

A large, abstract graphic in the top right corner depicts a network of interconnected blue nodes and lines, resembling a globe or a complex web structure. The nodes are square and the lines are thin, creating a mesh-like pattern.

Lithuania

Accounting

FUNDS AND FUND MANAGEMENT 2009

1.1 Requirement to produce financial statements

Requirement to maintain the books and records in the local jurisdiction

All accounting records of Lithuanian regulated funds and investment companies must be maintained in and updated in the country. Semiannual and annual financial statements must be prepared and all detailed reconciliations (investments, cash, units, etc) must be performed in the country.

There is no requirement for listed foreign funds to maintain their books and records in Lithuania.

Requirement to maintain the books and records for each investment fund separately from the books and records of the management company

The management companies shall maintain books and records for each investments fund. Books and records of the investments funds shall be maintained separately from the books and records of the management company.

Production of financial statements by collective investment funds

Following the Law on Collective Investment Undertakings investment funds (including investment funds, pension funds, and investment companies with variable capital) are required to produce annual and semiannual financial statements.

Annual financial statements shall be produced within four months after the year end. Semiannual financial statements shall be produced within two months after the end of the semiannual period.

The directors of the management company are responsible for preparation of the financial statements of the funds.

For investment companies directors of the company are responsible for preparation of the financial statements.

Choice of period/year-end for collective investment funds

Financial year of the investment fund is the calendar year.

Requirement for comparatives

Comparatives are required for all financial statements.

Restrictions on the currency under which financial statements must be prepared

Financial statements shall be presented in Lithuanian Litas.

Accounting publications specific to the funds industry (as issued by accounting bodies or the regulators)

There are no accounting publications specific to the funds industry issued by the accounting bodies in Lithuania.

Fund specific accounting and reporting requirements are set by the resolutions of the government of Lithuania and the Securities Exchange Commission.

Use of short form accounts

There are no provisions in legislation for short form accounts of the investment funds.

1.2 Requirement to audit financial statements

The annual financial statements of the investment funds shall be audited. Audited financial statements must be completed within four months of the year-end. There is no requirement to audit the interim financial statements.

Audit reports have to be submitted to the supervisory body (Securities Exchange Commission or Insurance Supervisory Commission, depending on the manager of the fund).

1.3 Publication of financial statements

Funds (including investment companies with variable capital, investment funds, pension funds, closed-type investment funds, and closed-type investment companies) are required to submit their financial statements to Securities

Exchange Commission or Insurance Supervisory Commission within four months of the year-end and within two months of the half year end.

Investment companies are required to file their annual or semiannual financial statements with the Companies Registration Office.

Funds are not required to file their annual or semiannual financial statements with the Companies Registration Office.

Funds are required to make available their financial statements to the public at the places specified in the prospectus within four months for annual and two months for semiannual financial statements. They must be supplied to unitholders free-of-charge on request.

1.4 Accounting standards

When preparing financial statements, entities in Lithuania must follow Lithuanian Business Accounting Standards. Listed entities must follow IFRS.

Investment companies and investment funds must prepare financial statements in accordance with the Business Accounting Standards.

Recognition and measurement requirements provided by the Business Accounting Standard in general follow IFRS.

1.5 Contents of financial statements

Financial statements of investment companies must include:

- balance sheet;
- profit and loss account;
- cash-flow statement;
- statement of changes in equity; and
- explanatory note (including general information about the company, accounting policies and notes to the financial statements).

Besides that, annual report shall be prepared by directors of the company.

Financial statements of investment funds and pension funds must include:

- balance sheet;
- statement of changes in net assets; and

- explanatory note (including general information about the fund and the management company, accounting policies, and notes to the financial statements).

Appendix

Reference material

The following details relevant laws and regulations for collective investment funds and fund management companies and provides Web addresses (in certain instances) for where this material can be located:

Regulator

- Lithuanian Securities Commission: <http://www.vpk.lt/en/index.php>
- Insurance Supervisory Commission : <http://www.dpk.lt/en/index.php>

Law

- European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003
- Law on Collective Investment Undertakings, No X-1303, 2007
- The Company Law, No IX-1889, 2003
- The Law on Financial Instrument Markets, No X-1024, 2007
- Law on Financial Statements of Companies, No IX-575, 2003
- Other regulations adopted by the Securities Commission
- The Law on Accounting, No IX-574, 2001

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