



Lietuvos Respublikos
FINANSŲ MINISTERIJA

Alternative financing: development of capital markets

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APIE Lietuvą (*ABOUT Lithuania*)

Openness

- Another opinion
- Policy direction
- Innovation
- Engagement



APIE Lietuvą (*ABOUT Lithuania*)

Eco system

- Access to finance
- People
- Integrity
- Environment

Outlook of Lithuania financial system

Banking

High concentration

Loans **2,58%** ↑

NPL **3,51%**

Insurance

Penetration **1,84%**

Density **249 EUR**

Non-life **20%** ↑

Life **8%** ↑

Capital Markets

Stock capitalization **10%**

Institutional Investors
($\frac{1}{4}$ in LT)

CF, p2p **2-3 digit** ↑

Global and EU capital markets agenda



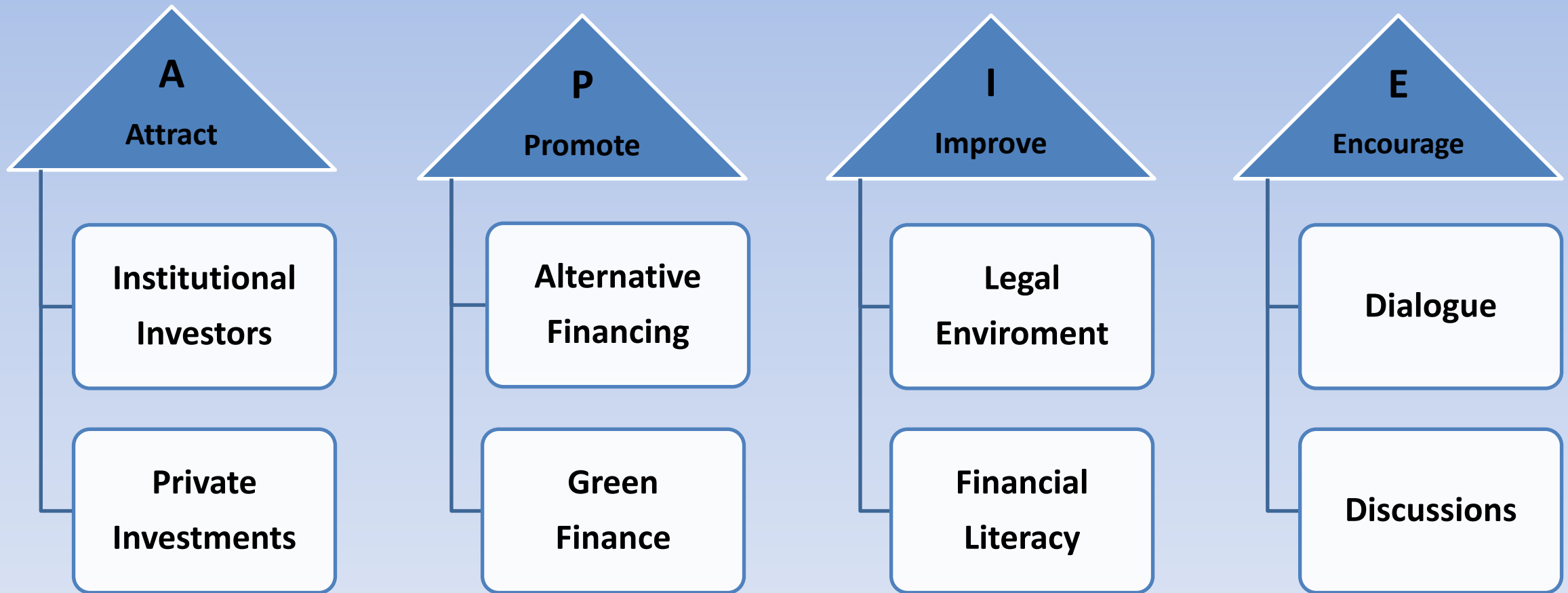
Global initiatives (G20, G7, FSB, OECD, WB)

- Capital markets development
- Fintech
- Green finance
- Crypto, blockchain, ICO

EU initiatives – CMU priorities

- Institutional investors
- Access to finance
- Sustainable Finance and Fintech
- Retail Investment

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A stethoscope is placed on a document with some text, including the word 'POLICY' and 'ZAKAZIVANJE'.

Results achieved (Regulation)

- **CF, p2p, Remote Identification of Persons**
- Protection of Bond Holders
- **Public offering of JSC bonds**
- Private placement
- **Rules to tax profit of VC, CIU only on the hand of final investor – natural person level - introduced**
- Action Plans on *Financial literacy* and *Fintech*

Actions for 2018

- **Securitisation and Covered Bonds**
- Institutional Investors
- **Law on Payments**
- Regulatory framework for Investment Funds
- **Baltic Capital Market initiative** (*e.g. mortgages market 16,9 billion eur*)

Future. Fintech/Insurtech/Regtech. A chance to grow.



➔ **Lithuania is a fintech hub**

➔ **ICO in Lithuania**

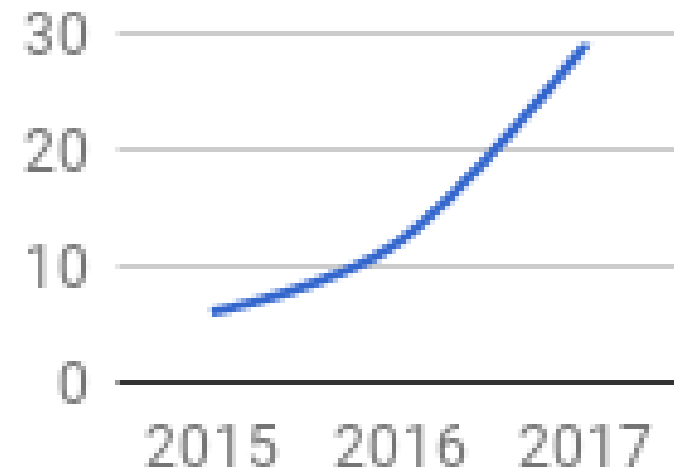
(up to 6% of global market!)

➔ **Plans for blockchain**

➔ **AI, Big data, IoT**



Number of el.money institutions




Future. ICOs can no longer be ignored.

- **ICOs raised > 3 bn USD (2017), 0.2 bn USD (2016)**
- **Number of ICOs: from 56 (2016) to 356 (2017/9)**
- **Impressive speed. 37 M USD in 18 minutes (Monetha); 35M USD in 30 sec. (Brave)**

Why ICOs :

- **Simplicity to raise money**
- **Open to masses**
- **Funds are much greater than in crowdfunding**
- **Lack of regulation**

But actions on EU and National levels

An aerial night view of a city skyline, likely Stockholm, Sweden. The image shows a dense cluster of modern skyscrapers and buildings, many of which are illuminated with warm lights. A prominent feature is a tall, dark tower with a spire. In the foreground, a river flows through the city, reflecting the lights from the buildings and the sky. A modern, curved bridge spans across the river. The sky is a mix of dark blue and light orange, suggesting a sunset or sunrise. The overall atmosphere is vibrant and urban.

**Let's create the best jurisdiction for financial services
in the Nordic Baltic region!**