

Economy Profile  
Lithuania

# Doing Business 2020

Comparing Business  
Regulation in  
**190** Economies



WORLD BANK GROUP

## Economy Profile of Lithuania

*Doing Business 2020 Indicators  
(in order of appearance in the document)*

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Employing workers</b>	Flexibility in employment regulation and redundancy cost

## About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.


*Doing Business* captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of employing workers. Although *Doing Business* does not present rankings of economies on the employing workers indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* study, published in 2003, covered 5 indicator sets and 133 economies. This year's study covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

To learn more about *Doing Business* please visit [doingbusiness.org](http://doingbusiness.org)

Ease of Doing Business in <b>Lithuania</b> 	<b>Region</b>	OECD high income	<b>DB RANK</b>	<b>DB SCORE</b>
	<b>Income Category</b>	High income	11	81.6
	<b>Population</b>	2,789,533		
	<b>City Covered</b>	Vilnius		

Rankings on Doing Business topics - Lithuania



Topic Scores



<b>Starting a Business</b> (rank) 34 Score of starting a business (0-100) 93.3 Procedures (number) 4 Time (days) 5.5 Cost (number) 0.5 Paid-in min. capital (% of income per capita) 16.0	<b>Getting Credit</b> (rank) 48 Score of getting credit (0-100) 70.0 Strength of legal rights index (0-12) 6 Depth of credit information index (0-8) 8 Credit registry coverage (% of adults) 53.7 Credit bureau coverage (% of adults) 100.0	<b>Trading across Borders</b> (rank) 19 Score of trading across borders (0-100) 97.8 <i>Time to export</i> Documentary compliance (hours) 3 Border compliance (hours) 7 <i>Cost to export</i> Documentary compliance (USD) 28 Border compliance (USD) 58 <i>Time to export</i> Documentary compliance (hours) 1 Border compliance (hours) 0 <i>Cost to export</i> Documentary compliance (USD) 0 Border compliance (USD) 0
<b>Dealing with Construction Permits</b> (rank) 10 Score of dealing with construction permits (0-100) 84.9 Procedures (number) 13 Time (days) 74 Cost (% of warehouse value) 0.3 Building quality control index (0-15) 13.0	<b>Protecting Minority Investors</b> (rank) 37 Score of protecting minority investors (0-100) 70.0 Extent of disclosure index (0-10) 7.0 Extent of director liability index (0-10) 4.0 Ease of shareholder suits index (0-10) 7.0 Extent of shareholder rights index (0-6) 4.0 Extent of ownership and control index (0-7) 6.0 Extent of corporate transparency index (0-7) 7.0	<b>Enforcing Contracts</b> (rank) 7 Score of enforcing contracts (0-100) 78.8 Time (days) 370 Cost (% of claim value) 23.6 Quality of judicial processes index (0-18) 15.0
<b>Getting Electricity</b> (rank) 15 Score of getting electricity (0-100) 92.9 Procedures (number) 3 Time (days) 82 Cost (% of income per capita) 33.6 Reliability of supply and transparency of tariff index (0-8) 8	<b>Paying Taxes</b> (rank) 18 Score of paying taxes (0-100) 88.8 Payments (number per year) 10 Time (hours per year) 95 Total tax and contribution rate (% of profit) 42.6 Postfiling index (0-100) 97.5	<b>Resolving Insolvency</b> (rank) 89 Score of resolving insolvency (0-100) 46.7 Recovery rate (cents on the dollar) 40.3 Time (years) 2.3 Cost (% of estate) 15.0 Outcome (0 as piecemeal sale and 1 as going concern) 0 Strength of insolvency framework index (0-16) 8.0
<b>Registering Property</b> (rank) 4 Score of registering property (0-100) 93.0 Procedures (number) 3 Time (days) 3.5 Cost (% of property value) 0.8 Quality of the land administration index (0-30) 28.5		

## Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally start and formally operate a company (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration (for example, name verification or reservation, notarization)</li> <li>• Registration in the economy's largest business city</li> <li>• Postregistration (for example, social security registration, company seal)</li> <li>• Obtaining approval from spouse to start a business or to leave the home to register the company</li> <li>• Obtaining any gender specific document for company registration and operation or national identification card</li> </ul>	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</li> <li>• Procedures fully completed online are recorded as ½ day</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The business:</b></p> <ul style="list-style-type: none"> <li>-Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.</li> <li>-Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>-Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.</li> <li>-Does not qualify for investment incentives or any special benefits.</li> <li>-Is 100% domestically owned.</li> <li>-Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each.</li> <li>-Is managed by one local director.</li> <li>-Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.</li> <li>-Has start-up capital of 10 times income per capita.</li> <li>-Has an estimated turnover of at least 100 times income per capita.</li> <li>-Leases the commercial plant or offices and is not a proprietor of real estate.</li> <li>-Has an annual lease for the office space equivalent to one income per capita.</li> <li>-Is in an office space of approximately 929 square meters (10,000 square feet).</li> <li>-Has a company deed that is 10 pages long.</li> </ul>
<p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> <li>• No professional fees unless services required by law or commonly used in practice</li> </ul>	<p><b>The owners:</b></p> <ul style="list-style-type: none"> <li>-Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old.</li> <li>-Are in good health and have no criminal record.</li> <li>-Are married, the marriage is monogamous and registered with the authorities.</li> <li>-Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.</li> </ul>
<p><b>Paid-in minimum capital (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</li> </ul>	

Starting a Business - Lithuania

Standardized Company

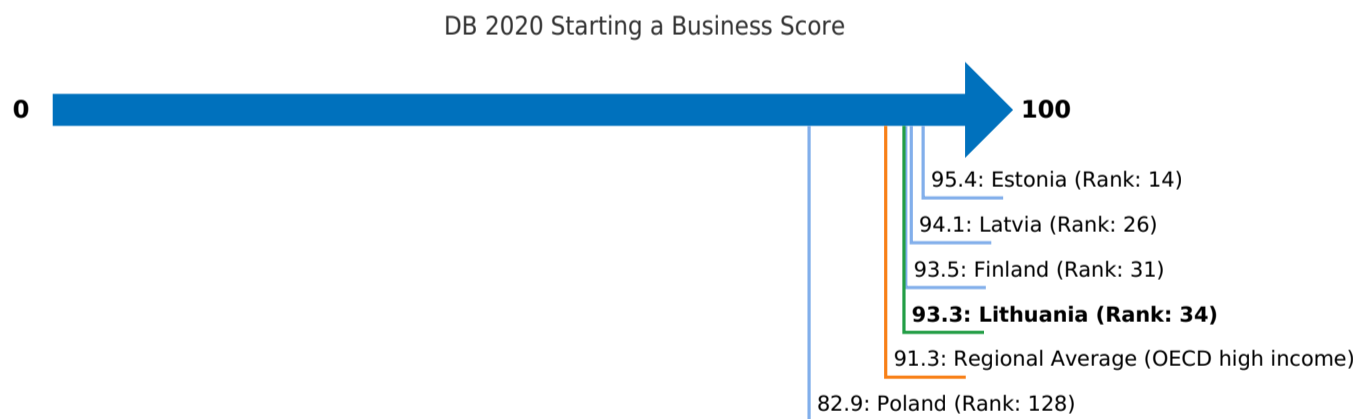
Legal form	Private Limited Liability Company (UAB)
Paid-in minimum capital requirement	EUR 2,500
City Covered	Vilnius

Indicator	Lithuania	OECD high income	Best Regulatory Performance
Procedure - Men (number)	4	4.9	1 (2 Economies)
Time - Men (days)	5.5	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	0.5	3.0	0.0 (2 Economies)
Procedure - Women (number)	4	4.9	1 (2 Economies)
Time - Women (days)	5.5	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	0.5	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	16.0	7.6	0.0 (120 Economies)

Figure - Starting a Business in Lithuania - Score

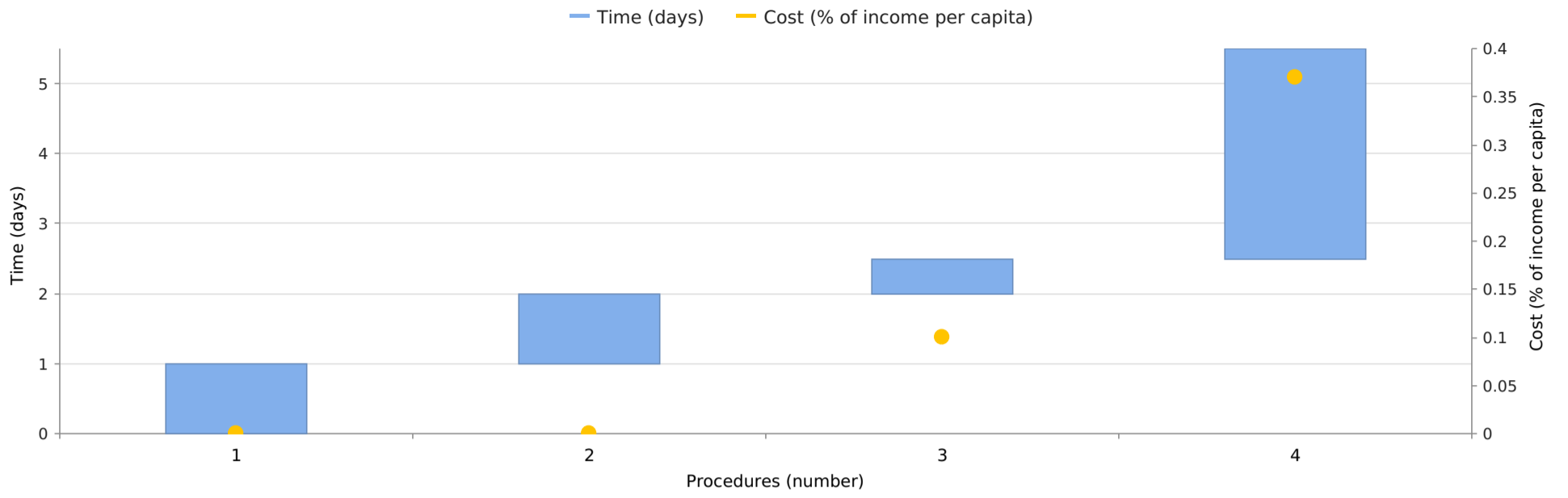


Figure - Starting a Business in Lithuania and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Lithuania - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.



## Details - Starting a Business in Lithuania - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Open bank account and deposit minimum capital requirement</b>  <i>Agency</i> : Commercial Bank</p> <p>Some banks apply charges for issuing a bank certificate, which evidences payment of share capital. Accumulation bank account can be opened online in most large banks in Lithuania: Luminor bank (previous DNB bank), Šiaulių bank, Swedbank, SEB bank, Medicinos bank. However, it requires e-signature, and thus is not widely used. In order to transform it to a regular one, the Managing Director (the MD) of the company shall visit the respective bank division in-person (the MD shall fill in questionnaires regarding the UBOs of the company and sign the contract directly).</p>	1 day	no charge
2	<p><b>Obtain a confirmed electronic signature</b>  <i>Agency</i> : Center of Registers, Mobile operator, Migration Department, Banks</p> <p>In order to check and reserve company name online as well as register employees with SODRA, a company must have electronic signature.</p> <p>Electronic signature in USB form costs about EUR 43.33 plus about EUR 7.00 annual fee. Almost all mobile operators provide electronic key for price in amount from EUR 0.30 to 10.00 plus monthly fee in the amount of EUR 0.29 - 0.87. At this moment in Lithuania are three types of electronic signatures.</p> <p>1) Electronic signature issued by state Center of Registers. Costs – EUR 43.33. Certificate of electronic signature is valid for 2 years. After 2 years certificate must be updated. Costs – EUR 8.23. However, it can take up to 7 days to obtain it.</p> <p>2) Electronic signature issued by mobile operators. Cost depends on mobile operator and range from EUR 0.30 to EUR 10. The monthly fee is about EUR 0.30 - EUR 0.90.</p> <p>3) Electronic signature issued by Migration Board with the personal identity card. Electronic signature does not cost anything but costs of personal identity card range from 8.6 EUR to 31.6 EUR.</p>	1 day	EUR 0.5
3	<p><b>Check and reserve the name of the company (limited liability company)</b>  <i>Agency</i> : Register of Legal Entities and State Commission of Lithuanian Language</p> <p>Reservation of the new company name is compulsory for online registration of business. Checking of the name is free of charge, and reservation costs EUR 16.22.</p> <p>As of May 2013, the changes of the Regulations of the Register of legal persons came into effect. Now the State Commission of the Lithuanian Language must check every new company name and give its consent on the use of a particular name.</p> <p>Lithuanian Government by decision No. 1292 adopted on 09 12 2015 amended Regulations of the Register of Legal Entities. Nothing has changed how is related with reservation of company name, just new wording of Regulation has been adopted. <a href="https://www.e-tar.lt/portal/legalAct.html?documentId=a02cbd30a40011e58fd1fc0b9bba68a7">https://www.e-tar.lt/portal/legalAct.html?documentId=a02cbd30a40011e58fd1fc0b9bba68a7</a></p>	Less than one day (online procedure)	EUR 16.22
4	<p><b>Register at the Company Register, including registration with State Tax Inspectorate (the Lithuanian Revenue Authority) for corporate tax, VAT, and State Social Insurance Fund Board (SODRA)</b>  <i>Agency</i> : Register of Legal Entities</p> <p>According to Article 44 and 45 of the Regulations of the Register of Legal Entities (updated on October 11, 2017), before the application for registration of a company is submitted to the Register of Legal Entities, notary public must verify the correctness of the particulars entered into the application, the compliance of the statutes with the statutory requirements and the fact that the company is eligible for registration. Article 46 of the Regulations provides a possibility to submit the documents electronically directly to the Register of Legal Entities, without verification of a notary (certain conditions apply, such as using only standard forms of incorporation documents, using electronic signatures, etc.). The following documents must be submitted when incorporating a private limited liability company:</p> <ol style="list-style-type: none"> <li>1. Application for registration;</li> <li>2. Founding act/Founding agreement;</li> <li>3. Articles of association;</li> <li>4. Consent use of address (if the founder is not an owner of premises).</li> </ol> <p>Article 128 of the Regulations provides that after on-line filling in required data, documents for company incorporation and registration, listed above, are generated automatically on-line. On-line registration grows up increasingly. When documents of legal entities are submitted directly to the Registrar electronically, incorporation is performed in 1-3 working days, except for the cases when other terms of registration are set in the Regulations. The Registrar shall check that there are no obstacles to register or enter the object, instruments of incorporation of the Register into the Register, and register or enter the data of the Register.</p>	up to 3 working days	EUR 57.34

⇒ Takes place simultaneously with previous procedure.



## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. [See the methodology for more information](#)

### What the indicators measure

#### Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes

#### Building quality control index (0-15)

- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

### Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

#### The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

#### The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

#### The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

Dealing with Construction Permits - Lithuania

Standardized Warehouse

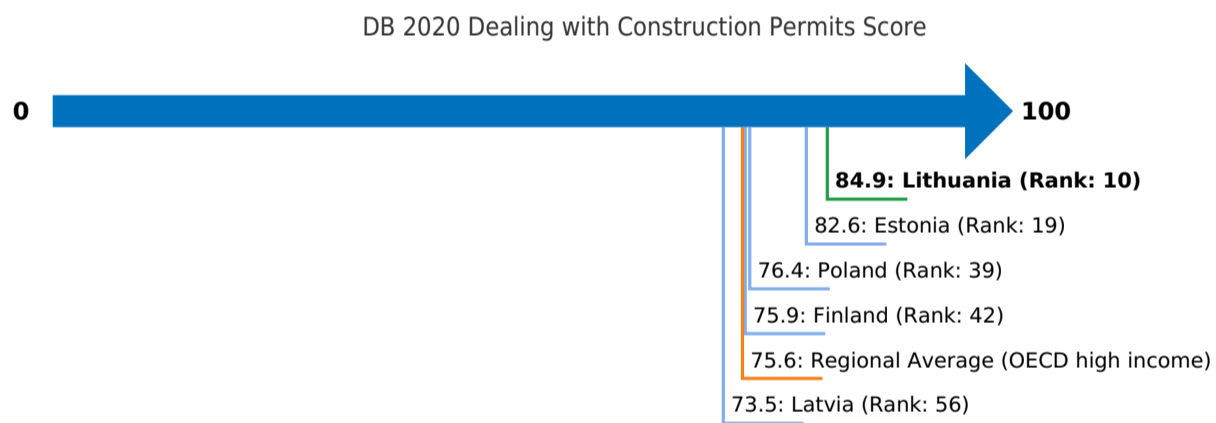
Estimated value of warehouse	EUR 781,990.60
City Covered	Vilnius

Indicator	Lithuania	OECD high income	Best Regulatory Performance
Procedures (number)	13	12.7	None in 2018/19
Time (days)	74	152.3	None in 2018/19
Cost (% of warehouse value)	0.3	1.5	None in 2018/19
Building quality control index (0-15)	13.0	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Lithuania - Score

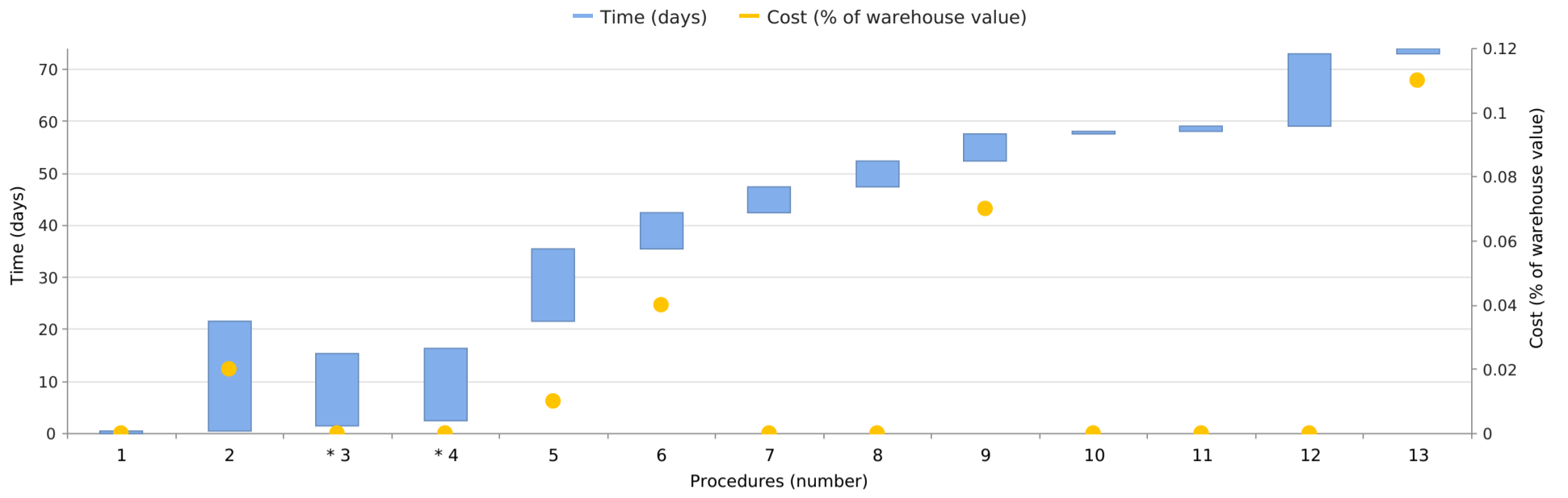


Figure - Dealing with Construction Permits in Lithuania and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

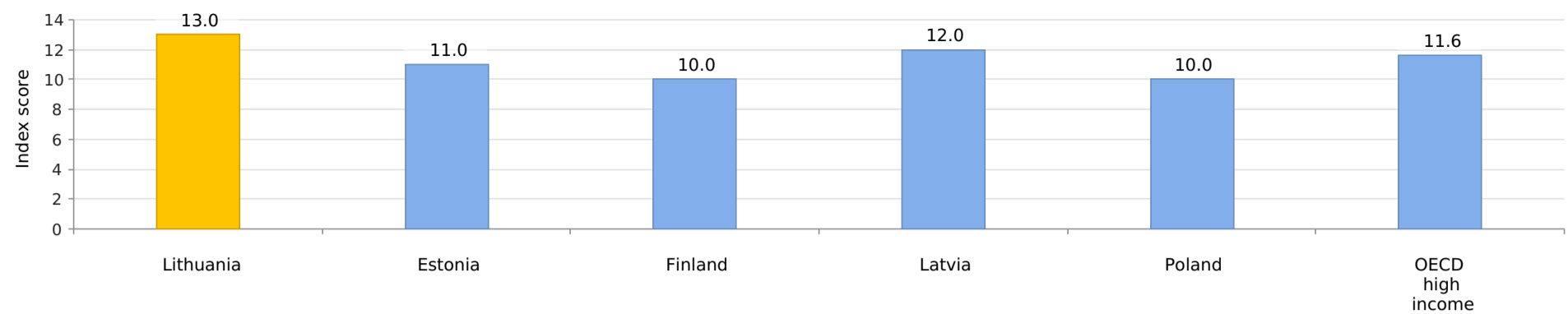
Figure - Dealing with Construction Permits in Lithuania - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Lithuania and comparator economies - Measure of Quality



## Details - Dealing with Construction Permits in Lithuania - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Request and obtain certificate of ownership of the land plot</b>  <i>Agency</i> : Center of Registers            Documents evidencing ownership or any other right allowing construction activities on the land plot should be requested from the Center of Registers, Land and Real Property Registry. The Extract from the Register of Immovable Property proving the ownership of the land plot should be submitted to the Municipality in order to obtain a set of design conditions for the construction works.</p>	0.5 days	EUR 3
2	<p><b>Obtain topographic survey of land plot</b>  <i>Agency</i> : Private company            Before developing the architectural plans of the warehouse, BuildCo must obtain a topographic survey of the land plot. The cost is defined by each private licensed company, with the average being around EUR 175. The time it takes to complete the survey is three weeks.</p>	21 days	EUR 175
⇒ 3	<p><b>Request and obtain special architectural requirements for construction works</b>  <i>Agency</i> : Municipality            BuildCo must obtain special architectural requirements from the municipal administration. These Requirements shall be followed while preparing the Design Documentation.</p>	14 days	no charge
⇒ 4	<p><b>Request and obtain design requirements for water and sewage connection</b>  <i>Agency</i> : Vilnius Water ("Vilniaus vandenys")            BuildCo shall submit an application together with a certificate proving its ownership of the land to Lithuania Water Company personally or via e-mail at info@vv.lt. Lithuania Water Company will issue the requirements for water and sewage connection within 15 days from the submission of the request. After Requirements for water and sewage are issued, the builder should start preparing a project for water and sewage connection under the issued Requirements. This project is submitted together with Design Documents.</p>	14 days	no charge
5	<p><b>Request and obtain approval of the design documentation and obtain the building permit</b>  <i>Agency</i> : Architectural and Engineering Commissions of the City Development Department            The builder shall submit Design Documentation and other supplementary documents, which are necessary for obtaining construction permit, by submitting hard copy or via internet using "Infostatyba" (www.planuojustatyti.lt). Competent agencies, as prescribed by laws, shall verify and approve the Design Documentation and other supplementary documents. After that, the construction permit is issued.</p>	14 days	EUR 93
6	<p><b>Request and obtain water and sewerage connection approval and sign contract</b>  <i>Agency</i> : Vilnius Water ("Vilniaus vandenys")            After the construction permit is issued, the construction company shall install water and sewerage connection according to the project prepared and approved earlier. After that, the builder shall submit the request for signing a contract with Lithuanian Water Company.</p>	7 days	EUR 348
7	<p><b>Request and obtain deeds of inspection and testing of engineering networks for water and sewerage connection</b>  <i>Agency</i> : Operators of Engineering Networks and Systems            The inspection and test are performed by operators of the corresponding engineering networks and systems. The inspection verifies that the engineering networks for water and sewerage connections are connected appropriately and issues a certificate confirming the proper connection.</p>	5 days	no charge
8	<p><b>Connect to water services</b>  <i>Agency</i> : Vilnius Water ("Vilniaus vandenys")</p>	5 days	no charge
9	<p><b>Hire private cadastre company and obtain cadastral measurement of the structure</b>  <i>Agency</i> : Private Company            The file is prepared by private companies licensed to carry out cadastral measurements and approved by the SE Center of Registers. This procedure is necessary for registering with the Land and Real Property Registry.</p>	5 days	EUR 579

10	<p><b>Request certificate of completion of construction</b></p> <p><i>Agency</i> : State Territorial Planning and Construction Inspectorate under the Ministry of Environment</p> <p>BuildCo must submit the request along with other supplementary documents necessary to obtain the certificate of completion of construction from the subdivision of The State Territorial Planning and Construction Inspectorate under The Ministry of Environment of the Republic of Lithuania. BuildCo can submit a hard copy of the request or via internet using "Infostatyba" (<a href="http://www.planuojustatyti.lt">www.planuojustatyti.lt</a>). A Commission of Completion of Construction is then formed to carry out an on-site inspection.</p> <p>A fee of EUR 20 is charged for submitting the request through "Infostatyba".</p>	0.5 days	EUR 20
11	<p><b>Receive final inspection</b></p> <p><i>Agency</i> : State Territorial Planning and Construction Inspectorate under the Ministry of Environment</p> <p>After the successful completion of the final inspection, the Commission issues the approval.</p>	1 day	no charge
12	<p><b>Obtain the certificate of completion of construction</b></p> <p><i>Agency</i> : State Territorial Planning and Construction Inspectorate under the Ministry of Environment</p> <p>The Certificate of Completion of Construction shall be issued within 10 working days from the submission of the request and other supplementary documents.</p>	14 days	no charge
13	<p><b>Register with the Land and Real Property Registry</b></p> <p><i>Agency</i> : Land and Real Property Registry</p> <p>Upon completion and approval of construction, the building must be registered with the Land and Real Property Registry. The general term for the registering of warehouse is 10 working days, but it is possible to register it in 1 working day if a supplementary fee is paid. The price for the building registration depends on whether natural or legal person registers the building and on the average market value of the building.</p> <p>The terms and conditions of payment for the registering services were settled by the 2007-06-06 Legal Act of the Government of the Republic of Lithuania, which came into force on June 17, 2007.</p>	1 day	EUR 898

→ Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in Lithuania - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>13.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>1.0</b>
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
<b>Professional certifications index (0-4)</b>		<b>4.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Passing a certification exam.	2.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Passing a certification exam.	2.0

## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.



Getting Electricity - Lithuania

Standardized Connection

Name of utility	AB ESO
Price of electricity (US cents per kWh)	9.5
City Covered	Vilnius

Indicator	Lithuania	OECD high income	Best Regulatory Performance
Procedures (number)	3	4.4	3 (28 Economies)
Time (days)	82	74.8	18 (3 Economies)
Cost (% of income per capita)	33.6	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	8	7.4	8 (26 Economies)

Figure - Getting Electricity in Lithuania - Score

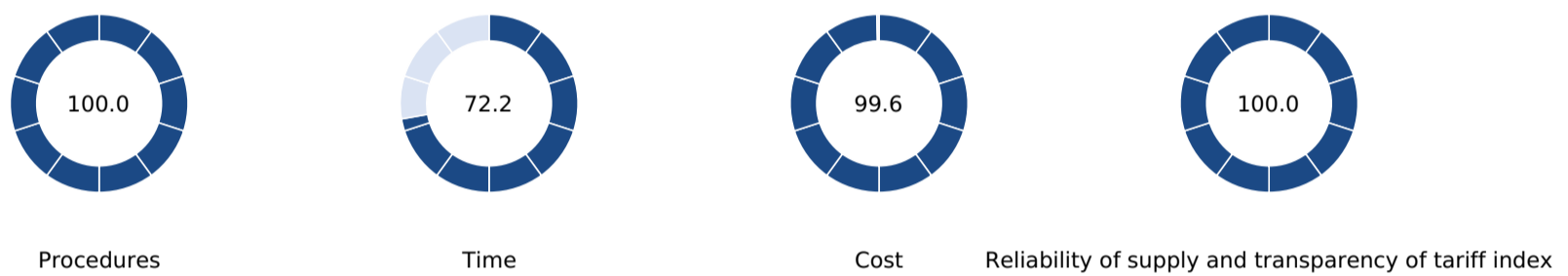
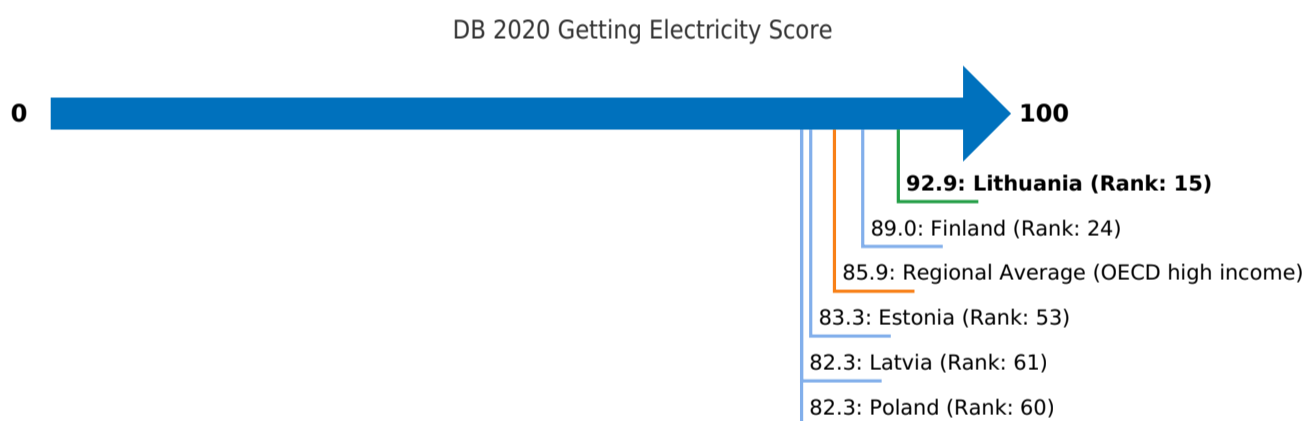
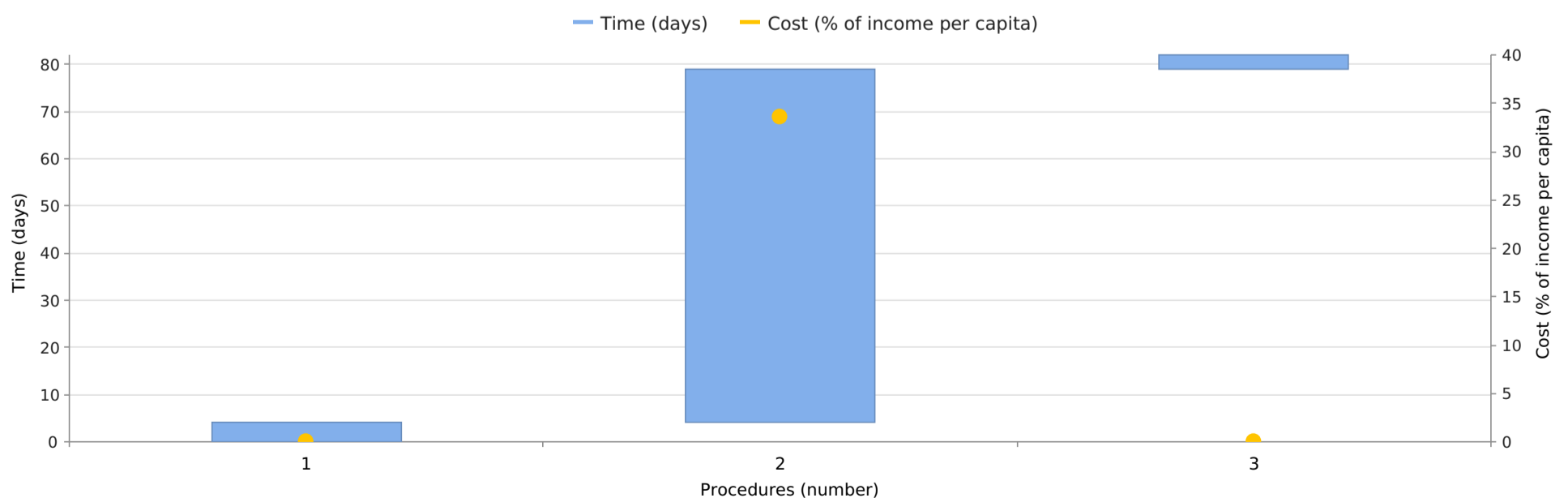


Figure - Getting Electricity in Lithuania and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

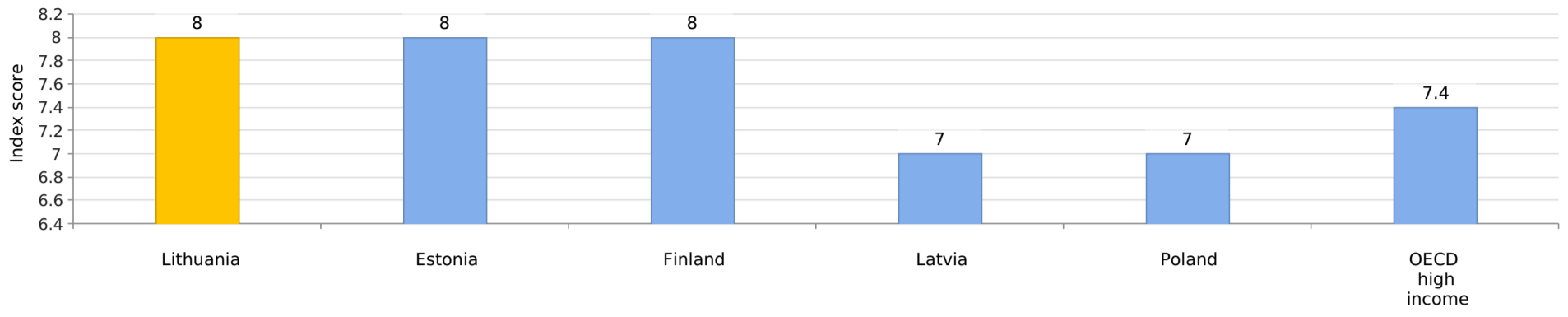
Figure - Getting Electricity in Lithuania - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Getting Electricity in Lithuania and comparator economies - Measure of Quality



## Details - Getting Electricity in Lithuania - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit application to AB ESO and await for estimate and technical conditions</b>  <i>Agency : AB ESO</i>            The customer submits an application for a connection to the utility. The utility issues technical conditions and estimate of costs.</p>	4 calendar days	EUR 0
2	<p><b>Sign connection service agreement with AB ESO and await for completion of external works</b>  <i>Agency : AB ESO</i>            Customer signs the agreement either via online e-services portal www.manogile.lt or in Customer service center. After the customer pays the estimate to AB ESO via e-services portal www.manogile.lt or by bank transfer, the following steps are carried out by the Utility:            - preparation of the design of the external electricity network;            - assignment of the work order to the annual contractor. In most of the cases, annual contractors are selected once a year by the public tender and no additional procurements are carried out after the customer signs The New Connection Service Agreement;            - construction work for the electricity network of AB ESO. All the necessary material is provided by the Utility and Customer does not need to buy any material for the construction of external electricity network.</p>	75 calendar days	EUR 5,248.5
3	<p><b>Sign supply contract with AB ESO, receive meter installation and electricity turn-on</b>  <i>Agency : AB ESO</i>            The electricity supply agreement can be signed online on the utility website, where the customer can choose the preferred tariff plan, and make payment. The meter is installed by AB ESO. There is also an inspection done of the utility's external connection work by the State Energy Inspection. The utility independently requests the State Energy Inspection to inspect the utility work (external inspection). This is the sole responsibility of the utility and the customer does not have to be present.</p>	3 calendar days	EUR 0

→ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Lithuania - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	8
<b>Total duration and frequency of outages per customer a year (0-3)</b>	3
System average interruption duration index (SAIDI)	0.4
System average interruption frequency index (SAIFI)	0.4
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="https://www.regula.lt/Docs/nutarimas_2018_379.pdf">https://www.regula.lt/Docs/nutarimas_2018_379.pdf</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

## Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

#### Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

### Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

#### The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

#### The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

Registering Property - Lithuania

Indicator	Lithuania	OECD high income	Best Regulatory Performance
Procedures (number)	3	4.7	1 (5 Economies)
Time (days)	3.5	23.6	1 (2 Economies)
Cost (% of property value)	0.8	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	28.5	23.2	None in 2018/19

Figure - Registering Property in Lithuania - Score

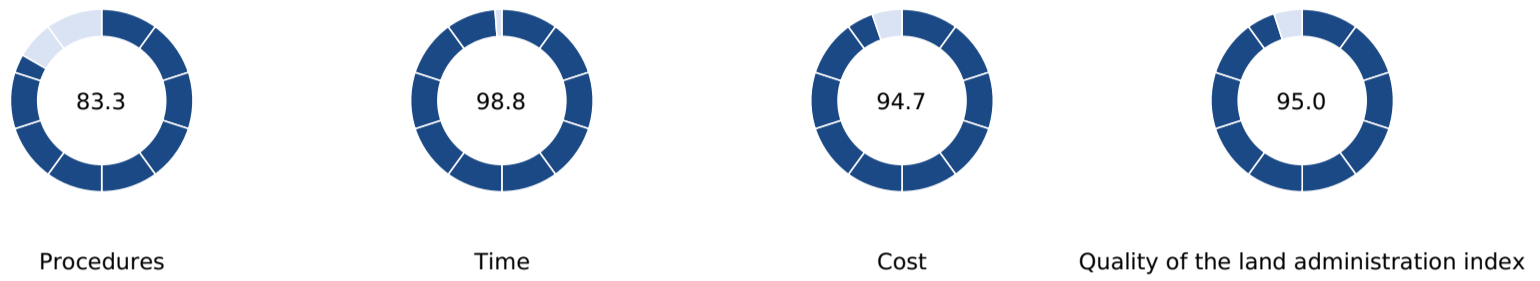
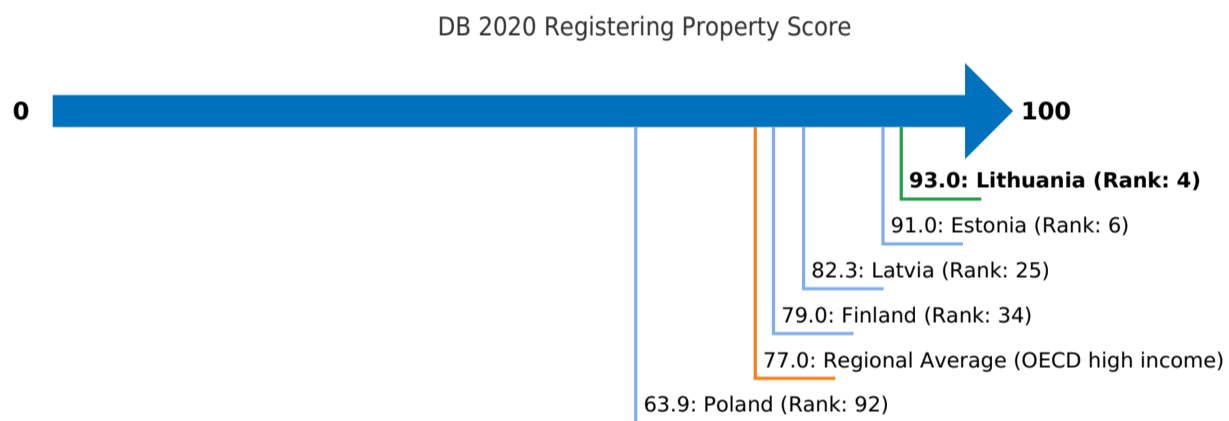
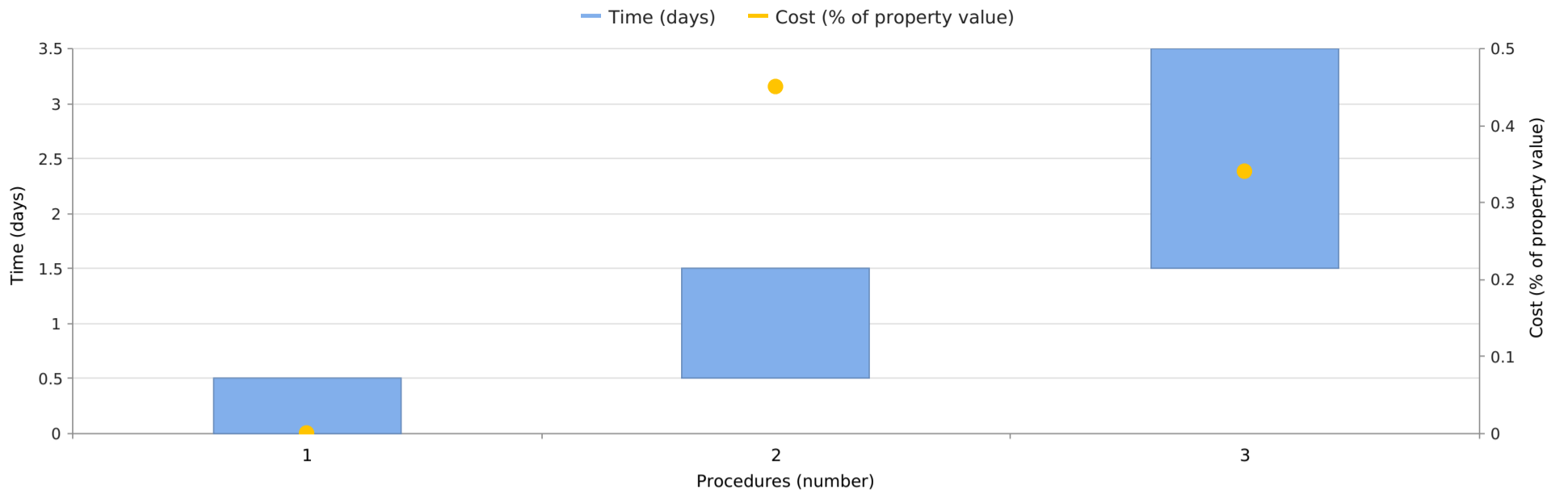


Figure - Registering Property in Lithuania and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

Figure - Registering Property in Lithuania - Procedure, Time and Cost

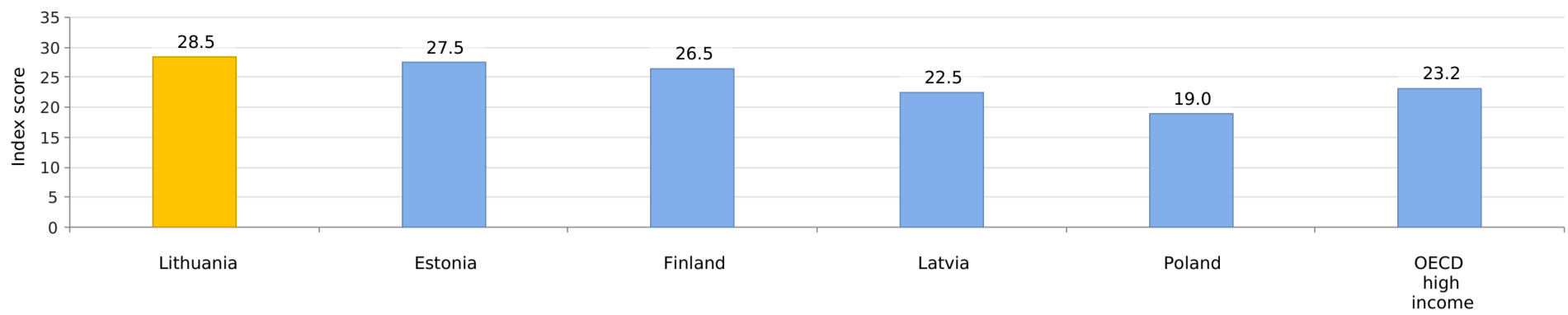


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.



Figure - Registering Property in Lithuania and comparator economies - Measure of Quality



## Details - Registering Property in Lithuania - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Notary orders the verification and clarification of the property data</b>  <i>Agency</i>: Information system of the Real Estate Agency            Resolution No. 527 of the Government of the Republic of Lithuania as of May 4, 2011 On the amendment of Resolution No. 1129 of the Government of the Republic of Lithuania of July 12, 2002 On the approval of the Real Estate Cadastre regulations stipulates that a notary public, at the initial stage of preparing an immovable property transaction, is required to order verification and revision of cadastral and registration data of an immovable item that are necessary for the execution of the immovable property contract.</p> <p>The Information System of Public E-Services for Immovable Property Transactions shall generate a notice on the future transaction and submit it to the Registrar of Real Estate. Having received the notice, the Registrar of Real Estate shall verify and, if necessary, revise the cadastral and registration data of the immovable item that are necessary for the execution of the immovable property transaction (or, in certain cases, refuse to revise the data due to specific reasons) and make a relevant note of the data revision with the Real Estate Register. The note shall be valid for 30 calendar days after the data revision. Data of the Real Estate Cadastre and Register required for the execution of the immovable property transaction must be verified and the notes of data revision or refusal to revise them must be made latest in 8 working hours or, in certain cases subject to the status of cadastral and registration data of the immovable item held by the Real Estate Register, latest in 3 working days from the receipt of notice of pending transaction from the Information System of Public E-Services for Immovable Property Transactions.</p>	Less than one day, online	EUR 3.62

2	<p><b>Notarization of the sale-purchase agreement</b>  <i>Agency</i> : Notary Public</p> <p>Pursuant to the Resolution No. 1129 of the Government of the Republic of Lithuania from July 12, 2002 "On the approval of the Real Property Register Regulations", Civil Code, Law on Land and Law on Companies of the Republic of Lithuania with later amendments thereof, a contract of purchase and sale of an immovable item must be made in a notarial form. Failure to comply with the requirements of the form shall render the contract invalid. The contract of purchase and sale of an immovable item may be used against third parties and have legal implications for them only in case it is registered with the public register in the statutory Procedure (procedure 3). The title (right of ownership) to the immovable item shall devolve to the buyer from the moment of transfer of the item. The transfer and acceptance of the immovable item shall be documented in a statement of transfer and acceptance signed by the seller and the buyer or in another document specified in the contract of purchase and sale. Likewise, the provisions regarding the transfer and acceptance of the immovable item may be inserted in the contract of purchase and sale. In such a case, the item and the title thereto shall transfer to the buyer at the moment of signing the contract.</p> <p>The Directive 2010/31/EU of European Parliament and Council of 19 May 2010 on the energy performance of buildings was enforced in Lithuania. Respective amendments to the Republic of Lithuania Law on Construction as from 9 January 2013 came into force. The energy efficiency certification is mandatory in case of sale of the property. The seller of a building being sold must provide the buyer with a valid energy efficiency certificate of a building or part thereof, save as in cases established by the Law on Construction (e.g., the energy efficiency certification shall not be mandatory for non-residential buildings of low energy consumption used for industrial, warehousing and agricultural management purposes).</p> <p>The list of documents to be submitted to notaries include:</p> <ul style="list-style-type: none"> <li>• Articles of association of private limited liability companies;</li> <li>• Power-of-Attorney issued by the CEO of a private limited liability company, if another authorized person, instead of the CEO, is acting on behalf of the company;</li> <li>• Personal ID of the representatives of the parties to the contract</li> <li>• Resolution of the board of a private limited liability company (if this body has been formed) in cases when the book value of the immovable property to be sold exceeds 1/20 of the authorized capital of the company or any other value established in the articles of association of the company. Where no board is formed in the company, such resolution shall be passed by the CEO of the company.</li> </ul> <ul style="list-style-type: none"> <li>• Where so is specified in the articles of association of a private limited liability company, approval of the aforementioned resolutions of the board or CEO (if the board is not formed) by the general meeting of shareholders;</li> <li>• Land plot plan;</li> <li>• Documentary proof of seller's title to immovable items (legal basis for the acquisition of the immovable item, for example, a contract of exchange, a contract of purchase and sale, etc., on which basis the title to the immovable item has been registered);</li> <li>• Energy Performance Certificate (an original document or a copy) shall be submitted to a notary. In case if the energy consumption of the building is low/the building is not heated, the provision of the energy certificate is not required;</li> <li>• Other documents, if requested subject to factual circumstances.</li> </ul>	1 day	<p>EUR 3,518.96; (Notary fees: 0.45% of property price, but not less than € 28.96 and not exceeding € 5,792.40 (€ 14,481, if more than one object is transferred)</p> <p>In addition, EUR 3.62 is a fee payable to the Center of Registers for verification and revision of cadastral and registration data of an immovable item as well as for the making of data revision notes (by the Center of Registers))</p>
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3	<p><b>Register the transfer of title to the property in the Real Estate Register</b>  <i>Agency</i> : Notary Public / State Enterprise Center of Registers</p> <p>Due to revisions of Law on Real Property Register of the Republic of Lithuania and Regulations of the Real Property Register mentioned previously, one-stop-shop principle was fully implemented in the immovable property transfer process, i.e. a buyer and a seller only visit the notary public office in order to conclude the property transfer and to register the ownership rights. After notarizing (with digital signature) the prepared agreement, the notary orders the registration of new ownership rights online in the Centre of Registers immediately. However, the ownership transfer will be reflected in the system of the Register no later than 1 working day.</p> <p>Due to introduction of euro in Lithuania on 1 January 2015, registration fees remained the same, only ranges of average market value for calculation of registration fees of buildings and land plots were adjusted. Therefore, the corrections are given below:</p> <p>Average market value of building - registration fee:  Up to EUR 14,500 = EUR 37.65  From EUR 14,501 to EUR 232,000 = EUR 37.65 + 0.05% difference between building's average market value and EUR 14,500  From EUR 232,001 to EUR 870,000 = EUR 146,26 + 0.055% difference between building's average market value and EUR 232,000  More than EUR 870,000 = EUR 496,70 + 0,05% difference between building's average market value and 870,000, but not more than EUR 1448,10 (the ultimate cap fee for registration)</p> <p>Average market value of land plot - registration fee:  Up to EUR 2,900 = EUR 23.17  From EUR 2,901 to EUR 29,000 = EUR 23.17 + 0.3% of the difference between land plot's average market value and EUR 2,900  From EUR 29,001 to EUR 290,000 = EUR 101.37 + 0.3% of the difference between land plot's average market value and EUR 29,000  More than EUR 290,000 = EUR 883.34 + 0.2% of the difference between land plot's average market value and EUR 290,000, but not more than EUR 1448.10 (the ultimate cap fee for registration)</p> <p>Legal basis: Law Amending Articles 17, 23, 26 and Invalidating Article 25 of the Law on Real Property Register No I-1539 of the Republic of Lithuania as of 23 June 2015 No XII-1833; Resolution No 1194 of the Government of the Republic of Lithuania as of 18 November 2015 on Amendment to Resolution No 379 of the Government of the Republic of Lithuania as of 23 April 2014 on Approval of the Real Property Register Regulations</p>	2 days	EUR 2,638.08; (10 business days (regular Procedure), but can be done in 3 business days by paying a 30% mark-up on the price (fast-track Procedure) in 2 business days with a 50% mark-up (fast-track Procedure), and in 1 business day with a 100% mark-up (fast-track Procedure))
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→Takes place simultaneously with previous procedure.

## Details - Registering Property in Lithuania - Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>28.5</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>8.0</b>
Type of land registration system in the economy:	Title Registration System	
What is the institution in charge of immovable property registration?	The State Enterprise Centre of Registers	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	The State Enterprise Centre of Registers	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Single database	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>4.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://info.registrucentras.lt/faq/nekilnojamo_turto/1/?p=6">http://info.registrucentras.lt/faq/nekilnojamo_turto/1/?p=6</a>	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.registrucentras.lt/p/774">http://www.registrucentras.lt/p/774</a>	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	<a href="http://www.registrucentras.lt/p/86">http://www.registrucentras.lt/p/86</a>	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2018:	41450 property transfers	
Who is able to consult maps of land plots in the largest business city?	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.registrucentras.lt/p/773">http://www.registrucentras.lt/p/773</a>	

Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	<a href="http://www.registrucenrtras.lt/p/773">http://www.registrucenrtras.lt/p/773</a>	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
<b>Geographic coverage index (0-8)</b>		<b>8.0</b>
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	Yes	2.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	Yes	2.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Are all privately held land plots in the economy mapped?	Yes	2.0
<b>Land dispute resolution index (0-8)</b>		<b>8.0</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	Civil Code of the Republic of Lithuania, Law on the Real Property Register of the Republic of Lithuania, Law on the Notariate of the Republic of Lithuania	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	Civil Code of the Republic of Lithuania, Law on Real Property Register of the Republic of Lithuania, Law on Land of the Republic of Lithuania, Law on the Notariate of the Republic of Lithuania	
Is there a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	Yes	0.5

Legal basis:	Law on Real Estate Register No I-1539, 24 September 1996 Article 26 Law on Real Estate Register No I-1539, 24 September 1996 Civil Code of the Republic of Lithuania, Law on the Real Property Register of the Republic of Lithuania 1. If persons suffer injury caused by the keeper of the Real Property Register in the performance of his duties, the damages shall be fully paid by the State. 2. The State bears no responsibility for the injury if the persons who have sustained it: 1) have submitted incorrect particulars to the Real Property Register ; 2) within 3 months from finding out about the inaccurate and incorrect entry in the Real Property Register have not sought a statutory remedy to protect the violated rights; 3) within 6 months from the discovery about the violated right and sustained losses have not filed an action for damages. 3. The State shall be entitled to recover by a vicarious claim from the keeper of the Real Property Register the damages paid by the State to the person for the injury caused by the deliberate actions of the keeper of the Real Property Register .	
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Notary;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	Yes	1.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	Vilnius County Court (Vilniaus apygardos teismas)	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Less than a year	3.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	Yes	0.5

Number of land disputes in the economy in 2018:	293 disputes in 2018 - land lease heard in Lithuania (in first instance courts)	
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

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## Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

#### Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

#### Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

#### Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

### Case study assumptions

*Doing Business* assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

#### Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

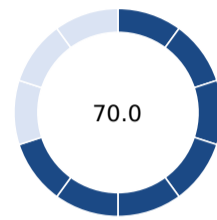
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Lithuania

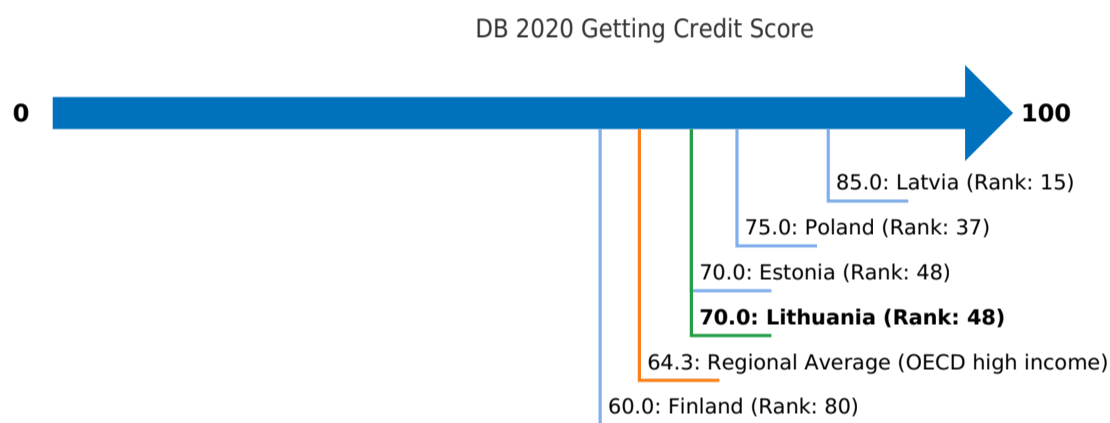
Indicator	Lithuania	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	6	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	53.7	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	100.0	66.7	100.0 (14 Economies)

Figure - Getting Credit in Lithuania - Score



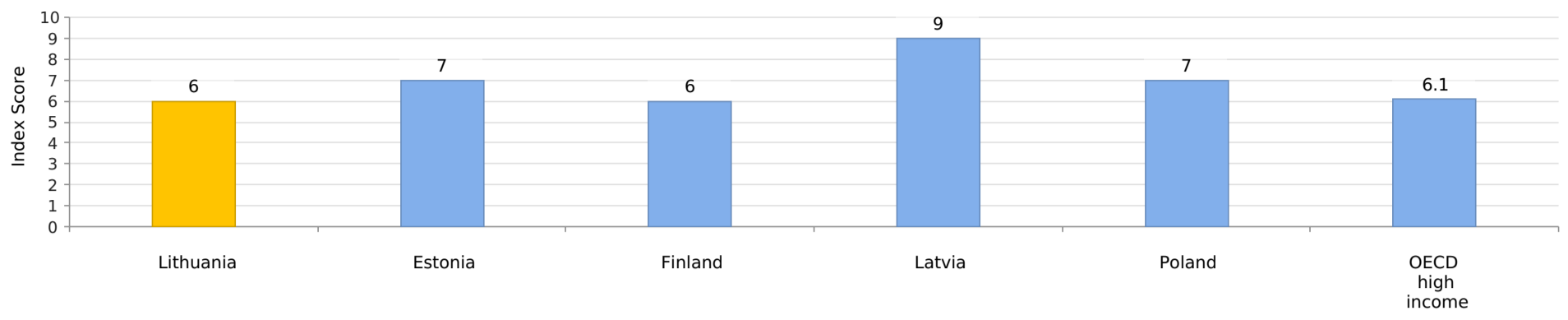
Score - Getting Credit

Figure - Getting Credit in Lithuania and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Lithuania and comparator economies



Details - Legal Rights in Lithuania

Strength of legal rights index (0-12)

6

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? No

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? No

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? Yes

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? Yes

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? No

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? Yes

Does a notice-based collateral registry exist in which all functional equivalents can be registered? No

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? No

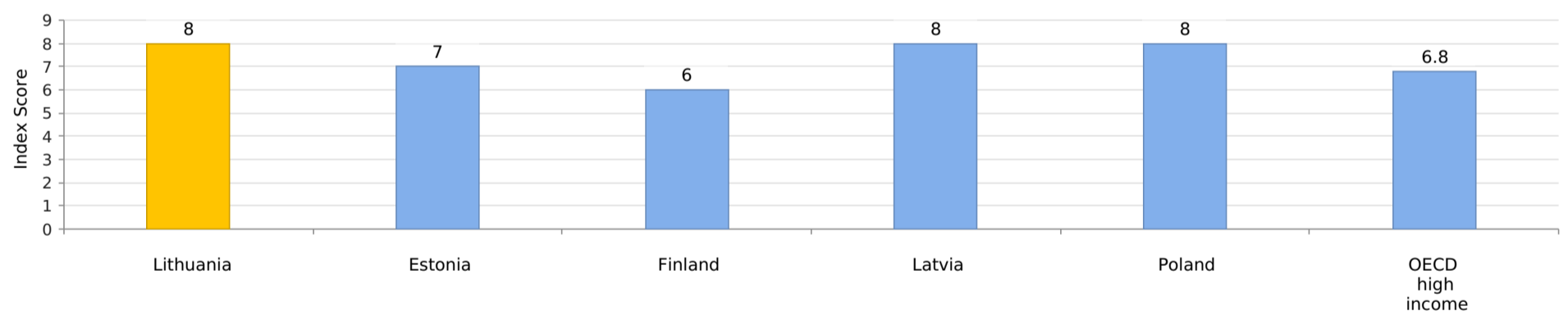
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? Yes

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? Yes

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it? No

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? Yes

Figure - Credit Information in Lithuania and comparator economies



## Details - Credit Information in Lithuania

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	Yes	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1
<b>Total Score ("yes" to either public bureau or private registry)</b>			<b>8</b>

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	1,841,339	951,310
Number of firms	199,802	34,722
Total	2,041,141	986,032
<b>Percentage of adult population</b>	<b>100.0</b>	<b>53.7</b>

## Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

- **Extent of disclosure index (0-10):** Disclosure, review, and approval requirements for related-party transactions
- **Extent of director liability index (0-10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, disqualification from managerial position(s) for one year or more, rescission of the transaction)
- **Ease of shareholder suits index (0-10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0-30):** Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- **Extent of shareholder rights index (0-6):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0-7):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-7):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-20):** Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-50):** Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

### Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

#### The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

#### The transaction involves the following details:

- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.

Protecting Minority Investors - Lithuania

Stock exchange information

Stock exchange	Nasdaq Baltic
Stock exchange URL	http://www.nasdaqomxbaltic.com
Listed firms with equity securities	56
City Covered	Vilnius

Indicator	Lithuania	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	7.0	6.5	10 (13 Economies)
Extent of director liability index (0-10)	4.0	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	7.0	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	4.0	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	6.0	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	7.0	5.7	7 (13 Economies)

Figure - Protecting Minority in Lithuania - Score

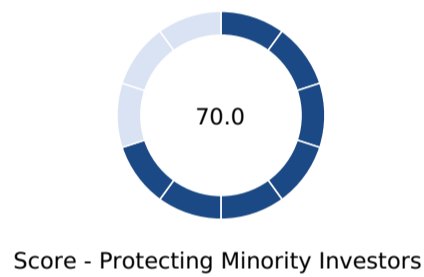
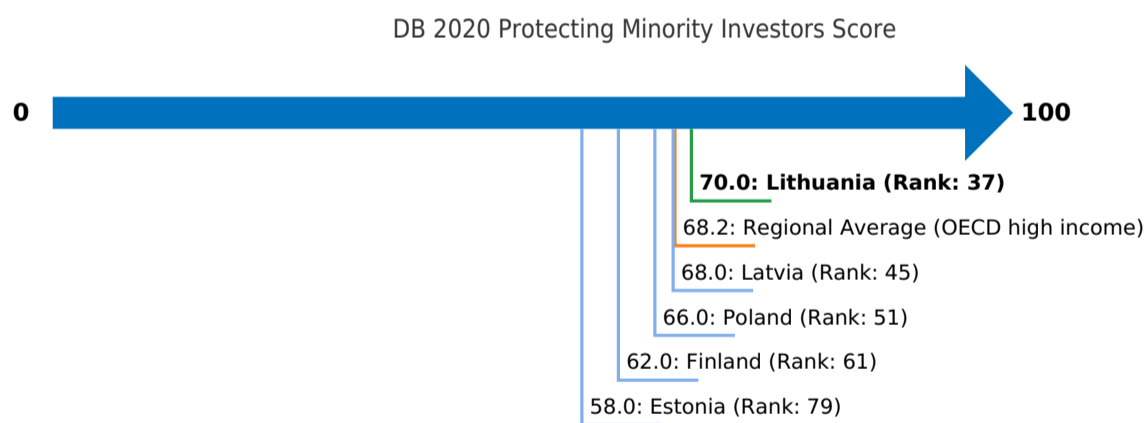
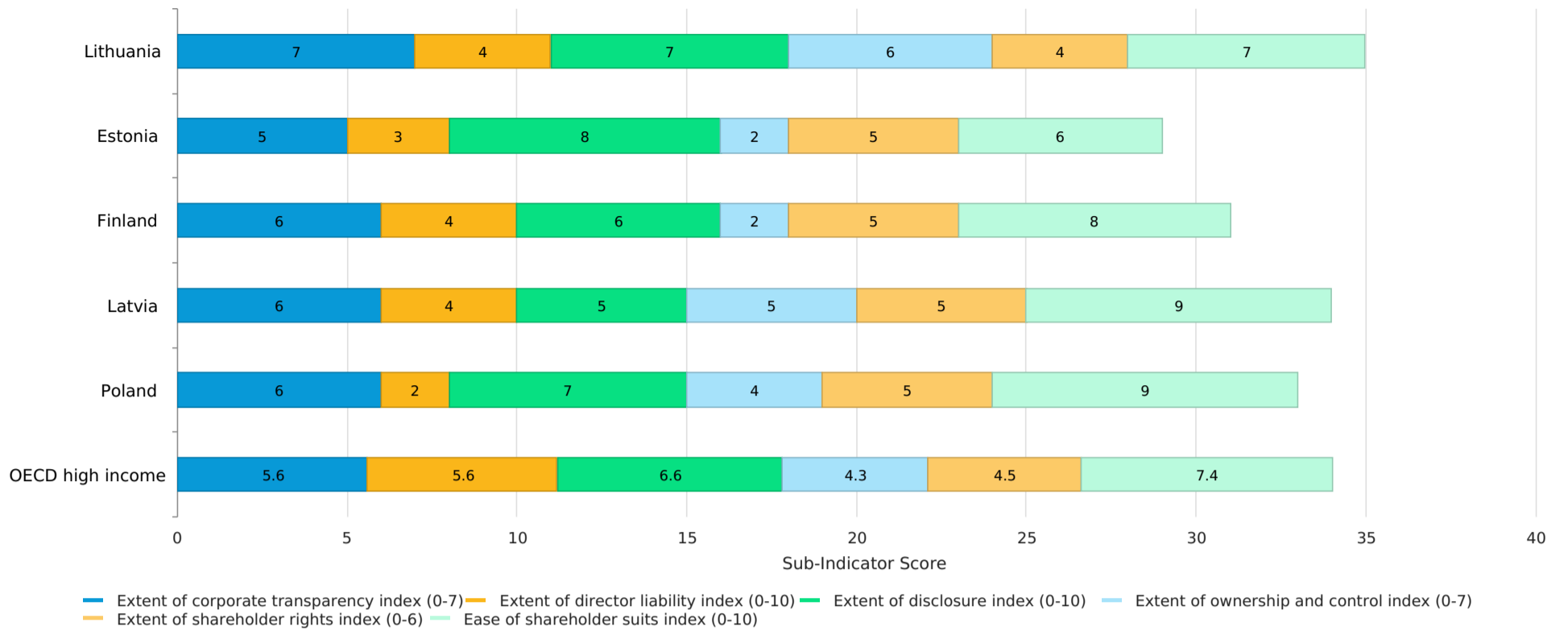


Figure - Protecting Minority Investors in Lithuania and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Lithuania and comparator economies - Measure of Quality





## Details - Protecting Minority Investors in Lithuania - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-30)</b>		
<b>Extent of disclosure index (0-10)</b>		<b>7.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders or board of directors including interested parties	1.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
<b>Extent of director liability index (0-10)</b>		<b>4.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
<b>Ease of shareholder suits index (0-10)</b>		<b>7.0</b>
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	No	0.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
<b>Extent of shareholder governance index (0-20)</b>		
<b>Extent of shareholder rights index (0-6)</b>		<b>4.0</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	No	0.0
<b>Extent of ownership and control index (0-7)</b>		<b>6.0</b>

Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	Yes	1.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
<b>Extent of corporate transparency index (0-7)</b>		<b>7.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0

## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 – December 31, 2018). [See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

#### Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with VAT refund (hours)
- Time to obtain VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

### Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018.

#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

Paying Taxes - Lithuania

Indicator	Lithuania	OECD high income	Best Regulatory Performance
Payments (number per year)	10	10.3	3 (2 Economies)
Time (hours per year)	95	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	42.6	39.9	26.1 (33 Economies)
Postfiling index (0-100)	97.5	86.7	None in 2018/19

Figure - Paying Taxes in Lithuania - Score

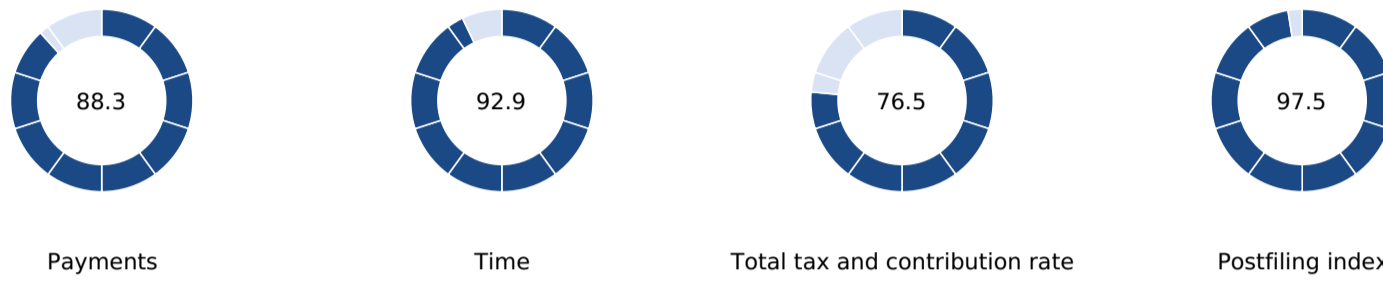
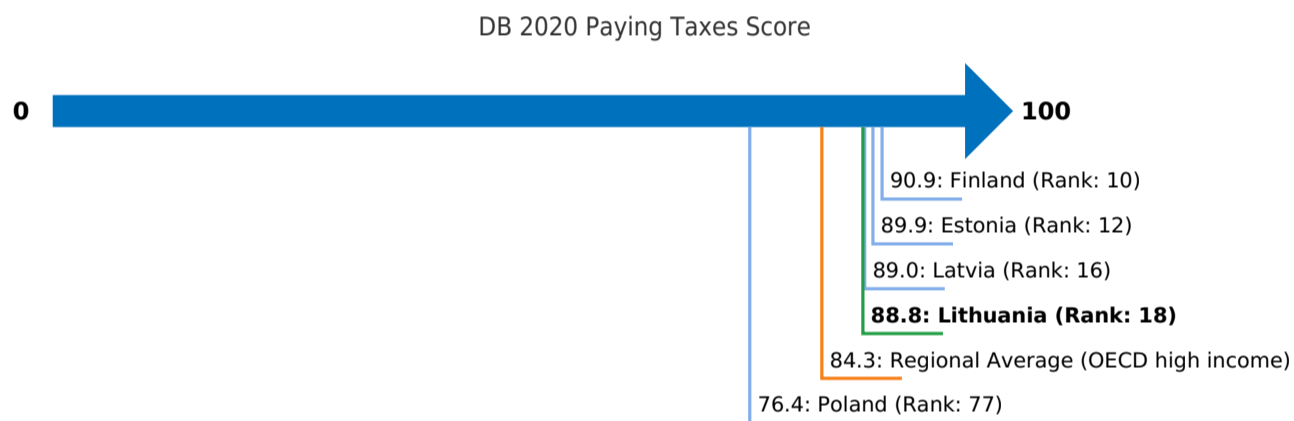
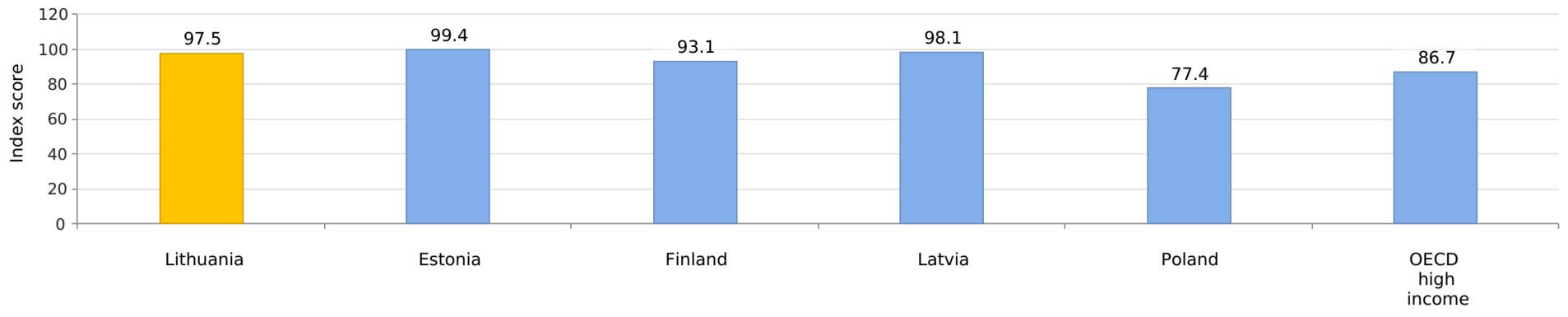


Figure - Paying Taxes in Lithuania and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Lithuania and comparator economies - Measure of Quality



## Details - Paying Taxes in Lithuania

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Social security contributions	1.0	online	34.0	30.98%	gross salaries	35.17	
Corporate income tax	1.0	online	18.0	15%	taxable profit	5.92	
Real estate tax	1.0	online		1%	assessed property value	0.98	
Environmental tax	1.0	online		39.77 Eur/ton in January - April 2016 71.13 Eur/ton in May - December 2016	ton of waste	0.29	
Vehicle tax	1.0	online		EUR 286 + EUR 753	fixed fee depending on type of vehicle	0.15	
Land tax	1.0	online		0.01% - 4%	assessed land value	0.06	
Contributions to guarantee fund	0.0	online and jointly		0.2%	gross salaries	0.00	included in social security contributions
Value added tax (VAT)	1.0	online	43.0	21%	value added	0.00	not included
Fuel tax	1.0				included into fuel price	0.00	small amount
Employee paid - Social security contributions	0.0	jointly		9%	gross salaries	0.00	withheld
Tax on pollution from mobile sources	1.0	online		various rates	fuel consumption	0.00	
Tax on pollution from packaging	1.0	online		various rates	packaging use	0.00	small amount
Totals	10		95			42.6	

## Details - Paying Taxes in Lithuania - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	5.9
Labor tax and contributions (% of profit)	35.2
Other taxes (% of profit)	1.5

## Details - Paying Taxes in Lithuania - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>97.5</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	none	
Percentage of cases exposed to a VAT audit (%)	0% - 24%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	2.0	95.8
Time to obtain VAT refund (weeks)	6.0	94.3
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	1.5	100
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.



## Trading across Borders

*Doing Business* records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

#### Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Lithuania

Indicator	Lithuania	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	7	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	58	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	3	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	28	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	0	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	0	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	1	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	0	23.5	0 (30 Economies)

Figure - Trading across Borders in Lithuania - Score

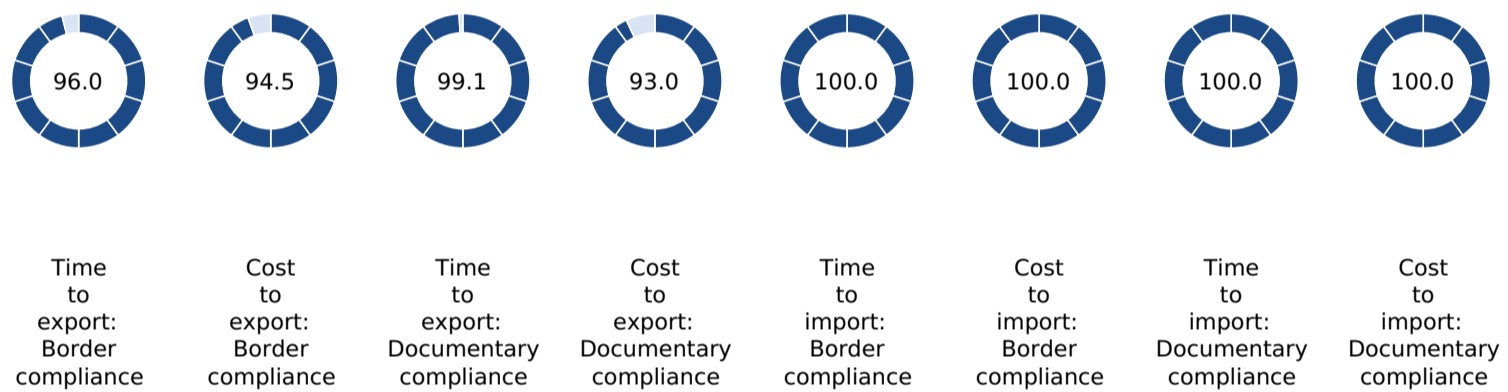
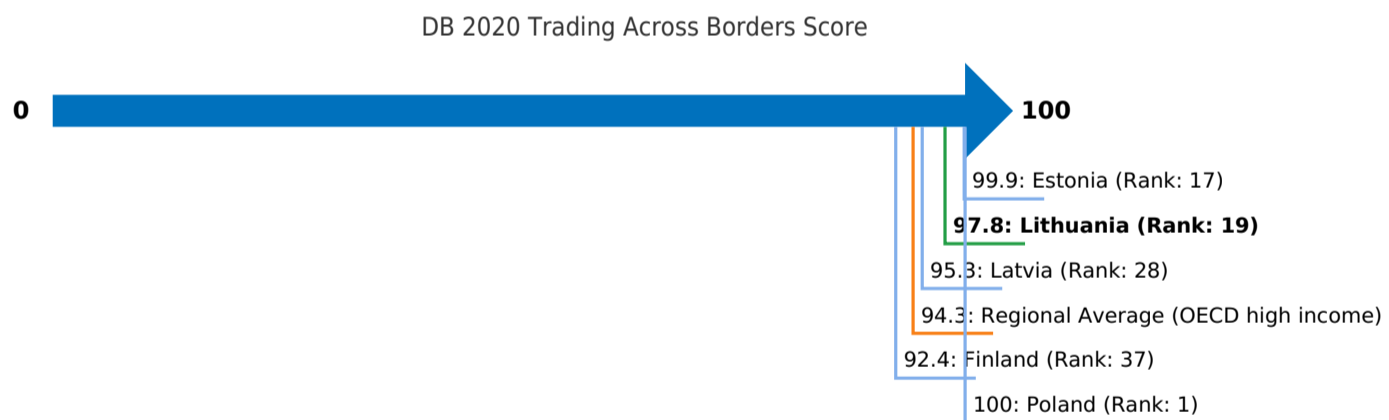
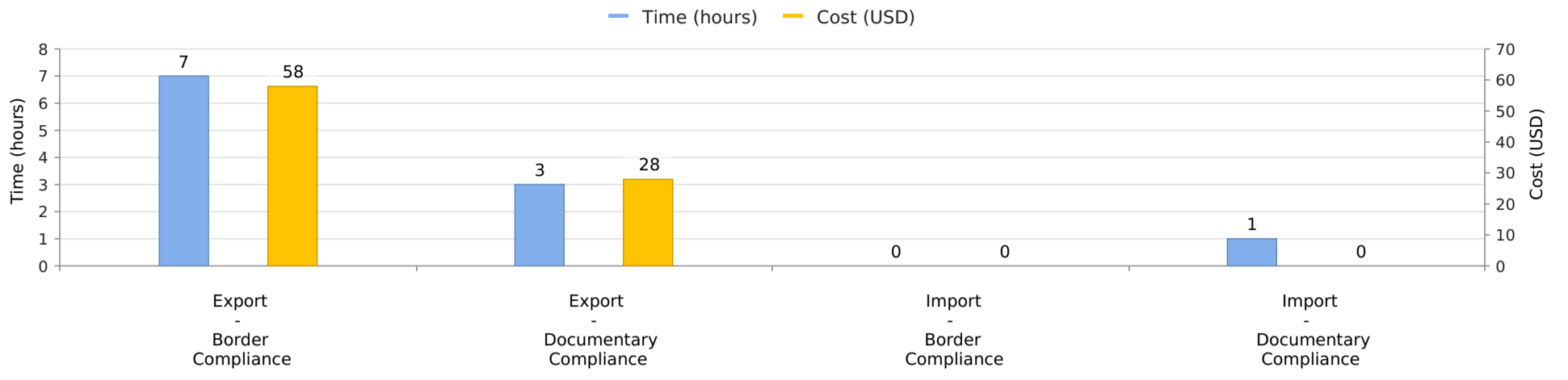


Figure - Trading across Borders in Lithuania and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Lithuania - Time and Cost



## Details - Trading across Borders in Lithuania

Characteristics	Export	Import
Product	HS 87 : Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	Russian Federation	Germany
Border	Medininkai border crossing	Poland-Lithuania border crossing
Distance (km)	35	160
Domestic transport time (hours)	1	4
Domestic transport cost (USD)	73	290

## Details - Trading across Borders in Lithuania - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	3.0	58.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	4.3	0.0
Import: Clearance and inspections required by customs authorities	0.0	0.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	0.0	0.0

## Details - Trading across Borders in Lithuania - Trade Documents

## Export

CMR waybill

Certificate of origin

Certificate of conformity

Customs Export Declaration

Commercial invoice

Packing list

## Import

CMR waybill

Commercial invoice

Packing list

Intrastat

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Time required to enforce a contract through the courts (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Time to file and serve the case</li> <li>• Time for trial and to obtain the judgment</li> <li>• Time to enforce the judgment</li> </ul> <p><b>Cost required to enforce a contract through the courts (% of claim value)</b></p> <ul style="list-style-type: none"> <li>• Average attorney fees</li> <li>• Court costs</li> <li>• Enforcement costs</li> </ul> <p><b>Quality of judicial processes index (0-18)</b></p> <ul style="list-style-type: none"> <li>• Court structure and proceedings (-1-5)</li> <li>• Case management (0-6)</li> <li>• Court automation (0-4)</li> <li>• Alternative dispute resolution (0-3)</li> </ul>	<p>The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</p> <p>To make the data on the time and comparable across economies, several assumptions about the case are used:</p> <ul style="list-style-type: none"> <li>- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality.</li> <li>- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.</li> <li>- The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater.</li> <li>- The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim.</li> <li>- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate.</li> <li>- The judge decides in favor of the seller; there is no appeal.</li> <li>- The Seller enforces the judgment through a public sale of the Buyer's movable assets.</li> </ul>

Enforcing Contracts - Lithuania

Standardized Case

Claim value	EUR 28,628
Court name	Vilnius District Court
City Covered	Vilnius

Indicator	Lithuania	OECD high income	Best Regulatory Performance
Time (days)	370	589.6	120 (Singapore)
Cost (% of claim value)	23.6	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	15.0	11.7	None in 2018/19

Figure - Enforcing Contracts in Lithuania - Score

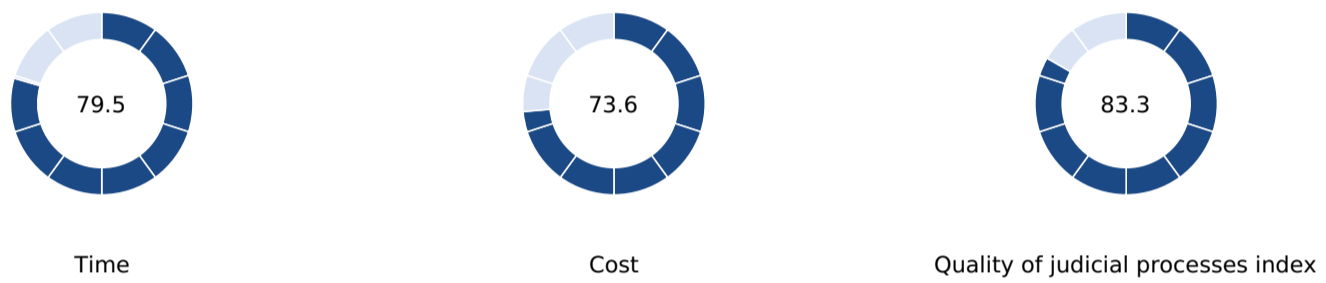


Figure - Enforcing Contracts in Lithuania and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Lithuania - Time and Cost

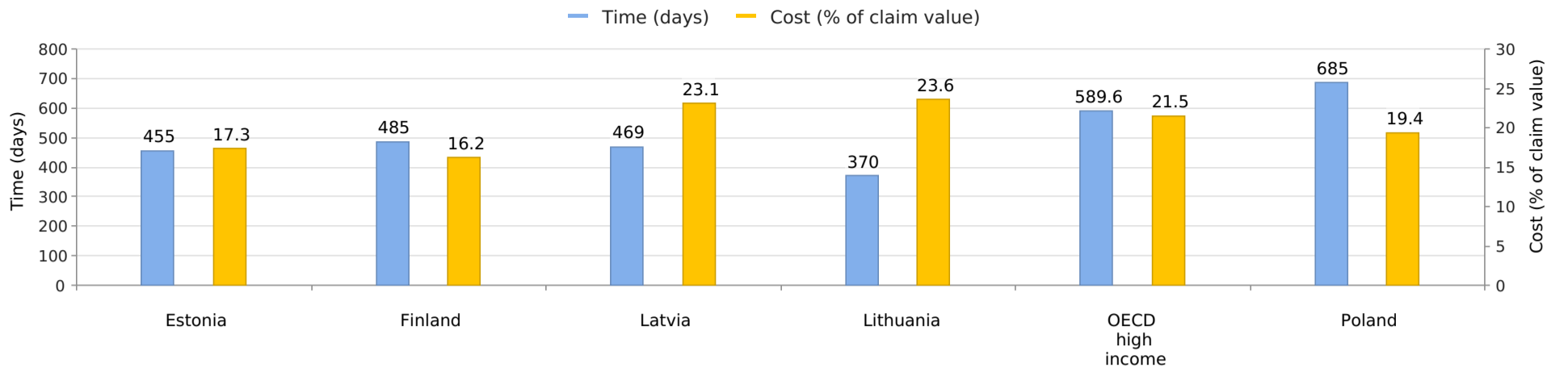
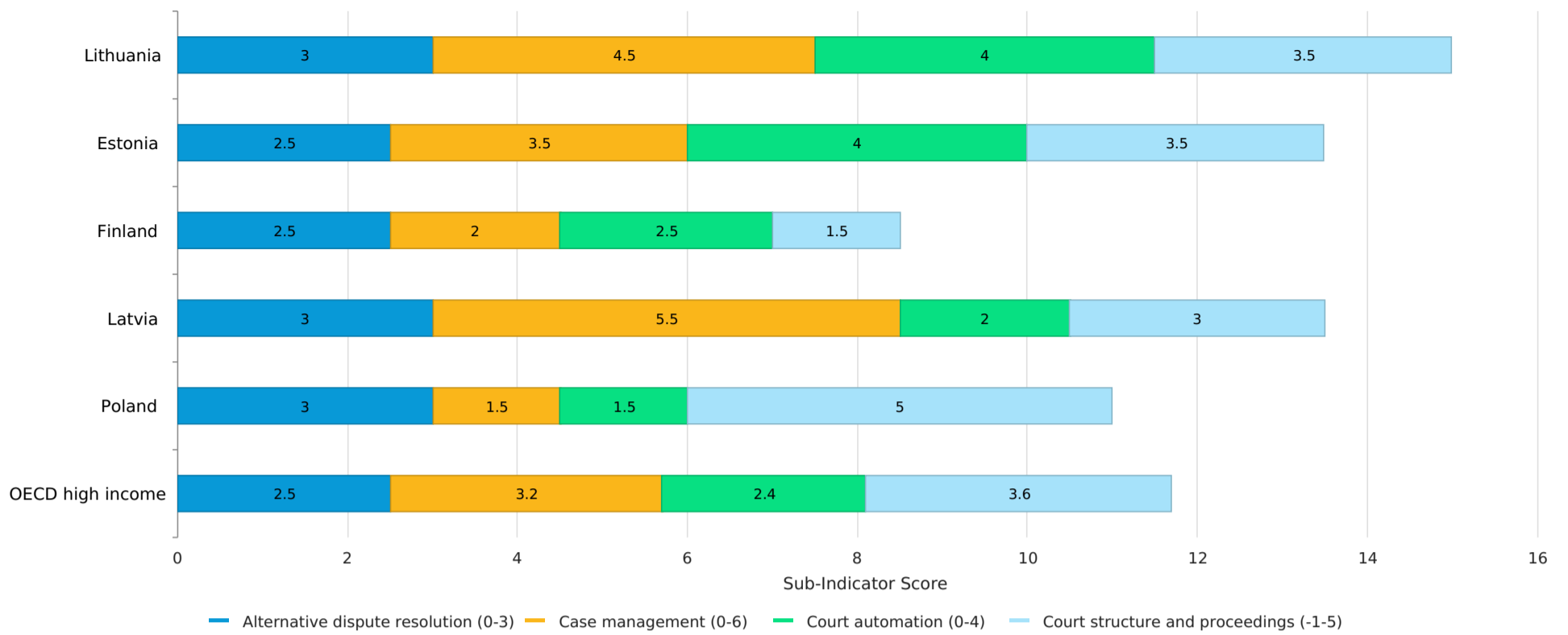




Figure - Enforcing Contracts in Lithuania and comparator economies - Measure of Quality



Details - Enforcing Contracts in Lithuania

	Indicator
<b>Time (days)</b>	<b>370</b>
Filing and service	40
Trial and judgment	240
Enforcement of judgment	90
<b>Cost (% of claim value)</b>	<b>23.6</b>
Attorney fees	8.6
Court fees	6
Enforcement fees	9
<b>Quality of judicial processes index (0-18)</b>	<b>15.0</b>
Court structure and proceedings (-1-5)	3.5
Case management (0-6)	4.5
Court automation (0-4)	4.0
Alternative dispute resolution (0-3)	3.0

## Details - Enforcing Contracts in Lithuania - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>15.0</b>
<b>Court structure and proceedings (-1-5)</b>		<b>3.5</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>4.5</b>
1. Time standards		0.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	No	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.5
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	Yes	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	Yes	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	Yes	1.0
<b>Court automation (0-4)</b>		<b>4.0</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	Yes	1.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	Yes	1.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		1.0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
<b>Alternative dispute resolution (0-3)</b>		<b>3.0</b>
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

2. Mediation/Conciliation	1.5
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)?	Yes
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes

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## Resolving Insolvency

*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

#### Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

#### Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

#### Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

#### Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

### Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, *Doing Business* evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.

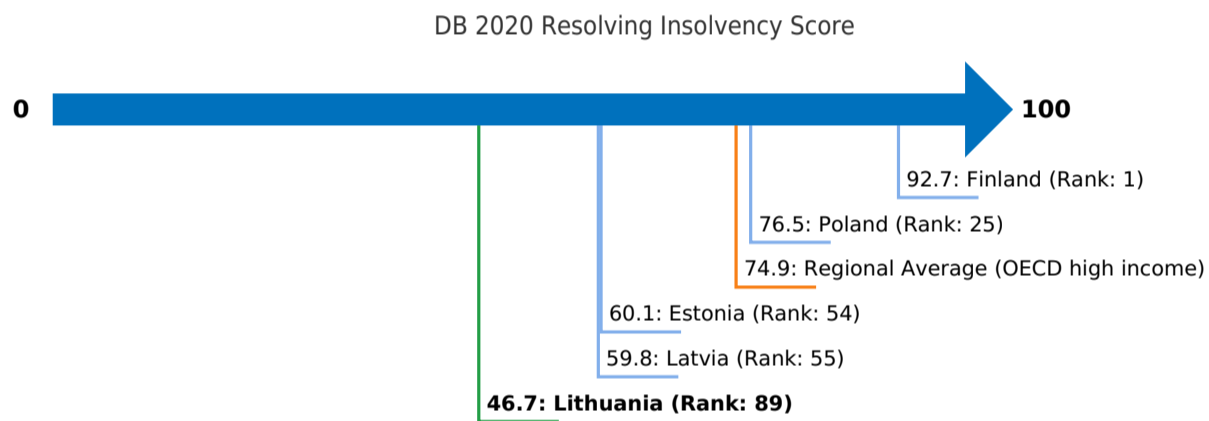
Resolving Insolvency - Lithuania

Indicator	Lithuania	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	40.3	70.2	92.9 (Norway)
Time (years)	2.3	1.7	0.4 (Ireland)
Cost (% of estate)	15.0	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..
Strength of insolvency framework index (0-16)	8.0	11.9	None in 2018/19

Figure - Resolving Insolvency in Lithuania - Score



Figure - Resolving Insolvency in Lithuania and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Lithuania - Time and Cost

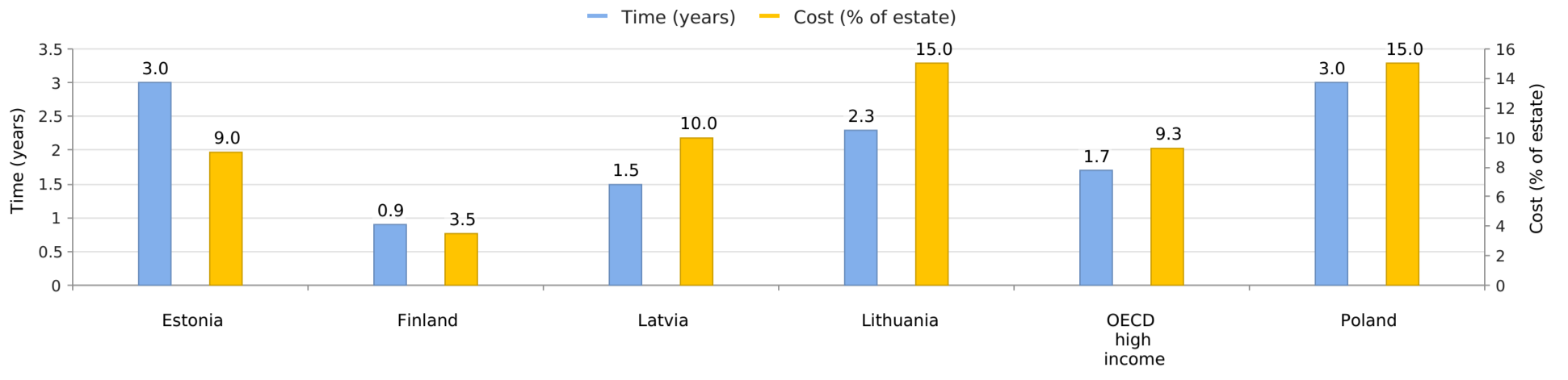
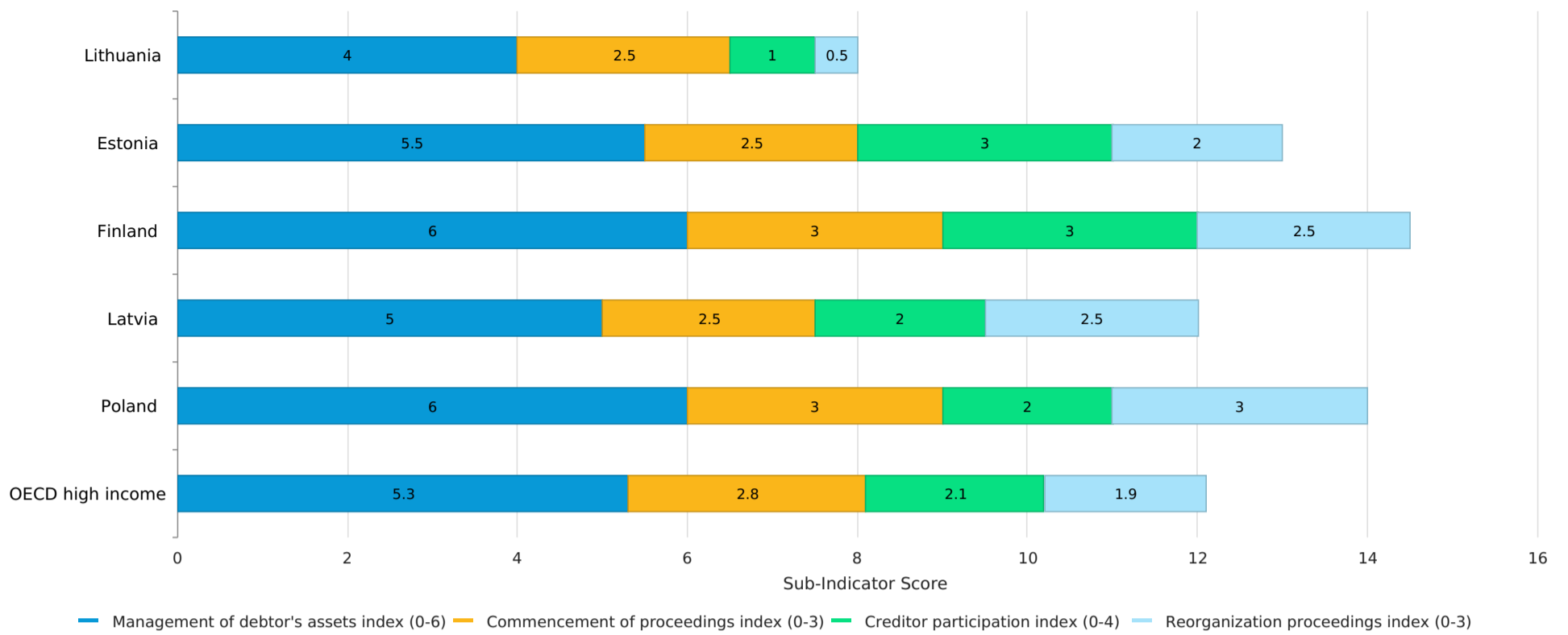
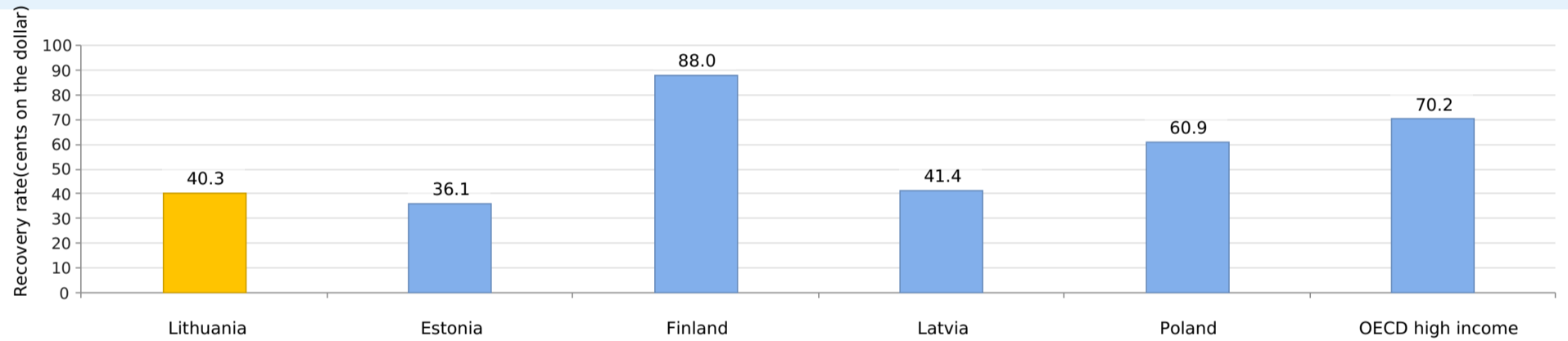


Figure - Resolving Insolvency in Lithuania and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Lithuania and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Lithuania

Indicator	Answer	Score
Proceeding	liquidation (after an attempt at reorganization)	Mirage management is interested in saving the business. Additionally, if the management does not initiate reorganization, BizBank will start recovery procedure and this will lead the company to liquidation. However, reorganization is likely to fail, because BizBank will be interested in getting paid as soon as possible and will not approve the reorganization plan. If reorganization plan is not approved, the court will terminate reorganization proceedings and initiate liquidation.
Outcome	piecemeal sale	Upon declaring the enterprise bankrupt and adopting a resolution to put the enterprise into liquidation by reason of bankruptcy, the court shall confirm the amount of revised claims of each creditor, the procedure of liquidation, other orders and instructions necessary for carrying out the liquidation procedure. In this stage pledged assets - the real estate - shall be sold at an auction.
Time (in years)	2.3	Mirage management will file a petition for commencement of reorganization proceedings and send a notice of it to the creditors and to the Authority of Audit, Accounting, Property valuation and Insolvency Management under the Ministry of Finance of the Republic of Lithuania. The court will decide whether to initiate reorganization proceedings within 1 month of receiving the petition. Decision of the court to initiate reorganization proceedings stays all other enforcement actions against the debtor. An administrator will be appointed and creditors must submit their claims within specified period (usually 30 to 45 days). The claims must be approved by the court in order for the creditors to vote on the reorganization plan. A creditors' meeting will be held 30 days after the creditors' claims are approved, creditors will elect a creditors' committee. Mirage management must submit a reorganization plan within 6 months of the date when the decision on the opening of reorganization proceedings is made. Creditors representing at least 2/3 of the aggregate amount of certified claims must vote in favor of the plan, in order for it to be approved. If the creditors fail to approve the plan, reorganization proceedings will be terminated. After reorganization proceedings are terminated, there is no automatic conversion of proceedings into liquidation. However, BizBank will be able to petition the court to open liquidation proceedings. The court will issue a liquidation order and liquidation proceedings will commence. A bankruptcy administrator will be appointed, who must sell the assets to satisfy the creditors' claims. Immovable property must be sold at a public auction. Movable property and immovables not sold at an auction will be sold in accordance with the decision of the creditors. Claims of secured creditors have priority over all other claims, including employment and tax claims, and will be paid first from the proceedings of the sale.
Cost (% of estate)	15.0	Major expenses will include remuneration of the insolvency administrator (around 8%), attorneys' fees (up to 5%), and fees of accountants and other professionals (up to 2%).
Recovery rate (cents on the dollar)		40.3



## Details - Resolving Insolvency in Lithuania - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>8.0</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.5</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(c) Both (a) and (b) options are available, but only one of them needs to be complied with	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>4.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
<b>Reorganization proceedings index (0-3)</b>		<b>0.5</b>
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
<b>Creditor participation index (0-4)</b>		<b>1.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

## Employing Workers

*Doing Business* presents detailed data for the employing workers indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The study does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the maximum probationary period; (iv) minimum wage; (v) ratio of minimum wage to the average value added per worker.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether the law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments, and (iii) penalties due when terminating a redundant worker. Data on the availability of unemployment protection for a worker with one year of employment is also collected.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

## Employing Workers - Lithuania

## Details - Employing Workers in Lithuania

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	60.0
Maximum length of fixed-term contracts, including renewals (months)	60.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	616.0
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	5.5
Premium for night work (% of hourly pay)	50.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	20.0
Paid annual leave for a worker with 5 years of tenure (working days)	20.0
Paid annual leave for a worker with 10 years of tenure (working days)	23.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	21.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	No
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	Yes
Priority rules for redundancies?	Yes
Priority rules for reemployment?	No
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	4.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	8.7
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	8.7

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	8.7
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	8.7
Unemployment protection after one year of employment?	Yes

## Business Reforms in Lithuania

From May 2, 2018 to May 1, 2019, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

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### DB2020

- ✓ **Getting Electricity:** Lithuania made getting electricity easier by launching an integrated digital application and by reducing the cost of new connections.
- ✓ **Protecting Minority Investors:** Lithuania strengthened minority investor protections by clarifying ownership and control structures.

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### DB2019

- ✓ **Protecting Minority Investors:** Lithuania strengthened minority investor protections by introducing greater requirements for the disclosure of the compensation of directors and other high-ranking officers on an individual basis.
- ✓ **Paying Taxes:** Lithuania made paying taxes easier by merging the filing and payment of two labor contributions and issuing pre-populated value added tax returns.
- ✓ **Trading across Borders:** Lithuania made exporting easier by enhancing its automated customs data management system.

**Employing Workers:** Lithuania changed legislation on working hours, paid annual leave, as well as notice period and severance payments in case of redundancy.

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### DB2018

- ✓ **Dealing with Construction Permits:** Lithuania made dealing with construction permits easier by reducing the time needed to obtain technical conditions and the building permit.
- ✓ **Getting Electricity:** Lithuania made getting electricity easier by streamlining procedures and imposing deadlines for issuing internal wiring inspection certificates.
- ✓ **Protecting Minority Investors:** Lithuania strengthened minority investor protections by increasing corporate transparency.
- ✓ **Paying Taxes:** Lithuania made paying taxes easier by introducing electronic system for filing and paying VAT, CIT and social security contributions. On the other hand, the environmental tax was increased.

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### DB2017

- ✓ **Getting Electricity:** Lithuania made getting electricity faster by introducing time limits on the utility to conduct necessary connection procedures and lowering the connection tariff.

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### DB2016

- ✓ **Starting a Business:** Lithuania made starting a business easier by introducing online VAT registration.
- ✓ **Getting Electricity:** The utility in Lithuania has reduced the time of the connection works by enforcing the legal time limit to perform the external connection works.
- ✓ **Protecting Minority Investors:** Lithuania strengthened minority investor protections by prohibiting subsidiaries from acquiring shares issued by their parent company.

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### DB2015

- ✓ **Starting a Business:** Lithuania made starting a business easier by eliminating the need to have a company seal and speeding up the value added tax (VAT) registration at the State Tax Inspectorate.
- ✓ **Dealing with Construction Permits:** Lithuania made dealing with construction permits easier by reducing the time required for processing building permit applications.
- ✓ **Enforcing Contracts:** Lithuania made enforcing contracts easier by introducing an electronic filing system for court users.

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### DB2014

- ✓ **Getting Credit:** Lithuania strengthened its secured transactions system by broadening the range of movable assets that can be used as collateral, allowing a general description in the security agreement of the assets pledged as collateral and permitting out-of-court enforcement.

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### DB2013

- ✓ **Starting a Business:** Lithuania made starting a business easier by introducing online registration for limited liability companies and eliminating the notarization requirement for incorporation documents.
- ✓ **Resolving Insolvency:** Lithuania made resolving insolvency easier by establishing which cases against the company's property shall be taken to the bankruptcy court, tightening the time frame for decisions on appeals, abolishing the court's obligation to individually notify creditors and other stakeholders about restructuring proceedings and setting new time limits for creditors to file claims.

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DB2012

- ✓ **Protecting Minority Investors:** Lithuania strengthened investor protections by introducing greater requirements for corporate disclosure to the public and in the annual report.
- ✓ **Resolving Insolvency:** Lithuania amended its reorganization law to simplify and shorten reorganization proceedings, grant priority to secured creditors and introduce professional requirements for insolvency administrators.

**Employing Workers:** Lithuania allowed fixed-term contracts to be concluded for permanent tasks (until 31 July 2012).

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DB2011

- ✓ **Starting a Business:** Lithuania tightened the time limit for completing the registration of a company.
  - ✓ **Getting Credit:** Lithuania's private credit bureau now collects and distributes positive information on borrowers.
  - ✓ **Paying Taxes:** Lithuania reduced corporate tax rates.
  - ✓ **Trading across Borders:** Lithuania reduced the time to import by introducing, in compliance with EU law, an electronic system for submitting customs declarations.
  - ✓ **Resolving Insolvency:** Lithuania introduced regulations relating to insolvency administrators that set out clear rules of liability for violations of law.
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DB2010

- ✗ **Paying Taxes:** Lithuania made paying taxes more costly for companies by increasing the corporate income tax rate.
  - ✓ **Resolving Insolvency:** Lithuania made resolving insolvency easier through amendments to the Enterprise Bankruptcy Law.
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DB2009

- ✓ **Registering Property:** Lithuania made registering property easier by merging the procedure for obtaining the real estate transaction certificate with the notarization procedure.

*Doing Business 2020* is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. It provides quantitative indicators covering 12 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

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