



Electronic Money Association

68 Square Marie-Louise
Brussels 1000
Belgium

www.e-ma.org

The Ministry of Finance of the Republic of Lithuania
Lukiškių str. 2, 01512 Vilnius, Lithuania
Vice Minister Mindaugas Liutvinskas

By email kristina.vabinskaite@finmin.lt

12 April 2022

Dear Mindaugas Liutvinskas,

Re: EMA response to the Ministry of Finance of the Republic of Lithuania consultation on the draft Law amending Articles 9 and 25 of the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania No VIII-275 (“Consultation”).

Thank you for the opportunity to respond to the Consultation. The EMA is the EU trade body of FinTech, BigTech and technology firms engaging in the provision of alternative digital payment services, including the issuance of e-money, e-money tokens and cryptoassets. Our members include leading payments and e-commerce businesses worldwide, providing online payments, card-based products, electronic vouchers, and mobile payment instruments, and increasingly cryptocurrency exchanges and other cryptocurrency related products and services. Most members operate across the EU, most frequently on a cross-border basis. A list of current EMA members is provided at the end of this document. We have a monthly cryptoasset working group that meets to discuss issues of regulatory significance for the cryptoasset sector.

I would be grateful for your consideration of our comments and proposals.

Yours sincerely,

A handwritten signature in black ink, reading 'Thaar Sabri', is positioned above a horizontal line that extends to the right and then curves back under the signature.

Dr Thaar Sabri
Chief Executive Officer
Electronic Money Association

EMA comments

The EMA's comments to the draft amendments to Law of the Republic of Lithuania on Prevention of Money Laundering and Terrorist Financing No.VIII-275 ("**AML Law**") are set out below.

Amendment to Article 9(1)(6) and deletion of Article 9(11)(9)

The removal of the EUR 1,000 threshold in relation to virtual currency exchange operations, transactions in virtual currency and virtual currency deposits and withdrawals into/from virtual currency wallets before VASPs are required to carry out customer due diligence

The EMA does not support the removal of EUR 1,000 threshold for VASPs.

Where VASPs are involved, transfers of virtual currencies are comparable to transfers of funds made through regulated payment service providers who are supervised by their national competent authorities. While the technology underlying virtual currencies enables more rapid transfers than those made with other funds, it also enables far greater transparency and provides law enforcement with greater opportunities for tracking and preventing further transfers of compromised funds.

The EUR 1,000 limit reflects a risk-based approach to the prevention of money laundering, and this should also be available to VASPs, allowing them to focus on areas of higher risk.

Addition to Article 9(21)

The prohibition of VASPs opening anonymous accounts or accounts under apparently fictitious names as well as opening accounts or otherwise entering into a business relationship without requesting customer's identity documents or where there are reasonable grounds for suspecting that the data recorded in these documents is false or falsified

The EMA does not object to the prohibition of VASPs opening anonymous accounts. However, we note that the existing AML Law provisions do not foresee the use of simplified due diligence procedures by VASPs, which creates additional barriers for carrying out business in/from Lithuania and adversely affects the proper implementation of the risk-based approach. The EMA

strongly supports risk-based approach to the AML requirements, including risk-sensitive customer due diligence requirements which enable the focus the AML/CTF efforts to the higher risk customers.

New Article 25(5)

Increasing the initial minimum capital requirements for VASPs to EUR 125,000

The EMA's position is that any initial minimum capital requirements for VASPs should be proportionate. The proposed initial capital requirement for VASPs (EUR 125,000) corresponds to the highest minimum capital requirement for a payment institution license with permissions to carry out payment services referred to in points (1) to (5) of Annex I, The Second Payment Services Directive (EU) 2015/2366 ("**PSD2**"). The EMA does not believe it is proportionate to apply the same (highest) minimum capital level requirement to VASPs. The EMA considers that, on the basis of risk, VASPs are more comparable to payment institutions with money remittance permission (point (6) of Annex I, PSD2) and a minimum initial capital requirement of EUR 20,000. The initial minimum capital requirements for VASPs should be set accordingly.

Members of the EMA, as of April 2022

[AAVE LIMITED](#)
[Account Technologies](#)
[Airbnb Inc](#)
[Airwallex \(UK\) Limited](#)
[Allegro Group](#)
[American Express](#)
[ArcaPay Ltd](#)
[Azimo Limited](#)
[Bitpanda Payments GmbH](#)
[Bitstamp](#)
[BlaBla Connect UK Ltd](#)
[Blackhawk Network Ltd](#)
[Boku Inc](#)
[CashFlows](#)
[Circle](#)
[Citadel Commerce UK Ltd](#)
[Contis](#)
[Corner Banca SA](#)
[Crypto.com](#)
[Curve](#)
[eBay Sarl](#)
[ECOMMPAY Limited](#)
[Em@ney Plc](#)
[emerchantpay Group Ltd](#)
[ePayments Systems Limited](#)
[Etsy Ireland UC](#)
[Euronet Worldwide Inc](#)
[Facebook Payments International Ltd](#)
[Financial House Limited](#)
[First Rate Exchange Services](#)
[FIS](#)
[Flex-e-card](#)
[Flywire](#)
[Gemini](#)
[Global Currency Exchange Network Limited](#)
[Globepay Limited](#)
[GoCardless Ltd](#)
[Google Payment Ltd](#)
[HUBUC](#)
[IDT Financial Services Limited](#)
[Imagor SA](#)
[Ixaris Systems Ltd](#)
[Modulr FS Europe Limited](#)
[MONAVATE](#)
[Moneyhub Financial Technology LtdMoorwand](#)
[MuchBetter](#)
[myPOS Europe Limited](#)
[NoFrixion Ltd](#)
[OFX](#)
[OKTO](#)
[One Money Mail Ltd](#)
[OpenPayd](#)
[Own.Solutions](#)
[Oxygen](#)
[Park Card Services Limited](#)
[Paydoo Payments UAB](#)
[Paymentsense Limited](#)
[Payoneer Europe Limited](#)
[PayPal Europe Ltd](#)
[Paysafe Group](#)
[Plaid](#)
[PPRO Financial Ltd](#)
[PPS](#)
[Remitly](#)
[Revolut](#)
[SafeCharge UK Limited](#)
[Securiclick Limited](#)
[Skrill Limited](#)
[Soldo Financial Services Ireland DAC](#)
[Square](#)
[Stripe](#)
[SumUp Limited](#)
[Syspay Ltd](#)
[Transact Payments Limited](#)
[TransferMate Global Payments](#)
[TrueLayer Limited](#)
[Trustly Group AB](#)
[Uber BV](#)
[Vitesse PSP Ltd](#)
[Viva Payments SA](#)
[Vivid Money Limited](#)
[Weavr Limited](#)
[WEX Europe UK Limited](#)
[Wirex Limited](#)
[Wise](#)
[WorldFirst](#)
[WorldRemit LTD](#)
[Yapily Ltd](#)