



GOVERNMENT OF THE REPUBLIC OF LITHUANIA

RESOLUTION No 677

of 9 July 2008

ON APPROVING THE LIST OF CRITERIA ON THE BASIS WHEREOF A MONETARY OPERATION OR TRANSACTION IS TO BE REGARDED AS SUSPICIOUS OR UNUSUAL AND THE DESCRIPTION OF THE PROCEDURE OF SUSPENDING AN UNUSUAL MONETARY OPERATION AND TRANSACTION AND REPORTING THE INFORMATION ABOUT SUSPICIOUS OR UNUSUAL MONETARY OPERATIONS OR TRANSACTIONS TO THE FINANCIAL CRIME INVESTIGATION SERVICE UNDER THE MINISTRY OF THE INTERIOR

Vilnius

Acting pursuant to paragraphs 16 and 17 of Article 14 of the Law of the Republic of Lithuania on Prevention of Money Laundering (*Valstybės žinios* (Official Gazette) No 64-1502, 1997; No 10-335, 2008), the Government of the Republic of Lithuania has resolved:

1. To approve the following (as appended):

1.1. The List of Criteria on the Basis whereof a Monetary Operation or Transaction is to be Regarded as Suspicious or Unusual;

1.2. Description of the Procedure of Suspending an Unusual Monetary Operation and Transaction and Reporting the Information about Suspicious or Unusual Monetary Operations or Transactions to the Financial Crime Investigation Service under the Ministry of the Interior.

2. To recognise as invalid:

2.1. Resolution No 1411 of the Government of the Republic of Lithuania of 6 September 2002 on Approving the List of Criteria on the Basis whereof a Monetary Operation is to be Regarded as Suspicious (*Valstybės žinios* (Official Gazette) No 89-3802, 2002).

2.2. Resolution No 601 of the Government of the Republic of Lithuania of 15 May 2003 on Amending Resolution No 1411 of the Government of the Republic of Lithuania of 6 September 2002 on Approving the List of Criteria on the Basis whereof a Monetary Operation is to be Regarded as Suspicious (*Valstybės žinios* (Official Gazette) No 49-2177, 2003).

2.3. Resolution No 929 of the Government of the Republic of Lithuania of 22 July 2004 on Amending Resolution No 1411 of the Government of the Republic of Lithuania of 6 September 2002 on Approving the List of Criteria on the Basis whereof a Monetary Operation is to be Regarded as Suspicious (*Valstybės žinios* (Official Gazette) No 115-4302, 2004).

2.4. Resolution No 1441 of the Government of the Republic of Lithuania of 15 November 2004 on Approving the Rules of Suspending a Suspicious Monetary Operation and Reporting the Information to the Financial Crime Investigation Service under the Ministry of the Interior (*Valstybės žinios* (Official Gazette) No 167-6127, 2004).

Prime Minister

Gediminas Kirkilas.

Minister of the Interior

Regimantas Čiupaila

APPROVED by
Resolution No 677 of the Government of the
Republic of Lithuania of 9 July 2008

LIST OF CRITERIA ON THE BASIS WHEREOF A MONETARY OPERATION OR
TRANSACTION IS TO BE REGARDED AS SUSPICIOUS OR UNUSUAL

1. A monetary operation or transaction shall be regarded as suspicious, provided:

1.1. monetary operations or transactions of a customer (hereinafter referred to as the customer) of a financial institution or other entity are inconsistent with the fields of activity specified in the articles of association of the customer or the normal communication with the financial institution or other entity;

1.2. the nature of the monetary operations or transactions performed by the customer arises suspicion that the customer is trying to avoid inscription of his monetary operations and transactions on the register of the monetary operations conducted by the customer as well as suspicious and unusual operations and transactions, managed by the financial institution or other entity;

1.3. the customer conducts a transaction (s) and makes such a payment (s) which exceed (s) the customer's paying capacity known to the financial institution or other entity or the customer is willing to pay an advance or other payment larger than usual;

1.4. the customer or the owner of assets asks to pay the amount due to him to persons who are obviously unrelated to his usual field of activity;

1.5. the full amount of advance, other contribution (or their larger part) is paid by persons who are obviously unrelated to the customer's usual field of activity;

1.6. the customer prematurely repays the full amount of the credit or a larger part thereof, when the lawful origin of the funds is unknown to the financial institution or other entity;

1.7. the customer frequently conducts transactions in assets the value whereof obviously does not correspond to the average market value of such assets;

1.8. the customer performs monetary operations or concludes transactions for which it is difficult or impossible to identify a beneficiary;

1.9. the customer consistently performs monetary operations or concludes transactions with legal or other organisations which are registered in the target territories defined in the

Law on Corporate Income Tax of the Republic Lithuania (*Valstybės žinios* (Official Gazette) No 110-3992, 2001), when there are no clear economic grounds for this activity;

1.10. the customer conducts monetary operations or concludes transactions for which there is no visible economic purpose;

1.11. settlement in cash by the customer extraordinarily increases;

1.12. the customer refuses the request of the financial institution to provide information concerning the purpose of the cashed funds, when such operations are inconsistent with the customer's normal communication with the credit institution;

1.13. the customer attempts to settle in cash in cases when, under normal customer payment practice, other manner of payment is used;

1.14. two or more natural persons regularly deposit cash into the same account and subsequently the cash is transferred to the accounts of natural or legal persons and other organizations (own accounts or accounts of other persons) in credit institutions of Lithuania or foreign states;

1.15. an amount of EUR 25 000 or a larger amount in cash or its equivalent in other currency is deposited or withdrawn from the customer's account within 7 calendar days, when such operations are inconsistent with the customer's usual communication with the bank;

1.16. the customer exchanges an amount of EUR 25 000 or a larger amount in cash or an equivalent amount in other currency for another currency within 7 calendar days;

1.17. information has been obtained that an amount of EUR 25 000 or a larger amount in cash or an equivalent amount in other currency has been withdrawn using a payment card of a foreign credit institution;

1.18. an amount of EUR 25 000 or a larger amount in cash or an equivalent amount in other currency is withdrawn from the customer's payment card in one calendar day, when such operations are inconsistent with the customer's usual communication with the credit institution;

1.19. insurance contract is concluded for an unusually large insurance sum;

1.20. insurance contract is terminated within an unusually short period designating in the insurance contract a beneficiary who is obviously unrelated with the usual activity of the customer;

1.21. the customer who files an application for concluding an insurance contract shows no interest in the terms and conditions of the insurance contract (policy) and is more concerned about the procedure of premature termination of the insurance contract;

1.22. life assurance premium or a part thereof exceeding the amount of EUR 25 000 or its equivalent in other currency is paid in cash;

1.23. life assurance premium or a part thereof exceeding the amount of EUR 25 000 or its equivalent in other currency is paid by persons unrelated to the customer's usual activity;

1.24. the customer, the customer's representative (if a monetary operation is carried out through the customer's agent), the entity for the benefit whereof a monetary operation is performed are subject to financial sanctions in accordance with the Law on the Implementation of Economic and other International Sanctions of the Republic of Lithuania of 22 April 2004 (*Valstybes žinios* (Official Gazette) No 68-2369, 2004);

1.25. transfers in small amounts from different accounts to the customer's account have become extraordinarily frequent without obvious reason;

1.26. transfers in small amounts from the customer's account into numerous unrelated accounts have become extraordinarily frequent without obvious reason;

1.27. deposits in small amounts to the account of a non-profit organization have increased without obvious reason;

1.28. one customer is regularly financed or two or more customers regularly finance other persons using internal and international postal order services or those of other cash remittance providers;

1.29. the customer converts an amount of cash exceeding EUR 15 000 or its equivalent in other currency into chips or chips into cash in one calendar day;

1.30. the customer regularly converts cash into chips or chips into cash without participating in gambling activities.

2. Monetary operation or transaction shall be considered to be unusual if elements of the criteria specified under item 1 of this list are identified, however, they shall not suffice to recognise the monetary operation or transaction as suspicious.

3. Financial institutions and other entities, when performing an ongoing monitoring of the customer's business relationship, including the investigating of the transactions concluded during such relationship, must pay attention to such activities which, in their opinion, may in their nature be related to money laundering and/or terrorist financing and especially to complicated or unusually large transactions and all unusual structures of transaction, which have no apparent economic or visible lawful purpose, as well as business relationship or monetary operations with the customers from third states where money laundering and/or terrorist financing prevention measures are insufficient or do not conform to the international standards, and shall notify the Financial Crimes Investigation Service under the Ministry of the Interior about monetary operations which are being, have been or are attempted to be conducted, and which, in their opinion, may be related to money laundering and/or terrorist financing, even if they satisfy none of the criteria referred to in item 1 hereof.

4. Conditional features of the criteria specified under item 1 hereof shall be established by financial institutions and other entities on coordination with the Financial Crimes Investigation Service under the Ministry of the Interior, excluding auditors, notaries and individuals authorised to perform notarial actions, advocates and advocate's assistants, bailiffs and persons licensed to perform bailiff's duties. Conditional features of the criteria specified under item 1 hereof for auditors shall be established by the Chamber of Auditors on coordination with the Financial Crimes Investigation Service under the Ministry of the Interior, for notaries and individuals authorised to perform notarial actions – by the Chamber of Notaries, for advocates and advocate's assistants – by the Lithuanian Bar Association, and for bailiffs – by the Lithuanian Chamber of Bailiffs.

APPROVED by
Resolution No 677 of the Government of the
Republic of Lithuania of 9 July 2008

DESCRIPTION OF THE PROCEDURE OF SUSPENDING AN UNUSUAL MONETARY
OPERATION AND TRANSACTION AND REPORTING THE INFORMATION ABOUT
SUSPICIOUS OR UNUSUAL MONETARY OPERATIONS OR TRANSACTIONS TO
THE FINANCIAL CRIME INVESTIGATION SERVICE UNDER THE MINISTRY OF
THE INTERIOR

I. GENERAL PROVISIONS

1. The Description of the Procedure of Suspending an Unusual Monetary Operation and Transaction and Reporting the Information about Suspicious or Unusual Monetary Operations or Transactions to the Financial Crime Investigation Service under the Ministry of the Interior (hereinafter referred to as this description) regulates the suspension of the monetary operations or transactions performed by the customer of financial institutions and other entities, excluding advocates and advocate's assistants, and the reporting of the information about suspicious or unusual monetary operations or transactions to the Financial Crime Investigation Service under the Ministry of the Interior (hereinafter referred to as the Financial Crime Investigation Service).

2. The definitions used in this description shall have the same meaning as defined in the Law of the Republic of Lithuania on Prevention of Money Laundering and Terrorist Financing (*Valstybės žinios* (Official Gazette) No 64-1502, 1997; No 10-335, 2008) (hereinafter referred to as the Law).

II. SUSPENSION OF SUSPICIOUS MONETARY OPERATIONS OR TRANSACTIONS

3. Financial institutions and other entities, excluding notaries and persons licensed to perform notarial actions, advocates and advocate's assistants, bailiffs or persons licensed to perform bailiff's duties, when having determined that the monetary operation or transaction effected by the customer may be related to money laundering and/or terrorist financing and meets at least one of the defined criteria on the basis whereof a monetary operation or transaction shall be regarded as suspicious, must immediately suspend this operation or

transaction and, no later than within 3 working hours, report about it to the Financial Crime Investigation Service irrespective of the amount involved in the monetary operation or transaction.

4. Financial institutions and other entities, excluding notaries and persons licensed to perform notarial actions, advocates and advocate's assistants, bailiffs and persons licensed to perform bailiff's duties, upon receiving a written instruction from the Financial Crime Investigation Service to suspend the suspicious or unusual monetary operations or suspicious or unusual transactions performed by the customer, must suspend the said operations or transactions for up to 5 working days from the time specified in the instruction or the moment of emergence of specific circumstances.

5. If financial institutions and other entities, within 5 working days from the submission of the notification specified in item 8 of this description and the receipt of the written instruction specified in item 4 herein, do not receive the instruction on a temporary limitation of property ownership rights in accordance with the procedure established in the Criminal Code of the Republic of Lithuania (*Valstybės žinios* (Official Gazette) No 37-1341, 2002), the monetary operation or transaction shall be resumed. If the lawful origin of the funds or assets is proved or the doubts concerning the possible relation thereof to terrorist financing are dispelled, the Financial Crime Investigation Service immediately, before the end of the period of 5 working days, notifies in writing the financial institution or other entity that the monetary operations or transactions can be resumed.

6. Having received the notification from the Financial Crime Investigation Service that the suspension of the monetary operation or transaction may interfere with the investigation into legalisation of money or assets from crime, terrorist financing and other criminal acts related to money laundering and/or terrorist financing, financial institutions and other entities shall not, from the moment specified in the written notification, suspend the suspicious operations or transactions performed by the customer.

7. Financial institutions and other entities, excluding advocates and advocate's assistants, must establish the internal procedure for regulating the suspension of the monetary operations or transactions performed by the customers of financial institutions and other entities.

III. REPORTING THE INFORMATION ABOUT SUSPICIOUS MONETARY OPERATIONS OR TRANSACTIONS TO THE FINANCIAL CRIME INVESTIGATION SERVICE

8. Financial institutions and other entities, excluding notaries or persons licensed to perform notarial actions, advocates and advocate's assistants, bailiffs and persons licensed to perform bailiff's duties, shall notify in writing or by technical means of textual transmission the Financial Crime Investigation Service of the suspicious operation performed by the customer, suspended in the cases specified in item 3 herein.

9. When notaries or persons licensed to perform notarial actions, as well as bailiffs or persons licensed to perform bailiff's duties, have a suspicion that the transaction carried out by their customer may be related to money laundering and/or terrorist financing, they must notify thereof in writing or by technical means of textual transmission the Financial Crime Investigation Service immediately after conclusion of the transaction, irrespective of the amount of money received or paid under the transaction by the customer.

10. The Lithuanian Bar Association, no later than within 3 working hours from the receipt of the information referred to in item 9 of Article 14 of the Law, shall submit in writing or by technical means of textual transmission a notification to the Financial Crime Investigation Service.

11. Notification to the Financial Crime Investigation Service on a suspicious monetary operation or transaction shall contain the following information:

11.1. data evidencing the customer's (his agent's) identity (in case of natural persons – name, surname, date of birth, personal code or other unique sequence of symbols assigned to this person for identification purposes, in case of legal persons – name, legal status, office address, code (if such code has been assigned));

11.2. the criterion on the basis whereof the monetary operation or transaction is deemed as suspicious;

11.3. the type of the suspicious monetary operation or transaction;

11.4. the date of the suspicious monetary operation or transaction, the amount of money involved and the currency;

11.5. types of account management;

11.6. the customer's (his agent's) contact information – (valid telephone numbers; e-mail addresses, contact persons, their valid telephone numbers, e-mail addresses, etc.);

11.7. the beneficiary of the suspicious monetary operation or transaction (in case of natural persons – name, surname, date of birth, personal code or other unique sequence of symbols assigned to the person for identification purposes, in case of legal persons – name, legal status, office address, code (if such code has been assigned));

11.8. the date and time of suspension of the suspicious monetary operation or transaction;

11.9. the location and description of the assets which the customer cannot administer or use from the moment of the suspension of the suspicious monetary operation or transaction as well as any other relevant information on such assets.

12. In cases of immediate urgency, the Financial Crime Investigation Service may be notified orally (via telephone), in which case the financial institutions or other entities concerned shall immediately confirm this oral notification in writing.

13. Upon receipt of the notification on the suspended suspicious monetary operation or transaction or having issued a written instruction to suspend the suspicious monetary operation or transaction performed by the customer, the Financial Crime Investigation Service may request in writing for further information in relation to the suspended suspicious monetary operation or transaction. In such case financial institutions and other entities must, within one working day from the moment of receipt of the request, submit the requested information in writing or by technical means of textual transmission to the Financial Crime Investigation Service.

IV. REPORTING THE INFORMATION ABOUT UNUSUAL MONETARY OPERATIONS OR TRANSACTIONS TO THE FINANCIAL CRIME INVESTIGATION SERVICE

14. Financial institutions and other entities, excluding advocates and advocate's assistants, when having determined that their customer performs an unusual monetary operation or transaction which may be related to money laundering and/or terrorist financing, shall immediately after identification of such monetary operation or transaction notify the Financial Crime Investigation Service by communicating a notification in writing or by technical means of textual transmission.

15. Advocates and advocate's assistants shall communicate the information on an unusual transaction effected by the customer to the Lithuanian Bar Association immediately after the conclusion of the transaction. The Lithuanian Bar Association without delay communicates in writing or by technical means of textual transmission a notification thereof to the Financial Crime Investigation Service.

16. Notification to the Financial Crime Investigation Service on a suspicious monetary operation or transaction shall contain the following information:

16.1. the data evidencing the customer's (his agent's) identity (in case of natural persons – name, surname, date of birth, personal code or other unique sequence of symbols assigned to this person for identification purposes, in case of legal persons – name, legal status, office address, code (if such code has been assigned));

16.2. the grounds on the basis whereof the monetary operation or transaction is deemed as suspicious;

16.3. the type of the suspicious monetary operation or transaction;

16.4. the date of the suspicious monetary operation or transaction, the amount of money involved and the currency;

16.5. types of account management;

16.6. the customer's (his agent's) contact information – (valid telephone numbers; e-mail addresses, contact persons, their valid telephone numbers, e-mail addresses, etc.);

16.7. the beneficiary of the suspicious monetary operation or transaction (in case of natural persons – name, surname, date of birth, personal code or other unique sequence of symbols assigned to the person for identification purposes, in case of legal persons – name, legal status, office address, code (if such code has been assigned)).

V. FINAL PROVISIONS

17. In the cases defined in this description, should the Financial Crime Investigation Service have doubts as to the veracity and the content of the notification communicated to it in writing or by technical means of textual transmission, the Financial Crime Investigation Service may request a revision of the information reported. Financial institutions, other entities, the Lithuanian Bar Association, who communicated the information in writing or by technical means of textual transmission, shall immediately revise the information reported.
