Dear Mr. Pranckietis,

On 11 October 2019, a draft legislative proposal on a financial market participants tax was introduced to the Lithuanian Parliament (Seimas).

It has come to the ECB’s attention that the final consideration of the draft legislative proposal in the Parliament and, potentially, its adoption, is provisionally planned on 17 December 2019, along with the Law on Approval of the Financial Indicators of the State Budget and Municipal Budgets of the year 2020.

In accordance with Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union and Article 2(1) of Council Decision 98/415/EC, national authorities are required to consult the ECB on any draft legislation in its fields of competence including, in particular, rules applicable to financial institutions insofar as they materially influence the stability of financial institutions and markets.

In accordance with Article 4 of Council Decision 98/415/EC, the ECB should be consulted in a timely manner, enabling the authority initiating the draft legislative provision to take into consideration the ECB’s opinion before taking its decision on the substance of the legislative proposal. This implies that the consultation shall take place at a point in the legislative process which affords the ECB sufficient time to examine the draft legislative provisions.

In light of the foregoing, the ECB hereby requests the Lithuanian Parliament to ensure that it is formally consulted on this legislative proposal before its adoption.

In this context, the ECB would consider a failure to consult the ECB as a breach by the Lithuanian authorities of their duty to consult the ECB on draft national legislation under Articles 127(4) and 282(5) of the Treaty and Article 2(1) of Decision 98/415/EC.

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1 The official ECB letter is addressed in the official language of the concerned Member State. The EN translation is provided for the President and for managerial sign-off and also circulated to the Commission and the Governing and General Councils.


If the ECB is not formally consulted, as required by the Treaty, the ECB intends to deliver an own initiative opinion on the legislative proposal.

Yours sincerely,

[signed]

Yves Mersch

Cc: Mr. Vitas Vasiliauskas, the Chairman of the Board of the Bank of Lithuania

Encl. Guide to consultation of the ECB by national authorities regarding draft legislative provisions