a copy of the identity document shall be established by the Financial Crime Investigation Service.

2. The identification of the customer and of the beneficial owner in the cases specified in points 1, 2 and 3 of paragraph 1 of this Article shall only be possible in the presence of all of the following conditions:

1) before the identification of the customer and of the beneficial owner in the cases specified in points 1, 2 and 3 of paragraph 1 of this Article, the identity of the customer was

established by a third party in the physical presence of the customer or using electronic means allowing direct video streaming in one of the ways specified in point 4 of paragraph 1 of this Article or in the way specified in point 5 of paragraph 1 of this Article, also where the identity of the customer was established in the physical presence of the customer at the time of issuance of an electronic identification means which operates under the electronic identification scheme with the assurance levels high or substantial, or before issuing a qualified certificate for electronic signature to him;

2) the identity of the customer and of the beneficial owner that is a natural person and of the representative of a legal person has, in the cases specified in Article 9 of this Law, been established on the basis of the documents specified in Article 10 of this Law.

3. When establishing the identity of the customer and of the beneficial owner without the physical presence of the customer, financial institutions and other obliged entities must take the measures specified in Article 9 of this Law and identify both the customer and the beneficial owner as well as verify their identity, obtain the data specified in Article 10 and Article 12 of this Law, use for the identification of the customer and of the beneficial owner any additional data, documents or information which would enable the authentication of the customer's identity, verify whether there are any circumstances to apply enhanced customer due diligence.

4. Responsibility for compliance with the customer due diligence requirements specified in this Law without the physical presence of the customer shall rest with financial institutions or other obliged entities.

5. Customer due diligence requirements in the case of non face-to-face identification of the customer using electronic means allowing direct video streaming shall be established by the Financial Crime Investigation Service.

Article 12. Requirements for identification of the beneficial owner

1. The identification of the beneficial owner when establishing the identity of the customer shall be obligatory in all cases. The identification of the beneficial owners in all cases shall mean the identification of a natural person or a group of natural persons.

2. When establishing the identity of the beneficial owner where the identity of the customer and of the beneficial owner is established in the physical presence of the customer, financial institutions and other obliged entities must require the customer and the beneficial owner to provide the following identification data:

1) name/names;

2) surname/surnames;

3) personal number (in the case of an alien – date of birth (where available – personal number or any other unique sequence of symbols granted to that person, intended for personal identification), the number and period of validity of the residence permit in the Republic of Lithuania and the place and date of its issuance);

4) citizenship (in the case of a stateless person – the state which issued the identity document).

3. Financial institutions and other obliged entities shall verify the documents and information concerning the beneficial owner submitted by the customer on the basis of the documents, data or information obtained from a reliable and independent source. Such actions of a financial institution or another obliged entity shall include a request for the customer himself to indicate public sources which could validate the information about the beneficial owner.

4. The accuracy of the data submitted by the customer shall be certified with his signature and stamp (where he must have a stamp under the legal acts regulating his activities).

5. Where the identity of the customer is established without the physical presence of the customer, the customer that is a natural person or a representative of the customer that is a legal person must submit the data on the beneficial owner specified in paragraph 2 of this Article. The data submitted by the customer shall be validated using electronic identification means issued in the European Union which operate under the electronic identification schemes with the assurance levels high or substantial, or with a qualified electronic signature supported by a qualified certificate for electronic signature which conforms to the requirements of Regulation (EU) No 910/2014, or using electronic means allowing direct video streaming.

6. A financial institution or another obliged entity must accumulate and, at the request of the Financial Crime Investigation Service, provide the following data on the beneficial owner:

1) identification data of the beneficial owner;

2) evidence of verification of the information submitted by the customer in reliable and independent sources;

3) data on the management structure of the customer (legal person).

7. The identity of the beneficial owner must be established before the end of the customer identification procedure, except for the cases specified in paragraphs 4, 5 and 6 of Article 9 of this Law.

8. When establishing the identity of the beneficial owner, financial institutions and other obliged entities shall additionally have the right to use the Information System of Participants of Legal Entities (Lithuanian: JADIS) and other state information systems and registers in which data on the participants of legal persons are accumulated.

Article 13. Making use of information from third parties

1. Financial institutions and other obliged entities may establish the identity of the customer or of the beneficial owner without his direct presence by making use of the information about the customer or the beneficial owner obtained from the financial institutions and other obliged entities or their representations abroad where they comply with the requirements for third parties set in Article 2(21) of this Law.

2. When establishing the identity of the customer or of the beneficial owner, financial institutions and other obliged entities may make use of information about the customer or the beneficial owner from third parties, provided that they have sufficient means to ensure that the third party will voluntarily comply with both of the following conditions:

1) it will, upon request, immediately provide to the requesting financial institution or another obliged entity all the requested information and data which are required to be held in compliance with the customer due diligence requirements laid down in this Law;

2) it will, upon request, immediately provide to the requesting financial institution or another obliged entity copies of the documents relating to identification of the customer or of the beneficial owner and other documents relating to the customer or the beneficial owner which are required to be held in compliance with the customer due diligence requirements laid down in this Law.

3. Where a financial institution or another obliged entity registered in the Republic of Lithuania acts as a third party and complies with the requirements for identification of the customer or of the beneficial owner laid down in this Law, it shall be permitted to request from the customer other data or other information required by another European Union Member State.

4. It shall be prohibited to make use of information about the customer or the beneficial owner from third parties established in high-risk third countries, as identified by the European Commission and the Financial Action Task Force on Money Laundering and Terrorist Financing (FATF), or where a separate decision thereon has been adopted by the European Commission.

5. This Article shall not apply to outsourcing services and agency relationships where, on the basis of a contract, the outsourcing service provider, intermediary or agent is to be regarded as part of a financial institution or of another obliged entity (legal person).

6. Responsibility for compliance with the customer due diligence requirements laid down in this Law shall rest with the financial institutions or other obliged entities which have made use of the information obtained from a third party about the customer or the beneficial owner.

Article 14. Enhanced customer due diligence

1. Enhanced customer due diligence shall be carried out applying additional measures of identification of the customer and of the beneficial owner:,

1) where cross-border correspondent banking relationships are carried out with third-country financial institutions;

2) where transactions or business relationships are carried out with politically exposed natural persons;

3) where transactions or business relationships are carried out with natural persons residing or legal persons established in high-risk third countries included in lists of jurisdictions with strategic deficiencies in their frameworks to combat money laundering and/or the financing of terrorism published by the European Commission and the Financial Action Task Force on Money Laundering and Terrorist Financing. Upon the assessment of risk, enhanced customer due diligence measures shall not be obligatory in respect of branches or majority-owned subsidiaries of financial institutions or other obliged entities established in the European Union which are located in high-risk third countries identified by the European Commission, where those branches or majority-owned subsidiaries comply with the group-wide requirements equivalent to those established by this Law;

4) where higher risk of money laundering and/or terrorist financing is identified based on the risk assessment and management procedures established by the financial institutions or other obliged entities. When assessing the risks of money laundering and/or terrorist financing, the factors of potentially higher risk of money laundering and/or terrorist financing referred to in paragraph 10 of this Article must be assessed;

5) in the cases indicated by the European supervisory authorities and the European Commission.

2. When carrying out enhanced customer due diligence, where cross-border correspondent banking relationships with third-country financial institutions are carried out, financial institutions must:

1) gather sufficient information about the respondent institution to fully understand the nature of its business and to determine from publicly available information the reputation of the institution and the quality of supervision;

2) assess control mechanisms for anti-money laundering and/or combating the financing of terrorism of the financial institution receiving funds;

3) obtain approval from a senior manager before establishing new correspondent banking relationships;

4) document the respective responsibilities of each financial institution;

5) be satisfied that the respondent institution has carried out proper customer due diligence (including verification of the identity of the customers having direct access to accounts of the correspondent institution and performance of other customer due diligence actions) and that it is able to provide the relevant customer identification data to the correspondent institution upon its request.

3. When carrying out enhanced customer due diligence, where transactions or business relationships are carried out with politically exposed natural persons, financial institutions and other obliged entities must:

1) identify and have in place internal procedures to determine whether the customer and the beneficial owner are politically exposed natural persons;

2) obtain approval from a senior manager for establishing business relationships with such customers or continuing business relationships with the customers when they become politically exposed natural persons;

3) take adequate measures to establish the source of property and source of funds that are involved in the business relationships or transaction;

4) perform enhanced ongoing monitoring of the business relationships with politically exposed natural persons.

4. Where a politically exposed person is no longer entrusted with a prominent public function, financial institutions and other obliged entities must, for at least 12 months, take into account the continuing risk posed by that person and apply appropriate and risk-sensitive measures until such time as that person is deemed to pose no further risk specific to politically exposed natural persons.

5. When applying enhanced customer due diligence in respect of natural persons residing or legal persons established in high-risk third countries identified by the European Commission and the Financial Action Task Force on Money Laundering and Terrorist Financing and in the cases where higher risk of money laundering and/or terrorist financing is identified based on the risk assessment and management procedures established by financial institutions or other obliged entities, the financial institutions and other obliged entities shall, in accordance with the procedures specified in this paragraph and at their own discretion, apply one or several additional measures of identification of the customer and of the beneficial owner to mitigate the risks posed and must:

1) obtain approval from a senior manager for establishing business relationships with such customers or continuing business relationships with these customers;

2) take adequate measures to establish the source of property and source of funds that are involved in the business relationships or transaction;

3) perform enhanced ongoing monitoring of the business relationships with such customers.

6. When carrying out enhanced customer due diligence in the cases indicated by the European supervisory authorities and the European Commission, financial institutions and other obliged entities shall opt for the applicable measures indicated in the documents of the European supervisory authorities and the European Commission which identify such cases.

7. Insurance undertakings engaged in life insurance activities and insurance brokerage firms engaged in insurance mediation activities relating to life insurance must, at the time of the payout or at the time the beneficiary intends to exercise the rights to payments vested under the policy, determine whether the beneficiary meets the conditions under which the risk of money laundering and/or terrorist financing is higher. Where the beneficiary is a legal person or an entity not having legal personality, the beneficial owner thereof must, pursuant to Article 12 of this Law, be established before the payout. Where the beneficiary that is a natural person or the beneficial owner of the beneficiary that is a legal person is a politically exposed natural person and where higher risk of money laundering and/or terrorist financing is identified based on the risk assessment and management procedures of the insurance undertakings engaged in life insurance activities and insurance brokerage firms engaged in insurance mediation activities relating to life insurance, it shall be obligatory, before the payout, to inform a senior manager of the future payout, to perform enhanced monitoring of the monetary operations or transactions carried out by the customer or the beneficiary and to decide on the appropriateness of forwarding a report on a suspicious monetary operation or transaction to the Financial Crime Investigation Service. In these cases, the identity of the beneficiary and of its beneficial owner must be established at the time of the payout or at the time the beneficiary intends to exercise the rights to payments vested under the policy.

8. Financial institutions shall be prohibited from establishing and continuing a correspondent banking relationship or any other relationships with a shell bank or a bank that is known to permit its accounts to be used by a shell bank. Financial institutions must take measures to ascertain that the financial institutions receiving funds do not permit their accounts to be used by shell banks.

9. Financial institutions and other obliged entities must pay particular attention to any threat of money laundering and/or terrorist financing that may arise from any type of products, other results of human work, use of services rendered or transactions carried out where it is sought to conceal the identity of the customer or the beneficial owner (there is a tendency to favour anonymity), as well as from any business relationship or transactions with the customer whose identity has not been established in his physical presence and, if needed, immediately take

measures to prevent the use of property for the purpose of money laundering and/or terrorist financing.

10. When identifying whether there is higher risk of money laundering and/or terrorist financing, financial institutions and other obliged entities must assess at least the following factors:

1) customer risk factors:

a) the business relationship of the customer is conducted in unusual circumstances without any apparent economic or visible lawful purpose;

b) the customer is resident in a third country;

c) legal persons or entities not having legal personality are personal asset-holding vehicles;

d) a company has nominee shareholders acting for another person, or shares in bearer form;

e) business is cash-intensive;

f) the ownership structure of the legal person appears unusual or excessively complex given the nature of the legal person's business;

2) product, service, transaction or delivery channel risk factors:

a) private banking;

b) a product or transaction might favour anonymity;

c) business relationships or transactions are established or conducted without the physical presence;

d) payments are received from unknown or unassociated third parties;

e) products and business practices, including delivery mechanism, are new and new or developing technologies are used for both new and pre-existing products;

3) geographical risk factors:

a) countries identified, on the basis of data of reports or similar documents by the Financial Action Task Force on Money Laundering and Terrorist Financing or a similar regional organisation, as having significant non-conformities with international requirements in their anti-money laundering and/or combating the financing of terrorism systems;

b) countries identified, on the basis of data by governmental and universally-recognised non-governmental organisations monitoring and assessing the level of corruption, as having significant levels of corruption or other criminal activity;

c) countries subject to sanctions, embargos or similar measures issued by, for example, the European Union or the United Nations;

d) countries provide funding or support for terrorist activities, or have designated terrorist organisations operating within their country.

11. In implementing the requirements specified in this Article, financial institutions and other obliged entities shall have the right to obtain from the Chief Official Ethics Commission the available data of the declarations of private interests of politically exposed persons who have been entrusted with prominent public functions in the Republic of Lithuania and who, in accordance with the procedure established by legal acts, have the obligation to declare their public and private interests and whose declaration data are public.

Article 15. Simplified customer due diligence

1. Simplified customer due diligence may be carried out where lower risk of money laundering and/or terrorist financing is identified based on the risk assessment and management procedures established by financial institutions or other obliged entities in the cases of:

1) companies whose securities are admitted to trading on a regulated market in one or more European Union Member States and other foreign companies whose securities are traded on regulated markets and which are subject to disclosure requirements consistent with the European Union legislation;

2) entities of public administration;

3) a customer, where the customer is a financial institution covered by this Law, or a financial institution registered in another European Union Member State or in a third country which imposes requirements equivalent to those laid down in this Law and is supervised by competent authorities for compliance with those requirements, also where international organisations have identified a low level of corruption in that country;

4) life insurance contracts or supplementary voluntary pension accumulation agreements, where the annual premium or contribution into the pension fund does not exceed EUR 1 000 or a single premium or contribution into the pension fund does not exceed EUR 2 500, or an equivalent amount in foreign currency;

5) insurance policies for pension schemes where there is no surrender clause and where the insurance policies cannot be used as collateral;

6) pensions accumulated under the Law of the Republic of Lithuania on the Accumulation of Pensions, other pensions, superannuation or similar schemes that provide retirement benefits to employees, where contributions are made by way of deduction from wages and the legal acts regulating the schemes do not permit the assignment of a member’s interest under the scheme;

7) electronic money, where a limit of EUR 1 000, or an equivalent amount in foreign currency, is imposed on the total amount transacted in a calendar year, except for the cases specified in Article 9(4) of this Law and cases when an amount of EUR 500, or an equivalent amount in foreign currency, or more is redeemed in cash in that same calendar year upon the electronic money holder's request;

8) lotteries, where the monetary value intended for the purchase of lottery tickets and accumulation of unclaimed winnings is stored electronically, and the maximum monetary value stored does not exceed EUR 1 000 and cannot be topped up or otherwise funded with anonymous funds and it cannot be used for settlements other than the purchase of lottery tickets;

9) as indicated by the European supervisory authorities and the European Commission;

10) deposits accepted from natural persons, where a limit of EUR 30 000, or an equivalent amount in foreign currency, is imposed on the total value of deposits accepted in a calendar year and the amount of the deposit or interest accrued or any other amount payable is returned only to the account of the customer with a credit institution from which the funds were transferred for holding as a deposit, as specified in point 2 of paragraph 2 of this Article.

2. When applying simplified customer due diligence, financial institutions and other obliged entities may, in the course of establishing the identity of the customer and of the beneficial owner, derogate from the provisions of Articles 10 and 12 of this Law and must only:

1) obtain the data indicated in points 1, 2 and 3 of Article 10(1) and points 1, 2 and 3 of Article 10(2) of this Law;

2) ensure that the first payment by the customer is made from an account held with a credit institution, where the credit institution is registered in a European Union Member State or in a third country which imposes requirements equivalent to those laid down in this Law and is supervised by competent authorities for compliance with those requirements.

3. When carrying out simplified customer due diligence in the cases indicated by the European supervisory authorities and the European Commission, financial institutions and other obliged entities shall opt for the applicable measures indicated in the documents of the European supervisory authorities and the European Commission which identify such cases.

4. Simplified customer due diligence may be carried out only where the monitoring of the customer's business relationships is performed in the course of or following the simplified customer due diligence and there is a possibility to identify suspicious monetary operations and transactions. This provision shall not apply to customers of pension funds for the accumulation of a portion of the state social insurance contribution.

5. It shall be prohibited to carry out simplified customer due diligence where a separate decision thereon has been adopted by the European Commission or the European supervisory authorities are against it.

6. Simplified customer due diligence may not be carried out in the presence of the conditions specified in Article 14 of this Law, where enhanced customer due diligence must be carried out. This provision shall not apply to customers of pension funds for the accumulation of a portion of the state social insurance contribution.

7. Where, in the course of performing ongoing monitoring of the customer's business relationships, it is established that the risk of money laundering and/or terrorist financing is no longer low, financial institutions and other obliged entities must take the measures specified in Article 9 of this Law and identify both the customer and the beneficial owner as well as verify their identity.

Article 16. Reporting of suspicious monetary operations or transactions

1. Financial institutions and other obliged entities must immediately, not later than within one working day from the emergence of such knowledge or suspicions, report to the Financial Crime Investigation Service if they know or suspect that property of any value is, directly or indirectly, derived from a criminal act or from involvement in such an act, also if they know or suspect that such property is used to support one or several terrorists or a terrorist organisation.

2. Upon establishing that their customer is carrying out a suspicious monetary operation or transaction, financial institutions and other obliged entities must suspend the operation or transaction disregarding the amount of the monetary operation or transaction (except for the cases where this is objectively impossible due to the nature of the monetary operation or transaction, the manner of execution thereof or other circumstances) and, not later than within three working hours from the suspension of the monetary operation or transaction, report this operation or transaction to the Financial Crime Investigation Service, and advocates or advocates' assistants – to the Lithuanian Bar Association (where the monetary operation or transaction has not been suspended due to the nature of the monetary operation or transaction, the manner of execution thereof or other circumstances – within three working hours from establishing the suspicious monetary operation or transaction). Such operations and transactions shall be objectively established by financial institutions and other obliged entities paying attention to such customers' activities which they regard as likely, by their nature, to be related to money laundering and/or terrorist financing, when carrying out customer due diligence and ongoing monitoring of the customer's business relationships, including scrutiny of transactions undertaken throughout the course of such relationships, as specified in Article 9 of this Law, and

having regard to the criteria for identifying suspicious monetary operations or transactions approved by the Financial Crime Investigation Service.

3. Upon receipt of the information that the customer intends or will attempt to carry out a suspicious monetary operation or transaction, financial institutions and other obliged entities must immediately notify thereof the Financial Crime Investigation Service, and advocates or advocates' assistants – the Lithuanian Bar Association.

4. The Financial Crime Investigation Service shall, within ten working days from the receipt of the information specified in paragraphs 2, 3 and 9 of this Article or from the giving of the instruction specified in paragraph 6 of this Article, immediately perform the actions necessary to substantiate or negate doubts concerning the criminal act allegedly being carried out or previously carried out by the customer.

5. From the moment that the legality of funds or property is justified or doubts concerning possible links with terrorist financing are negated, the Financial Crime Investigation Service must immediately give written notice to a financial institution or another obliged entity that monetary operations or transactions may be resumed.

6. Upon receipt from the Financial Crime Investigation Service of a written instruction to suspend the suspicious monetary operations or transactions carried out by the customer, financial institutions and other obliged entities must suspend the operations or transactions for up to ten working days from the time specified in the instruction or from the moment of emergence of specific circumstances.

7. Where financial institutions and other obliged entities are not obligated to temporarily restrict the ownership rights in accordance with the procedure established by the Code of Criminal Procedure of the Republic of Lithuania (hereinafter: the 'Code of Criminal Procedure') within ten working days from the issuing of the notice or receipt of the instruction, a monetary operation or transaction must be resumed.

8. Where the suspension of a monetary operation or transaction may impede an investigation into the legalisation of money or property derived from criminal activity, terrorist financing and other criminal acts relating to money laundering and/or terrorist financing, the Financial Crime Investigation Service must notify a financial institution and another obliged entity thereof.

9. The Lithuanian Bar Association must, not later than within one working day from the receipt of the information specified in paragraphs 2 and 3 of this Article, communicate the information to the Financial Crime Investigation Service.

10. Paragraphs 1, 2 and 3 of this Article shall not apply to notaries, notary's agents and persons entitled to perform notarial actions, auditors, judicial officers and judicial officer's

agents, undertakings providing accounting or tax advisory services in the course of ascertaining the legal position of their client, or representing that client in criminal, administrative or civil proceedings, including advice on instituting or avoiding proceedings. Paragraphs 1, 2 and 3 of this Article shall not apply to advocates and advocates' assistants in the course of ascertaining the legal position of their client or defending or representing the client in, or concerning judicial proceedings, including advice on instituting or avoiding proceedings, irrespective of whether such information is received or acquired prior to, in the course of or upon termination of such proceedings.

11. Where the Financial Crime Investigation Service has information about possible links of suspicious monetary operations or transactions with terrorist financing, it shall submit such information to the State Security Department not later than within one working day from the moment of receipt of this information.

12. Under the circumstances stipulated in paragraph 4 of this Article, financial institutions and other obliged entities must submit the information requested by the Financial Crime Investigation Service within one working day from the moment of receipt of the request.

13. Financial institutions and other obliged entities shall not be responsible to the customer for the non-fulfilment of contractual obligations and for the damage caused in the course of performing the duties and actions specified in this Article. Immunity from legal proceedings shall also apply to the directors or other employees of financial institutions and other obliged entities who report, in good faith, information about suspected money laundering or terrorist financing or suspicious monetary operations or transactions carried out by the customer to the responsible employees at their workplace or to the Financial Crime Investigation Service; they also may not be subject to disciplinary sanctions because of such actions.

14. The procedure for suspending suspicious monetary operations or transaction specified in this Article and for reporting information about the suspicious monetary operations or transactions to the Financial Crime Investigation Service shall be established by the Minister of the Interior.

Article 17. Complex or unusually large transactions and unusual patterns of transactions

Financial institutions and other obliged entities must pay attention to any activity which they regard as likely, by its nature, to be related to money laundering and/or terrorist financing, and in particular to complex or unusually large transactions and all unusual patterns of transactions which have no apparent economic or visible lawful purpose, and business relationships or monetary operations with customers from third countries in which, based on the

information officially published by international intergovernmental organisations, money laundering and/or terrorist financing prevention measures are insufficient or do not correspond to international standards. The financial institutions and other obliged entities must examine the basis for and purpose of execution of such operations or transactions and the results of the investigation must be recorded in writing.

Article 18. Termination of transactions or business relationships with the customer

Where the customer avoids or refuses to submit additional information to a financial institution or another obliged entity, at its request and within the specified time limits, the financial institutions and other obliged entities may, in accordance with internal policies and internal control procedures, refuse to execute monetary operations or transactions and terminate the transactions or business relationship with the customer.

Article 19. Storage of information

1. Financial institutions and other obliged entities must keep a register of reports and suspicious monetary operations and transactions specified in Article 16(1) of this Law.

2. Financial institutions must keep a register of the monetary operations carried out by the customer as specified in points 2-5 of Article 9(1) of this Law, except in the cases where the customer of the financial institution is another financial institution or a financial institution of another European Union Member State.

3. Persons engaged in economic and commercial activities involving trade in precious stones, precious metals, movable cultural goods, antiques or any other property the value whereof is equal to or exceeds EUR 10 000, or an equivalent amount in foreign currency, provided that payments are made in cash, must keep a register of the monetary operations specified in Article 9(3) of this Law.

4. Gaming companies must keep a register of the persons, operations and transactions specified in Article 9(9) of this Law.

5. Lottery companies must keep a register of the persons, operations and transactions specified in Article 9(10) of this Law.

6. The Lithuanian Bar Association must keep a register of the suspicious transactions of their customers reported by advocates or advocates' assistants.

7. Financial institutions and other obliged entities, except for the entities referred to in paragraphs 3, 4, 5 and 6 of this Article, must also keep a register of the monetary operations specified in paragraphs 1, 2 and 3 of Article 20 of this Law.

8. Financial institutions and other obliged entities must keep a register of the customers with whom transactions or business relationships were terminated under the circumstances specified in Article 18 of this Law or under any other circumstances related to violations of the procedure for the prevention of money laundering and/or terrorist financing.

9. Register data shall be stored in paper or electronic form for eight years from the date of termination of transactions or business relationships with the customer. The rules for the keeping of registers shall be established by the Director of the Financial Crime Investigation Service.

10. Copies of the identity documents of the customer, the identity data of the beneficial owner, the identity data of the beneficiary, direct video streaming/direct video broadcasting recordings, other data received at the time of establishing the identity of the customer and account and/or agreement documentation (originals of the documents) must be stored for eight years from the date of termination of transactions or business relationships with the customer.

11. Business correspondence with the customer must be stored in paper or electronic form for five years from the date of termination of transactions or business relationships with the customer.

12. The documents confirming a monetary operation or transaction and data or other legally binding documents and data related to the execution of monetary operations or conclusion of transactions must be stored for eight years from the date of execution of the monetary operation or conclusion of the transaction.

13. Records of the results of the investigation specified in Article 17 of this Law shall be stored for five years in paper or electronic form.

14. Time limits for storage may be additionally extended for up to two years upon a reasoned instruction of a competent authority.

Article 20. Submission of information to the Financial Crime Investigation Service

1. Financial institutions carrying out a monetary operation must submit data confirming the customer's identity and information about the monetary operation carried out to the Financial Crime Investigation Service where the total amount of the customer's single operation in cash or of several linked operations in cash is equal to or exceeds EUR 15 000, or an equivalent amount in foreign currency.

2. Notaries, notary's agents or persons entitled to perform notarial actions and judicial officers or judicial officer's agents must submit the data confirming the customer's identity and information about the transaction concluded by the customer to the Financial Crime Investigation Service where the amount of cash received or paid under the transaction is equal to or exceeds EUR 15 000, or an equivalent amount in foreign currency.

3. Other obliged entities, except for advocates, advocates' assistants, notaries, notary's agents or persons entitled to perform notarial actions and judicial officers or judicial officer's agents, shall submit the data confirming the customer's identity and information about a single payment in cash where the amount of cash received is equal to or exceeds EUR 15 000, or an equivalent amount in foreign currency, to the Financial Crime Investigation Service, and in the case of advocates or advocates' assistants – to the Lithuanian Bar Association.

4. The information submitted to the Financial Crime Investigation Service shall include the data confirming the customer's identity, and where the monetary operation is carried out through a representative – also the data confirming the identity of the representative, the amount of the monetary operation, the currency in which the monetary operation was executed, the date of execution of the monetary operation, the manner of execution of the monetary operation and the entity for whose benefit the monetary operation was executed.

5. The information specified in paragraphs 1, 2 and 3 of this Article shall be submitted to the Financial Crime Investigation Service immediately, not later than within seven working days from the date of execution of a monetary operation or conclusion of a transaction. Advocates and advocates' assistants shall submit the information specified in paragraph 3 of this Article to the Lithuanian Bar Association immediately, not later than within seven working days from the date of execution of a monetary operation or conclusion of a transaction. The Lithuanian Bar Association shall, not later than within two working days from the receipt of the information specified in paragraph 3 of this Article, forward the information to the Financial Crime Investigation Service.

6. The information specified in paragraph 1 of this Article shall not be submitted to the Financial Crime Investigation Service where the customer of a financial institution is another financial institution or a financial institution of another European Union Member State.

7. A financial institution may refrain from submitting to the Financial Crime Investigation Service the information specified in paragraph 1 of this Article where the customer's activity is characterised by large ongoing and regular monetary operations conforming to the criteria established by the director of the Financial Crime Investigation Service.

8. The exemption referred to in paragraph 7 of this Article shall not apply where the customer of a financial institution is a foreign undertaking, a branch or representative office thereof or is engaged in the following:

1) provision of legal advice, practice of an advocate or activities of a notary;

2) organising and operation of lotteries and games of chance;

3) activities involving ferrous, non-ferrous or precious/rare metals, precious stones, jewellery, works of art;

4) trade in motor vehicles;

5) trade in real estate;

6) audit of financial statements;

7) personal health care;

8) organising and operation of auctions;

9) organising tourism or travel arrangements;

10) wholesale trade in spirits and other alcohol products and tobacco goods;

11) trade in oil products;

12) pharmaceutical activities.

9. The procedure for submitting the data and information referred to in paragraphs 1, 2 and 3 of this Article to the Financial Crime Investigation Service shall be established by the Minister of the Interior.

Article 21. Declaration of cash and activities of customs offices

1. The sums of cash shall be declared in the following cases:

1) when a person brings into the European Union through the Republic of Lithuania from third countries or brings from the European Union through the Republic of Lithuania to third countries within the meaning of the Law of the Republic of Lithuania on Customs (hereinafter in this Article: 'third countries') cash in a lump sum the value of which is not less than the value indicated in Article 3(1) of Regulation (EC) No 1889/2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Community (hereinafter: 'Regulation (EC) No 1889/2005');

2) at the request of a customs office, when a person brings to other European Union Member States from the Republic of Lithuania and brings from other European Union Member States to the Republic of Lithuania or carries to other European Union Member States and from other European Union Member States cash in a lump sum exceeding EUR 10 000, or an equivalent amount in foreign currency.

2. Customs offices shall carry out:

1) controls of the sums of cash brought into the European Union through the Republic of Lithuania from third countries and brought from the European Union through the Republic of Lithuania to third countries in compliance with the provisions of Regulation (EC) No 1889/2005;

2) controls of cash in a lump sum exceeding EUR 10 000, or an equivalent amount in foreign currency, brought to other European Union Member States from the Republic of

Lithuania and brought from other European Union Member States to the Republic of Lithuania or carried to other European Union Member States and from other European Union Member States through the Republic of Lithuania.

3. In the cases established by Regulation (EC) No 1889/2005, when the European Union Member States are granted the right of decision-making, decisions shall be adopted and the procedure for applying the relevant provisions of Regulation (EC) No 1889/2005 in the Republic of Lithuania shall be established by the Director-General of the Customs Department under the Ministry of Finance of the Republic of Lithuania, except when this Law or other laws establish otherwise.

4. The procedure for declaring and carrying out controls of the origin of cash brought to other European Union Member States from the Republic of Lithuania and brought from other European Union Member States to the Republic of Lithuania or carried to other European Union Member States and from other European Union Member States through the Republic of Lithuania shall be established by the Director-General of the Customs Department under the Ministry of Finance of the Republic of Lithuania.

5. Customs offices must immediately, not later than within seven working days from receipt of a declaration, notify the Financial Crime Investigation Service:

1) if a person brings to the European Union through the Republic of Lithuania from third countries or brings from the European Union through the Republic of Lithuania to third countries cash in a lump sum the value of which is not less than the value specified in Article 3(1) of Regulation (EC) No 1889/2005;

2) if a person brings to other European Union Member States from the Republic of Lithuania and brings from other European Union Member States to the Republic of Lithuania or carries to other European Union Member States and from other European Union Member States through the Republic of Lithuania cash in a lump sum exceeding EUR 10 000, or an equivalent amount in foreign currency.

6. The concept of the ‘Member State of the European Union’ used in this Article shall not include states of the European Economic Area.

Article 22. Duties of financial institutions and other obliged entities

1. Financial institutions and other obliged entities must designate senior employees for organising the implementation of money laundering and/or terrorist financing prevention measures specified in this Law and for liaising with the Financial Crime Investigation Service. Where the financial institutions or other obliged entities are led by the board, the financial institutions and other obliged entities must designate a member of the board for organising the

implementation of money laundering and/or terrorist financing prevention measures specified in this Law and senior employees for liaising with the Financial Crime Investigation Service. The Financial Crime Investigation Service must be notified in writing of the designation as well as replacement of such employees and board members not later than within seven working days from the date of their designation or replacement.

2. Financial institutions and other obliged entities must take appropriate measures so that their relevant employees are aware of the provisions in force on the basis of this Law. Such measures shall include the participation of the relevant employees in special ongoing training programmes to help them recognise operations which may be related to money laundering and/or terrorist financing and to instruct them as to how to proceed in such cases.

3. Financial institutions and other obliged entities that are part of a group of undertakings, as defined in Article 2(12) of the Law of the Republic of Lithuania on the Supplementary Supervision of Entities in a Financial Conglomerate, must implement the group-wide policies and procedures for the prevention of money laundering and/or terrorist financing, and also comply with the national legislation of the European Union Member State in which the subsidiary or branch is established.

4. Where the provisions of legal acts of the Republic of Lithuania regulating money laundering and/or terrorist financing prevention differ from those of a foreign state, the branches or majority-owned subsidiaries of financial institutions and other obliged entities must apply the stricter provisions of the legal acts in so far as the legislation of the foreign state so permits. Where the legislation of the foreign state does not permit the application of requirements equivalent to international ones, the financial institutions and other obliged entities must immediately inform the Financial Crime Investigation Service thereof and, having agreed with it, take additional measures to effectively mitigate the risk of money laundering and/or terrorist financing. Where these additional measures are insufficient for mitigating the risk of money laundering and/or terrorist financing, the financial institutions and other obliged entities must refuse to enter into or discontinue monetary operations or transactions and business relationships with the customer, or to cease activities in a third country.

5. Electronic money institutions and payment institutions whose registered office is in another European Union Member State providing services in the Republic of Lithuania through agents, natural or legal persons must establish or designate a central contact person in the Republic of Lithuania for complying with the requirements specified in paragraphs1 and 2 of Article 16 of this Law, for liaising with the Financial Crime Investigation Service and submitting, at its request, documents and information relating to the prevention of money laundering and/or terrorist financing. The Financial Crime Investigation Service must be notified

in writing of the contact person not later than within 14 working days from the date of establishment or designation of such a person.

6. Financial institutions and other obliged entities must have in place internal systems enabling them to respond rapidly, through secure channels and in a manner that ensures full confidentiality of enquiries, to the inquiries from the Financial Crime Investigation Service concerning the submission of the information specified in this Law and ensure the submission of this information within 14 working days from the receipt of the enquiry (where this Law, in certain cases, establishes shorter time limits for submitting information to the Financial Crime Investigation Service – such information must be submitted within the shorter time limits).

7. Prior to establishing a business relationship or carrying out a one-off monetary operation or transaction, where measures must be taken to identify the customer and the beneficial owner as well as verify their identity, financial institutions and other obliged entities must, pursuant to Article 24 of the Law of the Republic of Lithuania on Legal Protection of Personal Data, provide new customers with information on the processing of their data.

Article 23. Protection of information submitted to the Financial Crime Investigation Service

1. The information specified in this Law and received by the Financial Crime Investigation Service may not be published or transferred to other state governance, control or law enforcement institutions and other persons, except in the cases established by this Law and other laws.

2. Persons who have violated the procedure for storing and using information specified in this Law shall be held liable in accordance with the procedure established by laws.

3. The institutions specified in Article 4(1-8) of this Law, employees thereof, financial institutions and employees thereof, other obliged entities and employees thereof shall be prohibited from notifying the customer or other persons that the information about the monetary operations carried out or transactions concluded by the customer or any other information has been submitted to the Financial Crime Investigation Service or any other supervisory authority. The prohibition set out in this paragraph shall not apply to notaries, notary's agents and persons entitled to perform notarial actions, advocates and advocates' assistants and judicial officers and judicial officer's agents, where they seek to dissuade a client from engaging in illegal activity.

4. Unless the Financial Crime Investigation Service specifies otherwise, the prohibition set out in paragraph 1 of this Article shall not prohibit:

1) disclosure between financial institutions registered in the territory of the European Union Member States, also registered in the territory of third countries which are subject to

requirements equivalent to those laid down in this Law, provided that these entities are part of one group of undertakings;

2) disclosure between auditors, undertakings providing accounting or tax advisory services, notaries, notary's agents and persons entitled to perform notarial actions as well as advocates and advocates' assistants registered in the territory of the European Union Member States, also registered in the territory of third countries which impose requirements equivalent to those laid down in this Law, provided that the said entities carry out their professional activities as a single legal person or as several persons which share common ownership and management or as several persons which are subject to joint control;

3) disclosure between financial institutions, auditors,undertakings providing accounting or tax advisory services, notaries, notary's agents and persons entitled to perform notarial actions as well as advocates and advocates' assistants in the cases connected with the same customer and with the same transaction involving two or more entities indicated in this point, provided that they are registered in the territory of the European Union Member State or in the territory of a third country which imposes requirements equivalent to those laid down in this Law and that they are from the same professional category and are subject to equivalent obligations as regards professional secrecy and storage of personal data.

5. The disclosure of information in the cases specified in paragraph 4 of this Article shall only be allowed to prevent money laundering and/or terrorist financing.

6. The exemptions concerning the disclosure of information specified in paragraph 4 of this Article shall not apply where a separate decision thereon has been adopted by the European Commission.

7. In the cases specified in paragraph 4 of this Article where, during the disclosure between entities registered in third countries, personal data are submitted to these entities, the disclosure of personal data must conform to the requirements of the Law of the Republic of Lithuania on Legal Protection of Personal Data.

8. The submission of the information specified in this Law to the Financial Crime Investigation Service shall not be considered as disclosure of an industrial, commercial or bank secret.

Article 24. Processing of data of the customer carrying out monetary operations and transactions, of the representative thereof and of the beneficial owner that are natural persons

1. The personal data specified in this Law of the customer carrying out monetary operations and transactions, of the representative thereof and of the beneficial owner shall, in the cases specified in this Law, be submitted and processed:

1) in the course of reporting or providing information to the Financial Crime Investigation Service;

2) in the course of establishing the identity of the customer and of the beneficial owner by financial institutions and other obliged entities;

3) in the course of obtaining information from third parties by financial institutions and other obliged entities in the cases specified in Article 13 of this Law;

4) in the course of processing information by financial institutions and other obliged entities in the cases specified in Article 19 of this Law.

2. Personal data shall be processed in accordance with the Law of the Republic of Lithuania on Legal Protection of Personal Data in so far as this Law does not provide otherwise.

3. The disclosure between financial institutions and other obliged entities, institutions and other persons from a third country shall be prohibited where a separate decision thereon has been adopted by the European Commission.

4. The data subject whose personal data are processed for the purpose of preventing money laundering and/or terrorist financing shall have no right of access to his personal data submitted to the Financial Crime Investigation Service or to any other supervisory authority on the basis of this Law.

Article 25. Requirements for legal persons and persons associated with trust or company service providers and estate agents

1. 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 Information System of Participants of Legal Entities (JADIS) in accordance with the procedure laid down in the regulations of this information system. Where the State or a municipality is one of the members of the legal person, the

information specified in this paragraph shall be submitted to the manager of the Information System of Participants of Legal Entities (JADIS) only about the other beneficial owners of that legal person.

2. A person may not be the beneficial owner of a trust or a company service provider and of an estate agent that are legal persons, as well as a member of the management or supervisory body of such a legal person if he has been convicted of a serious or grave crime against property, property rights, property interests, the economy, the order of business, the financial system, civil service and public interests and his conviction has not expired or has not been expunged.

3. The information specified in paragraph 2 of this Article shall be verified in accordance with the procedure laid down in legal acts when registering the specified categories of activities.

CHAPTER FOUR
RISK ASSESSMENT

Article 26. National risk assessment of money laundering and terrorist financing

1. The national risk assessment of money laundering and terrorist financing shall be carried out with a view to determining the existing risk of money laundering and terrorist financing in the Republic of Lithuania and its level and ensuring the selection of risk-mitigating measures.

2. The national risk assessment of money laundering and terrorist financing shall be relied on:

1) when considering the appropriateness of regulation of the prevention of money laundering and terrorist financing;

2) when establishing the need for financial institutions and other obliged entities to apply measures having regard to the level of risk in certain cases, to adjust the measures to be taken;

3) when planning the allocation of resources for combating money laundering and terrorist financing and priorities for their use.

3. The results of the national risk assessment of money laundering and terrorist financing must be taken into account by the institutions referred to in Article 4(1-9) of this Law when drafting instructions aimed at preventing money laundering and/or terrorist financing intended for financial institutions and other obliged entities.

Article 27. Institutions involved in the national risk assessment of money laundering and terrorist financing

1. The Financial Crime Investigation Service shall be the coordinating authority in the course of carrying out the national risk assessment of money laundering and terrorist financing.

2. The national risk assessment of money laundering and terrorist financing shall involve all the institutions specified in Article 4(1-8) of this Law and, as appropriate, other institutions, bodies, organisations, experts, professionals and other persons.

Article 28. Procedure for carrying out the national risk assessment of money laundering and terrorist financing

1. The national risk assessment of money laundering and terrorist financing shall be carried out at least every four years.

2. The methodology for the national risk assessment of money laundering and terrorist financing shall be prepared and approved by the Financial Crime Investigation Service.

3. The national risk assessment of money laundering and terrorist financing shall be carried out after the institutions specified in Article 4(1-8) of this Law have carried out risk assessments of money laundering and/or terrorist financing in individual sectors.

4. The institutions specified in Article 4(1-8) of this Law shall carry out sectorial risk assessments of money laundering and/or terrorist financing within eight months from the date of notification by the Financial Crime Investigation Service of the envisaged national risk assessment of money laundering and terrorist financing.

5. The institutions specified in Article 4(1-8) of this Law shall, for the purpose indicated in paragraph 3 of this Article, accumulate detailed statistical data relating to the size and importance of a sector, including the number of entities and persons in each sector and their significance for the economy.

6. The Financial Crime Investigation Service shall accumulate the following statistical data:

1) the number of reports on suspicious monetary operations or transactions; follow-up measures concerning those reports; the number of registered criminal acts of legalisation of property derived from criminal activity or provision of funding or support for terrorist activities and suspects, accused and convicts per year; data on the predicate offences (crimes which led to the acquisition of the legalised property or property attempted to be legalised), where such information is available; property which was subject to temporary restriction of the right of ownership, its value, property confiscated by a court decision and its value;

2) data on the successful use of the reports on suspicious monetary operations or transactions;

3) data on the number of requests for information received, sent, rejected and satisfied in part or in full from foreign institutions implementing money laundering and/or terrorist financing prevention measures; the number of legal aid applications relating to money laundering and terrorist financing received and sent.

7. In the course of the national risk assessment of money laundering and terrorist financing account shall be taken of the results of risk assessment of money laundering and terrorist financing carried out by the European Commission at European Union level and of the recommendations for the European Union Member States on the appropriate measures to mitigate the identified risks. Where in the course of the national risk assessment of money laundering and terrorist financing it is decided not to comply with certain recommendations of the European Commission, the European Commission shall be notified thereof in accordance with the procedure laid down in Article 51 of this Law, indicating the reasons for the decision.

Article 29. Internal control procedures of financial institutions and other obliged entities

1. Financial institutions and other obliged entities must establish the adequate internal policies and internal control procedures relating to:

1) identification of the customer and of the beneficial owner and verification of their identity;

2) risk assessment and risk management having regard to the types of risk specified in paragraph 2 of this Article;

3) organisation of monitoring of business relationships and/or operations;

4) implementation of international financial sanctions and restrictive measures;

5) submission of reports and information to the Financial Crime Investigation Service;

6) keeping of registers;

7) storage of the information specified in this Law;

8) updating of the information concerning the identification of the customer and of the beneficial owner;

9) organisation of training for employees to properly familiarise them with requirements for the prevention of money laundering and/or terrorist financing;

10) distribution of functions in a body of a financial market participant in the course of implementing money laundering and/or terrorist financing prevention measures, as well as management and communication of compliance reporting.

2. The risk of money laundering and/or terrorist financing must be assessed identifying at least the following types of risks:

1) customer risk;

2) product or service risk and/or operational risk;

3) country-based risk and/or geographical area risk.

3. The internal control procedures specified in paragraph 1 of this Article must be drawn up having regard to the following:

1) the results of the European Commission's and national risk assessment of money laundering and terrorist financing, unless it is decided not to comply with certain recommendations of the European Commission in the course of the national risk assessment of money laundering and terrorist financing;

2) the instructions approved by the institutions specified in Article 4(1-9) of this Law;

3) documents of the European supervisory authorities relating to risk factors which have to be taken into account and measures which have to be taken in the cases when the application of simplified customer due diligence measures is allowed;

4) guidelines of the European supervisory authorities relating to risk factors which have to be taken into account and measures which have to be taken in the cases when it is appropriate to apply enhanced customer due diligence measures.

4. Financial institutions and other obliged entities must have in place the appropriate compliance and/or audit procedures for internal policies and internal control procedures to ensure compliance with the provisions of this Law.

5. The internal control procedures of financial institutions and other obliged entities shall be approved by the senior manager or the management body of the financial institutions and other obliged entities approving internal control procedures of a similar nature (the board, head of service, etc.).

6. The institutions referred to in Article 4(1-9) of this Law and financial institutions and other obliged entities shall, periodically or in the event of any major developments or changes in the management and activities of the financial institutions and other obliged entities, carry out monitoring of the implementation and sufficiency of internal control procedures and, where necessary, prescribe to reinforce and reinforce the internal control procedures applied by the financial institutions and other obliged entities.

7. The management of risk of financial institutions and other obliged entities relating to money laundering and/or terrorist financing must be an integral part of the common framework for risk management. Taking account of the scope and nature of their activities, the financial institutions and other obliged entities must put in place the procedures and frameworks intended for identification, assessment and management of the risk of money laundering and/or terrorist financing and effective risk-mitigating measures.

CHAPTER FIVE
SUPERVISION OF FINANCIAL INSTITUTIONS AND OTHER OBLIGED ENTITIES

Article 30. Supervisory authorities

1. Supervision of the implementation of the money laundering and/or terrorist financing prevention measures set out in this Law (hereinafter: 'supervision') shall be exercised by:

1) the Financial Crime Investigation Service – over financial institutions and other obliged entities;

4) the Bank of Lithuania – over the entities indicated in Article 4(1) of this Law;

3) the Department of Cultural Heritage Protection, the Gaming Control Authority, the Lithuanian Bar Association, the Lithuanian Chamber of Auditors, the Lithuanian Chamber of Notaries, the Chamber of Judicial Officers of Lithuania, the Lithuanian Assay Office – within their remit, over other obliged entities (hereinafter in this paragraph all the above-mentioned institutions together: the 'supervisory authorities').

2. The institutions referred to in points 1 and 3 of paragraph 1 of this Article shall exercise supervision in accordance with this Law and legal acts implementing it adopted by the supervisory authorities.

3. The Bank of Lithuania shall exercise supervision in accordance with this Law, except for the provisions of Articles 31, 32, 33, 35, 37, 38 and 40-49, and requirements stipulated by legal acts regulating the activities of the Bank of Lithuania as well as legislation on financial markets the supervision of compliance therewith is assigned to the Bank of Lithuania.

4. The Lithuanian Chamber of Notaries shall supervise whether notaries and notary's agents, and the Chamber of Judicial Officers of Lithuania shall supervise whether judicial officers and judicial officer's agents:

1) keep a register of the monetary operations specified in Article 20(2) of this Law and a register of the customers with whom transactions or business relationships were terminated under the circumstances specified in Article 18 of this Law or under any other circumstances related to violations of the procedure for the prevention of money laundering and/or terrorist financing;

2) have designated the employees indicated in Article 22(1) of this Law;

3) comply with the requirements indicated in Article 22(2) of this Law;

4) have put in place the internal policies and internal control procedures indicated in Article 29(1) of this Law.

Article 31. Grounds for initiating an inspection relating to compliance with requirements of this Law

1. The supervisory authorities shall have the right to initiate inspections of implementation of the money laundering and/or terrorist financing prevention measures set out in this Law at their own initiative on the basis of the supervisory authorities' inspection plan (supervision plan).

2. The supervisory authorities may also initiate inspections relating to possible breaches of this Law upon receiving a report or any other data in which the circumstances of the possible breaches of this Law are recorded.

3. Having established, in the cases specified in Article 22(4) of this Law, that the additional measures which have been coordinated with the Financial Crime Investigation Service and applied to effectively mitigate the risk of money laundering and/or terrorist financing are insufficient, the supervisory authorities shall carry out an inspection whether financial institutions and other obliged entities have refused to enter into or discontinued monetary operations or transactions and business relationships with the customer, or have ceased activities in a third country.

Article 32. Inspections carried out by the supervisory authorities

1. In carrying out an inspection, the authorised employees of the supervisory authorities, except for the Lithuanian Chamber of Auditors, the Lithuanian Bar Association, the Lithuanian Chamber of Notaries and the Chamber of Judicial Officers of Lithuania, shall, in addition to the rights provided for in the legal acts regulating their activities, have the following rights:

1) to obtain oral or written explanations from the supervised financial institutions and other obliged entities, directors and employees thereof, as well as from persons involved in the breaches under investigation;

2) to require that these persons or representatives thereof arrive to provide explanations to the official premises of the employee conducting the inspection;

3) to interview all other persons not indicated in point 1 of this paragraph who agree to be interviewed in order to obtain information related to the subject-matter of the inspection;

4) upon producing their professional card and a reasoned decision of the supervisory authority or its authorised employee, to have unimpeded access to the premises of the supervised financial institutions and other obliged entities, except for the premises of advocates and advocates' assistants, during their working hours, to inspect documents, notes of the employees, accounting documents and other data necessary for the inspection, including a bank secret or any other confidential information, to obtain copies and extracts of the documents, to copy them and

information stored on computers and any other type of medium and, on the basis of the inspection material, to obtain conclusions from expert bodies or experts;

5) to temporarily seize the documents of the supervised financial institutions and other obliged entities, except for advocates and advocates' assistants, that may be used as evidence of the breach, except for the documents of advocates and advocates' assistants, leaving a reasoned decision on the seizure of the documents and a list of the documents seized;

6) upon producing their professional card and a reasoned decision of the supervisory authority or its authorised employee, to seal any premises used by the financial institutions and other obliged entities wherein documents are held (irrespective of the medium on which they are stored) for the period and to the extent necessary to carry out the inspection, however, for not longer than three calendar days;

7) to use technical measures in the course of the inspection;

8) to obtain information on subscribers or registered users of electronic communications services, except for users who are advocates and advocates' assistants, the related traffic data and the content of information transmitted by electronic communications networks from providers of the electronic communications networks and/or public electronic communications services;

9) to obtain data and documents or copies thereof related to the person under inspection from other economic entities, also from state and municipal institutions.

2. The authorised employees of the Lithuanian Chamber of Auditors, the Lithuanian Bar Association, the Lithuanian Chamber of Notaries and the Chamber of Judicial Officers of Lithuania shall, in addition to the rights laid down in the legal acts regulating their activities, have the right to perform the actions specified in points 1, 2, 7 and 9 of paragraph 1 of this Article.

3. The inspection actions specified in point 8 of paragraph 1 of this Article may be carried out only with judicial authorisation.

4. Once the supervisory authority has adopted a decision on the actions specified in point 8 of paragraph 1 of this Article, an application for authorisation to carry out such actions shall be submitted to Vilnius Regional Administrative Court. The application must indicate the name of a legal person or the name and surname of a natural person, the nature of suspected breaches and the intended investigation actions. Data on which the allegation of the breaches of this Law is based must be attached to the application. The application for judicial authorisation shall be examined in written proceedings by Vilnius Regional Administrative Court which shall issue a reasoned order to satisfy or reject the application. The application must be examined and the order issued not later than within 72 hours from the moment of submission of the application. If the supervisory authority disagrees with the decision of Vilnius Regional Administrative Court

to reject the application, it shall have the right to, within seven calendar days, appeal against the court order to the Supreme Administrative Court of Lithuania. The Supreme Administrative Court of Lithuania must examine the appeal against the order of Vilnius Regional Administrative Court not later than within seven calendar days. Representatives of the supervisory authority shall have the right to participate in the appeal proceedings. When examining applications for and appeals against granting of judicial authorisation, courts must ensure the confidentiality of the provided information and the actions planned.

5. When carrying out the actions specified in paragraph 1 of this Article, except for point 3 of paragraph 1 of this Article, the requirements of the supervisory authorities shall be mandatory. Failure to comply with these requirements shall incur the sanctions specified in this Law.

6. For the purpose of exercising the rights specified in paragraph 1 of this Article, except for point 3 of paragraph 1, the supervisory authority may engage police officers.

Article 33. Inspection procedure and assessment of the information collected during the inspection

1. The procedure for carrying out inspections shall be established by the supervisory authorities.

2. After examination of the information relating to the alleged breach, collected during an inspection, the supervisory authority shall adopt a decision:

1) to issue mandatory instructions;

2) to impose the sanctions specified in this Law;

3) to carry out an additional inspection.

3. The supervisory authority shall adopt a decision to terminate the investigation of a breach (consideration of the imposition of a sanction/sanctions) where:

1) no breach is established;

2) the conditions specified in Article 38 of this Law are present;

3) the information comprising a state, official, commercial or any other secret protected by laws is the only evidence on which the imposition of the sanction/sanctions is based and it is not known to the person who is subject to the sanction, and the person’s application to terminate the consideration of the imposition of the sanction/sanctions has been received;

4) the grounds provided for in Article 37(11) of this Law are established;

5) the time limit specified in Article 37(13) of this Law expires.

Article 34. Serious and systematic breaches of this Law

1. The following shall be considered as a serious breach of this Law:

1) failure to comply with the customer due diligence requirements specified in Articles 9-15 of this Law;

2) failure to comply with the requirements for reporting of suspicious monetary operations or transactions specified in Article 16 of this Law;

3) failure to comply with the requirements for the storage of information specified in Article 19 of this Law;

4) where a financial institution or another obliged entity have not put in place the internal control procedures specified in Article 29 of this Law.

2. The following shall be considered as a systematic breach of this Law:

1) where a breach of this Law has been committed three or more times within a year from the imposition of a sanction for the breach of this Law;

2) where the breaches of the provisions regulating the prevention money laundering and/or terrorist financing are established at the same time, covering several groups of requirements:

a) the customer due diligence requirements specified in Articles 9-15 of this Law;

b) the requirements for reporting of suspicious monetary operations or transactions specified in Article 16 of this Law;

c) the requirements for the storage of information specified in Article 19 of this Law;

d) the requirements for internal control procedures specified in Article 29 of this Law.

Article 35. Mandatory instructions issued by the supervisory authorities

1. Mandatory instructions shall be issued to a financial institution or another obliged entity in order to address the shortcomings identified during the inspection relating to the implementation of money laundering and/or terrorist financing prevention measures.

2. When issuing a mandatory instruction, the supervisory authority shall set a deadline within which a financial institution or another obliged entity must eliminate breaches or shortcomings in their activities.

3. Before deciding whether to issue mandatory instructions, the supervisory authority shall set a time limit of at least 14 days for providing explanations and notify the financial institution or another obliged entity to whom it intends to issue a mandatory instruction. The supervisory authority shall have the right to disregard the explanations provided after the expiry of the time limit set by it. Failure to provide explanations within the set time limit shall not prevent the supervisory authority from considering the imposition of a mandatory instruction.

4. A financial institution or another obliged entity must comply with the instructions within the time limit set by the supervisory authority and must notify the supervisory authority in writing about the actions taken in relation to the issued instructions within the time limit set by it.

5. Where after receiving a mandatory instruction, the financial institution or another obliged entity to whom it was issued provides reasoned explanations in writing that there were no grounds for issuing the mandatory instruction, the supervisory authority shall have the right to withdraw the mandatory instruction issued.

6. The supervisory authority shall, at the reasoned request of a financial institution or another obliged entity to whom a mandatory instruction was issued, have the right to postpone the deadline for complying with the mandatory instruction where the financial institution or another obliged entity is unable to comply with the issued mandatory instruction in a timely manner for objective reasons and the evidence in support thereof has been provided to the supervisory authority.

7. The issue of mandatory instructions shall not preclude the supervisory authority from concurrently imposing the sanctions specified in this Law.

8. The supervisory authority shall have the right to make the mandatory instruction issued to a financial institution or another obliged entity public, including information on the substance of the mandatory instruction and the name of the financial institution or another obliged entity to whom the mandatory instruction was issued, or the name and surname of the natural person.

Article 36. Sanctions

1. The following sanctions may be imposed for breaches of this Law:

1) a warning issued to a financial institution or another obliged entity for a breach of this Law or non-compliance with the mandatory instructions issued by the supervisory authority;

2) imposition of fines laid down in this Law on the financial institution or another obliged entity, a participant of the financial institution or another obliged entity or a member of the management body thereof;

3) where the financial institution or another obliged entity commits systematic breaches of this Law or commits a single serious breach of this Law or commits a repeated breach of this Law within a year from the imposition of a sanction for the breach of this Law – temporary suspension from duties of the board member/members, the director/directors of administration or a senior manager of the financial institutions or other obliged entities and the director/directors of a branch of foreign financial institutions or other obliged entities, or suspension from duties of the board member/members, the director/directors of administration or a senior manager of the financial institutions or other obliged entities and the director/directors of a branch of foreign

financial institutions or other obliged entities requiring that they be removed from office and/or a contract concluded therewith be terminated and/or they be divested of their powers;

4) where the financial institution or another obliged entity commits systematic breaches of this Law or commits a single serious breach of this Law or commits a repeated breach of this Law within a year from the imposition of a sanction for the breach of this Law – temporary or permanent prohibition/restriction of activities of one or several branches or other establishments of the financial institutions or other obliged entities;

5) temporary restriction of the right of the financial institutions or other obliged entities to dispose of the funds in accounts held with credit institutions and/or of other property;

6) where the financial institution or another obliged entity commits systematic breaches of this Law or commits a single serious breach of this Law or commits a repeated breach of this Law within a year from the imposition of a sanction for the breach of this Law in the case where the financial institution or another obliged entity must possess a licence or authorisation to pursue activities – withdrawal of the issued licence or authorisation to pursue activities or temporary suspension thereof until the breach of this Law persists;

7) temporary prohibition for the financial institution to provide one or several financial services.

2. The Financial Crime Investigation Service shall impose the sanctions specified in points 1-6 of paragraph 1 of this Article.

3. The Bank of Lithuania shall impose the sanctions specified in points 1-7 of paragraph 1 of this Article.

4. The Department of Cultural Heritage Protection, the Gaming Control Authority and the Lithuanian Assay Office shall impose the sanctions specified in points 1-6 of paragraph 1 of this Article.

5. The Lithuanian Chamber of Auditors shall impose the sanctions specified in points 1 and 3-6 of paragraph 1 of this Article.

6. The Lithuanian Bar Association shall impose the sanctions specified in points 1 and 6 of paragraph 1 of this Article.

7. The Lithuanian Chamber of Notaries and the Chamber of Judicial Officers of Lithuania shall, not later than within three working days from drawing up of conclusions of the inspection, where a breach/breaches of the provisions regulating the prevention money laundering and/or terrorist financing is/are established, forward the inspection documents containing the conclusions of the inspection carried out for examination to the Financial Crime Investigation Service, which shall consider the imposition of a sanction/sanctions.

8. After assessing that the imposition of the sanctions specified in points 1 and 3-6 of paragraph 1 of this Article will fail to meet the objectives of the sanction, the Lithuanian Chamber of Auditors shall, not later than within three working days from drawing up of conclusions of the inspection, where a breach/breaches of the provisions regulating the prevention money laundering and/or terrorist financing is/are established, forward the inspection documents containing the conclusions of the inspection carried out for examination to the Financial Crime Investigation Service, which shall consider the imposition of a sanction/sanctions.

9. After assessing that the imposition of the sanctions specified in points 1 and 6 of paragraph 1 of this Article will fail to meet the objectives of the sanction, the Lithuanian Bar Association shall, not later than within three working days from drawing up of conclusions of the inspection, where a breach/breaches of the provisions regulating the prevention money laundering and/or terrorist financing is/are established, forward the inspection documents containing the conclusions of the inspection carried out for examination to the Financial Crime Investigation Service, which shall consider imposing a sanction/sanctions.

10. Where, based on the information received, the supervisory authority establishes that electronic money institutions and payment institutions whose registered office is in another European Union Member State providing services in the Republic of Lithuania through agents, natural or legal persons fail to comply with or there are grounds for believing that they will fail to comply with the requirements of this Law, legal acts of the supervisory authority or any other legal acts regulating the prevention of money laundering and/or terrorist financing, the supervisory authority shall inform thereof the supervisory authority of a foreign state exercising jurisdiction over that financial institution, requesting it to take all possible actions to bring the actual or potential breaches to an end.

11. The supervisory authority shall have the right to impose one or several sanctions.

12. Employees of financial institutions and other obliged entities and the directors of legal persons, except for the persons specified in Article 39(2) and Article 40(2) of this Law, shall be subject to liability as laid down in the Code of Administrative Offences of the Republic of Lithuania for breaches of the requirements stipulated in this Law.

Article 37. Procedure for imposing sanctions

1. Before deciding whether to impose the sanctions specified in this Law, the supervisory authority shall set a time limit of at least 14 days for a financial institution or another obliged entity and, where applicable, for the person specified in Article 36(1)(3), a participant of the financial institution or another obliged entity or a member of the management body thereof

(hereinafter in this Chapter collectively: the ‘person subject to a sanction/sanctions’) to provide explanations. The supervisory authority shall have the right to disregard the explanations provided after the expiry of the time limit set by it. Failure to provide explanations within the set time limit shall not prevent the supervisory authority from considering the imposition of a sanction/sanctions.

2. When adopting a decision on the imposition of a sanction/sanctions and in selecting a specific sanction/sanctions and its/their scope, the supervisory authority shall take account of the following:

1) the seriousness and duration of the established breaches;

2) the amount of proceeds from breaches or other pecuniary benefit received by a financial institution or another obliged entity, the avoided losses or the damage caused, where it is possible to determine;

3) the guilt and financial standing of the person subject to the sanction/sanctions;

4) the previous breaches committed by the person subject to the sanction/sanctions and the sanctions imposed, as well as his cooperation with the supervisory authority;

5) the mitigating and aggravating circumstances specified in this Law;

6) the consequences of the established breaches and envisaged sanction/sanctions on the stability and reliability of the market;

7) other circumstances specified in laws or any other relevant circumstances.

3. The amount of a fine imposed shall be determined according to the average of the minimum and maximum fine. When imposing a specific fine, account shall be taken of the circumstances specified in paragraph 2 of this Article. In the presence of mitigating circumstances, the fine shall be reduced from the average amount and, in the presence of aggravating circumstances, the fine shall be increased from the average amount. In the presence of both mitigating and aggravating circumstances, the fine shall be imposed taking into account their number and significance.

4. Mitigating circumstances shall constitute the actions whereby a financial institution or another obliged entity voluntarily prevents negative consequences of a breach, compensates for losses or repairs the damage caused.

5. Aggravating circumstances shall constitute the actions whereby a financial institution or another obliged entity fails to cooperate with the supervisory authority, impedes the inspection, conceals the committed breach, persists in breaching despite the fact that the supervisory authority has taken account of breaches or shortcomings in the activities of the supervised financial institution or another obliged entity or fails to comply with the mandatory instructions.

6. The place, date and time of consideration of the imposition of a sanction/sanctions shall be communicated by the supervisory authority to the person subject to the sanction/sanctions by a registered postal item at least ten working days before the date of consideration of the imposition of the sanction/sanctions. The person subject to the sanction/sanctions and his representatives shall have the right to participate in the consideration of the issue by the supervisory authority, however failure by the person subject to the sanction/sanctions or his representative to appear shall not prevent the consideration or imposition of the sanction/sanctions, provided that the person subject to the sanction/sanctions has been duly notified of the consideration.

7. The person subject to a sanction/sanctions shall have the right to access the material held by the supervisory authority on which the imposition of the sanction/sanctions is based (except for the information comprising a state, official, commercial or any other secret protected by laws), provide explanations, present evidence and have access to the services of an advocate or another authorised representative. Where witnesses are interviewed during the consideration of the imposition of the sanction/sanctions, the person subject to the sanction/sanctions shall have the right to interview them, as well as to call his own witnesses. Where the information comprising a state, official, commercial or any other secret protected by laws is the only evidence on which the imposition of the sanction/sanctions is based and it is not known to the person who is subject to the sanction, the person subject to the sanction/sanctions shall have the right to request to terminate the consideration of the imposition of the sanction/sanctions.

8. A decision of the supervisory authority to impose a sanction/sanctions must be reasoned and based only on the evidence to which the person subject to the sanction/sanctions had access, except for the information comprising a state, official, commercial or any other secret protected by laws. The decision of the supervisory authority must specify the legal basis for its adoption, the circumstances of a breach of this Law, the explanations of the person subject to the sanction/sanctions and evaluation of such explanations.

9. A temporarily imposed sanction shall remain in force until the expiry of the time limit specified in a decision of the supervisory authority on the imposition of the sanction. This time limit may be indicated as a specific date or period or linked to the emergence of certain conditions (disappearance of circumstances), unless the supervisory authority adopts a decision to lift the sanction before the expiry of the set time limit.

10. The imposition of a sanction shall not release the person from fulfilling the obligation a failure to comply with which resulted in the imposition of the sanction. The imposition of a sanction/sanctions on legal persons shall not release the directors and employees thereof from

civil, administrative or criminal liability, also shall not prevent from considering the suspension or withdrawal of the licences and authorisations issued.

11. The material about the breaches of this Law having elements of a criminal act shall be forwarded to a pre-trial investigation body or a prosecutor that will, in accordance with the procedure laid down in the Code of Criminal Procedure, decide whether to open a pre-trial investigation. Upon receipt of a notification from the pre-trial investigation body or the prosecutor of the opening of the pre-trial investigation, the consideration of the imposition of a sanction/sanctions shall be suspended. Where the pre-trial investigation body or the prosecutor refuses to open the pre-trial investigation or the pre-trial investigation is terminated, the collected material shall be returned to the supervisory authority and the consideration of the imposition of the sanction/sanctions shall be continued. Upon suspension of the consideration of the imposition of the sanction/sanctions, the time limit for adoption of the decision specified in paragraph 13 of this Article shall be suspended. Upon continuation of the consideration of the imposition of the sanction/sanctions, the time limit for adoption of a decision specified in paragraph 13 of this Article shall be extended. Upon receipt of a notification from the pre-trial investigation body or the prosecutor of the drawing up of an indictment, the consideration of the imposition of the sanction/sanctions shall be terminated.

12. The decision of the supervisory authority on the imposition of a sanction/sanctions shall, within three working days from its adoption, be sent by a registered postal item to the person whose actions have given rise to consideration of the imposition of the sanction or shall be delivered by hand against written acknowledgement of receipt.

13. The decision of the supervisory authority to impose sanctions may be adopted where not more than four years have lapsed from the detection of the breach and not more than five years from the commitment of the breach (in the case of a continuous breach – from the transpiration of the breach).

Article 38. Right of the supervisory authority not to impose sanctions

When considering whether to impose the sanctions laid down in this Law, the supervisory authority may, having regard to the fact that a person voluntarily prevents negative consequences of a breach, compensates for losses or repairs the damage caused and in the absence of any aggravating circumstances specified in this Law, acting in accordance with the principles of fairness and reasonableness, refrain from imposing sanctions where the breach is minor and no substantial damage to the interests protected by the law and where there are grounds for believing that the purpose of supervision may be achieved by other measures, not only by imposing sanctions.

Article 39. Fines for a financial institution or a branch of a foreign financial institution

1. The Bank of Lithuania and the Financial Crime Investigation Service shall have the right to impose the following fines on a financial institution or a branch of a foreign financial institution:

1) for the breaches of this Law – from 0.5 up to 5 percent of the total annual income;

2) for the breaches of this Law, where the financial institution or the branch of the foreign financial institution commits systematic breaches of this Law or commits a single serious breach of this Law or commits a repeated breach of this Law within a year from the imposition of a sanction for the breach of this Law – from 0.5 up to 10 percent of the total annual income (where 10 percent of the total annual income exceeds EUR 5 100 000), or from EUR 2 000 up to EUR 5 100 000 (where 10 percent of the total annual income does not exceed EUR 5 100 000);

3) for failure to provide, within the fixed time limit, the information or documents required for supervisory purposes on the basis of this Law or for the provision of incorrect information – from 0.1 up to 0.5 percent of the total annual income;

4) for failure to comply or inadequate compliance with the mandatory instructions issued by the supervisory authority pursuant to this Law – from 0.1 up to 1 percent of the total annual income, or

5) for improper performance of the actions which it has the right to perform only upon obtaining an authorisation from the Bank of Lithuania and the Financial Crime Investigation Service or for the performance of the actions without obtaining the authorisation from these authorities, where such an authorisation is required – from 0.1 up to 1.5 percent of the total annual income.

2. The Bank of Lithuania and the Financial Crime Investigation Service shall have the right to impose a fine ranging from EUR 2 000 up to EUR 5 100 000 on a participant of a financial institution or a member of the management body thereof for the breaches of this Law committed by the financial institution where the financial institution commits systematic breaches of this Law or commits a single serious breach of this Law or commits a repeated breach of this Law within a year from the imposition of a sanction for the breach of this Law.

3. Where a financial institution or a branch of a foreign financial institution is a parent undertaking or forms part of the parent undertaking of a group and prepares consolidated financial statements in accordance with the procedure laid down in the Law of the Republic of Lithuania on Consolidated Financial Reporting by Groups of Undertakings, the total annual income on the basis of which the amount of a fine imposed is determined shall be the total

annual income or the corresponding type of income pursuant to the legal acts regulating accounting, on the basis of the latest available consolidated financial statements approved by the management body of the ultimate parent undertaking.

Article 40. Fines for other obliged entities

1. The supervisory authorities, except for the Bank of Lithuania, the Lithuanian Chamber of Auditors, the Lithuanian Bar Association, the Lithuanian Chamber of Notaries and the Chamber of Judicial Officers of Lithuania, shall, within their remit, have the right to impose the following fines on other obliged entities:

1) for the breaches of this Law – from 0.5 up to 5 percent of the annual income from professional or other activities indicated in Article 2(10) of this Law;

2) for the breaches of this Law, where another obliged entity commits systematic breaches of this Law or commits a single serious breach of this Law or commits a repeated breach of this Law within a year from the imposition of a sanction for the breach of this Law – up to twice the amount of the benefit derived from the breach (where such benefit can be determined and where this amount exceeds EUR 1 100 000), or from EUR 2 000 up to EUR 1 100 000 (where the amount which is twice the amount of the benefit derived from the breach does not exceed EUR 1 100 000 or the amount of the benefit derived from the breach cannot be determined);

3) for failure to provide, within the fixed time limit, the information or documents required for supervisory purposes on the basis of this Law or for the provision of incorrect information – from 0.1 up to 0.5 percent of the annual income from professional or other activities indicated in Article 2(10) of this Law;

4) for failure to comply or inadequate compliance with the mandatory instructions issued by the supervisory authority pursuant to this Law – from 0.1 up to 1 percent of the annual income from professional or other activities indicated in Article 2(10) of this Law;

5) for improper performance of the actions which an entity has the right to perform only upon obtaining an authorisation from the supervisory authority or for the performance of the actions without obtaining the authorisation from the supervisory authorities, where such an authorisation is required – from 0.1 up to 1.5 percent of the annual income from professional or other activities indicated in Article 2(10) of this Law.

2. The supervisory authorities, except for the Bank of Lithuania, the Lithuanian Chamber of Auditors, the Lithuanian Bar Association, the Lithuanian Chamber of Notaries and the Chamber of Judicial Officers of Lithuania, shall have the right to impose the following fines on a participant of another obliged entity or a member of the management body thereof for the

breaches of this Law, where another obliged entity commits systematic breaches of this Law or commits a single serious breach of this Law or commits a repeated breach of this Law within a year from the imposition of a sanction for the breach of this Law – up to twice the amount of the benefit derived from the breach (where such benefit can be determined and where this amount exceeds EUR 1 100 000), or from EUR 2 000 up to EUR 1 100 000 (where the amount which is twice the amount of the benefit derived from the breach does not exceed EUR 1 100 000 or the amount of the benefit derived from the breach cannot be determined).

3. Where other obliged entities are a parent undertaking or form part of the parent undertaking of a group and prepare consolidated financial statements in accordance with the procedure laid down in the Law on Consolidated Financial Reporting by Groups of Undertakings, the total annual income on the basis of which the amount of a fine to be imposed is determined shall be the total annual income or the corresponding type of income pursuant to the legal acts regulating accounting, on the basis of the latest available consolidated financial statements approved by the management body of the ultimate parent undertaking.

Article 41. Publication of information on the sanctions imposed

1. Information about the effective decision on the sanctions imposed, including information on the substance of the committed breach of this Law and the name of the legal person or the name and surname of the natural person that has committed the breach, shall be published on the websites of the supervisory authorities without delay, not later than within five working days after the supervisory authority's decision is sent or delivered by hand to the person on whom the sanction/sanctions has/have been imposed.

2. Where a decision to impose a sanction/sanctions is appealed against, information on the appeals lodged concerning the sanctions imposed and the outcome of examination of the appeals shall also be provided on the website of the supervisory authority.

3. Where the publication of information on the sanctions imposed could have a detrimental effect on the stability of the financial market, the ongoing pre-trial investigation or cause disproportionate damage to natural persons or legal persons, the publication of such information shall be postponed until these circumstances cease to exist, or it shall be published without disclosing information about the person who has committed the breach. The supervisory authorities shall have the right to decide not to publish the information specified in paragraphs 1 and 2 of this Article where the postponement of publication of the information or depersonalisation of the published information does not ensure the stability of the financial market or the sanction has been imposed for a minor breach.

4. The information specified in paragraphs 1 and 2 of this Article shall be made publicly available on the websites of the supervisory authorities for at least five years from its publication. Personal data may, at the request of the natural person, be removed from the published information after two years from the publication of the information.

Article 42. Payment and recovery of fines

1. A fine imposed by the supervisory authority must be paid into the state budget not later than within 40 days from the date of receipt by a person of a decision of the supervisory authority to impose the fine. In the event of appealing against such a decision, the fine must be paid not later than within 40 days from the date of coming into effect of a court judgment dismissing the appeal.

2. In the presence of a reasoned request of a person, the supervisory authority shall have the right to defer the payment of the fine or a part thereof for a period up to six months if the person is unable to pay the fine on time due to objective reasons.

3. The supervisory authority's decision to impose a fine shall be an enforceable document to be enforced in accordance with the procedure laid down in the Code of Civil Procedure of the Republic of Lithuania. The supervisory authority's decision may be submitted for enforcement not later than within three years from the date of its adoption or coming into effect of a court judgment dismissing the appeal.

Article 43. Suspension from duties of the board member/members, the director/directors of administration or a senior manager of financial institutions or other obliged entities and the director/directors of branches of foreign financial institutions or other obliged entities

1. From the date of submission to a financial institution or another obliged entity of the supervisory authority's decision on the temporary suspension from duties of the board member/members, the director/directors of administration or a senior manager of the financial institutions or other obliged entities and the director/directors of a branch of foreign financial institutions or other obliged entities, the suspended person shall not have the right to perform his functions and all decisions adopted by him after the submission of the said supervisory authority's decision to the financial institution or another obliged entity shall be null and void.

2. Where the supervisory authority adopts a decision to suspend from duties the board member/members of financial institutions or other obliged entities, the director/directors of administration of financial institutions or other obliged entities and the director/directors of a branch of foreign financial institutions or other obliged entities and require that they be removed

from office and/or a contract concluded therewith be terminated or they be divested of their powers, the duly entitled body of the financial institution or another obliged entity must remove such persons from office and/or terminate the contracts concluded therewith or divest them of their powers within the time limit specified in the decision of the supervisory authority.

3. The supervisory authority's decision to suspend from duties the board member/members, the director/directors of administration or a senior manager of financial institutions or other obliged entities and the director/directors of a branch of foreign financial institutions or other obliged entities shall be communicated to the manager of the Register of Legal Entities and published on the website of the supervisory authority.

Article 44. Prohibition/restriction of activities of branches or other establishments of financial institutions or other obliged entities

1. Restrictions on the activities of branches or other establishments of financial institutions or other obliged entities shall be imposed by this Law and a decision of the supervisory authority on the restriction of activities of branches or other establishments of financial institutions or other obliged entities.

2. Once the supervisory authority has adopted a decision to temporarily prohibit/restrict the activities of a branch or another establishment, the branch or the other establishment shall not have the right to provide services. The period of restriction of the activities of branches or other establishments of financial institutions or other obliged entities shall be established by the supervisory authority. This period may not exceed two months. When it is established that the circumstances likely to be the basis for the prohibition/restriction of activities still exist, the period of prohibition/restriction of activities may, by a reasoned decision of the supervisory authority, be extended for up to two months.

3. Once the supervisory authority has adopted a decision to permanently prohibit the activities of a branch or another establishment, the branch or the other establishment shall not have the right to provide services, and the financial institution or the other obliged entity must additionally without delay adopt a decision on the termination of activities of such a branch or another establishment.

4. The adopted decision to impose, extend or revoke the prohibition/restriction of activities of branches or other establishments of financial institutions or other obliged entities shall, not later than on the next working day following the adoption of the decision, be communicated to the manager of the Register of Legal Entities and published on the website of the supervisory authority.

Article 45. Temporary restriction of the right to dispose of funds and/or other property

1. Where the supervisory authority imposes the sanction specified in Article 36(1)(6) of this Law, a financial institution shall temporarily not have the right to dispose of funds in the accounts held with credit institutions and/or other property specified in the decision of the supervisory authority.

2. A decision of the supervisory authority to temporarily restrict the right to dispose of the funds held with the credit institutions established in the Republic of Lithuania and/or other property located in the territory of the Republic of Lithuania shall be considered as a property seizure act and shall be registered in the Register of Property Seizure Acts. The decision of the supervisory authority must contain the data required to register the supervisory authority's decision in the Register of Property Seizure Acts. In the cases specified by the legal acts regulating the Register of Property Seizure Acts, the decision of the supervisory authority may be registered in the Register of Property Seizure Acts temporarily.

Article 46. Withdrawal or suspension of a licence or authorisation to pursue activities

1. In the case where the financial institution or another obliged entity must possess a licence or authorisation to pursue activities, the supervisory authority that has issued the licence or authorisation to pursue activities shall have the right to withdraw the licence or authorisation to pursue activities that has been issued or to suspend the licence or authorisation until the breach of this Law persists.

2. After the grounds for suspension of a licence or authorisation have ceased to exist, the supervisory authority shall, without delay and not later than within five working days of satisfying itself that the grounds have ceased to exist, lift the suspension of the licence or authorisation.

3. Where a licence or authorisation to pursue activities has been issued to another obliged entity by a body other than the supervisory authority, upon adopting a decision to suspend the licence or authorisation to pursue activities, the supervisory authority shall apply to the body that has issued the licence or authorisation for the execution of suspension of activities of another obliged entity pursuant to the legal acts regulating its activities. After the grounds for suspension of the licence or authorisation have ceased to exist, the supervisory authority shall, without delay and not later than within five working days of satisfying itself that the grounds have ceased to exist, apply to the body that has issued the licence or authorisation for resumption of activities of another obliged entity pursuant to the legal acts regulating its activities.

4. Where a licence or authorisation to pursue activities has been issued to another obliged entity by a body other than the supervisory authority, upon adopting a decision to withdraw the licence or authorisation to pursue activities, the supervisory authority shall apply to the body that has issued the licence or authorisation for the execution of suspension of activities of another obliged entity pursuant to the legal acts regulating its activities. Following the entry into force of the decision to withdraw the licence or authorisation to pursue activities, the supervisory authority shall apply to the body that has issued the licence or authorisation for the execution of termination of activities of another obliged entity pursuant to the legal acts regulating its activities.

Article 47. Appeal against decisions

1. A person who disagrees with a decision of the supervisory authority shall have the right to appeal against it to court in accordance with the procedure laid down in the Law of the Republic of Lithuania on Administrative Proceedings.

2. An appeal to court shall not suspend the enforcement of a decision, except for a decision to impose the penalties laid down in this Lawn and a decision to withdraw a licence or authorisation to pursue activities, where such a decision has been adopted by the supervisory authority other than the body that issued the licence or authorisation to pursue activities to another obliged entity.

Article 48. Protection of the information obtained for supervision purposes

1. Information obtained for supervision purposes may not be made public, divulged or made otherwise accessible, except in the cases laid down in this Law.

2. The supervisory authority, its current or former employees, persons acting on behalf of the supervisory authority as well as any other persons to whom the information obtained for supervision purposes has been communicated must comply with the requirement specified in paragraph 1 of this Article.

3. The provisions of paragraph 1 of this Article shall not apply to the information which has already been made public or accessible or on the basis whereof data on specific persons cannot be directly or indirectly established.

4. The supervisory authorities shall have the right to use the information obtained for supervision purposes, including the information obtained from the supervisory authorities of foreign states, only when performing the functions assigned to them and for the following purposes:

1) verifying compliance with requirements of legal acts regulating the implementation of money laundering and/or terrorist financing prevention measures, carrying out other money laundering and/or terrorist financing prevention measures provided for in this Law;

2) imposing sanctions, issuing mandatory instructions;

3) in administrative proceedings concerning decisions of the supervisory authority;

4) in other judicial proceedings concerning the legal relationships governed by legal acts regulating the implementation of money laundering and/or terrorist financing prevention measures.

5. The information obtained for supervision purposes may be communicated:

1) on the grounds laid down in the Code of Criminal Procedure, where it is required to conduct a pre-trial investigation or to hear a criminal case in court, also to the institutions specified in Article 3 of this Law for the purpose of implementing the objectives of prevention of money laundering and/or terrorist financing;

2) to the ad hoc investigation commissions of the Seimas of the Republic of Lithuania acting in compliance with the Law of the Republic of Lithuania on Ad Hoc Investigation Commissions of the Seimas, where such information is necessary for the performance of their functions;

3) to the foreign authorities exercising supervision of the implementation of money laundering and/or terrorist financing prevention measures, where it is necessary for the performance of the supervision function in this area; information may be communicated to the supervisory authority of a third country only in the cases where an agreement has been concluded with that country providing for the disclosure of information obtained for supervision purposes and where, under the laws of that country, the requirements for the supervisory authority of a foreign state on the storage of information are not lower than those laid down in this Law;

4) to the European Commission and the European supervisory authorities, where such information is necessary for the performance of their functions;

5) to the auditors of a supervised financial institution and another obliged entity or of a group of undertakings to which the supervised entity belongs, also to the institutions of Lithuania and any other European Union Member State responsible for the supervision of such entities, where it is necessary for the performance of their functions;

6) to other state institutions, where such information is necessary for the performance of their functions and where it is necessary for the supervision of financial institutions or other obliged entities or for the prevention of breaches.

6. Personal data obtained for supervision purposes shall be disclosed in accordance with the Law of the Republic of Lithuania on Legal Protection of Personal Data.

Article 49. Application of provisions of Chapter Five

The provisions of Chapter Five shall not apply to the declaration of cash, activities of customs offices and the oversight of the requirements specified in Article 25 of this Law.

CHAPTER SIX
FINAL PROVISIONS

Article 50. Monetary unit

The amounts specified in this Law in euro shall be expressed in foreign currency in accordance with the euro foreign exchange reference rates published by the European Central Bank, and in the cases where the European Central Bank does not publish the euro foreign exchange reference rates – in accordance with the euro foreign exchange reference rates published by the Bank of Lithuania.

Article 51. Provision of information to other European Union Member States, the European supervisory authorities and the European Commission

1. The Financial Crime Investigation Service shall inform the European Commission of the following:

1) application of this Law in respect of the entities specified in Article 2(10)(2) of this Law;

2) statistical information relating to the implementation of money laundering and/or terrorist financing prevention measures and the effectiveness of the framework for prevention of money laundering and/or terrorist financing;

3) the state information systems and registers in which data on participants of legal persons are accumulated;

4) the name and address of the Financial Intelligence Unit (the Egmont Group).

2. Acting in compliance with the provisions of Regulation (EU) No 1093/2010, Regulation (EU) No 1094/2010 and Regulation (EU) No 1095/2010, the Government or an institution authorised by it shall inform the European supervisory authorities of the sanctions specified in this Law imposed on financial institutions, including the information on all the related appeals and the outcomes of their investigation.

3. The Government or an institution authorised by it shall inform other European Union Member States, the European Commission and, acting in compliance with the provisions of Regulation (EU) No 1093/2010, Regulation (EU) No 1094/2010 and Regulation (EU) No 1095/2010, the European supervisory authorities of the cases when:

1) a third country complies with the requirements set forth in Article 2(21)(2) of this Law;

2) a third country complies with the requirements set forth in points 1 and 3 of Article 15(1) of this Law;

3) the legal acts of a third country do not permit the application of the requirements set forth in Article 22(4) of this Law;

4) a third country complies with the requirements set forth in Article 23(4) of this Law;

5) the body coordinating national actions is designated in accordance with Article 27 of this Law.

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

PRESIDENT OF THE REPUBLIC ALGIRDAS BRAZAUSKAS

Annex to
Republic of Lithuania
Law on the Prevention of Money
Laundering and Terrorist
Financing

LEGAL ACTS OF THE EUROPEAN UNION IMPLEMENTED BY THIS LAW

1. Regulation (EC) No 1889/2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Community (OJ 2005, L 309, p. 9).

2. Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (OJ 2007 L 319, p.1).

3. Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (OJ 2009 L 267, p.7).

4. Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ 2015 L 141, p. 73).

5. Regulation (EU) No 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006 (OJ 2015 L 141, p. 1).

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LEGAL ACTS OF THE EUROPEAN UNION IMPLEMENTED BY THIS LAW

1. Regulation (EC) No 1889/2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Community (OJ 2005, L 309, p. 9).

2. Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (OJ 2005, L 309, p. 15), as last amended by Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010 (OJ 2010, L 331, p. 120).

3. Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of 'politically exposed person' and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis (OJ 2006, L 214, p. 29).

4. Regulation (EC) No 1781/2006 of the European Parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds (OJ 2006, L 345, p. 1).

5. Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (OJ 2007 L 319, p.1).

6. Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (OJ 2009 L 267, p.7).