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Company Law

On December 11, 2009 Seimas adopted a new “*Law on Stock Corporations*”. The Law’s new provisions entered into force on January 1, 2010. The Law was adopted so as to eliminate contradictions between the prior Law on Stock Corporations and the Lithuanian Civil Code.

The Law on Stock Corporations establishes several new legal features in comparison with the previous law. The law provides for a maximum number of shareholders in a closed Stock Corporation. The Law also provides new regulations regarding access to a company’s corporate information. The corporate documents used in a company’s relations with third persons, including the company’s web site, must contain the information indicated in Article 2.44 of the Lithuanian Civil Code.

The Law eliminates the prior requirement that a closed company must have at least one collegial supervising organ. Both public and private companies now have the right to acquire ordinary shares under provisions of the said Law. The Law sets a term of 30 days to appeal resolutions approved by a company’s managing bodies.

The State Gazette, “Valstybės žinios”, 2009. No. 124

On January 27, 2009 the Seimas adopted by the “*Law on Public Institutions*”. The Law regulates the establishment, management, activities, reorganization and liquidation of a “Public Institution”. A Public Institution is defined as a non-profit limited civil liability legal person established with the purpose of satisfying the public interest, while performing activities beneficial to society.

The State Gazette, “Valstybės žinios”, 2009. No. 25

On January 22, 2009 a new edition (version) of the “*Law on Associations*” was adopted. The Law entered into force on February 14, 2009. With this new edition of the “Law on Associations” the previous “*Law on Public Organizations*” lost its force and these two previously separate legal forms merged into one form of juridical person. Both “associations” and “organizations” are now regulated by the new version of the Law on Associations.

The State Gazette, “Valstybės žinios”, 2009. No. 25

On April 29, 2009 the Seimas of the Republic of Lithuania adopted the “*Law on European Companies*”. The Law fully came into force on October 8, 2009. The Law regulates the establishment, the registered office, management, and reorganization of juridical persons holding the legal status of a “European Company”. The Law implements “*European Union Council Regulation No. 2157/2001 on the Statute for European Companies*”.

The State Gazette, “Valstybės žinios”, 2009. No. 78

On June 1, 2009 the Seimas adopted the “*Law on Social Companies*”. The Law entered into force on June 19, 2009. The Law sets the requirements for public and private persons registered in the Republic of Lithuania in order to obtain the status of “Social Company”. The Law sets forth the requirement that a Social Company must employ specific categories of people who have lost their professional or general working capacity.

The State Gazette, “Valstybės žinios”, 2009. No. 96

Commercial transactions

On December 9, 2009 the Seimas adopted the “*Law on Prevention for Delayed Payments under Commercial Transactions*”, which came into force on May 1, 2010. The law regulates the default interest rate for late payments in commercial transactions for goods delivered, services rendered, and works performed. The Law also establishes creditor rights in case of late payments.

The State Gazette, “Valstybės žinios”, 2009. No. 123

Competition Law

On April 15, 2009 the Seimas adopted amendments to the “*Law on Competition*” in regard to harmonization of national legislation with the requirements of the EU. *Inter alia*, the law abolishes the provisions regulating individual exemptions for anti-competitive commercial agreements.

The State Gazette, “Valstybės žinios”, 2009. No. 63

On December 6, 2009 the Government of Lithuania adopted “*Regulations on the Size of Fines Imposed for Violation of the Law on Competition*”. The Regulations specify and determine the procedure for imposition and the size of fines to be levied for violation of the rules. The law also regulates prohibited agreements, abuse of a dominant market position, unfair competition, and other activities prohibited by the Law on Competition.

The State Gazette, “Valstybės žinios”, 2009. No. 177

Finance and Banking Law

On March 30, 2009 the Seimas adopted the “*Law on Banks*”, which came into force on May 1, 2009.

The Law regulates the procedure for establishment, operation, restructuring, dissolution, licensing and supervision by the State authorities of banks operating in the territory of the Republic of Lithuania.

The Law also applies to the branches of foreign banks operating in the Republic of Lithuania. The Law distinguishes between two types of banks: commercial and specialized.

A specialized bank, as defined by the Law, is a credit institution which is entitled to provide only some, but not all, financial services to natural or legal persons or may provide certain financial services only to one exclusive group of persons.

The Law also provides a list of licensed financial services, which may be provided by commercial and specialized banks which operate in the territory of the Republic of Lithuania. *Inter alia*, the Law sets the limits of competence of a bank's managers and organs; determines requirements for taking various employment positions in a bank and specifies the liability that is borne by a bank's executives and management.

The State Gazette, "Valstybės žinios", 2009. No. 54

On July 22, 2009 the Board of the Bank of the Republic of Lithuania by resolution approved the "*Rules for Consolidation and Joint Supervision of a Financial Group's accounts*".

The State Gazette, "Valstybės žinios", 2009. No. 139

On September 23, 2009 the Board of the Bank of the Republic of Lithuania approved "*Regulations for the Inspection of Banks and Credit Unions*".

The State Gazette, "Valstybės žinios", 2009. No. 145

Environmental Law

On November 4, 2009 the Seimas adopted the "*Law on Management of Environmental Noise*". The Law entered into force on December 31, 2009. The Law regulates the grounds for noise prevention and details the rights and obligations of natural and legal persons responsible for management, reduction, supervision and monitoring of noise. The Law on Management of Environmental Noise was adopted in order to meet the requirements and implement certain EU legal acts (law) in the area concerned.

The State Gazette, "Valstybės žinios", 2009. No. 164

Intellectual property

On February 19, 2009 the Seimas adopted substantial amendments to the "*Law on Trade Marks*" due to Lithuania's accession to the EU. The new amendments and implement the provisions of EU legal acts regulating Intellectual property.

The new provisions provide that after Lithuania's date of accession to EU, trademarks registered in one of the member States are protected in all of 25 the member States, including Lithuania.

Since May 1, 2009 residents and companies of EU may under the simplified procedure set by the Law apply to the State Patent Bureau directly or through their authorized representatives.

The State Gazette, “Valstybės žinios”, 2009. No. 39

On December 6, 2004 Lithuania’s Government adopted a Resolution nominating the State Patent Bureau as the authorized institution responsible for implementation of the Convention on the Grant of Patents and other relevant EU legal acts. The resolutions entered into force on December 30, 2009.

The State Gazette, “Valstybės žinios”, 2009. No. 177

Insurance Law

On September 29, 2008 the Seimas adopted a new “*Law on Insurance*”. The Law came into force on January 1, 2009. The Law was harmonized in order to meet the provisions of EU legal acts. The Law sets forth rules for EU insurance companies’ and brokers’ activities in Lithuania; licensing and supervision by State authorities; establishment of branches of foreign insurance companies and dispute resolution methods.

The State Gazette, “Valstybės žinios”, 2009. No. 94

On September 28, 2009 the Insurance Supervisory Commission of the Republic of Lithuania adopted a “*Resolution on Regulations for Inspection of Credit Unions*”.

The State Gazette, “Valstybės žinios”, 2009. No. 146

Immigration Law

On April 29, 2009 the Seimas adopted the new edition of the “*Law on Legal Status of Foreigners*”. The new Law was adopted in order to harmonize and implement EU law in the area of free movement of persons; migration; issuance of permanent and temporary permits, and visas and applications for asylum. The Law also specifies the conditions and procedures on issuance of an EU residence permit.

The State Gazette, “Valstybės žinios”, 2009. No. 73

On July 16, 2009 the Minister of Social Security and Labor adopted the “*Order with respect to Description of Conditions and Procedure for Issuance of Work Permits in Lithuania*”.

The State Gazette, “Valstybės žinios”, 2009. No. 113

Labor Law

On February 19, 2009 the Seimas adopted the “*Law on European Labor Councils*”, which came into force from the date of Lithuania’s accession to the EU. The Law is designed to ensure the protection of the rights, representation and access to information by employees of EC companies.

The State Gazette, “Valstybės žinios”, 2009. No. 39

On March 24, 2009 the Lithuanian Government adopted the “*Resolution on the Increase of the Minimum Wage*”. The Law came into force on May 1, 2004. The Resolution has sets the minimum hourly rate at 2.95 Litas and the minimal monthly wages in the amount of 500 Litas for employees working in private companies, establishments and organizations.

The State Gazette, “Valstybės žinios”, 2009. No. 46

On October 26, 2009 the Seimas adopted the “*Law on Labor Councils*”, which came into force on November 11, 2009. The purpose of the Law is to protect the rights of employees working in private and public companies, establishments, organizations or institutions. The Law regulates the establishment of Labor Councils in such companies and organizations. It should be noted that the Law provides that a Labor Council may be established only as an alternative legal body to Trade Unions and only in case there is no active Trade Union in a company or organization.

The State Gazette, “Valstybės žinios”, 2009. No. 164

On November 29, 2009 the Lithuanian Government by Resolution approved the “*List of Conditions in Relation to the Procedure for Institution and Duration of Part-Time Work*”.

The State Gazette, “Valstybės žinios”, 2009. No. 173

Land Law

The Seimas adopted a new “*Law on Land*” on January 27, 2009. The Law sets a maximum term of 25 years for a contract for the lease of State-owned land; the Law also regulates in detail the establishment and registration of servitudes and compensation issues in relation to losses arising from the establishment of a servitude.

The State Gazette, “Valstybės žinios”, 2009. No. 28

On July 15, 2009 the Seimas adopted a new “*Law on Purchase of the Land for Agricultural Purposes*”. The Law came into force on August 7, 2009. The Law abolishes the essential requirement for national legal and natural persons to engage into agricultural activities in order to gain the right to purchase agricultural land.

The State Gazette, “Valstybės žinios”, 2009. No. 124

Social Insurance Law

On March 30, 2009 the Government of Lithuania by Resolution approved the “*Regulations of Social Insurance Indemnities for Accidents at Work and Occupational Diseases*”.

The State Gazette, “Valstybės žinios”, 2009. No. 49

On November 4, 2004 the Seimas adopted a new “*Law on State Social Insurance*”. The Law establishes several new features that determine the types of income from which no deductions from

social insurance income may be made. The Law provides for a new structure for the management and administration of the State Social Insurance System.

The law also regulates procedures and rules for access and delivery of information from the database of State Social Insurance Fund Board's authorized institutions for an insured person or beneficiaries of social insurance indemnities.

The State Gazette, "Valstybės žinios", 2009. No. 171

Tax Law

On January 29, 2009 the Seimas adopted the "*Law on Excise Duty*". The Law came into force on May 1, 2009 (on the date of Lithuania's accession to EU). The Law provides for a list of goods which are the object of an excise duty and regulates imposition of an excise duty by the competent State authorities. Excise duties are imposed on these following goods:

- 1) Ethyl alcohol and alcoholic drinks;
- 2) Processed tobacco;
- 3) Energy products;
- 4) Electrical energy.

The State Gazette, "Valstybės žinios", 2009. No. 25

On January 15, 2004 the Seimas adopted amendments to the "*Law on Value Added Tax*", which came into force on the date of Lithuania's accession to EU, May 1, 2004. The amendments to the previous version of the Law were made in accordance with the harmonization process of Lithuanian VAT legislation with EU legislation.

The State Gazette, "Valstybės žinios", 2009. No. 17

On April 13, 2009 the Seimas adopted a new version of the "*Law on Tax Administration*", which entered into force on May 1, 2009. The substantial amendments to the previous edition of the Law on Tax Administration were adopted due to Lithuania's accession to the EU.

The Law regulates customs duties as well. The Law sets a principle that discrepancies and ambiguities between Tax Law provisions should be interpreted in favor of a taxpayer. The Law provides that tax administrator should cooperate with and not to disturb the taxpayer while performing an audit or other duties under the Law; as well regulates and specifies the necessity of presentation of compulsory notification in regard to a planned audit of a taxpayer.

One of the important new provisions of the Law is the possibility that a taxpayer may enter into a settlement agreement with the tax administrator when the amount of imposed tax payable may not be calculated in the usual manner due to the loss of documents or other circumstances.

The State Gazette, "Valstybės žinios", 2009. No. 63