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VAT in the European Community

**APPLICATION IN THE MEMBER STATES,
FACTS FOR USE BY
ADMINISTRATIONS, TRADERS,
INFORMATION NETWORKS, ETC.**

Note

This document collates a range of basic information on the application of VAT arrangements in the Member States which has been obtained from the tax authorities concerned.

The sole purpose of distributing details of national provisions is to create a work tool. In no way does this document reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.

LITHUANIA

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GENERAL INFORMATION

1. IF A FOREIGN TRADER WANTS TO OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM, WHOM SHOULD HE CONTACT? (ADDRESS, TELEPHONE, FAX, E-MAIL)

State Tax Inspectorate under the Ministry of Finance
Vasario 16-osios g. 15
LT 01514 Vilnius

Tel: + 370 5 255 31 90

Fax: + 370 5 212 56 04

E-mail: vmi@vmi.lt

2. WHAT IS THE ADDRESS OF THE NATIONAL TAX ADMINISTRATION WEBSITE? WHAT SORT OF INFORMATION ON VAT IS AVAILABLE ON THAT WEBSITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? AND IN WHICH LANGUAGE(S)?

The Lithuanian tax authorities' website is: www.vmi.lt

The website contains information on tax legislation, VAT explanatory notes, tax return forms, application forms of a foreign legal person for registration in/ deregistration from the Tax Payer Register, application forms for registration in /deregistration from the VAT Payer Register, information on the VAT payers registered in/ deregistered from the VAT Payer Register, the dendrogram of the Tax Information Centre and other information. The major part of the information is available only in Lithuanian, but some of it can be also be found in English.

3. WHERE IS IT POSSIBLE TO FIND NATIONAL VAT LEGISLATION AND REGULATIONS? IN WHICH LANGUAGE(S) ARE THEY AVAILABLE?

National VAT legislation can be found on the website of the State Tax Inspectorate: www.vmi.lt, or on the website of the Lithuanian Parliament (Seimas): www.lrs.lt. In general, legislation is available only in Lithuanian. However, some legislation can also be found in English, e.g. the Law on Value Added Tax.

The Rules for filling in application form FR0445 for foreign (non-EC) taxable persons applying for a VAT refund, approved by Order No 339 of 25 November 2002 of the Head of the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania, are also available in English. The Rules for filling in form FR0227 for foreign legal persons applying for registration in/deregistration from the Register of Taxpayers, approved by Order No VA-52 of 14 June 2005 of the Head of the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania, are also available in English. Form FR0227 itself is available in Lithuanian and English.

VAT REGISTRATION OF FOREIGN TRADERS

4. WHAT ARE THE CIRCUMSTANCES GOVERNING THE NEED TO BE REGISTERED FOR VAT?

Foreign entities must register for VAT in the following cases:

- They start supplying goods and/or services in Lithuania. The obligation to register for VAT arises from the moment of commencement of economic activity in Lithuania.

Taxable persons supplying only exempt or zero-rated goods or services or goods or services not subject to VAT or in respect of which the obligation to calculate VAT rests with the purchaser are not required to register for VAT, with the exception of taxable persons performing transactions which involve trade between Member States, export of goods or goods under customs supervision or providing services in other Member States (acquiring services provided by foreign taxable persons within the territory of the country).

- They are engaged in supplying goods and/or services in Lithuania in respect of which there is no obligation to register for VAT, but acquire goods from another Member State and the value of the goods acquired (other than new vehicles or excisable goods) exceeds LTL 35 000 in one calendar year (except where that person immediately supplies the goods acquired from another EU Member State to a VAT payer who is required to calculate and pay VAT on the sale of those goods, acquires goods that are exempt from VAT in Lithuania or is entitled to recover VAT paid in respect of the acquired goods).
- The value of the goods (other than excisable goods) supplied (from another Member State) to persons not registered for VAT in Lithuania and delivered to Lithuania within one calendar year exceeds LTL 125 000 (distance selling). If this involves the supply and delivery to Lithuania of excisable goods, this threshold does not apply.

5. WHAT ARE THE SITUATIONS WHERE REGISTRATION IS UNNECESSARY BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE FOR THE TAX? IN SUCH A SITUATION, IS IT POSSIBLE FOR A FOREIGN TRADER TO REGISTER ON A VOLUNTARY BASIS?

If the Lithuanian customer accounts for the VAT as the goods or services are subject to reverse charge mechanism, there is no requirement for the supplier to be registered for VAT in Lithuania.

6. WHOM SHOULD A FOREIGN TRADER CONTACT TO GET REGISTERED FOR VAT? (DETAILS ABOUT THE DEPARTMENT, INCLUDING ADDRESS, TELEPHONE, FAX AND E-MAIL)

Foreign entities required to register for VAT must submit a VAT registration application to the tax inspectorate of the county where they are registered or registering as taxpayers.

Information about the local tax offices (address, telephone, fax, e-mail, etc.) can be found on the website of the State Tax Inspectorate: www.vmi.lt, under 'STI'/'Services'.

7. PLEASE DESCRIBE THE DETAILED PROCEDURES (INCLUDING NECESSARY DOCUMENTS) FOR ISSUING VAT IDENTIFICATION NUMBERS, SPECIFICALLY TO FOREIGN TRADERS

The VAT registration procedure is set out in the Rules for registration in/deregistration from the Register of VAT Payers, as approved by Order No 178 of 26 June 2002 of the Head of the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (Official Gazette 2002, No 66-2744; 2008, No 89-3594).

To register for VAT and obtain a VAT identification number, the application form for registration in the Register of Taxpayers and the application form for registration in the Register of VAT Payers need to be filled in and submitted to the County State Tax Inspectorate. Legal persons should use forms FR0227 and FR0388, while natural persons should use forms FR0224 and FR0389. These forms are available at the County State Tax Inspectorates or on the website: www.vmi.lt.

THRESHOLDS

8. WHICH THRESHOLDS DO YOU OPERATE AS REGARDS INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 34 OF THE VAT DIRECTIVE (2006/112/EC)?

http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/traders/vat_community/vat_in_EC_annexI.pdf

9. WHICH THRESHOLDS DO YOU OPERATE AS REGARDS ACQUISITIONS BY NON-TAXABLE LEGAL PERSONS OR EXEMPT PERSONS UNDER ARTICLE 3(2) OF THE VAT DIRECTIVE (2006/112/EC)?

http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/traders/vat_community/vat_in_EC_annexI.pdf

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN (NON-EU) TRADERS

10. WHAT ARE THE SITUATIONS IN WHICH THE APPOINTMENT OF A TAX REPRESENTATIVE IS OBLIGATORY?

Foreign entities established outside the European Community must register for VAT via their establishment in Lithuania, or, if they have several such establishments, via one of them. If they have no such establishments, they must appoint a tax representative in Lithuania.

11. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

The procedure and requirements for appointing a tax representative for a foreign taxable person established outside the European Community were approved by Order No 221 of 20 July 2002 of the Minister for Finance of the Republic of Lithuania (Official Gazette 2002, No 70-2925; 2004, No 459-2092).

Lithuanian taxable persons may be tax representatives if:

- (a) they have been registered as a VAT payer in Lithuania for more than 3 years (an exception to this rule is made only for audit companies and attorneys-at-law);
- (b) they provide the services of lawyers, accountants, auditors or tax consultants;
- (c) during the past 12 months, they have had no tax arrears to the budget and/or funds whose fiscal revenues are administered by the State Tax Inspectorate, or to the budget of the State Social Insurance Fund;
- (d) they have committed no customs offences during the past 12 months; and
- (e) they have not committed any other similar legal offences.

A foreign taxable person who intends to trade only at international exhibitions may appoint the (VAT registered) organiser of the international exhibition as his tax representative, while a person trading under commission agreements may appoint the (VAT registered) commission agent as his tax representative.

12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?

The Lithuanian fiscal representative must calculate the VAT on the goods and/or services supplied or acquired by the foreign trader, and pay the VAT due into the Budget. The fiscal representative must also submit VAT returns on behalf of the foreign trader.

The fiscal representative is jointly and severally liable, with the foreign taxable person, for the performance of tax obligations in respect of VAT.

13. WHAT ACTION CAN YOU TAKE IN THE EVENT OF FAILURE BY A TRADER IN ANOTHER COUNTRY TO DESIGNATE A TAX REPRESENTATIVE IN YOUR TERRITORY?

Any foreign trader failing to designate a fiscal representative in Lithuania will be refused registration for VAT.

If the foreign trader has not been registered as a VAT payer in Lithuania and supplies goods and/or services on the territory of this country, the purchaser (except private persons) of those goods and/or services is obliged to calculate the VAT due and pay it into the Budget.

14. IS IT NECESSARY TO SET UP A BANK GUARANTEE?

There is no need to provide a bank guarantee when submitting a VAT registration application.

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS ESTABLISHED IN THE EU

15. IS IT POSSIBLE TO APPOINT A TAX REPRESENTATIVE?

Traders established in the EU can choose either to register for VAT directly, or via a tax representative. If they decide to appoint a tax representative, they should follow the same procedure as that described for traders established outside the EU.

16. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

See answer to question 11.

17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF A TAX REPRESENTATIVE?

See answer to question 12.

18. ARE THERE SITUATIONS WHERE IT IS OBLIGATORY TO SET UP A BANK GUARANTEE?

There is no need to provide a bank guarantee when registering for VAT.

INVOICING

RULES ABOUT INVOICING

19. WHERE CAN THE RELEVANT RULES (LAWS, REGULATIONS, INSTRUCTIONS, GUIDELINES) BE FOUND?

Issuance of invoices is regulated by:

- the Government Resolution No 780 of 29 May 2002,
- Articles 78, 79 and 80 of the Law on VAT.

National VAT tax legislation can be found on the website of the State Tax Inspectorate www.vmi.lt or on the website of the Seimas of the Republic of Lithuania www.lrs.lt.

ISSUANCE OF INVOICES

20. CASES WHERE AN INVOICE NEEDS TO BE ISSUED

Under the Lithuanian Law on VAT, taxable persons registered for VAT are obliged to issue an invoice in the following cases:

- for supplies or services provided to taxable or non-taxable legal persons. If a supplier is a registered taxpayer of the Republic of Lithuania, this requirement is applied only for goods and services provided on the territory of the country.
- for goods taxable under Article 12(3) (distance selling) of the Law on VAT;
- for goods taxable under Article 49 (intra-Community trade) of the Law on VAT;
- in certain cases, for advance payment received;
- for goods or services consumed for private needs;
- for producing a durable tangible asset for one's own needs;
- in certain cases, where a legal entity transfers the asset as a contribution in kind or where the asset owned is transferred because of the reorganisation of the legal entity or where an essential building is transferred for upgrading.

Persons not registered for VAT are obliged to issue an invoice for new transport means supplied within the Community.

VAT payers not registered in Lithuania must also issue invoices for goods sold to natural persons provided they are sold on the Lithuanian territory (except where a cash register receipt or sale-purchase receipt is issued, or for passenger transport tickets, or where insurance services are executed by issuing an insurance policy and in other cases provided for in law).

21. WHAT ARE THE RULES ON CORRECTIVE INVOICES (CREDIT/DEBIT NOTES)?

Where after the formal execution of the supply of goods or provision of services, the taxable value and/or the quantity of the goods or services changes or discounts are applied, or the goods (or some part of them) are returned or the services refused or the remuneration payable by the customer changes, the issuer of the original accounting documents is obliged to issue a credit note.

By the mutual consent of the parties, the return of the goods or the refusal of the services may be executed by the purchaser's (customer's) debit note provided the purchaser (customer) is a VAT payer.

The credit note – the credit VAT invoice – must contain all the obligatory information. It must also indicate that it is a credit invoice and, if possible, the data (date and number) of the original invoice and the reasons for the adjusting of the invoice.

22. WHAT IS THE TIME LIMIT FOR ISSUING INVOICES?

An invoice must be issued immediately after the delivery of the goods or services. An invoice for long-term services (telecommunications, rental, etc.), for long-term supplies of electricity, gas or other kinds of energy must be issued by the tenth day of the next month following the supply of the goods or provision of the services.

23. WHAT ARE THE RULES FOR SUMMARY INVOICING?

Summary VAT invoices (where separate instances of supply of goods or services are invoiced in a single VAT invoice) may be issued in the retail trade in fuel (for fuel sold and/or other goods and services supplied). Such VAT invoices must be issued by the 10th day of the month following that in which the goods or services were sold.

Banks and other credit institutions providing services exempt from VAT may issue a single VAT invoice for all services provided during a calendar year no later than by 10 January of the year following that in which the exempt financial services were provided.

24. WHAT ARE THE CONDITIONS IMPOSED ON SELF-BILLING?

Where a VAT invoice is issued for the supply of goods or services for the private needs of the VAT payer, the VAT invoice may contain simplified VAT invoice data, and a single VAT invoice may be issued for all goods and services supplied during the tax period.

By prior agreement of the purchaser and supplier, VAT invoices may be issued by the customer. Such an agreement must be made in writing and must contain the supplier's consent (authorisation) for the purchaser to issue VAT invoices on behalf of the supplier. The agreement must also specify that the supplier agrees not to issue VAT invoices for the goods and services covered by the agreement and to accept the VAT invoices issued by the purchaser.

25. IS THERE ANY SPECIFIC RULE IN RELATION TO OUTSOURCING OF INVOICES TO A PERSON WHO IS ESTABLISHED OUTSIDE THE EU?

No.

CONTENT OF INVOICES

26. UNDER WHAT CONDITIONS MUST THE VAT NUMBER OF THE CUSTOMER BE ON THE TAX INVOICE?

If a Lithuanian VAT payer supplies goods and/or services in Lithuania, he must always state the purchaser's VAT number (if the purchaser is a VAT payer). If a Lithuanian VAT payer supplies goods to a purchaser in another Member State of the European Union, he must state the purchaser's VAT number only if the purchaser provides him with it.

27. ANY OTHER SPECIFIC RULES IN RELATION TO THE CONTENT OF THE INVOICE

A VAT invoice must contain the following mandatory information:

- the date of sale of the goods (services), if it is not the same as the date of issue of the VAT invoice, and, where a VAT invoice is being issued for receipt of an advance payment, the date of receipt of that advance payment, if it is not the same as the date of issue of the VAT invoice;
- the series and number of the VAT invoice;
- the VAT number of the seller of the goods (services);
- the VAT number of the purchaser of the goods (services), to be provided to the seller upon acquisition of the goods (services);
- the name and address or (for natural persons) the forename, surname and permanent place of residence of the seller of the goods (services);
- the name and address or (for natural persons) the forename, surname and permanent place of residence of the purchaser of the goods (services);
- the name of the goods (services) sold;
- the unit price (excluding VAT) of the goods (services) sold, as well as any discounts not included in the unit price;
- the taxable amount (excluding VAT) of goods (services) sold at the same VAT rate;
- the VAT rate (rates);
- the amount of VAT in the national currency.

For the sale of goods (services) that are VAT exempt or zero-rated or in respect of which the obligation to calculate (or deduct) and pay VAT rests with the purchaser, the VAT invoice must contain the appropriate provision of the Law on VAT or Directive 2006/112/EC or any other reference stating that the goods (services) are exempt or zero-rated and/or that the obligation to calculate (or deduct) and pay VAT for them rests with the purchaser (customer).

If a new vehicle is to be supplied to another Member State of the European Union, the date on which it entered into service, its mileage and the number of hours must be stated.

When applying the special scheme for VAT on tourist services, as provided for in the second section of Chapter XII of the Law on VAT, or the special scheme for VAT on second-hand goods, works of art, collectibles and antiques, as provided for in the third section of Chapter XII of the Law on VAT, reference must be made to the appropriate provision of the Law on VAT or Directive 2006/112/EC or to any other reference stating that a special scheme for VAT on tourist services or second-hand goods, works of art, collectible and antiques is being applied.

Where the obligation to calculate VAT rests with the tax representative appointed by a foreign taxable person, the VAT number, name or forename and surname (for natural persons) and address of the tax representative must be stated.

If a VAT invoice is issued to a person who is entitled to an excise duty refund, the VAT invoice must contain (if required by the purchaser) the amount of excise duty charged.

ELECTRONIC INVOICING

28. AS REGARDS INVOICES SENT WITH ADVANCED ELECTRONIC SIGNATURES, IS IT OBLIGATORY TO USE QUALIFIED, CERTIFIED AND SECURE SIGNATURE-CREATION DEVICES? IF SO, PLEASE GIVE DETAILS.

Invoices sent by electronic means are accepted where advanced electronic signature defined by Law on Electronic Signature No VIII-1822 of 11 July 2000 of the Republic of Lithuania (as amended by Law No IX-934 of 6 June 2002) guarantees the authenticity of the invoice origin and the integrity of its contents.

The Law is in accord with Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures.

For the purposes of this Law, a qualified certificate means a certificate issued by a certification-service-provider who fulfils the requirements laid down by the Government or an institution authorised by it. The certificate must contain the following details:

- 1) an indication that the certificate is issued as a qualified certificate;
- 2) the identification of the certification-service-provider and the State in which it is established;
- 3) the name and surname of the signatory or a pseudonym;
- 4) specific attributes of the signatory if it is necessary for the purpose for which the certificate is intended;
- 5) signature-verification data which correspond to signature-creation data under the control of the signatory;
- 6) an indication of the beginning and end of the period of validity of the certificate;
- 7) The identity code of the certificate provided by the certification-service-provider;
- 8) the advanced electronic signature of the certification-service-provider issuing it;
- 9) limitations on the scope of the use of the certificate, if applicable;
- 10) limits of the value of transactions for which the certificate can be used, if applicable.

For the purposes of this Law, a secure signature creation device means a signature-creation device which meets all the requirements laid down in this section:

- 1) the signature-creation-data used for signature generation can practically occur only once, and their secrecy is reasonably assured;
- 2) the signature-creation-data used for signature generation cannot, with reasonable assurance, be derived and the signature is protected against forgery using currently available technology;

- 3) the signature-creation-data used for signature generation can be reliably protected by the legitimate signatory against the use of others;
- 4) secure signature-creation devices must not alter the data to be signed or prevent such data from being presented to the signatory prior to the signature process.

Qualified certificates created by foreign certification-service-providers are deemed to be legally equivalent to qualified certificates created by certification-service-providers of the Republic of Lithuania if:

- 1) They are created by a certification-service-provider accredited in the Republic of Lithuania;
- 2) They are created by a certification-service-provider accredited in a Member State of the European Union;
- 3) The certificate is guaranteed by a certification-service-provider of the Republic of Lithuania who fulfils the requirements for certification-service-providers creating qualified certificates laid down by the Government of the Republic of Lithuania or an institution authorised by it;
- 4) The certificate is guaranteed by a certification-service-provider of a Member State of the European Union who fulfils the requirements for certification-service-providers creating qualified certificates equivalent to those laid down by the Government of the Republic of Lithuania or an institution authorised by it.

The Republic of Lithuania recognises certification-service-providers of other countries and the certificates issued by them where their recognition is based on international agreements.

29. AS REGARDS INVOICES SENT BY ELECTRONIC DATA INTERCHANGE, IS AN ADDITIONAL SUMMARY DOCUMENT ON PAPER OBLIGATORY? IF SO, PLEASE GIVE DETAILS ABOUT ITS CONTENT AND PROCEDURE.

If VAT invoices are sent by electronic means, there is no need to provide them in paper form.

30. DO YOU ALLOW INVOICES ISSUED PURSUANT TO THE SECOND SUBPARAGRAPH OF ARTICLE 233(1) ("BY OTHER ELECTRONIC MEANS") OF THE VAT DIRECTIVE (2006/112/EC)? IF SO, UNDER WHICH CONDITIONS AND FORMALITIES?

Taxable persons may issue and/or receive VAT invoices electronically not only by using an advanced electronic signature but also by using specialised electronic data interchange software with data interchange specifications that comply with the UN/EDIFACT standards, as defined in Commission Recommendation 94/820/EC of 19 October 1994 relating to the legal aspects of electronic data interchange, if the electronic data interchange agreement provides for procedures guaranteeing the integrity and authenticity of the origin of the data, or by using the software of a commercial bank or other enterprise, institution or organisation registered in the Republic of Lithuania with data interchange specifications that comply with the UN/EDIFACT standards, as defined

in Commission Recommendation 94/820/EC of 19 October 1994 relating to the legal aspects of electronic data interchange, if the electronic data interchange agreement provides for procedures guaranteeing the integrity and authenticity of the origin of the data.

31. ANY OTHER SPECIFIC RULES IN RELATION TO ELECTRONIC INVOICING

Taxable persons may submit VAT invoices by electronic means only with the prior agreement of the purchaser. Such agreements may be tacit (the purchasers accepted the goods/services, paid for them, etc.) or concluded in writing.

STORAGE OF INVOICES

32. WHAT ARE THE RULES ON THE PLACE OF STORAGE OF INVOICES?

VAT invoices issued by Lithuanian taxable persons for the supply of goods or services within the country, VAT invoices received and other data relating to such documents must be stored inside the country (in Lithuania).

VAT invoices issued electronically may be stored not only in Lithuania but also in another Member State of the European Union. However, full access to the data contained in them must be ensured (allowing them to be read, received by electronic means, etc.).

VAT invoices issued and/or received by electronic means must be stored together with the details of the sender and recipient of the invoice and the dates on which it was issued, sent and/or received.

33. IS PRIOR NOTIFICATION OF INVOICES STORED IN ANOTHER COUNTRY AN OBLIGATION? IF SO, PLEASE SPECIFY.

If the invoices are stored (by electronic means) in another country, the taxable persons must notify the tax administrator.

34. WHAT IS THE OBLIGATORY STORAGE PERIOD FOR INVOICES?

10 years.

35. WHAT ARE THE SPECIFIC RULES ON STORAGE FORM AND POSSIBLE CONVERSIONS?

Electronic VAT invoices are stored in electronic form, while paper VAT invoices are stored in paper form. VAT invoices for the provision of long-term services (i.e. services provided over a certain continuous period, such as telecommunications services, leases, etc.) or for the supply of electricity or other types of energy may be stored in electronic form.

36. ANY OTHER SPECIFIC RULES IN RELATION TO INVOICE STORAGE

VAT invoices may not be stored in countries that do not apply Council Directive 2008/55/EC of 26 May 2008 on mutual assistance for the recovery of claims relating to certain levies, duties, taxes and other measures (Codified version) and Council Regulation (EC) No 1798/2003 of 7 October 2003 on administrative cooperation in the field of value added tax.

SIMPLIFIED INVOICES

37. WHAT ARE THE SITUATIONS WHERE SIMPLIFIED INVOICING IS ALLOWED PURSUANT TO ARTICLE 238 OF THE VAT DIRECTIVE? WHAT ARE THE SPECIFIC RULES?

While selling goods and services in retail trade of fuels (engine petrol, diesel fuels, liquefied gas), the cash register receipt where the value of the goods (services) (including VAT) does not exceed LTL 500, containing all the data required for cash registers by law, also the data identifying the purchaser of the goods (services), is treated as an invoice.

PERIODIC VAT RETURNS

38. UNDER WHAT CIRCUMSTANCES IS A TRADER OBLIGED TO SUBMIT A VAT RETURN?

All VAT registered traders are obliged to submit periodic VAT returns, whether or not they carried out any transactions during the period in question.

39. AT WHAT INTERVALS ARE VAT RETURNS AND ASSOCIATED PAYMENTS TO BE MADE?

As a general rule, the VAT period is one calendar month. The VAT due must be paid and the VAT return submitted not later than the 25th day of the next month.

If a tax period is a calendar half-year, the VAT due must be paid and the VAT return submitted not later than the 25th day of the first month of the next half-year.

If a tax period is of a different duration, the VAT due must be paid and the VAT return submitted within 25 days of the end of the tax period.

40. WHAT IS THE PROCEDURE FOR THE REPAYMENT OF EXCESS VAT REPORTED IN THE PERIODIC VAT RETURN? WHAT IS THE TIME LIMIT FOR VAT REFUNDS, IF ANY?

The excess VAT remaining after overpayments have been offset against tax arrears is refunded at the taxpayer's request. The excess VAT is refunded within 30 days of receipt

of a written request for a refund. If a tax inspection has been carried out, excess VAT is refunded within 20 days of the day on which the tax administrator's decision was issued.

For the supply of zero-rated goods or services, exports of goods or the acquisition (production) of fixed assets, VAT payers are entitled to submit an application for repayment of the excess VAT as soon as it appears in the VAT return (although certain restrictions apply to the amount of excess VAT to be refunded).

The remaining amount of the VAT balance at the end of a given calendar half-year which has not been offset or refunded may be refunded to the VAT payer at the end of that calendar half-year.

In certain cases, on the basis of a risk assessment of the VAT payer, excess VAT is repaid to the taxpayer without submission of a separate request and without taking into account the above-mentioned restrictions.

41. DOES A SPECIAL REGIME AS REGARDS PERIODIC VAT RETURNS EXIST FOR SMALLER TRADERS AND/OR CERTAIN CATEGORIES OF BUSINESS? IF SO, PLEASE DESCRIBE THEM.

If the VAT payer's total income from their economic activities during the preceding calendar year did not exceed LTL 200 000 (EUR 57 931), the VAT payer may apply to the tax administrator to request a tax period of a calendar half-year. This entitlement is also extended to newly established VAT payers who estimate that the income from their economic activities will not exceed LTL 200 000 (EUR 57 931) during the current calendar year.

The tax period for a natural person who is a VAT payer is a calendar half-year, unless he or she applies to the local tax administrator to request a tax period of a calendar month.

A legal person or foreign taxable person registered as a VAT payer may apply to the local tax administrator to request a tax period other than a calendar month if it would be more convenient for the VAT payer owing to the specifics of the financial accounting of the foreign taxable person registered as a VAT payer or the foreign parent company of the legal person registered as a VAT payer. A different tax period may be set subject to the following conditions:

- it may not be longer than 60 days;
- the beginning of the first tax period of the financial year and the end of the last tax period of the financial year for the VAT payer must coincide with the beginning and end of the relevant calendar year.

These conditions do not apply to VAT payers purchasing goods from other Member States or services that are provided within the country by VAT payers from another Member State and in respect of which the purchasers must calculate and pay VAT.

42. DO YOU OPERATE SIMPLIFIED CALCULATIONS OF TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THE SIMPLIFICATION?

No.

RECAPITULATIVE STATEMENTS

43. DO YOU ALLOW SUBMISSION OF RECAPITULATIVE STATEMENTS BY CALENDAR QUARTER? IF SO, SUBJECT TO WHICH THRESHOLDS AND CONDITIONS?

No.

44. IS ANY ADDITIONAL INFORMATION REQUIRED OTHER THAN THAT SET OUT IN ARTICLE 226 OF THE VAT DIRECTIVE (2006/112/EC)?

No.

45. DO YOU OPERATE SIMPLIFIED PROCEDURES AS REGARDS RECAPITULATIVE STATEMENTS AS PROVIDED FOR IN ARTICLE 269 OF THE VAT DIRECTIVE (2006/112/EC)? IF SO, WHAT ARE THE RELATED THRESHOLDS FOR APPLYING SUCH PROCEDURES?

No.

ELECTRONIC RETURNS

46. IS IT POSSIBLE TO SUBMIT VAT RETURNS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT RETURNS ELECTRONICALLY?

VAT returns may be submitted by electronic means through the Electronic Declaration System. The conditions and procedure for the submission of electronic returns are set out in the Rules for the submission of tax returns by electronic means, as approved by Order No VA-133 of 9 July 2004 of the Head of the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania approving the Rules for the submission of tax returns by electronic means (Official Gazette 2004, No 109-4115).

Before submitting returns by electronic means, a person must conclude an agreement on the submission of tax returns by electronic means and become a registered user of the electronic declaration information system.

47. IS IT POSSIBLE TO SUBMIT RECAPITULATIVE STATEMENTS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT STATEMENTS ELECTRONICALLY?

Recapitulative statements may be submitted in electronic form. For the conditions and procedure for submission of electronic statements, see the answer to question 46.

OBLIGATIONS AT IMPORT

48. WHO MAY BE DESIGNATED OR RECOGNISED AS LIABLE TO PAY IMPORT VAT UNDER ARTICLE 201 OF THE VAT DIRECTIVE?

Import VAT must be paid by the importer, the person importing the goods into the country, who must pay the customs debt incurred in respect of the goods being imported into the country or should pay the customs debt where import duties and agricultural or other levies are incurred in respect of the goods being imported.

49. WHAT ARE THE RULES FOR DECLARATION AND PAYMENT OF IMPORT VAT?

Import VAT must be paid in respect of the goods within the same time limits as the import duties (if any) for those goods, as provided for in the Community Customs Code.

The procedure for paying the import VAT and customs and excise duties chargeable in the Republic of Lithuania is governed by the Rules for payment of taxes at customs, as approved by Resolution No 748 of the Government of the Republic of Lithuania of 24 June 1996 (Official Gazette 1996, No 61-1448).

Where the import VAT payable has been calculated in a written customs declaration or another document used instead, the customs authorities are deemed to have informed the taxpayer of the import VAT to be paid, as indicated in the accepted customs declaration or other document. In this case, a taxpayer entitled to defer payment must pay the import VAT payable on all goods released during a calendar month into the customs authorities' account by the 16th day of the following month, while a taxpayer not entitled to defer payment must pay the import VAT indicated in each accepted customs declaration or other document at customs clearance (prior to release) of the goods indicated in that customs declaration or other document.

Where tax is chargeable following submission of an oral customs declaration, the customs authorities calculate the import VAT payable on the notification form prescribed by the Customs Department under the Ministry of Finance. In this case, the taxpayer must pay the tax at customs clearance (prior to release) of the goods.

If the import VAT calculated is not paid in advance or as soon as the obligation arises (at customs clearance), the customs authorities, in order to ensure proper fulfilment of customs obligations, may require the taxpayer to pay a deposit or provide a guarantee securing the payment of the import VAT calculated.

Under the customs simplifications provided for in the Community Customs Code, release of the goods by the customs authorities is considered equivalent to notification by the customs authorities of the tax payable. In this case, the taxpayer is entitled to

defer payment and must pay the tax payable on all goods released during a calendar month by the 16th day of the following month.

In other cases (not stated above), the customs authorities inform the taxpayer of the import VAT entered into the accounts and to be paid by drawing up and sending a written notice. In this case, the taxpayer must pay the import VAT indicated in the notice into the customs authorities' account within 10 days of the date of delivery of the notice.

50. DO YOU APPLY THE OPTION OF “POSTPONED ACCOUNTING” REFERRED TO IN ARTICLE 211 OF THE VAT DIRECTIVE? IF SO, UNDER WHICH CONDITIONS?

Taxpayers that have provided the customs authorities with a guarantee securing the payment of the tax due are entitled to defer payment, with the exception of taxpayers that do not have legal personality or in respect of which the Head of the local customs office has adopted a decision to withdraw the taxpayer's entitlement to defer payment.

Furthermore, a VAT payer that has imported goods into the Republic of Lithuania in respect of which import VAT may be offset (i.e. import VAT is not paid but calculated in the VAT return and offset against the amount of VAT to be deducted) is entitled to ask the County State Tax Inspectorate to take over control of payment of this import VAT. The import VAT calculated may be offset against:

a) goods imported by the VAT payer into the Republic of Lithuania and intended to be used as fixed assets for the purpose of carrying out his economic activity (including goods that a VAT payer engaged in leasing (financial leasing) operations imports into the Republic of Lithuania to transfer to others for use under lease (financial leasing) agreements);

b) fuel oil, petroleum and other crude oil, nuclear fuel and liquefied and natural gas imported into the Republic of Lithuania by VAT payers.

Import VAT for the above-mentioned goods may be offset where their value (complete technological assembly, line, single-purpose equipment or other fixed asset or stipulated goods imported on the basis of a single contract) is no less than LTL 100 000.

ADMINISTRATIVE REQUIREMENTS

51. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, TO WHOM DOES THE SCHEME APPLY?

There is a flat-rate scheme for farmers meeting the specified requirements (the farmer's farm must be registered or the farmer must have documents confirming the allocation of land for individual farming, the area of his land must not exceed 7 ha and the total income over the last 12 months must not exceed LTL 100 000 (EUR 29 000)).

52. DO YOU OPERATE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE GIVE A DESCRIPTION.

No.

53. IN WHICH LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED INTO?

Forms are available in Lithuanian.

RIGHT OF DEDUCTION

54. FOR WHICH CATEGORIES OF GOODS AND SERVICES IS THERE NO RIGHT OF DEDUCTION?

There is no right of deduction for goods and services used for any purpose other than for the trader's taxable business.

There is also no right of deduction for the following:

- Input and/or import VAT on goods and services intended for entertainment and representation, if the legislation governing the taxation of profit/income does not allow the acquisition costs to be subtracted from the income received when calculating the taxable profit/income.
- Input or import VAT on a passenger car designed to transport no more than eight people (excluding the driver) or a passenger car classified as an off-road vehicle, provided that the car is not to be supplied or leased or used as a taxi.

The same limitations apply to the deduction of input VAT on the leasing of cars of the specified categories. These limitations are not applicable only where motor vehicles of the specified categories are designated as special purpose vehicles in accordance with the legislation governing the classification and coding of vehicles.

- Input VAT on passenger transport services using vehicles of the specified categories, if no VAT payer is party to the transaction for the provision of this service as a hidden intermediary.

No input VAT is deducted for goods and services where the seller is using the margin scheme. This applies to tourist services, second-hand goods, collectibles and antiques.

No input VAT may be deducted in respect of a residential building, apartment, building or other construction belonging to a natural person who is a VAT payer if the property acquired is being used not only for economic activity but also for other purposes.

55. ARE THERE CATEGORIES OF GOODS AND SERVICES IN WHICH THERE IS A PARTIAL RIGHT OF DEDUCTION? IF SO, WHAT IS THE PERCENTAGE?

No more than 75% of input and/or import VAT may be deducted in respect of goods and services intended for entertainment and representation.