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LAWS AND REGULATIONS OF THE REPUBLIC OF LITHUANIA

AVIATION

Order on Approval of Categories of Civil Aircraft, Flight Suitability Certificates, Limited Validity Flight Suitability Certificates and Flight Permits Issued

On 6 August 2004 the Director of the Administration of Civil Aviation by his Order on Approval of Categories of Civil Aircraft, Flight Suitability Certificates, Limited Validity Flight Suitability Certificates and Flight Permits (state gazette *Valstybės žinios*, 2004, No. 126-4552) established categories of civil aircraft (commercial, for special aviation work, of general purpose, corporate), also established that Flight Suitability Certificates shall be issued under the Convention of 7 December 1944 on International Civil Aviation and Regulation (EC) No. 1592/2002 of the European Parliament and the Council on common rules in the field of civil aviation and establishing a European Aviation Safety Agency. Such Flight Suitability Certificates shall be issued after the above-mentioned categories of civil aircraft fulfil 4 mandatory conditions: 1) aircraft must meet flight suitability requirements set in Annex I to the said Regulation; 2) it must be proved that the aircraft is of that construction type as approved in its type certificate, and relevant documents, examinations and tests must prove that the aircraft condition makes it suitable for safe use; 3) the aircraft must have a certificate of flight suitability periodic checking issued to it; 4) the type certificate issued to the aircraft, including additional type certificates, and their certification specifications must meet requirements set in Article 15 of the Regulation "Certification of Flight Suitability and Environmental Protection".

ELECTRONIC COMMUNICATIONS

New Wording of the Regulations of the Communications Regulation Agency Approved

On 19 August 2004 the Government of the Republic of Lithuania approved a new wording of the Regulations of the Communications Regulation Agency (state gazette *Valstybės žinios*, 2004, No. 131-4734). The Regulations define the purpose of the Communications Regulation Agency - ensuring efficient competition in the markets of electronic communications, efficient use of electronic communication resources, protection of rights of users of electronic communications, post and courier services. In order to implement the above-mentioned purpose, the list of the Agency's functions was supplemented - the Agency *inter alia* is to implement Regulation (EC) No. 874/2004 of the European Commission of 28 April 2004 which sets public

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rules for installation and functions of the supreme level domain .eu and requirements applicable to registration. The list of members of the Council of the Communications Regulation Agency was expanded to include 7 members instead of 5.

ACTIVITIES OF FINANCIAL INSTITUTIONS

Law of the Republic of Lithuania on Additional Supervision over Entities Forming a Financial Conglomerate Adopted

On 15 July 2004 the Parliament adopted Law No. IX-2387 of the Republic of Lithuania on Additional Supervision over Entities Forming a Financial Conglomerate (state gazette *Valstybės žinios*, 2004, No. 120-4433) which came into effect on 11 August 2004 and will be applicable to supervision over accounts for financial years starting on January 1, 2005 and later. The purpose of the law is to determine additional supervision requirements for credit institutions, insurance companies and brokerages forming a financial conglomerate. The law *inter alia* determines the criteria of what a financial conglomerate is, the object and means of application of additional supervision, activity risk limiting requirements for entities to which additional supervision is applicable under the law, criteria for determining a co-ordinator in charge of co-ordination and performance of additional supervision, functions of the co-ordinator and a duty of competent authorities to co-operate with the co-ordinator, regulates issues of receipt and checking of information and application of means of impact.

CONSTRUCTION LAW

Construction Technical Regulation STR 2.02.01:2004 "Residential Buildings" Approved

On 14 July 2004 the Minister of Environment of the Republic of Lithuania by his Order No. D1-384 amended Construction Technical Regulation STR 2.02.01:2004 "Residential Buildings" approved on 24 December 2003 (state gazette *Valstybės žinios*, 2004, No. 116-4347). The amendment determines that new residential houses may be built on land plots of not less than 400 square meters. This provision is applicable in cases when new land plots are formed for construction of residential houses. Besides, it is determined that a residential house and objects appurtenant to it may be built at least 3 meters away from the red lines of streets, except for cases when zoning documents provide for a shorter distance. The minimal distance from a separately built residential house and objects appurtenant to it to the boundary of a neighbouring land plot also must be at least 3 meters. The minimal distance from laid engineering systems to the boundary of a neighbouring land plot must be at least 1 meter. The amendment also consolidates the rule that when distance from buildings to the boundary of a neighbouring land plot is reduced or when buildings in neighbouring land plots are blocked, fire safety requirements must be observed and a written consent of the owner of such neighbouring land plot must be obtained, save for cases when blocking of buildings was provided for in approved zoning documents. When reducing the distance from laid

engineering systems to the boundary of a neighbouring land plot, a written consent of the owner of such neighbouring land plot is also required.

SECURITIES MARKET

Rules for Keeping Personal Securities Accounts of Shareholders of Close Stock Companies - Owners of Incorporeal Shares and for Registration of Owners of Corporeal Shares in Close Stock Companies Adopted

On 23 August 2004 the Government of the Republic of Lithuania by its Resolution No. 1041 adopted the Rules for Keeping Personal Securities Accounts of Shareholders of Close Stock Companies - Owners of Incorporeal Shares and for Registration of Owners of Corporeal Shares in Close Stock Companies (state gazette *Valstybės žinios*, 2004, No. 132-4761).

These rules replaced the Procedure of Share Accounting in Close Stock Companies approved on 31 October 2001 by Order No. 328 of the Minister of Economy of the Republic of Lithuania, as in effect until now.

The rules introduce certain changes in the procedure of keeping securities accounts and registration of shareholders, as in effect until now, which changes are related to the new wording of the Law of the Republic of Lithuania on Stock Companies that came into effect on 1 January 2004 and amendments to other laws and regulations of the Republic of Lithuania.

The rules set additional requirements for the content of incorporeal securities accounts: the accounts must specify the register which collects and keeps data about a relevant company, the VAT payer identification number (if the company is a payer of this tax).

The rules also determine that other information about the shareholder (telephone, fax number, e-mail address, etc.) can be indicated in the securities account or in the shareholder registration book only if the shareholder consents to this. Please also note that the forms of share accounting documents, as annexed to the rules, are no longer called exemplary, therefore it is recommended to observe these forms when making all share accounting documents and, if necessary, to add additional columns to it.

Rules for Trading in the National Stock Exchange Amended

On 19 August 2004 the Securities Commission of the Republic of Lithuania by its Resolution No. 14 amended the Rules for Trading in the National Stock Exchange (state gazette *Valstybės žinios*, 2004, 131-4749). The amendments pertain to renaming the National Stock Exchange into Vilnius Stock Exchange.

EUROPEAN UNION LAW NEWS

Commission calling for 'a Partnership for Change'

Commission has issued the Communication 'Partnership for Change in an enlarged Europe - Enhancing the contribution of European social dialogue' (COM (2004) 557, 12/8/2004) where it has called for 'a Partnership for Change' involving more targeted effort, promoting awareness and understanding of the results of the European social dialogue and increasing capacity. Social dialogue, the negotiations and discussions between the social partners, employers and trade-unions organizations plays a pivotal role in the European society. The Commission's Communication urges the social partners to ensure that social dialogue leads to concrete results. It encourages them to raise awareness of their texts, calls for more transparency and effectiveness of the texts, urges following up on their progress and suggests harmonizing categories for their texts. The Commission would specifically like to see progress made by the social partners in the three main areas identified in the recent Employment Task Force report: improving labor force adaptability, investing in human capital and job quality, and attracting more people to the labor market.

Framework for Consultation on Solvency II

'The Framework for Consultation on Solvency II' provides a framework for the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) and other stakeholders in connection with the development of a new

solvency system (Solvency II) for life insurance, non-life insurance and reinsurance undertakings. The main focus of the Solvency II project is on capital requirements and supervisory review at the level of individual legal entity. However, issues related to insurance groups and financial conglomerates are also addressed, including the application for existing legislation (e.g. the Insurance Groups Directive (98/97/EC) and the Financial Conglomerates Directive (2002/87/EC)) and the application of internal model on a group or conglomerate context.

Online European Customs Inventory of Chemical Substances (ECICS) updated

http://europa.eu.int/comm/taxation_customs/dds/cgi-bin/eciquer?Periodic=0&Lang=EN

The European customs inventory of chemical substances (ECICS) was updated in August. It is a priceless tool for all persons concerned with chemicals in international trade, all over the world. It makes it possible to identify most of the internationally marketed chemicals in a non-equivocal manner, on customs and legal purposes.

It contains about 35.400 chemical names (ISO, INN, CI, IUPAC) for approximately 28.600 chemicals, in 11 languages, with the customs classification (Harmonized System and Combined Nomenclature) and the Chemical Abstracts Service Registry Number.

This legislative review is for information purposes only and does not reflect all aspects of legal regulation. For full legal advice please contact our law firm by phone: (85) 251 44 44, (85) 251 44 45.