

GOVERNMENT OF THE REPUBLIC OF LITHUANIA
RESOLUTION

REGARDING SMALL AND MEDIUM-SIZED BUSINESS DEVELOPMENT

July 11, 2001 No 887
Vilnius

Following Article 6 Part 2 of the Law on Small and Medium-sized Business Development of the Republic of Lithuania (State Gazette, 1998, No 109-2993; 2007, No 132-5354) and Article 8 of the Law on National Debt of the Republic of Lithuania (State Gazette, 1996, No 86-2045; 2010, No 145-7419), the Government of the Republic of Lithuania has resolved as follows:

To incorporate a guarantee institution – a private stock company “Investicijų ir verslo garantijos“ (hereinafter referred to as “the company“) which shall follow in its activities the Law on Companies of the Republic of Lithuania (State Gazette 2000, No 64-1914; 2003, No 123-5574), Law on Financial Institutions of the Republic of Lithuania (State Gazette, 2002, No 91-3891), Law on National Debt of the Republic of Lithuania, other legal acts and its Articles of Association.

The number of shares owned by the State in the company shall be no less than the number, which shall grant more than ½ of all votes in the general meeting of shareholders.

2. To establish, that:

2.1. the company shall:

2.1.1. grant guarantees, by which the return of part of the loans granted to small and medium-sized business entities by credit institutions and financial lease (leasing) companies of the Republic of Lithuania and foreign countries would be secured; the payment of part of the price set by the financial lease (leasing) agreement for leasing of new (unused) production equipment and (or) new (unused) devices would be secured; the return of part of the loans granted for the purposes of modernisation of multi-apartment houses to the associations of the owners of multi-apartment houses and (or) owners of apartments in multi-apartment houses and other premises, implementing project of modernisation of multi-apartment houses would be secured. The guarantee granted by the company shall secure the return of the part of the loan or payment of the part of the price under financial lease (leasing) agreements in proportion to the liability undertaken. The limit of company's liability shall be up to 80 per cent of the amount of loan in case of loan guarantee, and up to 60 per cent of the price set by the agreements on financial lease (leasing) of new (unused) production equipment and (or) new (unused) devices in case of financial lease (leasing) guarantee. Should the company fail to perform or partially performs its obligations to credit institutions and financial lease (leasing) companies under the issued guarantees, the performance of which has been guaranteed by the State, such obligations shall be performed by the Government of the Republic of Lithuania;

2.1.2. administer granting of preferential loans to small and medium-sized business entities;

2.1.3. invest risk capital into small and medium-sized business entities and (or) State property into collective investment entities and administer these investments;

2.1.4. administer partial compensation of interest to small and medium-sized business entities;

2.1.5. perform functions established by the legal acts in the area of use of European Union Structural Support;

2.1.6. implement financial engineering measures;

2.1.7. implement other business entities' inducement and financial support measures;

2.1.8. record financial flows, related to the activities listed in Clauses 2.1.1 to 2.1.7 of this Resolution, for each of the activities separately;

2.1.9. perform other functions established by the legal acts;

2.2. company funds shall be constituted of: income received from the activities listed in Clauses 2.1.1 to 2.1.7 of this Resolution; funds of general assignments of the state budget of the Republic of Lithuania approved for the Ministry of Economy, foundations and financial institutions; other funds received for performance of the activities listed in Clauses 2.1.1 to 2.1.7 of this Resolution;

2.3. company must invest temporarily available owned funds into debt securities of the State and municipalities, international organisations, commercial banks operating in the Republic of Lithuania and deposits at the commercial banks operating in the Republic of Lithuania, and branches (departments) of foreign commercial banks;

2.4. 90 per cent of disbursements, payable in the course of performance of company's obligations under guarantees of loans and financial lease (leasing) of small and medium-sized business from the general assignments of the state budget of the Republic of Lithuania approved for the Ministry of Economy shall be compensated to the company;

2.5. no less than 50 per cent of company's net revenue shall be assigned to investments into development of company's principle activities, listed in Clauses 2.1.1 to 2.1.7 of this Resolution;

2.6. *Repealed*

2.7. company shall examine the requests to grant guarantees received from small and medium-sized business entities, associations of owners of multi-apartment houses and (or) owners of apartments in multi-apartment houses and other premises, financial lease (leasing) companies or credit institutions no later than within one month from submission of the required documents to it.

2.7¹. the head of the company shall sign the written guarantee no later than within 10 days after receipt of the loan or financial lease (leasing) agreement and payment of guarantee wage;

2.8. company shall keep records of the granted guarantees and on a monthly basis until the 20th day of a month shall submit the report on granted guarantees and performance of company's obligations to the Ministry of Economy and the Ministry of Finance.

The head of the company shall report to the Government of the Republic of Lithuania on a yearly basis (no later than within 4 months from the end of the financial year) by submitting the set of annual financial statements together with auditor's report;

2.9. by the decision of the general meeting of shareholders of the company, company's losses shall be covered firstly from the accumulated company's reserves and shareholders' contributions or the amount of losses shall be transferred to the next tax year (but for no longer than 3 years). In case losses reach 25 per cent of statutory capital, the company shall not grant any new guarantees, and the administrator of shares owned by the State shall submit to the Government of the Republic of Lithuania the conclusions and proposals regarding further activities of the company.

3. To establish, that:

3.1. the amount of 20 million Litas shall be assigned for formation of company's statutory capital;

3.1.1. 7,998,200 Litas – from the statutory capital of private stock company insurance enterprise "Lietuvos eksporto ir importo draudimas", reduced under the order established by Clause 4.3. hereof for the shares owned by the State in private stock company insurance enterprise "Lietuvos eksporto ir importo draudimas";

3.1.2. 2,001,800 Litas – from the Special Program of Implementation of Small and Medium-sized Business Development and Inducement Strategy;

3.1.3. 10,000,000 Litas - from the Special Program of Implementation of Export Development and Inducement Strategy;

3.2. the amount of 400,000 Litas shall be assigned from the Special Program of Implementation of Small and Medium-sized Business Development and Inducement Strategy for acquisition of company's basic tools and coverage of other incorporation and activities' costs for the year 2001;

3.3. upon incorporation of the company, the private stock company insurance enterprise "Lietuvos eksporto ir importo draudimas" shall transfer to the company all rights and obligations under the agreements of loans insurance of small and medium-sized business entered into by the private stock company insurance enterprise "Lietuvos eksporto ir importo draudimas", upon agreement by the parties by terminating insurance agreements and by concluding agreements on loans guarantees of small and medium-sized business under the terminated insurance agreements. The conditions of the guarantees agreements established in respect to the creditors shall be no worse than the ones established by the insurance agreements.

4. To assign the Ministry of Economy to:

4.1. perform company's founder and activities' supervision functions, and perform all actions established by laws related to incorporation of the company;

4.2. administer by the right of trust company's shares owned by the State;

4.3. for the administrator of shares owned by the State in private stock company insurance enterprise "Lietuvos eksporto ir importo draudimas" – initiate the convocation of the general meeting of shareholders of private stock company insurance enterprise "Lietuvos eksporto ir importo draudimas" and authorise its representative at the general meeting of shareholders to vote for reduction of the share capital of private stock company insurance enterprise "Lietuvos eksporto ir importo draudimas" by 8,004,000 Litas by reducing the nominal value of shares and by paying free funds to the shareholders in proportion to the nominal value of shares owned by them;

4.4. form company's board;

4.5. within 2 months from coming into force of this Resolution, draft and, upon approval of the Ministry of Finance, approve the regulations of the activities listed in Clauses 2.1.1 to 2.1.4 of this Resolution. The requirements coordinated with the Competition Council for the small and medium-sized business entities entitled to receive the respective state aid shall be established by such regulations.

5. To obligate:

5.1. the Ministry of Finance – within 2 months from coming into force of this Resolution to submit to the Government of the Republic of Lithuania proposals regarding the establishment of limit of state guarantee granted for company's obligations;

5.2. the Ministry of Economy – to plan funds of assignments of the state budget of the Republic of Lithuania approved for the Ministry of Economy on a yearly basis, required for execution of company's activities, indicated in Clauses 2.1.1 to 2.1.7 and 2.4 of this Resolution, except granting guarantees for the loans of the associations of owners of multi-apartment houses and (or) owners of apartments in multi-apartment houses and other premises for modernisation of multi-apartment houses.

PRIME MINISTER AT INTERIM
MINISTER OF ECONOMY AT INTERIM

EUGENIJUS GENTVILAS
