

**2023 - 2028**

**THE FINTECH STRATEGY OF LITHUANIA**

## ***WELCOME WORD***

Lithuania - a European FINTECH hotspot - is once again embracing change and taking a step towards fostering innovation and shaping the future. Lithuania's 2023-2028 FINTECH Strategy is a carefully crafted blueprint for harnessing the potential of technology to reshape our financial landscape for the better.

Lithuania's strategic goal is to further strengthen its position as a high value-added European FINTECH hub by promoting the qualitative growth of the sector, opening up to companies creating innovative solutions, building competencies, strengthening risk management procedures and increasing our global recognition.

We invite you to scale your FINTECH with Lithuania - from starting your business to reaching Series E, we can provide it all. The strategy sets out a comprehensive framework that not only embraces qualitative growth by adapting emerging technologies to provide data-driven products, but also promotes market maturity and security to ensure the soundness of the jurisdiction.

The FINTECH strategy represents the collaborative efforts of industry experts, regulators, entrepreneurs and thought leaders who have come together to lay the foundations for a vibrant and sustainable ecosystem. It demonstrates a clear collective commitment to fostering an environment in which FINTECH can thrive.

Minister of Finance  
Gintarė Skaistė



## INTRODUCTION

The qualitative and quantitative development of the financial technology (hereinafter - FINTECH) sector is one of the national priorities set out in the Programme of the Eighteenth Government of the Republic of Lithuania, approved by the Lithuanian Parliament. The objective of the programme is to maintain Lithuania's position as a regional FINTECH hub. To achieve this, the Minister of Finance established a working group consisting of experts from FINTECH associations and public authorities. The expert group unanimously agreed on the goal that **by 2028 Lithuania should be universally recognised as a European high value-added FINTECH hotspot.**

The expert group carried out 4 surveys: 1) a quantitative and qualitative survey of FINTECH companies (hereinafter - the survey of FINTECH companies) with the participation of 78 companies, 2) focus interviews of FINTECH companies with the participation of 9 FINTECH companies, 3) a quantitative and qualitative survey of Lithuanian business entities other than FINTECH companies (hereinafter - the survey of SMEs) with the participation of 64 SMEs, and 4) a representative survey of the Lithuanian population (hereinafter - the survey of the population) with the participation of 1,881 people.

Based on the results of the surveys, the expert group prepared recommendations to the Minister of Finance. In response to the recommendations, the Ministry of Finance, together with other stakeholders, developed the 2023-2028 Fintech Strategy of Lithuania and an action plan to implement its five guiding principles (Figure 1).

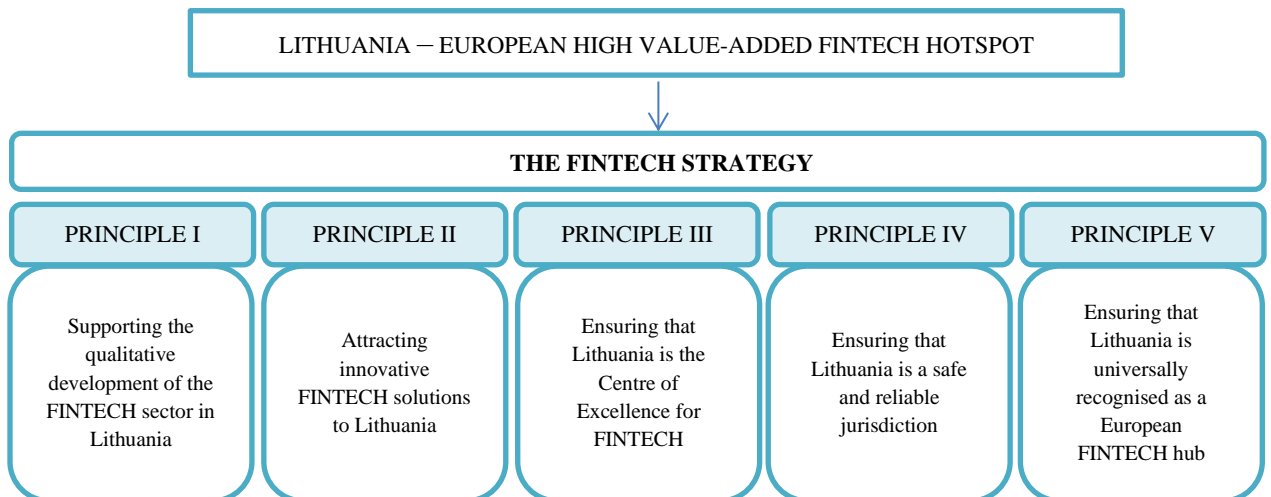


Figure 1. Guiding principles of the Fintech Strategy

## GUIDING PRINCIPLES

### PRINCIPLE I SUPPORTING THE QUALITATIVE DEVELOPMENT OF THE FINTECH SECTOR IN LITHUANIA

The active role of Lithuanian public authorities and FINTECH companies has led to the rapid growth of the FINTECH sector in Lithuania over the last 6 years. According to the 2022-2023 report on the FINTECH landscape in Lithuania prepared by Invest Lithuania, by the end of 2022 there were 263 FINTECH companies (Figure 2) operating in Lithuania, employing more than 7 thousand people, with an average of 27 employees per company. According to data from the State Data Agency of Lithuania for Q3 2022, these employees accounted for 0.52% of the total employed population in Lithuania.

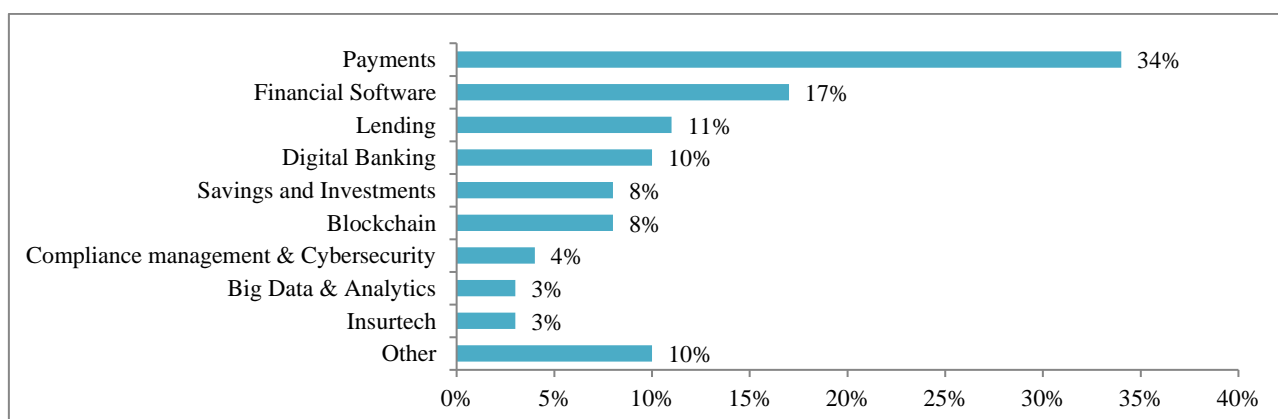


Figure 2. Main business activities of the Lithuanian FINTECH companies. Source: Invest Lithuania

In order for the FINTECH sector to create high added value in Lithuania and Europe, and to increase the confidence of new potential investors, it is important to ensure the growth and maturity of already established companies, the development of the services they provide and the reliability of their activities. It is essential to further support the development of the market ecosystem both in Lithuania and in other European Union (hereinafter – EU) countries. This would contribute to the first priority of the EU Digital Finance Strategy - to tackle fragmentation in the Digital Single Market, thereby enabling European consumers to access cross-border services and helping European financial firms to expand their digital operations. At the same time, it is important to promote the export of FINTECH services and products to EU countries and other target markets using Lithuania's international network (e.g. embassies, commercial attachés).

One of Lithuania's key advantages is the close and open cooperation between associations and public authorities responsible for the development of the FINTECH sector. It is crucial that public authorities remain open to innovation and respond promptly to the challenges faced by companies (Figure 3), and that FINTECH companies comply with legal requirements and ensure timely and high-quality risk management. For the sustainable development of the FINTECH sector, it is necessary to ensure that the regulatory framework is suitable for the application of new and innovative business models. Against this background, the Ministry of Finance plans to develop a model for regular cooperation between the public and private sectors, so that both FINTECH companies and public authorities can share their expertise in finding solutions to existing problems.

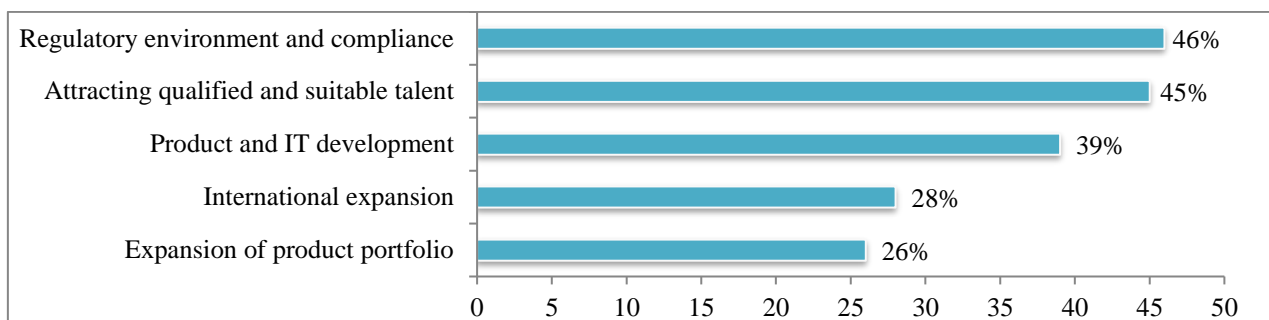


Figure 3. Challenges anticipated by FINTECH companies in 2023. Source: Invest Lithuania

Approximately half of the FINTECH companies operating in Lithuania are licensed. The Action Plan aims to encourage these companies to expand the scope of their activities, to develop and offer new products to consumers, and to ensure that companies increase the maturity of their regulatory compliance and strengthen risk management. To achieve this:

- The Ministry of Finance will analyse the problems faced by FINTECH companies in raising capital (especially in the later investment series) and, if necessary, propose possible solutions (e.g. attracting international investors, expanding the scope of business support measures, using the possibilities offered by the EU Structural Funds).
- The Bank of Lithuania will review the necessary procedures to ensure that the extension of the operating licence in the field of financial services is as effective as possible.
- The Bank of Lithuania will examine the possibility of applying the sandbox to already licensed FINTECH companies planning to expand their activities. This will increase the attractiveness of the sandbox for existing FINTECH companies considering the provision of new innovative services.
- The Bank of Lithuania will continue to improve payment infrastructure solutions (e.g. CENTROLink) as much as possible.

The qualitative development of the FINTECH sector and its long-term success are inextricably linked to the increasing maturity of individual companies and the sector as a whole. Maturity is understood as the proper assessment and prevention of risks by companies, thus contributing to the stability and reliability of the sector's activities. Lithuania has already established itself as a leader in the EU in terms of the number of licensed payment and e-money institutions. In order to continue attracting significant investors to the country, it is important to ensure adequate risk management standards and a high international reputation of FINTECH companies.

In view of the above, the Bank of Lithuania will seek to continue to apply advanced supervision methods for FINTECH companies in its practice. The Bank of Lithuania will ensure that the supervision of FINTECH companies meets the highest quality standards, but at the same time is clear to market participants: the supervisory requirements are comprehensible, information about them is easily and readily accessible to supervised companies, the supervisory authority's activities are focused on advising companies, providing quality services to companies and implementing other preventive and methodological measures to prevent violations of legal acts. Associations of FINTECH companies will initiate trainings in order to strengthen their members' competences and compliance maturity.

In 2023-2028, more emphasis will be placed on the development of advanced technologies and innovation (Figure 4). The Innovation Agency will develop a roadmap for information and communications technology (hereinafter - ICT), which will include financial technologies. The roadmap will provide an overview of the Lithuanian ICT sector and how to promote it. The potential of the ICT sector will be assessed from different perspectives, including financial, legal, policy and technological.

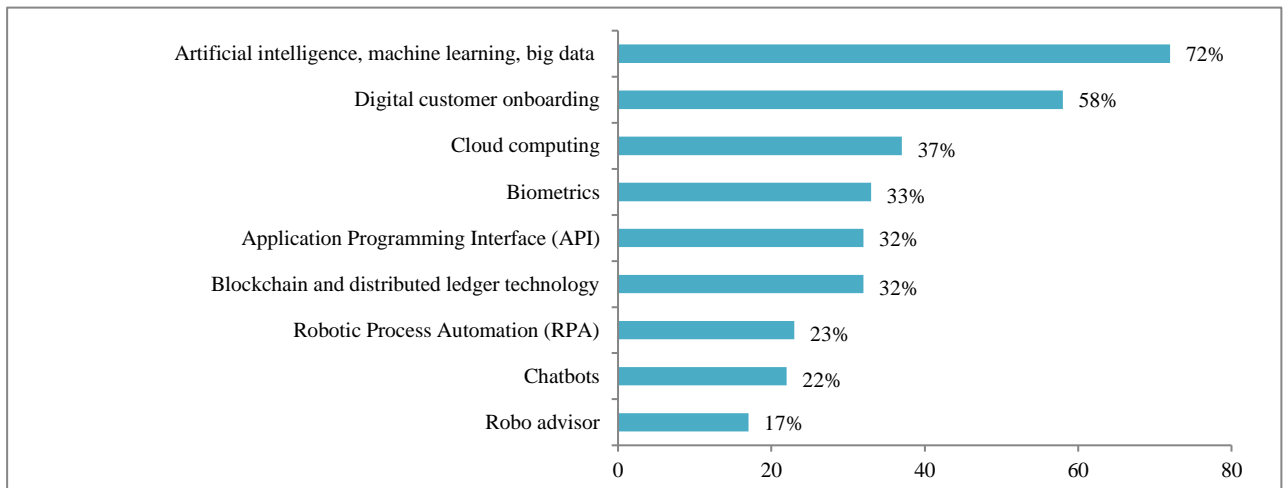


Figure 4. FINTECH companies' leading technologies in 2022-2025. Source: the survey of FINTECH companies.

Innovation will also be supported by investment from the EU Structural Funds as well as the EU Recovery and Resilience Programme. The objectives are to promote digitisation, create a coherent framework to stimulate innovation activities, improve the competitive environment to attract investment, promote entrepreneurship and create incentives for companies to grow, implement measures to boost export competitiveness and promote the supply of talent and skills for a smart economy. These objectives will be pursued through a number of actions. For example, FINTECH companies will be able to benefit from the Innovation Promotion Fund, which aims to encourage investment in applied research, experimental development and innovation activities. Start-ups will also receive financial incentives to develop products and solutions for artificial intelligence, blockchain technologies and robotic processes. At the same time, attention will be paid to accelerator programmes.

Successful development of the FINTECH sector also requires cooperation to realise the potential of future technologies or international initiatives in Lithuania, thus ensuring the country's leadership. The Ministry of Finance, together with the Bank of Lithuania and the Ministry of Economy and Innovation, will analyse the possibilities of establishing the Innovation Lab. The aim of the Innovation Lab is to evaluate the latest technological solutions and to find ways to create a window of opportunity for Lithuania to become a leader in the development and application of innovation in the financial sector. The Ministry of Finance will analyse the possibilities of allocating funds tailored to the implementation of technological solutions through public-private partnerships.

In 2023-2028, attention will continue to be paid to reducing the administrative burden on businesses. The FINTECH associations will produce aggregated information on the procedural and/or digital infrastructure challenges faced by market participants when submitting data to public

authorities. The Ministry of Finance, together with the Ministry of Economy and Innovation and the Ministry of the Interior, will assess the possibilities of allocating funds to ensure the efficiency of processes, information systems and/or to improve access to them.

In order to enable all taxpayers to use the services of a single online service platform in real time and without interruption, the State Tax Inspectorate will create a common tax administration platform. The aim is to create a single electronic service channel for clients; to integrate the latest technological solutions necessary for the provision of services; to increase the level of maturity, quality and technology of the services provided; to reduce administrative costs by consolidating the IT decisions of the State Tax Inspectorate; to enable Lithuanian, EU and third country citizens to use the services conveniently, quickly and continuously by applying the principles of one-time data submission.

In order to achieve the qualitative development of the FINTECH sector, the visibility of the services and products of FINTECH companies in Lithuania will be promoted (Figure 5) - the Ministry of Finance, together with other stakeholders, will develop a communication plan with measures aimed at increasing the visibility of the FINTECH sector in Lithuania. ROCKIT, together with the FINTECH associations, will continue to promote trust, cooperation and the exchange of best practices and expertise between the different FINTECH sub-sectors, as well as between FINTECH companies and traditional financial market participants. The Ministry of Finance will also develop a public financial literacy plan.

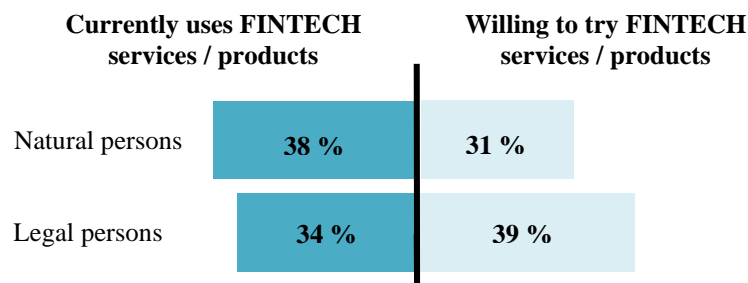


Figure 5. Use of FINTECH services in 2021. Sources: population and SME surveys

The implementation of the principle addressed in this section will strengthen the position and importance of FINTECH companies in the overall Lithuanian financial ecosystem. FINTECH companies are expected to have an impact on the development of the capital market by becoming significant players in the sector, strengthening the maturity of risk management and regulatory compliance, as well as contributing to the transformation of the economy towards sustainability. The Green Finance Action Plan<sup>1</sup> prepared by the Ministry of Finance will help encourage digital banks, crowdfunding platforms and investment fund managers to contribute directly to the financing of sustainable projects.

<sup>1</sup> The Lithuanian Green Finance Action Plan (LT version): <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/0fbf94e0eab411eda305cb3bdf2af4d8>

## PRINCIPLE II

### ATTRACTING INNOVATIVE FINTECH SOLUTIONS TO LITHUANIA

An increasing number of foreign companies and investors are choosing Lithuania to start and/or expand their activities. Efforts will be made to ensure that the establishment process in Lithuania remains smooth and fast. In addition, the authorities will actively seek to attract companies developing innovative FINTECH solutions to Lithuania in 2023-2028.

A list of companies that the authorities intend to attract to Lithuania through active measures will be prepared and updated annually by Invest Lithuania. This process will seek to list both technology companies and licensed companies with high value-added potential offering innovative financial products, services and/or business models to natural and legal persons of the EU. These measures will be taken as the financial technology sector creates long-term benefits for Lithuania:

- Increased competition between companies leads to better access to financial services for natural and legal persons and increases the efficiency of services (speed, convenience, lower prices). Competition also puts pressure on the financial sector to adopt new innovative solutions, thus contributing to technological transformation. The growth in the number of licensed and successful FINTECH companies also generates benefits for the entire financial sector ecosystem. More and more technology companies (software, compliance solutions, cybersecurity solutions, etc.) are being established in Lithuania. At the same time, attracting technology companies to Lithuania promotes the development of the talent ecosystem by developing new skills and creating attractive high value-added jobs for Lithuanian and foreign talent.
- The development of the ecosystem and its international visibility also determine the growing interest of investors. In 2022, the total investment in TECH start-ups amounted to EUR 291.8 million, of which EUR 67.9 million was attracted by FINTECH companies (Figure 6). All this contributes to the technological transformation of the national economy, which helps to create and export new products and services, generate high value-added jobs, attract foreign talent and stimulate change in other sectors.

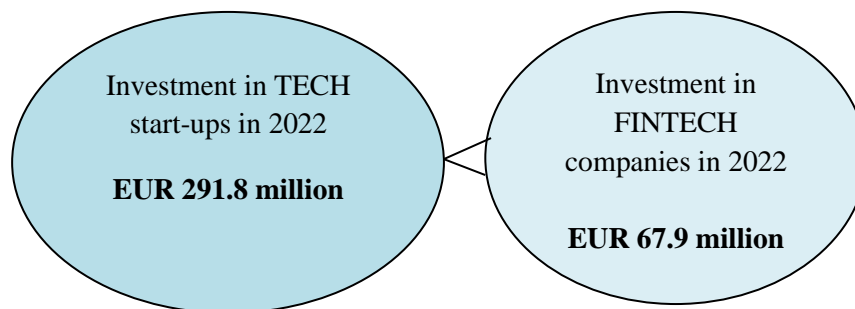


Figure 6. Investment in TECH start-ups and FINTECH companies. Source: Invest Lithuania

Global trends in the FINTECH sector will influence the establishment of the list of companies to be attracted to Lithuania. In addition, the list will be updated annually or, if possible, twice a year, taking into account market developments. The list will include both licensed and technology companies. Currently, the most popular technology areas are embedded and decentralised finance,



cloud computing, the Internet of Things, big data and artificial intelligence, virtual/enhanced reality, Web3, distributed ledger technology (DLT), new types of securities, and various compliance and cybersecurity solutions. Attention will also be paid to companies providing financial services which have the highest growth potential in Lithuania (Figure 7).

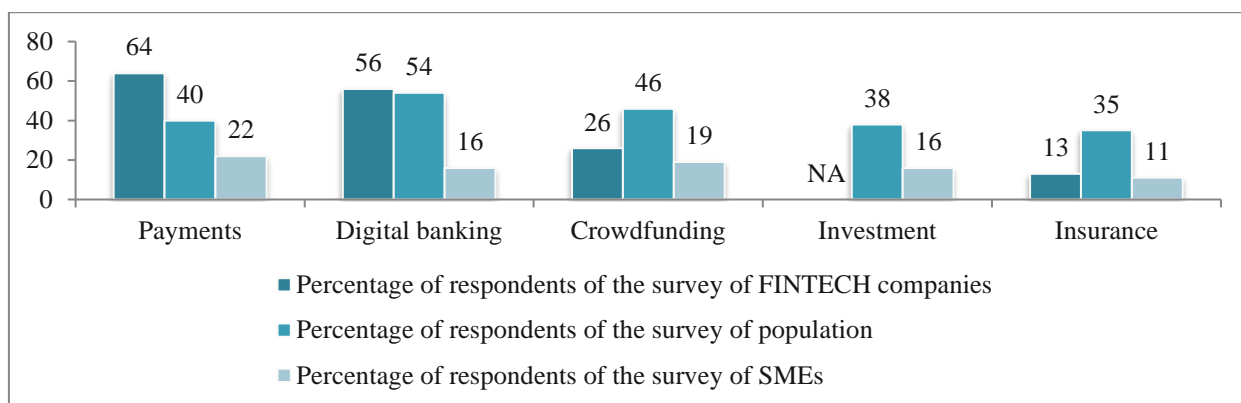


Figure 7. The most popular FINTECH services in Lithuania according to surveys.

Surveys show that payments and digital banking are currently the most important services for consumers. According to the data of Q1 2023, 85 e-money institutions, 44 payment institutions, 13 companies with a bank or a specialised bank licence and 6 branches of foreign banks were active in Lithuania. It is important to ensure qualitative development in these areas - FINTECH companies should be encouraged to expand their activities in a sustainable and balanced manner, increase the number of employees, develop new products, improve the compliance culture and have sufficient regulatory compliance and risk management skills to ensure consumer confidence in the services provided. It is also important to analyse global trends and new business models of digital banking and payment solutions in order to apply innovative solutions in Lithuania.

Active steps will also be taken to attract FINTECH companies in the currently less developed segments of licensed activities in the country, namely crowdfunding and peer-to-peer lending, INSURTECH and WEALTHTECH. At the end of 2022, 23 crowdfunding platform operators (11 active), 11 financial brokerage companies with a licence in Lithuania and 7 companies in the INSURTECH sector were active in Lithuania. Together, these companies accounted for about 16% of all FINTECH companies operating in Lithuania. The surveys of the population and SMEs show that 46% of the population and 19% of SMEs would like to try crowdfunding and peer-to-peer lending platform services, 38% of the population and 16% of SMEs would like to try WEALTHTECH services and 35% of the population and 11% of SMEs would like to try INSURTECH services.

In order to attract high value-added companies to Lithuania, Invest Lithuania will assess the possibilities of activities and development of new business models aimed at digitalisation and/or transformation of the traditional financial sector in Lithuania. The focus will be on analysing those business models that are less developed in Lithuania and/or have the highest growth potential. The risks posed by new business models to the safety and soundness of the jurisdiction and the willingness of firms to manage them properly will also be considered in the analysis. For example,

the rapidly growing popularity of AI solutions may pose ethical challenges due to ethnic, gender and age bias, violation of the right to privacy and data protection, misrepresentation of content, the impact of uneven accumulation of information on competitiveness, and imbalances in access to information, etc. Payment and digital banking solutions are exposed to the risks of money laundering and cyber attacks, the virtual currency segment to the risk of fraud, crowdfunding platforms to the risk of irresponsible lending, etc. When analysing new business models, Invest Lithuania will take into account both the added value created by a particular segment of the companies as well as the risks involved and the readiness of the companies to manage them.

As the FINTECH sector is changing rapidly, the segments of companies are likely to change and/or expand in the future. Therefore, the priorities of both the list of companies to be attracted and the priorities of the analysis of new business models should be constantly updated. For example, crypto/virtual asset service providers will be one of the new segments of licensed companies in the near future. After the entry into force of the Regulation of the European Parliament and of the Council on markets in crypto-assets into force, such activities will become part of the FINTECH sector. The relevant public authorities, together with the already operating market participants, will strive for an appropriate integration of this sub-sector into the existing ecosystem. This will ensure a high level of security and reliability, a culture of compliance with the Lithuanian legislation and an appropriate risk management at the national level.

The principle described in this section will be implemented by combining the actions of different public authorities. Invest Lithuania will act as a one-stop shop for FINTECH companies offering innovative solutions. FINTECH companies applying for a licence to operate in Lithuania will be advised by the Bank of Lithuania under the Newcomer programme<sup>2</sup>. In order to ensure smooth communication during the licensing process, each company will have its own responsible curator when applying for a licence. FINTECH companies on the list of companies to be attracted will have the opportunity to meet with the heads of public authorities, if necessary. The aim is to ensure that the challenges faced by these companies are addressed as quickly as possible.

### **PRINCIPLE III**

#### **ENSURING THAT LITHUANIA IS THE CENTRE OF EXCELLENCE FOR FINTECH**

High value creation depends on human resources and skills. Therefore, it is important to secure Lithuania's position as a centre of innovation development and application, with competent people capable of transforming the market and shaping the national and international agenda. One of the key priorities in the short term will be to address the issue of attracting and retaining talent. FINTECH companies face an insufficient supply of talent (Figure 8), which is closely linked to other issues in the FINTECH sector, e.g. product and information system development and regulatory compliance.

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<sup>2</sup> A one-stop-shop consultation, information acquisition and meeting application developed at the initiative of the Bank of Lithuania for financial institutions willing to obtain an operating licence in Lithuania, <https://www.lb.lt/en/newcomer-programme>

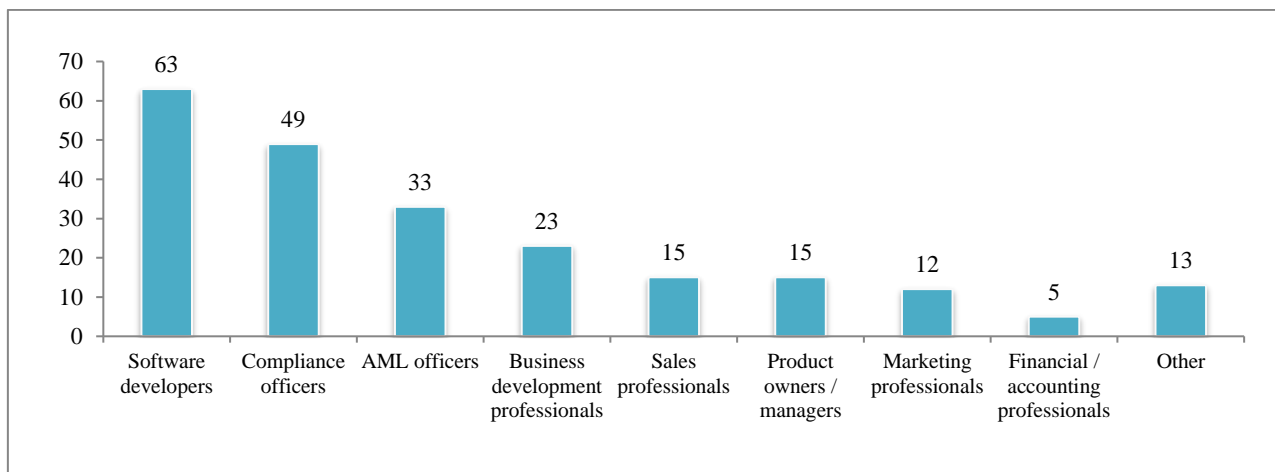


Figure 8. Most sought after professionals by FINTECH companies. Source: the survey of FINTECH companies, % of respondents.

When the supply of talent is insufficient, companies' recruitment costs increase, either because of a mismatch in salary expectations or because candidates lack the necessary experience and/or skills. In order to better meet the needs of the market, it is therefore important to further strengthen cooperation with higher education institutions. Notwithstanding this long-term objective, there is also a need to increase the supply of talent in the short term. To this end, (re)qualification initiatives and the attraction of foreign talent will be promoted:

- Lithuania is currently implementing a number of initiatives aimed at both training its own talent<sup>3</sup> and attracting skilled workers from abroad. This is done by providing financial support to attracted professionals and their host companies. Migration procedures for incoming foreign professionals have also been simplified<sup>4</sup>.
- In order to increase the supply of talent more in line with market needs, the Public Employment Service is implementing a measure which aims to finance opportunities for (un)employed people to acquire high value-added skills or competences relevant to the Lithuanian economy. Almost EUR 81 million has been allocated for the implementation of this measure until 2026 Q2. It can be used by people who want to acquire a qualification, retrain or upskill.
- The labour shortage will be addressed by continuously promoting the attraction of foreign talent. Attracting foreign talent is linked to promoting Lithuania, increasing the attractiveness of job opportunities in the country, simplifying recruitment procedures and paying attention to the integration of foreigners:
  - The Ministry of Economy and Innovation, in cooperation with Invest Lithuania, will continue to implement the "Work in Lithuania" programme aimed at attracting highly qualified foreign specialists to Lithuania. The representatives of the programme will ensure that the attraction of talent is strengthened by active marketing tools - analysing from which countries and by which means Lithuania can attract people with skills shortages, strengthening the image of Lithuania as a career-friendly country abroad, and continuous

<sup>3</sup> Mykolas Romeris University, the Ministry of Finance and the Centre of Excellence in Anti-Money Laundering launched the first AML/CTF specialist certification programme in the Baltic States.

<sup>4</sup> Information on facilitating the employment of foreigners (LT version): <https://vrm.lrv.lt/lt/naujienos/lengvinamos-uzsienio-idarbinimo-salygos-nelieka-patvirtintu-imoniu-saraso>.

cooperation with companies to ensure that Lithuanian employers are ready to recruit foreign workers.

- In order to increase the attractiveness of relocating to Lithuania, as of 1 July 2022, very highly qualified specialists recruited from abroad and the companies employing them are receiving lump-sum payments<sup>5</sup>.
- In order to facilitate recruitment procedures, the Migration Department will review the attractiveness of the Lithuanian Migration Information System (MIGRIS) for consumers. If necessary, a user-friendly guide will be developed and the relevant information<sup>6</sup> will be regularly updated in both Lithuanian and English.
- In order to improve the integration of foreigners, GO Vilnius, together with Invest Lithuania, has established the International House Vilnius, a service centre for foreigners. At the centre, incoming specialists can receive all the main services related to work, relocation and integration in Vilnius in a one-stop shop. The centre, opened on the premises of the Vilnius City Municipality Administration, brought together 8 representatives of state institutions responsible for speeding up integration. In one place, incoming specialists can obtain a residence permit, get advice on tax, social and health insurance, employment issues, declare their place of residence and enrol their children in educational institutions.

Strengthening Lithuania's leadership in the international arena is also important to ensure Lithuania's role as a centre of excellence for FINTECH. Lithuanian representatives need to be actively involved in the EU workstreams, thus contributing to the development of the international FINTECH agenda. To this end, the Ministry of Finance, the Ministry of Economy and Innovation and the Bank of Lithuania, in consultation with FINTECH associations, will draw up a list of priority EU legislative proposals. Given the importance of the issues at stake, FINTECH associations will increase their involvement in the negotiation of legislative proposals. Moreover, in order to establish Lithuania as a centre of excellence for FINTECH, public institutions will make efforts to attract international and EU institutions or their branches and subdivisions related to FINTECH development, supervision or innovation to Lithuania (e.g. AMLA).

#### **PRINCIPLE IV**

#### **ENSURING THAT LITHUANIA IS A SAFE AND RELIABLE JURISDICTION**

In 2023-2028, the aim will be to build trust between FINTECH companies and public authorities. FINTECH companies or their associations will ensure continuous cooperation (e.g. industry days) to present the latest technologies and future prospects for innovative solutions to all stakeholders, including public authorities. At the same time, public authorities will seek to place more emphasis on advising FINTECH companies in their practice and providing feedback - information on the results of FINTECH companies' supervisory actions will be publicly available. Shortcomings, irregularities and good practices identified by supervisors during inspections will be communicated

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<sup>5</sup> The one-off compensation to cover part of the relocation costs of a worker coming to Lithuania amounts to approximately EUR 3.4 thousand (4.1 minimum monthly wage (MMW)). The employer is reimbursed for the costs of recruiting highly qualified workers abroad - approximately EUR 6,000 (7.2 MMW). The lump sum, under contract with the Ministry of Economy and Innovation, is administered by the Public Employment Service.

<sup>6</sup> In the short term, the most important thing is to update the information in English for market participants on the residence and work permit for highly qualified third-country nationals (EU Blue Card).

through meetings, training and reviews. Timely involvement of FINTECH companies in the review of legislative proposals will also be ensured. The Ministry of Finance, together with the Bank of Lithuania, will initiate a legislative proposal providing for the possibility of concluding settlement agreements in the process of applying liability to persons. The Bank of Lithuania will carry out various horizontal risk analyses.

While actively expanding the FINTECH market in Lithuania, it is necessary to further strengthen risk management to increase the safety and reliability of the jurisdiction. Increasing market maturity and understanding of regulatory compliance is key to achieving this objective:

- In order to be better prepared for risk management, FINTECH associations may adopt self-regulation by inviting new licensed market participants to join the associations only if they meet the requirements set by the association; educating their members and the public; monitoring members' compliance with the common principles and, in case of non-compliance, imposing 'sanctions' (e.g. limiting participation in working groups, limiting the possibility of being elected to the board, withdrawal of membership). In this way, membership of the FINTECH association would mean that a certain quality standard has been achieved.
- The FINTECH associations will initiate training to strengthen risk management, increase the maturity of regulatory compliance and improve the competencies of FINTECH companies. In addition, public authorities will organise training for FINTECH companies within their jurisdiction and capabilities to contribute to a better understanding of compliance and risk management requirements, good and bad practices.
- The risk management requirements for licensed FINTECH companies need to be clearly formulated and easily accessible in one place. Several public authorities are responsible for ensuring that companies comply with regulatory requirements (e.g. Bank of Lithuania, Financial Crime Investigation Service, Special Investigation Service, State Data Protection Inspectorate, State Tax Inspectorate). In the short term, these authorities will strive to ensure that their websites provide FINTECH companies with relevant and continuously updated information on the risk management requirements applicable to them. In the longer term, the Ministry of Finance, together with the public authorities mentioned in this paragraph, will explore the possibility of setting up a dedicated website to act as a one-stop-shop, so that:
  - All market participants could access all relevant information on the applicable risk management requirements on a single website;
  - Market participants would be able to provide all mandatory data to public authorities through a single point of contact.

In order for Lithuania to be a safe and reliable jurisdiction, the focus in 2023-2028 will be on prevention of money laundering and terrorist financing, ICT (including cyber) security, prevention of financial crime and fraud, and protection of consumer interests:

- In order to strengthen the prevention of money laundering and terrorist financing, the authorities will implement the recommendations of international organisations related to the financial sector. In addition, the activities of the Centre of Excellence in Anti-Money Laundering will be expanded to include not only commercial banks but also representatives of FINTECH companies. The Centre will continue to organise training to strengthen the skills of AML officers.

- In order to strengthen ICT security, attention will be paid to the compliance of FINTECH companies' activities with national and EU legislation in the field of digital operational security. FINTECH companies will be encouraged to ensure the management of the organisation's information infrastructure, the monitoring and response to cyber incidents, and the testing of systems. In addition, companies will be encouraged to set up security operation centres and/or network and information security incident response teams. One of the most important ways to manage cyber risks is the timely availability of relevant information on cyber threats, including detection rates, tactics, methods and procedures, cyber security alerts and tool configuration. To this end, FINTECH companies will be encouraged to join the Financial Sector Security Operations Centre developed by the National Cyber Security Centre. The public authorities will also appoint their representatives as observers, subject to the agreement of the companies.
- In order to strengthen the prevention of financial crime and fraud, the aim will be to promote cooperation between supervisory authorities, cooperation between supervisory authorities and supervised entities, and to improve the risk management skills of all these entities. In addition, the associations of FINTECH companies operating in the country will strengthen the preparation of their members for risk management and make efforts to improve their knowledge of legal requirements and risk management. Consumers will be educated on fraud prevention through public communication, training and other measures aimed at the general public. The Bank of Lithuania will, among other things, work to increase financial literacy, which will have a positive impact on strengthening fraud prevention.
- In order to strengthen the protection of consumers' interests, the aim will be to identify potential risks as early as possible and to take appropriate measures to protect consumers' interests. Supervisors must have the necessary and sufficient tools, resources, skills and knowledge to understand and respond appropriately to new business models or technological innovations. It is therefore important to strengthen the expertise of the institutions and to share experiences on how to strengthen the risk management of FINTECH companies. Increasing the maturity of licensed FINTECH companies will also have a positive impact on the protection of consumer interests. To enable consumers to make rational financial decisions, efforts will be made to improve their digital and financial literacy.

**PRINCIPLE V**  
**ENSURING THAT LITHUANIA IS UNIVERSALLY RECOGNISED AS A**  
**EUROPEAN FINTECH HUB**

The implementation of this principle is inextricably linked to national actions aimed at the qualitative development of the sector, attracting innovative solutions, strengthening competences and risk management practices. In 2023-2028, the national focus will also be on publicising and communicating the favourable conditions created.

In order to increase the international recognition of Lithuania as a European FINTECH hub, Invest Lithuania together with experts from other institutions and/or FINTECH associations will develop a communication plan for foreign markets. The plan will cover target markets where communication

needs to be strengthened. The allocation of funds for the identified activities will also be considered.

The Ministry of Economy and Innovation, the Ministry of Finance and the Bank of Lithuania, together with other partners, will prepare a list of the most important foreign events to be attended by high-ranking Lithuanian representatives within the limits of the country's capabilities. Lithuania will also be represented with a stand at one FINTECH event abroad each year, with the necessary financial support.

## KEY PERFORMANCE INDICATORS

KPI	BASELINE	TARGET 2025	TARGET 2028
<b>SUPPORTING THE QUALITATIVE DEVELOPMENT OF THE FINTECH SECTOR IN LITHUANIA</b>			
Annual revenue growth of FINTECH companies, %	23 (in 2020)	27	30
% of FINTECH companies with an average of at least 10 employees	44 (in 2021)	60	70
Clients served by FINTECH companies	25 M (in 2022)	30 M	35 M
<b>ATTRACTING INNOVATIVE FINTECH SOLUTIONS TO LITHUANIA</b>			
Attracted innovative FINTECH companies committed to creating more than 50 jobs in Lithuania within 3 years of establishment	-	5	8
<b>ENSURING THAT LITHUANIA IS THE CENTRE OF EXCELLENCE FOR FINTECH</b>			
% of FINTECH companies facing talent shortages	62 (in 2021)	40	30
<b>ENSURING THAT LITHUANIA IS A SAFE AND RELIABLE JURISDICTION</b>			
Positive MONEYVAL assessment of Lithuania	FATF Recommendation 26 (Regulation and supervision of financial institutions) assessed as largely compliant (LC)	FATF Recommendation 26 assessed as LC	FATF Recommendation 26 assessed as LC
<b>ENSURING THAT LITHUANIA IS UNIVERSALLY RECOGNISED AS A EUROPEAN FINTECH HUB</b>			
International media mentions of Lithuanian FINTECH sector (according to <i>Meltwater</i> )	200	300	400

## 2023-2028 STRATEGIC FINTECH ACTION PLAN

<b>1. SUPPORTING THE QUALITATIVE DEVELOPMENT OF THE FINTECH SECTOR IN LITHUANIA</b>				
<b>KPIs</b>	<b>TITLE</b>	<b>TARGET 2025</b>	<b>TARGET 2028</b>	<b>CALCULATION RESPONSIBILITY</b>
	Annual revenue growth of FINTECH companies, %	27	30	Invest Lithuania (IL)
	Percentage of FINTECH companies with an average of at least 10 employees	60	70	IL
	Number of clients served by FINTECH companies	30 M	35 M	Bank of Lithuania (BoL)
<b>ACTION</b>		<b>DEADLINE</b>	<b>MAIN ACTOR</b>	<b>PARTICIPANTS</b>
1.1. To strengthen the public-private partnership by creating a model of regular cooperation to address the challenges faced by FINTECH companies.		2023 Q3	Ministry of Finance (MoF)	Association Fintech Hub LT, association Infobalt, BCCS cluster, association Crypto Economy Organisation, Electronic Money Association Unit in Lithuania (hereinafter together – Associations)
1.2. To explore the possibility of digitising the process of commenting on legislative proposals related to financial services through GOVTECH solutions.		2024 Q2	MoF	Innovation Agency (IA), Ministry of Economy and Innovation (MoEI)
1.3. To analyse the problems encountered by FINTECH companies in raising capital and to propose possible solutions.		2024 Q2	MoF	Associations
1.4. To carry out an analysis of the effectiveness of procedures for the extension of operating licences in the financial services sector.		2024 Q2	BoL	-
1.5. To carry out an analysis of the application of the sandbox to FINTECH companies planning to expand their activities.		2024 Q1	BoL	-
1.6. To support and, where possible, expand payment infrastructure solutions.		2023-2028	BoL	-
1.7. To develop the ICT roadmap in Lithuania.		2024 Q1	IA	MoEI, MoF
1.8. To promote the digitisation and innovation of business processes in FINTECH companies.		2027 Q4	MoEI	-
1.9. To provide financial incentives for start-ups to develop products and solutions for artificial intelligence, blockchain technology and robotics processes.		2027 Q4	MoEI	-
1.10. To promote the development, acceleration and ecosystem development of start-ups.		2027 Q4	MoEI	-
1.11. To stimulate the supply of innovation: to invest in the development activities of new high value-added products, to enable researchers to participate in R&D activities of companies, and to		2027 Q4	MoEI	-



promote the testing of newly developed products.				
1.12. To develop and to implement an incentive scheme for the protection of intellectual property: to carry out the state of play analysis and to formulate proposals.	2023 Q3	The State Patent Bureau	-	
1.13. To set up the Innovation Lab.	2023 Q4	MoF	BoL, MoEI	
1.14. To carry out a feasibility study on financing the implementation of proposals, solutions or projects in the Innovation Lab.	2024 Q3	MoF	-	
1.15. To encourage the exchange of knowledge on innovation and application of state-of-the-art technologies among the participants of the FINTECH ecosystem.	2023-2028	ROCKIT	Associations	
1.16. To provide aggregated information on the main procedural and digital infrastructure challenges when providing data to public authorities.	2024 Q1	Associations	-	
1.17. To carry out a feasibility study to address procedural and digital infrastructure challenges identified in action no. 1.16.	2024 Q4	MoF	MoEI, Ministry of the Interior (MoI)	
1.18. To create a common platform for tax administration.	2027 Q1	State Tax Inspectorate (STI)	-	
1.19. To develop a communication plan to increase the visibility and confidence of the FINTECH sector in Lithuania.	Preparation – 2024 Q4 Implementation – 2025 Q4	MoF	BoL, MoEI, Associations, ROCKIT	
1.20. To prepare a public financial literacy plan.	2023 Q4	MoF	-	
1.21. To initiate a discussion on the concept of ‘resident’ in the Member States of the EU at the national and, where appropriate, EU level.	2023 Q4	MoF	BoL, Associations	
1.22. To carry out an analysis of problems with the use of digital signatures (e.g. <i>DocuSign</i> ) and, if necessary, to initiate changes to the relevant legislation.	2024 Q1	MoF	MoEI, Associations	
1.23. To calculate the share of the Lithuanian gross domestic product (GDP) generated by FINTECH companies.	2023 Q4	MoF	-	
1.24. To promote the export of FINTECH services and products to the EU and target markets using the network of Lithuanian diplomatic missions.	2023-2028	Ministry of Foreign Affairs (MoFA), MoF	Associations	
<b>2. ATTRACTING INNOVATIVE FINTECH SOLUTIONS TO LITHUANIA</b>				
KPI	TITLE	TARGET 2025	TARGET 2028	CALCULATION RESPONSIBILITY
	Number of attracted innovative FINTECH companies committed to creating	5	8	IL

	more than 50 jobs in Lithuania within 3 years of establishment			
	<b>ACTION</b>	<b>DEADLINE</b>	<b>MAIN ACTOR</b>	<b>PARTICIPANTS</b>
	2.1. To prepare and regularly update the list of companies that will be actively invited to establish in Lithuania.	Preparation – 2023 Q4	IL	BoL, MoF, MoEI
	2.2. To initiate a feasibility study on the possible introduction of new business models in Lithuania in case of market changes.	2023-2028	IL	MoF, BoL
	2.3. To continuously support the Newcomer programme by advising clients.	2023-2028	BoL	-
<b>3. ENSURING THAT LITHUANIA IS THE CENTRE OF EXCELLENCE FOR FINTECH</b>				
<b>KPI</b>	<b>TITLE</b>	<b>TARGET 2025</b>	<b>TARGET 2028</b>	<b>CALCULATION RESPONSIBILITY</b>
	Percentage of FINTECH companies facing talent shortages	40	30	IL
	<b>ACTION</b>	<b>DEADLINE</b>	<b>MAIN ACTOR</b>	<b>PARTICIPANTS</b>
	3.1. To make a publicly available list of FINTECH-related programmes/courses in higher education institutions.	2024 Q1	IL	Associations
	3.2. To strengthen cooperation between FINTECH ecosystem participants and higher education institutions in order to update their programmes relevant to the FINTECH sector.	2023-2028	MoF	BoL, Associations
	3.3. To increase the scope and diversity of employment support measures, thereby contributing to objectives of the digital and green transformation and promoting the circular economy.	2026 Q2	Public Employment Service (PES)	-
	3.4. To implement training programmes aimed at improving the competences of anti-money laundering professionals.	2023-2028	Centre of Excellence in Anti-Money Laundering	-
	3.5. To strengthen functional possibilities and dissemination of the 'Work in Lithuania' programme.	2023-2028	MoEI, IL	-
	3.6. To apply financial incentives to attract ICT talents.	2025 Q4	MoEI	PES
	3.7. To ease relocation requirements for ICT professionals specialising in high value-added sectors from third countries.	2028 Q4	MoEI	MoI, MoFA, Ministry of Social Security and Labour, Migration Department (MD), STI, IL, Associations
	3.8. To increase the attractiveness of the Lithuanian Migration Information System (MIGRIS) by creating a user-friendly guide.	2024 Q4	MD	-
	3.9. To expand the activities of the International House to better facilitate integration.	2025 Q4	MoEI	-
	3.10. To provide interested parties with the list of EU regulations and directives relevant to FINTECH companies.	2023 Q3	MoF	MoEI, BoL, Associations
	3.11. To increase the involvement of representatives of FINTECH companies in the discussion of the EU regulations and directives.	2023-2028	Associations	-
	3.12. To provide ongoing support for the activities and functionality	2023-2028	BoL	Associations

of the sandbox regime.				
3.13. To identify and attract generally recognised international institutions to establish all or part of their activities (e.g. a branch) in Lithuania.	2028 Q4	MoFA, MoF	BoL, GO Vilnius, IL, Associations	
<b>4. ENSURING THAT LITHUANIA IS A SAFE AND RELIABLE JURISDICTION</b>				
KPI	TITLE	TARGET 2025	TARGET 2028	CALCULATION RESPONSIBILITY
	Positive MONEYVAL assessment of Lithuania	FATF Recommendation 26 LC	FATF Recommendation 26 LC	BoL
ACTION		DEADLINE	MAIN ACTOR	PARTICIPANTS
4.1. To organise regular events to present innovations in the FINTECH sector, new business models, operating principles and technological market changes.		2023-2028	Associations	BoL, Financial Crime Investigation Service (FCIS), STI, State Data Protection Inspectorate (SDPI), Special Investigation Service (SIS), Deposit and Investment Insurance (DII)
4.2. To publish, where feasible, the results of FINTECH supervisory actions, as well as relevant information on risk management requirements for FINTECH companies, best practices and most common mistakes in their implementation.		2023-2028	Within the competence BoL, FCIS, STI, SDPI, STT, DII	-
4.3. To submit to the Government a legal proposal to introduce settlement agreements of liability between BoL and market participants.		2024 Q1	MoF	BoL
4.4. To apply, where possible, self-regulation principles.		2023-2028	Associations	-
4.5. To organise training to strengthen the skills of the members of the associations and to increase the maturity in complying with regulatory requirements.		2023-2028	Associations	-
4.6. To carry out a feasibility study on the creation of a one-stop-shop website where all the most relevant information on risk management requirements for the financial sector is published and continuously updated.		2026 Q1	MoF	BoL, FCIS, STI, SDPI
4.7. To implement the recommendations of international organisations on the prevention of money laundering and terrorist financing in relation to the financial sector.		2028 Q4	Within the competence BoL, FCIS, MoFA, MoF	-
4.8. To expand the activities of the Centre of Excellence in Anti-Money Laundering by involving the representatives of FINTECH companies on the basis of partnership agreements.		2024 Q1	Centre of Excellence in Anti-Money Laundering	MoF, BoL
4.9. To encourage FINTECH companies to ensure monitoring of the organisation's information infrastructure and response to cyber		2023-2028	MoF, BoL, National Cyber Security Centre	Associations

incidents.		(NCSC), Ministry of Defence (MoD)			
4.10. To encourage cybersecurity professionals of FINTECH companies to join the financial sector SOC developed by the NCSC.	2026 Q4	NCSC, BoL, MoD, MoF	Associations		
4.11. To organise advisory events for the financial sector, compliance meetings and training to strengthen risk management, as appropriate.	2023-2028	Within the competence BoL, FCIS, STI, NCSC, SDPI, Centre of Excellence in Anti-Money Laundering	Associations		
4.12. To establish a list of standard information that FINTECH companies should publish concerning their activities and risk mitigation measures.	2023 Q4	BoL	FCIS, STI, SDPI, Associations		
4.13. To develop a model for cooperation and exchange of information model between public authorities (including supervisory authorities) to strengthen risk management in the FINTECH sector.	2023 Q3	BoL	FCIS, STI, SDPI, SIS, State Security Department (SSD), DII		
4.14. To ensure sufficient human and technological resources for risk management and supervision tasks in relation to the FINTECH sector.	2023-2028	Within the competence BoL, FCIS, STI, SIS, SSD, DII	-		
4.15. To carry out a legal analysis on the need to establish a procedure for the exchange of data between supervisory authorities.	2024 Q4	MoF	BoL, FCIS, VMI, SDPI, SIS, DII		
<b>5. ENSURING THAT LITHUANIA IS UNIVERSALLY RECOGNISED AS A EUROPEAN FINTECH HUB</b>					
KPI	TITLE		TARGET 2025	TARGET 2028	CALCULATION RESPONSIBILITY
	International media mentions of Lithuanian FINTECH sector		300	400	IL
ACTION		DEADLINE	MAIN ACTOR	PARTICIPANTS	
5.1. To prepare an international communication plan, including the content of the main information and publicity channels.		2024 Q2	IL	GO Vilnius, ROCKIT, MoEI, IA, MoF, BoL, MoFA, Associations	
5.2. To prepare and annually update a list of 4 key FINTECH-related events to be attended by high-level representatives of Lithuanian institutions.		2023 Q4	MoF, BoL, MoEI	IL, IA, Associations	
5.3. To allocate the necessary funds for the representation of Lithuania at one international FINTECH event per year.		2023-2028	IA	MoEI, MoF	
5.4. To submit applications for international ratings related to the FINTECH sector and actively collaborate with their methodologists to achieve top 5 positions.		2023-2028	GO Vilnius	MoF, BoL, IL, MoEI, IA, Associations	