

**REPUBLIC OF LITHUANIA**  
**LAW ON**  
**PUBLIC ESTABLISHMENTS**

3 July 1996 No I-1428

(As last amended on 22 December 2009 – No XI-606)

Vilnius

**Article 1. Purpose of the Law**

1. This Law shall regulate the founding, management, activities, reorganisation, transformation and liquidation of public establishments.

2. Provisions of this Law shall apply to the state institutions of science and studies whose legal form is a public establishment in so far as they do not contravene the Republic of Lithuania Law on Science and Studies.

**Article 2. Concept of a Public Establishment**

1. A public establishment shall be a non-profit public legal person of limited civil liability founded according to this Law and other laws, the aim of which is to satisfy public interests by carrying out the educational, training and scientific, cultural, health care, environmental protection, sports development, social or legal aid provision as well as other activities useful to the public.

2. A public establishment must have at least one bank account.

3. The registered office of a public establishment must be in the Republic of Lithuania.

4. A public establishment shall, in its activities, be based on its articles of association, the Civil Code, this Law and other laws as well as other legal acts.

**Article 3. Rights and Duties of a Public Establishment**

1. A public establishment may have and acquire only the civil rights and duties which are not in contradiction to laws, the articles of association of the public establishment and objectives of activities thereof.

2. A public establishment shall not be allowed:

1) to allocate earned profit for other objectives of activities than specified in the articles of association of the public establishment;

2) to transfer, free of charge, the assets of the public establishment into the ownership or under a trust or loan for use contract to a stakeholder in the public establishment or to a person related thereto, with the exception of a case specified in paragraph 9 of Article 17 of this Law;

3) to borrow funds at interest from its stakeholder or from a person related thereto;

4) to safeguard the discharge of the obligations of other persons.

3. A person related to a stakeholder and referred to in subparagraphs 2 and 3 of paragraph 2 of this Article shall be:

1) a close relative, spouse, close relative of a spouse of the natural person of the partaker, cohabiting partner of the partaker, where partnership has been registered in accordance with the procedure laid down by laws;

2) a legal person holding more than a half of votes at the meeting of participants of the legal person of the public establishment's stakeholder;

3) a legal person more than a half of the votes at the meeting of participants of which are held by the public establishment's stakeholder, the persons referred to in subparagraphs 1 and 2 of this paragraph either alone or jointly.

4. A public establishment shall have the right to pursue the economic and commercial activities which are not prohibited by laws and which are inseparably connected with the objectives of activities thereof.

5. A public establishment shall have the right to set up branches and representative offices in the Republic of Lithuania and in foreign states. The number of the branches and representative offices of the public establishment shall not be limited.

#### **Article 4. Founding of a Public Establishment**

1. The founders of a public establishment may be the State, municipalities and other persons who are not seeking personal benefit from the activities of this establishment and who have concluded the memorandum of association of the public establishment. The number of founders shall not be limited.

2. The legal ground for the founding of a public establishment shall be the memorandum of association of the public establishment as concluded by founders in accordance with the procedure laid down by this Law.

3. The memorandum of association of a public establishment shall be signed by all founders thereof.

4. Where a public establishment is founded by a single founder, he shall draft and sign a founding act instead of a memorandum of association. Where the founder is the State or a

municipal institution, the Government or a municipal council, it shall take a decision on the founding of the public establishment.

5. Where the founder or at least one of the founders of a public establishment is the State or a municipality, a decision on the founding of the public establishment and investment of the assets belonging by the right of ownership to the State or the municipality shall be taken respectively by the Government or a municipal council. This decision must also indicate a state or municipal institution charged with representation of the founder as well as a state or municipal institution charged with exercise of the rights and duties of the State or the municipality as the owner of or stakeholder in the public establishment.

6. The persons who have the right to represent a public establishment being founded may conclude transactions on behalf of and for the benefit of the public establishment being founded. Obligations under these transactions shall arise for the public establishment upon their approval by the head of the public establishment or by other body specified in the articles of association thereof upon the founding of the public establishment. Where the body of the public establishment does not approve these transactions, the obligations based on these transactions shall be jointly and severally guaranteed by the persons who have concluded them.

7. The statutory meeting must be convened prior to the registration of a public establishment. It must appoint the head of the public establishment as well as form collegial bodies, where the articles of association of the public establishment provide therefor. At the statutory meeting, all founders of the public establishment shall have the right to vote. One founder shall have one vote at the statutory meeting, unless the memorandum of association of the public establishment provides otherwise. Where a public establishment is founded by a single founder, his written decisions shall be held equal to the decisions taken at the statutory meeting.

#### **Article 5. Memorandum of Association of a Public Establishment**

1. The memorandum of association of a public establishment must specify:

1) the founders (names, surnames, personal identification codes and addresses of natural persons; names, registered offices, codes of legal persons, business names and surnames of representatives thereof). Where the founder is the State or a municipality, a state or municipal institution charged with representation of the founder must be indicated;

2) the name and registered office of the public establishment;

3) the field (fields) and objectives of activities of the public establishment;

4) property and non-pecuniary obligations of founders, the procedure for and time limits of performance thereof;

- 5) the procedure for compensating for the founding costs;
- 6) the procedure for settling of disputes between the founders;
- 7) the persons who have the right to represent the public establishment being founded, rights and powers thereof;
- 8) the procedure for convening the statutory meeting and taking decisions at this meeting;
- 9) the date of the conclusion of the Memorandum of Association.

2. The memorandum of association of a public establishment may also contain other provisions provided they are not in contradiction to this Law and other laws.

3. A founding act shall be applied the requirements set for a memorandum of association, with the exception of the requirements referred to in subparagraphs 6 and 8 of paragraph 1 of this Article.

#### **Article 6. Articles of Association of a Public Establishment**

1. Articles of association shall be a founding document whereto a public establishment shall adhere in its activities.

2. The articles of association of a public establishment must specify:

- 1) the name of the public establishment;
- 2) the legal form;
- 3) (Repealed on 5 January 2010);
- 4) the period of the activities thereof, where it is limited;
- 5) the objectives of activities (they must be defined in a clear and comprehensive manner by specifying the fields and types of the activities);
- 6) the procedure for admitting new stakeholders;
- 7) the procedure for transferring rights of a stakeholder to other persons;
- 8) the procedure for transferring stakeholders' contributions to the public establishment;
- 9) the powers of the general meeting of stakeholders, procedure for convening and taking of decisions;
- 10) the powers of collegial bodies, where such bodies are formed, the procedure for forming and removing thereof;
- 11) the procedure for appointing and removing from office the head of the public establishment, powers thereof;
- 12) the procedure for amending the regulations;
- 13) procedure for setting up branches and representative offices and for terminating activities thereof;

14) the procedure for submitting documents and other information about activities of the public establishment to stakeholders;

15) the procedure for publishing notices and announcements; the publication wherein public information shall be published;

16) the procedure for submitting information about activities of the public establishment to the public.

3. The powers of and the procedure for convening the general meeting of stakeholders in a public establishment, the procedure for appointing and dismissing from office the head of the public establishment and the powers thereof as well as the procedure for amending the articles of association need not be indicated, unless they differ from those laid down by this Law and the articles of association expressly state so. The articles of association may also contain other provisions which are in conformity with this Law and other laws. Where it transpires that the articles of association contain provisions which are in contradiction to this Law and other laws, the articles of association must be amended.

4. The articles of association of a public establishment must be signed by all founders prior to the statutory meeting. Amendments to the articles of association of the public establishment shall be signed by a person authorised by the general meeting of stakeholders which has taken a decision on the amendment of the articles of association.

5. The articles of association of a public establishment being set up shall become invalid, where they have not been submitted to the Legal Entities' Register within six months of the signing thereof.

6. The authenticity of the signatures of the natural persons who have signed the articles of association of a public establishment shall not be notarised.

### **Article 7. Stakeholders in a Public Establishment**

1. A stakeholder in a public establishment shall be a natural or legal person who has, in accordance with the procedure laid down by this Law or by the articles of association, transferred to the public establishment a contribution and has the rights of a stakeholder as specified by this Law and the articles of association as well as a person whereto rights of the stakeholder have been transferred in accordance with the procedure laid down by the articles of associations or by laws.

2. The founders of a public establishment who have, in accordance with the procedure laid down by this Law and the articles of association, transferred to the public establishment a contribution shall become stakeholders therein.

3. Where a public establishment has a single stakeholder, he shall be referred to as the owner of the public establishment. The provisions of this Law which are applied to stakeholders shall also be applicable to the owner.

4. A stakeholder in a public establishment shall have the right to receive a part of the assets of the public establishment in liquidation in accordance with the procedure laid down by paragraph 9 of Article 17 of this Law.

5. A stakeholder in a public establishment shall have the following non-pecuniary rights:

1) to participate and to vote at the general meetings of stakeholders in the public establishment;

2) to familiarise with documents of the public establishment and to obtain the information held by the public establishment about its activities;

3) to bring an action before the court for the annulment of the decisions taken by the general meeting of the stakeholders in the public establishment and by other bodies of the public establishment as well as for voidability of the transactions concluded by management bodies, where they are in contradiction to imperative norms of laws, the articles of association of the public establishment or the principles of reasonability and good faith;

4) to bring an action before the court for the prohibition by bodies of the public establishment to conclude in the future the transactions which are in contradiction to the objectives of activities of the public establishment or violate the powers of a management body of the public establishment;

5) other non-pecuniary rights specified by laws and articles of association.

6. A stakeholder in a public establishment shall have the right to transfer, in accordance with the procedure laid down by the articles of association and by laws, to another person the rights of a stakeholder, with the exception of the cases when the stakeholder is the State or a municipality. The State's or municipality's rights of a stakeholder in a public establishment may be transferred to other legal persons in the cases and ways established by this Law and the laws regulating the management, use and disposal of state and municipal property.

### **Article 8. Registration of a Public Establishment and Data of the Legal Entities' Register**

1. A public establishment must be registered in the Legal Entities' Register.

2. In order to register a public establishment, the memorandum of association, articles of association and other documents required for the registration of the public establishment as specified by laws shall be submitted to the Legal Entities' Register.

3. When registering a public establishment, the articles of association thereof shall be registered too.

4. A public establishment shall be considered founded upon registration thereof in the Legal Entities' Register.

5. In addition to the data listed in Article 2.66 of the Civil Code, the Legal Entities' Register shall also specify the period of activities of a public establishment, where it is limited.

### **Article 9. Bodies of a Public Establishment**

1. A public establishment shall acquire civil rights, assume civil duties and discharge them via its management bodies.

2. A public establishment may not acquire civil rights and duties via its stakeholders.

3. A public establishment must have a body – the general meeting of stakeholders – and a single-person management body – the head of the public establishment.

4. The head of a public establishment shall organise the activities of the public establishment and act on behalf of the public establishment in relations with other persons, conclude and terminate employment contracts with employees of the public establishment. The head of the public establishment shall be held liable for the drawing up of accounts, convening of the general meeting of stakeholders, submission of data and documents to the Legal Entities' Register, notification of the stakeholders of the events considered essential to the activities of the public establishment, registration of the stakeholders in the public establishment, presentation of information about the activities of the public establishment to the public, publishing of public information and other actions provided for the head under legal acts and the articles of association of the public establishment.

5. A person authorised by the general meeting of stakeholders shall, on behalf of the public establishment, conclude an employment contract with the head of the public establishment and terminate it. An agreement on full liability for material damage may be concluded with the head of the public establishment. The employment disputes arising between the head of the public establishment and the public establishment shall be heard in court.

6. The articles of association of a public establishment may also provide for a collegial management body of the public establishment as well as other collegial bodies. The number, powers of members of the collegial bodies of the public establishment, the procedure for forming and removing these bodies shall be laid down by the articles of association of the public establishment. Collegial bodies of the public establishment shall act according to approved rules of procedures. Members of the collegial bodies of the public establishment shall

not be provided with remuneration for activities therein, unless the articles of association of the public establishment provide otherwise.

7. The articles of association of a public establishment may establish quantitative representation. In such a case and in compliance with the provisions of the Civil Code regulating quantitative representation, the articles of association must set out specific rules for such a representation, however, in all cases the head of the public establishment, too, must act on behalf of the public establishment.

#### **Article 10. General Meeting of the Stakeholders in a Public Establishment**

1. The general meeting of stakeholders shall:

- 1) amend the articles of association of a public establishment;
- 2) take a decision on changing the registered office of the public establishment;
- 3) set the prices and tariffs of services, works and products or the rules for setting thereof;
- 4) appoint and remove from office the head of the public establishment and lay down the terms and conditions of his employment contract;
- 5) form collegial bodies, where such have been provided for in the articles of association of the public establishment;
- 6) approve annual accounts;
- 7) select the information which shall be presented to the public about activities of the public establishment;
- 8) take a decision on the transfer, lease, transfer under a loan for use contract or pledge of the fixed assets belonging to the public establishment by the right of ownership;
- 9) take a decision on the reorganisation of the public establishment and on the approval of rules for the reorganisation;
- 10) take a decision on the transformation of the public establishment;
- 11) take a decision on the liquidation of the public establishment or cancel liquidation thereof;
- 12) appoint and dismiss the liquidator, where, in the cases specified by this Law, a decision on the liquidation of the public establishment is taken by the general meeting of the stakeholders;
- 13) lay down the procedure for internal control of the public establishment;
- 14) take a decision on the audit of the public establishment and select the firm of auditors;

15) decide other issues within the limits of powers of the general meeting of stakeholders by this Law and the articles of association of the public establishment.

2. Decisions of the general meeting of stakeholders shall be taken by a simple majority of votes of all the stakeholders participating in the meeting, with the exception of the decisions referred to in subparagraphs 8, 9 and 10 of paragraph 1 of this Article, which shall be taken by a qualified majority vote. It shall be established by the articles of association of a public establishment, and it may not be less than 2/3 of the votes of all stakeholders participating in the meeting.

3. At the general meeting of stakeholders, the right of decisive vote shall be granted to all stakeholders in a public establishment. One stakeholder shall have one vote at the general meeting of stakeholders, unless the articles of association of the public establishment provide otherwise. The head of the public establishment and members of other bodies, unless they are stakeholders, may participate in the general meeting of stakeholders without the voting right. Other persons may also participate in the general meeting of stakeholders subject to consent by the stakeholders.

4. The general meeting of stakeholders shall be convened in accordance with the procedure laid down by the articles of association of a public establishment.

5. The annual general meeting of stakeholders must be convened annually within four months of the end of the financial year of a public establishment. The head of the public establishment must present to the annual general meeting of stakeholders the annual accounts of the public establishment and the activity report of the public establishment for the past financial year.

6. The general meeting of the stakeholders in a public establishment may be convened by order of the court, where it has not been convened in accordance with the procedure laid down by this Law and by the articles of association of the public establishment, and a stakeholder in or member of a body of the public establishment has brought the matter to the court.

7. Minutes shall be taken of all General Meetings of Shareholders.

8. Written decisions of the owner of a public establishment shall be equal to the decisions taken by the general meeting of stakeholders.

### **Article 11. Accounting, Accounts and Audit of a Public Establishment**

1. The accounting of a public establishment, organisation and management thereof as well as the drawing up of accounts shall be regulated by laws and other legal acts.

2. The audit of a public establishment shall be carried out after the general meeting of stakeholders takes a decision on the carrying out of the audit and selects a firm of auditors. The audit shall be carried out in the cases and in accordance with the procedure laid down by the legal acts regulating audit.

3. State and municipal control institutions shall have the right to verify activities of a public establishment in accordance with the procedure laid down by the law.

4. The procedure of the internal control of a public establishment shall be laid down by the general meeting of stakeholders.

### **Article 12. Report on the Activities of a Public Establishment**

1. The head of a public establishment must draft and submit to the annual general meeting of stakeholders a report on the activities of the public establishment for the previous financial year. This report shall be public. At the request of any natural or legal person, the public establishment must grant access to the report at its registered office or in another manner specified in the articles of association.

2. The report on the activities of a public establishment must specify:

1) information about the public establishment's activities aimed at implementing the objectives of activities specified in the articles of association thereof;

2) stakeholders in the public establishment at the beginning and at the end of the financial year;

3) the funds received by the public establishment and sources thereof over the financial year;

4) information about the fixed assets acquired or transferred by the public establishment over the financial year;

5) expenditure of the public establishment over the financial year;

6) the number of employees of the public establishment at the beginning and at the end of the financial year.

3. The report on the activities of a public establishment may also contain other information as specified by the general meeting of stakeholders.

### **Article 13. Equity Capital of and the Funds Not Subject to Repayment Received by a Public Establishment**

1. The equity capital of a public establishment shall consist of:

1) the stakeholders' capital;

2) the profit (loss);

3) the revaluation reserve;

4) reserves from profit.

2. The capital of stakeholders in a public establishment shall be equal to the value of contributions of the stakeholders. The stakeholders in the public establishment and the value of contributions thereof shall be recorded in documents of the public establishment, and a stakeholder shall be issued a document certifying the value of his contributions. Where a stakeholder transfers additional contributions to the public establishment, sells or otherwise transfers the rights of a stakeholder to another person, entries in documents of the public establishment and in the documents certifying the value of the contributions must be respectively amended.

3. Contributions of stakeholders may be made in money as well as the tangible and intangible assets assessed according to the Law on the Principles of Assessment of Property and Business.

4. The stakeholders' capital may be increased only by contributions of the stakeholders.

5. A public establishment may build up reserves from the profit earned from the economic and commercial activities relating to the objectives of activities specified in the articles of association of the establishment as well as the revaluation reserve.

6. Reserves for profit shall be formed, changed, used and liquidated by a decision of the general meeting of stakeholders.

7. The revaluation reserve may not be used to reduce losses of a public establishment.

8. A public establishment shall use the funds received as sponsorship as well as other received funds which are not subject to repayment for the purposes specified by a person who has transferred them (where the person has given such instructions when donating the funds). The public establishment must keep such funds in a separate account and draw up an estimate of expenditure, where this has been provided for by legal acts or where the person who has donated the funds so requests. The public establishment may not accept the funds, where the purposes specified by the person donating the funds are other than provided for in the articles of association of the public establishment.

#### **Article 14. Use of the Profit of a Public Establishment**

1. The profit earned by a public establishment may be used only to attain the objectives of activities of the public establishment as specified in the articles of association of the public establishment.

2. The profit of a public establishment may not be allocated to stakeholders, members of the bodies of the public establishment and for the payment of bonuses to the employees.

## **Article 15. Reorganisation of a Public Establishment**

1. Public establishments may be reorganised by merger and division as established by the Civil Code.

2. The heads of all public establishments involved in reorganisation or other management bodies must prepare the terms of reorganisation of a public establishment indicating the following:

1) the name, registered office, code of each public establishment involved in the reorganisation, the register wherein data on these public establishments are accumulated and stored;

2) the mode of reorganisation, the public establishments ceasing to exist, the public establishments continuing their activities after the reorganisation, the newly formed public establishments;

3) the procedure, terms and time limits for a stakeholder in a public establishment ceasing to exist to become a stakeholder in a public establishment continuing after the reorganisation;

4) the moment from which the rights and duties of a public establishment being wound up shall be transferred to a public establishment continuing after the reorganisation;

5) the persons who shall have the right to act on behalf of newly formed public establishments. Only the actions related to the registration of a public establishment may be carried out on behalf of the newly formed public establishments;

6) the persons who must sign the articles of association of the public establishments continuing after the reorganisation;

7) ancillary rights granted to the head of a public establishment and other management bodies during the reorganisation.

3. The prepared terms of reorganisation must be published in the publications specified in the articles of association of all public establishments involved in the reorganisation three times with at least thirty-day intervals or once at least thirty days prior to the general meeting of stakeholders the agenda of which provides for the adoption of a decision on the reorganisation and all creditors of the public establishment shall be given written notice thereof. The notice must specify:

1) the information referred to in subparagraphs 1, 2 and 4 of paragraph 2 of this Article;

2) the place and time from when it is possible to familiarise with the terms of reorganisation, drafts of the articles of association of the public establishments continuing after

the reorganisation and the annual accounts of the public establishments involved in the reorganisation for the past three financial years.

4. The terms of reorganisation must be submitted to the Legal Entities' Register not later than on the first day of their publication.

5. Not later than thirty days prior to the general meeting of stakeholders the agenda of which provides for the adoption of a decision on reorganisation, the stakeholders in the public establishments involved in the reorganisation shall have the right to familiarise with the terms of the reorganisation, drafts of the articles of association of the public establishments continuing after the reorganisation as well as with the annual accounts of all public establishments involved in the reorganisation for the past three financial years. Each stakeholder in a public establishment shall have the right to obtain copies of all documents specified in this paragraph.

6. The creditor of a public establishment being reorganised shall have the right to request to terminate an obligation or to discharge it prior to the expiry of the time limit as well as to compensate losses, where this has been provided for under a transaction or there are grounds to believe that the reorganisation will hamper the discharge of the obligation and where, at the request of a creditor, the public establishment has not provided an additional safeguard for the discharge of its obligations. The creditor of a public establishment being reorganised may file his claims within two months of the first day of public announcement of the preparation of the public establishment's terms of reorganisation. The creditors of a public establishment being reorganised shall have the right to familiarise with the documents specified in paragraph 5 of this Article and to obtain copies thereof.

7. The general meeting of stakeholders in each public establishment involved in reorganisation shall, by a qualified majority vote, take a decision on the reorganisation of the public establishment, approve terms of the reorganisation and adopt the articles of association of the public establishments continuing after the reorganisation. The articles of association must be signed by the persons specified in the terms of the reorganisation. The authenticity of signatures of these persons shall not be notarised.

8. A document confirming the taking of a decision of the reorganisation of a public establishment must be submitted to the Legal Entities' Register. The manager of the Legal Entities' Register must publish the decision on the reorganisation of the public establishment in accordance with the procedure laid down by legal acts.

9. Reorganisation shall be considered completed upon the registration in the Legal Entities' Register of the new public establishments formed after the reorganisation and of articles of association thereof or upon the registration of amended articles of association of the public establishments continuing their activities.

## **Article 16. Reorganisation of a Public Establishment**

1. A public establishment may be transformed into a budgetary institution as well as into a charity and sponsorship fund in accordance with the procedure laid down by the Civil Code, this Law and other legal acts. A public establishment a stakeholder in or the owner of which is the State or a municipality may not be transformed into a charity and sponsorship fund. All rights and duties of a public establishment being transformed shall be transferred to a public legal person continuing after the transformation.

2. A public establishment may be transformed into a budgetary institution, where the owner of the public establishment is the State or a municipality, provided the budgetary institution of the State or municipality continuing after the transformation can implement the objectives indicated in the articles of association of the transformed public establishment and acquire the civil rights and duties meeting requirements of the Law on Budgetary Institutions.

3. A decision on the transformation of a public establishment into a budgetary institution financed from Lithuania's State budget is subject to the consent of the Ministry of Finance.

4. A decision on the transformation of a public establishment and on the founding documents of a legal person continuing after the transformation shall be taken by the general meeting of stakeholders by a qualified majority vote.

5. A decision on the transformation of a public establishment must be published in accordance with the procedure laid down by legal acts and articles of association in a publication specified in the articles of association three times with at least thirty-day intervals or it must be published once and all creditors must be given written notice thereof. The notice must specify:

- 1) the name of the public establishment;
- 2) the registered office of the public establishment;
- 3) the code of the public establishment;
- 4) the register wherein data on the public establishment being transformed are accumulated and stored;
- 5) the legal form of a legal person into which the public establishment is being transformed;
- 6) the procedure, terms and time limits for a stakeholder in a public establishment being transformed to become a stakeholder in a legal person continuing activities its after the transformation;
- 7) the place where and the time from when a person may familiarise with the founding documents of the legal persons continuing after the transformation.

6. A document confirming a decision on the transformation of a public establishment must be submitted to the Legal Entities' Register. The manager of the Legal Entities' Register must publish the decision on the transformation of the public establishment in accordance with the procedure laid down by legal acts.

7. Transformation shall be considered completed upon the registration of the founding documents of a legal person continuing after the transformation in the Legal Entities' Register.

8. Founding documents shall cease to be valid, where they have not been submitted to the Legal Entities' Register within six months of the taking of a decision on the transformation of a public establishment.

9. A public establishment may not be reorganised and transformed at the same time.

### **Article 17. Liquidation of a Public Establishment**

1. A public establishment may be liquidated on the grounds laid down by the Civil Code for the liquidation of legal persons.

2. The general meeting of stakeholders or the court, upon the adoption of a decision on the liquidation of a public establishment, or the manager of the Legal Entities' Register, where the decision on the liquidation of the public establishment is adopted by the court on the initiative of the manager, must appoint the liquidator.

3. Where a public establishment is liquidated because of the expiry of the duration of the public establishment, the general meeting of stakeholders must, at least three months prior to the expiry of the duration, appoint the liquidator or take a decision on the extension of the period of activities and amendment of the articles of association of the public establishment. In this case, if the decision on the liquidation is taken, the public establishment shall acquire the status of a public establishment in liquidation, and the liquidator shall acquire the rights and duties of the management bodies not later than on the first day following the expiry of the duration laid down in the articles of association. Where the general meeting of stakeholders does not take a decision on the extension of the duration of the public establishment and does not appoint the liquidator, any stakeholder in the public establishment as well as the manager of the Legal Entities' Register shall have the right to apply to the court for the appointment of the liquidator.

4. Where a public establishment is liquidated on the basis of a decision of the court or of creditors on the liquidation of a bankrupt public establishment, it shall be liquidated in accordance with the procedure laid down by the Enterprise Bankruptcy Law.

5. From the day of the appointment of the liquidator, the management bodies of a public establishment shall lose their powers. The general meeting of stakeholders may be convened in accordance with the procedure laid down in the articles of association.

6. The general meeting of stakeholders in a public establishment may replace the liquidator or cancel the liquidation of the public establishment, where the public establishment is liquidated by a decision of the general meeting of stakeholders or upon the expiry of its duration.

7. A notice of the liquidation of a public establishment must be published in accordance with the procedure laid down by legal acts and the articles of association in a publication specified in the articles of association three times with at least thirty-day intervals or published once and all creditors of the public establishment must be given written notice thereof. The notice must specify:

- 1) the name of the public establishment;
- 2) the registered office of the public establishment;
- 3) the code of the public establishment;
- 4) the register accumulating and storing data on the public establishment in liquidation;
- 5) the date of the taking of a decision on the liquidation of the public establishment.

8. The liquidator must submit a document confirming a decision on the liquidation of a public establishment and the particulars of the liquidator to the Legal Entities' Register. The manager of the Legal Entities' Register must publish this decision in accordance with the procedure laid down by legal acts.

9. Claims of the creditors of a public establishment in liquidation shall be satisfied in accordance with the procedure laid down by laws. Upon the satisfaction of all claims of the creditors, the assets the total value of which may not exceed the stakeholders' capital shall be returned to the stakeholders from the remaining assets of the public establishment. The assets returned to the stakeholders shall be distributed in proportion to the value of their contributions. Where a share of the assets has been left undistributed, it shall be transferred to other public legal persons registered in the Legal Entities' Register and indicated by the general meeting of stakeholders or by the court upon the taking of a decision on the liquidation of the public establishment. Where a stakeholder in a public establishment is the State and/or a municipality, the remaining undistributed part of the assets which is in proportion to the value of the contribution of the State and/or a municipality shall be transferred to the State and/or the municipality upon the liquidation of the public establishment.

10. A decision taken on the liquidation of a public establishment may not be revoked if at least one stakeholder received a share of the assets of the public establishment in liquidation.

## **Article 18. Powers of the Liquidator**

1. The liquidator shall have the rights and duties of the head of a public establishment and other management body, where it has been formed. The liquidator shall be subject to the same requirements as those applicable to the head of the public establishment.

2. In addition to other duties laid down by this Law and by the Civil Code, the following duties shall be assigned to the liquidator of a public establishment:

- 1) to notify the Legal Entities' Register of a decision on the liquidation of the public establishment and to furnish the particulars of the liquidator;
- 2) to publish the information referred to in paragraph 7 of Article 17 of this Law;
- 3) to draw up the opening balance sheet of the public establishment at the start of liquidation;
- 4) to complete the discharge of the obligations of the public establishment and to settle with the creditors of the public establishment;
- 5) to file claims to the debtors of the public establishment;
- 6) to transfer the remaining assets of the public establishment in accordance with the procedure laid down by this Law;
- 7) to draw up a liquidation statement of the public establishment;
- 8) to hand over documents for keeping in accordance with the procedure laid down by the Law on Archives;
- 9) to submit the liquidation statement of the public establishment as well as other documents required for the removal of the liquidated public establishment from the Register to the Legal Entities' Register.

I promulgate this Law passed by the Seimas of the Republic of Lithuania.

PRESIDENT OF THE REPUBLIC

ALGIRDAS BRAZAUSKAS