

Lithuania

Transfer Pricing Country Profile¹

July 2025

		SUMMARY	REFERENCE
The Arm's Length Principle			
1	Does your domestic transfer pricing framework ² make reference to the arm's length principle?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>For the purpose of calculating taxable profits in accordance with the procedure laid down in the CIT Law and for the purpose of calculating taxable income in accordance with the procedure laid down in the ITI Law, entities and individuals must recognise:</p> <ul style="list-style-type: none">- the amount, which is in line with the actual market price of a transaction or economic operation as income from such transaction or economic operation; and- the total amount of costs incurred in a transaction or economic operation, which is in line with the actual market price of said transaction or economic operation as allowable deductions or limited allowable deductions. <p>Where the conditions created or prescribed by mutual transactions or economic operations between associated persons are other than those created or prescribed by a mutual transaction or economic operation between non-associated persons, any profit (income) that would be attributed, if no such conditions existed, to one of such</p>	<p>Article 40 of the Law on Corporate Income Tax (CIT Law)</p> <p>Article 15 of the Law on Income Tax of Individuals (ITI Law)</p> <p>Clause 3 of the Rules for Implementation of paragraph 2 of Article 40 of the Republic of Lithuania Law on Corporate Income Tax and paragraph 2 of Article 15 of the Republic of Lithuania Law on Personal Income Tax approved by the Minister of Finance of the Republic of Lithuania (hereinafter the Transfer Pricing (TP) Rules)</p>

¹ Information in transfer pricing country profiles is provided directly by jurisdictions. By publishing the transfer pricing country profiles on the OECD website, the OECD does not certify the accurateness of the information provided therein. Importantly, transfer pricing country profiles published on the OECD website are made available to stakeholders for information purposes only, and are not intended to be used in substitution to a jurisdiction's legal instruments, jurisprudence, or administrative guidance or practice nor relied on as an accurate and complete description of domestic law.

² For purposes of transfer pricing country profiles, the term "domestic transfer pricing framework" refers to a jurisdiction's domestic legislation, regulations, administrative guidance or practice, jurisprudence or governing general principles in the jurisdiction.

		<p>persons, but due to such conditions is not attributed to him, may be included in the income of that person and taxed accordingly.</p> <p>The “Arm’s Length Principle” shall mean the principle according to which the prices of the controlled transactions should not differ from the actual market price and the profits earned or the income received from the performance of the controlled transactions should not differ from the profits (income) that should be earned if the transaction was carried out at the actual market price. The arm’s length principle shall be based on comparison of the controlled transaction with the comparable transaction or transactions.</p>	
2	<p>Does your domestic transfer pricing framework give the OECD Transfer Pricing Guidelines any role or status (e.g. legal binding effect, subsidiary application in the absence of domestic legislation, source of interpretation of domestic legislation and/or treaty provisions, other)?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>The Lithuanian TP rules are mainly in-line with the OECD Transfer Pricing Guidelines (‘OECD TPG’). Moreover, Lithuanian TP Rules recommend the use of the OECD TPG insofar as the provisions do not contradict the provisions of the TP Rules.</p>	TP Rules
3	<p>Does your domestic transfer pricing framework provide for a definition of related parties applicable for transfer pricing purposes? If so, please provide the definition contained under your domestic transfer pricing framework.</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>The Arm’s Length Principle applies to associated parties. This concept encompasses both related parties and other associated entities (persons). Article 2 of CIT Law provides with the following definitions:</p> <p>Associated persons mean persons (entities or natural persons) where at least one of the following criteria is met:</p> <ol style="list-style-type: none"> 1) they are related persons. 2) they may have an influence over each other, resulting in the conditions of their mutual transactions or economic operations being other than those where a maximum economic benefit is sought by each person. <p>Related persons are treated as such if, on any day of the relevant tax period or the tax period preceding the relevant tax period, at least one of the following criteria is met, they are:</p> <ol style="list-style-type: none"> 1) an entity and its members (e. g. shareholders); 2) an entity and members of its management bodies; 	Article 2 of CIT Law and Article 2 of ITI Law

		<p>3) an entity and the spouses, fiancés and cohabitants of its members or members of its management bodies, other natural persons related to them by consanguinity (in the direct line up to the second degree, in the collateral line up to the fourth degree) or by marriage - a natural person and the relatives of his spouse (in the direct or collateral line up to the second degree), and also the relatives of the cohabitants of members of the entity or members of its management bodies (in the direct or collateral line up to the second degree), the spouses or cohabitants of the relatives of members of the entity or members of its management bodies (in the direct line up to the first degree, in the collateral line up to the second degree) as well as the relatives of the said spouses or cohabitants (in the direct line up to the first degree, in the collateral line up to the second degree);</p> <p>4) members of a group of entities;</p> <p>5) an entity and members of another entity where such entities comprise a single group of entities;</p> <p>6) an entity and members of the management bodies of another entity where such entities comprise a single group of entities;</p> <p>7) an entity and the spouses, fiancés and cohabitants of members of another entity or members of its management bodies, other natural persons related to members of another entity or members of its management bodies by consanguinity (in the direct line up to the first degree, in the collateral line up to the second degree) or by marriage (a natural person and the relatives of his spouse (in the direct line up to the first degree, in the collateral line up to the second degree), and also the relatives of the cohabitants of members of another entity or members of its management bodies (in the direct line up to the first degree, in the collateral line up to the second degree), the spouses or cohabitants of the relatives of members of another entity or members of its management bodies (in the direct line up to the first degree, in the collateral line up to the second degree) where the said taxable entities comprise a single group of entities;</p> <p>8) two entities where one of them controls directly or indirectly (through a single or several entities or natural persons) over 25% of the shares of the other entity or holds the right to over 25% of the decisive votes of the other entity or has undertaken to coordinate its decisions regarding the activities with the other entity or has undertaken to be liable for the obligations of the other entity in respect of third parties or has undertaken to transfer all or part of its profits to the other entity or has granted the other entity the right to use over 25% of its assets;</p> <p>9) two entities where their members or the spouses, fiancés and cohabitants of such members, natural persons related by consanguinity (in the direct line up to the second degree, in the collateral line up to the fourth degree) or by marriage (a natural person and the relatives of his spouse (in the direct or collateral line up to the second degree)), and also a natural person and the relatives of his</p>	
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Transfer Pricing Methods															
4	<p>Does your domestic transfer pricing framework provide for transfer pricing methods to be used in respect of transactions between related parties?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If affirmative, please check those provided for in your legislation:</p> <table border="1"> <thead> <tr> <th>CUP</th><th>Resale Price</th><th>Cost Plus</th><th>TNMM</th><th>Profit Split</th><th>Other (<i>If so, please describe</i>)</th></tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr> </tbody> </table> <p>The TP Rules also provide for the option to combine and modify the methods if this achieves a result in line with the arm's length principle. In exceptional cases, valuation methods can also be applied.</p>	CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (<i>If so, please describe</i>)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Clauses 20 and 25 of the TP Rules</p>
CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (<i>If so, please describe</i>)										
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>										
5	<p>Which criterion is provided for in your domestic transfer pricing framework for the application of transfer pricing methods?</p>	<p>Please check all that apply:</p> <p><input type="checkbox"/> Hierarchy of methods</p> <p><input checked="" type="checkbox"/> Most appropriate method</p> <p><input type="checkbox"/> Other (<i>if so, please explain</i>)</p> <p>A taxpayer must select the most appropriate transfer pricing method taking into account the characteristics of the transaction, the reliability of the data available, the validity of assumptions and forecasts, the degree of similarity between the transaction for which the pricing method is selected and the comparable transactions.</p>	<p>Clauses 21-25 of the TP Rules</p>												
6	<p>Does your domestic transfer pricing framework contain specific guidance on commodity transactions?</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.</p> <p><input type="checkbox"/> Domestic transfer pricing framework provides for the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>)</p>													

		<input checked="" type="checkbox"/> No	
		<p>Due to the requirement in domestic legislation to use the OECD TPG insofar as the provisions do not contradict the provisions of the TP Rules, for controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG should be followed.</p>	
Comparability Analysis			
7	Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Clauses 6 -13 of the TP Rules
		<p>The TP Rules determine the following evaluation process:</p> <p>Step I: the evaluation of the controlled transaction;</p> <p>Step II: the selection of the most suitable uncontrolled transaction (or transactions) as a comparable (or comparables);</p> <p>Step III: the evaluation of the selected uncontrolled transaction;</p> <p>Step IV: the application of the proper transfer pricing method.</p> <p>The evaluation of the controlled and uncontrolled transactions is performed according to five comparability factors: characteristics of the subject of the transaction; functions performed, risks assumed, assets used of the parties to the transaction when carrying out the functional analysis; contractual provisions; economic circumstances; and business strategy.</p>	
8	Is there a preference in your jurisdiction for domestic comparables over foreign comparables?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9	Does your domestic transfer pricing framework permit the use of secret comparables for transfer pricing assessment purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10	Does your domestic transfer pricing framework allow or require the use of an arm's length range and/or	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Clauses 54-57 of the TP Rules

	<p>statistical measure (e.g. the interquartile range or other percentiles) for determining arm's length remuneration?</p>	<p>Determination of the arm's length range is established in Clauses 54-57 of the TP Rules:</p> <ul style="list-style-type: none"> – If the application of the pricing method or methods by a taxpayer provides an arm's length range, rather than a single arm's length price or profit, the transaction price or profit is considered to comply with the arm's length principle if it is within the arm's length range. Statistical methods are used to determine an arm's length range, where more reliable approaches to reject potential comparables are not available; – If the selection and analysis of comparable transactions show that not all comparable transactions selected meet the comparison criteria and/or exhibit other characteristics that prevent achieving equally reliable results of comparison actions, these transactions must be eliminated to ensure that an arm's length range is established using equally reliable comparable transactions; – When an arm's length range has been determined, the tax administrator makes an adjustment to the median of the arm's length range, unless it is possible to determine or a taxpayer proves that a different point in the arm's length range is more appropriate. Where a taxpayer does not cooperate with the tax administrator, the tax administrator has the right to make an adjustment to any point in the arm's length range; <p>There shall be no adjustment if it is determined that the transaction price or profit is within the arm's length range.</p>	
11	<p>Are comparability adjustments required under your domestic transfer pricing framework?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The TP Rules provide for comparability adjustments where there are significant differences between the controlled and the comparable transactions and making adjustments increases reliability and accuracy of comparables. Where significant adjustments are required, this implies that another transfer pricing method may be more appropriate. In cases, where the adjustment changes the price materially, this should be regarded with caution.</p> <p>The tax administration follows the OECD TPG provisions on the comparability adjustments.</p>	<p>Clauses 3.12, 16, 28, 34-35, 40-41 of the TP Rules.</p>

Intangible Property			
12	Does your domestic transfer pricing framework contain guidance specific to the pricing of controlled transactions involving intangibles?	<input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VI of the TPG? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input type="checkbox"/> No	Clauses 58 to 67 of the TP Rules
13	Are there any other rules outside your transfer pricing framework that are relevant for the pricing of controlled transactions involving intangibles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Hard-to-Value Intangibles			
14	Does your domestic transfer pricing framework contain guidance specific to hard-to-value intangibles (HTVI)? ³	<input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow the guidance on HTVI in Chapter VI of the TPG? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input type="checkbox"/> No	Clauses 3.12-1 and 67 ¹ of the TP Rules
15	If your jurisdiction applies the HTVI approach, what are the conditions for the application of the HTVI approach?	There are no special conditions. The HTVI approach is applied in accordance with the OECD TPG.	Clauses 3.12-1 and 67 ¹ of the TP Rules
16	Are transactions falling within the scope of the HTVI approach subject to a transfer pricing analysis different from the one established in Chapters I and VI, or to other compliance requirements specifically applicable to	No, common requirements applies. However, certain aspects, which correspond to the conditions for application of the HTVI, should be taken into more careful consideration, i.e.: detailed forecasts established at the time of conclusion of the transaction (ex ante) on which the price was based, including data (calculations) showing how the risks were assessed, as well as information revealing how the	

³ In the case of jurisdictions that do not apply the HTVI approach (i.e. they responded “no” to question 14), it is not necessary to respond to the remaining questions in the HTVI section and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

	transfer prices (e.g. domestic anti-abuse rules)?	impact of foreseeable circumstances or other risks and the probability of their occurrence were assessed.	
17	What is the statute of limitations applicable to transactions falling within the scope of the HTVI approach in your domestic transfer pricing framework? Does this statute of limitations differ from those applicable to other transactions?	Statute of limitations for HTVI approach applies the same as for all transfer pricing adjustment cases, i.e. current and 5 preceding years.	Subparagraph 4 of Article 68(4) of the Law on Tax Administration of the Republic of Lithuania
18	Can taxpayers request a bilateral or multilateral advance pricing agreement (“APA”) for transactions falling within the scope of the HTVI approach under your domestic transfer pricing framework?	<input checked="" type="checkbox"/> Yes. <input type="checkbox"/> No	
19	What measures exist or approaches have been adopted to avoid the use of hindsight (e.g. training of tax administrators, internal circulars/informative notes)?	<p>Existing rules do not allow the use of hindsight, with the single exception for the HTVI approach (if the conditions for HTVI have not been met).</p> <p>Uniform administrative and judicial practice in transfer pricing cases ensure that no hindsight is allowed in ordinary cases.</p>	
20	Is it possible for your tax administration to make adjustments under the HTVI approach in open years amounts pertaining to closed years?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
21	Does your domestic transfer pricing framework allow the tax administration to make corresponding adjustments under the HTVI approach in open years for amounts pertaining to closed years?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (unless merits of the particular case allow some aspects of such approach could be taken into consideration during mutual agreement procedure only).	
22	Is it possible for your tax administration to make several adjustments for one single HTVI transaction under the HTVI approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Intra-group Services			
23	Does your domestic transfer pricing framework provide guidance specific to intra-group services transactions?	<input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VII of the TPG? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input type="checkbox"/> No	Clauses 68-76 of the TP Rules
24	Does your domestic transfer pricing framework provide for or allow the application of a simplified approach for low value-adding intra-group services?	<input checked="" type="checkbox"/> Yes. If so, does it follow (largely follow) the low value-adding services approach in Chapter VII? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input type="checkbox"/> No	Clauses 3-1 and 76-1 of the TP Rules
25	Are there any other rules outside your transfer pricing framework for pricing intragroup services?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Financial Transactions			
26	Does your domestic transfer pricing framework provide guidance specific to financial transactions?	<input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter X of the TPG? <input type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input checked="" type="checkbox"/> No	
		Lithuania's domestic legislation or regulations do not contain specific guidance on financial transactions and tend to rely on the OECD TPG (Chapter X).	
27		<input checked="" type="checkbox"/> Yes	

	<p>Are there any other rules outside your transfer pricing framework that are relevant for the tax treatment of financial transactions? (e.g. whether your jurisdiction has implemented the measures in BEPS Action 4 to limit interest deductions and other financial payments or any similar rules)</p>	<p><input type="checkbox"/> No</p> <p>Limitations on interest deductibility:</p> <p>1. <i>Thin Capitalization rule</i>. Interest on debt in excess of a debt/equity ratio of 4:1 are non-deductible for corporate income tax purposes.</p> <p>2. From the taxable period of 2019, a new interest rate deduction rule is established, which is based on the provisions of the EU Anti-Tax Avoidance Directive. Under this rule, an entity can deduct interest costs which:</p> <ul style="list-style-type: none"> - do not exceed interest income; or - exceed interest income, but in such cases the deduction is limited to 30% of the taxable earnings before interest, taxes, depreciation and amortization (EBITDA). <p>However, this limitation does not apply to entities and groups of entities whose total interest costs exceeding interest income are lower than EUR 3 million.</p>	<p>Paragraph 3 of Article 40 and Article 30-1 of CIT Law</p>
<p>Cost Contribution Arrangements</p>			
28	<p>Does your jurisdiction allow cost contribution arrangements?</p>	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VIII of the TPG?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p> <p>Lithuania allows cost contribution arrangements, however, Lithuania's domestic legislation or regulations do not contain specific guidance on CCAs and tend to rely on the OECD TPG as far as they do not contradict the TP Rules.</p>	

Transfer Pricing Documentation

29	Does your domestic transfer pricing framework require the taxpayer to prepare transfer pricing documentation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If affirmative, please check all that apply:</i> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG <input checked="" type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG <input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG <input checked="" type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return) <input type="checkbox"/> Other (specify): 	<p>Clauses 77-93 of the TP Rules</p> <p>Article 61 of the Law on Tax Administration of the Republic of Lithuania</p> <p>Rules implementing obligations related to CbC Report</p>
30	Please briefly explain the relevant requirements related to each transfer pricing documentation requirement (i.e. timing for preparation or submission, languages, etc.)	<p>Taxpayers have to prepare transfer pricing documentation (Master and Local files) by the 15th day of the sixth month of the tax period, which is a period other than that during which the controlled transaction took place.</p> <p>The transfer pricing documentation may be stored in a form and language chosen by the taxpayer until the request by the tax administrator. When the tax administrator requests for the documentation, it has to be provided in an original language. In case, the language is different than Lithuanian, the tax administrator may require the translation. In practice, the transfer pricing documentation is usually prepared in Lithuanian or English – both languages are accepted.</p> <p>The transfer pricing documentation has to be submitted within 30 days after receipt of a special request of the tax administration.</p> <p>Transfer pricing documentation requirements are in line with the Action 13 approach.</p> <p>Regarding Country-by-country report, taxpayers have to notify the tax administration of the identity and tax residency of the reporting entity no later than the last day of the reporting fiscal year. The Country-by-country report has to be submitted to Lithuanian Tax Administrations within 12 months from the last day of the reporting financial year.</p>	<p>Clauses 19, 77-93 of the TP Rules</p> <p>Rules implementing obligations related to CbC Report</p>

31	Does your domestic transfer pricing framework provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Article 188 of the Code on Administrative Offences establishes a specific penalty related to the transfer pricing documentation imposed on the manager (or other delegated person of an enterprise, i.e. personal liability). Non-compliance with the requirements of transfer pricing documentation rules incurs a penalty ranging from EUR 1 820 to EUR 5 590, while an offense committed repeatedly incurs a penalty ranging from EUR 3 770 to EUR 6 000.	Article 188 of Code of Administrative Offences Code of Administrative Offences
32	Does your domestic transfer pricing framework provide for exemption from transfer pricing documentation obligations?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The Master file must be prepared by Lithuanian entities and foreign entities operating in Lithuania through a permanent establishment, whose income (income attributable to a permanent establishment in Lithuania) during a tax period preceding the tax period during which the controlled transactions are conducted exceeded EUR 15 million if the entity (permanent establishment) belongs to an international group of entities. The Local File must only be prepared by the Lithuanian entities and permanent establishments of the foreign entities acting in Lithuania with turnover of a previous taxable year when a controlled transaction was actually carried out exceeding EUR 3 million (this limitation is not applied to financial undertakings, credit institutions and insurance companies which are obliged to prepare the transfer pricing documentation irrespective of the size of their turnover). The entity (permanent establishment) mentioned above are not subject to the requirements of preparation of transfer pricing documentation (neither master file, nor local file) if it conducts controlled transactions only with other Lithuanian entities and/or with foreign entities operating through a permanent establishment or entered in a controlled transaction with a value of less than EUR 90 000 during a tax period, except where: - several identical transactions with the total value of more than EUR 90 000 are entered into with the same associated person during a tax period;	Clause 84, 85 and 87 of the TP Rules

		<ul style="list-style-type: none"> - such a transaction is inextricably linked to another transaction in excess of EUR 90 000 and therefore they must be assessed together; - a transaction has been entered into with a person registered in a targeted territory (tax heaven). <p>The taxpayers that do not have an obligation to prepare the transfer pricing documentation according to the aforementioned requirements are allowed to justify the application of the arm's length principle in a free manner.</p>	
Administrative Approaches to Avoiding and Resolving Disputes			
33	Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?	<p>Please check those that apply:</p> <p><input checked="" type="checkbox"/> Rulings</p> <p><input type="checkbox"/> Enhanced engagement or cooperative compliance programmes</p> <p><input checked="" type="checkbox"/> Advance Pricing Agreements (APA)</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Unilateral APAs</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Bilateral APAs</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Multilateral APAs</p> <p><input type="checkbox"/> International Compliance Assurance Programme (ICAP)</p> <p><input checked="" type="checkbox"/> Mutual Agreement Procedures</p> <p><input type="checkbox"/> Other (<i>please specify</i>):</p>	<p>Article 37-1 of the Law on Tax administration of the Republic of Lithuania;</p> <p>Tax Rulings VA-105;</p> <p>APA rules VA-106;</p> <p>Law on Resolution of Double Taxation Disputes;</p> <p>MAP and APA;</p> <p>Lithuania's MAP Profile</p>
		<p>Relevant regulations on this topic include:</p> <ul style="list-style-type: none"> - The Rules for the Submission of a Taxpayer's Request to Consent to the Application of the Provisions of Tax Laws to a Future Transaction, Examination of the Request, Adoption and Amendment of the Decision Obligating the Tax Administrator, adopted by 19 October 2011 order of Head of State Tax Inspectorate under Ministry of Finance No. VA-105 (VA-105); - The Rules for the Submission of a Taxpayer's Request to Consent to the Principles of Pricing of a Future Controlled Transaction, Adoption and Amendment of the Decision Obligating the Tax Administrator, adopted by 21 October 2011 order of Head of State Tax Inspectorate under Ministry of Finance No. VA-106; 	

		<ul style="list-style-type: none"> - Double Tax Avoidance Treaties; - Convention 90/436/EEC on the elimination of double taxation in connection with the adjustment of profits of associated enterprises; - Law on Resolution of Double Taxation Disputes (which implements Council directive (EU) 2017/1852 of 10 October 2017 on tax dispute resolution mechanisms in the European Union); - The Rules for the Initiation and Execution of the Mutual Agreement Procedure. <p>For more information on MAPs and APAs, please refer to Lithuania's OECD MAP Profile.</p>	
Simplified and Streamlined Approach for Baseline Marketing and Distribution Activities			
34	Does your domestic transfer pricing framework allow the application of the simplified and streamlined approach for baseline marketing and distribution activities in the relevant Annex of Chapter IV of the TPG⁴?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Other (please elaborate) <p>Lithuania is still assessing implementation possibilities, but no concrete decisions have been made yet.</p>	
35	If your domestic transfer pricing framework allows the application of the simplified and streamlined approach, how is it implemented?	<input type="checkbox"/> In-scope tested parties resident within the jurisdiction can elect to apply the simplified and streamlined approach (i.e. safe harbour) <input type="checkbox"/> In-scope tested parties resident within the jurisdiction are required to follow the simplified and streamlined approach for in-scope qualified transactions and tax administrations are allowed to impose the application of the simplified and streamlined approach to in-scope qualified transactions of tested parties resident within their jurisdiction (i.e. rule) <input checked="" type="checkbox"/> N/A	

⁴ In the case of jurisdictions that do not apply the simplified and streamlined approach (i.e. they responded “no” to question 34), it is not necessary to respond to questions 35, 36 and 38 and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

36	If your domestic transfer pricing framework allows the application of the simplified and streamlined approach, what is the operating expense to sales (OES) upper bound chosen by your jurisdiction regarding scoping criterion 13.b?	<input type="checkbox"/> 20% <input type="checkbox"/> 30% <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> N/A	
37	Does your jurisdiction respect the outcome of the application of the simplified and streamlined approach by a covered jurisdiction in line with the Inclusive Framework political commitment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
38	If your domestic transfer pricing framework allows the application of the simplified and streamlined approach for resident in-scope tested parties, does your jurisdiction respect the outcome of the application of such approach by another jurisdiction that is not a covered jurisdiction?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A: Lithuania is still assessing implementation possibilities, but no concrete decisions have been made yet.	
Safe Harbours and Other Simplification Measures			
39	Does your jurisdiction provide for any safe harbours or other simplification measures in respect of certain industries, types of taxpayers, or types of transactions (not listed in other sections of this questionnaire)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Other Legislative Aspects or Administrative Procedures

40	Does your domestic transfer pricing framework allow downward corresponding adjustments in the absence of a mutual agreement procedure (e.g. unilateral corresponding adjustments)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
41	Does your domestic transfer pricing framework allow or require taxpayers to make year-end adjustments?	<input type="checkbox"/> Yes. Year-end adjustments are required. <input checked="" type="checkbox"/> Yes. Year-end adjustments are allowed. <input type="checkbox"/> No Taxpayers have to adjust transfer prices in cases they are not compatible with the arm's length principle. However, if the price is within arm's length range, adjustment will not be appropriate. Taxpayer is required to substantiate the reasonableness of the adjustment proving the rightness and relevance of transfer pricing policy (e. g. that the factual circumstances did not change and taxpayer did not start performing more functions which should be additionally rewarded). Any price adjustments have to be formalised by issuing accounting documents (i. e. invoices).	
42	Does your domestic transfer pricing framework provide for secondary adjustments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Attribution of Profits to Permanent Establishments

43	Which version of Article 7 of the OECD Model Tax Convention on Income and on Capital do your tax treaties contain?	<input checked="" type="checkbox"/> Article 7 as it read before 2010. <input type="checkbox"/> If so, please indicate in how many treaties: <input checked="" type="checkbox"/> Article 7 as it reads after 2010. <input type="checkbox"/> If so, please indicate in how many treaties: <input type="checkbox"/> Other (please provide additional details)	Lithuanian Tax Treaties
		Please see the answer provided for question 44.	
44	For tax treaties containing Article 7 as it read before 2010, does your jurisdiction apply the authorized OECD approach (AOA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (please explain the approach used and which tax treaties are concerned)	
		The Authorized OECD Approach (AOA) is not explicitly implemented in national tax law. Taxation of income of the permanent establishment is aligned with the concept of a functionally separate enterprise insofar as the current regulation does not specifically restrict the calculation of the taxable profit of the permanent establishment by attributing the respective costs to the deductions of the permanent establishment.	
45	Does your domestic transfer pricing framework contain specific guidance for the attribution of profits to permanent establishments of non-resident entities? If so, please provide a summary of the main features of this guidance.	<input type="checkbox"/> Yes, they follow the AOA as described in the 2008 Report on the Attribution of Profits to Permanent Establishments <input type="checkbox"/> Yes, they follow the AOA as described in the 2010 Report on the Attribution of Profits to Permanent Establishments <input type="checkbox"/> Yes, they do not follow the AOA (please provide a summary of the main features of these rules) <input checked="" type="checkbox"/> No	

Other Relevant Information

46	Other legislative aspects or administrative procedures regarding transfer pricing	N/A	
47	Other relevant information (e.g. <i>whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire</i>)	N/A	

For more information, please visit: <https://www.oecd.org/en/topics/sub-issues/transfer-pricing/transfer-pricing-country-profiles.html>