



Public list of payment institutions. As of 1 January 2016, 40 payment institutions were in the Public List of Payment Institutions.¹ 27 of them held licences entitling them to provide payment services in the Republic of Lithuania and other European Union Member States, 13 — holding a licence for restricted activity, valid only in the Republic of Lithuania and providing that the average amount of payment transactions performed by a payment institution within the last 12 months is not above EUR 3 million per month.

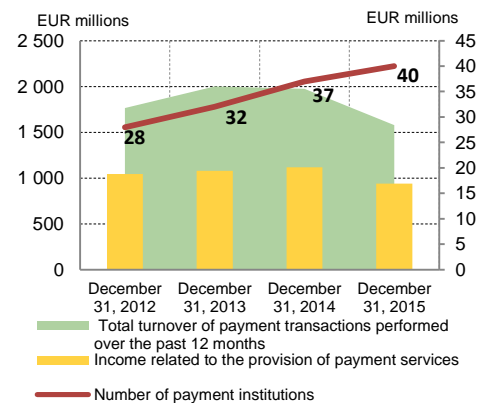
Activities performed. According to the audited (where audit is obligatory) and shareholder-approved financial statements, payment institutions' profits over 2015 from the provision of payment services amounted to EUR 16.9 million, narrowing by EUR 3.2 million year on year. The total turnover of payment transactions carried out over the past 12 months amounted to EUR 1.6 billion, a decrease of EUR 397 million, or 20 per cent, year on year. These decreases (as well as the development of other indicators for the payment institution system) were mostly a result of the exclusion of *UAB Perlo paslaugos* in the analysis of the payment institution data.¹ As in previous reporting periods, most payment institutions were engaged in economic and commercial activities, providing payment services as additional services only; hence, the share of both payment institution income from the provision of payment services and debt for payment services provided was small and accounted for 3.1 and 1.5 per cent of total liabilities respectively. This was due to the model of activities carried out by most payment institutions, notably mobile communication network operators, when most of their income was derived from economic and commercial activities and payment services were only an additional activity. On the other hand, over 2015, 8 payment institutions earned income only from providing payment services or their income received amounted to more than 90 per cent of total earnings.

In 2015, six payment institutions did not yet perform licensing activities. During this reporting period, as in the previous reporting periods, several payment institutions were prevalent in the system of payment institutions — the share of five payment institutions accounted for the largest share (73%) of income and of the total turnover of payment transactions (81%). In 2015, as in the previous reporting periods, *AB Lietuvos paštas* held a significant position in the entire system of payment institutions by volume of payment services provided. This company's income from the provision of payment services accounted for 46 per cent of the total income from payment services, whereas its turnover — 52 per cent of the total turnover of payment transactions. Year on year, these relative figures increased by 7 and 9 p.p. respectively.

Compliance with prudential requirements. All payment institutions complied with the safeguarding requirement for the funds of payment service providers or for those received from another payment service provider, established in the Republic of Lithuania Law on Payment Institutions

Chart 1. Data of the activities of payment institutions

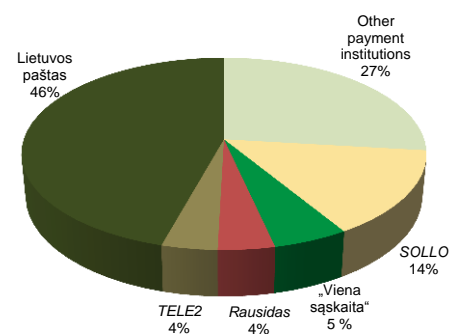
(2012–2015)



Source: Bank of Lithuania calculations.

Chart 2. Greatest share of payment institutions in the payment institutions system by income from payment services

(as at 31 December 2015)

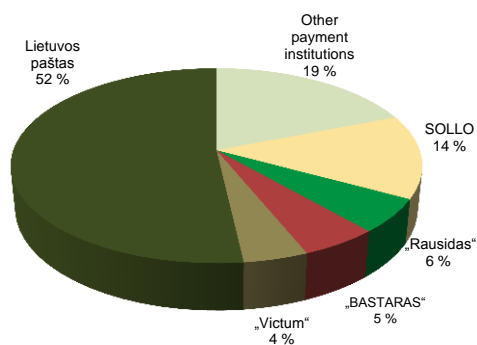


Source: Bank of Lithuania calculations.

¹ In 2015, *UAB Perlo paslaugos* received an electronic money institution licence; therefore, its operational financial data was included not in the payment institution, but in the electronic money institution system.

Chart 3. Greatest share of payment institutions in the payment institutions system by total turnover of payment transactions

(as at 31 December 2015)



Source: Bank of Lithuania calculations.

(hereinafter — the Law): they separated these funds from the funds of other natural or legal persons who are not users of payment services, and held them in the accounts of credit institutions. On the reporting date, as in the previous year, eight payment institutions also applied another safeguarding method for the funds of the payment service users — they had concluded warranty (guarantee) contracts with an insurance undertaking or a credit institution on the insurance of these funds.

On 1 January 2016, all payment institution that have a payment institution licence for restricted activity complied with the average amount of payment transactions requirement (not exceeding EUR 3 million per month), set forth in the Law.

As of 1 January 2016, the total amount of the own funds of payment institutions was EUR 40.7 million. The total own funds requirement (calculated by applying one of the Bank of Lithuania-approved methods chosen by a payment institution) on the aforementioned date amounted to EUR 2.2 million. Due to rather low volumes of payment transactions and other financial data, used in calculating the amount of own funds requirement, the own funds requirement of 12 payment institutions (out of all payment institutions that must comply with the own funds requirement) did not exceed the amount set forth in the Law (EUR 20 thousand). Two payment institutions had to take measures to ensure that their own funds would not be less than their own funds requirement; compliance with the own funds requirement was ensured by institutions after the reporting date. It should be noted that 21 payment institutions, in calculating their own funds requirement, applied method B, which is based on the average amount of payment transactions in the course of 12 months, two payment institutions — method C, which is based on payment services income and expenses, and three — method A, which is based on the fixed expenses of a payment institution.

Future changes in the field of legal regulation of payment institutions. Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (hereinafter — [PSD2](#)) was approved. It was supplemented with additional services: the payment initiation service and the information about accounts service. The renewed rules will create more opportunities for consumers who do not have credit or debit cards, or who do not want to use them, to pay online. The new payment service providers will have to ensure the security of transfers and payer data, as well as not share payment information without the customers' permission. The Bank of Lithuania has prepared the [principles](#) of good practice for the new service in Lithuania — the payment initiation service — and invites potential providers of this service, during the transitional period, to voluntarily undertake to comply with high business and security standards.

PSD2 has to be transposed into national law by 13 January 2018. Payment institutions that have a payment institution licence will be able to continue their activities without complying with the requirements of this Directive, until 13 July 2018, while payment institutions that have a payment institution licence for restricted activity — until 13 January 2019. Taking into account the provisions of PSD2, legal acts, regulating the operations and supervision of payment institutions, will be reviewed and amended.

The draft Amendments of the Law on Payments are being debated at the Republic of Lithuania Seimas, and are planned to be adopted during the Spring 2016 session. They implement Directive 2014/92/EU on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (Payment Accounts Directive, PAD). PAD aims at ensuring a simple comparison of fees of payment service providers, an uncomplicated payment account switching from one service provider to another, and improving access to

payment accounts with basic features for consumers. In implementing the Directive, not only its objectives were taken into account, but it also aimed to create a further incentive for consumers to use electronic payment instruments instead of cash; thus the draft Law is supplemented with provisions that would provide preconditions for reducing the price of the basket of operations usual for consumers down to that not higher than the region's average.

The Republic of Lithuania draft Law on Crowdfunding was submitted to the Government of the Republic of Lithuania. The draft Law was prepared in line with the proposals submitted to the Government regarding regulatory arrangements, which would encourage the use of the small and medium-sized business financing instruments. The draft Law creates legal certainty on pooled funding activities for subjects wishing to pursue them — the terms and conditions for pursuing these activities, as well as the necessary safety net for investor interests and the supervisory authority's rights and obligations in performing supervision of the activities of crowdfunding platform operators are established. The **draft Subordinate Legal Acts on Crowdfunding** were prepared and agreed on with market participants. The aforementioned draft legal acts will be approved by decisions of the Board of the Bank of Lithuania, once this Law comes into effect.

Key operational indicators of payment institutions (31 December 2015; EUR thousands)

Seq. No	Payment institution and code	Liabilities to natural and legal persons for provided payment services	Total liabilities	Total turnover of payment transactions performed over the past 12 months	Income related to the provision of payment services	Total revenue	Own funds requirement (not applied to payment institution having licence for restricted activity)	Calculated own funds (not applied to payment institution having licence for restricted activity)
1.	Alternative Payments, 303429748	0	8	0	0	0	125	126
2.	ASHBURN International, 111637661	0	1,004	42	1	2,914	–	–
3.	BASTARAS, 179460961	0	22	83,388	571	574	124	297
4.	Bitė Lietuva, 110688998	0	188,497	1,719	159	135,053	–	–
5.	Click2Sell, 300110581	0	452	37	13	1,692	125	128
6.	Contabilita, 303573008	–	–	–	–	–	–	–
7.	Elektroninių mokėjimų agentūra, 136031358	–	–	–	–	–	–	–
8.	Finolita Unio, 303090931	0	0	0	0	3	125	123**
9.	GODLIJA, 171485521	0	56	34,656	316	383	58	537
10.	Ignalinos butų ūkis, 255512870	0	159	848	16	218	–	–
11.	Jonavos paslaugos, 156916523	119	1,466	8,760	209	3,801	20	997
12.	Kaišiadorių butų ūkis, 158806029	5	299	1,232	13	829	20	238
13.	KAPKA, 302999453	0	34	1,634	27	126	–	–
14.	Kauno spauda, 135520314	20	765	1,705	9	10,968	–	–
15.	Kupiškio komunalininkas, 164702526	0	398	652	6	1,152	–	–
16.	Lietuvos paštas, 121215587.	1,187	41,769	817,404	7,717	69,368	906	31,611
17.	Mažeikių butų ūkis, 166403298	110	321	16,594	359	1,861	28	316
18.	Mokėjimo terminalų sistemos, 302455836	257	317	8,628	300	356	20	41
19.	OMNITEL, 110305282	0	104,720	3,350	257	136,677	–	–
20.	OPAY solutions, 302664558	10	19	2,576	41	41	–	–
21.	Payment Solutions, 302840020	0	0	0	0	0	–	–
22.	PAYPAY.LT, 302830631	0	3	0	0	0	20	20
23.	PANEVĖŽIO BŪSTAS, 147146333	19	345	171	171	519	34	702
24.	PANEVĖŽIO BUTŲ ŪKIS, 147146714	218	2,748	20,241	179	2,399	–	–
25.	Perlo paslaugos, 301169732*	–	–	–	–	–	–	–
26.	Rausidas, 179323286	0	65	88,560	660	664	130	152
27.	Rokiškio butų ūkis, 173001047	199	332	4,045	27	521	20	134
28.	SOLLO, 302575294	1,717	1,931	218,897	2,435	2,435	20	369
29.	Šilutės modemas, 277289060	0	44	29,780	246	377	20	985
30.	TAURAGĖS BUTŲ ŪKIS, 179206436	9	660	2,583	28	965	20	570
31.	Tavo pastogė, 166576994	0	190	0	9	424	–	–
32.	TELE2, 111471645***	669	42,066	2,929	654	164,388	–	–
33.	TT Express, 302699228	56	58	5,231	102	102	20	97
34.	Utenos butų ūkis, 183605327	13	239	4,607	36	846	20	467
35.	VERPETYNĖ, 275873230	0	9	37,788	320	320	63	147
36.	Victum, 147058673	0	6	69,245	531	535	110	747
37.	Viena sąskaityta, 300530005	426	742	55,644	885	911	93	154
38.	Virtualių paslaugų operatorius, 300093064	692	766	54,470	638	763	35	76
39.	Visagino būstas, 155498117	21	1,068	167	8	1,979	20	1,720
40.	WoraPay, 302308715	17	26	180	0	76	20	–13**
	Total	5,764	391,604	1,577,763	16,943	544,240	2,196	40,741

In 2015, UAB Perlo paslaugos received an electronic money institution licence; therefore, its operational financial data was included not in the payment institution, but to the electronic money institution system.

** The institution took action and ensured compliance with the own funds requirement after the reporting date.

*** At the beginning of 2016, TELE2 received an electronic money institution licence.