

Member States capabilities in fighting tax crimes			
Relevant legal definition(s) of tax-related offences			
	Tax avoidance	Tax evasion	Money laundering
Lithuania	is understood as a legal act - unless deemed illegal by the tax authorities or, ultimately, by the courts - of using tax regimes to one's own advantage to reduce one's tax burden.	is defined as an illegal act of evading taxes by concealing income, earned either legally or illegally, from detection and collection by the tax authorities.	refers to acts involving the processing of proceeds of crime to conceal their illegal origin and bring them back into the legal economy.
Legal text	Articles 69 and 139 of Law on Tax Administration of the Republic of Lithuania	<ul style="list-style-type: none"> Chapter XXXII, Articles 205, 219, 220, 221 of criminal code Chapter XV, Article 187 of the Administrative offence Code 	Chapter XXXII, Article 216, of criminal code
Nature of the offence	N/C	<ul style="list-style-type: none"> Administrative Criminal 	Criminal
Objective element	<ul style="list-style-type: none"> Calculation of Tax based on the precedence of content over form: 1. In cases where a taxpayer's transaction, economic operation or any combination thereof is concluded with a view to gaining a tax benefit, i.e. to defer, directly or indirectly, the deadline for the payment of tax, reduce the payable amount of tax or fully avoid the payment of taxes, or increase the tax overpayment (tax difference) to be refunded (credited), or shorten the time limit for refunding the tax overpayment (tax difference), the tax administrator shall apply the content-over-form principle for the purpose of calculating the tax. In this case, the tax administrator shall not take account of the formal expression of the taxpayer's activity and shall recreate the distorted or hidden circumstances associated with taxation as provided for in tax laws and calculate the tax pursuant to the relevant provisions of the said tax laws. 2. In cases where the taxpayer makes a mistake when compiling the accounting documents and filing a tax return, and also in other cases where the taxpayer's activity does not comply with the formal requirements of legal acts, although the content of such activity corresponds to the circumstances associated with taxation as provided for in tax laws, the tax shall be calculated pursuant to the relevant provisions of the said tax laws. 	<ul style="list-style-type: none"> Misleading declaration about the activities of a legal entity: A person who, on behalf of a legal entity, presents in an official report or in an application misleading data concerning the activities or assets of the legal entity and thereby misleads a government institution, international public organisation, creditor, member of the legal entity or another person who suffers major property damage as a result thereof Failure to pay taxes: A person who, upon filing a tax return or submitting a report approved in accordance with the established procedure or another document, fails to timely pay the taxes calculated according thereto after he is reminded by an institution authorised by the State about the duty to pay taxes Provision of inaccurate data on income, profit or assets: A person who, seeking to evade the payment of taxes the amount whereof exceeds 10 MSLs, provides data on the person's income, profit, asset or the use thereof that are known to be inaccurate in a tax return or in a report approved in accordance with the specified procedure or another document and submits such information to an institution authorised by the State Failure to file a tax return or to submit a report or another document: A person who fails, in accordance with the procedure laid down by legal acts and seeking to evade the payment of taxes or other fees the amount whereof exceeds 500 MSLs, to timely file an institution authorised by the State a tax return or to submit thereto a report approved in accordance with the specified procedure or another document concerning a person's income, profit or assets after this state institution reminds him in writing of the duty to submit them 	A person who, seeking to conceal or legalise the property of his own or another person being aware that it has been obtained by criminal means, acquires, manages, uses, transfers it to other persons, performs financial operations with this property, enters into transactions, uses it in economic and commercial activities, otherwise converts it or makes a false declaration that it has been obtained from lawful activities, also a person who, conceals the true nature, source, location, disposition, movement or ownership of or other rights with respect to his or another person's property, while being aware that such property has been obtained by criminal means.
Mental element	N/C	N/C	N/C

Sanction	If the tax administrator determines that the taxpayer has failed to calculate taxes not subject to declaration (including the tax to be calculated in the customs declaration) or has failed to declare taxes subject to declaration or has illegally applied a lower tax rate, which has resulted in an illegal reduction of payable tax, the amount of tax underpayment shall be calculated in respect of the taxpayer and a penalty equal to 10-50% of the said amount shall be imposed, unless the relevant tax law provides otherwise. The amount of the actual penalty imposed shall be conditional on the type of violation, on whether the taxpayer has cooperated with the tax administrator, on the acknowledgement of having committed a violation of tax laws and on other circumstances which the tax administrator deems to be relevant when imposing a smaller or larger fine.	<ul style="list-style-type: none"> • Up to 2 years imprisonment • Up to 4 years • Up to 3 years • Up to 3 years • Warning note or a fine from 60 to 140 € 	Imprisonment up to 7 years
Other tax-related crimes		<ul style="list-style-type: none"> • Violation of legislation on accounting or submission of false financial statements (Article 205 of the Administrative offence Code) • Fraudulent management of accounts (article 222 of the Criminal Code) • Negligent management of accounts (Article 223 of the criminal Code) 	
Aggravating / mitigating circumstances	N/C	Amount over 500 MSLs	N/C
Legal persons/natural persons	Both	Both	Both
Other information			

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Statistical data on tax avoidance, tax evasion and money laundering

Lithuania	2011	2012	2013	2014	2015	2016	Comments
MONEY LAUNDERING							
FIU: Financial Crime Investigation Service (FCIS) ('the Service')							The Service is an integrated agency responsible for STRs, money laundering, and tax evasion in Lithuania.
Human Resources	449	446	446	446	445	445	
Budget (€)	€ 6.354.553	€ 6.101.425	€ 6.123.436	€ 6.816.207	€ 7.175.800	€ 7.369.000	
Type of FIU							Law enforcement
Total number of reports disclosed	255	245	393	328	480		
Including Suspicious Activity Reports (SARs)							
Including Suspicious Transaction Reports (STRs)	255	245	393	328	480		
of which from credit institutions		159	204	179	222		
of which from public authorities and residents		36	15	17	67		
of which from notaries and other subsectors		51	173	132	178		
Number LT legal persons involved		193	269	151	177	118	
Number Foreign legal persons involved		266	162	72	90	70	
Number LT natural persons involved		215	390	260	417	396	
Number Foreign natural persons involved		120	207	126	210	200	
Number of inquiries received by FCIS from Lithuanian institutions		131	77	80	106	167	
Police Department (and its divisions), Lithuanian Criminal Police Bureau			49	28	24	60	
State Security Department			9	20	59	92	
Special Investigation Service			6	7	9	6	
State Tax Inspectorate			6	9	2	4	
Customs Office (boarder guard service)			6	6	2	3	
Other			1	10	10	2	
Number of reports on suspicious amounts of cash were referred to the regional Boards of Service for further check of the information or for the initiation of the pre-trial investigation			65	52	41	50	
Number of reports concerning possible criminal acts and other violations sent to the institutions of Lithuania			77	77	128	125	
Police Department (and its divisions), Lithuanian Criminal Police Bureau			14	13	38	36	
State Security Department			6	10	15	23	
State Tax Inspectorate		23	51	50	71	65	
Other			6	4	4	1	
Including Unusual Transaction Reports							
Including Cash Transaction Reports							
Including Currency Transaction Reports							

Total number of convictions							
Including of natural persons convicted							
Including of legal persons							
Number of court cases resolved with an acquittal							
Number of court cases resolved in another way							
Number of court cases resolved in sentences							
Amount of seized financial means (under the law on ML/CTF)		€ 26.645.041	€ 3.475.440	€ 5.116.905	€ 5.500.000		The amount for 2012 was rather high due to a single case worth €22.879.981 related to AB bankas Snoras (Valuta LTL -> EUR calculated 09/05/2017)
Including natural persons							
Including legal person							
Including fines							
Amount of fines							
Including imprisonment							
of which, conditional sentence							
of which, unconditional imprisonment							

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Lithuania	Interventions in response to the publication of the Panama Papers
Processing and analysing the Panama Papers data	
Supervisory activities	<p>After the Panama papers case, the Bank of Lithuania decided to carry out an independent survey of Banks, Foreign Bank branches and the largest e-money institution registered and operating in Lithuania (in total 14 entities) in order to assess level of Money Laundering and Terrorist Financing risks banking sector takes regarding clients registered in offshore jurisdictions. Banks were asked to provide data regarding their existing business relationships with clients registered in Panama Republic and other offshore jurisdictions, additionally banks were asked to describe relevant anti-money laundering and countering the financing of terrorism risk management procedures which are applicable to business relationships with customers from offshore jurisdictions.</p> <p>The Bank of Lithuania has gathered statistical data from respondents covering the period of 2012-2016 which allowed assessing overall situation in the banking sector regarding clients registered in offshore jurisdictions. Based on the answers received, the Bank of Lithuania has observed the following trends:</p> <ul style="list-style-type: none"> ✓ As of 1st May 2016 overall number of banks' clients from Panama Republic consisted of 74 legal and 2 natural persons; ✓ As of 1st May 2016 overall number of banks' clients from other offshore jurisdictions was 1258; ✓ A tendency of significant decrease in a number of clients registered in offshore jurisdictions during the period of 2012-2016 was noticed in all Lithuanian banks and branches (except e-money institution surveyed); ✓ In commercial banks and branches operating in Lithuania offshore clients are mostly the clients from the following jurisdictions: the British Virgin Islands, Belize, the Dominican Republic, Panama, Seychelles, Lebanon; ✓ Generally 3 banks were distinguished as maintaining business relationships with more clients from offshore jurisdictions as compared to other respondents, however, numbers were still very low compared to the overall customer base. <p>The results of the survey suggest that those respondents who maintain a business relationship with customers registered in offshore jurisdictions, have established adequate internal risk management procedures such as internal audits, investigations, IT systems developments and have enhanced monitoring of such customers.</p>
Investigations initiated	
(Pre) trial proceedings initiated	
Fines and sentences	
Other information	