

**REPUBLIC OF LITHUANIA**  
**LAW**  
**ON CONSUMER CREDIT**

23 December 2010 No XI-1253  
(As last amended on 18 December 2014 – No XII-1503)  
Vilnius

**CHAPTER ONE**  
**GENERAL PROVISIONS**

**Article 1. Purpose of the Law**

1. The Law shall have the purpose of determining the terms of granting of consumer credit and requirements for the provision of information about these terms, the duties and liability of creditors and credit intermediaries in granting consumer credit and assessing the creditworthiness of consumers, the consumers' right of early repayment and the creditors' right to compensation for early repayment of consumer credit.

2. The provisions of this Law shall apply also to the agreements the character or purpose of which would make it possible to avoid the application of the provisions of this Law.

3. This Law shall implement the legal acts of the European Union listed in Annex 3 to this Law.

**Article 2. Definitions**

1. **Total amount payable by the consumer** means the sum of the total amount of the credit and the total cost of the credit to the consumer.

2. **Total cost of the credit to the consumer** means all the costs, including interest, commissions and any other kind of fees which the consumer is required to pay in connection with the credit agreement and which are known to the creditor (the fees of the conclusion, administration, amendment and termination of the credit agreement and other fees relating to the conclusion and performance of the credit agreement), except for notarial costs. The total cost of the credit to the consumer shall also include the costs of

maintaining an account recording both payment transactions and drawdowns, unless the opening of an account is optional and the costs of the account have been clearly and separately shown in the credit agreement or in any other agreement concluded with the consumer; the costs of using a means of payment for both payment transactions and drawdowns; any other costs deriving from the payment transactions; costs in respect of ancillary services relating to the credit agreement, in particular insurance premiums, are also included if, in addition, the conclusion of an ancillary service contract relating to the credit agreement is compulsory in order to obtain the credit on the terms and conditions marketed.

3. **Annual percentage rate of charge** means the total cost of the credit to the consumer, expressed as an annual percentage.

4. **Total amount of credit** means the total sum of credit made available under a credit agreement.

5. **Fixed borrowing rate** means that the creditor and the consumer agree in the credit agreement on one borrowing rate for the entire duration of the credit agreement or on several borrowing rates for partial periods using exclusively a fixed specific percentage. If not all borrowing rates are determined in the credit agreement, the borrowing rate shall be deemed to be fixed only for the partial periods for which the borrowing rates are determined exclusively by a fixed specific percentage agreed on the conclusion of the credit agreement.

6. **Annual borrowing rate** means the interest rate expressed as a fixed or variable percentage applied on an annual basis to the amount of credit drawn down.

7. **Durable medium** means any instrument (paper, computer disc, write-once compact disc (CD), digital versatile (optical) disc (DVD), the consumer's computer hard drive containing e-mail, etc., with the exception of websites, unless they comply with characteristics of a durable medium listed in this paragraph) which enables the consumer to access in the future information stored unchanged in it and store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.

8. **Supervisory authority** means the Bank of Lithuania, which, in accordance with the procedure laid down by this Law and other laws, performs the functions of supervision of activities of creditors and credit intermediaries.

9. **Overdraft facility** means an explicit credit agreement whereby a creditor makes available to a consumer, in the form of consumer credit, funds which exceed the current balance in the consumer's current account.

10. **Linked credit agreement** means a credit agreement where:

1) the credit in question serves exclusively to finance an agreement for the supply of specific goods or the provision of a specific service, and

2) the agreement for the supply of goods or the provision of services and the credit agreement form a commercial unit. The agreement for the supply of goods or the provision of services and the credit agreement shall be deemed to form a commercial unit where at least one of the following conditions is met: the supplier or service provider himself finances the credit for the consumer or, if it is financed by a third party, where the creditor uses the services of the supplier or service provider in connection with the conclusion or preparation of the credit agreement, or where the specific goods or the provision of a specific service are explicitly specified in the credit agreement.

11. **Third country** means a state other than a Member State of the European Union or a state of the European Economic Area (EEA).

12. **Member State** shall mean a Member State of the European Union as well as a state of the European Economic Area (EEA).

13. **Creditor** means a person, other than a natural person, who grants or promises to grant credit in the course of his business.

14. **Consumer** means a natural person who seeks to conclude or concludes a credit agreement for personal, family or household purposes and who is acting for purposes which are outside his business or profession.

15. **Parties to a credit agreement** means the creditor and the consumer.

16. **Credit agreement** means an agreement whereby a creditor grants or promises to grant to a consumer credit in the form of a deferred payment, loan or other similar financial accommodation, except for agreements for the provision on a continuing basis of services or for the supply of goods of the same kind, where the consumer pays for such services or goods for the duration of their provision by means of instalments.

17. **Credit intermediary** means a person who is not acting as a creditor and who, in the course of his business or profession, for a fee performs at least one of the following actions:

1) presents or offers credit agreements to consumers;

2) assists consumers by undertaking preparatory work in respect of credit agreements other than as referred to in point 1 of this paragraph;

3) concludes credit agreements with consumers on behalf of the creditor.

18. **Overrunning** means a tacitly accepted overdraft whereby a creditor makes available to a consumer funds which exceed the current balance in the consumer's account or the overdraft facility.

### **Article 3. Scope of the Law**

1. This Law shall apply to credit agreements.

2. This Law shall not apply to:

1) credit agreements which are secured by a mortgage;

2) credit agreements the purpose of which is to acquire or retain property rights in land or in an existing or projected building, except for the cases when the purpose of the conclusion of a credit agreement is renovation of an existing building or increase of its value;

3) credit agreements involving a total amount of credit which exceeds EUR 75 000;

4) hiring or leasing agreements where an obligation to purchase the object of the agreement is not laid down either by the agreement itself or by any separate agreement;

5) credit agreements where the credit is granted by an employer to his employees as a secondary activity free of interest or at annual percentage rates of charge lower than those prevailing on the market and which are not offered to the public generally;

6) credit agreements which are concluded with brokerage firms or with credit institutions for the purposes of allowing an investor to carry out a transaction relating to one or more of the financial instruments listed in the Law of the Republic of Lithuania on Markets in Financial Instruments, where the brokerage firm or credit institution granting the credit is involved in such transaction;

7) credit agreements which are the outcome of a settlement reached in court or before a public administration authority;

8) credit agreements which relate to the deferred payment, free of charge, of an existing debt;

9) credit agreements upon the conclusion of which the consumer is requested to deposit an item as security in the creditor's safe-keeping and where the liability of the consumer is strictly limited to that pledged item;

10) credit agreements which relate to loans granted to a restricted public under a statutory provision with a general interest purpose, and at lower interest rates than those prevailing on the market or free of interest or on other terms which are more favourable to the consumer than those prevailing on the market and at interest rates not higher than those prevailing on the market;

11) credit agreements in the form of an overdraft facility and where the credit has to be repaid within one month.

3. In the case of credit agreements in the form of an overdraft facility and where the credit has to be repaid on demand or within three months, only Articles 1 to 3, points 1, 2 and 3 of Article 4(1), Articles 6 to 10, Article 11(1), (5), (6) and (8), Articles 13, 16 and 21 to 38 and the procedure for calculating the annual percentage rate of charge for consumer credit as stipulated by the supervisory authority shall apply.

4. In the case of credit agreements in the form of overrunning, only Articles 1, 2, 3 and 10, Article 11(8), Articles 18, 21, 22 and 26 to 38 shall apply.

5. Only Articles 1, 2, 3, 4, 6, 7, 9 and 10, Article 11(1), points 1 to 8 and point 11 of Article 11(2), Article 11(5) and (8) and Articles 12, 14 and 17 to 38 of this Law and the procedure for calculating the annual percentage rate of charge for consumer credit as stipulated by the supervisory authority shall apply to credit agreements which are concluded by a person which:

- 1) is established for the mutual benefit of its members;
- 2) does not make profits for any other person than its members;
- 3) fulfils a social purpose required by legal acts;
- 4) receives and manages the savings of, and provides sources of credit to, its members only;
- 5) provides credit on the basis of an annual percentage rate of charge which is lower than that prevailing on the market or subject to a ceiling laid down by legal acts;
- 6) whose membership is restricted to persons residing or employed in a particular location or employees and retired employees of a particular employer, or to persons meeting other qualifications laid down under legal acts as the basis for the existence of a common bond between the members.

6. Only Articles 1, 2, 3, 4, 6, 7, 9 and 10, Article 11(1), points 1 to 9, 11 and 17 of Article 11(2), Article 11(5) and (8) and Articles 12, 14, 17 and 18 to 38 of this Law and the procedure for calculating the annual percentage rate of charge for consumer credit as stipulated by the supervisory authority shall apply to credit agreements which provide for

arrangements to be agreed by the creditor and the consumer in respect of deferred payment or repayment methods, except for the agreements referred to in paragraph 3 of this Article, where the consumer is already in default on the initial credit agreement and where:

- 1) such arrangements would be likely to avert the possibility of debt recovery proceedings concerning such default;
- 2) the consumer would not thereby be subject to terms less favourable than those laid down in the initial credit agreement.

## **CHAPTER TWO**

### **INFORMATION PRELIMINARY TO THE CONCLUSION OF THE CREDIT AGREEMENT**

#### **Article 4. Requirements for advertising concerning credit agreements**

1. Any advertising concerning credit agreements which indicates an interest rate or any figures relating to the cost of the credit to the consumer must include the following standard information specified in a clear, concise and prominent way:

- 1) the borrowing rate, fixed or variable or both, together with particulars of any charges included in the total cost of the credit to the consumer;
- 2) the total amount of credit;
- 3) the annual percentage rate of charge;
- 4) if applicable, the duration of the credit agreement and the deadline for repayment (if different);
- 5) in the case of a credit in the form of deferred payment for a specific good or service, the cash price and the amount of any advance payment;
- 6) if applicable, the total amount payable by the consumer and the amount of the instalments.

2. Where the conclusion of a contract regarding an ancillary service relating to the credit agreement, is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed, and the cost of that service cannot be determined in advance, the obligation to enter into the contract regarding the ancillary service relating to the credit agreement shall also be stated in a clear and prominent way, together with the annual percentage rate of charge.

3. Provisions of the Law of the Republic of Lithuania on Prohibition of Unfair Business-to-Consumer Commercial Practices shall apply to advertising concerning credit agreements to the extent not covered by provisions of this Article.

#### **Article 5. Pre-contractual information requirements**

1. In good time sufficient to access the information provided, before the consumer is bound by any credit agreement, the creditor and, where applicable, the credit intermediary shall, on the basis of the credit terms and conditions offered by the creditor and the preferences expressed and information supplied by the consumer, provide the consumer with the information needed to compare different offers in order to take an informed decision on whether to conclude a credit agreement, except as stipulated by this Law. Such information, on paper and on durable medium, must be provided by means of the standard consumer credit information form set out in Annex 1 of this Law.

2. The standard consumer credit information of a specified form must include:

- 1) the type of credit;
- 2) the identity and the address of the registered office of the creditor and, if applicable, the credit intermediary involved; where the credit intermediary is a natural person – his identity and the address of his place of residence;
- 3) the total amount of credit and the conditions governing the drawdown;
- 4) the duration of the credit agreement and the deadline for repayment (if different);
- 5) in the case of a credit in the form of deferred payment for a specific good or service and linked credit agreements, that good or service and its cash price;
- 6) the borrowing rate, the conditions governing the application of the borrowing rate and, where available, any index or reference rate applicable to the initial borrowing rate, as well as the periods, conditions and procedure for changing the borrowing rate; if different borrowing rates apply in different circumstances, the information indicated in this point shall be provided on all the applicable rates;
- 7) the total amount payable by the consumer and the annual percentage rate of charge, illustrated by means of a representative example mentioning all the assumptions used in order to calculate that rate; if a credit agreement provides different ways of drawdown with different charges or borrowing rates, the creditor must indicate that the different drawdown mechanisms for this type of credit agreement may result in higher annual percentage rates of charge;

8) the amount, number and frequency of payments to be made by the consumer and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different borrowing rates for the purposes of reimbursement;

9) where applicable, the existence of costs payable by the consumer to a notary for the latter's services;

10) the obligation to enter into an ancillary service contract relating to the credit agreement, where the conclusion of such a contract is compulsory in order to obtain the credit on the terms and conditions marketed;

11) the penalties or the interest rate applicable in the case of late payments and the procedure for calculating the penalties or the interest rate;

12) the consequences of missing payments;

13) the sureties required, where the credit agreement provides therefor;

14) the consumer's right of withdrawal from a credit agreement;

15) the consumer's right of early repayment and, where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined in accordance with provisions of Article 17 of this Law;

16) the consumer's right to be informed immediately and free of charge, in the cases referred to in Article 9(2) of this Law, of the result of a database consultation carried out for the purposes of assessing his creditworthiness;

17) the consumer's right to be supplied, on request and free of charge, with a copy of the draft credit agreement, provided that the creditor is at the time of the request willing to proceed to the conclusion of the credit agreement with the consumer;

18) the period of time during which the creditor is bound by the pre-contractual information;

19) the charges for maintaining one or several accounts recording both payment transactions and drawdowns, unless the opening of an account is optional, together with the costs of using a means of payment for both payment transactions and drawdowns, any other costs deriving from the credit agreement and the conditions under which those charges or costs may be changed.

3. Where the conclusion of an ancillary service contract relating to the credit agreement is compulsory in order to obtain the credit on the terms and conditions marketed, the credit agreement shall clearly specify the costs payable by the consumer in connection with the provision of ancillary services.



4. Any additional information which the creditor may provide to the consumer shall be given in a separate document which may be annexed to the standard consumer credit information form.

5. In the case of voice telephony communications with the consumer, the description of the main characteristics of the financial service shall include the information referred to in points 3, 4, 5, 6 and 8 of paragraph 2 of this Article, together with the annual percentage rate of charge illustrated by means of a representative example and the total amount payable by the consumer.

6. If the credit agreement has been concluded at the consumer's request using a means of distance communication which does not enable the information to be provided in accordance with paragraph 2 of this Article, also in the case referred to in paragraph 5 of this Article, the creditor shall provide the consumer with the pre-contractual information using the standard consumer credit information form stipulated in Annex 1 of this Law immediately after the conclusion of the credit agreement.

7. Upon the consumer's request, the creditor shall, in addition to providing the standard consumer credit information, supply free of charge with a copy of the draft credit agreement. This provision shall not apply if the creditor is at the time of the consumer's request unwilling to proceed to the conclusion of the credit agreement with the consumer.

8. In the case of a credit agreement under which payments made by the consumer do not give rise to an immediate corresponding amortisation of the total amount of credit or a part thereof, but are used to constitute capital during periods and under conditions laid down in the credit agreement or in an ancillary agreement, the information required under paragraph 2 of this Article shall include a clear and concise statement of whether such credit agreement provides for a guarantee of repayment of the total amount of credit drawn down under the credit agreement.

9. In the event of a dispute over the provision by the creditor and, where applicable, the credit intermediary of adequate explanations to the consumer, in order to place the consumer in a position enabling him to assess whether the proposed credit agreement is adapted to his needs and to his financial situation, the burden of proof lies with the creditor and, where applicable, the credit intermediary. Upon the consumer's request, the creditor and, where applicable, the credit intermediary must explain the information provided in accordance with paragraph 2 of this Article, the essential characteristics of the credit proposed and the specific effects it may have on the consumer, including the consequences of default in payment by the consumer.

**Article 6. Pre-contractual information requirements for certain specific credit agreements**

1. In good time sufficient to access the information provided, before the consumer is bound by any credit agreement as referred to in Article 3(3), (5) or (6) of this Law, the creditor and, where applicable, the credit intermediary shall, on the basis of the credit terms and conditions offered by the creditor and the preferences expressed and information supplied by the consumer, provide the consumer with the information needed to compare different offers in order to take an informed decision on whether to conclude a credit agreement.

2. Information must be provided in writing on a durable medium and all information must be equally prominent. The information may be provided by means of the standard information form for certain credit agreements set out in Annex 2 of this Law. The information in question must specify:

- 1) the type of credit;
- 2) the identity and the address of the registered office of the creditor and, if applicable, the credit intermediary involved; where the credit intermediary is a natural person – his identity and the address of his place of residence;
- 3) the total amount of credit;
- 4) the duration of the credit agreement and the deadline for repayment of the credit (if different);
- 5) the borrowing rate and the conditions governing the application of that rate, any index or reference rate applicable to the initial borrowing rate, also the costs payable or charges applicable from the time the credit agreement is concluded, and the conditions under which those costs or charges may be changed;
- 6) the annual percentage rate of charge, illustrated by means of representative examples mentioning all the assumptions used in order to calculate that rate;
- 7) the conditions and procedure for terminating the credit agreement;
- 8) in the case of credit agreements as referred to in Article 3(3) of this Law, an indication that the consumer may be requested by the creditor to repay the amount of credit in full at any time;
- 9) the penalties or the interest rate applicable in the case of late payments and the procedure for calculating the penalties or the interest rate;

10) the consumer's right to be informed immediately and free of charge, in the cases referred to in Article 9(2) of this Law, of the result of a database consultation carried out for the purposes of assessing his creditworthiness;

11) in the case of credit agreements as referred to in Article 3(3) of this Law, information about the costs payable or charges applicable from the time such agreements are concluded and the conditions under which those costs or charges may be changed;

12) the period of time during which the creditor is bound by the pre-contractual information.

3. In the case of a credit agreement as referred to in Article 3(5) and (6) of this Law, the information provided to the consumer in accordance with paragraph 2 of this Article shall also include:

1) the amount, number and frequency of payments to be made by the consumer and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different borrowing rates for the purposes of reimbursement;

2) the customer's right of early repayment and information concerning the creditor's right to compensation and the way in which that compensation will be determined in accordance with provisions of Article 17 of this Law.

4. In the case of voice telephony communications with the consumer, and where the consumer requests that the overdraft facility be made available with immediate effect, the description of the main characteristics of the financial service shall include the information referred to in points 3, 5, 6 and 8 of paragraph 2 of this Article, together with the annual percentage rate of charge illustrated by means of a representative example and the total amount payable by the consumer. In addition, in credit agreements of the kind referred to in paragraph 3 of this Article, the description of the main characteristics of the financial service shall include a specification of the duration of the credit agreement.

5. Notwithstanding the provision of Article 3(2)(11) of this Law, the requirements of paragraph 4 of this Article shall apply to credit agreements in the form of an overdraft facility and where the credit has to be repaid within one month.

6. Upon request, the consumer shall, in addition to receiving the information referred to in paragraphs 2 to 4 of this Article, be supplied free of charge with a copy of the credit agreement. This provision shall not apply if the creditor is at the time of the consumer's request unwilling to proceed to the conclusion of the credit agreement with the consumer.

7. If the credit agreement has been concluded at the consumer's request using a means of distance communication which does not enable the information to be provided in accordance with paragraphs 2 and 3 of this Article, including in the cases referred to in paragraph 4 of this Article, the creditor shall immediately after the conclusion of the credit agreement fulfil his obligations under paragraphs 2 and 3 of this Article by providing the contractual information pursuant to Article 11 of this Law.

#### **Article 7. Exemptions from pre-contractual information requirements**

Articles 5 and 6 of this Law shall not apply to suppliers of goods or services acting as credit intermediaries in an ancillary capacity. This shall be without prejudice to the creditor's obligation to ensure that the consumer receives the pre-contractual information referred to in Articles 5 and 6 of this Law.

### **CHAPTER THREE**

#### **ASSESSMENT OF THE CREDITWORTHINESS OF THE CONSUMER**

#### **Article 8. Obligation to assess the creditworthiness of the consumer**

1. Before the conclusion of the credit agreement, the creditor must, following the principle of responsible lending, assess the consumer's creditworthiness on the basis of sufficient information, where appropriate obtained from the consumer and, where necessary, on the basis of a consultation of the relevant database. The assessment of the creditworthiness of consumers on the basis of a consultation of the relevant database shall be performed subject to the consumer's written consent, where such a consent is required by law.

2. If the parties to the credit agreement agree to change the total amount of credit after the conclusion of the credit agreement, the creditor shall update the financial information at his disposal concerning the consumer and assess the consumer's creditworthiness before any significant increase in the total amount of credit.

3. The personal data used to assess the creditworthiness of consumers shall be processed in accordance with the procedure laid down by the Law of the Republic of Lithuania on Legal Protection of Personal Data.

4. The Rules for Assessment of the Creditworthiness of Consumers shall be drawn up in compliance with the principles of assessment of the creditworthiness of consumers stipulated by the supervisory authority referred to in Article 22 of this Law.

5. The consumer must supply the information requested by the creditor and necessary to assess the consumer's creditworthiness.

6. Penalties and charges in the case of late payments shall not apply to the consumer if the creditor inappropriately assessed the consumer's creditworthiness not through the consumer's fault, and the circumstances which the creditor has failed to assess or has inappropriately assessed have resulted in the late payments.

#### **Article 9. Database access**

1. Managers of databases used by creditors established in the Republic of Lithuania for assessing the creditworthiness of consumers must ensure access for creditors established in other Member States. The conditions for access shall be non-discriminatory.

2. If the credit application is rejected on the basis of consultation of a database for the purposes of assessing the consumer's creditworthiness, the creditor shall inform the consumer immediately and without charge of the result of such consultation and of the particulars of the database consulted.

3. The information referred to in paragraph 2 of this Article shall be provided unless the provision of such information is prohibited by other legislation or is contrary to objectives of public policy or public security.

### **CHAPTER FOUR CREDIT AGREEMENTS**

#### **Article 10. Characteristics of the conclusion of distance credit agreements**

1. A credit agreement may be concluded with the consumer at a distance provided that the creditor is satisfied as to such will of the consumer.

2. A credit agreement may be concluded at a distance with the consumer who is not a customer of the creditor whereto he applies for the conclusion of the credit agreement, the customer only subject to establishing the consumer's identity in accordance with the procedure laid down by law. Where the consumer's identity has not been established in accordance with the procedure laid down by law, the credit agreement cannot be concluded at a distance.

**Article 11. Form and content of credit agreements**

1. Credit agreements shall be drawn up in writing on a durable medium. All the contracting parties must receive a copy of the credit agreement.

2. The credit agreement shall specify in a clear and concise manner:

1) the type of credit;

2) the identity and the address of the place of residence of the consumer and the credit intermediary if applicable and if he is a natural person; the identity and the address of the registered office of the creditor and, if applicable, the credit intermediary involved;

3) the duration of the credit agreement and the deadline for repayment (if different);

4) the total amount of credit and the conditions governing the drawdown;

5) in the case of a credit in the form of deferred payment for a specific good or service and linked credit agreements, that good or service and its cash price;

6) the borrowing rate, the conditions governing the application of the borrowing rate and, where available, any index or reference rate applicable to the initial borrowing rate, as well as the periods, conditions and procedure for changing the borrowing rate (if different borrowing rates apply in different circumstances, the information indicated in this point shall be provided on all the applicable rates);

7) the total amount payable by the consumer and the annual percentage rate of charge and all the assumptions used in order to calculate that rate;

8) the amount, number and frequency of payments to be made by the consumer and the order in which payments will be allocated to different outstanding balances charged at different borrowing rates for the purposes of reimbursement;

9) where capital amortisation of a credit agreement with a fixed duration is involved, the right of the consumer to receive, on request and free of charge, at any time throughout the duration of the credit agreement, a statement of account in the form of an amortisation table;

10) if charges and interest are to be paid under the credit agreement without capital amortisation, a statement showing the periods and conditions for the payment of the interest and of any associated recurrent and non-recurrent charges;

11) the penalties or the interest rate applicable in the case of late payments and the procedure for calculating the penalties or the interest rate;

12) the consequences of missing payments;

13) where applicable, the existence of costs payable by the consumer to a notary for the latter's services;

14) the sureties and insurance required, where the credit agreement provides therefor;

15) the consumer's right of withdrawal, the procedure according to which that right may be exercised, also information concerning the obligation of the consumer to pay the capital drawn down and the interest in the cases referred to in Article 15(2)(2) of this Law;

16) the rights resulting from Article 16 of this Law as well as the conditions for the exercise of those rights;

17) the customer's right of early repayment and the procedure for early repayment, as well as information concerning the creditor's right to compensation and the way in which that compensation will be determined in accordance with provisions of Article 17 of this Law;

18) the right of termination of the credit agreement and the procedure to be followed in exercising the right;

19) whether or not there is an out-of-court complaint and redress mechanism;

20) the name and address of the competent supervisory authority;

21) the charges for maintaining one or several accounts recording both payment transactions and drawdowns, unless the opening of an account is optional, together with the costs of using a means of payment for both payment transactions and drawdowns, and any other costs deriving from the credit agreement and the conditions under which those charges or costs may be changed;

22) other contractual terms and conditions.

3. Where the conclusion of an ancillary service contract relating to the credit agreement is compulsory in order to obtain the credit on the terms and conditions marketed, the credit agreement shall clearly specify the costs payable by the consumer in connection with the provision of ancillary services.

4. The amortisation table referred to in point 9 of paragraph 2 of this Article shall indicate the payments by the consumer and contain a breakdown of each repayment showing capital amortisation, the interest calculated on the basis of the borrowing rate and any additional costs. Where the borrowing rate is not fixed or the additional costs may be changed under the credit agreement, the amortisation table shall also indicate, clearly and concisely, that the data contained in the table will remain valid only until such time as the

borrowing rate or the additional costs are changed in accordance with the credit agreement.

5. In the case of a credit agreement under which payments made by the consumer do not give rise to an immediate corresponding amortisation of the total amount of credit or a part thereof, but are used to constitute capital during periods and under conditions laid down in the credit agreement or in an ancillary agreement, the information required under paragraph 2 of this Article must include a clear and concise statement of whether such credit agreements provide for a guarantee of repayment of the total amount of credit drawn down under the credit agreement.

6. In the case of credit agreements in the form of overdraft facilities as referred to in Article 3(3) of this Law, the following shall be specified in a clear and concise manner:

- 1) the type of credit;
- 2) the identity and the address of the registered office of the creditor and, if applicable, the credit intermediary involved; the identity and the address of the place of residence of the consumer and the credit intermediary if applicable and if he is a natural person;
- 3) the duration of the credit agreement and the deadline for repayment (if different);
- 4) the total amount of credit and the conditions governing the drawdown;
- 5) the borrowing rate, the conditions governing the application of the borrowing rate and, where available, any index or reference rate applicable to the initial borrowing rate, as well as the periods, conditions and procedure for changing the borrowing rate (if different borrowing rates apply in different circumstances, the information indicated in this point shall be provided on all the applicable rates);
- 6) the total cost of the credit to the consumer and the annual percentage rate of charge and all the assumptions used in order to calculate that rate;
- 7) an indication that the consumer may be requested by the creditor to repay the amount of credit in full at any time;
- 8) the right of termination of the credit agreement and the procedure to be followed in exercising the right;
- 9) information concerning the costs payable or charges applicable from the time such agreements are concluded and, if applicable, the conditions under which those costs or charges may be changed.



7. If a credit agreement does not provide all of the information required under this Article or if the information supplied under the credit agreement is misleading, which had a material impact on the consumer's decision to conclude the credit agreement which he would not have concluded under other circumstances, the consumer shall have the right to withdraw from the credit agreement subject to giving a notice of withdrawal to the creditor in writing on a durable medium 30 calendar days in advance. In this case, the consumer must repay the credit by making payments in the amount stipulated in the credit agreement, but he shall not be required to pay the interest and other costs stipulated in the credit agreement.

8. Penalties applicable to the consumer in the case of late payments may not exceed 0.05 % of the overdue amount for each day of delay. No other penalties and charges may be applicable to the consumer for the default on the financial obligations provided for under the credit agreement.

#### **Article 12. Information about changes in the borrowing rate**

1. The consumer shall be informed of any change in the borrowing rate in writing on a durable medium. The information shall be made available before the change enters into force and must state the amount of the payments to be made after the entry into force of the new borrowing rate and, if the number or frequency of the payments changes, particulars thereof.

2. The parties to a credit agreement may agree in the credit agreement that the information referred to in paragraph 1 of this Article is to be given to the consumer periodically in cases where the change in the borrowing rate is caused by a change in a reference rate, the new reference rate is made publicly available by appropriate means stipulated in the credit agreement and the information concerning the new reference rate is also kept available in the premises of the creditor.

#### **Article 13. Information during the period of validity of a credit agreement in the form of an overdraft facility**

1. Where a credit agreement covers credit in the form of an overdraft facility, the consumer shall be kept regularly informed by means of a statement of account in writing on a durable medium, containing the following particulars:

- 1) the precise period to which the statement of account relates;
- 2) the amounts and dates of drawdowns;

- 3) the balance from the previous statement, and the date thereof;
- 4) the new balance as at the date of the current statement;
- 5) the dates and amounts of payments made by the consumer;
- 6) the borrowing rate applied;
- 7) any charges and other costs that have been applied;
- 8) where applicable, the minimum amount to be paid.

2. The consumer shall be informed in writing on a durable medium of changes in the borrowing rate and in any charges or costs payable. This information shall be made available before the change enters into force.

3. Credit agreements in the form of an overdraft facility shall also be subject to provisions of Article 12(2) of this Law.

#### **Article 14. Termination of open-end credit agreements**

1. The consumer may effect standard termination of an open-end credit agreement free of charge at any time unless the creditor and the consumer have agreed on a period of notice. Such a period may not exceed one month.

2. The parties to a credit agreement may agree in the credit agreement that the creditor may effect standard termination of an open-end credit agreement by giving the consumer at least two months' notice of the termination drawn up in writing on a durable medium.

3. The parties to a credit agreement may agree in the credit agreement that the creditor may, for objectively justified reasons, terminate the consumer's right to draw down on an open-end credit agreement. The creditor must inform the consumer of the termination and the reasons for it in writing on a durable medium, where possible before the termination and at the latest immediately thereafter, unless the provision of such information is prohibited by other legislation or is contrary to objectives of public policy or public security.

#### **Article 15. Right of withdrawal from a credit agreement**

1. The consumer shall have a period of 14 calendar days in which to withdraw from a credit agreement without giving any reason:

- 1) from the day of conclusion of the credit agreement;

2) from the day on which the consumer receives the contractual terms and conditions and information in accordance with Article 11 of this Law, if that day is later than the date referred to in point 1 of this paragraph.

2. If the consumer exercises his right of withdrawal from a credit agreement, he shall:

1) withdraw from the credit agreement before the expiry of the deadline referred to in paragraph 1 of this Article, notify this to the creditor in line with the information given by the creditor pursuant to Article 11(2)(15) of this Law by means which can be proven. The consumer shall be deemed to have complied with the duty of information stipulated in this point if that notification, if it is in writing on a durable medium, is dispatched before the deadline referred to in paragraph 1 of this Article expires;

2) pay to the creditor the capital and the interest accrued thereon from the date the credit was drawn down until the date the capital is repaid, without any undue delay and no later than within 30 calendar days after the despatch by him to the creditor of notification of the withdrawal. The interest shall be calculated on the basis of the agreed borrowing rate. The creditor shall not be entitled to any other compensation from the consumer in the event of withdrawal from the credit agreement, except compensation for any non-returnable charges paid to any public administrative body.

3. If an ancillary service relating to the credit agreement is provided by the creditor or by a third party on the basis of an agreement between the third party and the creditor, the consumer shall no longer be bound by the ancillary service contract if the consumer exercises his right of withdrawal from the credit agreement in accordance with this Article.

4. Upon termination of a credit agreement, a purchase and sale contract may be terminated in accordance with the procedure laid down by other legal acts.

5. If the consumer exercises his right of withdrawal under paragraphs 1, 2 and 3 of this Article, provisions of the Civil Code of the Republic of Lithuania concerning the right of the buyer to withdraw from contracts negotiated away from business premises and provisions of the Law of the Republic of Lithuania on Consumer Protection concerning the right of consumers to withdraw from a contract for the supply of financial services concluded using means of distance communication shall not apply.

**Article 16. Termination of linked credit agreements**

1. Where the consumer has exercised his right of withdrawal concerning a contract for the purchase and sale of goods or a contract for the supply of services, he shall no longer be bound by a linked credit agreement.

2. Where the consumer exercises his right of withdrawal concerning a contract for the purchase and sale of goods or a contract for the supply services or exercises the right of termination after the goods or services covered by the contract are not supplied, or are supplied only in part, or are not in conformity with the contract for the purchase and sale of goods or the contract for the supply of services, the consumer shall have the right:

- 1) to suspend the discharge of his obligations under a linked credit agreement;
- 2) to request from the creditor the reimbursement of his payments.

3. The consumer may exercise the rights stipulated in paragraph 2 of this Article only after he refers to the seller or the supplier of services with a request to duly perform a contract, but the conditions of the contract for the purchase and sale of goods or the contract for the supply of services are not complied with within one month after such request and:

1) the consumer submits on his own initiative to the creditor a conclusion on the inadequate quality of goods issued by a state or municipal authority or by a third party, where the contract for the purchase and sale of goods is terminated on the grounds of the inadequate quality of goods, and

2) the consumer returns to the creditor what he has received under the expired contract for the purchase and sale of goods or the contract for the supply of services, unless the contract for the purchase and sale of goods or the contract for the supply of services is terminated on the grounds of a failure on the part of the seller or the supplier to supply goods or services.

4. After the consumer complies with the conditions indicated in paragraph 3 of this Article, the creditor shall without delay, but no later than within ten working days, reimburse to the consumer his payments and acquire the right of recourse against the seller or the supplier of services in respect of compensation for the payments reimbursed to the consumer and other losses incurred.

### **Article 17. Early repayment of credit**

1. The consumer shall be entitled at any time to discharge fully or partially his obligations under a credit agreement. In such cases, he shall be entitled to a reduction in the total cost of the credit, such reduction consisting of the interest and the costs for the remaining duration of the credit agreement as calculated from the day of the repayment of the credit or a part thereof.

2. In the event of early repayment of credit, the creditor shall be entitled to fair and objectively justified compensation for possible costs directly linked to early repayment of credit provided that the early repayment falls within a period for which the borrowing rate is fixed. The creditor may require such compensation only in the case when the credit to be repaid or a part thereof exceeds EUR 2 320 within any twelve-month period.

3. The compensation for the creditor as provided for in paragraph 2 of this Article may not exceed 1 % of the amount of credit repaid early, if the period of time between the early repayment and the agreed termination of the credit agreement exceeds one year. In other cases, the compensation for the creditor may not exceed 0.5 % of the amount of credit repaid early.

4. Compensation for early repayment shall not be claimed:

1) if the repayment of the credit or a part thereof has been made under an insurance contract intended to provide a credit repayment guarantee;

2) if the repayment of the credit or a part thereof has been made under a credit agreement in the form of an overdraft facility;

3) if the repayment falls within a period for which the borrowing rate is not fixed.

5. The creditor may exceptionally claim higher compensation than the compensation referred to in paragraph 3 of this Article if he can prove that the loss he suffered from early repayment exceeds the amount determined under paragraph 3 of this Article.

6. If the compensation claimed by the creditor exceeds the loss actually suffered, the consumer may claim a corresponding reduction. In this case, the loss shall consist of the difference between the initially agreed interest rate and the interest rate at which the creditor can lend out the credit, or a part thereof, repaid early on the market at the time of early repayment and shall take into account the impact of early repayment on administrative costs.

7. Any compensation to the creditor shall not exceed the amount of interest the consumer would have paid in the event of repayment of the credit during the period indicated in the credit agreement.

### **Article 18. Overrunning**

1. In the case of an agreement to open a current account, where there is a possibility that the consumer is allowed an overrun or overdraft, the agreement shall contain in addition the information referred to in Article 6(2)(5) of this Law. During the period of validity of such an agreement, the creditor shall provide the consumer with the information referred to in Article 6(2)(5) of this Law in writing on a durable medium on a regular basis.

2. In the event of a significant overrunning exceeding a period of one month, the creditor shall inform the consumer without delay in writing on a durable medium:

- 1) of the overrunning;
- 2) of the amount involved;
- 3) of the borrowing rate;
- 4) of any penalties or interest on arrears applicable.

3. The creditor shall have the right to offer another kind of credit product when the duration of the overrunning is significant.

### **Article 19. Termination of a credit agreement on the creditor's demand**

The creditor shall have the right to terminate a credit agreement, provided that all of the following conditions are met:

1) the consumer has been informed about overdue payment in writing on a durable medium;

2) the payment is past due for more than one month and the amount payable is not less than 10 % of the outstanding amount of the credit or the payment is past due for more than three consecutive months;

3) the overdue payment was not covered within two weeks of service to the consumer of a repeat written notice on a durable medium.

### **Article 20. Use of bills of exchange, cheques and debit notes**

1. The creditor shall be prohibited from accepting payments from consumers in the form of bills of exchange, cheques or debit notes.

2. The creditor in breach of the prohibition specified in paragraph 1 of this Article must compensate to the consumer for all losses related to the subsequent use of bills of exchange, cheques or debit notes.

3. Without prejudice to the consumer's rights as established in this Law, the creditor shall have the right to accept bills of exchange from the consumer and other persons with a view to ensuring discharge of the consumer's obligations under the credit agreement.

#### **Article 21. Requirements for the total cost of the credit to the consumer**

1. The total cost of the credit to the consumer must be reasonable and justifiable, comply with the requirements of fair business practices and ensure a balance of interests of the consumer and the creditor.

2. The total cost of the credit to the consumer shall be deemed not to comply with the requirements set out in paragraph 1 of this Article if the annual percentage rate of charge set out in the credit agreement at the time of the conclusion of the agreement exceeds 200 %.

3. The supervisory authority may, upon the consumer's application submitted in accordance with the procedure laid down in Article 29 of this Law, or the court, upon reviewing the nature of the contractual relationship of the parties, the value of the obligation, the costs borne by the creditor, circumstances of the conclusion of the credit agreement and other relevant factors, reduce the total cost of the credit to the consumer.

### **CHAPTER FIVE**

#### **SUPERVISION OF ACTIVITIES OF CREDITORS AND CREDIT INTERMEDIARIES**

#### **Article 22. Public list of creditors**

1. A person shall be granted the right to engage in the activities of granting of consumer credit only after the supervisory authority enters it on a public list of creditors. Natural persons shall not have the right to engage in the activities of granting of consumer credit.

2. A person may be entered on a public list of creditors where it meets the requirements of this Law and submits to the supervisory authority the following documents:

1) an application in the form specified by the supervisory institution for entering it on the public list of creditors;

2) information on a public register in which the supervisory authority can verify basic personal data. In case of doubt, the supervisory authority shall have the right to request an extended extract from the public register;

3) rules for assessing the creditworthiness of consumers;

4) rules for examining consumers' complaints and information on databases to be consulted for the purposes of assessing the creditworthiness of the consumers;

5) a list of credit intermediaries, where the person relies on services of the credit intermediaries.

3. Upon examining a person's application and the documents supplied, the supervisory authority shall, not later than within 15 working days from the filing of the application, take a decision to enter or refuse to enter the person on the public list of creditors. In case of doubt, the supervisory authority shall have the right to request the person to provide additional information or documents, which it must submit to the supervisory authority not later than within ten working days from the receipt of the notice from the supervisory authority. In this case, the supervisory authority shall take the decision to enter or refuse to enter the person on the public list of creditors not later than within 15 working days from the provision of additional information or documents.

4. The supervisory authority shall refuse to enter a person on a public list of creditors where the person fails to provide the documents listed in paragraph 2 of this Article.

5. The creditor must submit to the supervisory authority information on changes in documents listed in paragraph 2 of this Law without delay, as soon as such changes occur.

6. The supervisory authority shall have the right, by reasoned decision, to remove the creditor from a public list of creditors where:

1) it transpires that the creditor has submitted to the supervisory authority falsified documents for the purpose of entry on the public list of creditors;

2) the creditor fails to eliminate the circumstances due to which it has been temporarily removed from the public list of creditors within a specified time limit, which shall not be less than 20 working days;

3) the creditor repeats, within a period of one year, an infringement for which it has been imposed a fine specified by this Law;



4) the creditor is the subject of bankruptcy proceedings, is being liquidated or ceases on other grounds specified by law.

7. The creditor removed by a decision of the supervisory authority from a public list of creditors on the grounds listed in points 1, 2 and 3 of paragraph 6 of this Article, may be re-entered on the public list of creditors not earlier than after the lapse of one year following the taking of the decision to remove it from the public list of creditors.

8. The supervisory authority shall have the right, by reasoned decision, to temporarily remove the creditor from a public list of creditors where:

1) it transpires that the creditor has supplied incorrect data for the purpose of entry on the public list of creditors;

2) the creditor fails to supply information in accordance with the procedure laid down in Article 23 of this Law.

9. The supervisory authority shall, upon receiving from the creditor a written notice of elimination of the grounds on which it was temporarily removed from a public list of creditors, enter the credit on the public list of creditors not later than within five working days from the elimination of these grounds.

10. The supervisory authority must remove the creditor from a public list of creditors upon a written request of the creditor.

11. Upon terminating the activities of consumer crediting, the creditor shall inform thereof the supervisory authority.

12. The supervisory authority shall publish a public list of creditors on the website of the supervisory authority. Persons shall be entered on the public list of creditors, removed from the public list of creditors, and the public list of creditors shall be managed in accordance with the procedure laid down by legal acts of the supervisory authority.

### **Article 23. Creditors' duty to provide information**

**1. Creditors must, at least once a year, provide the supervisory authority with information on the credit-granting activities pursued, including information on the type, number and extent of the consumer credit granted, average amounts of credit, the average annual percentage rate of charge, the annual borrowing rate, means of securing the performance of credit agreements and amounts overdue by consumers. Upon summarising such information, the supervisory authority shall make it public in accordance with the procedure laid down by legal acts of the supervisory authority.**

2. The frequency of provision of information indicated in paragraph 1 of this Article, the specific content and extent as well as rules for providing such information shall be specified by the supervisory authority.

#### **Article 24. Public list of creditor intermediaries**

1. A person shall have the right to engage in the activities of credit intermediaries only after the supervisory authority enters him on a public list of credit intermediaries.

2. A person may be entered on a public list of credit intermediaries where he submits to the supervisory authority information on a public register in which the supervisory authority can verify basic personal data. In case of doubt, the supervisory authority shall have the right to request the person to provide an extended extract from the public register.

3. A person shall not be under the obligation to submit to the supervisory authority the information referred to in paragraph 2 of this Article where the creditor notifies the supervisory authority about him as a credit intermediary in accordance with the procedure laid down in Article 22(2) of this Law. Such a person shall be entered on a public list of credit intermediaries after the creditor notifies the supervisory authority about him as a credit intermediary in accordance with the procedure laid down in Article 22(2) of this Law.

4. The supervisory authority shall publish a notice of the entry of a person on a public list of credit intermediaries and regularly update such information on its website. Persons shall be entered on the public list of credit intermediaries, and the public list of credit intermediaries shall be managed in accordance with the procedure laid down by legal acts of the supervisory authority.

#### **Article 25. Credit intermediaries' duty to provide information**

1. A credit intermediary must indicate in advertising and documentation intended for consumers the extent of his powers, in particular whether he works exclusively with one or more creditors or as an independent broker.

2. The fee payable to a credit intermediary must be disclosed to the consumer. The fee must be agreed in writing on a durable medium before the conclusion of the credit agreement.

3. The fee payable by the consumer to the credit intermediary for his services shall be communicated to the creditor by the credit intermediary, for the purpose of calculation of the annual percentage rate of charge.

## **CHAPTER SIX**

### **LIABILITY FOR INFRINGEMENTS OF THIS LAW AND THE PROCEDURE FOR EXAMINING INFRINGEMENTS OF THIS LAW**

#### **Article 26. 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 of the Republic of Lithuania.

2. A procedure for examining infringements of this Law shall be laid down by this Law and the rules approved by the supervisory authority.

#### **Article 27. Authority in charge of examination of infringements of this Law**

1. Infringements of this Law shall be examined and sanctions for infringements of this Law shall be imposed by the supervisory authority.

2. If the supervisory authority collects sufficient evidence of a potential infringement of this Law, it must take a reasoned decision to initiate examination of the infringement of this Law on its own initiative.

#### **Article 28. Rights and duties of the supervisory authority**

The supervisory authority shall:

- 1) supervise compliance of creditors and credit intermediaries with requirements of this Law;
- 2) examine, on its own initiative, potential infringements of this Law;
- 3) examine requests concerning a potential infringement of this Law;
- 4) impose the sanctions specified by this Law upon creditors and credit intermediaries infringing this Law;
- 5) cooperate with relevant authorities of the Member States and third countries;
- 6) perform other functions set out in this Law.

**Article 29. Submission to the supervisory authority of an application for the examination of a potential infringement of this Law**

1. Consumers, state and local municipal institutions and agencies as well as consumer associations (hereinafter: ‘applicants’) shall be granted the right to refer to the supervisory authority regarding a potential infringement of this Law by submitting a written application to the supervisory authority.

2. An application referred to in paragraph 1 of this Article must indicate:

1) the applicant’s identity and address (if submitted by a natural person) or the applicant’s identity, registration number and address of the registered office (if submitted by a legal person) and contact data;

2) factual elements of a potential infringement of this Law known to the applicant. The application specified in paragraph 1 of this Article shall be accompanied by supporting documentation available to the applicant.

3. Initiation of examination of an application indicated in paragraph 1 of this Article shall be refused where:

1) examination of the infringement indicated in the application does not fall within the remit of the supervisory authority;

2) the factual data indicated in the application have already been verified, and the supervisory authority has taken a decision thereon;

3) there is no factual evidence to provide a reasonable suspicion of an infringement of this Law, or the applicant fails, without good reason, to provide the documentation supporting his application within the set time limit;

4) more than three years have lapsed from a potential infringement of this Law until the submission of the application to the supervisory authority.

4. The supervisory authority shall, within 30 calendar days from the receipt of an application complying with the requirements set out in this Article, notify the applicant of grounds for the refusal to initiate examination of an infringement of this Law.

### **Article 30. Participants in the procedure of examination of an infringement of this Law and other persons**

1. The following persons shall participate in the procedure of examination of an infringement of this Law:

1) a person in respect whereof examination of the infringement of this Law has been initiated;

2) the consumer, where examination of the infringement of this Law has been initiated based on the consumer’s application;

3) a representative of a consumer association or a state and municipal institution and agency, where examination of the infringement of this Law has been initiated based on an application of the consumer association or the state and municipal institution and agency;

4) experts, professionals and other persons – by a decision of the supervisory authority.

2. Persons listed in points 1, 2 and 3 of paragraph 1 of this Article shall hereinafter be referred to in this Law as participants in the procedure of examination of an infringement of this Law.

3. Participants in the procedure of examination of an infringement of this Law may be represented by their representatives.

**Article 31. Procedure and time limits for examining an infringement of this Law:**

1. Upon commencing the procedure of examination of an infringement of this Law, the supervisory authority shall apply in writing to a person in respect whereof this procedure has been initiated and request to submit, within a time limit specified by the supervisory authority, a reasoned explanation and supporting evidence regarding the circumstances which led to initiation of the procedure of examination of the infringement of this Law.

2. Participants in the procedure of examination of an infringement of this Law shall be notified by a registered letter, not later than 14 calendar days before the day of examination of the infringement of this Law at the authority, of potential infringements of this Law, the time and venue of the examination of the infringements and shall also be given access to the documents received and other information and be permitted to provide written explanations.

3. Where participants in the procedure of examination of an infringement of this Law are not present during the examination of infringements of this Law, the infringements of this Law may be examined only if it can be proved that they have been properly and timely notified of the time and venue of examination of the infringements of this Law.

4. In the course of examination of infringements of this Law, participants in this procedure shall have the right to access the documents received and other information, to

provide oral or written explanations and to submit additional information and other documents.

5. The supervisory authority shall examine potential infringements of this Law and impose sanctions not later than within four months from the submission to the supervisory authority of an application referred to in Article 29 of this Law or from the date of adoption of a decision indicated in Article 27(2) of this Law.

### **Article 32. Duty to provide information**

A person in respect whereof the procedure of examination of an infringement of this Law has been initiated must provide the supervisory authority with information and documents for the purposes of examination of potential infringements of this Law.

### **Article 33. Resolution upon completion of the procedure of examination of an infringement of this Law**

1. Upon completing the procedure of examination of an infringement of this Law, the supervisory authority shall adopt a resolution, which must indicate:

- 1) the name of the authority which has adopted the resolution;
- 2) the date and venue of adoption of the resolution;
- 3) data on the person/collegial body adopting the resolution, the secretary of the meeting, participants in the procedure of examination of the infringement of this Law and other persons concerned attending the meeting;
- 4) data on the person in respect of acts/omissions whereof the resolution has been adopted;
- 5) the content of the application referred to in Article 29 of this Law;
- 6) the established factual elements of the infringement of provisions of this Law;
- 7) proof of the fact of infringement underlying the resolution;
- 8) the relevant article of this Law establishing liability for the infringement;
- 9) explanations provided by the person in respect of acts/omissions whereof the resolution has been adopted and assessment thereof;
- 10) the decision adopted;
- 11) the procedure for executing the resolution and the time limit within which the resolution must be executed;
- 12) time limits and the procedure for appealing against the resolution.

2. Upon completing the procedure of examination of an infringement of this Law, the supervisory authority shall be entitled to take the following decisions:

- 1) to oblige the person in breach of requirements of this Law to discontinue unlawful conduct;
- 2) to impose sanctions provided for by this Law;
- 3) to refrain from imposing sanctions until establishment of an infringement of provisions of this Law.

3. The resolution of the supervisory authority referred to in this Article shall, within three working days from its adoption, be despatched by registered mail to the applicant and to the person in respect whereof the resolution has been adopted.

#### **Article 34. Liability for infringements of this Law**

1. For infringements of provisions of this Law, the supervisory authority may impose a fine from EUR 289 up to EUR 8 688. In the event that an infringement for which a fine stipulated by this Law has already been imposed is repeated within one year, the supervisory authority may impose a larger fine of up to EUR 34 754. Where the infringement is minor and no substantial damage to the consumers' interests protected by this Law is made, the supervisory authority may, in compliance with the criteria of fairness and reasonableness, impose the following penalty – a warning without imposing a fine.

2. When imposing a specific fine, the mitigating and aggravating factors referred to in paragraphs 3 and 4 of this Article as well as the nature, duration and extent of an infringement shall be taken into account. The amount of the fine to be imposed shall be determined according to the average of minimum and maximum amounts of the fine taking into account the mitigating or aggravating factors. In the presence of the mitigating factors, the fine shall be reduced from the average to the minimum amount, and in the presence of the aggravating factors, the fine shall be increased from the average up to the maximum amount. In the presence of both mitigating and aggravating factors, the fine shall be imposed taking into account their quantity and significance. Reasons shall be given for any reduction or increase of the fine in a resolution of the supervisory authority.

3. The fact that, having committed an infringement, a person has voluntarily barred the way of the harmful consequences of the infringement, discontinued the infringement, assisted the supervisory authority in the course of the investigation, compensated for losses and/or eliminated the damage caused shall be deemed to be a mitigating factor. The

supervisory authority may also recognise other factors which have not been indicated in this paragraph as mitigating.

4. The fact that, having committed an infringement, a person has impeded the examination of the infringement, concealed the committed infringement, continued the infringement ignoring the injunction to discontinue unlawful conduct shall be deemed to be an aggravating factor.

5. The court hearing an appeal against a resolution of the supervisory authority on imposition of a fine shall, taking into account mitigating and any other factors (due to which a fine against a person in breach of this Law would be excessive by reason of it being disproportionate to the committed infringement and therefore unfair) and acting in compliance with the criteria of fairness and reasonableness, have the right to impose a fine smaller than the minimum amount of the fine stipulated in this Article.

6. For a failure to comply, or inadequate compliance, with a request of the supervisory authority to provide information and documents required to examine an infringement of this Law, despite prior warning of a failure to comply with this requirement, a person may be subject to a fine in the amount of up to EUR 2 896.

### **Article 35. Publication**

Upon stating in a resolution indicated in Article 33 of this Law that a person is in breach of requirements of this Law, the supervisory authority shall make it public on its website 30 calendar days from the adoption of the resolution. Where, within 30 calendar days from the adoption of the resolution, the person in respect of actions whereof the resolution has been adopted appeals against it to court, the supervisory authority shall make such an infringement of provisions of this Law public on its website upon conclusion of court proceedings.

### **Article 36. Execution of a resolution of the supervisory authority**

1. A resolution of the supervisory authority must be executed not later than within 30 calendar days from service of the resolution upon a person in breach of requirements of this Law. In the event of appeal against a resolution of the supervisory authority on imposition of a fine, the fine must be paid not later than within 30 calendar days from the coming into effect of a court judgment dismissing the appeal.

2. A resolution of the supervisory authority shall be an instrument permitting enforcement in accordance with the procedure laid down by the Code of Civil Procedure



of the Republic of Lithuania. The resolution of the supervisory authority may be presented for enforcement not later than within three years from its adoption.

**Article 37. Appeal against a resolution of the supervisory authority**

1. A person who disagrees with a resolution of the supervisory authority shall have the right to appeal to court against the resolution within 30 calendar days from adoption of the resolution in accordance with the procedure laid down in the Law of the Republic of Lithuania on Administrative Proceedings.

2. An appeal to court shall suspend execution of a resolution of the supervisory authority on imposition of a fine.

**CHAPTER SEVEN**  
**FINAL PROVISIONS**

**Article 38. Invalidity of a waiver of rights under this Law and referral to a dispute settlement authority**

1. A waiver of the rights granted to consumers under this Law shall be invalid.

2. Disputes of consumers with the creditor and the credit intermediary shall be examined in accordance with the procedure laid down by the Law of the Republic of Lithuania on the Bank of Lithuania.

**Article 39. Application of the law of a third country to credit agreements**

Consumers shall not lose the protection granted by this Law by virtue of the choice, by parties to a credit agreement, of the law of a third country as the law applicable to the credit agreement, if the credit agreement has a close link with the territory of one or more Member States.

**Article 40. Provisions relating to membership in the European Union**

1. The supervisory authority must inform the European Commission:

1) that in the Republic of Lithuania applications regarding infringements of this Law are examined and sanctions for the infringements of this Law are imposed by the supervisory authority;

2) of provisions of Article 3(5) and (6) and Article 17(4) of this Law.

2. The supervisory authority shall make public on its website information on decisions of the Member States to make use of the derogations provided for under Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC.

#### **Article 41. Implementation of the Law**

The provisions of this Law shall not apply to credit agreements concluded before 1 April 2011, with the exception of provisions of Articles 12, 13 and 14 of this Law, the provision of Article 18(1) regarding the information referred to in Article 6(2)(5) of this Law and regularly provided to the consumer and provisions of Article 18(2), which shall apply to open-end credit agreements concluded before 1 April 2011.

#### **Article 42. Procedure for calculating the annual percentage rate of charge**

The procedure for calculating the annual percentage rate of charge shall be laid down by the supervisory authority.

Annex 1  
to the Law of the Republic of  
Lithuania on Consumer Credit

### **STANDARD CONSUMER CREDIT INFORMATION**

1. In the fields of the standard consumer credit information form with the reference 'if applicable', the creditor must fill in specific information concerning the offered credit or delete the respective information (entirely or in part) if the information is not relevant for the type of credit considered. Indications between square brackets provide explanations for the creditor and must be replaced with the corresponding information. The creditor is not required to provide the information marked with \*.

2. The standard consumer credit information form must indicate:

2.1. the identity and the address of the registered office of the creditor and/or the credit intermediary involved; where the credit intermediary is a natural person – his identity and the address of his place of residence:

Creditor	[Identity]
Address	[Address to be used by the consumer]
Telephone number*	
E-mail address*	

Fax number*	
Web address*	
<i>If applicable</i>	
Credit intermediary	[Identity]
Address	[Address to be used by the consumer]
Telephone number*	
E-mail address*	
Fax number*	
Web address*	

## 2.2. Description of the main features of the credit product:

The type of credit	
The total amount of credit	
This means the ceiling or the total sums made available under the credit agreement	
The conditions governing the drawdown	
This means how and when you will obtain the money	
The duration of the credit agreement	
Instalments and, where appropriate, the order in which instalments will be allocated	<p>You will have to pay the following: [The amount, number and frequency of payments to be made by the consumer]</p> <p>Interest and/or charges will be payable in the following manner:</p>
The total amount of credit you will have to pay	[Sum of total amount of credit and total cost of credit]
This means the amount of borrowed capital plus interest and other costs related to your credit	
<i>If applicable</i>	
The credit is granted in the form of a deferred payment for a good or service or is linked to the supply of specific goods or the provision of specific services	
Name of good/service	
Cash price	

<i>If applicable</i>	
Sureties required	[Kind of sureties]
This is a description of the security to be provided by you in relation to the credit agreement	
<i>If applicable</i>	
Repayments do not give rise to immediate amortisation of the capital	

### 2.3. Costs of the credit:

The borrowing rate or, if applicable, different borrowing rates which apply to the credit agreement	[ % — fixed or, — variable (with the index or reference rate applicable to the initial borrowing rate), — periods]
Annual Percentage Rate of Charge (APR)  This is the total cost expressed as an annual percentage of the total amount of credit.  The APR is there to help you compare different offers.	[ % A representative example mentioning all the assumptions used for calculating the rate to be set out here]
Is it compulsory, in order to obtain the credit or to obtain it on the terms and conditions marketed, to take out: — an insurance policy securing the credit, or  — another ancillary service contract.  If the costs of these services are not known by the creditor they are not included in the APR.	Yes/no [if yes, specify the kind of insurance]  Yes/no [if yes, specify the kind of ancillary service]
Related costs	
<i>If applicable</i>  Maintaining one or more accounts is required for recording both payment transactions and drawdowns	
<i>If applicable</i>  Amount of costs for using a specific means of payment (e.g. a credit card)	
<i>If applicable</i>	

Any other costs deriving from the credit agreement	
<i>If applicable</i>  Conditions under which the abovementioned costs related to the credit agreement can be changed	
<i>If applicable</i>  Obligation to pay notarial fees	
Costs in the case of late payments  Missing payments could have severe consequences for you (e.g. forced sale) and make obtaining credit more difficult.	You will be charged [..... (applicable interest rate and arrangements for its adjustment and, where applicable, default charges)] for missing payments.

#### 2.4. Other important legal aspects:

Right of withdrawal  You have the right to withdraw from the credit agreement within a period of 14 calendar days.	
Early repayment  You have the right to repay the credit early at any time in full or partially.  The creditor is entitled to compensation in the case of early repayment.	[Determination of the compensation (calculation method) in accordance with the provisions implementing Article 17 of the Law of the Republic of Lithuania on Consumer Credit]
Consultation of a database  The creditor must inform you immediately and without charge of the result of a consultation of a database for the purposes of assessing creditworthiness, if a credit application is rejected on the basis of such a consultation. This does not apply if the provision of such information is prohibited by other legal acts or is contrary to objectives of public policy or public security.	
Right to a draft credit agreement  You have the right, upon request, to obtain a copy of the draft credit agreement free of	

charge. This provision does not apply if the creditor is at the time of the request unwilling to proceed to the conclusion of the credit agreement with you.	
<i>If applicable</i>  The period of time during which the creditor is bound by the pre-contractual information.	This information is valid from ... until ...

2.5. If applicable, additional information in the case of distance marketing of financial services:

2.5.1. concerning the creditor	
<i>If applicable</i>  Representative of the creditor in your Member State of residence  Address  Telephone number* E-mail address* Fax number* Web address*	[Identity]    [Address to be used by the consumer]
<i>If applicable</i>  Registration	[The Register of Legal Entities or another appropriate register in another state in which the creditor is entered and his registration number or an equivalent means of identification of the creditor in that register]
<i>If applicable</i>  The supervisory authority	
2.5.2. concerning the credit agreement	
<i>If applicable</i>  Exercise of the right of withdrawal	[Practical instructions for exercising the right of withdrawal indicating, inter alia, the period for exercising the right, the address to which notification of exercise of the right of withdrawal should be sent and the consequences of non-exercise of that right]
<i>If applicable</i>  The law taken by the creditor as a basis for the establishment of relations with you before the conclusion of the credit contract	

<i>If applicable</i>  Clause stipulating the governing law applicable to the credit agreement and/or the competent court	[Relevant clause to be set out here]
<i>If applicable</i>  Language regime	Information and contractual terms will be supplied in [specific language]. With the consumer's consent, we intend to communicate in [specific language/languages] during the duration of the credit agreement.
2.5.3. concerning redress	
Existence of and access to out-of-court complaint and redress mechanism	[Whether or not there is an out-of-court complaint and redress mechanism for the consumer who is party to the distance contract and, if so, the methods of access to it]

Annex 2  
to the Law of the Republic of  
Lithuania on Consumer Credit

## STANDARD INFORMATION FOR CERTAIN CREDIT AGREEMENTS

1. Where credit agreements are related to overdraft, debt conversion or are concluded in compliance with Article 3(5) of the Law of the Republic of Lithuania on Consumer Credit, in the fields of the standard information form for certain credit agreements with the reference 'if applicable' the creditor must fill in specific information concerning the credit product or delete the respective information (entirely or in part) if the information is not relevant for the type of credit considered. Indications between square brackets provide explanations for the creditor and must be replaced with the corresponding information. The creditor is not required to provide the information marked with \*.

2. Where credit agreements are related to overdraft, debt conversion or are concluded in compliance with Article 3(5) of the Law of the Republic of Lithuania on Consumer Credit, the standard information form for certain credit agreements shall indicate:

2.1. the identity and the address of the registered office of the creditor and/or the credit intermediary involved; where the credit intermediary is a natural person – his identity and the address of his place of residence:

Creditor	[Identity]
Address	[Address to be used by the consumer]
Telephone number*	
E-mail address*	
Fax number*	
Web address*	
<i>If applicable</i>	
Credit intermediary	[Identity]
Address	[Address to be used by the consumer]
Telephone number*	
E-mail address*	
Fax number*	
Web address*	

2.2. Description of the main features of the credit product:

The type of credit	
The total amount of credit	
This means the ceiling or the total sums made available under the credit agreement	
The duration of the credit agreement	
<i>If applicable</i>	
You may be requested to repay the amount of credit in full on demand at any time.	

2.3. Costs of the credit:

The borrowing rate or, if applicable, different borrowing rates which apply to the credit agreement	[ % — fixed or, — variable (with the index or reference rate applicable to the initial borrowing rate)]
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<p>The annual percentage rate of charge (APR)</p> <p>This is the total cost of credit expressed as an annual percentage of the total amount of credit.</p> <p>The APR is there to help you compare different offers.</p>	<p>[ % A representative example mentioning all the assumptions used for calculating the rate to be set out here]</p>
<p><i>If applicable</i></p> <p>Costs</p> <p><i>If applicable</i></p> <p>The conditions under which those costs may be changed</p>	<p>[The costs payable or charges applicable from the time the credit agreement is concluded]</p>
<p>Costs in the case of late payments</p>	<p>You will be charged [..... (applicable interest rate and arrangements for its adjustment and, where applicable, default charges)] for missing payments.</p>

#### 2.4. Other important legal aspects:

<p>Termination of the credit agreement</p>	<p>[The conditions and procedure for terminating the credit agreement]</p>
<p>The creditor must inform you immediately and without charge of the result of a consultation of a database for the purposes of assessing creditworthiness, if a credit application is rejected on the basis of such a consultation. This does not apply if the provision of such information is prohibited by other legal acts or is contrary to objectives of public policy or public security.</p>	
<p><i>If applicable</i></p> <p>The period of time during which the creditor is bound by the pre-contractual information.</p>	<p>This information is valid from ... until ...</p>

2.5. If applicable, additional information to be given where the pre-contractual information is provided by a person indicated in Article 3(5) of the Law of the Republic of Lithuania on Consumer Credit or relates to a consumer credit for debt conversion:

<p>Instalments and, where appropriate, the order in which instalments will be allocated</p>	<p>You will have to pay the following: [Representative example of an instalment table including the amount, number and frequency of payments to be made by the</p>
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	consumer]
The total amount you will have to pay	
<p>Early repayment</p> <p>You have the right to repay the credit early at any time in full or partially.</p> <p><i>If applicable</i></p> <p>The creditor is entitled to compensation in the case of early repayment.</p>	<p>[Determination of the compensation (calculation method) in accordance with the provisions implementing Article 17 of the Law of the Republic of Lithuania on Consumer Credit]</p>

2.6. If applicable, additional information in the case of distance marketing of financial services:

2.6.1. concerning the creditor	
<p><i>If applicable</i></p> <p>Representative of the creditor in the consumer's Member State of residence</p> <p>Address</p> <p>Telephone number*</p> <p>E-mail address*</p> <p>Fax number*</p> <p>Web address*</p>	<p>[Identity]</p> <p>[Address to be used by the consumer]</p>
<p><i>If applicable</i></p> <p>Registration</p>	<p>[The Register of Legal Entities or another appropriate register in another state in which the creditor is entered and his registration number or an equivalent means of identification of the creditor in that register]</p>
<p><i>If applicable</i></p> <p>The supervisory authority</p>	
2.6.2. concerning the credit agreement	
<p>Right of withdrawal</p> <p>You have the right to withdraw from the credit agreement within a period of 14 calendar days.</p> <p>Exercise of the right of withdrawal</p>	<p>[Practical instructions for exercising the right of withdrawal indicating, inter alia, the address to which notification of</p>

	exercise of the right of withdrawal should be sent and the consequences of non-exercise of that right]
<i>If applicable</i>  The law taken by the creditor as a basis for the establishment of relations with you before the conclusion of the credit contract	
<i>If applicable</i>  Clause stipulating the governing law applicable to the credit agreement and/or the competent court	[Relevant clause to be set out here]
<i>If applicable</i>  Language regime	Information and contractual terms will be supplied in [specific language]. With your consent, we intend to communicate in [specific language/languages] during the duration of the credit agreement.
2.6.3. concerning redress	
Existence of and access to out-of-court complaint and redress mechanism	[Whether or not there is an out-of-court complaint and redress mechanism for the consumer who is party to the distance contract and, if so, the methods of access to it]

Annex 3  
to the Law of the Republic of  
Lithuania on Consumer Credit

## LEGAL ACTS OF THE EUROPEAN UNION IMPLEMENTED BY THIS LAW

1. Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ 2008 L 133, p. 66; corrigendum – OJ 2009 L 207, p. 14).