Article 1. Purpose of the Law

1. The purpose of this Law is to protect freedom of fair competition in the Republic of Lithuania.

2. This Law shall regulate activities of public administration entities and undertakings which restrict or may restrict competition and acts of unfair competition, and shall establish the rights, duties and liabilities of the said entities and the legal basis for the restriction of competition and control of unfair competition in the Republic of Lithuania.

3. This Law shall have the aim of harmonising the law of the Republic of Lithuania and the European Union regulating competition relations.

4. This Law shall implement the legal acts of the European Union listed in the Annex to this Law.

Article 2. Scope of the Law

1. This Law shall prohibit undertakings from performing acts which restrict or may restrict competition, regardless of the character of their economic activity, except in cases where this Law or laws governing individual areas of economic activity provide for exemptions.

2. This Law shall also apply to activities of undertakings registered outside the territory of the Republic of Lithuania if the said activities restrict competition on the domestic market of the Republic of Lithuania.
3. This Law shall not apply to activities of undertakings which restrict competition on foreign markets, unless international agreements to which the Republic of Lithuania is a party provide otherwise.

4. Where the treaties ratified by the Seimas of the Republic of Lithuania (hereinafter: 'the Seimas') provide for other requirements to protect competition, the provisions of the said treaties shall apply.

Article 3. Definitions

1. **Relevant market** shall mean the market of certain goods in a certain geographic territory.

2. **Dominant position** shall mean the position of one or more undertakings in a relevant market directly facing no competition or enabling to exert a unilateral decisive influence in a relevant market by effectively restricting competition. Unless proved otherwise, an undertaking (except retailers) with the market share of not less than 40 per cent shall be considered to enjoy a dominant position within the relevant market. Unless proved otherwise, each of a group of three or a smaller number of undertakings (except for retailers) with the largest shares of the relevant market, jointly holding 70 per cent or more of the relevant market shall be considered to enjoy a dominant position. Unless proved otherwise, a retailer with the market share of not less than 30 per cent shall be considered to enjoy a dominant position. Unless proved otherwise, each of a group of three or a smaller number of retailers with the largest shares of the relevant market, jointly holding 55 per cent or more of the relevant market shall be considered to enjoy a dominant position.

3. **Geographic territory (geographic market)** shall mean the territory in which the conditions of competition in a relevant product market are, in essence, similar for all undertakings and which, taking into consideration the said fact, may be distinguished from adjacent territories.

4. **Concentration** shall mean:

   1) a merger, when one or more undertakings which terminate their activity as independent undertakings are joined to the undertaking which continues its operations, or when a new undertaking is established from two or more undertakings which terminate their activity as independent undertakings;

   2) acquisition of control, when the same natural person or natural persons already controlling one or more undertakings, or one or more undertakings, by agreement, jointly
set up a new undertaking (except the cases when such new undertaking does not perform the functions of an independent undertaking) or gain control over another undertaking by acquiring an enterprise or part thereof, all or part of the assets of the undertaking, shares or other securities, voting rights, by contract or by any other means.

5. **Restriction of competition** shall mean any actions which prevent competition in a relevant market or may weaken, distort or otherwise have a negative effect on competition.

6. **Conditions of competition** shall mean various economic parameters of purchase or sale, the most important thereof being prices, discounts and mark-ups or other payments as well as factors affecting them (legal restrictions on economic activity, aid granted by public administration entities, production technologies and costs, peculiarities of the use and consumption of goods, transportation possibilities, etc.).

7. **Competitors** shall mean undertakings which face or may face mutual competition in the same relevant market.

8. **Control** shall mean any rights arising from laws or transactions which entitle a legal or natural person to exert a decisive influence on the activity of an undertaking, including:

   1) the right of ownership to all or part of the assets of the undertaking or the right to use all or part of the assets of the undertaking;

   2) other rights which permit exertion of a decisive influence on the decisions of the bodies of the undertaking or the composition of its personnel.

9. **Controlling person** shall mean a legal or natural person having or acquiring the right of control over an undertaking. A controlling person may be a citizen of the Republic of Lithuania, a foreign national or a stateless person, or an undertaking, as well as a public administration entity. Spouses, parents and their minor children (adopted children) shall be considered as one controlling person. Where two or more legal or natural persons, by agreement, acquire control over an undertaking which is subject to concentration, each of these legal or natural persons shall be considered a controlling person.

10. **Decisive influence** shall mean the situation when the controlling person implements or is in a position to implement his decisions in relation to the economic activity of the controlled undertaking, the decisions of its bodies or the composition of its personnel.

11. **Goods** shall mean any object of purchase or sale, including all kinds of services, works, rights or securities. The transfer or acquisition of goods under the
contracts of purchase and sale, supply, contracts of independent work or other transactions shall be considered purchase or sale. Articles (property) transferred under the lease or loan-for-use contracts shall be comparable to goods.

12. **Product market** shall mean the totality of goods which, from the consumers’ point of view, are appropriate substitutes according to their properties, application and prices.

13. **Market share** shall mean the ratio, expressed as a percentage, of the sales or purchases of an undertaking or a group of associated undertakings to the total sales or purchases of goods in a relevant market. If it is impossible to obtain reliable data on the sales or purchases of goods, when determining the market, other objective information about the relevant market, including value of purchases or sales of goods may be taken into consideration.

14. **Group of associated undertakings** shall mean two or more undertakings which, due to their mutual control or interdependence and possible concerted actions are considered as one undertaking when calculating joint income and market share. Unless proved otherwise, a group of associated undertakings shall be considered to be comprised of each undertaking concerned and:

1) of undertakings in which, as in the undertaking concerned, the shareholding of one and the same natural person or the same natural persons accounts for 1/3 or more of the authorised capital or carries 1/3 or more of all the voting rights;

2) of undertakings which are subject to joint management or have a joint administrative subdivision with the undertaking concerned or half or more of whose members of supervisory board, administrative board or other management or supervisory body are also members of the management or supervisory bodies of the undertaking concerned;

3) of undertakings in which the shareholding of the undertaking concerned accounts for 1/3 or more of the authorised capital or 1/3 or more of all the voting rights or which have a commitment to co-ordinate decisions relating to their economic activity with the undertaking concerned, or of undertakings whose responsibility for the meeting of their obligations to third parties has been assumed by the undertaking concerned, or of undertakings which have committed to transfer all or part of their profit or have transferred the right to make use of 1/3 or more of their assets to the undertaking concerned;
4) of undertakings whose shareholding in the undertaking concerned accounts for 1/3 or more of the authorised capital or 1/3 or more of all the voting rights or with which the undertaking concerned has committed itself to co-ordinate decisions relating to its economic activity, or which have assumed the responsibility for meeting the obligations of the undertaking concerned to third parties, or to which the undertaking concerned has committed to transfer all or part of its profit or has granted the right to make use of 1/3 or more of its assets;

5) of undertakings connected directly or indirectly, through other undertakings, with the undertakings referred to in points 1, 2, 3 and 4 of this paragraph in any of the ways specified in points 1, 2, 3 and 4 of this paragraph.

15. Agreement shall mean contracts concluded in any form (written or oral) between two or more undertakings or concerted practices between undertakings, including decisions made by any combination (association, amalgamation, consortium, etc.) of undertakings or by representatives of such a combination.

16. Economic activity shall mean any type of manufacturing, commercial, financial or professional activities associated with the purchase or sale of goods, except for acquisitions by natural persons intended for personal and household needs.

17. Undertaking shall mean an enterprise, a combination of enterprises (associations, amalgamations, consortiums, etc.), an institution or an organisation, or other legal or natural persons which perform or may perform economic activities in the Republic of Lithuania or whose actions affect or whose intentions, if realised, could affect economic activity in the Republic of Lithuania. Public administration entities of the Republic of Lithuania shall be considered to be undertakings if they engage in economic activities.

18. Assets of an undertaking shall mean tangible fixed assets and other fixed assets used in economic activity.

19. Manager of an undertaking shall mean a natural person who is in charge of a legal person and is its single-person management body.

**Article 4. Duty of Public Administration Entities to Ensure Freedom of Fair Competition**

1. In carrying out the assigned tasks related to the regulation of economic activities within the Republic of Lithuania, public administration entities must ensure freedom of fair competition.
2. Public administration entities shall be prohibited from adopting legal acts or other decisions which grant privileges to or discriminate against any individual undertakings or their groups and which give or may give rise to differences in the conditions of competition for undertakings competing in a relevant market, except where the difference in the conditions of competition may not be avoided when meeting the requirements of the laws of the Republic of Lithuania.

CHAPTER II
RESTRICTIVE PRACTICES

SECTION ONE
PROHIBITED AGREEMENTS

Article 5. Prohibition of Agreements Restricting Competition

1. All agreements which have the purpose of restricting competition or which restrict or may restrict competition shall be prohibited and shall be void from the moment of conclusion thereof, including:

1) agreements to directly or indirectly set (fix) prices of certain goods or other conditions of purchase or sale;

2) agreements to share the product market on a territorial basis, according to groups of buyers or suppliers or in any other way;

3) agreements to fix production or sale volumes for certain goods as well as to restrict technical development or investment;

4) agreements to apply dissimilar (discriminating) conditions to equivalent contracts with individual undertakings, thereby placing them at a competitive disadvantage;

5) agreements to require other undertakings to assume supplementary obligations which, according to their commercial nature or purpose, have no direct connection with the subject of the contract.

2. The agreements concluded between competitors, as listed in points 1, 2, 3 and 4 of paragraph 1 of this Article, shall, in all cases, be considered as restricting competition.

3. This Article shall not be mandatory to agreements concluded between undertakings which, due to their small influence, cannot substantially restrict competition. The requirements, terms and conditions of such agreements shall be laid down by a
relevant legal act of the Competition Council of the Republic of Lithuania (hereinafter: 'the Competition Council').

**Article 6. Exemption**

1. Article 5 of this Law shall not apply where the agreement promotes technical or economic progress or improves the production or distribution of goods, and thereby creates conditions for consumers to receive additional benefit, also where:

   1) the agreement does not result in restrictions on the activities of the parties thereto which are not necessary for the attainment of the objectives referred to in this Article;

   2) the agreement does not afford the contracting parties the possibility to restrict competition in a large share of the relevant market.

2. An agreement meeting the conditions set forth in paragraph 1 of this Article shall be effective from the moment of conclusion thereof (ab initio) without any prior decision of the Competition Council. In the event of a dispute concerning the compliance of the agreement with the provisions of paragraph 1 of this Article, the burden of proof concerning the compliance shall fall upon the party to the agreement benefiting from this exemption.

3. The Competition Council shall have the right to adopt legal acts and establish the groups of agreements as well as conditions under which the agreement meets the conditions set forth in paragraph 1 of this Article.

4. The Competition Council may revoke the right of undertakings to take advantage of the exemption provided for in the legal acts specified in paragraph 3 of this Article where it is established that, in certain cases, the effect of the agreement is incompatible with the provisions of paragraph 1 of this Article.

**SECTION II**

**ABUSE OF A DOMINANT POSITION**

**Article 7. Prohibition to Abuse a Dominant Position**

It shall be prohibited to abuse a dominant position within a relevant market by performing any acts which restrict or may restrict competition, limit, without due cause, the possibilities of other undertakings to act in the market or violate the interests of consumers, including:
1) direct or indirect imposition of unfair prices or other conditions of purchase or sale;
2) restriction of trade, production or technical development to the prejudice of consumers;
3) application of dissimilar (discriminating) conditions to equivalent contracts with certain undertakings, thereby placing them at a competitive disadvantage;
4) the conclusion of a contract subject to acceptance by the other party of supplementary obligations which, according to their commercial nature or purpose, have no direct connection with the subject of such contract.

SECTION III
CONTROL OF CONCENTRATION

Article 8. Notification of Concentration

1. The intended concentration must be notified to the Competition Council and its permission must be obtained where the combined aggregate income of the undertakings concerned in the business year preceding the concentration is more than EUR 14 500 000 and the aggregate income of each of at least two undertakings concerned in the business year preceding the concentration is more than EUR 1 450 000.

2. The combined aggregate income of the parties to concentration shall be interpreted as:

1) the total amount of aggregate income of the undertakings concerned;
2) the total amount of aggregate income of the undertakings where one or more of the undertakings concerned, by agreement, acquire another undertaking (an enterprise or part thereof), all or part of the assets of the undertaking or acquire a part of shares in another undertaking which, including all previous acquisitions, constitutes 1/3 or more of the authorised capital, or obtain 1/3 or more of all the voting rights of another undertaking. Where the undertaking acquiring a part of shares in another undertaking belongs to a group of associated undertakings, when calculating the shares being acquired, the shares in this entity that are owned by the undertakings belonging to the same group of associated undertakings shall also be included. In the case of acquisition of a part of the undertaking (enterprise) or part of the assets of the undertaking, the aggregate income and market share shall be calculated proportionately to the part of the assets acquired;
3) the total amount of aggregate income of the undertakings subject to concentration, where in one or more of the undertakings concerned the same natural person or natural persons, having the right of control, acquire another undertaking (an enterprise or a part thereof), all or part of the assets of the undertaking or acquire a part of shares in another undertaking which, including all previous acquisitions, constitutes 1/3 or more of the authorised capital, or obtain 1/3 or more of all the voting rights of another undertaking. When calculating the part of the shares of another undertaking acquired by a natural person or natural persons, the shares of this undertaking owned by the undertakings controlled by the natural person or the same natural persons as well as the shares of this undertaking owned by all undertakings belonging to the same group of associated undertakings shall be included. In the case of acquisition of a part of the undertaking (enterprise) or part of the assets of the undertaking, the aggregate income and market share shall be calculated proportionately to the part of the assets acquired;

4) the total amount of aggregate income of the undertakings which, by agreement, jointly set up a new undertaking or establish a common management or supervisory body or a common administrative subdivision, or which, due to the decisions taken, will have half or more of the same members in the supervisory board, administrative board or other management or supervisory bodies, or which commit to co-ordinate among themselves decisions concerning their economic activity or to transfer to each other the whole or a certain part of profit, or which grant each other the right to make use of all or part of their assets, or one or several undertakings of which, by agreement, otherwise acquire control of another undertaking. Where one undertaking grants another undertaking the right to make use of a part of its assets, the aggregate income and market share shall be calculated proportionately to the part of the assets used.

3. If the participant in the concentration:

1) is an insurance undertaking, the value of gross insurance premiums shall be calculated instead of the aggregate income;

2) is collective investment undertakings or management companies managing them, the aggregate income shall be calculated as the total amount of aggregate income of all the undertakings under the control of the management enterprise, closed-ended investment company or investment company with variable capital, the management of the assets whereof has not been transferred to the management enterprise;
3) is an undertaking which belongs to a group of associated undertakings, the aggregate income shall be calculated as the total amount of aggregate income of all the undertakings belonging to the group of associated undertakings;

4) is a foreign undertaking, the aggregate income shall be calculated as the total amount of income received on the product markets within the Republic of Lithuania.

4. The Competition Council shall establish the procedure for calculating the aggregate income applicable to control of concentration.

5. A concentration shall not be deemed to arise where commercial banks, other credit institutions, intermediaries of public trading in securities, collective investment undertakings or management companies managing them and insurance undertakings acquire 1/3 or more of shares in another enterprise with a view to transferring them, provided that they do not exercise the voting right conferred by the shares, and that any such transfer takes place within one year and, the information is submitted to the Competition Council within one month from the acquisition. If the financial institutions which acquired 1/3 or more of shares in another enterprise decide not to comply with the conditions provided for in this paragraph, they must submit a notification of concentration in accordance with the general procedure.

**Article 9. Notification of Concentration**

1. A notification of concentration in the cases referred to in Article 8(2)(2) and (3) of this Law shall be submitted by the controlling persons, in other cases – jointly by all parties to a concentration.

2. A notification of concentration must be submitted to the Competition Council prior to the implementation of the concentration. The notification of concentration shall be submitted after the submission of the proposal to conclude an agreement or acquire the shares or assets, an instruction to conclude the agreement, conclusion of the agreement, acquisition of the right of ownership or the right to dispose of certain assets. The notification of concentration may also be submitted in case of a good faith intention to conclude the agreement or to make a public bid to buy up shares. The Competition Council shall establish the standard form of notification of concentration.

3. A notification of concentration must include:

   1) the registration data of the parties to a concentration;
   2) the reasons and purposes of concentration;
   3) a description of the manner of concentration;
4) the annual financial accounts of each undertaking participating in concentration for the last three years prior to concentration;

5) the data on the enterprises owned by each undertaking participating in concentration or the controlling persons as well as data on the enterprises the holders of interests or member shares of which they are;

6) the purchase and sale volumes of each undertaking participating in concentration for the last three years prior to concentration and evaluation of their market share in a relevant market;

7) a list of the major purchasers and suppliers as well as the main competitors in the relevant markets of each undertaking participating in concentration.

4. Where a notification of intended concentration with participation of an undertaking belonging to a group of associated undertakings is submitted, the data on all the undertakings belonging to the group of associated undertakings shall be submitted pursuant to the requirements of paragraph 3 of this Article.

5. Where a notification of intended concentration with participation of banks or other credit institutions is submitted, a conclusion of the Bank of Lithuania shall also be submitted to the Competition Council.

6. A notification of concentration must be accompanied by documents confirming that the undertakings concerned have paid a fee in the amount established by the Government of the Republic of Lithuania (hereinafter: 'the Government') for the submission and examination of the notification.

Article 10. Suspension of Concentration

1. Undertakings or controlling persons participating in the concentration which is subject to notification shall have no right to implement the concentration until the resolution of the Competition Council is passed in accordance with Article 12(1)(1) or (2) of this Law except the cases provided for in paragraphs 3 and 4 of this Article.

2. All transactions and actions of all undertakings and controlling persons related to concentration regarding which the resolution specified in Article 12(1)(3) was adopted shall be held invalid and not creating any legal consequences.

3. Upon a justified request of the parties to a concentration or the controlling person, the Competition Council, taking into account the consequences of the suspension of concentration on the persons concerned and the envisaged effect of concentration on competition, may adopt a resolution to permit the performance of individual actions of
concentration. The permission of the Competition Council to perform individual actions of concentration may be granted subject to certain conditions and obligations necessary to ensure effective competition.

4. Undertakings and controlling persons participating in the concentration may, without the permission of the Competition Council to carry out individual concentration actions, make a public offer to buy up shares and make transactions on transferable securities admitted to trading on a regulated market, provided that no later than seven days after these actions a notification is submitted to the Competition Council and the acquirer of the securities does not exercise the voting rights granted by the securities.

**Article 11. Examination of Notifications of Concentration by the Competition Council**

1. Having received a notification of concentration, the Competition Council shall publish an announcement thereof on their website, specifying the nature of concentration and the parties concerned.

2. The Competition Council shall examine the notifications of concentration submitted in accordance with the established requirements and adopt the resolutions specified in Article 12(1) no later than within the term of four months. This term shall begin on the day following the receipt of the notification of concentration which complies with the established requirements. If the notification of concentration does not comply with the established requirements, the Competition Council shall forthwith inform about this in writing the persons who have submitted the notification.

3. The Competition Council must, within one month from the receipt of a notification of concentration that meets the established requirements, take a resolution pursuant to Article 12(1)(1) or (2) or take a resolution to proceed with further examination of the notification of concentration.

4. The Competition Council, intending to pass a resolution in accordance with Article 12(1)(2), upon a justified request of the person who has submitted the notification, may extend the term for the examination of the concentration referred to in paragraph 2 of this Article by one month.

5. When examining notifications of concentration, the Competition Council shall be entitled to obtain from undertakings, controlling persons and public administration entities information, oral and written clarifications necessary for taking a resolution on the concentration.
Article 12. Resolutions of the Competition Council on Concentration

1. Upon completing the examination of the notification of concentration, the Competition Council shall adopt one of the following resolutions:

1) to authorise concentration in accordance with the submitted notification;

2) to authorise concentration subject to the conditions and obligations established by the Competition Council for the undertakings concerned or controlling persons necessary to prevent the creation or strengthening of a dominant position or a substantial restriction of competition in a relevant market;

3) to refuse to authorise concentration and impose an obligation on the undertakings or controlling persons concerned to perform actions restoring the previous condition, or to eliminate the consequences of concentration, including the obligations to sell the enterprise or part thereof, the assets of the undertaking or part thereof, the shares or part thereof, to cancel or amend contracts, as well as to establish the terms and conditions for the fulfilment of the above obligations, where the concentration will result in creation or strengthening of a dominant position or substantial restriction of competition in a relevant market.

2. The resolution of the Competition Council provided for in points 2 or 3 of paragraph 1 of this Article shall indicate the motives for imposition of concentration implementation and obligations or the motives for refusal to authorise the concentration. When adopting this resolution, the Competition Council shall have the right to rely only on such motives regarding which the undertakings or controlling persons participating in concentration had the opportunity to give explanations.

3. The persons who have submitted notifications of concentration shall be informed of the resolutions adopted by the Competition Council in writing. If the Competition Council does not within the term specified in Article 11(2) of this Law adopt the resolutions referred to in paragraph 1 of this Article, undertakings or controlling persons shall have the right to implement concentration in accordance with the conditions formulated in the notification of concentration.

4. Resolutions of the Competition Council provided for in this Article shall be published on the website of the Competition Council.

Article 13. Application of the Concentration Control Procedure on Own Initiative
1. The Competition Council may impose an obligation on undertakings to submit a notification on concentration and *mutatis mutandis* apply the concentration control procedure provided for in this Section even though the aggregate income indicators established in Article 8(1) of this Law are not exceeded where it is likely that concentration will result in the creation or strengthening of a dominant position or a substantial restriction of competition in a relevant market.

2. The Competition Council may adopt a separate resolution to apply the concentration control procedure only in cases where no more than 12 months have passed from the implementation of the concentration in question.

**Article 14. Investigation of the Breach of Concentration Implementation and Change or Repeal of the Competition Council Resolutions on Concentration**

1. Where there are reasonable grounds to believe that concentration has been implemented in violation of the requirements of this Law or in breach of the resolutions of the Competition Council, the Competition Council shall carry out an investigation in accordance with the provisions of Chapter V of this Law.

2. The Competition Council shall have the right to amend or repeal its resolutions on concentration provided for in Article 12(1) of this Law where such a resolution was adopted based on incorrect or incomplete information submitted by the parties to a concentration or by the controlling persons and that had a decisive influence when adopting the resolution, or where the undertakings or controlling persons have violated the conditions and obligations of the implementation of concentration.

3. If an effective court decision cancels all or part of the resolution of the Competition Council provided for in Article 12(1) of this Law, undertakings must submit to the Competition Council the revised notification of concentration on the current market situation. If undertakings do not perform these actions, *mutatis mutandis*, consequences provided for in Article 10(2) of this Law arise as far as they comply with the effective court decision.

4. The revised notification provided for in paragraph 3 of this Article must be submitted to the Competition Council no later than within one month after the day of the effective court decision. The Competition Council shall examine the revised notification of concentration and adopt one of the resolutions referred to in Article 12(1) of this Law.
In this case, the term referred to in Article 11(2) of this Law shall start from the day on which the undertakings submit a revised notification of concentration.

CHAPTER III
UNFAIR COMPETITION

Article 15. Prohibition of Actions of Unfair Competition

1. Undertakings shall be prohibited from performing any actions contrary to fair business practices and good usages if such actions may be detrimental to the competitive potential of another undertaking, including:

1) unauthorised use of a reference mark identical or similar to the name, registered trade mark or unregistered well known trade mark or any other reference mark having a distinguishing feature of another undertaking, if this causes or is likely to cause confusion with that undertaking or its activity, or where it is sought to take undue advantage of the reputation of that undertaking (its mark or reference mark) or where this may be detrimental to the reputation (mark or reference mark) of that undertaking, or where it may reduce the distinguishing feature of the mark or reference mark used by that undertaking;

2) misleading of undertakings by providing them with incorrect or unsubstantiated information about the quantity, quality, components, properties of usage, place and means of manufacturing and price of its goods or the goods of another undertaking, or concealing of risks associated with the consumption, processing or other usage of those goods;

3) usage, transfer, disclosure of information representing a commercial secret of another undertaking without its consent as well as obtaining of such information from persons having no right to transfer such information, in order to compete, seeking self-benefit or inflicting damage on that undertaking;

4) proposing that the employees of the competing undertaking terminate their employment contracts or refrain from performing all or part of their work-related duties, seeking self-benefit or inflicting damage on that undertaking;

5) imitating of the product or product packaging of another undertaking, copying of the shape, colour or other distinguishing features of that product or product packaging, if this may be misleading in terms of the identity of the product, or if the acts are intended to take undue advantage by using the reputation of another undertaking;

6) provision of incorrect or unsubstantiated information about its own undertaking managing personnel or that of another undertaking, the qualifications of employees, the
legal, financial or other position of an undertaking if damage may thereby be inflicted on another undertaking;

7) use of advertising which is considered misleading or unlawful comparative advertising under the laws of the Republic of Lithuania.

2. The use of an identical or similar name, trade mark or another reference mark specified in point 1 of paragraph 1 of this Article shall not be considered as such where the name or surname of the owner, the holder of the qualifying holding or the founder is used in the name, trade mark or reference mark and where the undertakings using such a name, trade mark or reference mark have taken measures to prevent misleading consumers as to the identity of the undertaking or the goods.

3. The information specified in point 2 of paragraph 1 of this Article concerning the designation of origin of the goods shall be considered geographical indications provided in any form, characterising the goods as being produced in the territory of a certain state or a certain region or area of that territory which is associated with the quality, reputation or other properties of the goods.

4. Persons who have become aware of a commercial secret as a result of their work or any other contractual relations with the undertaking may use this information not earlier than one year after the termination of employment or other contractual relations, unless laws or the contract provide otherwise.

5. Actions taken with a view to achieving certain functional properties of the goods or their packaging shall not be considered as imitation of the appearance of the goods or the form of their packaging, provided that the person taking such actions has taken measures to prevent misleading other undertakings or consumers as to the identity of the manufacturer or the goods.

Article 16. Protection of Rights

1. An undertaking whose legitimate interests are violated by actions of unfair competition shall be entitled to bring a claim before the court seeking:

1) termination of the illegal actions;

2) recovery of the damages;

3) imposition of an obligation to make one or several statements of specific content and form, refuting the previously submitted incorrect information or providing explanations as to the identity of the undertaking or its goods;

4) seizure or destruction of the goods, their packaging or other means directly
related to unfair competition, unless the infringements can be eliminated otherwise.

2. Organisations representing the interests of undertakings or consumers shall also enjoy the rights specified in points 1, 3 and 4 of paragraph 1 of this Article.

3. Liability for the use of misleading advertising or unlawful comparative advertising shall be established by the laws of the Republic of Lithuania.

4. The Competition Council shall investigate the acts of unfair competition only in cases where these acts violate the interests of the majority of undertakings or consumers. The Competition Council shall impose sanctions for these acts as established by the laws.

CHAPTER IV

COMPETITION SUPERVISORY INSTITUTION

Article 17. Competition Council of the Republic of Lithuania

1. The Competition Council shall be an independent state institution accountable to the Competition Council, implementing the state competition policy and supervising the compliance with this Law. When performing its statutory functions the Competition Council shall be free and independent in its decision making.

2. The Competition Council shall be a legal person having its accounts with the banks and a seal bearing the coat of arms of the State of Lithuania and its name.

3. The Competition Council shall act in compliance with the Constitution, this Law and other laws of the Republic of Lithuania, international treaties and other legal acts of the Republic of Lithuania.

4. The Competition Council shall be a budgetary institution financed from the Lithuanian state budget.

5. The Law on Budgetary Institutions shall apply to the activity of the Competition Council, unless this Law provides otherwise.

Article 18. Functions and Powers of the Competition Council

1. The Competition Council shall:

1) control the compliance by undertakings and public administration entities with the requirements of this Law;

2) establish the criteria and procedure for providing definition of a relevant market and determining a dominant position, investigate and define relevant markets for
performance of its own functions, determine the market share of undertakings and their position in the relevant market;

3) examine the conformity of the legal acts or other decisions adopted by public administration entities with the requirements of Article 4 of this Law and, if there are grounds, apply to the public administration entities with a request to amend or repeal the legal acts or other decisions restricting competition. In case of failure to comply with the requirement, the Competition Council shall have the right to appeal against the decisions of entities of state administration, except for the statutory acts issued by the Government of the Republic of Lithuania, to the Supreme Administrative Court of Lithuania, and against the decisions of entities of municipal administration and other public administration entities — to the regional administrative court;

4) examine notifications of concentration;

5) investigate and examine infringements of this Law and other laws and impose sanctions on the violators in the cases and following the procedure provided for by the laws;

6) apply to court for the protection of public interests safeguarded by this Law;

7) within its remit, carry out expert examination of drafts of laws and other legal acts, submit its conclusions regarding the effect of these acts on competition to the Seimas and the Government of the Republic of Lithuania;

8) submit proposals to the Government on the amendment of laws and other legal acts limiting competition for their assessment when the Competition Council establishes such restrictions of competition while carrying out its functions;

9) perform the surveillance of competition effectiveness on the markets and provide conclusions and proposals to the Seimas or the Government on the measures to ensure effective competition;

10) cooperate with other institutions and organizations of the Republic of Lithuania, and foreign and international institutions and organizations, in accordance with the procedure established by the legal acts and cooperation agreements;

11) perform other functions established by this Law and other laws.

2. When performing the functions assigned to it, the Competition Council shall have the right to:

1) give obligatory instructions to undertakings, including commercial banks, other credit institutions and public administration entities, submit financial and other documents,
including documents containing commercial secrets, as well as other information required for performance of the functions of the Competition Council;

2) adopt legal acts within the scope of its remit;

3) identify and publish on its website the priorities of the Competition Council's activities;

4) establish an advisory committee;

5) invite professionals and experts. The assigned tasks for professionals and experts and their rights and obligations while implementing the tasks shall be specified in the agreement with the Competition Council;

6) organize meetings, set up working groups and advisory groups or commissions, determine their working procedure, and receive advisory findings and proposals;

7) record relevant facts important for initiation and carrying out of the investigations concerning violations of laws;

8) exercise other rights provided for in this Law and other legal acts.

Article 19. Composition, Formation and Working Procedure of the Competition Council

1. The Competition Council shall consist of the chair and four members. The chair and members of the Competition Council shall be appointed by the President of the Republic on the recommendation of the Prime Minister of the Republic of Lithuania. The chair and members of the Competition Council shall be appointed for a term of six years. The same person may be appointed a chair or a member of the Competition Council for not more than two consecutive terms of office. The chair of the Competition Council shall appoint two vice-chairs of the Competition Council from the appointed members of the Competition Council.

2. The chair and members of the Competition Council may be Lithuanian citizens of good repute with a university degree in law or economics (at least a Master's degree or equivalent). The criteria according to which a person may not be considered to be of good repute shall be those as specified in the Republic of Lithuania Law on Civil Service.

3. The chair and members of the Competition Council shall be dismissed from office only:

1) at their own request;

2) upon the expiry of their term of office;

3) upon being elected or appointed to another office;
4) upon the entry into force of a court judgement of conviction;
5) if instances of material breach of duties are revealed;
6) where, by their acts, they discredit the name of the chair or the member of the Competition Council;
7) for health reasons.
*8) if instances of non-compliance with the requirements set forth in paragraph 2 of this Article are revealed.

4. Upon the expiry of their term of office, the chair or members of the Competition Council shall continue to perform their duties until the same or another person is appointed to the respective position. The chair and members of the Competition Council dismissed from office upon the expiry of their term of office shall be paid a severance pay equal to their average monthly salary, except in cases when they are appointed for another term of office.

5. During their term of office the chair and members of the Competition Council may not engage in any other activity, except for scientific, educational or creative work.

6. The chair and members of the Competition Council shall be state officials.

7. When dealing with issues falling within its remit, the Competition Council shall adopt resolutions. The resolutions shall be adopted by majority vote, with participation of at least three members of the Competition Council, including the chair of the Competition Council. The chair and members of the Competition Council shall vote independently and individually. The chair and members of Competition Council participating in the meeting shall not be entitled to abstain from voting on the resolution.

8. The Competition Council shall have the right to transfer to the chair of the Competition Council or individual members, according to their activities, a part of its powers, except adoption of resolutions specified in this Law, hearing of participants in the procedure of violations of this Law, imposition of sanctions specified in this Law, and adoption of regulations related to application of this Law and other laws the monitoring of compliance with which is performed by the Competition Council.

9. In performing its functions the Competition Council shall be assisted by the Competition Council administration. Its structure and the lists of positions of civil servants and employees working under employment contracts shall be approved by the resolution of the Competition Council. The Competition Council administration functions shall be defined by this Law and other laws and regulations of the Competition Council administration which are approved by the resolution of the Competition Council.
10. The working procedure of the Competition Council and the rules of Council’s procedures for violations of laws shall be specified in the rules of procedure adopted by the resolution of the Competition Council.

*Note. Article 19(2) and Article19(3)(8) shall not apply to the chair and members of the Competition Council of the Republic of Lithuania appointed before the effective day of Law No XI -1937.

**Article 20. Chair and Members of the Competition Council**

1. The chair of the Competition Council shall:
   1) direct the work of the Competition Council;
   2) represent the Competition Council in the Republic of Lithuania and abroad;
   3) employ and dismiss the administrative staff of the Competition Council;
   4) submit annual activity reports of the Competition Council to the Seimas and the Government;
   5) sign resolutions of the Competition Council;
   6) perform other functions established by the laws and assigned by the Competition Council.

2. The chair of the Competition Council shall have the right to participate in meetings of the Government in a deliberative capacity and must voice his comments should the decisions proposed for adoption contradict this Law.

3. In the absence of the chair of the Competition Council, his appointed vice-chair of the Competition Council shall act on his behalf.

4. Members of the Competition Council shall participate in the consideration and adoption of resolutions on the issues within the remit of the Competition Council, shall be responsible for activities assigned to them and perform other functions assigned to them by the Competition Council or the chair of the Competition Council.

**Article 21. Protection of commercial secrets and documents intended for official use**

1. The Competition Council and its administrative staff must protect commercial and professional secrets that they became aware of in the course of exercising control over compliance with this Law and, in the absence of the consent of the undertaking, may use it only for the purposes it was provided.
2. Undertakings must submit an application to the Competition Council on the protection of commercial secrets when providing documents and other information to the Competition Council, or immediately after becoming aware that the Competition Council has documents or other information constituting their commercial secret. The application must clearly state which information the Competition Council should consider the commercial secret of the undertaking. The Competition Council or its authorized official shall make a decision on the application and notify of it the undertaking.

3. If an undertaking submits an application for protection of commercial secrets, but does not indicate the specific information which the Competition Council should consider to be a commercial secret of the undertaking, the applying undertaking may be required to indicate this information within the term specified. If during the term specified the undertaking does not indicate the specific information that the Competition Council should consider to be a commercial secret, it is assumed that the information available to the Competition Council about the undertaking does not constitute a commercial secret.

4. If an undertaking fails to submit an application for protection of commercial secret referred to in paragraph 1 of this Article, it is assumed that the information available to the Competition Council about the undertaking is not the information constituting a commercial secret.

5. An undertaking whose information constituting a commercial secret is available to the Competition Council may be required to submit within the term specified the extract of a document or another information without a commercial secret and the description of the information to be protected. If during the term specified an undertaking fails to submit the extract and the description, it shall be assumed that the information requested by the undertaking to be protected does not constitute a commercial secret information.

6. The disclosure of commercial secrets of undertakings by the Competition Council and its administrative staff shall be held liable under the law.

7. Documents prepared by the Competition Council when performing functions assigned to it and which contain the opinions expressed by the Competition Council for internal use, documents prepared by the Competition Council related to the matters on which there is no final resolution or some other decision of the Competition Council adopted and documents meant for internal work organization of the Competition Council only shall be considered documents for official use which are not provided to third parties and are not included into investigation files to which third parties have the right of access. Such documents of the Competition Council intended for official use may only be
provided to the law enforcement institutions for the purpose of performing of their functions assigned by the law.

CHAPTER V
COMPETITION COUNCIL’S PROCEDURE APPLIED IN INVESTIGATION OF INFRINGEMENTS OF THIS LAW

SECTION I
COMPETITION COUNCIL’S INVESTIGATION OF INFRINGEMENTS OF THIS LAW

Article 22. Infringements Investigated by the Competition Council

1. According to the procedure specified in this section the Competition Council shall investigate:

1) conformity of legal acts or other decisions adopted by public administration entities with the requirements of Article 4 of this Law;
2) agreements restricting competition;
3) abuse of a dominant position;
4) implementation of concentration without a prior notification or consent or in breach of the established conditions or obligations of concentration implementation as well as continuation of concentration during its suspension;
5) unfair competition in the cases provided for in Article 16(4) of this Law;
6) infringements in case of failure to comply with requests to provide information or failure to provide information in a timely manner, also in case of provision of incorrect or incomplete information or, in the cases provided for in this Law, failure to provide information within the established time limit, damaging or tearing off the seal affixed in accordance with Article 25(1)(4), obstruction of the officials of the Competition Council in carrying out the investigation, or non-compliance with the sanctions or obligations imposed by resolutions of the Competition Council as well as obligations assumed by undertakings in accordance with Article 28(3)(2) of this Law. This procedure shall not apply to investigation of violations in case of failure or failure to comply in time with the obligations imposed by resolutions of the Competition Council to amend or repeal legal acts or other decisions restricting competition in breach of the requirements of Article 4 of
this Law. These violations shall be investigated in accordance with the Competition Council's procedures.

2. The investigation shall be carried out by the authorised administrative staff of the Competition Council (hereinafter: 'authorised officials of the Competition Council').

3. Applicants and entities suspected of a breach of this Law shall be notified about the resolutions of the Competition Council adopted with regard to the investigation of violations of this Law in accordance with the terms specified in the Competition Council's Rules of Procedure.

4. Resolutions of the Competition Council regarding the investigation of violations of this Law may be considered confidential by a resolution of the Competition Council until a threat to the investigation process ceases to exist but not longer than any action specified in Article 25(1)(1), (2), (3), (4), (5), (7) or (8) of this Law regarding the undertakings suspected of committing a violation of this Law is performed.

5. The Competition Council shall have the right to establish a separate investigation and examination procedure for investigation and examination of individual types of law violations falling within the remit of the Competition Council, to the extent it does not conflict with requirements specified in laws and other legal acts.

Article 23. Right of Initiative to Open Investigation of a Violation of the Law

1. The right to request to open investigation of a violation of this Law shall have the following:

1) undertakings whose interests have been violated due to law infringement actions;
2) public administration entities;
3) associations or unions representing the interests of undertakings and consumers.

2. The Competition Council shall have the right to open an investigation on its own initiative.

3. The right to request the initiation of investigation of a violation of this Law shall have consumers whose interests are violated by the law infringement actions. Having assessed the circumstances specified in the request of consumers, the Competition Council shall have the right to open investigation on its own initiative.

4. The Competition Council shall adopt a justified resolution to investigate law infringement actions.
5. The Competition Council must close the investigation no later than within five months from the date of the adoption of the resolution to open the investigation. The Competition Council may, by a justified resolution, extend this time limit each time for not longer than three months.

**Article 24. Submission of an Application for Investigation and its Examination**

1. Applicants specified in Article 23(1) requesting to open investigation must submit to the Competition Council a written application indicating the facts of violation of this Law that they are aware of. The application shall be accompanied by the documents confirming the above mentioned facts and circumstances.

2. The Competition Council shall establish general requirements for the data and documents to be provided by an applicant in order the investigation of an application regarding actions violating this Law be opened.

3. An application regarding the actions violating this Law, which meets the requirements laid down by the Competition Council, shall be considered by the Competition Council which makes a decision to open investigation or refuse to open investigation within 30 days of the submission of the application and the documents.

4. The Competition Council shall adopt a resolution to refuse to open investigation if:

   1) the facts specified in the application are immaterial, causing no substantial damage to the interests protected under this Law;
   2) investigation of the facts specified in the application is not within the remit of the Competition Council;
   3) the facts specified in the application have already been investigated and a resolution has already been adopted by the Competition Council on the issue or there is an effective decision of the court;
   4) the applicant has failed to provide, within the time period set by the Competition Council, the data and documents required to open investigation;
   5) a period of limitation referred to in Article 35(3) of this Law has expired,
   6) the legal act or decision of a public administration entity, appealed against in cases of the violations specified in Article 22(1)(1), has been annulled, changed or expired before the day of the examination of the application at the Competition Council;
7) there is no factual data that would allow to reasonably suspect that there was a violation of this Law;

8) investigation of the factual circumstances specified in the application does not correspond to the Competition Council's priorities.

**Article 25. Rights and Duties of Authorised Officials of the Competition Council in Performing the Investigation**

1. In carrying out the investigation, the authorised officials of the Competition Council shall have the right:

   1) to enter and carry out inspections of any premises, territory and means of transport used by the undertaking;

   2) to enter and carry out inspections of other premises, territories and means of transport, including residential and other premises of managers and employees of the undertaking, if a reasonable suspicion arises that documents or any other evidence necessary for investigation and likely to have an influence on proving a serious violation of Articles 5 or 7 of this Law or Articles 101 and 102 of the Treaty on the Functioning of the European Union are held in such premises, territories or means of transport;

   3) to examine the documents necessary for investigation (irrespective of the medium on which they are stored), obtain their copies and extracts, be granted access to the notes of the employees of the undertaking, related to work activities, also to copy the above notes as well as the information stored in computers and on any other media;

   4) to seal the premises used by the undertaking wherein documents are held (irrespective of the medium on which they are stored) for the time period and to the extent necessary to carry out inspections, performed upon receiving the court authorisation, however, for no longer than three calendar days;

   5) to obtain oral and written explanations from persons related to the activity of the undertaking under inspection; to request that they give explanations in the office of an authorised official conducting the investigation;

   6) to obtain from the undertakings, other natural and legal persons and public administration entities the documents, data and other information necessary for conducting the investigation; These entities and persons shall have the right to submit this information and explanations to the authorized officials of the Competition Council on its own initiative as well;
7) to carry out an inspection (audit) of the economic activity of the undertaking and, on the basis of the inspection material, obtain conclusions from the expert bodies;

8) to seize any documents and articles having evidential value in the investigation of the case;

9) to obtain information on subscribers to electronic communications services or registered consumers of electronic communications services, related traffic data and the content of information transmitted by electronic communications networks from providers of the electronic communications network and/or services;

10) to enlist the assistance of professionals and experts in carrying-out of the investigation;

11) to use technical means for investigation purposes, in compliance with the procedure established by the law;

12) to capture the facts;

13) to use for the investigation the information available for the Competition Council obtained during other investigations or proceedings.

2. The investigation actions specified in points 1, 2 and 9 of paragraph 1 of this Article may be carried out only with the court authorisation.

3. For the purpose of maintaining order the authorised investigating officials of the Competition Council may enlist the assistance of police officers.

4. Before carrying out the actions specified in this Article, the authorised officials of the Competition Council must produce a document issued by the Competition Council confirming their powers, the purpose and time limits of the investigation.

5. While exercising their rights granted by this Law and the Competition Council, the authorised officials of the Competition Council shall execute the investigation actions in writing, i.e. shall draw up documents (acts, minutes, requests, etc.). The form and the filling procedure of the above documents shall be established by the Competition Council.

6. The requests of the authorised officials of the Competition Council when carrying out the actions specified in paragraph 1 of this Article shall be mandatory. Sanctions provided for by the laws shall apply for failure to comply with the requests.

7. The authorised officials of the Competition Council carrying out the investigation shall warn in writing persons providing explanations of their liability for providing false information or refusal to provide information to the Competition Council.

Article 26. Interim Measures
1. In urgent cases, where there is sufficient evidence of violation of this Law, the Competition Council, seeking to prevent a substantial or irreparable damage to the interests of undertakings or the public, shall have the right to apply interim measures necessary for the implementation of the final decision of the Competition Council. The interim measures shall cease to be applied upon the implementation of sanctions imposed by the resolution of the Competition Council adopted after the investigation of the case.

2. In cases provided for in paragraph 1 of this Law, the Competition Council shall have the right to apply the following interim measures with respect to the undertaking suspected of violation of this Law:

1) to oblige the undertakings to terminate an illegal activity;

2) upon receiving an authorisation from Vilnius Regional Administrative Court, to oblige the undertakings to perform certain actions if failure to perform them would result in serious damage to other undertakings or public interests, or incur irreparable consequences.

3. Before adopting a resolution to apply interim measures, the Competition Council must give the undertaking suspected of violation of this Law an opportunity to provide explanations within the set time limit.

4. The resolution of the Competition Council on the application of interim measures may be appealed against to Vilnius Regional Administrative Court within one month from the date of adoption of the resolution. The filing of an appeal shall not suspend the application of interim measures.

**Article 27. Procedure for Issuing Court Authorisations for Performance of Investigation Actions, Application of Interim Measures and Restrictions of Economic Activity**

1. Upon the adoption of the Competition Council's resolution on investigation actions as provided for in Article 25(2) of this Law, or on the application of interim measures as provided for in Article 26(2)(2) of this Law, or on restrictions of economic activity as provided for in Article 35(2) of this Law, the authorised official of the Competition Council shall submit an application to Vilnius Regional Administrative Court for the issue of an authorisation for performance of these actions and application of interim measures or restrictions of economic activity.
2. The application must include the name of the undertaking, the character of the alleged violations and the intended investigation actions, the applicable interim measures or restrictions of economic activity.

3. A judge of Vilnius Regional Administrative Court shall examine the application for the issue of a court authorisation for performance of investigation actions and application of interim measures or restrictions of economic activity and shall adopt a reasoned ruling to satisfy or reject the application.

4. The application for the issue of a court authorisation for performance of investigation actions and application of interim measures or restrictions of economic activity must be examined and the ruling thereon must be adopted not later than within 72 hours from the moment of filing of the application.

5. If the Competition Council disagrees with the decision of the judge of Vilnius Regional Administrative Court to reject the application, it shall have the right to, within seven days, appeal against the decision of the judge to the Supreme Administrative Court of Lithuania.

6. The Supreme Administrative Court of Lithuania shall examine the appeal against the ruling of the Vilnius District Administrative Court within a period of seven days. The representative of the Competition Council shall have the right to attend the investigation of the appeal.

7. A ruling of the Supreme Administrative Court of Lithuania shall be final and not subject to appeal.

8. When considering applications and appeals regarding the issue of an authorisation for performance of investigation actions and application of interim measures or restrictions of economic activity, the courts must ensure confidentiality of the provided information and intended actions.

**Article 28. Supplementary Investigation, its Separation (Combination) and the Completion**

1. In order to achieve timeliness and cost-effectiveness of the investigation, the Competition Council shall have the right to adopt a resolution to supplement the investigation, divide it into separate investigations, or combine separate investigations into one.

2. The investigation shall be closed when the Competition Council approves the authorized officials' investigation findings on the alleged violation (hereinafter: 'findings
of the investigation'). In that case, the actions provided for in the Second Section of this Chapter shall be performed.

3. The Competition Council shall adopt a resolution to close the investigation if:
   1) in the course of investigation it transpires that there is no substance of violation of the Law;
   2) the actions did not cause a significant damage to the interests protected by the law and the undertaking suspected of the violation of the Law has voluntarily terminated the actions and submitted to the Competition Council a written obligation not to perform such actions or to perform actions eliminating the suspected violation or creating preconditions to avoid it in the future;
   3) where the circumstances referred to in Article 24(4) of this Law arise or transpire in course of investigation;

4. Obligations submitted in accordance with point 3 of paragraph 2 of this Article and included in the resolution of the Competition Council in relation to the closing of the investigation shall be binding on the undertaking.

5. If new circumstances arise, the Competition Council shall be entitled to adopt a resolution to reopen the closed investigation.

6. The resolutions adopted by the Competition Council pursuant to point 2 of paragraph 3 of this Article shall be published in the website of the Competition Council.

SECTION II
HEARING OF PARTICIPANTS IN THE PROCEDURE AT THE COMPETITION COUNCIL AND THE ADOPTION OF THE COMPETITION COUNCIL’S RESOLUTION ON THE VIOLATION OF THIS LAW


1. Upon closing of the investigation, the Competition Council by its decision shall issue a statement of objections to the applicant and the entity suspected of having committed a violation (hereinafter: 'the participants in the procedure') as well as to other interested entities or public administration entities (hereinafter: 'other interested persons') and offer to submit written explanations on the findings within the reasonable time limit set by the Competition Council.
2. Upon closing of the investigation, the investigation file material shall also be made available to the participants in the procedure, except for the documents containing state or service secrets, or commercial secrets of another undertaking. In order to access the documents containing commercial secrets of another undertaking, it shall be necessary to get the consent of the undertaking whose documents containing commercial secrets are sought to be accessed. The restrictions provided in Article 38(3) of this Law shall *mutatis mutandis* apply to the access to the information provided by the undertaking to the Competition Council on the basis of Article 38(1) of this Law.

3. Before the Competition Council adopts a resolution on the violation of this Law, participants in the procedure and other interested persons shall be entitled to provide clarifications and to be heard at a Competition Council's meeting. The meeting place and time must be communicated to them in advance and according to the procedure set forth by the Code of Civil Procedure of the Republic of Lithuania (hereinafter: 'the Code of Civil Procedure'). The Competition Council shall have the right to communicate a planned meeting through the media or its own website.

4. Competition Council's meetings during which the participants in the procedure and other interested persons undergo hearing procedures shall be public. The Competition Council may, on its own initiative or at the request of the participants in the procedure or other interested persons, announce a closed hearing of the case where it is necessary to protect state or service secrets, or commercial secrets of economy entities.

5. It shall be considered that the participants in the procedure and other interested persons underwent the hearing procedure when there is evidence that they were properly notified of the time and place of the Competition Council's meeting, were given the opportunity to provide clarifications, to familiarise themselves with the findings of the investigation and the participants in the procedure were given access to the investigation material.

**Article 30. Resolutions of the Competition Council on the Violation of this Law**

1. Having performed the actions specified in Article 29 of this Law, the Competition Council shall have the right to adopt a resolution:

   1) to impose sanctions provided for by this Law;

   2) to refuse to impose sanctions where there is no basis established by this Law;
3) to terminate the procedure regarding the violation of this Law where there is no violation of this Law;
4) to conduct a supplementary investigation;

2. The resolution of the Competition Council must include the circumstances of the violation of this Law, clarifications provided to the Competition Council by the participants in the procedure and other interested persons as well as their evaluation, the motives and legal basis of the adopted resolution.

3. The resolution of the Competition Council must be based only on those conclusions and facts and circumstances of the investigation with respect to which the undertaking suspected of the violation of the Law on Competition has been afforded an opportunity to provide clarifications.

4. The resolutions of the Competition Council provided for in this Article, with the exception referred to in point 4, paragraph 1 of this Article, may be amended or repealed by court only.

Article 31. Publication of Resolutions of the Competition Council

1. The participants in the procedure and other interested persons shall be notified about the Competition Council's resolutions provided for in Article 30(1) of this Law within the time limits specified in the Rules of Procedure of the Competition Council.

2. The resolutions of the Competition Council provided for in Article 30 shall be published on the Competition Council's website.

SECTION III
APPEALS AGAINST THE DECISIONS AND ACTIONS OF THE COMPETITION COUNCIL AND ITS AUTHORISED OFFICIALS

Article 32. Appeal against the Actions and Decisions of Authorised Officials and Other Employees of the Competition Council

1. Undertakings and other persons who consider that their rights have been violated shall have the right to appeal to the Competition Council against the actions performed and the decisions adopted by the authorized officials and other employees of the Competition Council during the procedure regarding the violation of this Law. A complaint shall be filed not later than ten days after learning about the actions or decisions
which are appealed against. The decision of the Competition Council on such complaint must be taken within ten days of receipt of the complaint.

2. The complaint filing term set in paragraph 1 may be renewed if together with the complaint a justified request to renew the term is submitted. In such case, the Competition Council shall admit the complaint, if it determines that the filing deadline was exceeded due to important objective reasons. The Competition Council's decision to refuse to renew the term of filing the complaint may be appealed against in accordance with the procedure provided for in paragraph 3 of this Article.

3. If undertakings or other persons, who filed a complaint, object to the decision of the Competition Council or if the Competition Council fails to make a resolution within ten days, they shall have the right to file an appeal with Vilnius Regional Administrative Court. Filing of an appeal does not stop the procedure for the violation of this Law.

4. The procedure for appealing, as provided for in this Article, shall be applied mutatis mutandis to the decisions and actions of the Competition Council's employees in performing concentration control provided for in Chapter Two of this Law and in other cases when such actions and decisions are related to the performance of the functions assigned to the Competition Council by this Law and other laws.

Article 33. Appealing against the Resolutions of the Competition Council

1. Undertakings and other persons who believe that their rights protected by this Law were violated shall have the right to appeal to Vilnius Regional Administrative Court against the Competition Council's resolutions which prevent any further investigation process of the violation of this Law or which complete the examination of the notification of concentration. The participants in the procedure and other interested persons referred to in Article 29(1) of this Law shall have the right to appeal against the resolutions of the Competition Council provided for in Article 30 of this Law, with the exception of the resolution of the Competition Council specified in Article 30(1)(4) of this Law.

2. An appeal shall be filed in writing no later than 20 days after the receipt of the resolution of the Competition Council or, if the resolution is to be published on the website of the Competition Council, after the date of publication.

3. The filing of an appeal regarding a resolution of the Competition Council, by which a fine is imposed on an undertaking, shall suspend the enforced recovery of the fine and interest until the court ruling becomes effective.
Article 34. Decision of the Court
Upon hearing the appeal against the resolution of the Competition Council, the court shall adopt one of the following decisions:

1) to uphold the resolution and reject the appeal;
2) to revoke the resolution or its individual sections and refer the case back to the Competition Council for a supplementary investigation;
3) to revoke the resolution or its individual sections;
4) to amend the resolution on concentration, application of sanctions or interim measures.

CHAPTER VI
LIABILITY FOR VIOLATIONS OF THIS LAW

Article 35. Sanctions Imposed on Undertakings
1. Upon establishing that undertakings have performed actions prohibited under this Law or have otherwise violated this Law, the Competition Council, following the principles of impartiality and proportionality, shall have the right:

1) to oblige the undertakings to terminate illegal activity, to perform actions restoring the previous situation or eliminating the consequences of the violation, including the obligation to terminate, amend or conclude contracts, also to set the time limits and conditions for meeting the above obligations;

2) to oblige the undertakings or controlling persons who have implemented concentration resulting in the establishment or strengthening of a dominant position or a substantial restriction of competition in a relevant market without notifying the Competition Council or getting its permission, also in the cases provided for in Article 14(2) of this Law, to perform actions restoring the previous situation or eliminating the consequences of concentration, including obligations to sell the enterprise or part thereof, the assets of the undertaking or part thereof, shares or part thereof, to reorganise the enterprise, to terminate or amend contracts, also to set the time limits and conditions for meeting the above obligations;

3) to impose fines on undertakings set by this Law.

2. Upon receipt of the authorisation of Vilnius Regional Administrative Court, the Competition Council may by its resolution impose restrictions on economic activity of undertakings failing to comply with the imposed sanctions referred to in paragraph 1 of
this Article: temporary suspension of export and import operations, banking operations, an
authorisation (license) to engage in respective economic activity. The resolutions of the
Competition Council shall be binding on the institutions which may apply such restrictions
and must be implemented forthwith. The restrictions shall be lifted after the
implementation of the sanctions imposed by the Competition Council.

3. Sanctions may be imposed on undertakings for violation of this Law not later
than within five years from the date of commitment of the violation, and in the event of a
single and continuous infringement – from the date of performance or termination of the
last act.

4. The time limit for the application of the sanctions specified in paragraph 3 of
this Article shall be suspended when:

1) the Competition Council carries out an investigation. The time limit for the
application of sanctions in this case shall be suspended from the date of adoption by the
Competition Council of the resolution to investigate the violations of this Law until the
date of adoption by the Competition Council of the resolution to close the investigation or
the resolution specified in Article 30 of this Law;

2) the investigation carried out by the Competition Council is suspended by a
decision of the court. The time limit for the imposition of sanctions shall be suspended in
this case for the period of suspension of the investigation carried out by the Competition
Council;

3) a dispute regarding the resolution of the Competition Council to impose
sanctions is heard in the court. The time limit for the imposition of sanctions in this case
shall be suspended from the date of filing of an appeal with a court until the date when the
court decision becomes effective.

Article 36. Penalties

1. A fine of up to 10 per cent of the gross annual income in the preceding business
year shall be imposed on undertakings for prohibited agreements, abuse of a dominant
position, implementation of a notifiable concentration without permission of the
Competition Council, continuation of concentration during the period of its suspension,
also infringement of concentration conditions or mandatory obligations established by the
Competition Council.
2. A fine of up to three per cent of the gross annual income in the preceding business year may be imposed on undertakings for the actions of unfair competition investigated by the Competition Council.

3. A fine of up to one per cent of the gross annual income in the preceding business year may be imposed on undertakings for not providing information required for carrying out of investigation or examination of concentration, also for providing incorrect and incomplete information in cases stipulated by this Law, for hindering the officials of the Competition Council from entering into and carrying out inspections of the premises, territory and means of transport of the undertakings, inspecting or seizing any documents and articles having evidential value in the investigation of the case, for damaging or breaking the seal affixed by the officials of the Competition Council in accordance with Article 25(1)(4) of this Law.

4. A fine of up to five per cent of the average gross daily income in the preceding business year may be imposed on undertakings for each day of commitment (continuation) of a violation in the event of failure to comply or failure to comply in a timely manner with the obligations of the Competition Council to terminate illegal activity, to perform actions restoring the previous situation or eliminating the consequences of the violation, also in the event of failure to comply in a timely manner with the instructions to provide information and failure to meet the assumed obligations in the cases provided for by this Law.

Article 37. Imposition of Fines and Fixing of their Amount

1. The amount of fines imposed on undertakings shall be differentiated taking into consideration:

   1) the gravity of the violation
   2) the duration of the violation;
   3) the circumstances mitigating or aggravating liability of the undertaking;
   4) the influence of each undertaking in the commitment of the violation, where the violation has been committed by several undertakings;
   5) the value of the sold goods of the undertakings, which are directly and indirectly related to the infringement.

2. Voluntary prevention of the detrimental consequences of the violation after the commitment thereof by the undertakings, assistance to the Competition Council in the course of investigation, compensation for the losses, elimination of the damage caused,
voluntary termination of the violation, non-implementation of restrictive practices, acknowledgement of the material circumstances established by the Competition Council in the course of investigation, also the fact that actions constituting the violation were determined by the actions of the public authorities as well as serious financial difficulties of the undertaking shall be considered as mitigating circumstances.

3. Obstruction of the investigation, concealment of the committed violation, failure to terminate the violation notwithstanding the obligation by the Competition Council to terminate illegal actions or repeated commitment of the violation within the period of seven years for which the undertakings were already imposed the sanctions provided for in this Law shall be considered as aggravating circumstances.

4. The Government shall pass a resolution approving the description of the procedure for fixing the amount of fines.

**Article 38. Exemption from Fines**

1. An undertaking, which is a party to a prohibited agreement between competitors or is a party to a prohibited agreement between non-competitors for the direct or indirect price setting (fixing) as specified in Article 5(1)(1) of this Law, the party who submitted the Competition Council with all the details of such an agreement, shall be exempted from the fines provided for this violation, if all the following conditions are met:

   1) the undertaking has provided information prior to the beginning of the investigation of the agreement;

   2) the undertaking is the first of the parties to the prohibited agreement to have provided such information;

   3) the undertaking provides all the information available to it regarding the prohibited agreement and cooperates with the Competition Council in the course of investigation;

   4) the undertaking was not the initiator of the prohibited agreement and has not induced other undertakings to participate in such an agreement.

2. Having closed the investigation and adopting the final resolution on the violation, the Competition Council shall decide whether the conditions specified in this Article have been met and the undertaking qualifies for exemption from fines. The Competition Council shall establish requirements for applications for exemptions from fines on the grounds specified in this Article, as well as their submission and investigation procedure.
3. Information specified in paragraph 1 of this Article provided by the undertaking which was recognised by the Competition Council as satisfying the conditions of paragraph 1 of this Article may, without the consent of the undertaking which provided the information, be given access only for the implementation procedure and objectives of the right to defence as specified in Article 29(2) and Article 33(1) of this Law, and to those undertakings only which are suspected or recognized by the resolution of the Competition Council as parties to the same agreement as is the undertaking which provided this information. It shall be forbidden to disclose this information for other persons or other purposes or allow forwarding it. Copies, transcripts, and extracts of this information shall not be made. This information may be provided to law enforcement bodies only for performance of the functions assigned to them.

Article 39. Implementation of Sanctions Imposed on Undertakings

1. An undertaking must pay the fine imposed by the Competition Council to the state budget not later than within the period of three months from the publication of the resolution on the Competition Council's website.

2. If an undertaking fails to pay the fine within the period specified in paragraph 1 of this Article, interest in the amount specified in Article 6.210(2) of the Civil Code of the Republic of Lithuania shall be calculated. The calculation of interest shall commence on the next day following the day of expiry of the period specified in paragraph 1 of this Article. Interest shall be calculated for each day and shall be finished to be charged on the day when a fine is paid into the State budget for a period not longer than 180 days. This limit of 180 days shall be extended by a period for which the enforced recovery of the fine and the interest was deferred after the termination of the period specified in paragraph 1 of this Article. Interest shall not be calculated for the period when the payment of the fine or a part of it is deferred as specified in paragraph 4 of this Article.

3. If an undertaking pays the fine and the fine imposed on the undertaking by the Competition Council is reduced or annulled by an effective court decision, the overpaid amount of money shall be credited or refunded to the undertaking mutatis mutandis in accordance with the procedure for crediting or refunding of tax overpayment laid down in the Law of the Republic of Lithuania on Tax Administration.

4. If there is a justified request of an undertaking, the Competition Council has the right to defer the payment of the fine or a part of it for a period up to six months if the undertaking is not able to pay the fine on time due to objective reasons.
5. An undertaking must meet obligations set for it by the resolution of the Competition Council and in compliance with its conditions and terms in accordance with Article 35(1)(1) and (2) of this Law. Upon a justified request of the undertaking, the Competition Council shall have the right to set off the term for the fulfilment of the obligations for a twice longer period of time than it was specified in the resolution, if the undertaking is not able to fulfil the obligations on time due to objective reasons.

6. The fine and the interest not paid by an undertaking shall be recovered to the state budget. The decision of the Competition Council regarding enforced recovery of the fine and the interest shall be an enforceable document and shall be submitted for execution to the bailiff in accordance with the procedure set forth in the Code of Civil Procedure no later than within one year from the date of adoption of the resolution of the Competition Council by which a fine is imposed on the undertaking. This period shall be extended by the time for which the payment of the fine was deferred and the enforced recovery of the fine and the interest was suspended.

**Article 40. Sanctions Imposed on the Managers of Undertakings**

1. For a contribution of an undertaking to the prohibited agreement concluded between competitors or abuse of a dominant position, the right of the manager of the undertaking to be the manager of a public and/or private legal entity, or a member of the collegial supervisory and/or governing body of a public and/or private legal entity may be restricted for a period from three to five years. For the contribution of the undertaking to the prohibited agreement concluded between competitors or abuse of a dominant position, the manager of the undertaking may, apart from the restriction of the right specified in this paragraph, be also imposed a fine of up to EUR 14 481.

2. The manager of an undertaking shall be considered to have been involved in committing a violation where:

   1) he has been directly involved in the commitment of the violation;

   2) he has not been directly involved in the commitment of the violation, however, had grounds for suspecting that the undertaking he was in charge of was committing the violation and he did not take any actions to prevent the violation;

   3) he was not aware of the fact although he had to be aware of the fact that the undertaking he was in charge of committed or is in the process of committing the violation.

3. Sanctions specified in paragraph 1 of this Article may not be imposed to:
1) the manager of the undertaking exempted from the payment of a fine in accordance with the procedure specified in Article 38 of this Law;

2) the manager of the undertaking, who submitted, in accordance mutatis mutandis with the conditions set in Article 38(1) of this Law, to the Competition Council information about violations made by the undertaking with whom the employment relations ceased to exist before the information provision to the Competition Council.

4. This provisions on non-imposition of sanctions may be omitted if the undertaking has terminated employment relations with the manager of the undertaking due to his involvement in the commitment of a violation and has applied to the Competition Council for exemption from the fine.

5. Termination of employment relations between the manager of the undertaking and the undertaking which committed a violation or termination of the powers of the manager of such an undertaking before the adoption by the Competition Council of a resolution on the violation of this Law shall not release the manager of the undertaking from the responsibility under this Article.

6. When imposing the sanctions referred to in paragraph 1 of this Article on the manager of an undertaking, Article 35(3) and (4) of this Law shall apply mutatis mutandis.

**Article 41. Filing of an Application with Court for the Imposition of Sanctions on the Managers of Undertakings and their Examination in Court**

1. Upon establishing the existence of the circumstances referred to in Article 40(1) and (2), the Competition Council shall adopt a resolution to refer to Vilnius Regional Administrative Court with an application for the imposition of sanctions provided for in Article 40(1).

2. The resolution referred to in paragraph 1 of this Article shall contain the circumstances forming the basis for the application together with the supporting evidence attached thereto as well as a reasoned proposal in relation to the imposition of the sanctions provided for in Article 40(1) of this Law and their scope. In adopting a decision to impose sanctions, the court shall not be bound by the proposal of the Competition Council in relation to sanctions and their scope.

3. The Competition Council shall have the right to apply to court with an application referred to in paragraph 1 of this Article within three months from the day:
1) of expiration of the appeal period for the resolution of the Competition Council on the infringement specified in Article 40(1), if the resolution is not appealed in accordance with the terms and procedure specified in Article 33 of this Law;

2) when a court decision becomes effective, which does not annul the Competition Council's resolution or part of it regarding the infringements specified in Article 40(1) in relation to an undertaking appealing the resolution of the Competition Council in accordance with terms and procedure specified in Article 33.

4. Upon examining the application of the Competition Council, the court shall adopt one of the following decisions:

1) to apply the sanctions specified in Article 40(1) of this Law;
2) to reject the application.

5. When imposing the sanctions specified in Article 40(1) of this Law on the manager of an undertaking, the court shall act in compliance with the principles of justice, reasonableness and fairness and take into consideration the following:

1) the gravity of the infringement committed by the undertaking;
2) the duration of the infringement committed by the undertaking;
3) the nature of involvement of the manager of the undertaking in the infringement committed by the undertaking;
4) the behaviour of the manager of the undertaking in the course of investigation carried out by the Competition Council in relation to the infringement committed by the undertaking;
5) other relevant circumstances.

6. A list of persons who have been imposed sanctions referred to in Article 40(1) of this Law by an effective court decision shall be published on the website of the Competition Council.

7. Upon establishing that an effective court decision imposing the sanctions referred to in Article 40(1) of this Law is not executed, the Competition Council shall submit the court decision for execution to the bailiff in accordance with the procedure set forth in the Code of Civil Procedure of the Republic of Lithuania.

Article 42. Administrative Liability

Persons who do not comply with the provisions of this Article shall be held liable in accordance with the procedure prescribed by laws of the Republic of Lithuania.
Article 43. Compensation for Damage

1. Undertakings that violate this Law must compensate for damage caused to other undertakings or natural and legal persons in accordance with the procedure established by the laws.

2. Damage caused to persons by illegal actions of the Competition Council or its officials shall be compensated in accordance with the procedure established by the laws.

CHAPTER VII
APPLICATION OF THE EUROPEAN UNION COMPETITION RULES

Article 44. Authorised Institution

1. The Competition Council shall be an institution authorised to apply the EU competition rules, the supervision of compliance whereof, according to the European Union competition law, is entrusted to the national competition authority.

2. In performing functions assigned to it in accordance with paragraph 1 of this Article, the Competition Council shall act in compliance with this Law.

Article 45. State Aid

1. The Competition Council shall be a coordinating institution in matters related to State aid subject to the European Union State aid rules.

2. Following the procedure set forth by the Government of the Republic of Lithuania, the Competition Council shall perform expert examination of the State aid projects referred to in paragraph 1 of this Article, submit conclusions and recommendations to State aid providers, collect information on State aid granted to undertakings of Lithuania and submit such information to the European Commission and other institutions concerned.

3. The register of granted State aid referred to in paragraph 1 of this Article, including de minimis aid, shall be managed by the Competition Council.

Article 46. Police Assistance and Issuance of Court Authorisations for Investigation Actions

1. For the purpose of maintaining public order and possible use of coercion, authorised officials of the European Commission carrying out an investigation in accordance with the EU competition rules or authorised officials of the Competition
Council assisting the authorised officials of the European Commission in carrying out the inspections may enlist the assistance of police officers.


3. Vilnius Regional Administrative Court shall issue court authorisations for the inspections conducted by the European Commission and the possible use of coercive measures in the case referred to in Article 21 of Regulation (EC) No. 1/2003.

4. Applications for the issuance of court authorisations shall be filed by the European Commission or the Competition Council.

**Article 47. Judicial investigation of competition cases**

1. A person whose legitimate interests have been violated by actions performed in contravention of Articles 101 or 102 of the Treaty of the Functioning of the European Union or other restrictive actions prohibited by this Law shall be entitled to bring an action before Vilnius Regional Court seeking:

   1) termination of the illegal actions;
   2) compensation for the damage incurred.

2. Upon receipt of the claim related to the application of Articles 101 or 102 of the Treaty on the Functioning of the European Union, the court shall notify thereof the European Commission and the Competition Council. In this case, the European Commission and the Competition Council shall have the rights specified in Article 50(2) of the Code of Civil Procedure.

3. A copy of the decision (ruling) adopted in the case in which Articles 101 or 102 of the Treaty were applied shall, without delay after the publication of the decision (ruling), be forwarded to the European Commission and the Competition Council.

4. The proceedings may be reopened when it transpires that after the adoption of the court decision (ruling) in which Articles 101 or 102 of the Treaty applied to the agreements, decisions or practices, the European Commission adopts a decision on the application of the said Articles to the same agreements, decisions or practices, and the effects of the application differ substantially.
5. When the case is heard at Vilnius Regional Administrative Court, paragraphs 2, 3 and 4 of this Article shall apply mutatis mutandis.

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

PRESIDENT OF THE REPUBLIC

VALDAS ADAMKUS

Annex to

the Republic of Lithuania

Law on Competition

LEGAL ACTS OF THE EUROPEAN UNION IMPLEMENTED BY THIS LAW
