

**REPUBLIC OF LITHUANIA**  
**LAW**  
**ON THE FINANCIAL CRIME INVESTIGATION SERVICE**  
28 March 2002 No.IX-816  
Vilnius

**CHAPTER I**  
**GENERAL PROVISIONS**

**Article 1. Purpose of the Law**

This Law shall establish the purpose, principles and legal basis of the activities of the Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania, its goals, functions, structure of organisation, financing, forms of control of its activities, fundamentals of co-operation with the state and local institutions and agencies, other natural and legal persons, as well as the powers, rights, duties and responsibility of the officers of this Service, and conditions of legitimate use of coercion.

**Article 2. The Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania**

The Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania (hereinafter “the Service”) is a state law enforcement agency, accountable to the Ministry of the Interior of the Republic of Lithuania. Its purpose is to detect and investigate crimes, other violations of law against financial system and them related crimes, other violations of law.

**Article 3. Legal Status and Legal Basis for the Activities of the Service**

1. The Service is a public legal entity having its seal with the national emblem of Lithuania and the name.

2. The Service shall be guided by the Constitution of the Republic of Lithuania, the international treaties of the Republic of Lithuania, this and other laws of the Republic of Lithuania, and other legal acts.

**Article 4. The Principles of the Activities of the Service**

The activities of Service shall be based on the principle of lawfulness, respect for human rights and freedoms, equality before the law, balance between openness and confidentiality, as well as between personal initiative of the officers and the institutional discipline.

**Article 5. Co-operation of the Service with other State, Local Government Institutions and Agencies, Mass Media and Community**

1. The Service shall co-operate with other law enforcement institutions and agencies in the manner laid down by laws and other legal acts.

2. The Service shall co-operate with other law enforcement institutions and agencies while implementing programmes of control and prevention and encouraging participation of the public organisations, natural and legal persons in these activities. The Ministry of the Interior and the Ministry of Finance shall establish the manner of co-operation between the Service and tax administrators. The Service shall co-operation with public organisations, natural and legal persons in the manner laid down by laws and other legal acts.

3. The Service shall maintain legal education programmes while preaching legal knowledge in the scholastic institutions and by mass media.

4. The Service shall co-operate with the mass media in the manner prescribed by the law.
5. The Service shall inform the community through the mass media as well as issuing non-periodical news letters about the implementation of preventive measures against criminal acts and other violations of law, set goals and other information related to the activities of the Service.

## **CHAPTER II TASKS AND FUNCTIONS OF THE SERVICE**

### **Article 6. Tasks of the Service**

The Service shall:

- 1) protect the state financial system from criminal influences;
- 2) ensure detection and investigation of criminal acts and other violations of law, related to receipt and use of the European Union and foreign states' financial aid funds;
- 3) detect and investigate crimes, other violations of law against financial system and them related crimes, and other violations of law;
- 4) prevent crimes and other violations of law against financial system and them related violations of law; and
- 5) carry out other tasks prescribed to the Service by other laws.

### **Article 7. Functions of the Service**

The Service shall:

- 1) detect and investigate acts related to fraudulent and negligent management of accounting of taxpayers, submission of knowingly false data about taxes, state (local government) collections and other payments to the responsible institutions and agencies, evasion of taxes, state (local government) collections, state social insurance and other payments, not submission of returns approved by the established procedure and other violations of law related to taxes, state (local government) collections, state social security and other payments, in the manner and following the principles laid down by laws;
- 2) detect and investigate acts related to the legitimisation of money or assets derived from criminal activity, illegal circulation of securities, other illegal acts related to financial system, except the acts related to counterfeit money, in the manner and basis laid down by laws;
- 3) detect and investigate criminal acts and other violations of law, related to receipt and use of the European Union and foreign states' financial aid funds in the manner and basis laid down by laws;
- 4) conduct operative activities, pre-trial investigation, inspection of the economic and financial activities in the manner laid down by laws;
- 5) provide written information on reliability of persons participating in the state property privatization while carrying out the functions of the Service provided hereof within the limits of reference, in the manner and basis laid down by laws;
- 6) co-operate with law enforcement and other institutions and agencies of the Republic of Lithuania and foreign countries, the international organisations on issues within its terms of reference;
- 7) implement preventive measures against evasion of taxes, state (local government) collections and other payments, appropriation and squander of assets of the state and local government budgets and funds, financial aid funds of the European Union and foreign states, as well as anti-money laundering measures;
- 8) gather, collect, analyse and summarize the information on illegal receipt and use of the European Union and foreign states' financial aid funds;
- 9) coordinate co-operation of state institutions and other agencies with the European Anti-Fraud Office (OLAF);

10) prepare motions concerning improvement of laws and other legal acts regulating investigation of crimes, other violations of law against financial system and them related violations of laws as well draft legal acts regulating investigation of crimes, other violations of law against financial system and them related violations of laws, submit opinions and proposals concerning influence of the draft legal acts on criminal situation;

11) while carrying out the detection and investigation of and preventive measures against crimes and other violations of law against financial system, co-ordinate interaction between their data system and these of other institutions;

12) collect, store and analyse the information necessary for implementation of the tasks and functions of the Service; and

13) conduct other functions prescribed by the laws.

### **CHAPTER III**

#### **THE STRUCTURE AND ADMINISTRATION OF THE SERVICE**

##### **Article 8. Establishment and Liquidation of the Service and its Units**

1. The Service shall be established and its statute shall be approved by the Government. The Service shall be reorganised, restructured or liquidated in the manner laid down by laws and other legal acts.

2. The Service shall consist of divisions, sub-divisions and other units.

3. The units of the Service shall be established, reorganised and liquidated, as well as the number of the staff shall be approved by the Minister of the Interior on the advice of the Director of the Service.

##### **Article 9. Public Servants of the Service**

The status of the officers of the Service shall be established by the Law on the Public Service, this Law and other legal acts regulating the official relations of the statutory public servants; the status of other public servants shall be established by the Law on the Public Service and other legal acts regulating the legal relations of public service.

##### **Article 10. The Management of the Service**

1. The Service shall be managed by the Director of the Service who co-ordinates the activities of the Service and is responsible for them.

2. The Director of the Service shall be appointed and dismissed by the Minister of the Interior for a term of five years in the manner prescribed by the Law on the Public Service. The Director of the Service shall be directly subordinate and accountable to the Minister of the Interior.

3. The Deputy Directors of the Service shall be appointed and dismissed by the Minister of the Interior on the advice of the Director of the Service in the manner prescribed by the Law on the Public Service.

### **CHAPTER IV**

#### **RIGHTS AND DUTIES OF OFFICERS OF THE SERVICE**

##### **Article 11. Rights of the Officer of the Service**

1. Officers of the Service while ensuring performance of the tasks and functions assigned to them during investigation on significant basis shall have the right to:

1) inspect economic, financial or other activities of natural and legal persons, facts of property possessed, legitimacy of its acquisition, production, utilisation, and sale, and premises of production, administration, etc., including the sealed ones;

2) order or require the state tax inspectorate and other state institutions controlling taxes and other payments to the state funds to perform inspection, audit, stock taking, check measurements of natural and legal persons on the issues of taxes and other payments to the state funds; review and take material and other documents of books keeping, personnel, inspection and audit in the manner prescribed in Item 3 of Paragraph 1 of this Law; take the samples of raw materials, products, goods and other articles and examine them; require that books are kept properly; suspend the process of production in case it is not possible to perform the necessary activities;

3) obtain from the Bank of Lithuania, commercial banks and other credit and financial institutions, legal and natural persons necessary information required for the performance of the tasks and functions of the Service, explanations, copies of certifications and documents concerning property and income of a legal or natural person, as well as economic, financial operations; if there is a reason to believe that data or evidence might be destroyed, take the original documents in order to perform inspection or audit, having left a document receipt statement, and within three working days make copies of the documents upon the request of the persons indicated in this item;

4) enter freely natural and legal persons' premises used for activity or money making, or territory during their working hours; during non working hours enter the said premises with an administrative representative, the owner or a representative of the owner of the premises or enterprise, institution or organisation in order to check up the property and equipment used for economic, financial or other activities, and finished products, in cases and manner established by laws open premises or means of transport by force;

5) seal and stamp the areas for safekeeping of documents, securities, money and property as well as equipment; close off natural and legal persons' production premises, territories or sections thereof, make copies or excerpts of documents and mark documents in order to prevent their falsification;

6) in cases provided for by laws issue instructions to banks to cease money disbursement and transfers from natural and legal persons accounts, if they failed to timely submit tax returns and other state and municipal budgets payment computations to tax administrator, do not allow to check up the financial state, or if in the course of inspection facts there were revealed instances of income concealment or incorrect computations of taxes, collections or other payments;

7) detain the offenders and bring them to official premises of the Service or other law enforcement institutions or agencies for the purpose of establishing their identity, drawing up the minutes, statements and reports, and frisk the persons as well as examine his personal effects in the manner prescribed by laws;

8) without infringing inviolability of the person's private life guaranteed by laws, take photographs and make audio or video recordings;

9) within their terms of reference conduct operative activities, obtain necessary intelligence from other subjects of operative activities and use it;

10) when having information about a crime which is being planned or committed or has been committed or some other violation of law against financial system, give a compulsory order to the state tax inspectorate under the Ministry of Finance to suspend returning (including) of tax;

11) in cases and in the manner provided for by laws use firearms, physical and other force.

2. Officers of the Service, while performing their official duties and conducting investigation, in case there are good grounds, in the facilities and territories of the State Border Guard Service and Customs, upon presentation of the official identification card, shall have the right to:

1) inspect the documents of individuals and officials;

2) detain the offenders of the border and customs rules and other persons, frisk the person and examine his personal effects and take them to the offices of the Service, State Border Guard Service, customs or other law enforcement institutions and agencies, pursuant to laws regulating the detention procedure and guarantees of the detained persons;

3) halt and inspect means of transport, and seize personal effects or documents in the manner prescribed by laws.

3. Officers of the Service shall also have other rights granted to them by the law.

#### **Article 12. Duties of Officers of the Service**

1. Officers of the Service must:

1) respect and preserve human dignity, ensure and protect his human rights and freedoms;

2) steer clear of conflicts of public and private interests, abuse of office, unnecessary restrictions on economical and financial interests and lawful business;

3) upon receipt of information about a crime which is being planned or committed or has been committed or any other violation of law, or when witnessing a crime, report the accident to the Service, police or other competent institutions and agencies, if necessary, take all immediate measures to prevent the crime which is being planned or committed or any other violation of law, seal off the scene of the crime, identify the suspects and witnesses of the accident;

4) guarantee the rights and lawful interests of the detained persons, provide first aid and other necessary assistance to the victims of crimes and violations of law and to the persons who are in a helpless state; and

5) keep secrets of the state, Service and bank as well as commercial secrets that became known to him in course of the official duties.

2. Officers of the Service must also perform other duties prescribed to them by the law.

3. While performing their official duties officers of the Service must introduce themselves and present the official identification card.

#### **Article 13. Restrictions Applicable to Officers of the Service**

1. It shall be prohibited for the officers to:

1) be members of political parties or political organisations, take part in political activities;

2) be members of administrative bodies of enterprises, agencies or organisations, receive remuneration for work at such bodies;

3) conclude contracts on behalf of the Service with enterprises where they themselves or members of their families are owners or co-owners or hold by proxy shares owned by other person;

4) represent the interests of national or foreign enterprises;

5) be employed on a labour contract basis, to work in the capacity of an advisor, expert or consultant at enterprises, agencies, organisations and other institutions, also get remuneration other than laid down by this Law, except remuneration for teaching and creative work; and

6) take part in strikes, pickets or rallies which might directly obstruct the activities of the Service or the performance of duties by the officers of the Service.

2. Officers of the Service may not accept gifts or services directly or indirectly related to their office, except in cases provided for by the law.

3. Officers of the Service shall also be subject to other restrictions determined by the Law on the State and Official Secrets.

#### **Article 14. Responsibility of Officers of the Service**

1. Officers of the Service shall be personally liable for their own actions and decisions, and the consequences thereof.

2. Officers of the Service who violate the requirements of law in the execution of their duties shall, in accordance with the procedure established by law and other legal acts, be subject to disciplinary, administrative, material, or criminal liability, depending on the nature of the violation.

3. Officer of the Service who knowingly executed an order or directive, which is unlawful, shall not be relieved of responsibility.

4. Laws shall provide the procedure of indemnification of damage inflicted on a natural or legal person by the unlawful official acts of the officers of the Service.

## **CHAPTER V USE OF FIREARMS, PHYSICAL AND OTHER FORCE**

### **Article 15. Types of Coercion and Cases of the Use Thereof**

1. Officers of the Service shall have the right to use coercion when it is necessary to prevent violations of law, to apprehend the persons who have committed the said violations, as well as in other cases when protecting and defending lawful interests of an individual, society or the state. The type of coercion and the limits of the use thereof shall be selected by the officers of the Service, taking into account the concrete situation, nature of the violation of law and individual features of the offender. When using coercion, the officers of the Service must seek to avoid detrimental consequences.

2. Officers of the Service may, in the manner and cases provided for by the law, use mental or physical coercion and a firearm.

3. When used in this Law, mental coercion shall mean as a warning about an intention to use physical coercion and a firearm. Demonstration of a firearm and warning shots shall be regarded as mental coercion, however, such measures of mental coercion may be used only in the presence of the conditions laid down in paragraph 2 of Article 17 of this Law.

4. When used in this Law, physical coercion shall mean:

1) use of physical force of any kind as well as methods of combat wrestling;  
2) use of special equipment, i.e. of truncheons, handcuffs and restraining devices, gas, methods of stopping transport by force, and other means of active and passive defence of the Service, permitted by the law and approved by an order of the Minister of the Interior.

5. Prior to using physical coercion or a firearm, the officers of the Service must warn the person about their intention, providing the said person with a possibility to fulfil lawful requirements, with the exception of the cases when delaying poses a threat to the life or health of the officer of the Service or another person, or when such warning is impossible.

6. If officers of the Service do not carry special equipment or a firearm with them, they may use any additional measures necessary to repel an attempt or to liquidate sources of threat.

7. Officers of the Service who have used coercion without violating the requirements of this Law, but who have inflicted damage on the valuables protected by the law, shall not be held liable.

8. The prosecutor's office shall be immediately informed about the use by the officer of coercion, which has caused individual's death or injuries.

9. Officers of the Service must undergo special training and at least yearly checked whether they are able to act in the situations related to the use of physical coercion and firearms.

### **Article 16. Basis for the Use of Physical Coercion**

1. Officers of the Service shall have the right to use physical coercion only in the presence of the conditions laid down in paragraph 1 of Article 15 of this Law as well as:

1) when defending themselves, another person from a started attempt or an attempt posing a direct threat to life or health;

2) when an attempt is made to commit an offence against facilities controlled or guarded by the Service, means of transport, a firearm, measures of special communication, active or passive defence, or against other Service's property.

2. It shall be prohibited to use methods of combat wrestling and special equipment against women who are obviously pregnant, as well as against persons when they are visibly disabled or minors (if the officer of the Service knows their age or if their appearance corresponds to their age, with the exception of cases when they resist in a manner which is dangerous to life or health, or a group of such persons attack and this attack poses a threat to life or health).

### **Article 17. Use of Firearms**

1. When other coercive measures are ineffective, officers of the Service shall have the right to use a firearm as an extraordinary measure.

2. Officers of the Service shall have the right to use a firearm against persons in the following cases:

1) when defending themselves or another person from a started criminal attempt or a criminal attempt which poses a direct threat dangerous to life or health;

2) when apprehending a person who has committed a criminal act and who evades arrest by active actions, if it is impossible to apprehend him in any other way, as well as in cases when the person refuses to fulfil lawful requirements to put down a weapon or another thing with which it is possible to injure an individual, if a threat is posed to the life or health of the officer of the Service or another individual and it is impossible to disarm him in any other way; and

3) when repelling an attack of guarded facilities.

3. Officers of the Service shall have the right to use a firearm against means of transport and animals in the cases provided for by paragraph 2 of this Article.

4. It shall be prohibited to use a firearm in places of public gatherings, if it endangers innocent people; against women who are obviously pregnant, as well as against persons who are visibly disabled, against minors, if the officer of the Service knows their age or their appearance corresponds to their age, except in cases when said persons resist in a manner dangerous to human life or health or a group of such persons attacks and this attack poses a threat to life or health.

### **Article 18. Guarantees of Personal Security of Armed Officers of the Service**

1. Officers of the Service shall have the right to take out a firearm from the holster and prepare it for use where they think that they might have to use it in a concrete situation.

2. Officers of the Service shall, without posing a threat to the valuables protected by the law, have the right to fire from a firearm, when it is necessary to give alarm signals, to call help or warn about possible use of a firearm.

3. Officer of the Service shall have the right to use physical or mental coercion when a person who is being arrested or who is arrested, tries to use force or gets closer to the officer of the Service and does not obey officer's demand to keep the distance as directed or attempts to seize a firearm from the officer of the Service. If the used coercive measures appear to be ineffective or their use is not possible because of the intensity of actions carried out by the person, or delaying poses threat to the officer's of the Service life, the officer of the Service may use a firearm.

## **CHAPTER VI**

### **FINANCING OF THE SERVICE, MATERIAL SUPPLIES AND CONTROL OF ITS ACTIVITIES**

#### **Article 19. Financing of the Service**

1. The Service shall be financed from the state budget of Lithuania. The Director of the Service shall manage the allocations.

2. The Service may have other funds received in the manner established by legal acts as well.

#### **Article 20. Control of the Activities of the Service**

1) The activity of the Service shall be controlled by the Minister of the Interior, state institutions and agencies in the manner established by laws and other legal acts.

- 2) Pre-trial investigation conducted by the Service shall be organized and managed by a prosecutor in the manner laid down by laws.
- 3) The internal regulations of the Service shall be determined by the Director of the Service.

## **CHAPTER VII FINAL PROVISIONS**

### **Article 21. Official uniforms, distinguishing marks, ranks, official identification cards and social guarantees of the officers of the Service**

1. After entry into force of this Law, officers of the Service shall wear uniforms of police officers with distinguishing marks until the Government or other authorised institution approves the official uniform and distinguishing marks of the officers of the Service.
2. The officers of the Service shall retain their official ranks held prior to the restructuring.
3. After entry into force of this Law, the official identification cards of police officers shall stay valid until their expiration, although for the maximum period of one year.
4. Officers of the Service shall be applied social guarantees vested in police officers.

### **Article 22. Recommendations to the Government**

Within 6 months from this Law coming into effect, the Government shall:

- 1) restructure the Tax Police Department under the Ministry of the Interior of the Republic of Lithuania into the Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania;
- 2) develop and submit to the Seimas drafts of laws as well as approve or amend other legislation required for enforcement of provisions of the Law;
- 3) review active laws and other legislation related to provisions of Law on the Financial Crime Investigation Service and, if necessary, prepare relevant drafts of amendments or new legal acts.

### **Article 23. Invalid Legal Act**

Upon entry into force of this Law, Article 8<sup>1</sup> of the Law of the Republic of Lithuania on Police shall become invalid (Record, 1991 No.2-22; 2000 No.109-3478; 2001 No.60-2139, No.112-4091).

### **Article 24. Entry into Force of the Law**

This Law shall enter into force as from 1 April 2002.

*I hereby promulgate this Law enacted by the Seimas of the Republic of Lithuania*

PRESIDENT OF THE REPUBLIC

VALDAS ADAMKUS