

## Explanations/ Definitions

**Beneficial Owner (BO)** – a natural person who owns or controls the customer (legal entity or foreign state-owned enterprise) and / or the natural person on whose behalf the transaction or activity is performed. The beneficiary is:

- 1) in a legal person: (a) a natural person who owns or controls, directly or indirectly, a sufficient percentage of the shares or voting rights of that legal person, including through the management of bearer shares, except in the case of public limited liability companies, which are subject to disclosure requirements in accordance with European Union law, or equivalent international standards, or otherwise controlled. A natural person who owns 25 per cent and one share or more than 25 percent of the client's property is considered a direct owner. The natural person (s) controlling the company or several companies that owns 25 percent and one share or more than 25 percent of the client's ownership is considered to be the indirect owner(s).; (b) a natural person in a senior management position, if the person referred to in point (a) of this paragraph has not been identified or if there are doubts as to whether the identified person is the beneficiary;
- 2) in trusts, all of the following: (a) a trustee; (b) a trustee; (c) the custodian, if any; (d) a natural person who benefits from a legal person or entity without legal personality or, in the absence of such a person, from persons whose interests that legal person or entity without legal personality has established or operates; (e) another natural person who effectively controls the trust is owned, directly or indirectly, by other means;
- 3) in a legal person administering and distributing funds, in an entity of a form similar to a trust, a natural person holding a position equivalent to the duties specified in Paragraph 2 of this Part.

**Controlling Person** – a natural person who holds a position in the highest management body of a legal entity or legal arrangement, in case it is not possible to determine the Beneficial Owner.

**Resident** – a natural person who has been assigned a personal identification code, as well as a natural person who resides in Lithuania in accordance with a temporary or permanent residence permit issued by a competent authority of the Republic of Lithuania is registered in the Population Register of the Republic of Lithuania.

**Non-resident** – any natural person who is not considered a Resident

**Tax Residence** – the country according to the legislation of which the Customer's income is subject to taxation. For example, based on a person's place of permanent residence, length of stay (usually 183 days or more in a 12-month period), close personal or economic relationship, or other criteria for income taxation in the relevant country (for example, in the United States, a U.S. tax resident is a US citizen/holder of a US residence permit (Green Card)).

**Politically Exposed Person (PEP)** – are natural persons who have or have been entrusted with important public duties and their close family members or close assistant: Head of State; Head of Government; Minister, vice-minister or deputy minister; Secretary of State, chancellor to the parliament, government or ministry; Member of the parliament; Member of the Supreme Court, Constitutional Court or other supreme judicial authority whose decisions cannot be appealed against; Mayor of municipal government; Director of municipal administration; Head of an international intergovernmental organisation, its deputy head, member of its governing or supervisory body; Leader of a political party, its deputy leader, member of its governing body; Member of the governing body of the supreme state audit and control authority; Chairperson, deputy chairperson or member of the board of the central bank; Ambassador, chargé d'affaires, Commander of the Lithuanian Armed Forces, Commanders of the Armed Forces and Units, Chief of the Defense Staff or a high-ranking officer of the Armed Forces of foreign states; Member of the governing or supervisory body of state enterprise, public limited liability company, private limited liability company whose shares or part thereof, granting more than 1/2 of all votes in the general meeting of shareholders, are owned by the state; Member of the governing or supervisory body of municipal enterprise, public limited liability company, private limited liability company whose shares or part thereof, granting more than 1/2 of all votes in the general meeting of shareholders, are owned by the municipal government, and which are considered large enterprises according to the Law on Financial Reporting by Undertakings of the Republic of Lithuania.

**Family member of a politically exposed person** – the spouse, the person with whom the partnership is registered (hereinafter - cohabitant), parents, brothers, sisters, children and spouses of children, cohabiting children.

**Person closely associated to politically exposed person:**

- 1) a natural person who is a member of the same legal person or an organization without legal personality or maintains other business relations with a person holding or having held the duties;
- 2) a natural person who is the sole beneficiary of a legal person or an organization without legal personality, established or operating for the de facto property or other personal benefit of a person holding or having performed the duties.

**International sanctions** – restrictions imposed on the subject of sanctions by the United Nations (UN) or the EU (European Union) or another international organization of which the Republic of Latvia, Republic of Lithuania, Republic of Estonia or Switzerland Confederation are members and which are directly applicable or implemented in the Republic of Latvia, Republic of Lithuania, Republic of Estonia or Switzerland Confederation, in accordance with international law, as well as restrictions adopted by Office of Foreign Assets Control (OFAC).

**Goods of strategic significance**, including software and technology, are items that can be used for both civilian and military purposes (Dual-use items). This category includes all goods that can be used in the manufacture of weapons, military equipment, weapons of mass destruction or means of delivery, etc. and are listed in Annex 1 to Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items, Annex 2 to Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, the Common Military List of the European Union, and the National List of Goods and Services of Strategic Significance of the Republic of Lithuania.