

APPROVED
by Government of the Republic of
Lithuania
Resolution No 604 of 26 June 2013

NATIONAL CHANGEOVER PLAN

I. GENERAL PROVISIONS

1. The aim of the National Changeover Plan (hereinafter referred to as the Plan) is to envisage the key principles, scenario, time periods for the changeover from the litas to the euro in the Republic of Lithuania and the measures to ensure the protection of consumer interests, a smooth changeover and public information as well as dissemination of information at international and European level.

2. The Plan has been prepared having regard to the practice of the European Union Member States in adopting the euro, the decisions adopted at European and national levels, as well as evaluating the experience gained through the re-introduction of the litas in the Republic of Lithuania in 1993.

3. The Plan has been prepared in close cooperation with the euro adoption working groups, which include the representatives of ministries of the Republic of Lithuania, the Bank of Lithuania, Government institutions, social and economic partners and the representatives of other institutions. The Plan establishes the key principles and elements, preparation for the euro adoption, indicates areas of responsibility of individual sectors and measures for consumer protection.

II. LEGAL FRAMEWORK

I. EU LEGAL FRAMEWORK

4. The criteria of the euro adoption and the procedures for adopting the decisions on the euro adoption have been established by the Treaty on the Functioning of the European Union (OJ 2012 C 326) and Annexes thereof (hereinafter referred to as the Treaty). Article 140(1) of the Treaty establishes that at least once every two years, or at the request of a Member State with a derogation defined in Article 139 of the Treaty (hereinafter referred to as the derogation), the European Commission and the European Central Bank in accordance with the procedure laid down in Article 140(1) of the Treaty shall prepare reports on convergence that assess whether the Member States meet all economic and legal criteria of the euro adoption. Decisions to abrogate a derogation, a euro adoption date and the irrevocably fixed conversion rate between the euro and the national currency shall be adopted by the EU Council on the basis of the procedures laid down in paragraphs 2 and 3 of Article 140.

5. The adoption of the euro and its use in the Member States of the euro area is regulated by the following EU Council Regulations:

5.1. Council Regulation (EC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro (OJ 2004 *Special Edition*, Chapter 10, Volume 1, p. 81) (hereinafter referred to as Regulation (EC) No 1103/97) with amendments by Council Regulation (EC) No 2595/2000 of 27 November 2000 (OJ 2004 *Special Edition*, Chapter 10, Volume 1, p. 261);

5.2. Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro (OJ 2004 *Special Edition*, Chapter 10, Volume 1, p. 111) (hereinafter referred to as Regulation (EC) No 974/98) with the latest amendments by Council Regulation (EC) No

670/2010 of 13 July 2010 (OJ 2010 L 196 p. 1), in order to facilitate the introduction of the euro by the new EU Member States;

5.3. Council Regulation (EC) No 2866/98 of 31 December 1998 on the conversion rates between the euro and the currencies of the Member States adopting the euro (hereinafter referred to as Regulation (EC) No 2866/98) with the latest amendments by Council Regulation (EC) No 671/2010 of 13 July 2010 (OJ 2007 L 196 p. 4). After the EU Council adopts a decision on the abrogation of a derogation and the introduction of the euro in the Republic of Lithuania, Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro will be amended, where the date of the euro adoption and the date of the cash changeover in the Republic of Lithuania will be determined, and it will be indicated that a “phasing-out” period is not applicable in the Republic of Lithuania. The irrevocably fixed conversion rate of the litas to the euro will be set by the Council Regulation (EC) amending Council Regulation (EC) No 2866/98.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

II. LEGAL CONVERGENCE

6. The reports on convergence prepared on May 2012 by the European Commission and the European Central Bank state that the national legislation of the Republic of Lithuania is not fully compatible with the Treaty and the Statute of the European System of Central Banks and of the European Central Bank (the ESCB/ECB Statute). They specify two incompatibilities with the requirements for EU national central bank independence: the ownership of the property of the Bank of Lithuania should be held by the Bank of Lithuania, and the Republic of Lithuania Law on National Audit Office (Official Gazette, 1995, No 51-1243; 2001, No 112-4070) should clearly define the scope of control conducted by the National Audit Office, without prejudice to the activities of the Bank of Lithuania's independent external auditor competences, as provided in Article 27.1 of the ESCB/ECB Statute. Aiming at full harmonisation of the national legislation of the Republic of Lithuania with the Treaty and the Statute of the European System of Central Banks and of the European Central Bank, appropriate laws of the Republic of Lithuania should be amended.

Amendments to the Section:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

III. ADAPTATION OF NATIONAL LEGISLATION TO THE CHANGEOVER

7. The Bank of Lithuania will revise the prepared draft Republic of Lithuania Law on the Euro Adoption in the Republic of Lithuania, where the key provisions of the changeover in the Republic of Lithuania (conversion of litas to euro, cash changeover of litas, withdrawal of litas from circulation, publication of the images of euro banknotes and coins, dual display of prices in litas and euro, etc.) will be stipulated, and submit it to the Ministry of Finance.

8. By 1 February 2014 public authorities and bodies within their competence shall consider the legal acts that are to be adopted and the current legal acts that are to be amended before the date of the introduction of the euro in the Republic of Lithuania.

8¹. The new draft legal acts and the draft legal acts amending the current legal acts should be prepared and submitted to the Government of the Republic of Lithuania at least 5 months before the euro adoption date, and they should be adopted at least 2 months before the euro adoption date, unless otherwise provided by the Action Plan for Implementation of the National Changeover Plan or other legal acts.

8². The legislative provisions stipulating values in litas shall be amended after the EU Council officially approves the irrevocably fixed conversion rate of the euro to the litas.

8³. The legal acts that will regulate relations related to the mandatory dual display of prices, sub-frontloading of euro to market participants during the preparation period for the adoption of the euro after the changeover will be repealed.

8⁴. The legal acts that during the dual circulation period will regulate relations related to resolution of possible disputes over the dual circulation will be repealed after the end of the dual circulation period.

8⁵. The legal acts ensuring the use of the euro as legal tender and payment instrument in all sectors of the Lithuanian economy as well as in the private sector after the euro adoption date and abrogating the limitations on the sole use of litas for payments and settlements should be adopted before the date of the introduction of the euro in the Republic of Lithuania.

9. Amendments of technical character to the legal acts (replacing references to litas with references to euro) will be carried out after the date of the introduction of the euro in the Republic of Lithuania.

Amendments to the Section:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

III. COORDINATION OF THE EURO ADOPTION

10. In order to ensure the adequate preparation for the adoption of the euro in the Republic of Lithuania there will be formed:

10.1. The Commission for the Coordination of the Adoption of the Euro in the Republic of Lithuania chaired by the Prime Minister of the Republic of Lithuania (hereinafter referred to as the Commission), which shall deal with strategic issues related to the adoption of the euro in the Republic of Lithuania; the Prime Minister, Minister of Finance of the Republic of Lithuania and the Chairman of the Board of the Bank of Lithuania are the members of the Commission;

10.2. The Working Group for the Coordination of Actions for the Euro Introduction; the Minister of Foreign Affairs and the heads of the groups specified in paragraph 10.3 of the Plan are the members of the Working Group, and upon necessity the representatives of the Government of the Republic of Lithuania agencies and other institutions, organisations as well as the members of the Board of the Bank of Lithuania;

10.3. Six working groups for dealing with individual issues related to the actions for the euro introduction and submission of proposals accountable to the Working Group for the Coordination of Actions for the Euro Introduction:

10.3.1. The Cash Working Group formed by the Bank of Lithuania. The Cash Working Group deals with co-ordination of issues related to ensuring of the sufficient quantity of euro banknotes and coins, distribution thereof and withdrawal of litas banknotes and coins from circulation;

10.3.2. The Public Information Working Group formed by the Bank of Lithuania. The Public Information Working Group shall coordinate the activities of public authorities with the aim to adequately and comprehensively inform the public of Lithuania about the single currency of the European Union, the impact of its introduction on national economy and population, the preparedness of the Republic of Lithuania for the changeover and the planned procedure for the introduction of the euro.

10.3.3. The Working Group for Monitoring Lithuania's Fulfilment of the Convergence Criteria for the Adoption of the Euro formed by the Bank of Lithuania. The Working Group for Monitoring Lithuania's Fulfilment of the Convergence Criteria for the Adoption of the Euro shall prepare the assessment of Lithuania's economic and financial indicators' fulfilment of the convergence criteria on a quarterly basis and submit it to the Commission, Working Group for the Coordination of Actions for the Euro Introduction and the Ministry of Finance;

10.3.4. The Working Group for the Protection of Consumer Rights and Social Affairs formed by the Minister of Social Security and Labour. The Working Group for the Protection of Consumer Rights and Social Affairs shall deal with issues related to consumer rights protection at the moment of the changeover;

10.3.5. The Business Environment Working Group formed by the Minister of Economy. The Business Environment Working Group shall deal with issues related to the preparedness of the business society for the changeover and the business society contribution to the smooth changeover process in Lithuania.

10.3.6. The Legal Issues Working Group formed by the Minister of Justice. The Legal Issues Working Group shall deal with issues related to compliance of the Lithuanian legal system with the requirements for the adoption of the euro.

11. The Working Groups referred to in paragraph 10.3 of the Plan shall include the representatives of ministries, the Bank of Lithuania, Government agencies, social and economic partners as well as representatives of other institutions.

12. The Plan is the main coordinating document on practical preparations for the adoption of the euro. Following the provisions of the Plan, public authorities shall plan and implement the necessary practical steps for the adoption of the euro that are laid down in the Action Plan for Implementation of the National Changeover Plan and action plans related to the adoption of the euro in the Republic of Lithuania approved by public authorities.

IV. KEY EURO INTRODUCTION PRINCIPLES, SCENARIO AND TIME PERIODS

I. PRINCIPLES

13. Continuity of Contracts and Financial Instruments

The changeover from the litas to the euro will not violate the principle of continuity of contracts and financial instruments. All documents with references to the litas will be valid for the total validity term indicated therein following the changeover. The value in litas will mean the value in euro converted by applying the irrevocably fixed conversion rate of the euro to the litas.

14. Principle of Conversion of Litās to Euro

Prices, amounts in litas at the moment of the changeover, cash at the moment of the changeover will be converted to euro and rounding thereof will be carried out in accordance with the provisions of Council Regulation (EC) No 1103/97: in converting litas to euro, the conversion rate of euro to litas irrevocably fixed by the Council of the European Union which will consist of 6 significant figures will be applied.

15. Consumer Protection

The adoption of the euro should not be against the economic interests of consumers. All possible measures will be taken to prevent abuse in converting prices, wages, pensions, social benefits and etc.

16. Consumer Safety

Consumers should be protected against potential abuses and offences related to the adoption of the euro in the Republic of Lithuania. The public and cash handlers will be informed about the new currency, its security and identifiable characteristics; practical training will be conducted in order to learn to identify the new currency.

17. Preparation of Economic Entities

Economic entities (natural and legal persons engaged in economic-commercial activities) are responsible for their organisational and technical preparation for the changeover, including the adaptation of their information systems to the euro.

18. Costs of the Changeover

The costs of the preparation for the changeover in the Republic of Lithuania related to the minting of euro coins, exchange of litas banknotes and coins to euro banknotes and coins,

restructuring of the payment system, and other similar costs of the Bank of Lithuania will be covered by the funds of the Bank of Lithuania. The costs of public authorities related to the adoption of the euro will be covered from appropriations for these authorities. The costs related to the adoption of the euro incurred by economic entities will not be reimbursed.

II. EURO INTRODUCTION SCENARIO AND TIME PERIODS

19. Given the size of the state, the structure of its financial system and the experience in the currency changeover gained by public authorities of the Republic of Lithuania through the re-introduction of the litas in 1993, the envisaged euro introduction scenario is without a transitional period (the date of the euro adoption coincides with the date of the cash changeover). No “phasing-out” period is envisaged.

20. The main time periods for the adoption of the euro in the Republic of Lithuania:

Preparatory period

| | |
|---|--|
| 30 days following the adoption of the EU Council decision on the irrevocably fixed conversion rate of the euro to the litas | – beginning of the period of the mandatory dual display of prices. |
| 3 months before the euro adoption date | – beginning of frontloading of euro coins to banks. |
| 2 months before the euro adoption date | – beginning of frontloading of euro banknotes to banks. |
| 1 month before the euro adoption date | – beginning of the period for sub-frontloading of euro banknotes and coins to bank customers. |
| 1 month before the euro adoption date | – beginning of advance sale of euro coin starter kits to the public for the price no higher than the price calculated according to the irrevocably fixed conversion rate of the euro to the litas. |

Dual circulation period

| | |
|--|--|
| Euro adoption date | – beginning of exchange of litas to euro free of charge at banks, post service provision sites determined by Public Limited Company Lietuvos paštas (hereinafter referred to as the Lithuanian Post Office) and the Bank of Lithuania. |
| 15 days following the euro adoption date | – dual circulation period. |

Period after the end of the dual circulation period

| | |
|---|---|
| 60 days following the euro adoption date | – exchange of litas cash to euro free of charge at the Lithuanian Post Office. |
| 6 months following the euro adoption date | – exchange of litas cash (banknotes and coins) and centas coins (litas and cent coins) to euro free of charge at all bank branches. |
| 6 months following the half year after the euro adoption date | – exchange of litas banknotes to euro free of charge at bank branches in the list to be determined by the Bank of Lithuania. |
| 1 year following the euro adoption date | – period of the mandatory dual display of prices. |
| Unlimited | – exchange of litas cash to euro free of charge at the |

Bank of Lithuania.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

III. EURO ADOPTION DATE

21. The envisaged target date for the adoption of the euro in the Republic of Lithuania is 1 January of a respective year. This provision has been adopted taking into consideration the factor of the start of the new period of accounting and the fiscal year which will enable to avoid extra labour costs and greater errors related to the handling of accounts and calculation of taxes and wages in the litas and the euro within the same year. Lower economic activity and lower cash demand at the beginning of the year have also been taken into consideration (this will facilitate the process of the currency changeover and minimise disruptions in the order of economic life). Moreover, 1 January is a favourable symbolic moment that will facilitate the information campaign and help the public to accept the single currency of the European Union.

IV. CONVERSION OF LITAS TO EURO AND ROUNDING

22. Since the euro adoption date every reference in legal acts, contracts and other documents to litas will be considered a reference to euro, and amounts in litas will be converted at the irrevocably fixed conversion rate of the euro to the litas. The irrevocably fixed conversion rate of the euro to the litas will be determined by the EU Council Regulation partially amending Regulation (EC) No 2866/98.

23. Conversion of amounts in litas to euro and rounding thereof will be carried out in accordance with the provisions of Regulation (EC) No 1103/97: in converting litas to euro, the conversion rate of the euro to the litas irrevocably fixed by the EU Council which will consist of 6 significant figures will be applied; this conversion rate may not be truncated or rounded when making conversions; the irrevocably fixed conversion rate of the euro to the litas will be used both in converting litas to euro (dividing by the rate) and in converting the euro to litas (multiplying by the rate), but the inverse rate may not be used; payable or the carrying amounts of cash converted to euro should be rounded to the nearest euro cent under arithmetic rounding rule.

24. In converting wages, pensions and other social benefits from litas to euro to the benefit of the recipient, the amounts should be rounded to the nearest euro cent (the last digit must be increased by one unit if the following digit is greater than 0) or a new amount not lower than the amount received by converting the amount in litas to euro is determined.

25. Tariffs, rates, fees, commissions and other similar amounts expressed in litas (euro) that are to be converted to euro (litas) are converted and expressed in euro(litas) with an accuracy of the same decimal places they were expressed in litas (euro). Public authorities and municipal institutions in accordance with the procedure established by legal acts or the parties subject to mutual agreements may apply more accurate expressions. Only the calculated final amount payable or the carrying amount of cash will be rounded to two decimal places.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

26. New amounts of levies, fines or other similar payments (in euro without euro cents or as other amount convenient for use) may be fixed by public authorities under their own legal acts or by contracting parties subject to mutual agreements. In establishing new amounts of levies, fines or other similar amounts, the digression from those amounts resulting after the conversion at the irrevocably fixed conversion rate of the euro to the litas should be

minimum, i.e. the adoption of the euro should not become a reason for increasing the amounts of levies, fines and other similar amounts (the contracted parties are recommended to follow this rule). New amounts of administrative fines will be calculated following the rule to be established by the Seimas of the Republic of Lithuania in adopting the Republic of Lithuania Law on the Euro Adoption in the Republic of Lithuania. Courts or other institutions making decisions on fines, at least 40 days before the euro adoption date, will indicate amounts of fines imposed by decisions on the imposition of fines not only in litas, but also in euro at the conversion rate for fines fixed in the Republic of Lithuania by the Republic of Lithuania Law on the Euro Adoption in the Republic of Lithuania.

27. When rounding the amounts that are not final amounts payable or establishing new amounts, the principle of continuity of contracts and financial instruments may not be violated, i.e. the final amount set in the contract may not be influenced.

28. The procedure laid down in this section is applied to all cases of conversion of litas to euro and rounding, unless otherwise provided by legal acts.

V. DUAL CIRCULATION PERIOD

29. From the euro adoption date the euro will become the single legal tender, except for the defined dual circulation period of 15 days, when payments also in litas banknotes and coins will be allowed. The duration of the dual circulation period has been proposed taking into consideration the technical capacity of frontloading and sub-frontloading of euro to banks and institutions providing goods and services and withdrawal of litas, practices of the euro area countries in the adoption of the euro and the experience of the Republic of Lithuania gained through the re-introduction of the litas in 1993. During the dual circulation period, the larger part of litas banknotes and coins will be exchanged to euro banknotes and coins or spent when purchasing goods or services.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

30. At automated trading (service provision) sites (ATMs network), where inflows are registered and goods are issued/sold (services are provided) without a cashier or other employee, also payments for taxi services for 15 days as of the euro adoption date will be possible only in euro, if for 15 days as of the euro adoption date there is no possibility to make payments in both currencies (in litas and euro). After the expiry of the dual circulation period, the euro will be the single legal tender of payment at automated trading (service provision) sites, also for payment for taxi services.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

VI. CASH CHANGEOVER

31. Litas cash will be exchanged to euro free of charge:

31.1. 6 months following the euro adoption date in all bank branches – litas banknotes as well as litas and cent coins;

31.2. 6 months following the half year after the euro adoption date in bank branches in the list to be determined by the Bank of Lithuania – litas banknotes;

31.3. 60 days following the euro adoption date in the Lithuanian Post Office – litas banknotes as well as litas and cent coins;

31.4. Unlimited following the euro adoption date – in the Bank of Lithuania.

VII. DUAL DISPLAY OF PRICES

32. The period of mandatory dual display of prices starts 30 days following the adoption of the EU Council decision on the irrevocably fixed conversion rate of the litas to the euro and continues for 6 months after the euro adoption date. The form and means for dual display of prices are chosen by a supplier of goods or services provider. The price of a product or service to be paid by the consumer is displayed both in litas and euro with indication of the irrevocably fixed conversion rate of the litas to the euro officially adopted by the EU Council. Prices are displayed in litas and in euro not only in commercial or service provision sites, but also in advertisements of goods and services if they display the price of a product or service. The dual display of prices in litas and euro should be easily understandable, may not be misleading or containing any unnecessary information.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

33. During the period of the mandatory dual display of prices the payable amounts in energy, utilities and maintenance services bills or payment notices submitted to consumers by companies supplying energy (electricity, heating, hot and cold water, gas) and rendering utility services, multi-apartment buildings administering companies and apartment owner associations should be displayed in litas and euro. Information on energy and services prices in litas and euro as well as the amounts payable within this period at service provider's choice should be displayed in the same bills or payment notices or on an extra page added to bills or payment notices.

V. PUBLIC SECTOR

I. REDENOMINATION OF SECURITIES

34. Taking into account the practice of the euro area countries, the nominal value of securities of the Government of the Republic of Lithuania (hereinafter referred to as GS) will be redenominated according to the portfolio of securities owned by a particular investor and a new nominal value of GS will be established as equal to 1 euro cent per unit. The nominal value of all GS issued in litas will be redenominated by dividing the total nominal value of securities held in each individual account of the particular investor, according to each security emission identification code, by the irrevocably fixed conversion rate, multiplying it by 100 and rounding to an integer. The result obtained will represent the number of securities with the nominal value of one euro cent held by the given investor. This is a technically simple and transparent method: the redenomination has the lowest impact on the value of securities, therefore, no additional payments to compensate differences in rounding are required that would be necessary in applying other methods.

35. The procedure for the redenomination of the nominal value of GS will be applied also to other intangible debt securities, unless the terms and conditions of the emission of debt securities provide for a different procedure for the redenomination of the nominal value.

36. The nominal value of convertible bonds will be redenominated for each bond individually. Its nominal value will be divided by the irrevocably fixed conversion rate of the litas to the euro and rounded to two decimal places, since the ratio at which convertible bonds are exchangeable into shares should remain unchanged.

37. The nominal value of equity securities will be redenominated as follows: the total nominal value in litas of the issued securities of the same category and of the same nominal value will be divided by the irrevocably fixed conversion rate of the litas to the euro and by the number of the issued securities of this category and of the same nominal value and

rounded to two decimal places. The redenominated nominal value of equity securities will be indicated in euro at the accuracy of euro cents (in an integer).

38. The value of share contributions and stakes will be redenominated as follows: the value of each share contribution or its stake will be redenominated at the irrevocably fixed conversion rate of the litas to the euro.

39. At least 6 months before the euro adoption date the Ministry of Economy of the Republic of Lithuania will prepare and submit to the Government of the Republic of Lithuania a draft law regulating the procedure for re-denomination of the value of the authorised capital and securities to euro and for amendment to the Statutes of public limited and private limited companies.

II. TAXES

40. Payable (refundable) and other amounts specified in tax returns for tax periods that will begin from the euro adoption date, also for tax periods that will begin before the euro adoption date and end after the euro adoption date will be displayed in euro. After the euro adoption, all the declared data and the amounts payable to the budget (refundable from the budget) both in primary tax returns and in adjusted tax returns submitted by taxpayers for tax periods that began and ended before the euro adoption date will be displayed in litas. The final result of tax returns provided in litas (payable and refundable) amounts, i. e. tax liabilities that are fulfilled after the euro adoption date will be converted to euro by the tax administrator. In case of declaration of advance corporate tax, if the changeover of the settlement currency occurs during the year, the single currency for the whole period should be used, i.e. advance corporate tax declarations for the whole period should be filled in and adjusted by displaying amounts in litas.

41. Tax amounts in agreements between the tax administrator and taxpayers, inspection reports, decisions on the approval of the inspection report from the euro adoption date will be displayed in euro, irrespective of the period for which the tax amounts are calculated.

42. The tax amounts overpaid during all tax periods from the euro adoption date will be refunded to taxpayers in euro.

43. All taxpayer defaults and overpayments accumulated in litas before the euro adoption date will be converted on the euro adoption date at the irrevocably fixed conversion rate of the litas to the euro.

44. At least 6 months before the euro adoption date new tax stamp specimens for labelling cigarette packs, which will display the maximum cigarette retail price in euro, will be approved by a Minister of Finance Order.

III. ACCOUNTING AND FINANCIAL REPORTING

45. From the euro adoption date economic entities and public entities will handle their financial accounting in euro. From the euro adoption date accounting documents should be issued by displaying the amounts in euro.

46. Economic entities and public entities whose financial year coincides with the calendar year will prepare their financial statements for the last year before the euro adoption in litas. On the euro adoption date, assets, liabilities, equity, financing amounts should be expressed in euro. Economic entities whose financial year will not coincide with the calendar year and whose last day of the financial year will come after the euro adoption date will draw up their financial statements in euro. The figures of financial statements expressed in litas for previous reporting periods prepared in euro should be converted and expressed in euro.

47. At least 6 months before the euro adoption date the Minister of Finance will approve the public sector accounting and financial reporting standard for public entities, and

the Audit and Accounting Authority will approve a business accounting standard for economic entities on the requirements for accounting and financial reporting related to the adoption of the euro.

IV. ADAPTATION OF INFORMATION SYSTEMS

48. Before the euro adoption date information systems will be adapted to process/handle data in euro. It is recommended to seek that in adapting information systems to the adoption of the euro the existing information system functionalities are not changed.

49. Public authorities, institutions, companies and other organisations must be prepared before the euro adoption date that the used financial management, accounting, reporting and other information systems are adapted to settlements, preparation of accounting and reporting in euro, also ensure the continuity of operations of these systems after the euro adoption date.

50. Each public authority prepares an action plan for adapting information systems administered by it, where the required actions, their implementation deadlines, administrative units (persons) responsible for their implementation are specified, and at least 12 months before the euro adoption date submits it to the Information Society Development Committee under the Ministry of Transport and Communications which monitors the implementation of the aforementioned action plans.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

51. Public authorities, institutions, companies and other organisations since 2007, in carrying out public procurement of information systems, must ensure that the purchased information systems were suitable for work after the adoption of the euro. All investment projects initiated by these institutions with the aim to purchase or modernise information systems should be coordinated with the Information Society Development Committee under the Ministry of Transport and Communications which should ensure the implementation of the provisions laid down in this paragraph.

52. Public authorities, institutions, companies and other organisations, within their field of activity, at least 5 months before the euro adoption date should prepare new forms of documents, establish the requirements for completion thereof and inform the data providers, consumers and clients on the changes related to the adoption of the euro. The forms of statistical reporting documents and amendments thereof should be prepared by official statistics handling institutions in accordance with the procedure for statistics harmonisation laid down in paragraph 57 of the Plan.

53. On the day of euro introduction balances of assets, liabilities, equity and other final amounts expressed in litas should be converted to euro, after the data in litas is saved in information systems.

54. Different documents of reporting character (financial, statistical and other types of reports, declarations, statements, certificates, etc.) formed in information systems for the period ending before the euro adoption date, where appropriate, also for previous periods, irrespective of the data submission date, should be prepared and submitted to public authorities by displaying amounts in litas, whereas in the documents for formation of which the data accounted after the euro adoption date is used - by displaying these amounts in euro.

55. It is recommended that from the euro adoption date in making financial calculations or forming reporting documents in euro to leave the algorithms in the information systems unchanged and to use the data for the periods before the euro adoption date converted to euro. A public authority, when transferring the data to other public authority electronically, should not convert the amounts accepted in litas (or euro) into the amounts in euro (or litas).

56. It is recommended that during the preparatory period and after the date of the changeover, where appropriate, the data in dual display of currencies is provided, while interim calculations are made in litas (before the euro adoption date) or in euro (from the euro adoption date), and only final amounts should be converted into the other currency.

V. STATISTICS HARMONISATION

57. Statistics Lithuania, the Bank of Lithuania, Ministry of Finance of the Republic of Lithuania and other official statistics handling public authorities will harmonise statistics handling procedures, prepare statistical data collection, statistical information development and dissemination, other statistics handling instruments, prepare for publication of statistical information in euro after the adoption of the euro, convert the historical timelines expressed in litas to be published to euro. Statistics Lithuania will coordinate the execution of actions referred to in this paragraph.

VI. PREPAID ITEMS (TRANSPORT TICKETS, POSTAGE STAMPS, ETC.)

58. Tickets for passenger transportation by air, water, railway and road transport on long-distance, suburban and local routes, where the nominal value of a ticket is displayed in litas, will be valid for 2 years after the euro adoption date.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

59. Postage stamps (postage stamps valid in the Republic of Lithuania, post blocks, stamped envelopes and cards (postcards) and stamp aerogrammes), where the nominal value is displayed in litas, will be valid for two years after the euro adoption date.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

60. Sellers of tickets for passenger transportation by air, water, railway and road transport on long-distance, suburban and local routes and postage stamps, where the nominal value is displayed in litas, after the month following the adoption of the EU Council decision on the irrevocably fixed conversion rate of the litas to the euro, and for 2 years after the euro adoption date must inform consumers about the validity term of these transport tickets and postage stamps referred to in paragraphs 58 and 59, as one of the clauses of the Treaty.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

VII. MUNICIPAL ACTIVITIES

61. Municipalities should be prepared that the areas managed by them, in particular, the public transport area functioned smoothly during the changeover. Public services providing companies founded by municipalities will draw up their plans of activities with particular focus on the activities carried out during the dual circulation period.

62. In order to avoid unreasonable price increases in public administration and public services sectors assigned to the competence of municipalities, municipalities, at least 3 months before the euro adoption date, will review and, where appropriate, amend in accordance with the procedure laid down in the Republic of Lithuania Law on Public Procurement (Official Gazette, 1996, No 84-2000; 2006 No 41-102) all contracts made with public service providers so that the payments for public services provided during the changeover are not increased and rounded to the benefit of the population.

63. Government representatives in counties carry out the administrative supervision of the preparation of municipalities for the euro adoption.

VI. BANK OF LITHUANIA

I. EURO BANKNOTES AND COINS

64. The Bank of Lithuania is responsible for the timely provision of euro banknotes and coins. During the period of preparation for the euro changeover, the Bank of Lithuania will coordinate with the European Central Bank and the national central bank of the state which will supply the banknotes, the legal and logistics aspects of the supply arrangements for euro banknotes. A euro banknotes borrowing agreement will be signed with the European Central Bank. Euro coins of the Republic of Lithuania will be minted by the Private Limited Company Lithuanian Mint (hereinafter referred to as the Lithuanian Mint). The Lithuanian Mint is prepared to mint the Lithuanian euro coins and euro cents; but it will be able to do that after the adoption of the EU Council Decision on the adoption of the euro in the Republic of Lithuania.

65. The Board of the Bank of Lithuania, by Resolution No. 28 of 24 February 2005 On the Approval of Plaster Models for the National Side of Circulation Euro Cents and Euro Coins, approved three different design plaster models to be used for the national side of circulation euro coins and euro cents. The symbol of the national emblem, the Vytis, surrounded with 12 stars will be depicted on the national side of all denominations of circulation euro coins and euro cents along with the inscription *Lietuva* and the year of issue. The images on the national side of circulation euro cents and euro coins meet the recommendations for the national side of euro coins approved by the EU Council and are coordinated with the European Commission, their images will be published in the Official Gazette (Valstybės žinios) and the EU Official Journal. The Board of the Bank of Lithuania should approve the euro coins with the national side models which, along with the aforementioned symbols, will contain the inscription of the year of issue (euro adoption) of the coin.

66. The Bank of Lithuania will prepare and approve the cash changeover guidelines that will establish the procedure for cash changeover at the moment of the introduction of the euro in the Republic of Lithuania, the main participants of the cash changeover process and functions thereof, provision with euro banknotes and coins, their frontloading and other issues related to the cash changeover.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

67. The Bank of Lithuania will be prepared for the frontloading of euro banknotes to banks two months before the euro adoption date. Taking into consideration the demand for circulation euro coins and euro cents in the Republic of Lithuania and the technically complicated frontloading process of euro coins and euro cents, the Bank of Lithuania will be prepared for frontloading of euro coins and euro cents to banks 3 months before the euro adoption date. Banks will start the sub-frontloading of euro banknotes and euro coins to customers 1 month before the euro adoption date and end it till the euro adoption date. The frontloading and sub-frontloading of euro cash will be carried out in accordance with the schedules coordinated in advance between the involved parties.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

68. The Bank of Lithuania, before the advance frontloading of euro banknotes and coins, will coordinate with banks the demand for euro banknotes and coins to be frontloaded in advance, denomination structure, and delivery terms. After the evaluation of demand for

dispensed euros, the Bank of Lithuania will prepare the terms and conditions for advance frontloading of euro banknotes and coins to banks and will sign contracts. The banks will provide cash deposits or securities as collateral to the Bank of Lithuania for euro banknotes and coins frontloaded in advance and make settlements with the Bank of Lithuania by debit transfers.

69. The quantity of advance frontloading of banknotes and coins to banks should be sufficient for advance provision of euro cash to bank customers, first of all, those who use cash in making settlements for goods and services as well as post service provision sites determined by the Lithuanian Post Office. The Bank of Lithuania will coordinate the actions of banks in preparation for the advance frontloading of euro cash.

70. Litas and litas cent coins withdrawal from circulation is one of the key elements of the cash changeover. Currently, there are about 90 million pieces of litas banknotes in circulation. The current infrastructure of banks and banknote processing capacities will allow acceptance and processing of banknotes, but litas withdrawal from circulation would be smoother if the greater portion of litas has returned yet before the euro adoption date. Whereas there is a great number (more than 1 billion pieces) of litas and cent coins, it is essential to appropriately prepare for their withdrawal and processing. It is forecasted that during the dual circulation period the population will exchange at banks, trading and service provision institutions at least 80 per cent of litas in circulation. Litas exchange to euro in regional centres will be smooth due to the existing networks of developed bank branches and the Lithuanian post service provision sites.

71. The population and entrepreneurs who will have failed to exchange litas cash at banks and the Lithuanian Post Office within the period of exchange free of charge will have a possibility to do that at the Bank of Lithuania.

72. The Bank of Lithuania, in co-operation with banks, implements measures with the aim to reduce the volume of cash in circulation. It is envisaged to organise withdrawal of litas and cent coins from circulation campaigns, to encourage the start of return of litas and cent coins accumulated by legal and natural persons as early as possible, the advance sale of euro coin starter kits.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

73. During the dual circulation period the Cash Changeover Supervisory Group of the Bank of Lithuania will carry out the monitoring of implementation of the Cash Changeover Plan, i.e. supervision of litas cash exchange and withdrawal from circulation process, and it will operatively deal with cash changeover issues.

II. PAYMENT SYSTEM

74. From the euro adoption date the LITAS-RLS real-time payment system will stop operating. Along with the conversion to the payment systems meeting the requirements of the single euro payment area (hereinafter referred to as SEPA), the operations of LITAS-MMS payment system for making retail payments and KUBAS payment system for performing payment operations of the Lithuanian Central Credit Union will be enabled for performing clearing operations in euro for only a year after the euro adoption date.

75. In order to secure the preservation of the current level of payment services in the country after the euro introduction, the Bank of Lithuania together with credit institutions ought to take a decision on the expediency of domestic retail payment system in euro from 2016, its functionality and operation period or ought to agree on measures ensuring the quality level of SEPA payment services which would not be lower than the level of payment services in litas.

Amendments to the paragraph:

III. EXCHANGE RATES

76. From the euro adoption date the Bank of Lithuania will announce in the Republic of Lithuania the exchange rates of the euro to the main foreign currencies fixed by the European Central Bank. The exchange rates between the euro and other foreign currencies will be fixed and announced by the Bank of Lithuania.

VII. BANKS

77. Banks should be fully prepared and appropriately adjust their information and other domestic systems to be able to properly inform and serve their customers.

78. Banks are recommended during the dual circulation period to envisage additional organisational measures (a flexible work schedule, staff for special temporary work, etc.) and to encourage their customers to start the return of litas and cent coins accumulated by legal and natural persons as early as possible.

I. LITAS EXCHANGE

79. Banks should be prepared to meet the demands of legal and natural persons for euro banknotes and coins. From the euro adoption date banks will dispense only euro banknotes and coins and stop dispensing litas banknotes as well as litas and cent coins.

II. CUSTOMER ACCOUNTS

80. On the euro adoption date deposits and other amounts held in all customer accounts with credit and e-money institutions in litas will be converted to euro free of charge by applying the irrevocably fixed conversion rate of euro to the litas and meeting the conversion and other requirements established by EU legislation.

81. Credit and e-money institutions should inform their customers about the major aspects of the euro adoption. First of all, it should be brought to the customers' notice that after the euro adoption date it would not be possible to make non-cash payments and to hold accounts in litas.

III. INTEREST RATES

82. All references of legal acts, agreements and other documents to VILIBOR (*Vilnius Interbank Offered Rate*) from the euro adoption date will be treated as references to EURIBOR (*Euro Interbank Offered Rate*), except for overnight loan interest rates. References to overnight VILIBOR will be treated as references to EONIA (*Euro Overnight Index Average*). Contracts may contain other provisions at the agreement of the parties. Where a reference in contracts or other documents to VILIBOR refers to a period that starts before and ends after the euro adoption date, this expression of interest rates will be used until the end of the period for which it has been calculated, unless otherwise agreed by the parties.

IV. AUTOMATED TELLER MACHINES (ATMs)

83. Banks should fully prepare the ATM network infrastructure for dispensing of euro banknotes and ensure that ATMs in them would be loaded with euro banknotes from the euro

adoption date. Banks should ensure the prevailing of smaller-denomination banknotes in the ATM euro banknote distribution structure.

VIII. RETAIL TRADE AND SERVICES

84. Economic entities engaged in retail trade, public catering, provision of financial and other services to the population should train its staff to make cash operations during the dual circulation period.

85. Following the principles for dual display of prices laid down in paragraph 32 of the Plan, sellers of goods (service providers) must start displaying prices of goods (services) in litas and euro at least 60 days following the adoption of the EU Council decision on the irrevocably fixed conversion rate of the euro to the litas. During the dual circulation period prices displayed in litas and euro are payable by using the customer's currency preference.

86. Price conversions should be made in accordance with the conversion and rounding rules established in paragraph 23 of the Plan; but the rounding down of the final price of a good (service), i.e. the amount payable rounding down to the benefit of a customer will not be treated as violation of price conversion rules.

87. During the dual circulation period sellers of goods (service providers) should accept payments in litas or euro, but seek to give change exclusively in euro.

88. In making settlements in litas during the dual circulation period, the amounts in cash income and expense orders, cash receipts/payout slips, cash register receipts, taximeter printer printed receipts, where possible, will be displayed in litas and euro. If there is no possibility of dual display of prices (both in litas and in euro), the amounts will be indicated either in litas or in euro. After the end of the dual circulation period the amounts will be indicated only in euro.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

89. Economic entities and associations of economic entities will be encouraged to sign the Memorandum on Good Business Practice (Will) of Business Entities to be prepared by the Ministry of Economy of the Republic of Lithuania.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

90. Economic entities and associations of economic entities that will sign the Memorandum on Good Business Practice (Will) of Business Entities and will follow it during the period of the mandatory dual display of prices in accordance with the procedure established by the Ministry of Economy would be allowed to use a specially designed logo of the Memorandum. The economic entities and associations of economic entities that will have the Memorandum on Good Business Practice (Will) of Business Entities violated will lose the right to use the specially designed logo of the Memorandum. Economic entities unjustifiably raising prices or otherwise abusing the euro adoption will be enrolled into the blacklist to be made publicly available on the website: www.euro.lt.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

90¹. The State Food and Veterinary Service and the State Non-Food Products Inspectorate under the Ministry of Economy of the Republic of Lithuania, with the aim to identify the violations related to the conversion of prices, will carry out checks on economic entities that are engaged in the provision of retail trading services to consumers. The State Consumer Rights Protection Authority will coordinate the activities of the consumer rights protection institutions responsible for the regulation of the relevant consumption area in order

to protect the consumers against the potential unjustified raising of prices or other abuse of the changeover.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

91. It is recommended for private sector to check and prepare the business management, accounting and other systems used for the euro introduction, the functioning of which might have influence on the smooth euro introduction process and continuity of activities after the date of the euro adoption.

IX. CONSUMER PROTECTION

92. Dual display of prices is essential measure which helps to protect consumers against potential abuse in conversion of prices from litas to euro.

93. Dual display of payable amounts will allow to get accustomed to a new value measurement unit. During the period which begins 60 days following the adoption of the EU Council decision on the irrevocably fixed conversion rate of euro to the litas and ends the last day before the euro adoption wages, social benefits, other benefits, cash amounts to be paid, credited or written-off should be displayed in litas and in euro.

94. The amounts of payments related to wages, pensions and social benefits (a minimum hourly rate, minimum monthly wage, basic monthly wage, basic hourly rate, basic salary (remuneration) amount of politicians, judges, state officials and civil servants of the Republic of Lithuania, social benefit deduction indicators, and etc.) will be fixed to the benefit of the recipient. The population will be widely informed about fixing of the aforementioned amounts in euro.

95. It is recommended that cash for wages is dispensed in low-denomination euro banknotes.

96. After the EU Council adopts a decision on the abrogation of the derogation and the introduction of the euro in the Republic of Lithuania, a toll-free Euro Hotline will begin functioning which will provide information on the preparation for the changeover and the planned procedure for the changeover in the Republic of Lithuania. An information campaign, mandatory dual display of prices, strictly regulated procedure for conversion of litas to euro and active participation of the public will help to prevent instances of abuse during the exchange of litas to euro. The members of the public will be encouraged to check whether prices in litas and euro are displayed correctly, whether the procedure for conversion of litas to euro is met, and to inform authorities under their remit (to file complaints to them) about identified inadequacies or suspected violations.

97. As provided for in the Public Information on the Euro Adoption and Communication Strategy of Lithuania (hereinafter referred to as the Strategy) being approved by the Government of the Republic of Lithuania, the population of the country will be able to get acquainted with all denominations of euro, exchange possibilities of litas to euro, and the procedure for conversion of litas to euro. This will help the consumers to quickly check the correctness of conversion of litas to euro (and vice versa). In this case information provided by public authorities, communicated through mass media and other public information channels will also be of great help.

98. From the euro adoption date cash at banks will be dispensed (paid out) not in litas, but in euro.

99. During the dual circulation period the application of prices and valuations should be subject to non-discrimination with regard to the euro.

100. In order to avoid unreasonable price increases at the moment of the changeover and violations of other consumer rights related to conversion of litas to euro, the following measures will be implemented:

100.1. Statistics Lithuania under the regular procedure will monitor retail price changes and will inform the public about them. From the beginning of the period of the mandatory dual display of prices and for one more month following the adoption of the euro prices in litas and euro will be recorded in litas and euro. Statistical information on price changes of consumer goods and services will be prepared and submitted to the responsible public authorities and the public by recording prices in litas and euro as well as taking into consideration the impact of price conversion from litas to euro on the overall change in consumer prices. From the beginning of the period of the mandatory dual display of prices and for one more month following the adoption of the euro the data on prices will be collected, statistical information on average retail prices of about 100 main homogeneous goods and services in litas and euro as well as changes thereof will be prepared and presented, after that statistical information on average retail prices of these goods and services in euro will be prepared and provided for another 5 months and on changes thereof once a month;

100.2. The disputes between consumers and sellers, service providers regarding the issues related to the changeover within the scope of competence will be settled by authorities for the settlement of disputes referred to in paragraph 1 of Article 22 of the Republic of Lithuania Law on Consumer Protection (Official Gazette, 1994, No 94-1833; 2007, No 12-488; 2011, No 146-6832);

100.3. The public will be regularly informed (through internet, press and etc.) about monitoring results of prices and cases of abuse;

100.4. For prevention of large-scale and regular violations, most frequent violation cases, disputes in relation to the euro adoption will be systemically recorded and identified, authorities for handling complaints and for carrying out checks every month will submit to the State Consumer Rights Protection Authority the reports on complaints received and violations identified (their frequency and change) in relation to the euro adoption in the format approved by it along with proposals on measures to be taken in order to avoid the similar cases in the future;

100.5. The State Consumer Rights Protection Authority no later than within 10 working days as of the end of the time period specified in paragraph 100.4 of the Plan will summarise the information provided by the authorities referred to in the aforementioned paragraph and submit it to the Government of the Republic of Lithuania;

100.6. This paragraph was repealed on 20 December 2013.

Amendments to the paragraph:

No 1172, 4 December 2013, Official Gazette, 2013, No 130-6660 (19 December 2013)

X. CONSUMER SAFETY

101. The Ministry of the Interior of the Republic of Lithuania coordinates the public safety and e-information safety (cyber-safety) issues related to the introduction of the euro in the Republic of Lithuania.

102. The Ministry of the Interior of the Republic of Lithuania will form a coordinating inter-departmental commission for identifying potential threats during the period of the introduction of the euro in the Republic of Lithuania, submission of specific proposals on elimination of these threats and coordination of the activities of competitive authorities in this area.

103. The Bank of Lithuania through various information dissemination channels will inform the public and/or individual target groups about denominations of euro banknotes and coins, banknote security characteristics, terms and conditions for litas exchange to euro.

104. In order to ensure that the public and cash handlers were adequately informed about the single currency of the European Union, the euro, and to envisage the preventive measures against euro money counterfeit, the Bank of Lithuania, taking into consideration the number of cash handlers who need to be trained, the demand for their knowledge, work experience and educational background, will prepare and arrange cash handlers training on peculiarities and characteristics of euro banknotes and coins. It is also envisaged to organise practical training sessions for people with visual impairment in order to help them develop a sensory memory for the new currency.

105. The Bank of Lithuania will create conditions for acquiring euro coin starter kits by the public, economic entities at least one month before the euro adoption date.

XI. PUBLIC INFORMATION

106. Public information about the envisaged adoption of the euro is carried out in accordance with the Strategy. The Strategy establishes the principles of public information on the adoption of the euro, responsible public authorities and institutions that in co-operation with the partners will inform the public about the single currency of the European Union, the euro, and the preparedness of the Republic of Lithuania for the changeover. The Strategy provides for the stages of the public information about the euro introduction, the key information directions, target information groups and information disseminators.

107. In implementing the Strategy the following targets are pursued: to ensure that the population of Lithuania is informed about the introduction of the euro in the country in a clear, objective, accurate, timely and relevant manner; to raise the population's level of awareness of the future currency of Lithuania, the euro, and to reduce fears and anxiety associated with the introduction of the euro; to get ready the population of Lithuania for the adoption of the euro by keeping them fully informed about practical preparations for the introduction of the euro. In implementing the goals and objectives of the Strategy, the responsible authorities coordinate mutual actions. To contact the target groups falling within their competence, the responsible authorities use all the accessible information dissemination channels and methods.
