

Memorandum of Understanding for Ensuring Access to Cash in Lithuania

Vilnius

21 June 2021

The Bank of Lithuania, implementing its mission to bring benefits to society while seeking to foster a reliable financial system and ensure sustainable economic growth, as part of the Eurosystem, participates in decision-making on euro area monetary policy and its implementation. In order to act in a sustainable and socially responsible manner and to ensure the public interest – to create a balanced system of cash availability – the Bank of Lithuania mediates dialogue with all stakeholders.

The Association of Lithuanian Banks is an organisation uniting the largest financial market participants, seeking to promote dialogue and moderate it within the limits that are possible under the rules of fair competition.

The following financial market participants, voluntarily supporting the determination to find an optimal solution for ensuring cash availability in the public interest and recognising that cash still remains an important means of settlement, agree to conclude this Memorandum of Understanding (hereinafter – the Memorandum) in order to achieve the purpose specified below:

Luminor Bank AS, acting through Luminor Bank AS Lithuanian branch

AB SEB bankas

Swedbank, AB

AB Šiaulių bankas

Lithuanian Central Credit Union

Lithuanian branch of AS Citadele banka

Revolut Payments, UAB

Whereas:

- one of the main responsibilities of the Eurosystem is to ensure continuous supply of cash and to enable natural and legal persons to make cash payments;
- euro banknotes and coins are a legal means of payment in the euro area, and cash is the only form of public money directly accessible to all persons;
- despite the gradual decline, cash settlements at points of sale and services in Lithuania are still a significant method of payment;

enter into this Memorandum on the cooperation between the Bank of Lithuania and Luminor Bank AS, acting through Luminor Bank AS Lithuanian branch, AB SEB bankas, Swedbank, AB, AB Šiaulių bankas, the Lithuanian Central Credit Union, the Lithuanian branch of AS Citadele banka, Revolut Payments, UAB and the Association of Lithuanian Banks (hereinafter collectively referred to as the “Parties” and individually as the “Party”; financial market participants as parties to the Memorandum hereinafter

collectively referred to as the “Memorandum Participants” and individually as the “Memorandum Participant”) in achieving the purpose of the Memorandum.

I. Purpose of the Memorandum

1. The purpose of the Memorandum is to ensure sufficient cash availability to the residents in the territory of the Republic of Lithuania by establishing minimum criteria for the availability of services of cash withdrawals from payment accounts (hereinafter – cash services).

II. Principles of cooperation between the Parties

2. The Parties cooperate and undertake:
 - 2.1. to respect the interests of the other Parties, the rules of fair competition, the fundamental principles of the functioning and regulation of the financial market, including transparency, the level playing field, etc.;
 - 2.2. to act in a transparent, fair manner and to ensure that information and knowledge is exchanged in a timely manner;
 - 2.3. to act in accordance with the rules provided for in the Republic of Lithuania Law on Competition and, in case of doubts, to seek for advice from the Competition Council;
 - 2.4. to timely identify and openly share emerging concerns in order to find appropriate and sustainable solutions for the Parties.

III. Commitments of the Parties

3. For implementing the purpose of the Memorandum, the Memorandum Participants – *Luminor Bank AS, acting through Luminor Bank AS Lithuanian branch, AB SEB bankas, Swedbank, AB, AB Šiaulių bankas, the Lithuanian Central Credit Union and the Lithuanian branch of AS Citadele banka and Revolut Payments, UAB* undertake to ensure:
 - 3.1. that the number of ATMs (listed in Annex 1) of all the Memorandum Participants is not reduced. Reduction of the number of ATMs is possible only in one of the following cases: (i) if the criterion for the availability of cash services provided for in subparagraph 3.2 is not infringed; (ii) if the ATMs are connected to a cooperative network or not connected but it is ensured that the customer can withdraw money under the same conditions as via their bank’s ATM, or if the network cooperation option is specified in Annex 1; (iii) the number of ATMs is reduced by reducing the number of ATMs of the same Memorandum Participant in one building;
 - 3.2. access to cash, which is understood as the availability of at least one cash withdrawal point (operation of an ATM or other solution used in accordance with paragraph 4 of the Memorandum): (i) for no less than 99% of the population – within 20 kilometres (travel distance) from the declared place of residence in the territory of the Republic of Lithuania, or (ii) for no less than 90% of the population – within 10 kilometres (travel distance);

- 3.3. in localities with a population of more than 2,000, access to cash is to be ensured by an ATM, except in cases where an ATM is available within 10 kilometres (travel distance) from the centre of a locality;
- 3.4. that at least 100 additional cash service points will be provided in localities with a population of no more than 4,000; at least 50 of which should be ATMs;
- 3.5. the commitments referred to in subparagraphs 3.2 to 3.4 for the installation of cash service points are to be implemented in one of the following ways: (i) by installing an ATM, or (ii) by using other solutions that meet the criteria set in paragraph 4. If it is not possible to install an ATM or use a partner, the consultations with the Bank of Lithuania to be held;
- 3.6. that ATMs should be loaded also with small denomination (10, 20 or 50 euro) banknotes;
- 3.7. that the active operation time of the ATMs of the Memorandum Participants should be ensured for at least 12 hours per day within the period from 6.00 am to 24.00 pm or, if the ATM is installed in an enclosed public space, during the time when such public space is available to the public. The active operation time set in this paragraph includes: (i) time period, during which the Memorandum Participant takes appropriate actions in accordance with normal standard procedures and deadlines to eliminate failures of ATMs, related equipment and communications, (ii) time period when an ATM has run out of cash, if the Memorandum Participant orders a cash replenishment in accordance with normal standard procedures and deadlines;
- 3.8. that the Bank of Lithuania is informed about planned significant changes to the ATM network (planned new installation or dismantling of ATMs, indicating their addresses, as well as the date from which changes to the ATM network are to be expected) within three business days of such decisions, as well as about significant ATM failures. A significant failure is one that is expected to disrupt the operation of an ATM for a week or more. Information is to be sent to the following email address: info@lb.lt;
4. In order to implement the accessibility criteria referred to in subparagraphs 3.2 and 3.4, other solutions (e.g. third parties – partners) may be used that would ensure access to cash services using the payment cards of the Memorandum Participants and would not require the resident to have access to Internet services or to purchase a product or service, provided that the Memorandum Participants ensure that cash services are provided in accordance with the criteria for ATMs set out in subparagraph 3.7, sufficient supply of cash at the cash service point is ensured and it is also ensured that other cash withdrawal conditions are equal or similar to those of cash withdrawal services provided by the Memorandum Participant via ATMs.
5. In accordance with the procedure established in subparagraph 3.8, the Memorandum Participants provide the Bank of Lithuania with information on the cash service points where the services are provided by means of other solutions meeting the criteria specified in paragraph 4.
6. All other financial market participants that provide services related to cash and/or issuance of payment cards, as laid down in Article 5 of the Republic of Lithuania Law on Payments, are eligible for accession to this Memorandum on reasonable terms and this practice should be encouraged.
7. The Bank of Lithuania undertakes:
 - 7.1. to provide the Memorandum Participants with the opportunity to receive the required amount of cash in accordance with the agreements concluded between them and the Bank of Lithuania on cash transactions with the Bank of Lithuania;

- 7.2. to provide a map of Lithuania on the website of the Bank of Lithuania, which would give information on cash service locations. Such information is to be updated periodically each quarter by the 15th day of the first month of the following quarter;
- 7.3. to monitor the fulfilment of the criteria set out in paragraphs 3 and 4 of the Memorandum and advise the Parties on their implementation in practice;
- 7.4. to publish summary information (overview) on access to cash on the Bank of Lithuania website once a year;
- 7.5. to participate in discussions with the Competition Council in order to implement the provisions of the Memorandum;
- 7.6. to take measures within its competence to avoid development of market-distorting conditions and to ensure balanced legal regulation.
8. The Parties undertake to consult each other annually on the criteria set out in the Memorandum and to apply an integrated approach to foster other financial market participants to accede to this Memorandum on reasonable terms. In the light of the current market situation and other circumstances, including new entrants to the Memorandum, the commitments set out in the Memorandum may be reviewed and amended by agreement of all the Parties.
9. Each Party undertakes to inform the other Parties of any facts or circumstances known to it which may jeopardise the attainment of the objectives of this Memorandum.

IV. Final provisions

10. The Memorandum comes into force on the date of its signing. The arrangements referred to in subparagraphs 3.2 to 3.4 of the Memorandum are to be implemented by 1 July 2022 at the latest.
11. The Bank of Lithuania publishes the signed Memorandum on its website within 1 business day of its signing. Amendments and supplements to the Memorandum are made in writing and enter into force upon signature by the Parties, and the Bank of Lithuania publishes them on its website within 1 business day of their signing.
12. All questions and disputes arising in connection with the implementation of the Memorandum are settled by negotiations between the Parties.
13. The Parties agree and acknowledge that the Memorandum is concluded in the absence of fully analysed circumstances and possibilities, which, at the time of its execution, makes it difficult to assess the effectiveness and implementation of the measures provided for in the Memorandum, therefore the Memorandum Participants agree to cooperate immediately in providing the Bank of Lithuania with information which will be used for a study on the effectiveness of introduced measures. The commercial information provided by the Parties may only be used for the performance of the study and may not be disclosed to any other parties and/or third parties, except for cases provided for by law, and may be used in an aggregated form only. The Parties agree to discuss and jointly decide, on the basis of the findings and conclusions of the study, on further steps to address cash availability issues and will also assess the need for a revision of the Memorandum and, if necessary, will initiate any necessary amendments.
14. A Party may unilaterally withdraw from the Memorandum by giving written notice to the other Parties in one of the following cases: (i) by giving at least 60 calendar days' notice if the other Parties fail to comply with their obligations under the Memorandum,

- or (ii) by giving at least 60 calendar days' notice if the Memorandum becomes unenforceable for any other reason, or (iii) by giving at least 6 months' notice.
15. The Parties acknowledge that the final implementation of the terms of the Memorandum will require specific agreements on commercial terms between the Memorandum Participants and third parties; therefore, the Parties understand that these agreements must be implemented only in accordance with the provisions of the Republic of Lithuania Law on Competition and with the approval of the Competition Council.
 16. The memorandum is signed with a qualified electronic signature.

Signatures of the Parties:

Bank of Lithuania

Association of Lithuanian Banks

Luminor Bank AS, acting through Luminor Bank AS Lithuanian branch

AB SEB bankas

Swedbank, AB

AB Šiaulių bankas

Lithuanian Central Credit Union

Lithuanian branch of AS Citadele banka

Revolut Payments, UAB

Annex 1
to the Memorandum of Understanding for
Ensuring Access to Cash in Lithuania
dated 21 June 2021

Number of ATMs of financial market participants as parties to the Memorandum in Lithuania 9 June 2021

Seq. No.	City/town/locality	Swedbank, AB	AB SEB bankas	AB Šiaulių bankas/ Lithuanian Central Credit Union/ Lithuanian branch of AS Citadele banka (Medus)*	Luminor Bank AS Lithuanian branch*	Lithuanian branch of AS Citadele banka	Total
1.	Akademija (Kaunas district)		1				1
2.	Akademija (Kėdainiai district)		1				1
3.	Akmenė	1					1
4.	Alytus	10	8	4	3 (1)		25 (1)
5.	Anykščiai	3	2	1	1		7
6.	Ariogala	1					1
7.	Baisogala			1			1
8.	Birštonas	1		1			2
9.	Biržai	3	3	1	1		8
10.	Didžioji Riešė	1	1		1		3
11.	Druskininkai	5	2	3 (1)	1		11 (1)
12.	Dūkštyna village		2				2
13.	Dusetos	1					1
14.	Eišiškės				1		1
15.	Elektrėnai	3	1	1	1		6
16.	Gargždai	3	3	1	2		9
17.	Garliava	1	1	1	1		4
18.	Ginkūnai		1				1
19.	Grigiškės	1	1				2
20.	Ignalina	3	1		1		5
21.	Jonava	4	6	1	3		14
22.	Joniškis	3	1	1 (1)	2		7 (1)
23.	Jurbarkas	3		1	2		6
24.	Kaišiadorys	3	4	1 (1)	2		10 (1)
25.	Kalvarija	2			1		3
26.	Karmėlava		1	1	1 (1)		3 (1)
27.	Kaunas	51	45	20 (2)	27 (7)	1	145 (9)

28.	Kazlų Rūda	1	1				2
29.	Kėdainiai	6	5	2	3 (1)		16 (1)
30.	Kelmė	4		1 (1)	2		7 (1)
31.	Kybartai	1			1		2
32.	Klaipėda	30	21	15 (2)	13 (4)	1	80 (6)
33.	Krekenava	1					1
34.	Kretinga	3	4	1	2		10
35.	Kupiškis	3	1	1	1		6
36.	Kuršėnai	2	1	2	1		6
37.	Lazdijai	2			2		4
38.	Lentvaris	2	1		1		4
39.	Marijampolė	8	8	2	3		21
40.	Mažeikiai	6	7	2 (1)	3		18 (1)
41.	Molėtai	3	2		1		6
42.	Naujoji Akmenė	2	1		1		4
43.	Naujoji Vilnia		2				2
44.	Nemenčinė	1	1				2
45.	Nida	1	1	1			3
46.	Pabradė	1	1		1		3
47.	Pagėgiai	1		1			2
48.	Pakruojis	2			2		4
49.	Palanga	5	3	3	3 (1)		14 (1)
50.	Panevėžys	19	16	5	5 (3)	1	46 (3)
51.	Pasvalys	3	1		2		6
52.	Plungė	4	4	2	2		12
53.	Priekulė	1					1
54.	Prienai	3	1	1	2 (1)		7 (1)
55.	Radviliškis	3	1	1	2		7
56.	Ramučiai	1					1
57.	Raseiniai	4	2	1	2		9
58.	Rietavas	2					2
59.	Ringaudai	1					1
60.	Rokiškis district		1				1
61.	Rokiškis	4	2	1	1		8
62.	Rudamina		1				1
63.	Rukla		1				1
64.	Salantai	1					1
65.	Seda	1					1
66.	Skaidvilė		1				1
67.	Skuodas	2		1	2		5
68.	Šakiai	3			2		5
69.	Šalčininkai	3			2		5
70.	Šeduva	1					1
71.	Šiauliai	21	10	12	6 (2)	1	50 (2)
72.	Šilalė	3			2 (1)		5 (1)

73.	Šilutė	4	2	2	3 (1)		11 (1)
74.	Širvintos	2	1		2		5
75.	Švenčionėliai	1			1		2
76.	Švenčionys	2		1	1		4
77.	Šventoji		1				1
78.	Tauragė	3	4	2	3 (1)		12 (1)
79.	Telšiai	4	4	2 (1)	3 (1)		13 (2)
80.	Tytuvėnai	1					1
81.	Trakai	2	2	1	1		6
82.	Trakų Vokė		1		1		2
83.	Ukmergė	4	3	1	3		11
84.	Ukmergė district			1			1
85.	Utena	6	8	2 (1)	2		18 (1)
86.	Varėna	3	1	1	1		6
87.	Varniai	1					1
88.	Veisiejai	1					1
89.	Venta	1					1
90.	Vievis	1			1		2
91.	Vilkaviškis	4	1	1	3		9
92.	Vilkija	1			1		2
93.	Vilnius	84	84	43 (5)	36 (9)	1	248 (14)
94.	Visaginas	4	2	2	1		9
95.	Zarasai	2	1		1		4
96.	Žagarė	1					1
	TOTAL	400	301	153 (16)	185 (34)	5	1044 (50)