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**Release from
criminal liability of
legal entities
in Lithuania**



Lithuanian Criminal Code

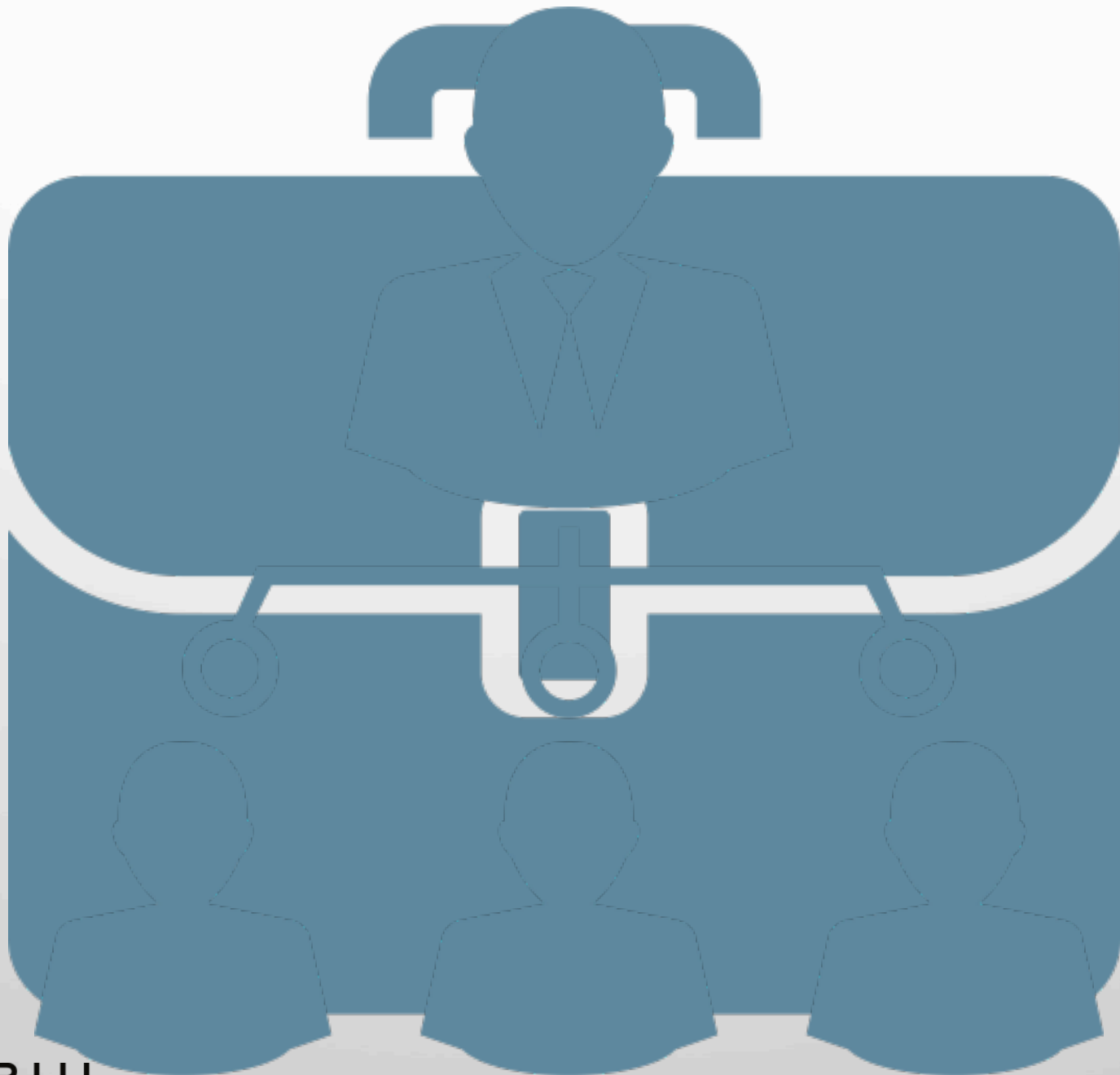
Criminal liability for:

- Natural persons
- Legal entities

for crimes of natural persons, committed for the benefit of, or in the interests of legal entity, entitled to:

- represent the legal entity, or
- take decisions on behalf of the legal entity, or
- control activities of the legal entity;

for crimes of employee in case of insufficient control.



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Ability to change

- ownership;
- management;
- activity;
- personnel;
- assets;
- and any other details of legal entities...



Reasons to save the legal entity:

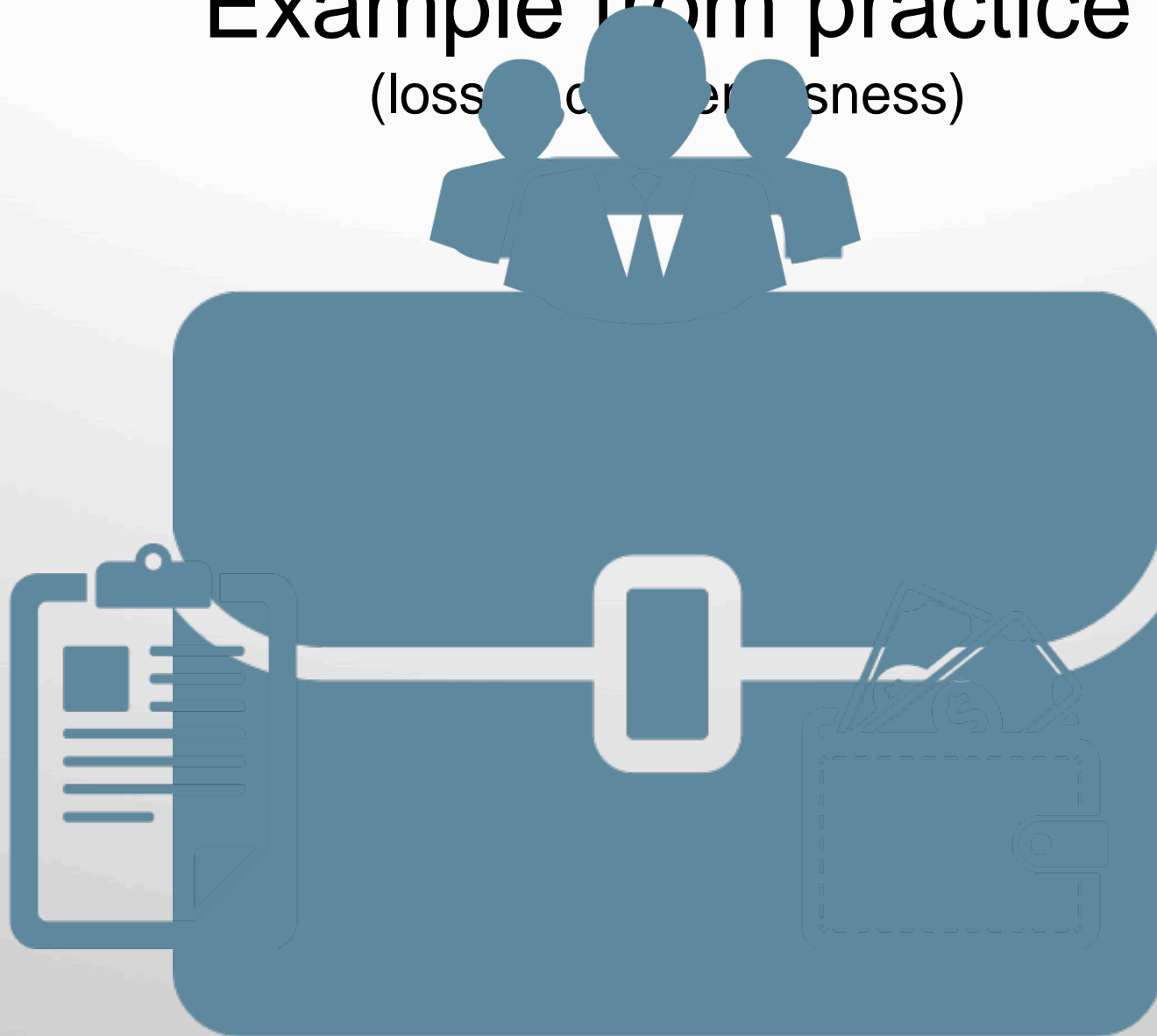
- Licenses;
- Various permissions;
- History of records;
- Credibility;
- Assets;
- Contracts;
- Staff;
- ...

Legal instruments:

- Article 36 of Lithuanian Criminal Code stipulates that a person who commits a criminal act shall be released from criminal liability where a court acknowledges that before opening of the hearing of the case in the court this person had **lost its dangerous character** due to a change in circumstances;
- Part 7 of Paragraph 1 of Article 3 of Lithuanian Code on Criminal Procedure provides that a criminal procedure cannot be started and if started must be terminated for **decedent**.

Example from practice

(loss of business)



- Shares sold to a sincere and unrelated third person;
- Executives changed;
- Name of the company changed;
- Type of activity changed;
- Taxes paid.

The Supreme Court ruled that it made the company to lose the dangerousness and released it from criminal liability for the offenses made by the previous executives.

Supreme court dismissed the arguments of prosecutor concerning the severity of the crime, continuity of the legal entity and the inevitability of punishment.

Example from practice



1000 members

(death)



**Merger
transaction**

Leiboristai

Darbo partija

Darbo partija (leiboristai)

New legal entity (formaly):
new registration code;
new name.

But:
same members;
same management;
same ruling coalition agreement;
same premises and assets;
same rights, obligations;

Accusations of:

Organizer of group for
committing fraudulent
book-keeping, and
qualified fraud;

8 000 members



Krikščionių partija

18 000 members



Darbo partija (leiboristai)

Merger transaction

Darbo partija (leiboristai)



New legal entity (formaly):
new registration code;
new name.

same members;
same management;
same ruling coalition agreement;
same premises and assets;
same rights, obligations;
same old name

...



Thank you for attention

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