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Third Evaluation Round

Second Compliance Report on Lithuania

"Incriminations (ETS 173 and 191, GPC 2)"

"Transparency of Party Funding"

Adopted by GRECO
at its 60th Plenary Meeting
(Strasbourg, 17-21 June 2013)

I. INTRODUCTION

1. The Second Compliance Report assesses further measures taken by the authorities of Lithuania since the adoption of the Compliance Report in respect of the recommendations issued by GRECO in its Third Round Evaluation Report on Lithuania. It is recalled that the Third Evaluation Round covers two distinct themes, namely:
 - **Theme I – Incriminations:** Articles 1a and 1b, 2-12, 15-17, 19 paragraph 1 of the Criminal Law Convention on Corruption (ETS 173), Articles 1-6 of its Additional Protocol (ETS 191) and Guiding Principle 2 (criminalisation of corruption).
 - **Theme II – Transparency of party funding:** Articles 8, 11, 12, 13b, 14 and 16 of Recommendation Rec(2003)4 on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns, and - more generally - Guiding Principle 15 (financing of political parties and election campaigns).
2. The Third Round Evaluation Report was adopted at GRECO's 43rd Plenary Meeting (2 July 2009) and made public on 17 February 2010, following authorisation by Lithuania (Greco Eval III Rep (2008) 10E, [Theme I](#) and [Theme II](#)). The subsequent Compliance Report was adopted at GRECO's 51st Plenary Meeting (23-27 May 2011) and was made public on 27 May 2011, following authorisation by Lithuania ([Greco RC-III \(2011\) 7E](#)).
3. As required by GRECO's Rules of Procedure, the Lithuanian authorities submitted their Second Situation Report with additional information regarding the actions taken to implement those recommendations that were considered partly implemented or not implemented according to the Compliance Report. This report was received on 31 October 2012 and served as a basis for the Second Compliance Report.
4. GRECO selected “the former Yugoslav Republic of Macedonia” and Portugal to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed for the Second Compliance Report were Ms Aneta ARNAUDOVSKA on behalf of “the former Yugoslav Republic of Macedonia” and Mr Daniel PIRES on behalf of Portugal. They were assisted by GRECO's Secretariat in drawing up the Compliance Report.

II. ANALYSIS

Theme I: Incriminations

5. It is recalled that GRECO addressed 9 recommendations to Lithuania in respect of Theme I in its Evaluation Report. In the subsequent Compliance Report, recommendations i, vii and viii were considered implemented satisfactorily or dealt with in a satisfactory manner. The remaining recommendations (recommendations ii, iii, iv, v, vi and ix), which were considered partly implemented as draft legislation addressing the issues concerned by these recommendations was underway, are dealt with below.
6. The authorities of Lithuania report that the draft law (no. XIP-2562) amending the Criminal Code (CC) – which was aimed at, *inter alia*, bringing the national legislation into compliance with GRECO recommendations ii to vii and ix, and which had been taken into account in the Compliance Report – has in the meantime been adopted by Parliament (with some linguistic and

technical clarifications, without amending the substance of the provisions as regards matter or content) and came into force on 5 July 2011.¹

Recommendation ii.

7. *GRECO recommended to extend the concept of bribe in the incriminations of bribery and trading in influence so as to cover clearly any form of benefit (whether material or immaterial and whether such benefits have an identifiable market value or not), in line with the concept of “any (undue) advantage” used in the Criminal Law Convention on Corruption (ETS 173).*
8. GRECO recalls that in the Compliance Report, the recommendation was considered partly implemented as draft amendments to article 230, paragraph 4 CC – yet-to-be-adopted – had been presented, according to which that provision included a definition of the concept of bribe covering any form of benefit, whether material or immaterial.
9. The authorities now report that the above amendments to article 230, paragraph 4 CC have been adopted and entered into force on 5 July 2011. Both the bribery provisions of articles 225 and 227 CC and the trading in influence provisions of article 226 CC refer to the concept of bribe as defined in the amended article 230, paragraph 4 CC. Article 230 CC in its amended form reads as follows.

Article 230 CC: Interpretation of Concepts

1. For the purposes of this Chapter, public servants shall mean State politicians, State officials, judges, public servants specified in the Law on Public Service and other persons who, while working at State or, on other grounds provided for by law, holding positions at State or municipal institutions or agencies, perform the functions of a government representative or hold administrative powers, also official candidates for such office.

2. A person holding appropriate powers at a foreign State or European Union institution or organisation, an international public organisation or at an international or European Union judicial institutions, also official candidates for such office shall be held equivalent to a public servant.

3. Moreover, a person who works or, on other grounds provided for by law, holds a position at any public or private legal entity or organisation, or engages in professional activities and holds appropriate administrative powers, or has the right to act on behalf of this legal entity or organisation, or provides public services, as well as an arbitrator or a juror shall also be held equivalent to a public servant.

4. For the purposes of this Chapter, a bribe shall mean any unlawful or undue advantage in the form of any property or other personal benefit (whether material or immaterial, of an identifiable market value or without such value) intended for a public servant or a person of equivalent status or a third person for a desired legal or illegal act or omission in the discharge of powers of a public servant or a person of equivalent status.

10. GRECO welcomes the amendment to article 230, paragraph 4 CC, which expressly defines the concept of a bribe as employed in the incriminations of bribery and trading in influence so as to

¹ Cf. Law Amending and Supplementing Articles 7, 42, 67, 68, 74, 123-1, 125, 126, 134, 142, 144, 176, 177, 204, 205, 210, 211, 213, 220, 223, 225, 226, 227, 228, 228-1, 229, 230, 253-1, 255, 257, 263, 268, 278, 281, 297, 308-1 of the Criminal Code of the Republic of Lithuania, Supplementing the Code with Articles 68-1, 68-and Invalidating Articles 44, 45 thereof (Official Gazette, 2011, No 81-3959).

cover clearly any form of benefit, in line with the concept of “any (undue) advantage” used in the Criminal Law Convention on Corruption.

11. GRECO concludes that recommendation ii has been implemented satisfactorily.

Recommendation iii.

12. *GRECO recommended making it clear for everyone that instances in which the advantage is not intended for the bribe-taker him/herself but for a third party are covered by the provisions on active bribery under Article 227 of the Criminal Code.*
13. GRECO recalls that according to the Compliance Report, the draft amendments to the CC introduced an explicit reference to third party beneficiaries in the provisions on active bribery (draft article 227, paragraph 1 CC).² However, as the draft had not yet been adopted, the recommendation was considered as only partly implemented.
14. The authorities now indicate that the above amendments have been adopted and have entered into force. The amended article 227 CC reads as follows.

Article 227 CC: Graft

1. *A person who, whether directly or indirectly, offers, promises or agreed to give, or gives a bribe to a public servant or a person equivalent thereto or to a third party for a desired lawful act or inaction of a public servant or a person equivalent thereto in exercising his/her powers or to an intermediary seeking to achieve the same results shall be punished by a fine or restriction of liberty or by detention or by imprisonment for a term of up to four years.*

2. *A person who commits the actions provided for in paragraph 1 of this article by seeking an unlawful act or inaction by a public servant to be bribed or a person equivalent thereto in exercising his powers shall be punished by a fine or detention or imprisonment for a term of up to five years.*

3. *A person who commits the actions provided for in paragraph 1 or 2 of this article by offering, promising, agreeing to give or giving a bribe in the amount more than 250 MSL³ shall be punished by imprisonment for a term of up to seven years.*

4. *A person who commits the actions provided for in paragraph 1 or 2 of this article by offering, promising, agreeing to give or giving a bribe in the amount less than 1 MSL shall be considered to have committed a misdemeanour and shall be punished by a fine or restriction of liberty, or by detention.*

5. *A person shall be released from criminal liability for grafting where s/he was demanded or provoked to give a bribe and s/he, upon offering, promising to give or giving the bribe as soon as possible, but in any case before being recognized as a suspect, notifies a law enforcement institution thereof or also in cases where s/he promises to give or gives the bribe with the law enforcement institution being aware thereof.*

6. *A legal entity shall also be held liable for the acts provided for in paragraphs 1, 2, 3 and 4 of this article.*

² The provisions on passive bribery of article 225 CC already included such an explicit reference to third party beneficiaries at the time of adoption of the Evaluation Report.

³ Minimum Subsistence Level (130 LTL/37.60 EUR).

15. GRECO welcomes the amendments to article 227 CC and concludes that recommendation iii has been implemented satisfactorily.

Recommendation iv.

16. *GRECO recommended to incriminate trading in influence in line with Article 12 of the Criminal Law Convention on Corruption (ETS 173).*

17. GRECO recalls that according to the Compliance Report, the draft amendments to the CC included amended provisions on trading in influence, according to which, in particular,

1) active trading in influence would become a criminal offence (new paragraph 1 of article 226 CC);

2) the different forms of passive trading in influence would be specified, namely the promising or agreeing to take a bribe, demanding or provoking to give, or taking a bribe (article 226, paragraph 2 CC);

3) it would be made clear that it is immaterial whether the asserted influence is real or not, whether it is exerted or not and whether it leads to the intended result or not (article 226, paragraph 1 CC: “any person who, seeking that another person, by using ... or any other kind of probable influence ..., exerts influence”; and paragraph 2: “any person who, by using ... or any other kind of possible influence”); and

4) the indirect commission of the offence and the concept of third party beneficiaries would be introduced.

GRECO considered that the new provisions, if adopted, would appear to be in compliance with the requirements of Article 12 of the Criminal Law Convention on Corruption and concluded that the recommendation was partly implemented.

18. The authorities now state that in the framework of the legal reform, the provisions of article 226 CC on trading in influence have been completely revised, as described above. The amended article 226 CC reads as follows.

Article 226 CC: Trading in Influence

1. Any person who, seeking that another person, by using his/her social position, office, powers, family relations, acquaintances or any other kind of possible influence on a State or municipal institution or agency, an international public organisation, their servant or a person of equivalent status, exerts influence on the appropriate institution, agency or organisation, the public servant or the person of equivalent status so that they act or refrain from acting legally or illegally in the exercise of their powers, offers, promises or agrees to give or gives a bribe to such person or a third person directly or indirectly, shall be punished by restriction of liberty or a fine, or detention, or imprisonment for a term of up to 4 years.

2. Any person who, by using his/her social position, office, powers, family relations, acquaintances or any other kind of possible influence on a State or municipal institution or agency, an international public organisation, their servant or a person of equivalent status, promises or agrees to take a bribe, demands or provokes to give, or takes a bribe, directly or indirectly for his/her own benefit or for the benefit of other persons, by promising to exert influence on the appropriate institution, agency or organisation, the public servant or the person of equivalent status so that they act or refrain from acting legally or illegally in the exercise of their powers, shall be punished by a fine or detention, or imprisonment for a term of up to 5 years.

3. Any person who commits the acts specified in paragraph 1 of this article by offering, promising or agreeing to give or giving a bribe in the amount exceeding 250 MSL, shall be punished by imprisonment for a term of up to 7 years.

4. Any person who commits the acts specified in paragraph 2 of this article by promising or agreeing to take, demanding or provoking to give or taking a bribe in the amount exceeding 250 MSL, shall be punished by deprivation of liberty from 2 to 8 years.

5. Any person who commits the acts specified in paragraphs 1 or 2 of this article by offering or agreeing to give or by giving, promising or agreeing to take, demanding or provoking to give or taking a bribe in the amount less than 1 MSL, commits a misdemeanour, and shall be punished by restriction of liberty or a fine, or detention.

6. A person may be released from criminal liability for the acts provided for in paragraphs 1, 3 or 5 of this article, if s/he is extorted or provoked to give a bribe and s/he, after offering, promising, agreeing or giving the bribe, voluntarily reports it to an appropriate law enforcement institution before s/he is recognised a suspect, or if a bribe is promised, agreed or given by him/her with the knowledge of an appropriate law enforcement institution.

7. A legal person shall also be held liable for the acts provided for in paragraphs 1, 2, 3, 4 and 5 of this article.

19. GRECO is pleased that the amended provisions on trading in influence, which take into account the various aspects raised in the Evaluation Report, have been adopted and concludes that recommendation iv has been implemented satisfactorily.

Recommendation v.

20. *GRECO recommended to ensure that active and passive bribery of domestic and foreign arbitrators and jurors is criminalised in accordance with Articles 2 to 6 of the Additional Protocol to the Criminal Law Convention on Corruption (ETS 191) and to sign and ratify this instrument as soon as possible.*
21. GRECO recalls that the draft amendments to the CC foresaw changes to the definition of the concept of a “public servant or person of equivalent status” (article 230 CC) used, *inter alia*, in the bribery provisions, in order to align it with the provisions of the legislation on public service and public administration. In particular, “arbitrators” and “jury members” were explicitly included in article 230, paragraph 3 CC and the authorities explained that this provision also captured foreign jurors and arbitrators. Moreover, Lithuania had signed – but not yet ratified – the Additional Protocol to the Criminal Law Convention on Corruption. GRECO concluded, in the Compliance Report, that the recommendation was partly implemented but could be considered as fully implemented once the above draft amendments to section 230 CC were adopted and the Additional Protocol to the Criminal Law Convention was ratified.
22. The authorities now indicate that the above-mentioned amendments to article 230, paragraph 3 CC have been adopted and entered into force (see the amended provision quoted above, under recommendation ii). Furthermore, on 21 June 2012, Parliament ratified the Additional Protocol to the Criminal Law Convention on Corruption by the Law on the Ratification of Additional Protocol to the Criminal Law Convention No. XI-2113,⁴ which came into force on 4 July 2012.

⁴ Official Gazette, 2012, No 78-4034.

23. GRECO takes note of the information provided, according to which bribery of jurors and arbitrators has been explicitly criminalised and the Additional Protocol to the Criminal Law Convention on Corruption has been ratified, and it concludes that recommendation v has been implemented satisfactorily.

Recommendation vi.

24. *GRECO recommended to review the sanctions applicable to bribery and trading in influence in order to increase their consistency as well as the level of penalties applicable (especially to active bribery and trading in influence / bribery of intermediaries), and to ensure they are effective, proportionate and dissuasive.*
25. GRECO recalls that the draft amendments to the CC included a complete overhaul of the sanctions available for offences of active (“graft”) and passive bribery and trading in influence. The draft changes were aimed at increasing the sanctions available and making the system of sanctions in this area more consistent – in particular as regards the sanctions applicable to active bribery and trading in influence, as specifically requested by the recommendation. According to the draft, the maximum prison terms were increased to five years for passive bribery (eight years in the most aggravated cases), four years for active bribery (seven years in the most aggravated cases), five years for passive trading in influence (eight years in aggravated cases) and four years for active trading in influence (seven years in aggravated cases). As a result of the strengthening of the sanctions, some of the qualified corruption offences were included in the category of serious offences⁵ which translates into an extension, *inter alia*, of the statute of limitation (article 95 CC) and of the time limit for the expiry of the criminal record (article 97 CC) and eliminates the possibility of releasing the offender from criminal liability under articles 38 or 40 CC. In addition, it was foreseen, for certain corruption offences, to introduce the possibility of imposing a fine or detention as an alternative to imprisonment, in order to enable the courts to apply sanctions which are proportionate to the gravity of the acts committed. Finally, GRECO recalls that the maximum fines available for corruption offences by way of the separate law (no. XI-1350) amending section 47 CC, in force since 28 April 2011, had already been increased (to 1,500 MSL, i.e. 195,000 LTL/56,476 EUR for the most serious corruption offences, as compared to 11,400 EUR under the previous regime). However, as the above-mentioned draft amendments to the CC had not yet been adopted, compliance with the recommendation was still only partial.
26. The authorities now report that the above-mentioned amendments to the CC have been adopted without any changes and have entered into force. The increased maximum prison terms for corruption-related offences, as described above, are contained in the amended articles 227 CC (see above under recommendation iii), 226 CC (see above under recommendation iv) and 225 CC, the latter of which reads as follows.

Article 225 CC: Bribery

1. A civil servant or a person equivalent thereto who, for own benefit or for the benefit of other persons, directly or indirectly promises or agrees to accept a bribe, or accepts a bribe or demands or provokes giving it for a lawful act or inaction in exercising his powers shall be punished by fine or detention, or by imprisonment for a term of up to five years.

⁵ E.g. article 225, paragraphs 2 and 3 CC, article 226, paragraphs 3 and 4 CC, article 227, paragraph 3 CC in their amended form.

2. A civil servant or a person equivalent thereto who, for own benefit or for the benefit of other persons, directly or indirectly accepts, promises or agrees to accept a bribe, demands or provokes giving it for an unlawful act or inaction in exercising his/her powers shall be punished by fine or by imprisonment for a term of up to seven years.

3. A civil servant or a person equivalent thereto who, for own benefit or for the benefit of other persons, directly or indirectly promises or agrees to accept, or demands or provokes giving it, or accepts a bribe in the amount exceeding 250 MSLs, for a lawful or unlawful act or inaction in exercising his/her powers shall be punished by imprisonment for a term of two up to eight years.

4. A civil servant or a person equivalent thereto who, for own benefit or for the benefit of other persons, directly or indirectly promises or agrees to accept, or demands or provokes giving it, or accepts a bribe in the amount less than 1 MSLs, for a lawful or unlawful act or inaction in exercising his/her powers shall be considered to have committed a misdemeanour and shall be punished by a fine or detention.

5. A legal entity shall also be held liable for the acts provided for in this article.

27. GRECO notes that the significant reforms concerning the regime of sanctions applicable to corruption offences, which were underway at the time of adoption of the Compliance Report, have now been completed. GRECO very much hopes that the amendments reported will prove their efficiency in practice.

28. GRECO concludes that recommendation vi has been implemented satisfactorily.

Recommendation ix.

29. *GRECO recommended (i) to ensure that Lithuania has jurisdiction in respect of bribery and trading in influence offences where the offence is committed in whole or in part in its territory, and in all situations where the offence involves one of its public officials or any other person referred to in Article 17 paragraph 1 subparagraph c of the Criminal Law Convention on Corruption; (ii) to abolish the dual criminality requirement for the prosecution of bribery and trading in influence offences committed abroad by its nationals, public officials or members of domestic public assemblies.*

30. GRECO recalls that the draft amendments to the CC foresaw an extension of the rules on criminal liability for crimes provided for in international treaties to offences of active ("graft") and passive bribery and trading in influence, under article 7 CC. The authorities had explained that article 7 CC was to be understood in the national context and it was therefore irrelevant whether the international treaty itself required universal jurisdiction or not. The amendments were based on hearings of the Parliamentary Committee on Legal Affairs, which came to the conclusion that the only possible way to implement the recommendation would be to supplement section 7 CC in the manner described above. GRECO concluded that the recommendation was partly implemented but could be considered as fully implemented once the above draft amendments to section 7 CC were adopted.

31. The authorities now report that the above amendments to article 7 CC have been adopted and have entered into force, see the new items 6, 7 and 8 under article 7 CC. The amended article 7 CC reads as follows.

Article 7 CC: Criminal Liability for the Crimes Provided for in International Treaties

Persons shall be liable under this Code regardless of their citizenship and place of residence, also of the place of commission of a crime and whether the act committed is subject to punishment under laws of the place of commission of the crime where they commit the following crimes subject to liability under treaties:

- 1) crimes against humanity and war crimes (articles 99-1131);*
- 2) trafficking in human beings (article 147);*
- 3) purchase or sale of a child (article 157);*
- 4) production, storage or handling of counterfeit currency or securities (article 213);*
- 5) money or property laundering (article 216);*
- 6) bribery (article 225)*
- 7) trading in influence (article 226)*
- 8) graft (article 227)*
- 9) act of terrorism (article 250);*
- 10) hijacking of an aircraft, ship or fixed platform on a continental shelf (article 251);*
- 11) hostage taking (article 252);*
- 12) unlawful handling of nuclear or radioactive materials or other sources of ionising radiation (articles 256, 256(1) and 257);*
- 13) the crimes related to possession of narcotic or psychotropic, toxic or highly active substances (articles 259-269);*
- 14) crimes against the environment (articles 270, 270(1), 271, 272, 274).*

32. GRECO takes note of the information provided according to which legislation submitting the offences of bribery and trading in influence to the rules of section 7 CC on criminal liability for crimes provided for in international treaties – which has been specifically designed to respond to the requirements of the recommendation – is now in force and concludes that recommendation ix has been implemented satisfactorily.

Theme II: Transparency of Party Funding

33. It is recalled that GRECO in its Evaluation Report addressed 12 recommendations to Lithuania in respect of Theme II. The Compliance Report concluded that recommendations i, iii, iv, v, vi, vii, viii, ix and x had been implemented satisfactorily. Recommendations ii, xi and xii were considered partly implemented; compliance with these recommendations is dealt with below.

Recommendation ii.

34. *GRECO recommended (i) to provide for criteria defining the scope of the annual consolidated accounts of political parties (as well as those concerning elections) that would clearly take into account the structures and activities related directly or indirectly to political parties or which are otherwise under their control, including movements of assets involving the various components and entities; (ii) to introduce rules that would address the activity of third parties.*
35. GRECO recalls that the recommendation was found to be partly implemented. In particular, GRECO was satisfied with the measures taken with regard to the second part of the recommendation, namely the introduction of several new provisions aimed at reducing the possibilities for abuse of third party campaign financing, including the explicit prohibition of such financing. With respect to the first part of the recommendation, GRECO noted that the accounting rules applicable to the financing of political parties and election campaigns had been further

developed and specified, *inter alia*, by the PF Law⁶ and several decisions by the CEC. However, it appeared that these regulations did not clearly take into account the structures and activities related indirectly to political parties or which are otherwise under their control, as required by the recommendation.

36. With respect to the first part of the recommendation, the authorities now report that the PF Law has been further amended to prohibit the funding of political parties and election campaigns by legal persons. According to the amendments, which came into force on 1 January 2012,⁷ section 7 of the PF Law includes an exhaustive list of permitted funding sources which excludes contributions by legal persons.
37. Furthermore, the authorities stress again that in addition to the specific requirements on financial statements of political parties under the PF Law, the requirements applicable to the financial accounting of other legal entities – in particular, on the basis of the Law on Accounting and of the Rules on Accounting of Non-Profit Limited Liability Legal Entities, Compilation and Submission of Financial Statements approved by Order No 1L-372 of 22 November 2004 of the Minister of Finance – are to be taken into account. Paragraph 160 of those rules specifies that "if legal entities have any branches according to the laws regulating their activities, the accounting information of the branch necessary for completing financial statements of the legal entity shall be submitted under the procedure specified by the legal entity". According to the authorities, it follows that accounting information of the divisions and branches of a political party has to be included in the financial statements of the party. The authorities add that by Decision No. Sp-12 of 7 February 2012, the Central Electoral Commission (CEC) approved Recommendations on the Submission of a Set of Financial Statements and Annexes thereto of Political Parties,⁸ according to which political parties should indicate in the notes the legal entities directly or indirectly associated with or otherwise controlled by the party, as well as the legal entities of which the founder (or one of the founders) is the party.
38. GRECO takes note of the information provided with regard to the first part of the recommendation, which indicates that accounting information of divisions and branches has to be included in the financial statements of a legal entity (including a political party) and that the funding of political parties and election campaigns by legal persons has been prohibited. GRECO considers that the new rules address the concerns underlying the recommendation, namely the lack of transparency in the funding of political parties through their sub-structures and through external entities which are indirectly related to them.
39. GRECO concludes that recommendation ii has been implemented satisfactorily.

Recommendation xi.

40. *GRECO recommended i) to increase the level of administrative fines for infringements in the area of transparency of party and campaign funding and to provide for the possibility to disqualify persons found guilty of such infringements from holding an elected office; ii) to introduce wider possibilities for suspending the State grant to political parties.*

⁶ Law no. XI-813 amending the Law on Financing and Financial Control of Political Parties and Political Campaigns (hereinafter referred to as the "PF Law"), which was adopted on 18 May 2010 and entered into force on 31 May 2010.

⁷ See Law No. XI-1777 amending sections 2, 7, 8, 10, 11, 12, 14, 20, 22, 23, 25, 27, 28 and invalidating section 16 of the Law on Financing and Financial Control of Political Parties and Political Campaigns (Official Gazette 2011, No. 153-7205).

⁸ Available online in Lithuanian: http://www3.lrs.lt/pls/inter/dokpaieska.showdoc_l?p_id=418074&p_query=&p_tr2=2.

41. GRECO recalls that in the Compliance Report, the recommendation was considered partly implemented. In particular, GRECO welcomed the fact that the suspension of the State grant to political parties had been extended under the new PF Law, both as regards the period of suspension and the scope of its application. This step was assessed as sufficient to meet the requirements of the second part of the recommendation. With respect to the first part of the recommendation, GRECO noted, *inter alia*, that draft legislation designed to increase the minimum fine for certain violations in the area of transparency of party and campaign financing could soon be expected, and it called for legal amendments to increase the level of administrative fines and to provide for the possibility to disqualify persons from holding an elected office.
42. With respect to the first part of the recommendation, the authorities now report that the Ministry of Justice has prepared a Draft Code of Administrative Infringements (CAI) (No. XIP-3600), which was submitted to Parliament by Resolution No. 1075 of the Government of the Republic of Lithuania of 14 September 2011⁹ and which provides for an increase in the level of administrative fines for violations in the area of transparency of party and campaign financing. *Inter alia*, the level of the minimum administrative fine for certain violations in this area¹⁰ would, according to the draft, increase from 100 LTL to 500 LTL (approximately 145 EUR). Regarding the possibility to disqualify persons found guilty of such violations from holding an elected office, which was also required by the recommendation, the authorities explain that to a certain extent such a possibility is already provided by the Constitution and the election laws, which provide for a limited number of circumstances that would prevent Lithuanian citizens from standing for or holding an elected office. In particular, if an MP has committed infringements of law and his/her mandate has, as a result, been revoked by Parliament in accordance with impeachment proceedings, s/he is no longer eligible for Parliament or able to hold a seat.¹¹ Furthermore, a citizen who is not eligible for Parliament cannot be elected President of the Republic.¹² By contrast, article 119 of the Constitution which regulates the election of members of municipal councils does not foresee such a restriction. The authorities state that the introduction of the possibility to disqualify persons found guilty of infringements in the area of transparency of party and campaign financing from holding the office of member of a municipal council would therefore be contrary to the Constitution.
43. GRECO acknowledges that draft legislation which is designed to increase the level of administrative fines for violations in the area of transparency of party and campaign financing has been submitted to Parliament. GRECO invites the authorities to make every effort to have the draft legislation adopted, as soon as possible. As concerns the possibility to disqualify persons found guilty of such violations from holding an elected office, GRECO accepts the explanations provided, according to which current legislation already foresees such a possibility, to the extent permitted under the Constitution.
44. GRECO concludes that recommendation xi remains partly implemented.

⁹ Official Gazette, 2011, No. 115 -5409,

¹⁰ E.g. infringements of the accounting of donations to political parties, committed by the person responsible for the accounting of the party or its chairperson (article 539, paragraph 1 of the Draft CAI), or infringements of the accounting procedure concerning donations received for a political campaign (article 87, paragraph 1 of the Draft CAI).

¹¹ Cf. article 53 of the Constitution.

¹² Cf. article 78 of the Constitution and section 2 of the Law on Presidential Elections.

Recommendation xii.

45. *GRECO recommended to extend the statute of limitation applicable to violations of the law of 2004 on Financing and Financial Control of Political Parties and Political Campaigns, including related violations under other relevant laws.*
46. GRECO recalls that according to the Compliance Report, the general statute of limitation applicable to criminal offences had been extended and draft amendments of the Code of Administrative Law Violations foresaw an extension of the statute of limitation applicable to certain violations of party and campaign funding regulations. As the draft amendments had not yet been adopted, the recommendation was considered only partly implemented.
47. The authorities now indicate that the above-mentioned amendments were adopted on 21 June 2011. More precisely, the Law Amending Article 35 of the Code of Administrative Law Violations¹³ sets forth that an administrative penalty for violations provided for in articles 207 (10) (Violation of the Procedure of Funding of Political Campaigns) and 207 (12) (Violation of the Procedure of Funding of Political Parties) of the Code of Administrative Law Violations may be imposed no later than six months after the day of detection of the violation, provided that not more than one year has elapsed between the day on which the violation was committed and the day on which it was detected. According to the authorities, this amendment makes it possible to impose administrative liability on persons for the acts provided for in articles 207 (10) and 207 (12) of the Code of Administrative Law Violations even in the cases where there is a pending investigation regarding the violation which continues longer than six months, when it is impossible to ascertain administrative law violations due to financial statements not having been provided in time.
48. GRECO takes note of the information provided, according to which amendments to the Code of Administrative Law Violations have been adopted, which extend the statute of limitation applicable to certain violations of party and campaign funding regulations, and concludes that recommendation xii has been implemented satisfactorily.

III. CONCLUSIONS

49. **In view of the conclusions contained in the Third Round Compliance Report on Lithuania and in light of the above, GRECO concludes that Lithuania has now implemented satisfactorily or dealt with in a satisfactory manner in total twenty of the twenty-one recommendations contained in the Third Round Evaluation Report.** With respect to Theme I – Incriminations, recommendations ii, iii, iv, v, vi and ix have been implemented satisfactorily. With respect to Theme II – Transparency of Party Funding, recommendations ii and xii have been implemented satisfactorily; recommendation xi remains partly implemented.
50. As regards incriminations, Lithuania has shown remarkable progress since the adoption of the Evaluation Report. GRECO is pleased that the comprehensive reform process, already welcomed in the Compliance Report, has been completed by Lithuania through the enactment of significant amendments to the Criminal Code. GRECO is pleased that all the recommendations issued in the Evaluation Report have now been implemented. The most recent amendments to the criminal law include notably such important issues as clarification of the concepts of “bribe” and of “third party beneficiaries”, criminalisation of active trading in influence, coverage of jurors and arbitrators by bribery law, review of the system of sanctions and jurisdiction over bribery and trading in

¹³ Official Gazette, 2011, No. 81-3964.

influence offences committed abroad. GRECO very much hopes that these amendments will prove their efficiency in practice.

51. Insofar as transparency of party funding is concerned, GRECO welcomes the further measures initiated which complement the substantial amendments to the Law on Financing and Financial Control of Political Parties and Political Campaigns of 2010, with a view to complying with the outstanding recommendations. In particular, the law has been further amended to prohibit the funding of political parties and election campaigns by legal persons. Moreover, draft legislation designed to increase the minimum fine for violations in the area of transparency of party and campaign financing has been submitted to Parliament, and the statute of limitation applicable to such violations has already been extended. GRECO invites the authorities to make every effort to have the above-mentioned draft legislation adopted, as soon as possible.
52. The adoption of the Second Compliance Report terminates the Third Round compliance procedure in respect of Lithuania.
53. GRECO invites the authorities of Lithuania to authorise, as soon as possible, the publication of the report, to translate the report into the national language and to make this translation public.