

REPUBLIC OF LITHUANIA
LAW ON PAYMENTS

28 December 1999 No VIII-1370

(As last amended on 22 December 2011 – No XI-1876)

Vilnius

CHAPTER I
GENERAL PROVISIONS

Article 1. Purpose of the Law

1. This Law shall regulate the activities and liability of payment services providers, payment services, the terms of provision thereof and information requirements for these terms, the rights and obligations of payment services users and payment services providers in relation to the provision of payment services as a business activity.

2. The provisions of this Law have been harmonised with the legal acts of the European Union referred to in the Annex to this Law.

Article 2. Definitions

1. **Framework contract for payment services** (hereinafter referred to as a “**framework contract**”) shall mean a contract which governs the execution of individual and successive payment transactions and which may contain the obligation and conditions for setting up a payment account.

2. **Home Member State** shall mean the Member State in which the registered office of the payment service provider is situated. If the payment service provider established in another Member State has, under its national law, no registered office, the Member State in which the head office of the payment service provider is situated.

3. **Business day** shall mean a day as specified by a payment service provider on which the payment service provider of the payer or the payment service provider of the payee involved in the execution of a payment transaction is open for business as required for the execution of a payment transaction.

4. **Electronic money** shall be interpreted as defined in the Law of the Republic of Lithuania on Electronic Money and Electronic Money Institutions.

5. **Electronic money institution** shall mean an electronic money institution defined in the Law of the Republic of Lithuania on Electronic Money and Electronic Money Institutions, a foreign electronic money institutions, branches thereof and a branch of a foreign electronic money institution established in the Republic of Lithuania.

6. **Payee** shall mean a natural or legal person who is the intended recipient of funds which have been the subject of a payment transaction.

7. **Group** shall be interpreted as defined in the Law of the Republic of Lithuania on the Supplementary Supervision of Entities in a Financial Conglomerate.

8. **Value or debit value date** (hereinafter referred to as “**value date or debit value date**”) means a reference time used by a payment service provider for the calculation of interest on the funds credited to a payment account or debited from it.

9. **Commission** shall mean a consideration charged by a payment service provider for a payment transaction and/or related services.

10. **Credit institution** shall be interpreted as defined in the Republic of Lithuania Law on Financial Institutions.

11. **Credit transfer** shall mean a payment service whereby funds are transferred to the payee’s payment account at the initiative of the payer.

12. **Funds** shall mean cash (banknotes and coins), scriptural money and electronic money.

13. **Payment institution** shall mean a payment institution defined in the Law of the Republic of Lithuania on Payment Institutions and a payment institution of another Member State.

14. **Payment order** shall mean any instruction by a payer or payee to his payment service provider requesting the execution of a payment transaction.

15. **Payment transaction** shall mean an act, initiated by the payer or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee.

16. **Authentication of a payment transaction** (hereinafter referred to as “**authentication**”) shall mean a procedure which allows the payment service provider to verify the use of a specific payment instrument, including its personalised security features.

17. **Payment service** shall mean any service referred to in Article 5 of this Law.

18. **Payment services providers** shall mean the bodies referred to in Article 6 of this Law and providing the payment services stipulated in Article 5 of this Law.

19. **Agreement between the payment service provider and the payment service user** (hereinafter referred to as the “**agreement**”) shall mean an agreement as stipulated in the

framework contract for payment services, one-off payment contract, the terms of provision of payment services stipulated by the payment service provider or in other documents binding on the payment service provider and the other contracting party and concluded by the parties in writing or in another form.

20. **Payment service user** shall mean a natural or legal person making use of a payment service in the capacity of either payer or payee, or both.

21. **Payment instrument** shall mean any personalised device and/or set of procedures agreed between the payment service user and the payment service provider and used by the payment service user in order to initiate a payment order.

22. **Payment account** shall mean an account held in the name of one or more payment service users which is used for the execution of payment transactions.

23. **Payment system** shall mean a funds transfer system with common rules and standardised arrangements for the processing, clearing and/or settlement of payment transactions.

24. **Payer** shall mean a natural or legal person who holds a payment account and allows a payment order from that payment account, or, where there is no payment account, a natural or legal person who gives a payment order.

25. **Means of distance communication** shall refer to any means which, without the simultaneous physical presence of the payment service provider and the payment service user, may be used for the conclusion of a payment services contract.

26. **Reference interest rate** shall mean the interest rate which is used as the basis for calculating any interest to be applied and which comes from a publicly available source which can be verified by both parties to a payment service contract.

27. **Reference currency exchange rate** shall mean the currency exchange rate which is indicated by the payment service provider or which comes from a publicly available source and which is used as the basis for exchanging the currency.

28. **Durable medium** shall mean any instrument which enables the payment service user to store information addressed personally to him in a way accessible for future reference for a period of time adequate to the purposes of the information and which allows the unchanged reproduction of the information stored.

29. **Money remittance** shall mean a payment service where funds are received from a payer, without any payment accounts being created in the name of the payer or the payee, for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee.

30. **Host Member State** shall mean the Member State other than the home Member State in which a payment service provider has a branch or an agent or provides payment services without establishing a branch.

31. **Direct debit** shall mean a payment service for debiting a payer's payment account, where a payment transaction is initiated by the payee on the basis of the payer's consent given to the payee, to the payee's payment service provider or to the payer's own payment service provider.

32. **Unique identifier** shall mean a combination of letters, numbers or symbols specified to the payment service user by the payment service provider and to be provided by the payment service user to identify unambiguously the other payment service user and/or his payment account for a payment transaction.

33. **Foreign state** shall mean a non-Member State of the European Union or a state not belonging to the European Economic Area.

34. **Member State** shall mean a Member State of the European Union as well as a state of the European Economic Area.

35. **Consumer** shall mean a natural person who, in payment service contracts covered by this Law, is acting for purposes other than his business or profession.

36. **One-off payment contract** shall mean a contract which governs the execution of one-off payment transactions. A framework contract shall not be concluded for the execution of one-off payment transactions.

Article 3. Scope of the Law

1. This Law shall apply to the payment transactions executed in the Republic of Lithuania, to other Member States, to foreign states or from such states.

2. Payment services providers and payment services users may agree not to apply the provisions of this Law, in whole or in part, to payment transactions in foreign currencies, also may agree not to apply the provisions of this Law, with the exception of Article 39 of this Law, to payment transactions in the currencies of the Member States executed to or from foreign states.

3. Payment services providers and payment services users, with the exception of consumers, may agree that the provisions of Chapter III of this Law shall not apply in whole or in part to payment transactions in the currencies of the Member States executed in the Republic of Lithuania, also that the requirements set forth in paragraphs 1, 2 and 3 of Article 4, paragraphs 1 and 2 of Article 9, paragraph 3 of Article 23 and Articles 28, 30, 31, 34 and 41 of this Law

shall not apply in whole or in part, also may agree on a time limit other than specified in Article 27 of this Law.

4. Articles 29 and 30 of this Law shall not apply to electronic money, where the payee's payment service provider does not have the ability to freeze a payment account or block a payment instrument.

5. Provisions of Chapter VI of this Law shall also apply in implementing provisions of Articles 9, 10, 11, 12 and 13 of Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001 (OJ 2009 L 266, p. 11).

6. Where the Law of the Republic of Lithuania on Consumer Protection applies too, provisions of Articles 10 and 17 of this Law shall apply in place of the information requirements set forth in paragraphs 5-9 of Article 36 of the Law on Consumer Protection, with the exception of subparagraphs 3-8 of paragraph 7 of Article 36, subparagraphs 1, 4 and 5 of paragraph 8 of Article 36, and subparagraph 2 of paragraph 9 of Article 36.

7. The provisions of this Law regarding granting credit to consumers shall apply to the extent other laws regulating granting credit to consumers do not provide otherwise.

8. This Law shall not apply to:

1) payment transactions made exclusively in cash directly from the payer to the payee, without any intermediary intervention;

2) payment transactions from the payer to the payee through a commercial agent authorised to negotiate or conclude the sale or purchase of goods or services on behalf of the payer or the payee;

3) professional physical transport of banknotes and coins, including their collection, processing and delivery;

4) payment transactions consisting of the non-professional cash collection and delivery within the framework of a charitable or non-profit activity;

5) services where cash is provided by the payee to the payer as part of a payment transaction following an explicit request by the payment service user just before the execution of the payment transaction through a payment for the purchase of goods or services;

6) money exchange business, that is to say, cash-to-cash operations, where the funds are not held on a payment account;

7) payment transactions based on any of the following documents drawn on the payment service provider with a view to placing funds at the disposal of the payee: paper cheques governed by the Law on the Republic of Lithuania on Paper Cheques or the legal acts of the Member States which are not party to the 1931 Geneva Convention providing a uniform law for

cheques; paper-based drafts governed by the Law of the Republic of Lithuania on Bills of Exchange and Notes or the legal acts of the Member States which are not party to the Geneva Convention of 7 June 1930 providing a uniform law for bills of exchange and promissory notes; vouchers; traveller's cheques; postal money orders;

8) payment transactions carried out within a payment or securities settlement system or between settlement agents, central counterparties, clearing houses and/or central banks, other participants of the system and payment service providers, with the exception of Article 8 of this Law, which applies to the payment transactions referred to in this subparagraph;

9) payment transactions related to securities asset servicing, including dividends, income or other distributions, or redemption or sale of securities, carried out by persons referred to in subparagraph 8 of this paragraph or by financial brokerage firms, credit institutions, collective investment undertakings or asset management companies providing investment services and any other entities allowed to have the custody of financial instruments;

10) services provided by technical service providers, which support the provision of payment services, without them entering at any time into possession of the funds to be transferred, including processing and storage of data, trust and privacy protection services, data and entity authentication, information technology (IT) and communication network provision, provision and maintenance of terminals and devices used for payment services;

11) services based on instruments that can be used to acquire goods or services only in the premises used by the issuer or under a commercial agreement with the issuer either within a limited network of service providers or for a limited range of goods or services;

12) payment transactions executed by means of any telecommunication, digital or IT device, where the goods or services purchased are delivered to and are to be used through a telecommunication, digital or IT device, provided that the telecommunication, digital or IT operator does not act only as an intermediary between the payment service user and the supplier of the goods and services;

13) payment transactions carried out between payment service providers, their agents or branches for their own account;

14) payment transactions between a parent undertaking and its subsidiary or between subsidiaries of the same parent undertaking, without any intermediary intervention by a payment service provider other than an undertaking belonging to the same group;

15) services by providers to withdraw cash by means of automated teller machines acting on behalf of one or more card issuers, which are not a party to the framework contract with the payment service user withdrawing money from a payment account, on condition that these service providers do not conduct other payment services;

2) enforced recovery (write-off) of funds in accordance with the procedure laid down by legal acts.

Article 4. Derogations in Relation to Low-value Payment Instruments and Electronic Money

In cases of payment instruments which, according to the framework contract, concern only individual payment transactions that do not exceed the amount in Litas equivalent to EUR 30 or that either have a spending limit in Litas equivalent to EUR 150 or store funds in an electronic medium that do not exceed an amount in Litas equivalent to EUR 150 at any time:

1) the payment service provider shall have the right to provide the payer only with information on the main characteristics of the payment service, including the way in which the payment instrument can be used, liability, charges levied and other material information as well as an indication of where any other information and conditions specified in paragraphs 2-8 of Article 10 of this Law are made available in an easily accessible manner;

2) the payment service provider and the payment service user may agree that the payment service provider shall not be required to propose changes in the conditions of the framework contract on paper or on another durable medium;

3) the payment service provider and the payment service user may agree that, after the execution of a payment transaction, the payment service provider shall provide or make available only a reference enabling the payment service user to identify the payment transaction, the amount of the payment transaction, any charges and, in the case of several payment transactions of the same kind made to the same payee, information on the total amount and charges for those payment transactions. The payment service provider and the payment service user may agree that the payment service provider shall not be required to provide or make available this information if the payment instrument is used anonymously or if the payment service provider is not technically in a position to provide it. However, the payment service provider must provide the payer with a possibility to verify the amount of funds stored;

4) the payment service provider and the payment service user may agree that subparagraph 2 of paragraph 1 of Article 25, subparagraphs 3 and 4 of paragraph 1 of Article 26 and paragraphs 3 and 4 of Article 30 of this Law shall not apply to them if the payment instrument does not allow its blocking or prevention of its further use;

5) the payment service provider and the payment service user may agree that Articles 28, 29 and paragraphs 1 and 2 of Article 30 of this Law shall not apply to them if the payment instrument is used anonymously or the payment service provider is not in a position for reasons

which are intrinsic to the payment instrument to prove that a payment transaction was authorised;

6) the payment service provider and the payment service user may agree that the payment service provider is not required to notify the payment service user of the refusal of a payment order, if the non-execution is apparent from the context;

7) the payment service provider and the payment service user may agree that the payer may not revoke the payment order after transmitting the payment order or giving his consent to execute the payment transaction to the payee;

8) the payment service provider and the payment service user may agree to apply to execution of a payment transaction periods other than specified in Articles 36 and 37 of this Law.

CHAPTER II

PAYMENT SERVICES AND PAYMENT SERVICE PROVIDERS

Article 5. Payment Services

Payment services shall include:

1) services enabling cash to be placed on a payment account as well as all the operations required for operating a payment account;

2) services enabling cash withdrawals from a payment account as well as all the operations required for operating a payment account;

3) execution of payment transactions, including transfers of funds on a payment account with the payment service provider of the payment service user or with another payment service provider: execution of direct debits, including one-off direct debits, execution of payment transactions through a payment card or a similar device and/or execution of credit transfers, including standing orders;

4) execution of payment transactions where the funds are covered by a credit line for a payment service user: execution of direct debits, including one-off direct debits, execution of payment transactions through a payment card or a similar device and/or execution of credit transfers, including standing orders;

5) issuing and/or acquiring of payment instruments;

6) money remittance;

7) execution of payment transactions where the consent of the payer to execute a payment transaction is given by means of any telecommunication, digital or IT device and the

payment is made to the telecommunication, IT system or network operator, acting only as an intermediary between the payment service user and the supplier of the goods or services.

Article 6. Payment Service Providers

Payment service providers shall be:

- 1) credit institutions, including branches of the credit institutions with the head office situated in the Member States or foreign states, where the branches have been established in the Member States;
- 2) electronic money institutions;
- 3) payment institutions;
- 4) post office giro institutions which are entitled under national law to provide payment services;
- 5) the European Central Bank and national central banks when not acting in their capacity as monetary authority or other public authorities;
- 6) Member States or their regional or local authorities when not acting in their capacity as national, regional or local authorities.

Article 7. Prohibition for Persons Other Than Payment Service Providers to Provide Payment Services

1. Natural or legal persons that are not payment service providers shall be prohibited from providing the payment services listed in Article 5 of this Law.
2. The payment service providers indicated in subparagraphs 4, 5 and 6 of Article 6 of this Law shall have the right to provide payment services without a licence entitling to provision of payment services.

Article 8. Access to Payment Systems

1. Access to payment systems shall be granted to all licensed payment service providers. In respect of the rules on access of payment service providers to payment systems:
 - 1) the requirements set forth for access to the payment systems must be objective and non-discriminatory so that those rules do not restrict the access of a certain group of payment service providers to payment systems;
 - 2) the rules may not discriminate between groups of payment service providers by providing a different right and conditions of access to payment systems;
 - 3) the requirements set forth for use of payment systems must be proportionate and not inhibit access of payment service providers to payment systems more than is necessary to

safeguard against specific risks (settlement risk, operational risk and business risk) and to protect the financial and operational stability of the payment system.

2. Payment systems shall impose on payment service providers, on payment service users or on other payment systems none of the following requirements:

- 1) any restrictive rule on effective participation in other payment systems;
- 2) any rule which discriminates between authorised payment service providers in relation to the rights, obligations and entitlements of participants in payment systems;
- 3) any restriction on the basis of the legal form of the payment service provider.

3. Paragraphs 1 and 2 of this Article shall not apply to:

1) payment systems stipulated by the Law of the Republic of Lithuania on Settlement Finality in Payment and Securities Settlement Systems;

2) payment systems composed exclusively of payment service providers and other entities linked by capital where one of the linked entities enjoys effective control over the other linked entities;

3) payment systems where a sole payment service provider, whether as a single entity or as a group, acts or can act as the payment service provider for both the payer and the payee and is exclusively responsible for the management of the system, and where that payment service provider licenses other payment service providers to participate in the system and the latter have no right to negotiate fees in relation to the payment system although they may establish their own pricing in relation to payers and payees.

Article 9. Specific Features of Application of Commission Fees

1. The payment service provider may not charge the payment service user any commission fee for providing information under Chapter III of this Law. The payment service provider and the payment service user may agree on a commission fee for additional or more frequent information, or transmission by means of communication other than those specified in the framework contract, provided at the payment service user's request. In such a case, the commission fee must be appropriate and in line with the payment service provider's actual costs.

2. The payment service provider may not charge the payment service user any commission fee for fulfilment of its information obligations or corrective and preventive measures under Chapters IV, V, VI and VII of this Law, with the exception of the cases provided for in paragraph 2 of Article 33, paragraph 4 of Article 34 and paragraph 2 of Article 40 of this Law. The commission fee must be agreed between the payment service user and the payment service provider and must be appropriate and in line with the payment service provider's actual costs.

3. Where a payment transaction does not involve any currency conversion, the payee shall pay the commission fee levied by his payment service provider, and the payer pays the commission fee levied by his payment service provider.

4. The payment service provider may not prevent the payee from offering the payer a reduction for the use of a given payment instrument. However, the payee shall be forbidden to request from the payer a consideration for the use of a payment instrument.

5. The payer's payment service provider may not charge a commission fee where for the execution of a credit transfer the payer provides cash to the payment service provider.

CHAPTER III

CONDITIONS OF PROVISION OF PAYMENT SERVICES AND INFORMATION REQUIREMENTS

SECTION ONE

FRAMEWORK CONTRACT

Article 10. Conditions of Payment Services

1. In good time before the payment service user is bound by any framework contract or offer, the payment service provider shall provide the payment service user on paper or on another durable medium with the conditions of provision of payment services. The conditions of provision of payment services must be provided to the payment service user within a reasonable period of time which is sufficient to familiarise and evaluate the provided information before the payment service user is bound by the conditions of provision of payment services. The conditions of provision of payment services shall be given in the Lithuanian language, in easily understandable words and in a clear and comprehensible form. These conditions shall be additionally provided also in another language agreed between the payment service provider and the payment service user.

2. The following information must be provided in the conditions of provision of payment services on the payment service provider:

1) the name of the payment service provider, the geographical address of its head office and the geographical address of its branch established in the Member State where the payment service is offered or its agent, and any other address, including electronic mail address, relevant for communication with the payment service provider;

2) the particulars of the relevant supervisory authorities and of the public list of payment institutions of the Member State of the head office of the payment service provider or of any

other relevant public and/or sectoral register of authorisation of the payment service provider and the registration number, or equivalent means of identification in that register.

3. The following information must be provided in the conditions of provision of payment services on use of the payment services:

- 1) the main characteristics of the payment service;
- 2) accurate information or unique identifier that has to be provided by the payment service user in order for a payment order to be properly executed;
- 3) the form of and procedure for giving the payer's consent to execute a payment transaction and withdrawal of such consent;
- 4) a reference to the point in time of receipt of a payment order by the payment service provider and the cut-off time, if any, for the payment order received by the payment service provider;
- 5) the maximum execution time for the payment services to be provided;
- 6) whether there is a possibility to agree on spending limits for the use of the payment instrument.

4. The following information must be provided in the conditions of provision of payment services on commissions, interest and exchange rates:

- 1) a commission fee payable by the payment service user and the breakdown of the amount of the commission fee;
- 2) the interest and exchange rates to be applied. If reference interest and exchange rates are to be used, the method of calculating the actual interest, and the relevant date and index or base for determining such reference interest or exchange rate;
- 3) the immediate application of changes in reference interest or exchange rate and information requirements related to the changes. Such a provision together with the conditions of provision of payment services shall be indicated only provided that the payment service provider and the payment service user agreed that changes in the reference interest or exchange rates interest or exchange rates be applied immediately.

5. The following information must be provided in the conditions of provision of payment services on communication between the payment service provider and the payment service user:

- 1) the means of communication, including the technical requirements for the payment service user's equipment, agreed between the payment service provider and the payment service user for the transmission of information or notifications;
- 2) the manner in and frequency with which information is to be provided or made available;

3) the language or languages in which the framework contract will be concluded and communication during this contractual relationship undertaken;

4) the payment service user's right to receive the contractual terms of the framework contract and the conditions of provision of payment services on paper or on another durable medium.

6. The following information must be provided in the conditions of provision of payment services on safeguards and corrective measures:

1) a description of steps that the payment service user is to take in order to keep safe a payment instrument and how to notify the payment service provider of loss, theft or misappropriation of the payment instrument or of its unauthorised use;

2) the conditions under which the payment service provider reserves the right to block a payment instrument in accordance with Article 24 of this Law. The payment instrument may be blocked only if agreed between the payment service provider and the payment service user;

3) the liability of the payer for unauthorised use of the payment instrument, including information on the amount of the losses incurred by the payer;

4) how and within what period of time the payment service user is to notify the payment service provider of any unauthorised or incorrectly executed payment transaction as well as the payment service provider's liability for unauthorised payment transactions;

5) the liability of the payment service provider for correct execution of payment transactions;

6) the conditions for refund to a payer for payment transactions initiated by or through a payee.

7. The following information must be provided in the conditions of provision of payment services on changes in and termination of framework contract:

1) information that the payment service user will be deemed to have accepted changes in the conditions, of the framework contract unless he notifies the payment service provider that he does not accept them before the date of their proposed date of entry into force. This provision together with the conditions of provision of payment services shall be indicated only if agreed between the payment service provider and the payment service user;

2) the duration of the framework contract;

3) the right of the payment service user to terminate the framework contract and any conditions relating to termination of the framework contract.

8. The following information must be provided in the conditions of provision of payment services on redress:

1) any contractual clause on the law applicable to the framework contract and/or the competent courts;

2) the out-of-court complaint and redress procedures available to the payment service user.

9. If the framework contract has been concluded at the request of the payment service user using a means of distance communication which does not enable the payment service provider to comply with paragraph 1 of this Article, the payment service provider shall fulfil its obligations under that paragraph immediately after the conclusion of the framework contract.

10. The obligations under paragraph 1 of this Article may also be discharged by supplying a copy of the draft framework contract including the information specified in paragraphs 2-8 of this Article.

Article 11. Accessibility of Information and Conditions of the Framework Contract

At any time during the contractual relationship the payment service user shall have a right to receive, on request, the contractual terms of the framework contract as well as the information specified in Article 10 of this Article on paper or on another durable medium.

Article 12. Changes in Conditions of the Framework Contract and Termination Thereof

1. Any changes in the framework contract and/or the conditions specified in Article 10 of this Law, shall be proposed by the payment service provider on paper or on another durable medium and no later than sixty calendar days before their entry into force. Where applicable in accordance with subparagraph 1 of Article 10 of this Law, the payment service provider shall, in the manner specified in the framework contract, inform the payment service user that he is to be deemed to have accepted these changes if he does not notify the payment service provider that he does not accept them before the date of their entry into force. In this case, the payment service provider shall also specify that the payment service user has the right to terminate the framework contract immediately and without charge before the date of the application of the changes. If the payment service user does not exercise his right to terminate the framework contract before the date of entry into force of the changes, the payment service user shall be considered to agree with the changes in the framework contract.

2. Changes in the interest or exchange rates shall be applied immediately and without notice, provided that such a right is agreed upon in the framework contract and that the changes are based on the reference interest or exchange rates agreed on. The payment service user shall be informed of any change in the interest rate at the earliest opportunity on paper or on any other

durable medium, unless the payment service provider and the payment service user have agreed on a specific frequency or manner in which the information is to be provided or made available. Changes in interest or exchange rates which are more favourable to the payment service users, may be applied without notice.

3. Changes in the interest or exchange rate used in payment transactions shall be implemented and calculated in a neutral manner that does not discriminate against payment service users.

4. The payment service user may terminate the framework contract at any time, unless the payment service provider and the payment service user have agreed on a period of notice. Such a period may not exceed thirty calendar days before termination of the framework contract.

5. Termination of a framework contract concluded for a fixed period exceeding 12 months or for an indefinite period shall be free of a commission fee for the payment service user after the expiry of 12 months after the conclusion of the contract. In all other cases a commission fee for the termination of the contract must be appropriate and in line with the payment service provider's costs.

6. If provided for in the framework contract, the payment service provider may terminate a framework contract concluded for an indefinite period by giving at least sixty calendar days' notice before the termination of the framework contract on paper or on any other durable medium.

7. A commission fee for payment services levied on a regular basis shall be payable by the payment service user only proportionally up to the termination of the framework contract. If the commission fee is paid in advance, it shall be reimbursed proportionally.

Article 13. Information before Execution of Individual Payment Transactions

In the case of an individual payment transaction under a framework contract initiated by the payer, a payment service provider shall, at the payer's request for this specific payment transaction, provide information on the maximum execution time and the commission fee payable by the payer and a breakdown of the amount of the commission fee.

Article 14. Information for the Payer on Individual Payment Transactions

1. After the amount of an individual payment transaction is debited from the payer's account or, where the payer does not use a payment account, after the receipt of the payment order, the payer's payment service provider shall provide the payer without undue delay on paper or on any other durable medium with the following information:

1) a reference enabling the payer to identify each payment transaction and information relating to the payee;

2) the amount of the payment transaction in the currency in which the payer's payment account is debited or in the currency used for the payment order;

3) the amount of a commission fee for the payment transaction and a breakdown of the amount of the commission fee, or the interest payable by the payer;

4) the exchange rate used in the payment transaction by the payer's payment service provider, and the amount of the payment transaction after that currency conversion where execution of the payment transaction involved currency conversion;

5) the debit value date or the date of receipt of the payment order.

2. A framework contract may include a condition that the information referred to in paragraph 1 of this Article is to be provided or made available periodically at least once a month and in an agreed manner which allows the payer to store and reproduce information unchanged.

Article 15. Information for the Payee on Individual Payment Transactions

1. After the execution of a payment transaction, the payee's payment service provider shall provide the payee without undue delay on paper or on any other durable medium with the following information:

1) the reference enabling the payee to identify the payment transaction and the payer, and any information transferred with the payment transaction;

2) the amount of the payment transaction in the currency in which the payee's payment account is credited;

3) the amount of a commission fee for the payment transaction and a breakdown of the amount of the commission fee, or the interest payable by the payee;

4) the exchange rate used in the payment transaction by the payee's payment service provider, and the amount of the payment transaction before that currency conversion where execution of the payment transaction involved currency conversion;

5) the credit value date.

2. A framework contract may include a condition that the information referred to in paragraph 1 of this Article is to be provided or made available periodically at least once a month and in an agreed manner which allows the payee to store and reproduce information unchanged.

SECTION TWO

SINGLE PAYMENT TRANSACTIONS

Article 16. General Information Requirements

When a payment order for a single payment transaction is transmitted by a payment instrument covered by a framework contract, the payment service provider shall not be obliged to provide or make available information which is already given to the payment service user on the basis of a framework contract with another payment service provider or which will be given to him according to that framework contract.

Article 17. Conditions of Execution of Single Payment Transactions

1. Before the payment service user is bound by any single payment service contract or offer, the payment service provider, in an easily accessible manner, makes available to the payment service user the conditions of provision of these services. At the payment service user's request, the payment service provider shall provide the conditions of execution of single payment transactions on paper or on another durable medium. The conditions of execution of single payment transactions shall be given in the Lithuanian language, in easily understandable words and in a clear and comprehensible form. These conditions shall be additionally provided also in another language agreed between the payment service provider and the payment service user.

2. Conditions of execution of single payment transactions must indicate:

- 1) accurate information or unique identifier that has to be provided by the payment service user in order for a payment order to be properly executed;
- 2) the maximum execution time for the payment services to be provided;
- 3) a commission fee payable by the payment service user and the breakdown of the amount of the commission fee;
- 4) the actual or reference exchange rate, where execution of the payment transaction involved currency conversion;
- 5) any other conditions of provision of payment services offered by the payment service provider and referred to in Article 10 of this Law.

3. If the single payment contract has been concluded at the request of the payment service user using a means of distance communication which does not enable the payment service provider to comply with paragraph 1 of this Article, the payment service provider shall fulfil its obligations under that paragraph immediately after the execution of the single payment transaction.

4. The obligations under paragraph 1 of this Article may also be discharged by supplying a draft single payment contract or a draft payment order including the conditions of provision of payment services.

Article 18. Information for the Payer after Receipt of the Payment Order

1. Immediately after receipt of the payment order, the payer's payment service provider shall provide or make available to the payer the following information:

- 1) a reference enabling the payer to identify the payment transaction and information relating to the payee;
- 2) the amount of the payment transaction in the currency used in the payment order;
- 3) the amount of a commission fee for the payment transaction and a breakdown of the amount of the commission fee payable by the payer;
- 4) the exchange rate used by the payer's payment service provider or a reference thereto, and the amount of the payment transaction after that currency exchange where execution of the payment transaction involved currency conversion;
- 5) the date of receipt of the payment order.

2. At the payer's request, the information referred to in paragraph 1 of this Article must be provided thereto on paper or on another durable medium.

Article 19. Information for the Payee after Receipt of the Payment Order

1. Immediately after receipt of the payment order, the payee's payment service provider shall provide or make available to the payee the following information:

- 1) the reference enabling the payee to identify the payment transaction and the payer, and any information transferred with the payment transaction;
- 2) the amount of the payment transaction in which the funds are at the payee's disposal;
- 3) the amount of a commission fee for the payment transaction and a breakdown of the amount of the commission fee payable by the payee;
- 4) the exchange rate used in the payment transaction by the payee's payment service provider, and the amount of the payment transaction before that currency conversion where execution of the payment transaction involved currency conversion;
- 5) the credit value date.

2. At the payee's request, the information referred to in paragraph 1 of this Article must be provided thereto on paper or on another durable medium.

SECTION THREE

INFORMATION ON ADDITIONAL COMMISSIONS AND REDUCTIONS. CURRENCY CONVERSION AND BURDEN OF PROOF ON INFORMATION REQUIREMENTS

Article 20. Information on Additional Commissions and Reductions

1. Where, for the use of a given payment instrument, the payee offers a reduction, the payee must inform the payer thereof prior to the initiation of the payment transaction.
2. Where, for the use of a given payment instrument, a payment service provider or a third party requests a commission fee, he must inform the payment service user thereof prior to the initiation of the payment transaction.

Article 21. Currency and Currency Conversion

1. Payments shall be made in the currency agreed between the parties.
2. Where a currency conversion service is offered prior to the initiation of the payment transaction and where that currency conversion service is offered at the point of sale or by the payee, the party offering the currency conversion service to the payer must disclose to the payer a commission fee as well as the exchange rate to be used for converting the payment transaction. The payer shall agree to the currency conversion service on that basis.

Article 22. Burden of Proof on Information Requirements

In the event of a dispute, the burden of proof shall lie with the payment service provider to prove that it has complied with the information requirements set out in this Chapter.

CHAPTER IV AUTHORISATION OF PAYMENT TRANSACTIONS

Article 23. Consent to Execute a Payment Transaction and Withdrawal of the Consent to Execute the Payment Transaction

1. A payment transaction is considered to be authorised only if the payer has given consent to execute the payment transaction. The payer and his payment service provider must agree on the form of the consent and the procedure for giving it. A payment transaction may be authorised by the payer prior to or, if agreed between the payer and his payment service provider, after the execution of the payment transaction.
2. In the absence of the consent indicated in paragraph 1 of this Article, a payment transaction shall be considered to be unauthorised.
3. Consent may be withdrawn by the payer at any time, but no later than the point in time of irrevocability under Article 34 of this Law. Consent to execute a series of payment transactions

may also be withdrawn with the effect that any future payment transaction is to be considered as unauthorised.

Article 24. Limits of the Use of a Payment Instrument

1. The payer and his payment service provider may agree on spending limits for payment transactions in cases where a specific payment instrument which may be subject to a spending limit is used for the purposes of giving consent to execute those payment transactions.

2. If agreed in the framework contract, the payment service provider may reserve the right to block the payment instrument. In this case, the payment instrument may be blocked for objectively justified reasons related to the security of the payment instrument, the suspicion of unauthorised or fraudulent use of the payment instrument or, in the case of a payment instrument with a credit line, a significantly increased risk that the payer may be unable to fulfil his liability to pay.

3. In the cases stipulated by paragraph 2 of this Article, the payment service provider shall inform the payer of the blocking of the payment instrument and the reasons for it in an agreed manner, where possible, before the payment instrument is blocked and at the latest immediately thereafter, unless giving such information would compromise security reasons or is prohibited by other relevant legislation.

4. The payment service provider shall unblock the payment instrument or replace it with a new payment instrument once the reasons for blocking no longer exist.

Article 25. Obligations of the Payment Service User in Relation to Payment Instruments

1. The payment service user entitled to use a payment instrument shall have the following obligations:

1) to use the payment instrument in accordance with the terms governing the issue and use of the payment instrument;

2) to notify the payment service provider, or the entity specified by the latter, without undue delay on becoming aware of loss, theft or misappropriation of the payment instrument or of its unauthorised use.

2. The payment service user must, as soon as he receives a payment instrument, take steps to keep its personalised security features safe.

Article 26. Obligations of the Payment Service Provider in Relation to Payment Instruments

1. The payment service provider issuing a payment instrument shall have the following obligations:

1) to make sure that the personalised security features of the payment instrument are not accessible to parties other than the payment service user entitled to use the payment instrument;

2) to refrain from sending an unsolicited payment instrument, except where a payment instrument already given to the payment service user is to be replaced;

3) to ensure that appropriate means are available at all times to enable the payment service user to make a notification referred to in subparagraph 2 of paragraph 1 of Article 25 of this Law or request unblocking of the payment instrument once the reasons for blocking of the payment instrument no longer exist. On request of the payment service user, the payment service provider must provide the payment service user with the means to prove, for 18 months after notification, that he made such notification;

4) to prevent all use of the payment instrument once the payment service user has made notification in accordance with the procedure laid down in subparagraph 2 of paragraph 1 of Article 25 of this Law.

2. The payment service provider shall bear the risk of sending a payment instrument to the payer or of sending any personalised security features of it.

Article 27. Notification of Unauthorised or Incorrectly Executed Payment Transactions

1. The payment service user shall obtain rectification from the payment service provider only if the payment service user notifies his payment service provider without undue delay on becoming aware of any unauthorised or incorrectly executed payment transactions giving rise to a claim which may be filed in accordance with the procedure laid down by this Law, and no later than 13 months after the debit date.

2. The time limit stipulated in paragraph 1 of this Article shall not apply where the payment service provider has failed to provide to the payment service user or make available the information on the unauthorised or incorrectly executed payment transaction in accordance with the procedure laid down by this Law.

Article 28. Evidence on Authentication and Execution of Payment Transactions

1. Where a payment service user denies having authorised an executed payment transaction or claims that the payment transaction was not correctly executed, it is for his payment service provider to prove that the payment transaction was authenticated, accurately recorded, entered in the accounts and not affected by a technical breakdown or some other deficiency.

2. Where a payment service user denies having authorised an executed payment transaction, the use of a payment instrument recorded by the payment service provider shall in itself not necessarily be sufficient to prove either that the payment transaction was authorised by the payer or that the payer acted fraudulently or failed with intent or gross negligence to fulfil one or more of his obligations under Article 25 of this Law.

Article 29. Payment Service Provider's Liability for Unauthorised Payment Transactions

In the case of an unauthorised payment transaction, the payer's payment service provider shall refund to the payer immediately the amount of the unauthorised payment transaction and restore the debited payment account to the state in which it would have been had the unauthorised payment transaction not taken place, with the exception of the cases stipulated in Article 30 of this Law.

Article 30. Payer's Liability for Unauthorised Payment Transactions

1. The payer shall bear the losses relating to any unauthorised payment transactions, up to a maximum amount in litas equivalent to EUR 150, resulting from:

- 1) the use of a lost or stolen payment instrument ;
- 2) the misappropriation of a payment instrument if the payer has failed to keep the personalised security features safe.

2. The payer shall bear all the losses relating to any unauthorised payment transactions if the payer incurred them by acting fraudulently or by failing to fulfil one or more of his obligations under Article 25 of this Law with intent or gross negligence. In such cases, the provisions of paragraph 1 of this Article shall not apply.

3. The payer shall not incur any losses resulting from use of the lost, stolen or misappropriated payment instrument after notification in accordance with subparagraph 2 of paragraph 1 of Article 25 of this Law, except where the payer has acted fraudulently.

4. If the payment service provider does not provide appropriate means for the notification at all times of a lost, stolen or misappropriated payment instrument, the payment service provider shall be liable for the losses resulting from the unauthorised use of that payment instrument, except where the payer has acted fraudulently.

Article 31. Refunds for Payment Transactions Initiated by or through a Payee

1. A payer is entitled to a refund from his payment service provider of an authorised payment transaction initiated by or through a payee which has already been executed, if the following conditions are met:

1) the authorisation of the payment transaction did not specify the exact amount of the payment transaction when the authorisation was made;

2) the amount of the payment transaction exceeded the amount the payer could reasonably have expected taking into account his previous spending pattern, the conditions in his framework contract and relevant circumstances of the case, with the exception of currency exchange reasons if the exchange rate agreed with his payment service provider in accordance with the procedure laid down by this Law was applied.

2. At the payment service provider's request, the payer shall provide factual elements relating to the conditions referred to in paragraph 1 of this Article.

3. For direct debits the payer and his payment service provider may agree in the framework contract that the payer is entitled to a refund from his payment service provider even though the conditions for refund in paragraph 1 of this Article are not met.

4. It may be agreed in the framework contract between the payer and the payment service provider that the payer has no right to a refund of the amounts of payment transactions initiated by the payee or through the payee where the payer has given his consent to execute the payment transaction directly to his payment service provider and information on the future payment transaction was provided or made available in an agreed manner to the payer for at least four weeks before the due date by the payment service provider or by the payee.

5. The payer shall have the right to request the refund of an authorised payment transaction initiated by or through a payee for a period of eight weeks from the date on which the funds were debited.

6. Within ten business days of receiving a request for a refund, the payment service provider shall either refund the full amount of the payment transaction or provide justification for refusing the refund, and where the payer is the user – the procedure for appealing against such a refusal. The payment service provider's right to refuse the refund of the amount of the payment transaction shall not apply in the case of the agreement referred to in paragraph 3 of this Article.

CHAPTER V

EXECUTION OF PAYMENT TRANSACTIONS

Article 32. Point in Time of Receipt of a Payment Order

1. The point in time of receipt of a payment order shall be the time when the payment order transmitted directly by the payer or indirectly by or through a payee is received by the payer's payment service provider. If the point in time of receipt of a payment order is not on a business day for the payer's payment service provider, the payment order shall be deemed to have been received on the following business day. The payment service provider may establish a cut-off time near the end of a business day beyond which any payment order received shall be deemed to have been received on the following business day.

2. The payment service user initiating a payment order and his payment service provider agree that execution of the payment order shall start on a specific day or at the end of a certain period or on the day on which the payer has set funds at his payment service provider's disposal. In this case, the payment order shall be deemed to have been received on the agreed day. If the agreed day is not a business day for the payment service provider, the payment order received shall be deemed to have been received on the following business day.

Article 33. Refusal of Payment Orders

1. Where the payment service provider refuses to execute a payment order, the refusal and the reasons for it and the procedure for correcting any factual mistakes that led to the refusal must be notified to the payment service user, unless such a notification is technically impossible or prohibited by other legislation.

2. The payment service provider shall provide or make available to the payment service user the notification referred to in paragraph 1 of this Article in an agreed manner at the earliest opportunity, and in any case, within the periods specified in Article 36 of this Law. The framework contract may include a condition that the payment service provider may charge for such a notification if the refusal to execute a payment order is objectively justified.

3. In cases where all the conditions set out in the payer's and the payment service provider's framework contract are met, the payer's payment service provider may not refuse to execute an authorised payment order irrespective of whether the payment order is initiated by a payer or by or through a payee, unless prohibited by other legislation.

4. A payment order of which execution has been refused in accordance with the procedure laid down by this Law shall be deemed not to have been received.

Article 34. Irrevocability of a Payment Order

1. The payment service user may not revoke a payment order once it has been received by the payer's payment service provider, unless otherwise specified in this Article.

2. Where the payment transaction is initiated by or through the payee, the payer may not revoke the payment order after transmitting the payment order or giving his consent to execute the payment transaction to the payee. However, in the case of a direct debit the payer may revoke the payment order at the latest by the end of the business day preceding the day agreed for debiting the funds.

3. In the case referred to in paragraph 2 of Article 32 of this Law, the payment service user may revoke a payment order at the latest by the end of the business day preceding the agreed day.

4. After the time limits specified in paragraphs 1, 2 and 3 of this Article, a payment order may be revoked only if agreed between the payment service user and his payment service provider, and in the case referred to in paragraph 2 of this Article, the payee's agreement shall also be required. If agreed in the framework contract, the payment service provider may charge a commission fee for revocation of the payment order.

Article 35. Amounts Transferred and Amounts Received

1. The payment service provider of the payer, the payment service provider of the payee and any intermediaries of the payment service providers shall transfer the full amount of a payment transaction and refrain from deducting commissions from the amount transferred, unless the exception specified in paragraph 2 of this Article applies.

2. The payee and his payment service provider may agree that the payment service provider deduct a commission fee directly linked with a payment transaction from the amount transferred before crediting it to the payee. In such a case, the full amount of the payment transaction and commissions shall be separated in the information given to the payee.

3. If any commission other than that referred to in paragraph 2 of this Article is deducted from the amount transferred, the payment service provider of the payer shall ensure that the payee receives the full amount of the payment transaction initiated by the payer. In cases where the payment transaction is initiated by or through the payee, his payment service provider shall ensure that the full amount of the payment transaction is received by the payee.

Article 36. Execution Time for Payment Transactions to a Payment Accounts

1. The payer's payment service provider shall ensure that, after the point in time of receipt of a payment order, the amount of the payment transaction is credited to the payee's payment service provider's account at the latest by the end of the next business day. Until 1 January 2012, a payer and his payment service provider may agree on a period no longer than

three business days. These periods may be extended by a further business day for paper-initiated payment transactions. This paragraph shall apply to:

1) payment transactions in euro, litas and in the currency of the Member State outside the euro area executed in the Republic of Lithuania and cross-border payment transactions, with the exception of the cases specified in paragraphs 2 and 3 of this Article;

2) payment transactions involving only one currency conversion between the euro and the litas, provided that the required currency conversion is carried out in the Republic of Lithuania and, in the case of cross-border payment transactions, the transfer takes place in euro;

3) payment transactions executed in the Republic of Lithuania and payment transactions executed to other Member States and non-Member States in the currencies of the non-Member States, also payment transactions executed in euro, litas and the currency of a Member State outside the euro area, unless the payment service provider and the payment service user agree on a different period.

2. Where credit transfers are executed in the national currency of the Republic of Lithuania, the payer's payment service provider shall ensure that, after the point in time of receipt of a payment order, the amount of the payment transaction is credited to the payee's payment service provider's account on the same business day, provided that the point in time of receipt of the payment order is that business day by 12 p.m. Where the point in time of receipt of the payment order is after 12 p.m., the payer's payment service provider shall ensure that the amount of the payment transaction is credited to the payee's payment service provider's account at the latest by the end of the next business day. In the case provided for in paragraph 2 of Article 32 of this Law, the payer's payment service provider shall ensure that the amount of the payment transaction is credited to the payee's payment service provider's account on the day of execution of the payment order, and where the day of execution of the payment order is not the payment service provider's business day – on the next business day.

3. The payment service provider and the payment service user may agree on a period of execution of a payment transaction other than stipulated in paragraph 1 of this Article, however such a period may not be longer than four business days after the point in time of receipt of the payment order. This paragraph shall apply to the payment transactions executed in the Republic of Lithuania in the currency of a Member State outside the euro area, with the exception of litas, and payment transactions executed to other Member States in the currency of a Member State outside the euro area.

4. On receipt of the amount of a payment transaction, the payment service provider of the payee shall specify its credit value date and ensure that the amount of the payment transaction is

at the payee's disposal in the payee's account in accordance with the procedure laid down in Article 39 of this Law.

5. The payee's payment service provider shall transmit to the payer's payment service provider a payment order initiated by or through the payee within a period agreed upon by the payee and his payment service provider. A payment order to execute a direct debit must be transmitted within the time limits agreed, enabling settlement at the agreed due date.

Article 37. Payment in the Absence of Payee's Payment Account with the Payment Service Provider

Where the payee does not have a payment account with the payment service provider, the funds shall be made available to the payee by the payment service provider who receives the funds for the payee within the period specified in Article 36 of this Law.

Article 38. Cash Placed on a Payment Account

Where the payment service user who is not a consumer places cash on a payment account with a payment service provider in the currency of that payment account, the payment service provider shall ensure that the amount is made available and value dated at the latest on the next business day after the receipt of the funds. Where the payment service user is a consumer, the payment service provider shall ensure that the amount shall be made available and value dated immediately after the point of time of the receipt of the funds.

Article 39. Credit Value Date and Availability of Funds

1. The credit value date for the payee's payment account shall be no later than the business day on which the amount of the payment transaction is credited to the payee's payment service provider's account.

2. The payment service provider of the payee shall ensure that the amount of the payment transaction is at the payee's disposal immediately after that amount is credited to the payee's payment service provider's account.

3. The debit value date for the payer's payment account shall be no earlier than the point in time at which the amount of the payment transaction is debited from that payment account.

Article 40. Incorrect Unique Identifiers

1. If a payment order is executed in accordance with the unique identifier, such a payment order shall be deemed to have been executed correctly with regard to the payee specified by the unique identifier and/or his payment account.

2. If the unique identifier provided by the payment service user is incorrect, the payment service provider shall not be liable under Article 41 of this Law for non-execution or defective execution of the payment transaction, however the payment service provider must make reasonable efforts to trace the payment transaction and must seek to recover the funds involved in the payment transaction. If agreed in the framework contract, the payment service provider may charge the payment service user a commission fee for recovery.

3. If the payment service user provides information additional to that specified in subparagraph 2 of paragraph 3 of Article 10 or subparagraph 1 of paragraph 2 of Article 17 of this Law, the payment service provider shall be liable only for the execution of payment transactions in accordance with the unique identifier provided by the payment service user.

Article 41. Non-execution or Defective Execution

1. Where a payment order is initiated by the payer, his payment service provider shall be liable to the payer for correct execution of the payment transaction. Where the payment service provider can prove to the payer and, where relevant, to the payee's payment service provider that the payee's payment service provider received the amount of the payment transaction, the payee's payment service provider shall be liable to the payee for the correct execution of the payment transaction.

2. Where the payer's payment service provider is liable under paragraph 1 of this Article, he shall without undue delay refund to the payer the amount of the non-executed or defective payment transaction or restore the debited payment account to the state in which it would have been had the defective payment transaction not taken place.

3. Where the payee's payment service provider is liable under paragraph 1 of this Article, he shall immediately credit the amount of the payment transaction to the payee's payment account and/or place the corresponding amount at the payee's disposal.

4. In the case of a non-executed or defectively executed payment transaction where the payment order is initiated by the payer, the payer's payment service provider must, at all times, on request of payer make immediate efforts to trace the payment transaction and notify the payer of the outcome.

5. Where a payment order is initiated by or through the payee, the payee's payment service provider shall immediately transmit the payment order to the payment service provider of the payer. The payee's payment service provider shall be liable to the payee for correct transmission of the payment order to the payment service provider of the payer.

6. The payee's payment service provider shall be liable to the payee for handling the payment transaction in accordance with provisions of Article 39 of this Law.

7. In the case of a non-executed or defectively executed payment transaction for which the payee's payment service provider is not liable under paragraphs 5 and 6 of this Article, the payer's payment service provider shall be liable to the payer. The liable payer's payment service provider shall without undue delay refund to the payer the amount of the non-executed or defective payment transaction and restore the debited payment account to the state in which it would have been had the defective payment transaction not taken place.

8. In the case of a non-executed or defectively executed payment transaction where the payment order is initiated by the payee, the payee's payment service provider must, at all times, on request of the payee make immediate efforts to trace the payment transaction and notify the payee of the outcome.

9. Payment service providers shall be liable to their respective payment service users for any commissions for which they are responsible, and for any interest to which the payment service user is subject as a consequence of non-execution or defective execution of the payment transaction.

Article 42. Additional Financial Compensation

Any financial compensation additional to that provided for in Articles 40 and 41 of this Law may be determined in accordance with other legal acts applicable to the contract concluded between the payment service provider and the payment service user.

Article 43. Right of Recourse

1. Where the liability of a payment service provider for non-execution or defective execution of a payment transaction is attributable to another payment service provider or to an intermediary, that payment service provider or intermediary shall compensate the payer's payment service provider for any losses incurred or sums paid under Article 41 of this Law.

2. Further compensation may be determined in accordance with agreements between payment service providers and/or intermediaries and the law applicable to the agreement concluded between them.

Article 44. Data Protection

Payment system operators and payment service providers shall be permitted to process personal data when this is necessary to provide payment services and to safeguard the prevention, investigation and detection of payment fraud. The processing of personal data shall be carried out in accordance with the Law of the Republic of Lithuania on Legal Protection of Personal Data.

CHAPTER VI
LIABILITY FOR INFRINGEMENTS OF THIS LAW AND THE PROCEDURE FOR
EXAMINING THE INFRINGEMENTS OF THIS LAW

Article 45. Liability for Infringements of This Law

1. Persons in breach of requirements of this Law shall be held liable under this Law and other laws.

2. For infringements of the provisions of this Law, the Bank of Lithuania may impose on payment service providers a fine from LTL 1 000 up to LTL 30 000. Where the infringements have been committed under the aggravating circumstances indicated in paragraph 5 of this Article, a larger fine (from LTL 30 000 up to LTL 120 000) may be imposed on the payment service providers. Where an infringement is minor and no substantial damage to the payment service users' interests protected by this Law is made, the Bank of Lithuania may, in compliance with the criteria of fairness and reasonableness, impose the following penalty on the payment service providers – a warning without imposing a fine.

3. The amount of the imposed fine shall be determined according to the average of the minimum and maximum fine specified in the first sentence of paragraph 2 of this Article. When imposing a specific fine, the mitigating and aggravating circumstances referred to in paragraphs 4 and 5 of this Article as well as the nature, duration and volume of an infringement shall be taken into account. The decrease or increase in the amount of the fine shall be reasoned by a resolution of the Bank of Lithuania.

4. The fact that, having committed an infringement, payment service providers have voluntarily barred the way of the harmful consequences of the infringement, assisted the Bank of Lithuania in the course of the investigation, compensated for losses and/or eliminated the caused damage shall be treated as mitigating circumstances.

5. Impeding of the investigation procedure by the payment service providers which have committed the infringement, concealment of the infringement, persistent infringement despite a fine or warning imposed by a decision of the Bank of Lithuania or a repeated infringement for which a fine specified in this Law has already been imposed shall be considered as aggravating circumstances.

6. The Bank of Lithuania may impose a fine in the amount of up to LTL 10 000 on a payment service provider which fails to submit information or documents required for the investigation of an infringement of this Law (submission of incorrect information shall also be considered as a failure to submit information).

Article 46. Execution of a Decision of the Bank of Lithuania

1. A decision of the Bank of Lithuania must be executed not later than within 30 days from delivery of the decision to a person who has infringed the requirements of this Law. In the event of appealing against a decision of the Bank of Lithuania on imposition of a penalty, the penalty must be paid not later than within 30 days from the coming into effect of a court judgment dismissing the appeal.

2. A decision of the Bank of Lithuania shall be an executive document to be enforced in accordance with the procedure laid down by the Code of Civil Procedure of the Republic of Lithuania. The decision of the Bank of Lithuania may be presented for execution not later than within three years after its adoption.

Article 47. Appeal against a Decision of the Bank of Lithuania

1. The payment service providers who disagree with a decision of the Bank of Lithuania shall have the right to appeal to court against the decision within 30 days from adoption of the decision in accordance with the procedure laid down in the Law of the Republic of Lithuania on Administrative Proceedings.

2. An application to court shall suspend execution of a decision of the Bank of Lithuania on imposition of a penalty.

Article 48. Procedure for Examining the Infringements of This Law

The procedure for examining infringements as laid down in Chapter Six of the Law of the Republic of Lithuania on Credit Agreements for Consumers shall apply *mutatis mutandis* to examination of infringements of this Law.

CHAPTER VII

DISPUTE SETTLEMENT PROCEDURE

Article 49. Applying to Dispute Settlement Institutions

A payment service user who believes that the payment service provider has violated his rights or interests protected by law shall have the right to apply to court or to an institution of preliminary out-of-court dispute settlement, that is, the Bank of Lithuania, in accordance with the procedure laid down by the Law of the Republic of Lithuania on the Bank of Lithuania.

CHAPTER VIII

FINAL PROVISIONS

Article 50. Right of Payment Service Providers to Provide More Favourable Terms to Payment Service Users and Determination of Commissions and Other Fees

1. Payment service providers shall have the right to provide more favourable terms to payment service users than specified in this Law.

2. Payment service providers shall determine commissions and other fees without prejudice and in a manner so as they correspond to the nature of the payment service provided, are economically justified and fair.

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 Payments

EU LEGAL ACTS IMPLEMENTED BY THIS LAW

1. Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (OJ 2007 L 319, p.1), as last amended by Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009 (OJ 2009 L 302, p. 97).

2. Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001 (OJ 2009 L 266, p. 11).