



10.03.2009

LIETUVOS RESPUBLIKOS FINANSŲ MINISTERIJA  
MINISTRY OF FINANCE OF THE REPUBLIC OF LITHUANIA

Federation of European Publishers  
31 rue Montoyer, box 8  
B-1000 Brussels

04 March 2009  
Our Ref.: (14.6-02)-6K-0902296

Attn. : Mr. Federico Motta  
President

Re: Proposal of Federation of European Publishers



Dear Mr. President,

Following the assignment by the Prime Minister of the Republic of Lithuania, the Ministry of Finance has examined, within its competence, the proposal of the Federation of European Publishers regarding the increased rate of VAT on books from 5% to 9% presented in the letter of 27 January 2009.

With reference to the aforementioned issue, it should be noted that in implementation of the Programme of the Fifteenth Government of the Republic of Lithuania, the amendments to the Republic of Lithuania Law on Value Added Tax that entered into force from 1 January 2009 abolished the reduced rates of VAT, temporarily leaving transitional periods for some goods and services (including 9% VAT rate on books and non-periodical publications that should be applied until 30 June 2009).

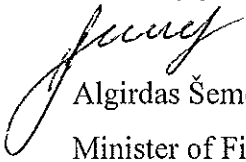
We would also like to call your attention to the fact that following the amendments to the Law on Personal Income Tax that entered into force from 1 January 2009, all income, excluding income from distributed profit, is levied at 15% rate of income tax, i.e. the rate of income tax applied on income from creative work under copyright agreement has not changed.

The Ministry of Finance emphasizes that considering current economic conditions and the increased expenditure of publishing, the sponsorship for fiction in the Lithuanian language and for other significant publications reflecting the Lithuanian culture has been increased by using funds

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from the State budget. Such increased sponsorship should decrease the raised tax burden in implementation of certain cultural projects.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Algirdas Šemeta', written in a cursive style.

Algirdas Šemeta

Minister of Finance

cc: Office of the Government of the Republic of Lithuania