TEGOS

BANKING AND FINANCE NEWS

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STI's position on beneficiary data

A financial market participant approached the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (hereinafter – the **STI**), proposing to eliminate the requirement to submit data about beneficiaries - specifically, the type of personal identification document and the code of the country that issued the document. It was also proposed to initiate an amendment to the rules governing the submission of data on the opening and closing of all types of accounts, safe deposit box rentals, representatives, and beneficiaries, with the aim of making certain data non-mandatory.

In response to the inquiry, the STI emphasizes the following points:

- data must be submitted by creating a file in XML format (Extensible Markup Language), which must be prepared according to the XML Schema Definition (XSD) published on the STI website;
- financial market participants, in fulfilling their assigned obligations, are required to submit data in accordance with the aforementioned schema description;
- data on the beneficiary's document type, document number, and the code of the issuing country are not mandatory if the financial market participant does not collect or possess such data;
- nevertheless, the obligation remains to provide the country code of the authority that issued the identification number, as stipulated in the applicable regulations;
- the tax administrator will not consider the submitted information incomplete if data on the document type or number is missing, provided that the completion requirements set out in the XML schema description are followed - no error will be recorded.

The STI notes that amending the rules on this matter is not necessary, as financial market participants can already submit a properly completed XML file without data on the document type or number, provided they do not possess such information.

TEGOS comment: the STI's position is considered proportionate and legally justified, as it ensures clarity in data submission requirements and aligns with the actual capabilities of financial market participants. It should be noted that the STI's clarification - that data on the beneficiary's document type, number, or the issuing country code is not mandatory if such data is not collected or held - creates conditions for fulfilling legal obligations without incurring excessive administrative burden. At the same time, it is emphasized that the obligation to provide the country code of the authority that issued the identification number remains mandatory. Therefore, there is no need to amend the existing rules, as the current regulation allows for the submission of a complete and technically compliant XML file even in the absence of certain document-related data.

Changes to capital contributions for electronic money and payment institutions

On 18 September 2025, the Government of the Republic of Lithuania decided to approve the draft law amending Article 15 of the Law on Payment Institutions No. XI-549 and the draft law amending Article 23 of the Law on Electronic Money and Electronic Money Institutions No. XI-1868 (hereinafter – the **Draft Laws**), and to submit them to the Lithuanian Parliament for consideration.

Key amendments of the Draft Laws:

- when increasing the authorized capital of a payment institution (PI) or electronic money institution (EMI) through additional contributions, not less than 50 percent of the newly issued shares must be paid in cash only;
- the remaining portion of the shares may be paid through non-monetary contributions, provided that:
  - the contribution has been valued by a property appraiser in accordance with the legislation regulating mandatory property valuation;
  - the contribution does not negatively affect the institution's liquidity;
  - the acquired assets can be immediately liquidated to cover losses.
- the property valuation report is subject to the requirements established by the Law on Companies;
- the total amount of all additional non-monetary contributions, following an increase in authorized capital, may not exceed 50 percent of the total capital of the PI or EMI.

These amendments would enter into force on 1 May 2026.

TEGOS comment: the Draft Laws aim to address the increasingly common practice whereby EMIs and PIs pay for additional share issuances using non-monetary contributions, such as real estate. Due to their nature, such assets are often not usable in the institution's operations and may be difficult to sell when liquidity is needed. This creates a risk that institutions could face temporary or permanent financial difficulties. If adopted, the Draft Laws will require that at least 50 percent of newly issued shares be paid in cash, while the remaining portion may be covered only by liquid, non-monetary contributions that have been valued by a property appraiser and do not negatively affect the institution's liquidity.

More information →

Bank of Lithuania updates its complaint handling rules

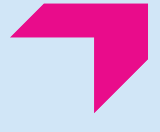
On 11 September 2025, the Bank of Lithuania (hereinafter – the **BoL**) submitted for public consultation a draft amendment to the BoL Board Resolution No. 03-105 “On the Approval of the Rules for Handling Complaints Received by Financial Market Participants” (hereinafter – the **Draft Resolution**).

The purpose of the Draft Resolution is to ensure a consistent approach among financial market participants (hereinafter – **FMPs**) in applying the complaint handling rules (hereinafter – the **Rules**), to enhance consumer satisfaction with the services provided by FMPs, and to strengthen trust in the financial market as a whole.

Key amendments:

- the list of FMPs to whom the Rules apply has been clarified;
- the definition of a complaint has been updated;
- complaint handling must be objective and impartial: it may not be assigned to the employee or department being complained about, adequate human resources must be allocated, and regular staff training must be ensured;
- FMPs are required to regularly — at least once every two years — assess their compliance with the provisions of the Rules, unless otherwise specified by other financial market regulatory legislation;
- the annexes to the Rules, which define the formats for submitting information on received complaints to the BoL, have been updated. It is also stipulated that this information must be submitted to the BoL in JSON format via the REGATA information system.

Comments on the Draft Resolution may be submitted until 3 October 2025.



TEGOS comment: As the Draft Resolution is still in the public consultation and coordination phase, this is an opportune time for market participants to assess and prepare to update their internal control systems to ensure readiness for implementing the planned changes. Particular attention should be paid to the requirement set out in the Draft Resolution regarding the objectivity and impartiality of complaint handling - specifically, that complaints must not be assigned to either the employee or the department being complained about. To properly implement this requirement in practice, market participants may need to centralize the complaint-handling function or adopt alternative measures to ensure objectivity and impartiality.

Additionally, it is important to note that the Draft Resolution updates the annexes to the Rules, which define the formats for submitting information on received complaints to the BoL. These updates involve the provision of more extensive data, including the categorization of complaints by type of service, the nature of the complaint, and its cause. Market participants should proactively assess and begin collecting the relevant information within their internal IT systems, which will be used for reporting to the BoL. As stipulated in the Draft Resolution, the updated complaint reporting forms must be submitted to the BoL for the first time for the reporting year 2026.

More information →

STI introduces rule amendments under the DAC8 Directive

On 29 August 2025, the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (hereinafter – the **STI**) submitted for public consultation a draft set of rules proposing amendments to the STI Director's Order No. VA-102 of 25 November 2015, "On the Approval of the Rules for Submitting Information Required for the Implementation of International Cooperation Commitments Regarding the Automatic Exchange of Financial Account Information" (hereinafter – the **Draft Rules**).

The Draft Rules have been prepared in accordance with Council Directive (EU) 2023/2226 of 2023, which amends Directive 2011/16/EU on administrative cooperation in the field of taxation (hereinafter – the **DAC8 Directive**).

The DAC8 Directive establishes:

- additional obligations related to the provision of information on crypto-assets to tax authorities;
- amendments related to previous directives and standards, including Council Directive 2014/107/EU (DAC2), which implements the automatic exchange of financial account information under the Common Reporting Standard (CRS).

Key amendments in the Draft Rules:

- a financial institution must notify the STI within 30 calendar days after its license is revoked by the

Bank of Lithuania;

- if the account holder has one or more reportable controlling persons, the identification, residency, control, and verification details of both the entity and each reportable person must be provided;
- it must be indicated whether the account is a joint account and how many individuals hold it;
- in the case of an investment company, the role by which the reportable person is considered a holder of share capital must be specified;
- income received from the sale or redemption of financial assets does not need to be reported if such information is already provided under the Law on Tax Administration, unless a different decision is made for a specific group of accounts.

As the DAC8 Directive must be transposed into national law by 1 January 2026, the STI has initiated amendments to the relevant rules to ensure smooth and timely implementation of EU requirements.

TEGOS comment: The Draft Rules submitted by the STI, implementing the provisions of the DAC8 Directive, reflect a targeted move toward greater data transparency and enhanced cooperation among tax authorities across the EU. The proposed amendments significantly expand the scope of information to be reported - particularly concerning crypto-asset service providers, controlling persons, and the granularity of account data. These changes go beyond mere technical requirements - they will directly impact financial institutions' compliance, data management, and process control systems.

Therefore, financial market participants **are advised not to delay and should begin preparations now**: to assess existing data collection and storage processes, evaluate the capabilities of IT systems, and allocate additional resources to ensure compliance. Although the transposition deadline for the directive is 1 January 2026, in practice, preparation will require time, and postponing action could lead to technical disruptions as well as reputational and supervisory risks. Early preparation will enable a smooth transition to the new requirements and ensure business continuity without additional pressure.

More information →

Supreme Administrative Court of Lithuania ruled that the Bank of Lithuania unjustifiably refused to issue a specialized bank license

On 17 September 2025, the extended panel of judges of the Supreme Administrative Court of Lithuania partially upheld the appeal of UAB "Baltic Financial Company" (hereinafter – **the Applicant**), annulling the decision of the court of first instance and the resolution of the Board of the Bank of Lithuania (hereinafter – the **BoL**), which had refused to issue the Applicant a specialized bank license.

The BoL refused to issue the license, arguing that the Applicant's submitted business plan did not ensure reliable and secure banking operations.

The extended panel of judges emphasized that the BoL has broad discretion to assess whether a business plan meets the criteria of safe and reliable banking. Nevertheless, when exercising judicial review, the court must evaluate whether:

- the BoL did not make a clear error in the assessment of factual circumstances or in the application of law;
- there was no abuse of powers;
- the established procedural requirements were duly observed;
- the decision was based on accurately established factual circumstances;
- the adopted act does not contradict the objectives and tasks of the institution for which the relevant

powers were granted.

The extended panel of judges found that the arguments presented in the BoL's resolution concerning the business environment were not substantiated by specific data and were not linked to particular provisions of the Applicant's business plan. The conclusion that the business plan does not ensure reliable and secure banking operations was not properly justified — there was a lack of clear connection between the content of the business plan and the analysis of the business environment.

Given that the decision of the Board of the BoL to refuse the Applicant a specialized bank license has been annulled, and that the court of first instance failed to properly assess legally relevant circumstances such as the potentially unlawful actions of the BoL, the damage incurred, and the causal link the Supreme Administrative Court of Lithuania concluded that the part of the case concerning compensation for damages was not substantively examined. Consequently, this part of the case has been annulled and remitted to the court of first instance for re-examination.

TEGOS comment: in assessing whether the BoL's resolution was adequately reasoned, it is essential to consider the institution's discretionary powers in the financial sector. However, such discretion is not absolute, it must be grounded in objective facts and comply with the principles of legality, objectivity, proportionality, impartiality, and the prohibition of abuse of power. Public administrative bodies, when exercising discretion, are required to adhere to statutory provisions and general principles of law, and their decisions must be reasoned and substantiated.

More information

Bank of Lithuania has updated the procedure for issuing permits

On 26 August 2025, the Bank of Lithuania (hereinafter – the **BoL**) adopted a resolution amending the BoL Board Resolution No. 58 of 6 May 2004, titled "On the Approval of the General Rules for the Submission, Examination, and Issuance of Authorizations to Financial Market Participants Supervised by the Bank of Lithuania" (hereinafter – **the Resolution**).

The amendments aim to ensure the authenticity of documents, the reliability of translations, and the smooth electronic submission of documentation.

Key amendments:

- if the application is submitted by a natural person, their correspondence address is no longer required;
- if written documents are submitted, originals are no longer required; certified copies, duplicates, and extracts are accepted;
- for documents prepared in a foreign language, a translation agency stamp is no longer required; it is sufficient for the translation to be signed by the translator and digitally authenticated in accordance with the procedure established by the rules;
- the obligation to submit documents prepared and/or issued abroad that are legalized or certified with an "APOSTILLE" has been removed in all cases;
- in order to verify the authenticity, reliability, integrity, and usability of such documents, or in the presence of other risk-related circumstances, the BoL has the right to request the submission of

legalized documents or those certified with an "APOSTILLE", except in cases provided for by national legislation, European Union law, or international agreements;

- electronic documents must be signed with a qualified electronic signature;
- original written documents, the digital copies of which have been submitted to the BoL, must be retained by the applicant in accordance with the document retention procedures and time limits established by law;
- the BoL has the right, both during the application assessment and after the decision to issue an authorization - until the expiry of the document retention period established by law - to request the submission of original documents for which digital copies have been provided.

TEGOS comment: the reduction of the obligation to submit documents prepared and/or issued abroad with an "APOSTILLE" certification is expected to improve the time-efficiency of receiving and submitting such documents to the BoL. This could accelerate the issuance of permits to financial market participants.

More information →

Council of the European Union has adopted the 19th package of sanctions against Russia

On 23 October 2025, the Council of the European Union (EU) adopted the 19th package of sanctions against Russia, aimed at increasing economic pressure on the Russian Federation, restricting sources of war financing, and preventing the circumvention of sanctions. This package includes measures in the areas of finance, energy, technology exports, and human rights.

Financial sector measures

The 19th sanctions package introduces broad restrictions on Russian and Russia-linked financial institutions to prevent sanction circumvention and financial flows that could support military actions against Ukraine.

The following measures have been established:

- a complete ban on transactions with additional Russian banks and financial institutions in third countries involved in sanction circumvention schemes;
- a ban on all crypto-asset transactions and restrictions on crypto-asset services provided to Russian citizens;
- restrictions on Russia's payment infrastructure, including the MIR payment card system (a national payment system operated by the Central Bank of Russia) and the SBP instant payment system (an

interbank settlement platform used for domestic and cross-border transfers);
- inclusion of foreign banks in the sanctions list when links to alternative Russian payment systems are identified;
- restrictions on transactions with entities operating in Russia's Special Economic Zones (SEZs) that contribute to war financing.

Other measures

Energy sector measures:

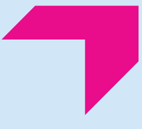
- a complete ban on the import of Russian liquefied natural gas (LNG) into the EU starting January 2027;
- inclusion of 117 new vessels in the so-called "shadow fleet" used to transport Russian oil in violation of the sanctions regime - bringing the total number of sanctioned vessels to over 560;
- a full transaction ban on major Russian energy companies "Rosneft" and "Gazpromneft," along with asset freezes;
- inclusion of third-country energy companies, including those from China, in the scope of sanctions for engaging in trade or processing of Russian oil in violation of EU restrictions.

Technology and export control measures:

- direct export restrictions on goods and technologies that could be used in military operations;
- inclusion of 45 companies from Russia and third countries in the sanctions list for supporting Russia's military industry;
- bans on investments in Russian Special Economic Zones linked to the defense sector;
- restrictions on artificial intelligence (AI), geospatial data, and high-performance computing solutions that could be used for military purposes.

Human rights violations sanctions:

The sanctions package also includes personal sanctions against individuals responsible for the deportation and indoctrination of Ukrainian children in Russian-controlled territories.



TEGOS comment: the 19th sanctions package is a significant step in further intensifying economic pressure on Russia. It demonstrates the EU's determination to strike at the core of Russia's war economy - particularly its liquefied natural gas exports - while simultaneously increasing pressure in the areas of technology, finance, and diplomacy.

More information →

Bank of Lithuania has updated the Responsible Lending Regulations

On 22 October 2025, the Bank of Lithuania (hereinafter – the **BoL**) announced updates to the Responsible Lending Regulations (hereinafter – the **RLR**). These changes aim to create more favorable conditions for first-time home buyers while introducing stricter criteria for individuals seeking to purchase a second or subsequent home. The procedure for assessing the loan-to-income ratio is also being revised.

Initial contribution requirements:

- a 10% initial contribution may apply if the borrower is entering into their first credit agreement for the purchase or construction of residential real estate and neither the borrower nor the co-debtor owns or has owned any real estate in the past five years;
- a 15% down payment will remain in place for first-time mortgage borrowers who already own real estate;
- a 30% down payment will continue to apply to individuals seeking a second or subsequent home loan. However, an exception allows the down payment to be reduced to 15% if the borrower has already repaid more than half of each existing mortgage loan.

In view of the significant fluctuations in interest rates observed in recent years, the BoL is changing the principle for assessing the loan-to-income ratio. From now on, a single requirement will apply: monthly loan payments may not exceed 50% of income, calculated at an interest rate of no less than 6%. In

order to give participants in the housing credit market time to prepare for the changes, the updated RLR will come into force on 1 August 2026.

TEGOS comment: the RLR amendments will make it possible to grant real estate-related credit to a wider group of consumers, as the current minimum initial deposit of 15% is difficult to accumulate even for financially capable home buyers due to the recent rapid rise in housing prices. Lenders have nine months to prepare for the upcoming changes and update their internal procedures, systems, consumer information, and other credit-related documents.

More information →

The Bank of Lithuania reminds that crypto asset service providers must obtain a license by the end of the year or inform their clients about the termination of their services

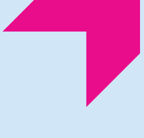
On 27 October 2025, the Bank of Lithuania (hereinafter - **BoL**) issued a statement addressed to crypto asset service providers. The BoL emphasized that the transitional period - during which virtual currency exchanges and custodial wallet operators are required to obtain a license - will end on December 31 of this year. After this date, any crypto asset service providers operating without a license will no longer be permitted to offer crypto - related services in Lithuania.

Since the beginning of the year, the BoL has received nearly 50 applications from companies seeking a crypto asset service provider license. Some companies reapplied after their initial applications were rejected. Currently, more than 10 applications are under review, but so far, only one company has been granted a license.

The BoL notes that most applicants have approached the licensing process and their future operations insufficiently prepared. In recent weeks, many of the submitted applications have failed to meet even the minimum requirements, raising concerns about the applicants' competence and their attitude toward the regulatory environment.

The BoL also reminds that operators who do not intend to obtain a license must take all necessary steps to return client assets before the licensing requirement comes into effect. These operators should promptly transfer the assets to crypto asset or fund custodians designated by the clients, or send the crypto assets to self-hosted wallets specified by the clients.

The BoL also reminds that it has the authority to block websites of companies that illegally provide financial services and to include them in a publicly available list of unauthorized entities.



TEGOS comment: the BoL's announcement regarding the upcoming licensing deadline for crypto asset service providers serves as an important reminder for both market participants and consumers. Service providers planning to cease operations must responsibly inform their clients and ensure the return of their crypto assets and funds. Those who fail to meet the licensing requirements on time risk being listed as unauthorized entities and losing the right to operate in Lithuania. Meanwhile, investors are advised to verify in advance whether their service provider is pursuing or already holds a crypto asset service provider license.

More information →

EBA has published a report on the widely used white labelling model

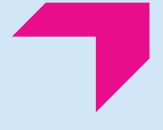
The European Banking Authority (hereinafter – the **EBA**) has presented its first report on white labelling – a business model in which a financial institution provides services through a partner, using the partner's brand. This model enables non-financial companies (e.g., marketplaces, technology platforms) to offer financial products without PSD2 authorization, by cooperating with licensed service providers.

According to EBA data, 35% of EU banks already use this model, particularly in the areas of payments, electronic money, and credit. Cross-border use is expanding rapidly.

Key insights:

- electronic platforms avoid PSD2 (Payment Services Directive 2) requirements by using licensed partners – this raises legal and operational challenges;
- divergent national approaches and supervisory gaps increase risks in cross-border operations;
- the model promotes growth, innovation, and accessibility through partners' digital channels;
- it is essential to clearly inform consumers who the actual service provider is – this is crucial in the context of complaints and liability;
- frequently used agency agreements or service outsourcing between companies require a clear understanding of anti-money laundering and customer due diligence obligations.

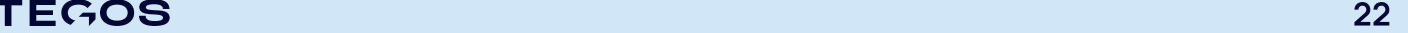
The EBA plans to include white labeling in its EU supervisory priorities for 2026 in order to strengthen the visibility and control of institutions. It also plans to improve consumer information about service providers and complaint procedures.



TEGOS comment: We would like to point out that this report provides important information that allows you to understand and assess whether the cooperation model between the financial institution and the partner meets the criteria for white labelling. Among other things, the information provided in the report will help the financial institution and the partner assess the legal and regulatory risks associated with the cooperation model.

Based on the information provided in the report, we recommend that the financial institution, together with its partner, assess its anti-money laundering and counter-terrorist financing agreements, taking into account the division of responsibilities under the future EU Anti-Money Laundering Regulation. We also suggest clarifying consumer information and, if your cooperation model is cross-border, preparing for the operation of the cross-border model, taking into account the supervisory requirements of different countries.

More information →



FCIS has published a review on high-risk third countries

The Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania (hereinafter – the FCIS) has published an informational overview on high-risk third countries and the requirements applicable to them (hereinafter – the **Overview**). The purpose of the Overview is to strengthen the prevention of money laundering and terrorist financing (hereinafter – **MLTF**) by identifying countries whose national MLTF systems have significant deficiencies.

High-risk third countries are countries that, according to assessments by the European Commission (hereinafter - the **EC**) or the Financial Action Task Force on Money Laundering (hereinafter - the **FATF**), pose a threat to the security of the financial system.

The EC compiles the list of these countries in accordance with Directive (EU) 2015/849 and Delegated Regulation (EU) 2016/1675. The list is updated regularly, taking into account FATF plenary meetings and assessments carried out by the EU. The official list can be found on the EC website, here.

Meanwhile, the FATF publishes two lists, which can be found on the FATF website, here:

- Grey list – countries with strategic deficiencies but cooperating with the FATF.
- Black list – countries with serious strategic deficiencies and non-cooperative with the FATF.

The Overview reminds that, under Article 14 of the Law on the Prevention of Money Laundering and Terrorist Financing (AML/CFT Law), financial institutions and other obligated entities must apply enhanced customer due diligence measures in the following cases:

- when transactions or business relationships are conducted with natural or legal persons residing or established in high-risk countries identified by the EC. An exception may apply - based on a risk assessment - for branches of EU institutions or other obligated entities, provided they comply with group-wide AML/CFT equivalent requirements;
- when transactions or business relationships are conducted with natural or legal persons residing or established in high-risk third countries listed by the FATF.

The Overview explains which enhanced customer due diligence measures must be applied and provides practical examples of their implementation.

TEGOS comment: financial institutions and other obligated entities should continuously monitor the lists of high-risk third countries published by the EC and FATF. It is important to establish clear processes for monitoring changes to these lists and to assess whether internal procedures provide for appropriate enhanced customer identification measures for customers from high-risk third countries. Where transactions or business relationships are conducted with persons from such countries, financial institutions and other obliged entities must ensure that enhanced customer identification measures are applied to the customer.

More information

Leaked amendments to the Sustainable Finance Disclosure Regulation

The long-awaited amendments to the sustainable finance disclosure regulation (the **SFDR**), which should be formally adopted by the end of November, were leaked at the start of the month. Judging by the leaked draft, the European regulatory environment for sustainable finance will face significant changes, which should meaningfully reduce the bureaucratic burden for financial market participants, as well as set out clearer requirements for sustainable financial products.

Main upcoming changes:

- the Do No Significant Harm regime will be removed – in its place, sustainable financial products will have to meet mandatory exclusion criteria requirements. The requirement to periodically disclose principal adverse indicators at entity level will also be removed;
- the scope of application of the SFDR will be reduced – the SFDR regime will no longer cover investment advice or portfolio management services;
- the article 6, 8 and 9 financial product regime will be meaningfully changed - in place of the existing regime, three new product categories (transition, integration and sustainable objective products) will be implemented, with specific permitted investment and mandatory exclusion requirements for each. Financial products will be required to invest at least 70% of their funds into assets which meet the criteria for the relevant category;
- grandfathering provisions – Managers of closed-ended funds, incorporated under the soon-to-be-former regime, will be able to choose whether or not they apply the new requirements to their pre-existing products.

The formal review of the SFDR regulation by the Commission is scheduled for the 19th of November.

TEGOS comment: The upcoming simplification of the SFDR regime will be a very welcome change for financial market participants, especially small and medium enterprises, as a result of the much clearer and, significantly, simpler to implement requirements for sustainable financial products. Under the current regime, financial market participants are responsible for monitoring and disclosing their compliance with the principal adverse indicator and Do No Significant Harm regimes, which, besides being a significant bureaucratic burden, are processes which require significant effort and technical capabilities and, according to estimates provided by the Commission, cost financial market participants 56 million euros a year.

Requirements for sustainable financial products will also become much clearer, with specific implementable requirements for sustainable products, as opposed to the less-than-clear “consider / take into account” article 8 and 9 dichotomy in place currently.

More information →

The European Securities and Markets Authority has published the draft Regulatory Technical Standards covering liquidity management requirements for open-ended loan-originating alternative investment funds (AIF)

In late October, the European Securities and Markets Authority (ESMA) published draft Regulatory Technical Standards (RTS) covering liquidity management requirements for open-ended loan-originating AIFs under the AIFMD, which cover liquidity stress testing and concrete requirements for ongoing liquidity monitoring and redemption policies.

The RTS set out four requirements for managers (AIFMs) of open-ended loan-originating AIFs:

- AIFMs shall define an appropriate redemption policy for each AIF, considering the requirements set out in the RTS;
- AIFMs shall ensure that each AIF has sufficient liquidity to comply with redemption requests, considering the specific factors set out in the RTS;

- AIFMs shall carry out liquidity stress tests at least annually, considering scenarios with "low probability but high impact";
- AIFMS shall ensure that individual AIFs' liquidity management systems remain compatible with the investment strategy and redemption policy of the AIF and, to those ends, shall monitor specific factors of the AIFs, as set out in the RTS.

The RTS should come into force no earlier than October 2027.

TEGOS comment: these RTS won't increase the bureaucratic reporting burden and won't change the minimum liquid funds requirements applicable to AIFs. However, considering the specific requirements for ongoing monitoring and redemption policies, AIFMs may face a higher organisational burden related to the ongoing monitoring of redemption requests and liquid funds and the technical capabilities necessary to remain compliant. Considering the draft RTS, we recommend reviewing relevant policies currently in place and evaluate the potential need for additional technical and human resources. It is also significant to note that these draft RTS come as part of the AIFMD 2.0 amendments, which expand the scope of the AIFMD to now also cover loan-originating AIFs, whereas previously, loan-originating AIFs were only regulated on the national level

More information →

The European Securities and Markets Authority announced the 2025 European common enforcement priorities for corporate reporting

In mid-October, the European Securities and Markets Authority (ESMA) announced the common enforcement priorities for 2025 corporate reporting, focusing on the assessment of geopolitical and sustainability risks.

Geopolitical risks:

- ESMA encourages issuers to appropriately evaluate the potential impact of geopolitical risks (the war in Ukraine, tensions in the middle east, global trade barriers, etc.) on cash flows and the true realisation value of assets and clearly disclose to investors any write-downs which were carried out in consideration of these risks;
- issuers should also critically evaluate the assumptions used in cash flow projections and revenue recognition patterns, considering the potential effects of geopolitical risks, especially with regards to revenues related to long-term contracts and projects;
- issuers should evaluate specific and granular geopolitical risks and their effects on specific assets and revenue streams, and present this information to investors in a clear, easy-to-understand format.

Segment reporting:

- issuers should evaluate whether geopolitical and environmental risks could have an impact on their classification of operating segments and the aggregation criteria applied according to International financial reporting standard 8 (IFRS 8);
- geopolitical risks and their potential impact on revenue streams should be evaluated at the level of individual operating segments (e.g. considering the impact of increased trade barriers on specific markets).

Reporting under the European sustainability reporting standards (ESRS):

- ESMA encourages companies reporting under the ESRS, either voluntarily or on a compliance basis, to appropriately evaluate the materiality of risks and their reporting;
- ESMA encourages companies to report comprehensive information regarding the assumptions, models and thresholds used when evaluating the materiality of sustainability risks and opportunities and report this information in a clear and easy-to-understand format, aiming to build a clear narrative for readers of the reports.

TEGOS comment: the Bank of Lithuania will adhere to these common enforcement priorities when evaluating issuers' financial statements. Therefore, issuers should realistically evaluate the potential effects of geopolitical risks on the valuation and projections of their assets and revenue streams and assumptions adhered to, and provide the relevant information in a clear and easy-to-understand manner for readers of the reports.

More information →

Proposed amendments to the Law on Markets in Financial Instruments registered

Proposed changes to the law on markets in financial instruments were registered in early October, aiming to transpose into national law the amendments to directive EU/2015/65 which were adopted in December 2023. The main proposed changes include:

Additional requirements for small-to-medium enterprise (SME) growth markets:

- additional rules will have to be adhered to by segments of multilateral trading facilities (MTF) that meet the requirements for SME growth markets;
- these rules include:
  - sufficient separation of the SME growth market from other segments of the MTF;
  - sufficient separation of transactions concluded on the SME growth market from those concluded on other segments of the MTF;
  - sufficient reporting to the competent authority regarding financial products being traded on the SME growth market.

The right of the competent authority to request prudential disclosures from investment firms more often, than once a year – in the case of small and not-interconnected investment firms these

disclosures included:

- information about the investment firm's risk management goals and policies, covering each individual category of risk;
- information about the investment firm's own funds structure;
- information about the investment firm's own funds requirements – including the investment firm's methods for assessing internal capital adequacy and fixed overheads requirements.

Additional client protection measures covering investment research, including:

- additional requirements covering the labelling of investment research as issuer-sponsored research, research and similar materials, or marketing communications;
- additional requirements covering disclosures to clients to do with payments made in connection with investment research.

TEGOS comment: the new requirements mainly concern requirements connected to disclosures provided to competent authorities and investors, in addition to this, the bureaucratic burden shouldn't meaningfully increase, as the new requirements mainly clarify certain definitions and the scope of information to be disclosed. Therefore, in preparation for the proposed amendments, we recommend reassessing currently adhered to policies and evaluating potential compliance gaps.

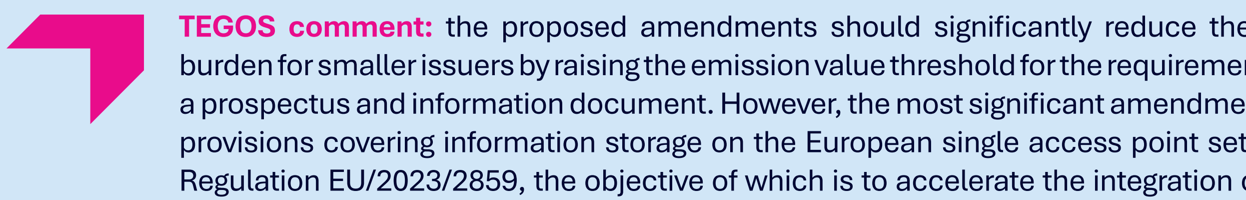
More information →

Proposed amendments to the Law on Securities registered

Proposed amendments to the Law on Securities were registered in early October – the main changes include:

- the threshold for the requirement to publish a prospectus and information document in the Republic of Lithuania is being raised from 8 to 12 million euros;
- the requirement to inform the issuer and competent authority when acquiring more than 5% of voting rights will only be applicable to equities which are traded on regulated markets;
- the requirement to keep regulatory information on the Central regulatory information database for 10 years will be removed.

Additionally, the requirements regarding regulatory information are being expanded to include provisions covering information storage on the European single access point.



TEGOS comment: the proposed amendments should significantly reduce the disclosure burden for smaller issuers by raising the emission value threshold for the requirement to publish a prospectus and information document. However, the most significant amendments concern provisions covering information storage on the European single access point set up through Regulation EU/2023/2859, the objective of which is to accelerate the integration of European capital markets.

More information →

Other news

- PSPs will be required to submit annual instant payment reports to the supervisory authority;
- PSPs will be required to ensure the consistency between the recipient's data and the IBAN account holder's information;
- BSG submitted comments regarding amendments to Regulation (EU) 2024/3172;
- EBA has published a consultation paper on the draft guidelines for ancillary service undertaking;
- EBA publishes CVA risk assessment standards for securities financing transactions;
- EBA publishes assessment of progress made by AML/CFT colleges;
- EBA publishes progress report on banks' AML/CFT supervision;
- Non-bank payment institutions can now connect to TARGET.

If you have any questions, the **TEGOS BANKING AND FINANCE TEAM** is ready to help you

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