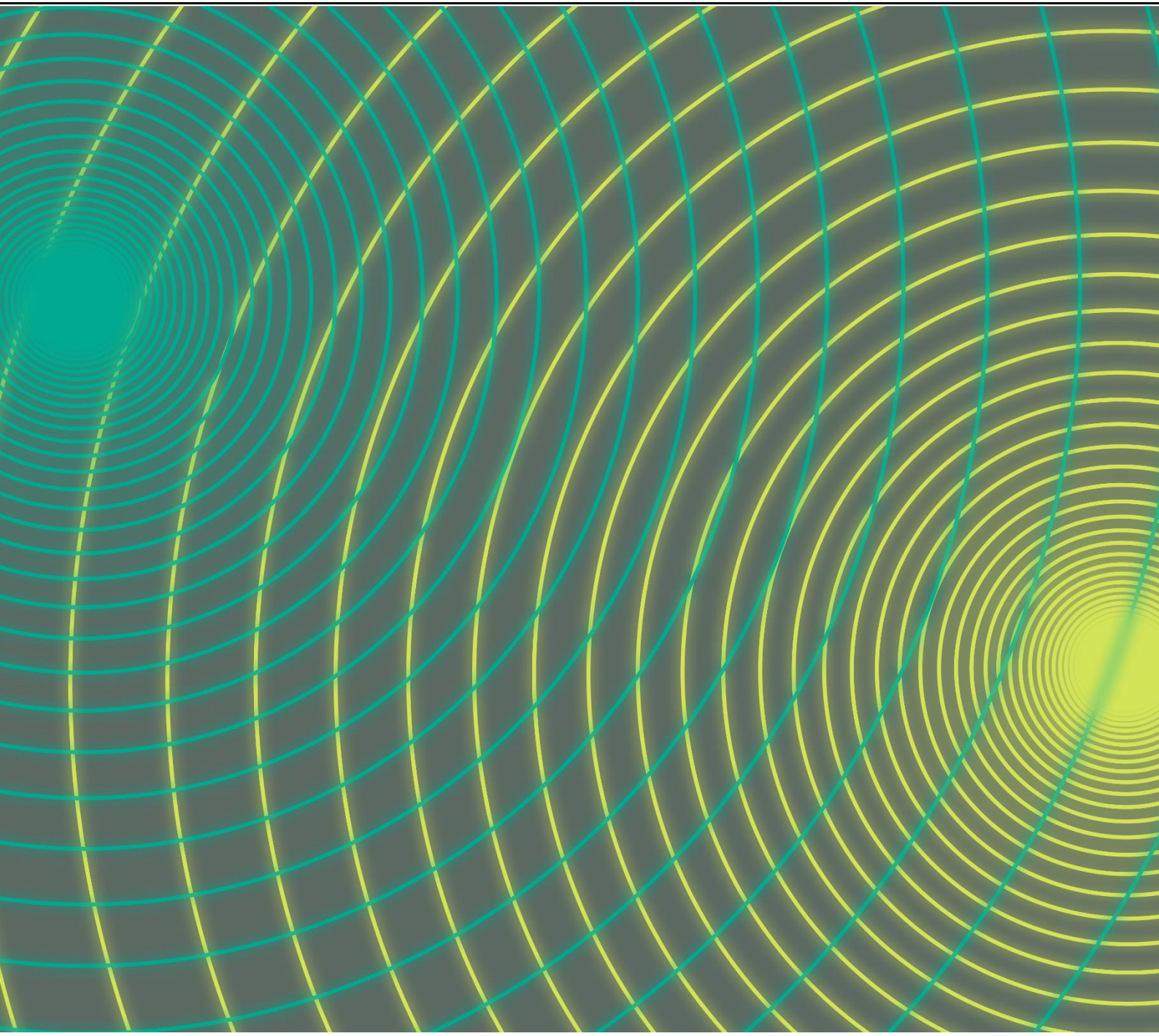


GOOD TO KNOW

March
2022

JANGIS. THE SUBSYSTEM
OF ULTIMATE BENEFICIAL
OWNERS.



JANGIS. WHAT DOES IT MEAN AND WHY DOES IT MATTER?

The System on ultimate beneficial owners *JANGIS* has been operational since the beginning of January this year. Respectively, Lithuanian legal entities are obliged to collect, update and store the information on their ultimate beneficiaries; further the information must be submitted to the system *JANGIS* as operated by the Lithuanian Centre of Registers.

What do the legal entities, the General Managers or representatives of the legal entities need to know about the submission of the information on the ultimate beneficial owners (UBO)? What documents must be provided? What is the liability for non-compliance or inadequate compliance with the obligation?

STAGES FOR SUBMISSION

Three stages have been fixed for the submission.



I STAGE

| DEADLINE | ENTITIES INVOLVED |
|----------------------|--|
| As of 3 January 2022 | Legal entities (except for the investment funds and investment companies) whose beneficiaries are natural persons directly controlling them. |

II STAGE

| DEADLINE | ENTITIES INVOLVED |
|--------------------------|--|
| Starting from 1 May 2022 | All legal entities (except for the investment funds and investment companies) whose beneficiaries are natural persons directly and/or indirectly controlling them. |

III STAGE

| DEADLINE | ENTITIES INVOLVED |
|-----------------------------|---------------------|
| Starting from 1 August 2022 | All legal entities. |

WHO IS THE UBO IN LITHUANIA?

- A natural person who is a shareholder of a legal entity, holds more than 25 % of the shares, shares, contributions or voting rights of the company, and benefits from the legal entity;
- A natural person who otherwise controls a legal entity (e.g. by having the right to appoint or dismiss the manager, to take decisions of a strategic nature, etc.);
- A natural person who otherwise controls a legal entity (e.g. by being the manager, chairman or member of the Management board or other management body).

A person directly controlling the legal entity may only be listed once, i.e. the same natural person may only be listed as an owner or beneficiary who controls the legal person in another capacity. For example, if the manager and the sole shareholder of a legal person are the same person, it is sufficient to provide only the information on the shareholder.

WHAT INFORMATION MUST BE SUBMITTED?

In all cases, the following UBO information must be provided to the *JANGIS* system: name, surname, personal identification number, date of birth, name of the State issuing the identity document, place of residence, nationality, State of residence, details of ownership or other rights of control and the extent thereof.

In the case of an indirect UBO, where a legal entity is controlled by one or more other legal entities, the following details of each entity must be provided:

- name of the legal person;
- registration number and legal form;
- registered Seat' and
- extent of ownership rights held.

In the case of a foreign legal entity, the name of the registration country and the register must be provided in addition. Further, all documents (the shareholder excerpts, copies of identification documents) must be submitted notarized and legalized with apostille. **All documents must be translated into Lithuanian, including extracts on legal persons from the registers of the foreign state (unless such data in the foreign registers is available to all persons free of charge).**



The information on the ultimate beneficial owners must be provided by and the responsibility for the correctness and accuracy of the information provided is borne by the General Manager of the legal entity, or a representative authorised on behalf of the legal entity.

THE LIABILITY

Failure to comply with the obligation to provide information and failure to disclose information under the Code of Administrative Offences of the Republic of Lithuania is punishable by a fine of EUR 500 to EUR 2,400 for individuals, and EUR 2,100 to EUR 6,000 for managers of legal entities. Repeated offences are punishable by fines of between EUR 1,500 and EUR 5,200 for individuals and between EUR 3,500 and EUR 5,800 for managers of legal entities.

Article 216 of the Criminal Code of the Republic of Lithuania (Legalization of criminally acquired property) also stipulates that whoever conceals the true nature, source, location, disposition, movement, or ownership or other rights in respect of his/her own or another person's property, knowing that such property has been acquired by criminal means or by participating in a criminal act, is liable to a fine or to imprisonment of up to seven years.

CONTACT FOR FURTHER INFORMATION



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A thorough and accurate incorporation is one of the first steps to successfully establish yourself on the Lithuanian market.

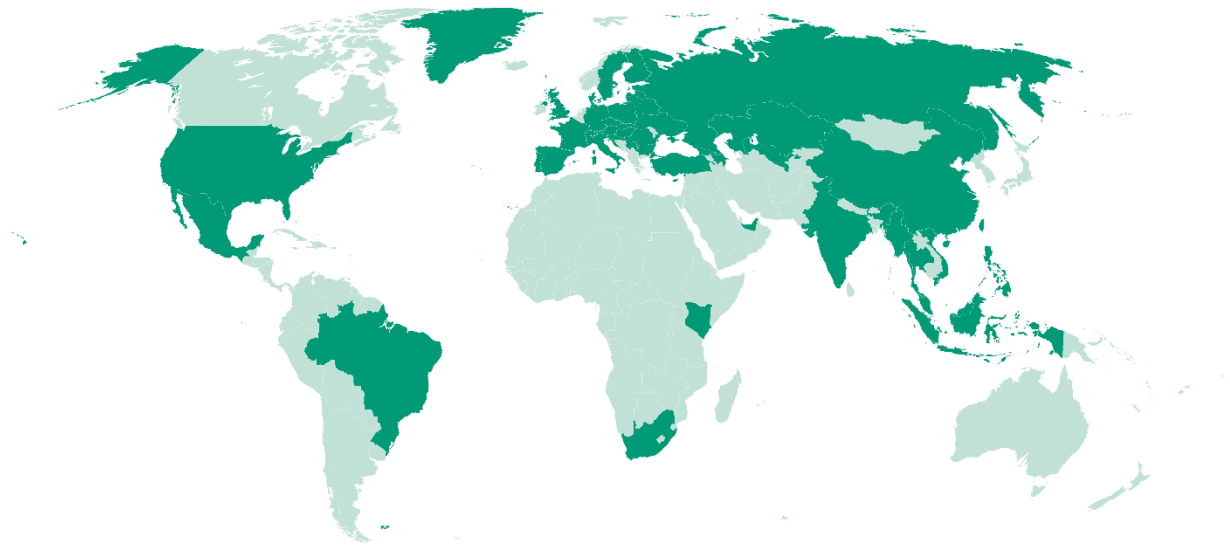
Since 1998, the team of Rödl & Partner in Vilnius has been providing assistance to its clients as a recognized expert in the sphere of incorporation law.

In particular, the expert advisory and consulting services we offer to our clients are the following:

- advising on incorporation and all related fields of law (company, labour, tax etc.)
- preparation of a bilingual incorporation documentation

- completion of all registration formalities/ representation and coordination with the notary and the commercial register
- Virtual Office – provision of a temporary registration address
- coordination of all other incorporation related processes and documentations
- change of the company's accumulative bank account to current account
- communication with State Tax Inspectorate for company registration
- establishing the accountancy of the company
- drafting and completion of employment contract with General Manager of UAB

We would be pleased to support your business in Lithuania and benefit to its success and stability.



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Imprint

Publisher:
Rödl & Partner UAB
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