

## LITHUANIA

### SMALL AND MEDIUM ENTERPRISES AND TRANSFER PRICING

**1. Have you established a dedicated website/webpage as a single point of information for SMEs on transfer pricing matters? Alternatively, has information for SMEs on transfer pricing matters been made available electronically via an existing website/webpage? In which language(s) is the information available?**

There is no separate website/webpage dedicated to SMEs on transfer pricing matters. However, disregarding the type of taxpayers all information on transfer pricing regulations in Lithuania (including rules for entities with low level of income) can be found in a publicly available publication – Transfer Pricing Recommendations for Taxpayers (please see [http://cmaoap2.cma.vmi.lt/konpap/documentpublicone.do?id=1000119153&tree\\_id=1000007265](http://cmaoap2.cma.vmi.lt/konpap/documentpublicone.do?id=1000119153&tree_id=1000007265) (in Lithuanian)).

A section for frequently asked questions in the field of transfer pricing is accessible as well at: <http://cma-oap2.cma.vmi.lt/konpap/documentspublic.do?id=1000002107#tr1000002107> (also in Lithuanian).

Taxpayers may also refer to the commentary on Article 40 of the Corporate Income Tax Law, that includes explanatory notes binding on the Tax Administration regarding transfer pricing adjustments at <http://mic.vmi.lt/documentspublic.do?id=1000007323#tr1000007323> (also in Lithuanian).

**2. Do you have a single definition of SME that applies for most direct tax purposes?**

There is no such definition. However, for corporate income tax purposes there is a group of minor taxpayers that invokes lower corporate income tax rate of 5% instead of the standard rate of 15%. This group is distinguished by two criteria:

- 1) income of the companies should not exceed LTL 1 million (EUR 290 thousand) over the tax period and
- 2) an average number of employees per tax period should not exceed 10.

**3. Do you apply a specific SME definition for transfer pricing purposes?**

No specific definition of SME for transfer pricing purposes, yet undertakings with small scale of activities are treated with exceptions when documenting transfer prices (there are no legal requirements embedded in Lithuanian legal acts to document controlled transactions applying standardized rules for undertakings with turnover not exceeding EUR 2,9 million).

**4. What specific services for SMEs are in place e.g. advanced pricing agreements, dispute resolution (pre- or post-audit), etc.? Is information on these services available electronically on the website(s) identified in question 1 or elsewhere? In which language(s) is the information available?**

No specific services for SMEs only. It should be mentioned though, that all services (including advanced pricing agreements) of the Tax Administration are rendered without any fee applicable, therefore, this makes services to be more available to every taxpayer.

**5. Are training materials made available to SMEs electronically via the website(s) identified in question 1 or elsewhere? In which language(s) is the information available?**

SMEs may access publicly available information relevant for all categories of taxpayers in Lithuania for free on the website of Tax Administration.

Please see:

**schedule for trainings:** <http://www.vmi.lt/lt/?itemId=20324>;

**material for trainings:**

<http://mic.vmi.lt/documentspublic.do?&id=1000007833#tr1000007833>

**6. Is information on procedures to provide SMEs with advance certainty on transfer pricing issues (e.g. advanced pricing agreements, rulings and clearances) available electronically via the website(s) identified in question 1 or it is only available from some other source? In which language(s) is the information available?**

All taxpayers (also SMEs) have the possibility to apply for a binding ruling or advanced pricing agreement (APA) from the State Tax Authorities in respect of the future transactions.

The procedure to provide both SMEs and other categories of taxpayers with advance certainty on transfer pricing issues is embedded in Regulations for handling Request of Taxpayer for approval of transfer pricing principles applicable for forthcoming controlled transactions and adopting binding Tax Administration decision in the field, approved by The Order of Head of State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania 21/10/2011 No. VA-106. This legal act may be reached through the common database of legal acts ([http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=409579&p\\_query=&p\\_tr2=2](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=409579&p_query=&p_tr2=2)).

Some explanatory notes regarding the procedure may be found in commentary on Article 37 of Tax Administration Law at:

[http://mic.vmi.lt/documentpublicone.do?&id=1000123360&tree\\_id=1000007320](http://mic.vmi.lt/documentpublicone.do?&id=1000123360&tree_id=1000007320).

**7. Is there a dedicated contact point available to SMEs for transfer pricing compliance issues?**

SMEs may address their concerns and enquiries following regular consulting procedures (<http://www.vmi.lt/cms/en/klauskite>), i. e.:

- o in a written form,
- o via e-form requests (<http://www.vmi.lt/cms/elektroniniai-paklausimai>),
- o by phone,
- o through a direct oral consultation.

Contact point for transfer pricing compliance issues for all taxpayers:

Large Taxpayers Supervision and Consultancy Department  
State Tax Inspectorate under the Ministry of Finance of Lithuania  
15 Vasario 16-osios street,  
01514 Vilnius, Lithuania

**Contact person:**

Vaidė Riškutė

Senior Adviser of Large Taxpayers Supervision and Consultancy Department

Tel.: +370 5 2687 847

E-mail: [V.Riskute@vmi.lt](mailto:V.Riskute@vmi.lt)

Dalia Ambrazevičienė

Head of International Transactions Control Division of Large Taxpayers Supervision and Consultancy Department

Tel.: +370 5 2687 943

E-mail: [D.Ambrazeviciene@vmi.lt](mailto:D.Ambrazeviciene@vmi.lt)

**8. Is there a dedicated contact point for advanced pricing agreements, clearances and rulings available to SMEs?**

No dedicated contact point for SMEs, as advanced pricing agreements are handled by a special permanent working group, established for this purpose by the Order of Head of State Tax Inspectorate.

Contacts of the chairperson of the working group:

Vaidė Riškutė

Senior Adviser of Large Taxpayers Supervision and Consultancy Department

State Tax Inspectorate under the Ministry of Finance of Lithuania

Tel.: +370 5 2687 847

E-mail: [V.Riskute@vmi.lt](mailto:V.Riskute@vmi.lt)

**9. Is there a dedicated contact point available to SMEs who want to claim relief from double taxation as a result of a transfer pricing adjustment?**

No dedicated contact point for SMEs. All claims are handled through generic procedures.

In charge of MAP:

State Tax Inspectorate under the Ministry of Finance of Lithuania

15 Vasario 16-osios street,

01514 Vilnius, Lithuania