

Lithuania

The artist's place in the society

According to the results of a social survey conducted in 2000, 65 per cent of artists hold a complementary work that is related to the artist's occupation, 5 per cent engage only in creation. About one half of the respondents maintain that income derived from artistic activities constitute only 25 per cent of all revenues.

Four per cent of artists engage in business related to creation, whereas one per cent engages in business that bears no connection with artistic creation.

INSTITUTIONAL AND LEGAL FRAMEWORK

The international instruments (conventions, agreements and recommendations) in the field of culture which have been ratified or are applied by Lithuania are:

Berne Convention for the Protection of Literary and Artistic Works;
Decision No 4/2001 of the EU-Lithuania Association Council adopting the terms and conditions for the participation of the Republic of Lithuania in the Culture 2000 programme;
Convention for the Protection of the Architectural Heritage of Europe;
European Convention on Cinematographic Co-operation;
European Convention on Transfrontier Television;
European Cultural Convention;
Convention for the protection of producers of phonograms against unauthorized duplication of their phonograms;
Cultural Exchange Agreement Between the Government of the Republic Of Lithuania and the Government of the People's Republic Of China;
Cultural Exchange Agreement Between the Government of the Republic of Lithuania and the Government of the Republic of Colombia;
Agreement of the Republic of Lithuania and Holy See on the Cooperation in the Fields of Education and Culture;
Agreement of the Government of the Republic of Lithuania and the Government of the Republic of Bulgaria on the Cooperation in the Fields of Education, Science and Culture
Agreement of the Government of the Republic of Lithuania and the Government of the Republic of Greece on the Cooperation in the Fields of Education, Science and Culture
Agreement of the Government of the Republic of Lithuania and the Government of the Republic of Italy on the Cooperation in the Fields of Education, Studies, Science and Technologies
Agreement of the Government of the Republic of Lithuania and the Government of the Republic of Israel on the Cooperation in the Fields of Culture, Education, and Science
Agreement of the Government of the Republic of Lithuania and the Government of the United Kingdom of Great Britain and Northern Ireland on the Cooperation in the Fields of Education, Science and Culture
Agreement of the Government of the Republic of Lithuania and the Government of the Republic of Poland on the Cooperation in the Fields of Culture, Education, and Science
Decision of the Government of the Republic of Lithuania and the Government of the Russian

Federation on the Long-Term Cooperation Between the Regions of the Republic of Lithuania and Kaliningrad Region of the Russian Federation;
Agreement of the Government of the Republic of Lithuania and the Government of the Republic of Slovenia on the Cooperation in the Fields of Culture, Education, and Science
Agreement of the Government of the Republic of Lithuania and the Government of the Republic of Finland on the Cooperation in the Fields of Culture, Education, and Science
Agreement of the Government of the Republic of Lithuania and the Government of the Republic of Turkey on the Cooperation in the Fields of Education, Science, Culture and Sports.
Agreement of the Government of the Republic of Lithuania and the Government of Ukraine on the Cooperation in the Fields of Education, Science, and Culture.
Agreement of the Government of the Republic of Lithuania and the Government of the Republic of Uzbekistan on the Cooperation in the Fields of Culture and Art
Agreement of the Government of the Republic of Lithuania and the Government of the Republic of Hungary on the Cooperation in the Fields of Culture, Science and Education;
World Intellectual Property Organization Performances and Phonograms Treaty
World Intellectual Property Organization Copyright Treaty
Convention concerning the Protection of the World Cultural and Natural Heritage;
Cultural Exchange Agreement Between the Government of the Republic of Romania and the Government of the Republic of Colombia
Agreement on the Import of Educational, Scientific and Cultural Articles;
Agreement of the Government of the Republic of Lithuania and the Government of the Kingdom of Spain on the Cooperation in the Fields of Culture, Education, and Science
International Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations;
1992 European Convention on the Protection of the Archaeological Heritage
1954 Convention for the Protection of Cultural Property in the Event of Armed Conflict, Second Draft
Unesco Convention for the protection of cultural property in the event of armed conflict
Unesco Convention on the means of prohibiting and preventing the illicit import, export and transfer of ownership of cultural property
UNIDROIT Convention on stolen or illegally exported cultural objects.

Governmental bodies in charge of:

a) Cultural affairs, policy-making and cultural research

Ministry of Culture of the Republic of Lithuania is the governmental body in charge of cultural affairs, cultural policy-making and cultural research.

b) Working conditions

Governmental bodies in charge of working conditions of artists are the Ministry of Social Security and Labour, the Ministry of Health and, for the disabled artists, the Lithuanian Council of the Disabled People.

c) Safety and health

Commission of Safety and Health of the Employees of the Republic of Lithuania

Pursuant to the Article 6 of the Law on the Employee Safety and Health of the Republic of Lithuania, for the harmonising of employees' and employers' interests in the field of safety

and health, the Commission of Safety and Health of the Employees of the Republic of Lithuania is being established on the principle of tripartite cooperation among the social partners (Parties). Section 2 Article 284 of the Labour Code of the Republic of Lithuania determines that the State Labour Inspectorate supervises the compliance in the companies with the requirements of employee safety and health.

d) Continuing training for artists and cultural workers

The continuing training for artists and cultural workers is in charge of Ministry of Education and Science of the Republic of Lithuania and of the Ministry of Culture of the Republic of Lithuania

e) Tax policies and taxation

Ministry of Finance of the Republic of Lithuania and Ministry of Culture of the Republic of Lithuania are in charge of the tax policies and taxation in cultural fields.

f) Cultural policies and promotion

Lithuania allocates the 2.7 per cent of the national budget to culture (based on the data of the year 2001). This percentage is rather stable.

Cultural promotion is an integral part of the mission of the Ministry of Culture of the Republic of Lithuania as well as its strategic objective. For this end, the infrastructure of cultural institutions is supported using the budget funds of the State and municipalities, Media Support Foundation and Culture and Sports Support Foundation have been established using the budget funds of the State that also have the disposition of the said funds. Ministry of Culture of the Republic of Lithuania conducts special programmes of culture and art promotion. For the performance of this function, cultural attaché positions have been instituted in the Lithuanian Embassies in Sweden, France, Poland, Russia and Belgium.

Cultural policies

The evaluation of cultural policies

Some of the indicators used to evaluate the outcomes of cultural policies designed to promote creativity and the status of the artist are the number of:

- funded events,
- artists and performers participating in the events,
- spectators attending the events and their distribution in terms of age groups,
- funded national and joint-production films
- granted scholarships,
- granted awards,
- projects of creative performance of non-governmental organisations,
- projects in the creative field of artists' organisations.

The participation of artists in cultural policy-making

In Lithuania the structures enabling artists to be involved in cultural policy-making at local and national levels are:

- Council of Culture and Art under the Ministry of Culture of the Republic of Lithuania;
- Expert Commissions under the Ministry of Culture of the Republic of Lithuania;
- Award assignment committees and commissions under the Ministry of Culture of the Republic of Lithuania;

- National Art Award Assignment Commission under the Ministry of Culture of the Republic of Lithuania;
- Regional councils of culture and art.

Scope and provisions of Lithuanian cultural policies

For the support of culture and art, Media Support Foundation and Culture and Sports Support Foundation have been established using the budget funds of the State that also have the disposition of the said funds. The cultural institutions included into the infrastructure of the Ministry of Culture and municipalities are supported using the budget funds of the State and municipalities. Programmes of the Ministry of Culture of the Republic of Lithuania are targeted at financing the arrangement of cultural and art events on the local, regional and national levels, book publishing, production of national cinema and the individual art projects of free expression. State budget funds are as well allocated for the Lithuanian museums for purchasing works of art.

Infrastructure improvement for the promoting of the arts (museums, concert or theatre halls, libraries, etc.)

The improvement of the infrastructure for promoting the spread of the arts is included in the investment programmes of the Ministry of Culture and Municipalities. This subject is also considered in both the Strategic programmes of the Ministry of Culture for 2003-2013 and the Programme of Updating Lithuanian Libraries.

Promoting the integration of disabled artists

The allocation of funds for the promotion of creation and integration of the disabled artists is one of the priorities set in the programmes of the Ministry of Culture of the Republic of Lithuania.

WORKING CONDITIONS

Status of the artist

The *Law on Artists and their Organisations of the Republic of Lithuania* determines social guarantees for the professional artists, the fundamental principles of the activities of their organisations, material rights and State support. Section 1 Article 2 of the said law defines the Artist as a natural person who creates artistic valuables (works of art) or (and) artistically performs works of art. Provisions of the Article 3 of the said Law determines the acquisition of the status of the Artist. Section 1 of the said Article states that the base of the Artist's status is professional, that is, not amateur, artistic creation of high excellence, whereas section 2 of the said Article prescribes that the acquisition of the status of the Artist is not related to any contractual employment relationships.

Employment contracts

Artists who work under employment contracts are subject to the provisions of the *Labour Code of the Republic of Lithuania* (hereinafter referred to as the "LC"). Section 5 Article 5 of the LC determines that labour laws and other standard legal acts are applicable to labour relations within the territory of the Republic of Lithuania, notwithstanding whether the employee is working in Lithuania or abroad on the commission of his/her employer. Artists working under Employment Contracts, as well as other employees working under Employment Contracts, are subject to general provisions of the LC and other labour laws. However, for example, following the Article 167 of the LC, the Government of the Republic

of Lithuania on 18 July 2003 by its Resolution No. 941 adopted “The List of Certain Categories of Employees Entitled to the Annual Extended Holiday and the Duration of the Said Holiday”, the Point 3 of which provides for the 42-calendar day annual extended holiday for the creative employees of theatre and concert organisations, which means, they have been granted longer annual holiday than the rest of the employees of theatre and concert organisations.

Safety and Health

Pursuant to Article 11 of the Law on the Employee Safety and Health of the Republic of Lithuania, the duty of the employer is to establish for the employees work conditions that are safe and have no harmful effect on health in respect of all work-related aspects.

General provisions for the work conditions of the employees are established in the Labour Code of the Republic of Lithuania, the Law on the Employee Safety and Health of the Republic of Lithuania and other labour, legal acts related to employee safety and health.

Safety and health of the disabled persons

Pursuant to Article 279 of the Labour Code and Article 38 of the Law on the Employee Safety and Health of the Republic of Lithuania, the safety and health of employed disabled persons are guaranteed by the Labour Code, the Law on the Employee Safety and Health of the Republic of Lithuania, other laws and standard legal acts regulating the employee safety and health.

Additional safety and health guarantees may be provided for in the collective agreements and employment contracts.

Pursuant to Point 5 Section 1 of Article 146 of the Labour Code, on the request of the disabled person and following the conclusion of the health care institution, the work hours are shortened for the day or the week.

The disabled people may be assigned to work extra hours only with their approval. Furthermore, the disabled people may be assigned to work extra hours only when it is provided for in the conclusions of the commission that qualifies their disability.

The aforementioned legal acts are applicable to all employees working under Employment Contracts for the salaries, including certain cultural workers.

Legal framework regulating social welfare (health insurance, occupational accidents, disability, unemployment and pensions)

Legal acts of the Republic of Lithuania do not define the persons holding the status of artist. Therefore, the schemes of social insurance are applied to the artists on the same basis that they are applied to regular residents in Lithuania.

Provided the artists have concluded Employment contracts and social insurance contributions are paid for them (or they pay these on their own), the following legal acts shall apply to them:

- *Law on State Social Insurance;*
- *Law on State Social Insurance Pensions;*
- *Law on Social Insurance on Illness and Maternity;*
- *Law on Social Insurance on Occupational Accidents and Occupational Diseases;*
- *Law on Support of the Unemployed.*

If the artists have concluded Employment contracts and social insurance contributions are paid for them (or they pay these on their own), they are entitled to the aforementioned social insurance guarantees.

The Lithuanian National Health System

Law on the Health System of the Republic of Lithuania regulates Lithuanian National Health System, its structure, legal regulation framework of health safety, health improvement and health recuperation relations, the fundamentals of concluding contracts pertaining to personal and public health care arrangement, guarantying and management of (free of charge) health care provided for by the State and municipalities, health support, and activities of health services; fundamentals of liability for the violations of legal acts related to health care activities; rights and duties of residents and health care entities.

Personal health care (free of charge)

Personal health care provided for by the State and municipalities includes the personal health care services covered by the mandatory health insurance funds, State or municipal budgets and the municipal health care funds.

For the regulation of health care relations, this Law, among others, also provides for the principle of personal right to be in as good health as possible despite the gender, race, nationality, citizenship, social status and occupation of the person concerned.

Provisions of the Law on Health Insurance, in particular on the self-employed persons

Law on Health Insurance of the Republic of Lithuania determines the types of health insurance, the mandatory health insurance system, the persons covered by mandatory health insurance, the fundamentals of forming the budget of Mandatory health insurance funds and compensating the costs of personal health care services and medicines as well as the resources of medical aid from the budget of Mandatory health insurance funds, institutions providing mandatory health insurance, rights and duties of persons covered by the mandatory health insurance and health care institutions in conducting the mandatory health insurance, dispute settlement procedure and the fundamentals of Complementary (voluntary) health insurance.

Point 4 Article 17 of the said Law regulates the contributions of the mandatory health insurance of the natural persons that are self-employed as defined in the Law on Income Tax of Individuals, including persons who derive income from royalties and (or) copyright agreements, and pay the contributions of the mandatory health insurance that constitute 30 per cent from the estimated amount of the income tax of individuals, but per month amounts to or exceeds 1/12 of the annual state budget contribution for the persons covered by insurance at expense of the State during the current financial year. This provision is applicable notwithstanding whether the income (business registration) tax is reduced in accordance with the procedures set forth in the Laws or the certain natural person is exempted from this tax. The unemployed who have registered with the Labour Exchange are insured at expense of the State.

The Law is applied to all workers, including artists.

Private health care scheme

There are freely available health care schemes provided by private medical institutions and non-governmental organisations in Lithuania.

Under the Law on Health Care Institutions of the Republic of Lithuania, the personal health care institutions are obliged to ensure essential medical care to all persons.

Administrative inspections

Administrative inspections are carried out by the State Labour Inspectorate of the Republic of Lithuania, a State inspection institution existing under the Ministry of Social Security and Labour. The inspections cover Labour relations and work safety. Labour Inspectorate is funded by the State budget.

In its activities, Labour Inspection follows the Constitution of the Republic of Lithuania, Law on the State Labour Inspectorate and other laws as well as other standard acts.

Penalties imposed in the event of breach of regulations of labour laws and legal acts on work safety and labour hygiene. Following the Code of Administrative Violations, Labour inspector is entitled to impose fines on persons who have violated labour laws and legal acts on work safety. After detecting breaches of labour laws and legal acts on work safety and labour hygiene, the inspector shall set the time limit within which the remedies must be taken.

Administrative violations

Pursuant to Article 41 of the Code of Administrative Violations of the Republic of Lithuania, a violation of labour laws, or legal acts on work safety and labour hygiene is subject to a penalty ranging from LTL 500 to LTL 5,000 imposed on the employers or their representatives.

Illegal work

Pursuant to Article 413, for the illegal work the employers or their representatives shall be imposed with the penalty ranging from LTL 3,000 to LTL 10,000 for each illegal worker. The same breach committed by the person who has already been punished with administrative penalty for the violation defined herein shall result in the penalty ranging from LTL 10,000 to LTL 20,000 for each illegal worker, imposed on employers or their representatives.

Violation of salary payment

Pursuant to Article 414, the violation of salary payment procedure that occurs not due to the employee's fault shall be subjected to a penalty ranging from LTL 500 to LTL 5,000, imposed on employers or their representatives. The same breach committed by the person who has already been punished with administrative penalty for the violation defined herein shall result in the penalty ranging from LTL 5,000 to LTL 10,000, imposed on employers or their representatives.

Entities entitled to investigate violations of the administrative laws

Pursuant to Article 233, the State Labour Inspectorate investigates the cases pertaining to the violations of administrative law set forth in the Articles 41, 411, first section of Article 414, and Article 415 of the said Code.

The following entities are entitled to investigate the cases pertaining to the violations of administrative law and to impose administrative penalties on behalf of the State Labour Inspectorate:

- 1) State Labour Senior Inspector of the Republic of Lithuania and his/her deputies are entitled to impose penalties up to LTL 100 on employees, up to LTL 3,000 on the officials, and up to LTL 5,000 on the employers or their representatives.
- 2) Senior Labour Inspectors of the Departments are entitled to impose penalties up to LTL

100 on employees, up to LTL 2,000 on the officials, and up to LTL 3,000 on the employers or their representatives.

3) Senior Labour Inspectors and Labour Inspectors are entitled to impose penalties up to LTL 500 on employees, up to LTL 1,000 on the officials, and up to LTL 2,000 on the employers or their representatives.

Pursuant to Article 2591, in the investigation of administrative law cases, conducted by the entities set forth in Articles 221 and 224 of the said Code, the authorised officers of the State Labour Inspectorate (cf. Articles 412, 413, second, third and fourth sections of Article 414, second section of Article 415) are entitled to conclude the legal violation reports.

SOCIAL WELFARE

Social guarantees for artists under employment contracts

Provided the artists have concluded Employment contracts and social insurance contributions are paid for them, the following social guarantees shall apply to them:

- State Social Insurance Old-Age Pensions;
- Widowhood and orphanage pensions;
- Disability pensions;
- Sickness welfare;
- Maternity welfare;
- One-time compensation for lost working capacity;
- Regular compensations for lost working capacity;
- Regular insurance benefit in case of death of the insured;
- Burial benefit;
- State pensions of first or second degree of the Republic of Lithuania;
- Casualty State Pensions;
- Scientist State Pensions.

Insurance of occupational accidents and occupational disease

The following benefits are paid from the funds allocated for social insurance of occupational accidents and occupational disease:

1. The insured who has entirely or partially lost his/her working capacity due to covered accident shall receive:
 - welfare for the sickness caused by an occupational accident or occupational disease;
 - one-time compensation for lost working capacity;
 - regular compensations for lost working capacity;
2. In case of the insured's death due to covered accident, the members of his/her family shall be paid the burial benefit in equal parts.
3. In case of the insured's death due to covered accident, the members of his/her family shall be paid the regular insurance benefit in equal parts.

Compulsory or voluntary social coverage

In the event the artists have concluded Employment Contracts, social insurance shall be compulsory for them and they are provided with all social insurance guarantees.

However, artists may conclude contracts of a different type with their customers and the social insurance in this case is not compulsory. For example, the artist who derives income under copyright contracts is not insured with the mandatory social insurance, therefore, only

the voluntary social insurance contributions shall provide social guarantees to the person in question. Persons who have no regular income may thus conclude agreements not only for pension but also for sickness and maternity benefits. The artists may purchase Complementary pension insurance following the Law on Complementary Voluntary Pension Accumulation.

Regional Departments of the State Social Insurance Fund Board assigns and administers the payments of State Social insurance pensions of old-age and disability, state pensions, state social insurance welfares (sickness, maternity, paternity, occupational accidents, etc.).

REMUNERATION

Definition and calculation of remuneration

Pursuant to the Labour Code of the Republic of Lithuania, the remuneration is defined as the salary paid for the work performed by an employee under the Employment Contract. The remuneration includes the basic remuneration and all bonuses directly paid by the employer to the employee in any method for the performed work.

The remuneration of the employee is based on the work scope and quality, the results of the enterprise, institution or organisation as well as work demand and offer in the labour market.

Minimal remuneration

The Code provides the provision saying that the Government, on the suggestion of the Tripartite Council, sets the minimal hour pay and minimal monthly remuneration. The Government, on the suggestion of the Tripartite Council, may set different rates of minimal hour pay and minimal monthly remuneration for individual business fields, regions or employee groups.

Following the Resolution No. 937 “Concerning the Increase of Minimal Remuneration” adopted by the Government of the Republic of Lithuania, the following provisions have been enforced starting from 01 September 2003:

1. Minimal hour pay is set at LTL 2.67; minimal monthly remuneration is set at LTL 450 for the employees working in enterprises, institutions or organisations, notwithstanding the property form, as well as for other persons subject to the minimal monthly remuneration following the procedure established by the legal acts, excluding persons defined in points 2.1 and 2.2.
2. Minimal hour pay is set at LTL 2.55; minimal monthly remuneration is set at LTL 430 for:
 - 2.1. employees of agricultural entities provided the revenue of the said entities for the sold agricultural produce within the last calendar year has constituted over 50 per cent of the overall income; workers hired by farmers; and farmers who qualify for the minimal monthly remuneration following the procedure established by the legal acts;
 - 2.2. State politicians, judges, state officers, the military and civil servants.

Remunerations are paid directly to the artists

The *Labour Code of the Republic of Lithuania* does not prescribe that the remunerations should be paid through labour unions. Pursuant to Article 9 of the Labour Code, the Parties agree on the payment terms in each Employment contract (remuneration payment system, its size, payment procedure, etc.). Furthermore, Article 188 of the Code prescribes that the particular rates of hourly pay, monthly remunerations, other forms and terms of payment, work scope (output, time limits, servicing, etc.) are set forth in both collective and employment contracts. The remuneration is paid directly to the Artist.

UNEMPLOYMENT

Unemployment insurance

An individual unemployment insurance scheme for artists does not exist. Only mandatory (in case of employment under employment contract) or voluntary social insurance contributions (for example, working under copyright contracts) provide these persons with social guarantees in case of unemployment.

Individual unemployment schemes for artists are not prepared. The unemployed persons who have registered with regional Labour Exchange are provided with individual Employment schemes.

Illegal work

The scale of work not officially declared

8,590 persons worked illegally in 2002 in Lithuania according to the State Labour Inspectorate along with the State Social Insurance Fund Board, State Tax Inspectorate under the Ministry of Finance, Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania and Police Department under the Ministry of the Interior of the Republic of Lithuania. These illegal works can be classified in the following way:

- working without the Employment Contract – 1,522;
- working without a patent – 1,407;
- persons working without the registration of the enterprise, having no licence or engaged in other illegal business – 4,244;

Sectors of activity

6,359 reports of administrative law violations have been concluded for the established offences. The analysis of the distribution of the illegal work in terms of business sectors shows that the majority of the illegal workers were established in processing industry (29.15 per cent), and in the construction (28.75 per cent) as well as in the wholesale and retail sale sectors (8,85 per cent). The majority of the illegal workers have been established in the enterprises (74,2 per cent), and employed by natural persons (16 per cent).

Penalties provided by law

Pursuant to Article 413, for the illegal work the employers or their representatives shall be imposed with the penalty ranging from LTL 3,000 to LTL 10,000 for each illegal worker. The same breach committed by the person who has already been punished with administrative penalty for the violation defined herein shall result in the penalty ranging from LTL 10,000 to LTL 20,000 for each illegal worker, imposed on employers or their representatives.

Administrative checks

In 2001, the State Labour Inspectorate checked 6,155 enterprises and detected 1,255 illegal workers. In 2002, the State Labour Inspectorate checked 11,601 enterprises and detected 1,266 illegal workers (i.e. persons working without the Employment Contracts or unduly executed Employment Contracts as well as without a patent).

The action of the judicial system

In 2001, courts investigated 382 cases. In 2002, the inspectors of the State Labour Inspectorate concluded and forwarded to the courts 593 reports under the said Article. The courts investigated 234 cases pertaining to illegal workers, while 95 cases were nonsuited. Having investigated the administrative cases pertaining to illegal work, the conclusion has been drawn that the motives of the nonsuit of the administrative cases are following:

No evidence may be collected proving that the remuneration is being paid or is agreed on, although it is evident that the works would not be performed without this arrangement. However, where the illegal work is concerned, no written agreements are executed and, therefore, these are difficult to prove;

The cases of illegal work are classified as bees;

The person helped in work to his/her acquaintance;

The person did not actually work in the enterprise but was only on probation to see whether he/she is able to perform this sort of work.

TAX STATUS AND TAX ADVANTAGES

Artists tax status and distribution of their income

The income of the residents, including artists, is taxed according to procedure established by the Law on the Income Tax of Individuals of the Republic of Lithuania, enforced on 01 January 2003. It should be noted that no particular tax status is granted to the artists. The income of the artists may be distributed in the following mode:

1) Royalties

Following the definition provided in the Law on the Income Tax of Individuals of the Republic of Lithuania for the tax purposes, royalties are defined as the payment for the right to use the work of art granted by the copyright licence contract; the payment for the granted related rights, as well as the payment for the right to use the object of industrial property and franchise granted by the copyright licence contract; the payment for the provided information on industrial, commercial or scientific know-how, as well as the compensation for the violation of copyright or related rights.

2) Income for the performer's activities.

Following the definition provided in the Law on the Income Tax of Individuals of the Republic of Lithuania for the tax purposes, "performer's activities" are defined as the performer's (actor, singer, musician, conductor, dancer or any other resident acting, singing, reading, reciting or otherwise performing literary, art or folklore pieces or circus acts) activities in preparation for public performance and execution of public performance. The residents who take part in the process of creation of the work of art or preparation for the public performance, however, are not present in the public performance of the work of art or public appearance, are not qualified as the "performers".

3) Income derived from creation.

The said Law defines "creation" as the creation of the works that may be the object of copyright and the assignation of property rights pertaining to the own created works.

Royalties and tax system

In Lithuania the following types of income are taxed by applying preferential income tax rate of 15 per cent: royalties received by the resident; revenue generated for the performer's activities, for the creation (including income derived in performing individual activities of this type, provided the resident does not deduct provided exemptions). The income derived from creation as individual activity shall be subject to the income tax rate of 33 per cent if the resident has deducted the provided exemptions. The compensations for the violation of copyright or related rights are not subject to taxation.

VAT taxation procedure

The artists are subject to the same VAT taxation procedure as the rest of the natural persons. The artists are required to register as the VAT payers and pay the estimated VAT to the budget in accordance with the set procedure, if the gross amount for the provided products and (or) services during the performance of business activities have exceeded LTL 100,000 per twelve last months (per year), starting to calculate from the month during which the said limit was exceeded. Attention is to be paid to the fact that all VAT payers, following the procedure set by the law, are entitled to include to the VAT invoice the purchase and (or) import VAT for the acquired and (or) imported products and (or) services if the said products qualify for the VAT-taxed product supply and (or) provisions of services beyond the boundaries of the country on the condition that if such supply would take place in Lithuania, it would not be taxed. The Law on Value Added Tax provides for the voluntary registration as the VAT payer if the limit of LTL 100,000 is not exceeded.

Special attention should be paid to the fact that in case the VAT payer engages in the trade of works of art that have been acquired without VAT or imported or purchased from the authors or their successors with VAT included, he/she is entitled to estimate VAT from the margin, i.e. to apply a particular VAT taxation scheme.

Exemptions or special provisions regarding import duties on educational, scientific and cultural resources

Pursuant to the Law on Customs Tariffs of the Republic of Lithuania, articles of non-commercial purpose brought in the personal luggage of the passengers as well as the educational, scientific and cultural resources (books, publications, other types of information, visual and audio media), scientific means and equipment are not subject to customs duty.

The *Resolution No. 268 “Concerning the Regulatory Procedure of Product Export and Import in the Republic of Lithuania,”* adopted by the Government of the Republic of Lithuania on 24 March 1997, does not provide for any import tariffs for imported goods such as works of art, collectibles, antiques and other cultural goods. Following the procedure set forth in the third Paragraph of the Law on Value Added Tax of the Republic of Lithuania, works of art, collectibles, and antiques are taxed with value-added tax.

Exemptions or special provisions regarding import duties on scientific and cultural resources, scientific means and equipment

Pursuant to the Resolution No. 268 “Concerning the Regulatory Procedure of Product Export and Import in the Republic of Lithuania,” adopted by the Government of the Republic of Lithuania on 24 March 1997, import duty is not imposed if “not-for-profit organisations or institutions (educational institutions, scientific institutions, libraries, museums and other educational, scientific and cultural enterprises and organisations) import for non-commercial purposes educational, scientific and cultural resources (books, newspapers, magazines/journals, other publications, informational, visual and audio media), scientific means and equipment, following the Decree No. 537/115 “Concerning the Approval of the Form and Issuing Procedure of the Documents Required for the Obtaining of Duty Exemptions for the Imported Educational, Scientific and Cultural Resources, Means and Equipment for Non-commercial Purposes” issued by the Minister of Education and Science on 19 April 1999.”

Export duties and permit for exporting works of art, collectibles, antiques and other movable cultural valuables

At present, no export duties or taxes are imposed on any products in the Republic of Lithuania. However, it should be noted that in case of exporting (even for a temporary period) from the Republic of Lithuania works of art, collectibles, antiques and other movable cultural valuables (refer to the List approved by the Government), the permit issued by the Department of Cultural Heritage Protection is required following the procedure prescribed in the Resolution No. 1186 “Concerning the Approval of Procedure for the Export of Movable Cultural Valuables and Antiques from the Republic of Lithuania” issued by the Government of the Republic of Lithuania on 01 October 2001.

Regional or interregional customs duties

Regional or interregional customs duties agreements governing the import or export of cultural products do not exist except for the free trade agreements with the EU, EFTA and some other countries under which no customs duties are in essence imposed on the non-food products from these countries or groups of countries.

Adhesion to the European Union

After the Republic of Lithuania joins the European Union, the aforementioned legal acts of the Republic of Lithuania shall essentially become void and be replaced by the legal acts of the European Union regulating the procedures of import, export and taxation with import and export customs duties and taxes of cultural products.

Pursuant to the EU legal acts, the procedure of exemption from the customs duties is established in cases of importing educational, scientific and cultural resources, scientific instruments and equipment (Annexes I and II of the Regulation No. 918/83 provide detailed lists of the said products). In essence, these products are exempted from the payment of customs duties but the exemption is permitted only after meeting certain conditions and requirements.

Provisions on inheritance tax in respect of works of art

Taxation of inherited property is regulated by the Law on Inherited Property Tax of the Republic of Lithuania. Inherited works of art are taxed following the same procedure as that applied to other inherited property. The residents are to pay the inheritance tax estimated on the taxable value of the inherited property. If the taxable value does not exceed LTL 0.5 million, it shall be taxed by applying a tariff of 5% of the inheritance tax. Whereas if the taxable value exceeds LTL 0.5 million, it shall be taxed by applying a tariff of 10% of the inheritance tax.

The Law provides for the privilege applied on the inheritance when it is inherited by a person whose spouse died, by children (adopted children), parents (adopting parents), custodians (caregivers), foster-children (wards), grandparents, grandchildren, brothers, and sisters as well as in cases when the taxable value of the inheritance does not exceed LTL 10,000.

INTERNATIONAL MOBILITY

Official recognition of foreign diplomas

Higher education qualifications as well as qualifying degrees of artistic studies acquired in

foreign countries are assessed and recognised in the Republic of Lithuania, following 1997 Council of Europe/UNESCO Convention on the Recognition of Qualifications Concerning Higher Education in the European Region No. ETS 165, known as Lisbon Convention, Council of Europe/UNESCO Recommendation on Criteria and Procedures for the Assessment of Foreign Qualifications, 2001, and the provisions of Laws and legislative acts of the Republic of Lithuania.

The general procedure of recognising the foreign education in Lithuania is regulated by the Regulations of the Assessment and Recognition of Foreign Qualifications, approved by Resolution No. 1460 issued by the Government of the Republic of Lithuania on 23 December 1999, Regulations of the Assessment and Recognition of Vocational Qualifications, and the List of Institutions Conducting the Assessment and Recognition of Vocational Qualifications, and Regulated Professions, approved by the Resolution No. 624 issued by the Government of the Republic of Lithuania on 01 June 2000. Following the said legal acts, the institutions in the process of recognising the foreign qualifications take into account and refer to the conclusions, guidelines and other information provided by the Centre for Quality Assessment of Studies and the Ministry of Education and Science on the assessment of the qualifications in question.

Fellowships and financial aid to promote the mobility of artists

State scholarships

Every year, the Ministry of Culture awards the State scholarships to the culture and art creators. About 8 per cent are allocated to the artists and art critics, 3 per cent are assigned to the photography artists. The purpose of the scholarships is to provide the artists and the art critics with the conditions for creating new works of art, to display them in the Lithuanian and foreign exhibitions, to perform art research and to improve professional skills.

Support to film making projects and cinema programmes

Ministry of Culture also allocates the assignments approved in the State budget and targeted at the support of film making projects, and cinema programmes, as well as monitors the employment of the said assignments; seeks to make at least one national feature film per year; takes care of the training of cinema experts and the upgrade of their qualifications; coordinates the preparation and implementation of film making projects and cinema programmes; coordinates the participation of the Lithuanian cinematic organisations in the International cinema organisations and programmes; initiates and coordinates cinematic events in Lithuania and the participation of Lithuanian cinematic organisations in the International cinematic events; initiates and coordinates the programmes related to the protection of copyright in the field of film distribution and public screening. The funds for the cinema funding are also allocated from the State and municipal budgets.

Support to young musicians

The State supports the projects of not only professional artists and performers but also grants support to young gifted musicians going to prestigious international contests, mastership courses, seminars and studies in the foreign high schools of art.

The Culture and Sports Support Foundation

The Culture and Sports Support Foundation finances cultural programmes by granting

priorities to the support of development and promotion of Lithuanian culture, the participation of artists and art groups in International contests, traineeships, conferences, seminars, exhibitions, festivals, as well as to the participation of foreign artists in the equivalent events in Lithuania, the training of the translators of Lithuanian literature, the publication of World elite literature, the global programmes of promotion of national culture, debuts of young artists and educational programmes.

Promotion of the Lithuanian literature

For the introduction of Lithuanian literature and Lithuanian writers abroad, the Ministry of Culture implements the Programme of Lithuanian Literature Distribution. The principal objectives of the said programme are to support the translations of the Lithuanian literature into foreign languages, to provide information on Lithuanian writers to the foreign publishers, literary institutions and agencies, to introduce Lithuanian authors in the International book fairs, festivals and literary forums.

Insurance exemption for importing works of art

The new edition of the Law on the Movable Cultural Valuables of the Republic of Lithuania (2002) and the obligation of the Government of the Republic of Lithuania concerning the applied procedure approved by the Government of the Republic of Lithuania in 2003 for the movable cultural valuables of foreign countries temporarily imported into the Republic of Lithuania allow the national and State museums to import quality foreign collections of fine arts and photography art, and exhibitions and works of art of exceptional artistic value by eluding commercial insurance because the State itself undertakes to compensate the losses in cases of exhibit loss or damage.

Facilities for obtaining visas and residence permits for artists

Pursuant to legal acts of the Republic of Lithuania, the terms of issuing visas or residence permits are the same for all foreign citizens. These instruments do not allow for the privileges to art people in obtaining the said documents.

The legal acts of foreign countries regulate the issuance procedure for foreign visas to the citizens of the Republic of Lithuania. The requirements for the visa obtaining are applied to all citizens of the Republic of Lithuania notwithstanding their profession or performed activities.

Bilateral agreements may provide for the legal act exceptions regulating the terms of visa issuance in particular cases. The Republic of Lithuania has bilateral agreements signed with the Russian Federation and the Republic of Belarus that provide for certain exceptions for the persons taking part in artistic events (Agreements with the Russian Federation dated 30 December 2002; Agreements with the Republic of Belarus dated 26 November 2002). Pursuant to the interim agreement with the Republic of Belarus, the consular fee is not imposed on the issuance of visa for the citizens of the Republic of Lithuania or the Republic of Belarus / the Russian Federation who are going to the cultural, scientific, technological and sports events of high public importance, and hold invitations from respective ministries or services.

Legal requirements for artists working temporarily abroad

In the event the artist working under the Employment Contract is commissioned to work abroad and the social insurance contributions are paid in Lithuania, the artist retains all social guarantees in Lithuania. The artist may be covered by complementary health, occupational

accident or pension insurance by private insurance companies. Provided the artist leaves for abroad on his/her own initiative to work there, he/she is subject to the regulations of the legal acts regulating social security of the respective foreign country.

Foreign artists in Lithuania

Legal acts do not provide for exceptional conditions to foreign artists coming to Lithuania, however, in practice, foreign artists invited to take part in cultural programmes in Lithuania are usually provided with free accommodation, appropriate work conditions and are paid royalties.

COLLECTIVE REPRESENTATION

Law on Trade Unions of the Republic of Lithuania establish the following main trade union prerogatives:

To protect the rights and legal interests of the members of trade unions and their organisations in respect of labour, economic and social issues.

To represent the members of trade unions in settling social, economic and labour issues with the State institutions, employers and their organisations.

Trade Unions are also the bodies specifically concerned with both the promotion of social dialogue and with mediation and/or appeals.

CONTINUING TRAINING AND FINANCIAL AID

The main content types of vocational school are financed by the State budget, however, private schools also exist.

No specialised courses are arranged for the professional artists, however, plenary sessions, symposia, seminars, conferences, workshops, contests and festivals are regularly organised in Lithuania.

Disabled artists

No special courses or programmes for the disabled artists exist in Lithuania.

Lithuanian Council of the Disabled under the Government of the Republic of Lithuania operates in Lithuania and coordinates the medical, vocational, social rehabilitation and social integration of the disabled, as well as implements the State programme of medical, vocational, social rehabilitation of the disabled.

Fellowships and research grants

Fellowships and research grants are awarded by the Ministry of Culture and the Ministry of Education and Science.

Research aid

No State research aid schemes are available in Lithuania specifically for art research. The State scholarships, benefits for the studies of the citizens of the Republic of Lithuania, namely, students, lecturers and scientists of the Lithuanian scientific and studies institutions, scientific traineeships abroad and the studies, scientific traineeships of foreign citizens in Lithuania are assigned only in compliance with the International agreements and treaties, whereas the outgoing persons are granted these after winning the competitions announced by the Ministry of Education and Science of the Republic of Lithuania.

The Lithuanian scientific and studies institutions have to search for the opportunities to support the participation of their scientists in the International events using the annual budget assignments for science and studies.

Advocacy for copyright

All modern media of information communication are used to promote knowledge about copyright and neighbouring rights among artists (courses, lectures, publications, etc.).

Lithuanian State Registry of Artists

It is planned to establish the State Registry of Artists as provided for in the draft of the Amendment Law on the amendment of the Law on Artists and their Organisations of the Republic of Lithuania.

Source: Lithuanian National Commission for UNESCO, September 2003.