

# Country Crowdfunding Factsheet

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Lithuania

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EUROPEAN  
CROWDFUNDING  
NETWORK



## European Crowdfunding Network

The European Crowdfunding Network AISBL (ECN) is the professional network promoting adequate transparency, (self) regulation and governance while offering a combined voice in policy discussion and public opinion building, incorporated as an international not-for-profit organization in Brussels, Czech Republic.

We support our members in carrying initiatives aimed at innovating, representing, promoting and protecting the European crowdfunding industry. We aim to increase the understanding of the key roles that crowdfunding can play in supporting entrepreneurship of all types and its role in funding the creation and protection jobs, the enrichment of European society, culture and economy, and the protection of our environment.

In that capacity we help developing professional standards, providing industry research, as well as, professional networking opportunities in order to facilitate interaction between our members and key industry participants. On behalf of our members, the ECN will maintain a dialogue with public institutions and stakeholders as well as the media at European, international and national levels.



This document has been extracted from Annex II of the study " Identifying market and regulatory obstacles to crossborder development of crowdfunding in the EU", published in November 2017 and funded by the European Commission (DG FISMA).

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## Lithuania

### Overview

In Lithuania, there are no active Donation-based or Rewards-based Platforms, even though they could operate without any major regulatory burden. Within the past year, as many as five P2P consumer lending platforms were launched in Lithuania. The country adopted the Law on Crowdfunding, which regulates Equity-based Crowdfunding, very recently.

### A. Role of alternative finance

#### Market size

The transaction value in the P2P segment amounted to USD 10.5m in 2016.

#### Trend

There is no data available. However, transaction value is expected to show an annual growth rate of 27.7%.

#### Total Crowdfunding Platforms

Four active platforms (only P2P consumer lending):<sup>1</sup>

- Savy.lt, a P2P consumer lending platform launched in 2014.
- FinBee, a P2P consumer lending platform launched in 2015.
- Paskolų Klubas, a P2P consumer lending platform launched in 2015.
- Optimalus Kreditas (OK), a P2P consumer lending platform launched in 2015.

#### Crowdfunding models

Equity-based Crowdfunding	Lithuania has no Equity-based or P2P Lending-based Crowdfunding Platforms, except for P2P consumer lending platforms.  The operator has the right to engage in
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<sup>1</sup> Tomas Talutis (2016), Regulation on Crowdfunding in the Republic of Lithuania ([link](#))

	Equity-based Crowdfunding activities after being included in the public list of Crowdfunding Platform operators. <sup>2</sup>
Lending-based Crowdfunding	<p>EUR 10m has been raised on P2P consumer lending platforms by December 2016.</p> <p>An amended Law on Consumer Credit came into force on 1 February 2016. The Crowdfunding Law has also been adopted.</p> <p>The operator has the right to engage in Lending-based Crowdfunding activities after being included in the public list of Crowdfunding Platform operators.</p> <p>Source: expert opinion Vytautas Šenavičius in <a href="http://www.crowfundinsider.com">www.crowfundinsider.com</a></p>

## B. Regulatory context

Country	Lithuania
<b>Summary</b>	
<b>Recent developments in Crowdfunding regulation</b>	<ul style="list-style-type: none"> <li>The Law on Crowdfunding of the Republic of Lithuania (<i>Lietuvos Respublikos sutelktinio finansavimo įstatymas</i>) came into force on 1 December 2016. It has eliminated regulatory obstacles in Lithuania to establishing and running Debt-based and Equity-based Crowdfunding Platforms.</li> <li>P2P Consumer Lending in Lithuania falls under regulation of consumer credit. Regulation of P2P Consumer Lending platforms entered into force as of 1 February 2016.</li> </ul>
<b>Current/planned Crowdfunding regulation</b>	

<sup>2</sup> Law firm TVINS - Regulation of Crowdfunding in Lithuania

<b>General regulation</b>	<ul style="list-style-type: none"> <li>• To engage in Lending-based and/or Equity-based Crowdfunding, the Crowdfunding Platform operator must be included in the Public List of Crowdfunding Operators, managed by the Bank of Lithuania.</li> <li>• To engage in P2P Consumer Lending, the P2P Consumer Lending Platform operator must be included in the Public List of P2P Lending Platforms, managed by the Bank of Lithuania.</li> <li>• Reward-based and Donation-based Crowdfunding is unregulated activity which falls within the scope of the Civil Code of the Republic of Lithuania (Lith. <i>Lietuvos Respublikos civilinis kodeksas</i>).</li> </ul>
<b>Prospectus requirements</b>	<p>There is a prospectus requirement for the public offering of securities. The obligation to publish a prospectus does not apply in the presence of at least one of the following conditions:</p> <ul style="list-style-type: none"> <li>• an offer of securities addressed solely to professional investors;</li> <li>• an offer of securities addressed to fewer than 150 natural or legal persons in each Member State of the EEA, other than professional investors;</li> <li>• an offer of securities addressed to investors who acquire securities for a total amount of at least EUR 100,000 for each separate offer;</li> <li>• an offer of securities with a nominal value amounting to at least EUR 100,000 per unit;</li> <li>• an offer of securities with a total amount of less than EUR 100,000 in all Member States calculated over a period of 12 months.</li> </ul> <p>Moreover, offerings of securities through a Crowdfunding Platform below EUR 5m in a 12-month period do not fall under prospectus requirement. In such case Lithuanian law applies the light prospectus regime whereby a project owner must prepare information documents, which must be approved by the Crowdfunding Platform operator.</p>
<b>AIFMD regulation</b>	<p>As collective investment undertakings are defined in a very comprehensive way, RES projects can easily serve the purpose of such definition and could therefore fall within the AIFMD regulation which is implemented in Lithuania through the Law on Managers of Collective Investment Undertakings for Professional Investors of the Republic of Lithuania (Lith. <i>Lietuvos Respublikos profesionaliesiems investuotojams skirtų kolektyvinio investavimo subjektų valdymo įmonių įstatymas</i>). However, there are no regulatory explanations as to how</p>

	AIFMD could be applied with respect to RES projects.
<b>Payment service regulation</b>	Transfer of funds via the operator may be considered payment services, and thus may be subject to licensing requirements in Lithuania in accordance with the local legislation on payment services, which implements the Payment Service Directive.
<b>Consumer credit regulation</b>	Amended Law on Consumer Credit of the Republic of Lithuania ( <i>Lietuvos Respublikos vartojimo kredito įstatymas</i> , the "Law on Consumer Credit") is applicable in the case of P2P Consumer Lending.
<b>Further possible requirements</b>	<ul style="list-style-type: none"> <li>• Law on Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania (<i>Lietuvos Respublikos pinigų plovimo ir teroristų finansavimo prevencijos įstatymas</i>).</li> <li>• Law on Legal Protection of Personal Data of the Republic of Lithuania (<i>Lietuvos Respublikos asmens duomenų teisinės apsaugos įstatymas</i>).</li> <li>• Law on E-money and E-money Institutions of the Republic of Lithuania (<i>Lietuvos Respublikos elektroninių pinigų ir elektroninių pinigų įstaigų įstatymas</i>).</li> <li>• Law on Consumer Credit of the Republic of Lithuania (<i>Lietuvos Respublikos vartojimo kredito įstatymas</i>).</li> </ul>
<b>Regulatory barriers</b>	
<b>Inbound</b>	<ul style="list-style-type: none"> <li>• According to the Law on Crowdfunding, a person engaged or willing to engage in the activities of an operator of a Crowdfunding Platform in the Republic of Lithuania must have a residence in the Republic of Lithuania, except in the case where a person registered in another EU Member State has the right, in accordance with the laws of the Republic of Lithuania governing provision of investment services, to intermediate in conclusion of financial transactions without a registered office or through an established branch in the Republic of Lithuania.</li> <li>• In the event that the Lithuanian company issues securities through the foreign Crowdfunding Platform, the prospectus regime is applicable.</li> </ul>
<b>Outbound</b>	<ul style="list-style-type: none"> <li>• If a Lithuanian Crowdfunding Platform addresses investors in another EU country, the Crowdfunding Platform should comply with the law of the other EU country. Neither the Law on Crowdfunding nor the Law on Consumer Credit regulates such activity. However, if investors from another EU country initiate the contact, the reverse solicitation principle should be applied.</li> </ul>

	<ul style="list-style-type: none"> <li>If a Lithuanian Crowdfunding Platform addresses companies/projects in another EU country, the Crowdfunding Platform should comply with the law of the other EU country. If a company/project from another EU country initiates the contact, the reverse solicitation principle should be applied.</li> </ul>
<b>Impact of EU regulation</b>	
<b>Prospectus regulations</b>	Please see above
<b>AIFM Directive</b>	Please see above
<b>MiFID/MiFID II</b>	According to the Law on Crowdfunding, the operator of the platform is considered to be a financial advisory firm which falls under Article 3 of MiFID exemption and has the right to provide the following investment services without additional licence: execution of orders and provision of investment recommendations.
<b>PSD/PSD II</b>	For fund handling activities, the Crowdfunding platform must obtain payment institution licence or electronic money institution licence, or outsource this function to another financial institution able to provide respective financial services.

### C. Disclosures & safeguards

The Lithuanian P2P and Crowdfunding Association (LTSA) covers six local lending platforms. To foster the professional and transparent development of the local market, it might be advisable to establish a public Code of Conduct with which platforms should be obliged to comply. Alternatively, the open adoption of the European Crowdfunding Network Code of Conduct and its Charter of Crowdfunders' Rights by market players could help in markets without a critical mass of platforms.

Platforms themselves, to the extent that they can serve as marketplaces, have the potential to aid regulatory developments through early self-regulation and transparency. But this will require credible and enforceable quality and transparency standards as well as level playing fields. Any such initiative should aim to cover key performance indicators for the industry, conflict of interest rules and platforms remuneration.

## D. Support policies

Match funding, state aid and tax benefits for alternative finance are not currently available in Lithuania.

## Market Supervision

Ministry of Finance.<sup>3</sup>

## E. Additional insights

Restrictions on the maximum amount to be invested do not apply to investors. The Bank of Lithuania drafted implementing acts in November 2016. In October 2016, the Lithuanian Government amended laws establishing client identity verification methods. The amendments establish additional methods for remote identification.

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<sup>3</sup> Ministry of Finance ([link](#))