

Invest Lithuania

Lithuania  
Co-create

# The Fintech Landscape in Lithuania

2023 - 2024 Report



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## Welcome word

Thank you for your interest in Lithuania's ever-changing Fintech landscape, its current dynamics and developmental trajectory. We are delighted to be sharing with you a comprehensive overview of the sector for the seventh year in a row.

2023 has again been a year of considerable challenges. Amidst a complex global geopolitical landscape and economic uncertainties, especially within the tech sector, securing growth has been no easy task. It is for this reason that we are especially proud to highlight how Lithuania's Fintech ecosystem has remained remarkably resilient and continued to progress during these times.

This year has been significant for Lithuania's Fintech sector, with the ecosystem exceeding 270 companies for the first time. Fintechs licensed in Lithuania cumulatively served over 27 million customers across the European Union. The talent pool in Lithuania has expanded to over 7,400 professionals. Gender balance remains pronounced, while there is a growing presence of international talent across the sector. We also had the privilege of welcoming notable new entrants such as Hokodo, Payhawk, Windcave as well as global VC, innovation platform and accelerator Plug and Play.

A significant milestone in 2023 was the release of the Fintech Guidelines 2023-2028, which laid out a framework for the further growth and qualitative development of the sector. This accomplishment is testament to the collective dedication and ambition of Lithuania's Fintech community.

Another significant achievement in 2023 was Lithuania becoming one of the top 3 countries for licenced crowdfunding service providers in the EU. The introduction of Europe-wide crowdfunding regulation required both regulators and companies to make significant adjustments and the Bank of Lithuania led the action with its swift processes. Lithuania is also actively preparing to quickly adapt to the forthcoming MICA (Markets in Crypto-Assets) regulation.

Lithuania has been focused on further strengthening its Anti-Money Laundering capabilities and nurturing talent, and has built a reputation as a RegTech powerhouse. It is noteworthy that the Ministry of Finance aimed to leverage country's good reputation in managing risks in both financial services and Fintech sector by placing a strong bid, ultimately securing third place, in the competition to host the EU's new Anti-Money-Laundering Authority (AMLA).

Our survey results underscore the critical role that our dedicated talent pool and vibrant Fintech community has played in fostering the sector's resilience. In times of uncertainty, it is the solidarity and collaboration within our community—our colleagues, peers, and partners—that become our most valuable asset. We cordially invite you to explore Lithuania's Fintech ecosystem through this Report. We hope it inspires you and that your business becomes an integral part of our ongoing success story.



**Gintarė Bačiulienė**

Head of Technology Team

# About this Report

This Report presents the latest data, success stories, and outlines expected future developments in Lithuania's Fintech landscape. The Report is based on extensive research conducted by Invest Lithuania to highlight the sector's main trends and celebrate its most significant milestones.

Our research approach involved desk research and an online survey, which we sent to a comprehensive list of Fintech companies operating in Lithuania. This list was compiled based on 2022 analogous Report, existing directories, as well as information provided by business associations and hubs. Companies on the provisional list were then screened to make sure they matched the definition of a Fintech organisation – namely, one that undertakes activities related to the use of innovative business models and technology to enable, enhance or disrupt financial services.

A total of 276 Fintechs were identified as having a legal entity and operating in Lithuania at the end of 2023. Desk research was performed to collect company data, such as location, business activities, and team size. These companies were then invited to take part in our survey focused on their operations in Lithuania, talent dynamics, as well as revenue and funding. The survey also included questions on the anticipated business development of the companies surveyed, as well as the challenges and opportunities faced. In total, 77 companies representing 28% of the market submitted their responses.

We would like to thank our partners – Bank of Lithuania, Okredo, Lithuanian Private Equity and Venture Capital Association, ROCKIT, Fintech Hub LT, and others – for helping us prepare this Report.

## Business-friendly environment

**3<sup>rd</sup>**

In OECD for Corporate Tax Competitiveness<sup>3</sup>

**10<sup>th</sup>**

In OECD for Open Data<sup>4</sup>

**7<sup>th</sup>**

In the European eGovernment Benchmark<sup>5</sup>

## Global leadership

**9<sup>th</sup>** globally

Amongst the lowest risk jurisdictions (Basel AML index)<sup>6</sup>

**1<sup>st</sup>**

The largest Fintech Hub in the EU by licenses issued<sup>7</sup>

**27<sup>M</sup>**

EU customers served by Fintechs licensed Lithuania<sup>8</sup>

Source 1: Invest Lithuania, Data as of the end of 2023  
 Source 2: Bank of Lithuania, Data for EMI, PI, SPB, CF, FB licenses as of the end of 2023  
 Source 3: Tax Foundation, 2023  
 Source 4: OECD, 2023

Source 5: European Commission, 2023  
 Source 6: Basel Institute on Governance, 2023  
 Source 7: Bank of Lithuania, Data for EMI, PI, SPB, CF, FB licenses as of the end of 2023  
 Source 8: Bank of Lithuania, 2023

Chapter 1

# Lithuania's Fintech landscape at a glance

## A growing hub

**276**

Fintech companies operating in Lithuania<sup>1</sup>

**7.4<sup>K</sup>**

People employed in the Fintech sector<sup>1</sup>

**140**

Licensed Fintechs operating in Lithuania<sup>2</sup>

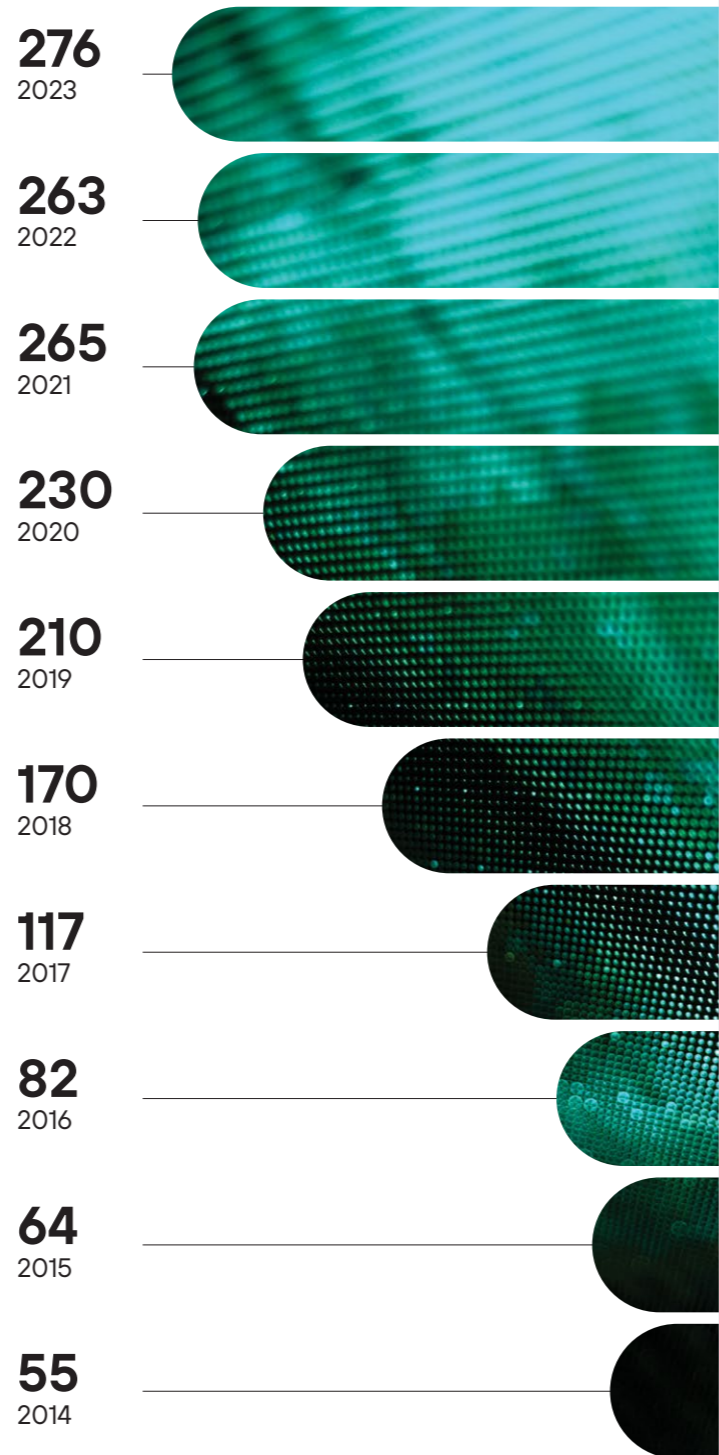


# Ecosystem overview

## Trends and highlights

In 2023, the Fintech ecosystem in Lithuania has continued to grow and mature. Despite the ongoing challenges posed by the global economic slowdown and a quieter venture capital market, many businesses in the ecosystem have grown in size, and a significant number of crowdfunding, payments, and regulatory technology (RegTech) companies have chosen Lithuania to set up their operations. The anticipation of new European regulations governing crypto assets has also catalysed growth in the number of Virtual Asset Service Providers (VASPs) Lithuania.

Number of Fintechs in Lithuania<sup>1</sup>



Source 1: Invest Lithuania, Data as of the end of 2023



### HOKODO

In order to scale across Europe and offer payment terms to a greater number of businesses, we knew we needed an entity in an EU country. M&A was a no-brainer for us because it provided the fastest route, but then we had to choose which country to focus on.

We needed a location with a respected, internationally recognised payments regulator. It was also essential to find a regulator that had experience dealing with Fintechs and with new business models. Additionally, we needed a country with a talented and educated workforce, and where there is a pool of people with payments experience across a range of disciplines and strong European language skills. Finally, with the growing tech and e-commerce scene in Lithuania, we knew there was an interesting domestic client base too.

For us, Lithuania ticked every box.



**Richard Thornton**

Co-Founder and CEO, Hokodo

# Lithuania - Fintech destination of choice

Lithuania's appeal as a Fintech hub continues to grow. Its ability to unlock access to the broader European market is now reinforced by the country's substantial investment in digital infrastructure and a regulatory environment conducive to Fintech innovation. The positive sentiment among industry players shows appreciation for these developments.

While the presence of a skilled workforce and a business-friendly ecosystem are also recognised as important, the strong reputation of Lithuania as a trustworthy financial jurisdiction is becoming an equally dominant factor. This trend suggests a maturing market where trust and stability are becoming as crucial as economic incentives.



### Payhawk

Payhawk chose Lithuania over a number of other contending EU member states largely due to Lithuania's extensive experience in supporting Fintechs. This choice was reinforced by our positive licensing experience and fruitful interactions with the Bank of Lithuania. Our decision was further influenced by the desire to expand our product offerings in Lithuania and the broader Baltic region, where we've already seen significant success with clients like Vinted and Nord Security. We're excited to continue growing our local team and exploring the potential of the Lithuanian market.



**Hristo Borisov**

CEO, Payhawk

## The main advantages of Lithuania for Fintechs<sup>2</sup>



Source 2: Invest Lithuania Fintech Survey, 2023

# A welcoming ecosystem

Lithuania's Fintech scene remains attractive for global investors with the United Kingdom and the United States leading as sources of foreign investment. In contrast to the previous year, 2023 witnessed a broadening diversity in the origins of companies

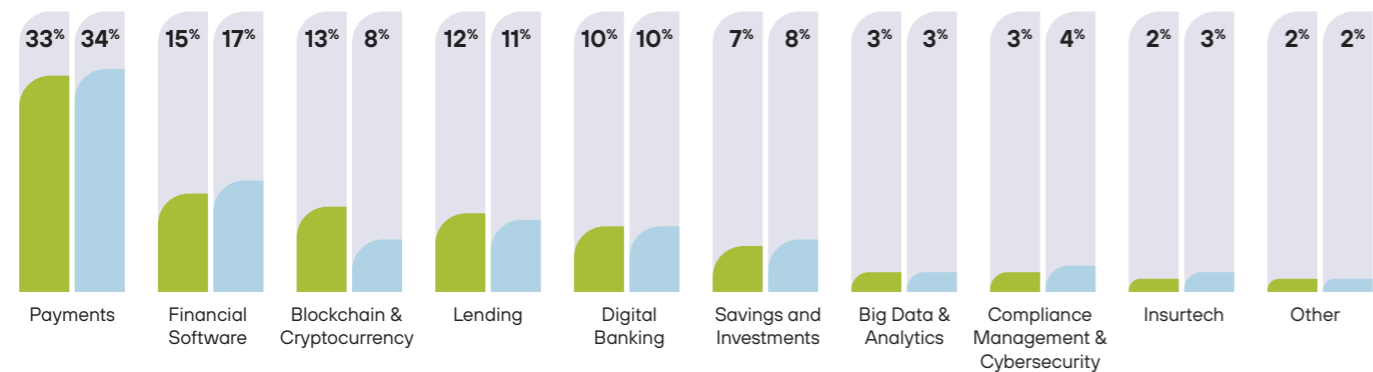
setting up in Lithuania. Newcomers from Taiwan, South Korea and New Zealand prove Lithuania's appeal as both a supportive business environment and a strategic gateway to the European market.

## Fintechs in Lithuania by HQ location<sup>1</sup>



## Fintechs in Lithuania by core business activity

2023 2022



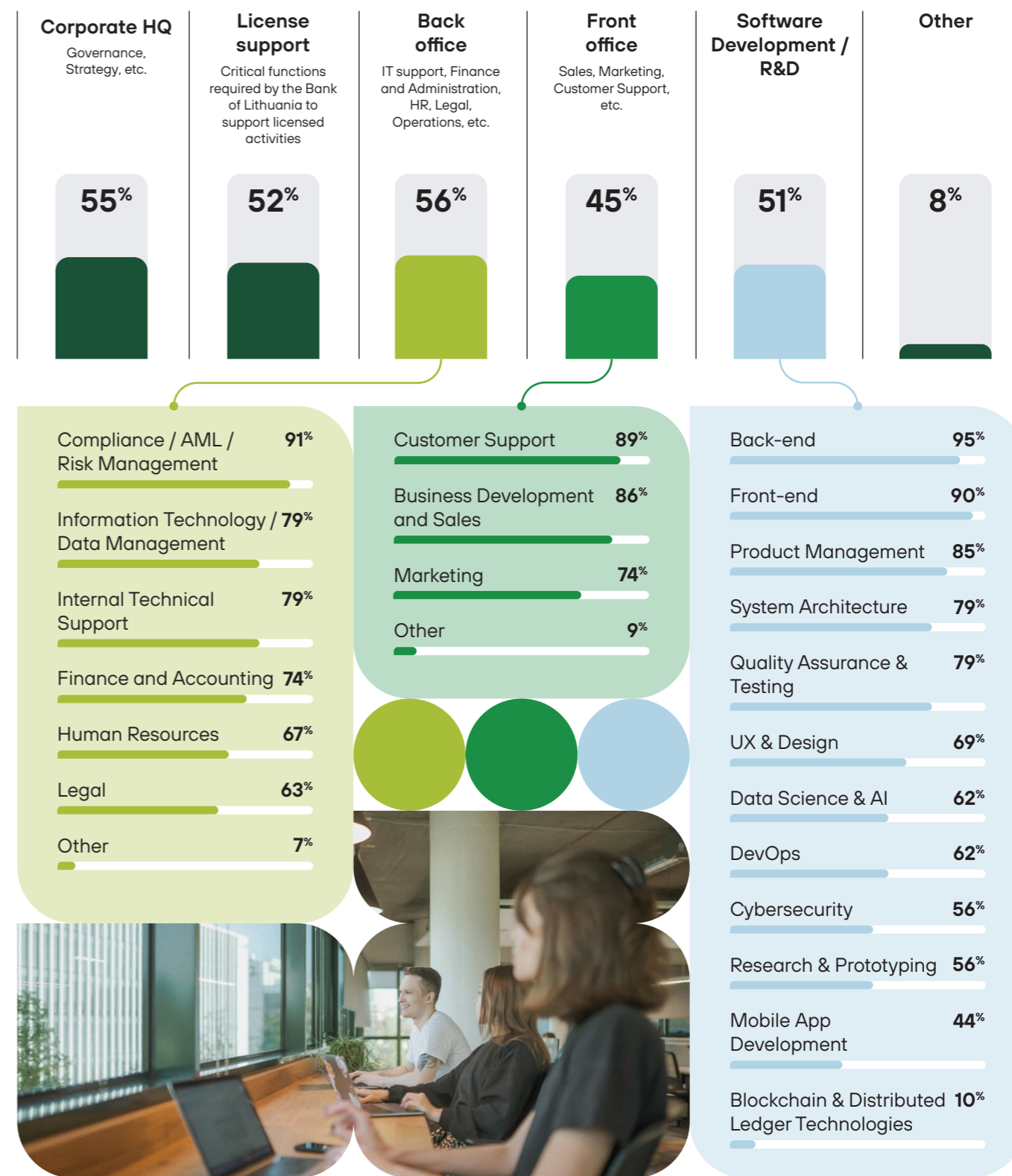
The Fintech landscape in Lithuania encompasses a wide scope of business activities. As expected, the core focus continues to be Payments, with companies in this field accountable for 33% of the market. Particularly noteworthy is the remarkable increase in the share of blockchain and cryptocurrency-focused Fintechs, which grew from 8% in 2022 to 13% in 2023. This growth reflects Lithuania's evolving role as a prominent player in the global blockchain and virtual assets space.

Source 1: Invest Lithuania, 2023

# Main functions of Fintechs in Lithuania

Compared to the previous year, there is a noteworthy uptick in the share of Fintech companies performing Software Development functions in-house (from 42% in 2022 to 51% in 2023). In terms of back-office operations, Compliance, Fraud, and Risk Management

continued to hold prominent positions as the primary activities undertaken by Fintechs in Lithuania. Furthermore, Customer Support and Business Development and Sales dominated the front-office activities performed by Fintechs.<sup>2</sup>

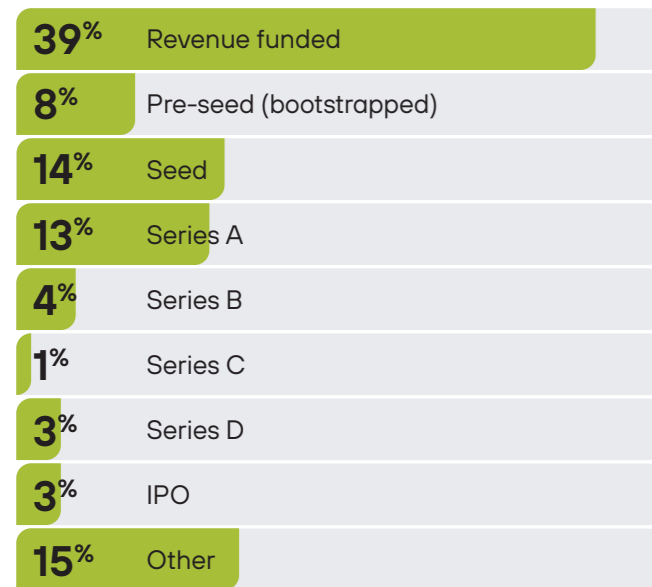


Source 2: Invest Lithuania Fintech Survey, 2023

# Fintech funding roundup and projections for 2024

The 2023 survey of Lithuania's Fintech market indicates stability and maturity, consistent with the previous year's data. A significant portion of the sector, approximately 39%, primarily relies on revenue funding. This self-sufficiency trend suggests a preference for sustainable growth models and a cautious approach to fundraising.

## Fintechs by stage of funding<sup>1</sup>



## Main sources of funding<sup>1</sup>



Source 1: Invest Lithuania Fintech Survey, 2023



In CEE, Lithuania is increasingly recognised for its high per capita rates of venture capital (VC) and private equity (PE) investments, with Fintech emerging as a prominent area of growth. In previous years we witnessed a substantial infusion of more than €100M into the Fintech industry, primarily targeting pre-seed and seed-stage startups, with an average investment ticket of €300K.

In fact, Fintech is the second-largest vertical in Lithuania in terms of investment raised, claiming around 20% of the total funding pool. Key areas to watch include: RegTech, green finance, and DeFi, all driven by cutting-edge technologies like AI and quantum computing.

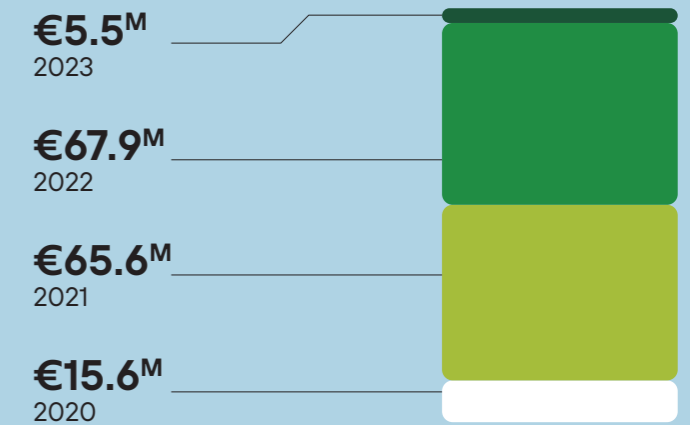
Notable success stories include Kevin., Heavy Finance, and AMLYZE, and there are future unicorns on the horizon. Our mission is clear: we're committed to maintaining our status as a leading global Fintech hub by fostering an international VC/PE community, promoting gender equality, championing ESG principles, sharing valuable insights with the rest of the ecosystem, and embracing the latest technologies for enhanced efficiency.



**Greta Mieliauskaitė**  
Managing Director, Lithuanian Private Equity and Venture Capital Association

In 2023, Lithuania's Fintech sector mirrored global venture capital trends with a significant decrease in funding. In total, it secured €5.5M compared to €67.9M in 2022. This drop reflects the global economic environment, characterised by increased market volatility, geopolitical uncertainties, and post-pandemic investment recalibrations. Despite this downturn, there are notable developments, such as the arrival of the international VC and startup accelerator Plug and Play, which has Fintech as one of its points of focus.

## Funds raised by local Fintechs<sup>2</sup>



## AMLYZE

In 2023, AMLYZE successfully closed a €1 million pre-seed round led by Practica Capital and FIRSTPICK. Our success was based on a well-developed product, an experienced team, and a strong business case, which attracted interest from a wide range of local and international funds. We dedicated significant resources to evaluating potential investors, recognising the impact of early backers on future rounds. Our key customers, primarily Fintechs, recognise our value as an enabler in a country that leads the EU in Fintech licensing.

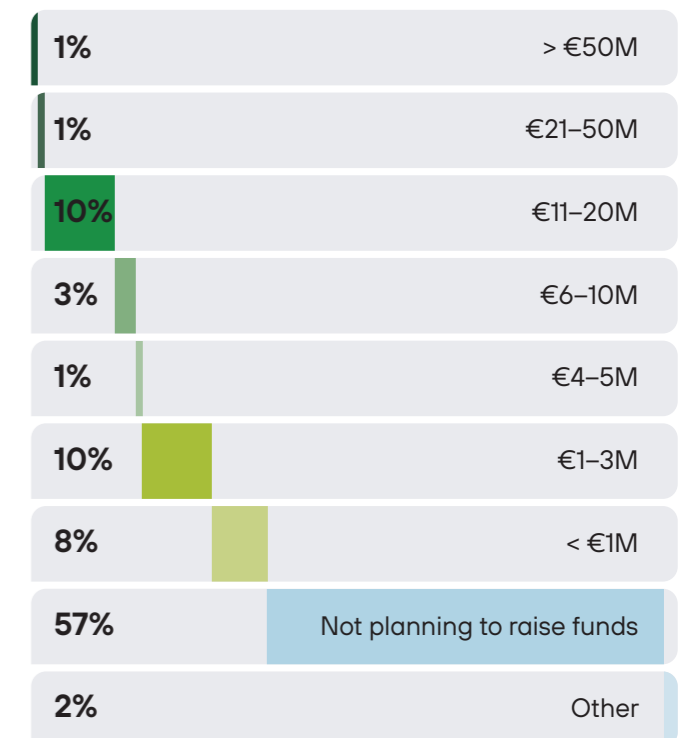
Key success factors included our internationally scalable SaaS product, which has been operational since 2019, and a growing customer base that is satisfied with our offerings. Our team, comprising AML/CFT experts and former regulators, provides a deep understanding of our clients' challenges. As regulatory scrutiny intensifies globally, our balanced mix of technology and Fintech expertise positions AMLYZE to revolutionise the fight against financial crime and extend our reach to larger Fintechs, banks and corporates.



**Gabrielius Bilkštys**  
CEO & Co-Founder, AMLYZE

Regarding the funding stages for Fintech companies, a pattern emerges: about 57% of surveyed companies are not actively seeking additional funds. The majority of those at the fundraising stage are seeking relatively modest amounts of capital, typically less than €10M. This pattern highlights a focus on incremental growth and prudent scaling within the sector.

## Funds that local Fintechs aim to raise in the next funding round<sup>3\*</sup>



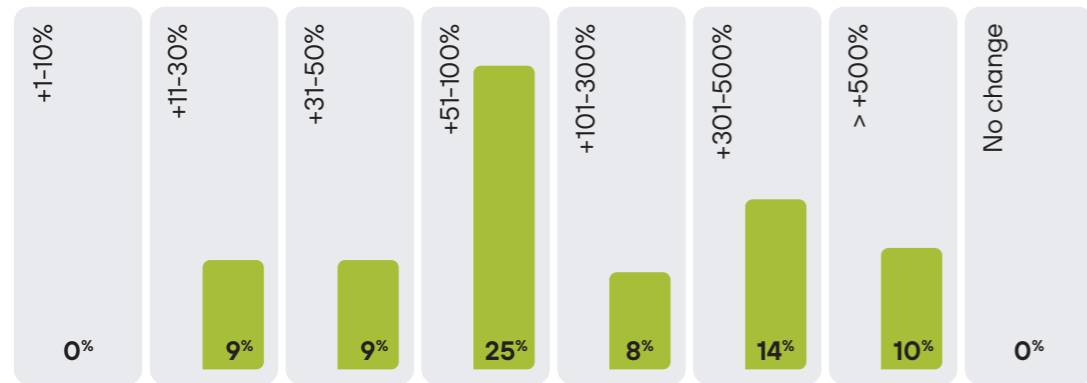
Source 2: FIRSTPICK, 2023  
Source 3: Invest Lithuania Fintech Survey, 2023  
\* 7% of survey respondents did not wish to disclose their answer

# Majority of Fintechs anticipate revenue growth in 2024

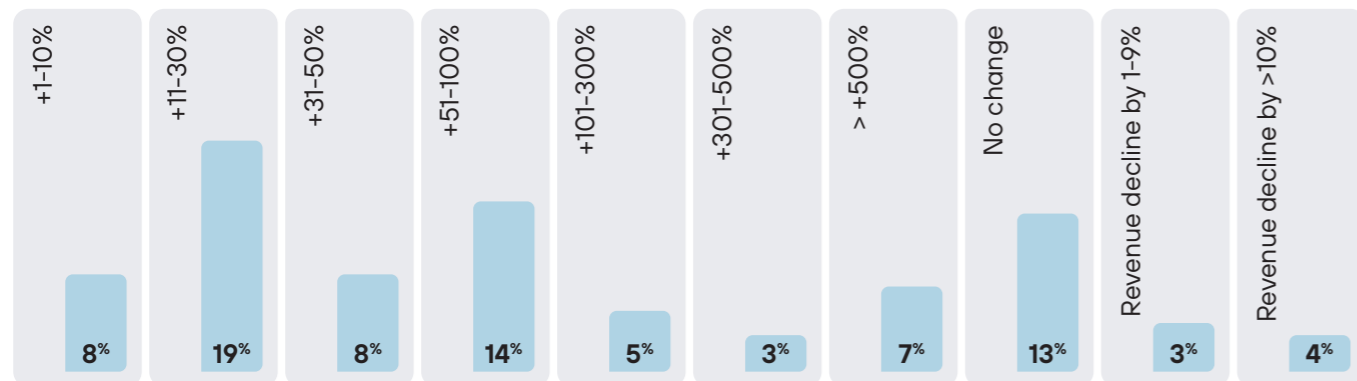
In the 2023 survey, a robust 64% of Fintech companies reported being poised for revenue growth, with an impressive 15% projecting to more than double their revenues. This indicates a vigorous growth phase for a substantial portion of the industry.

The outlook for 2024 is even more promising. A remarkable 75% of Lithuanian Fintechs anticipate consistent revenue growth, and over 30% foresee their revenues at least doubling. These projections reflect a strong and optimistic confidence in the market's potential for the coming year.

## Anticipated revenue growth for 2024<sup>1\*</sup>



## Anticipated revenue growth for 2023<sup>2\*</sup>



Source 1: Invest Lithuania Fintech Survey, 2023  
\*16% of survey participants did not wish to disclose anticipated revenue for 2024

Source 2: Invest Lithuania Fintech Survey, 2023  
\*17% of survey participants did not wish to disclose anticipated revenue for 2023



Lithuania can already claim the title of an exclusive jurisdiction thanks to its high requirements for quality and openness. The impressive growth we have seen over the past 7 years is the result of a robust fintech development strategy, implemented through collaborative efforts of the private and public sectors. And there is more growth to come.



**Lukas Jakubonis**  
Head of the Centre for Financial Market Development

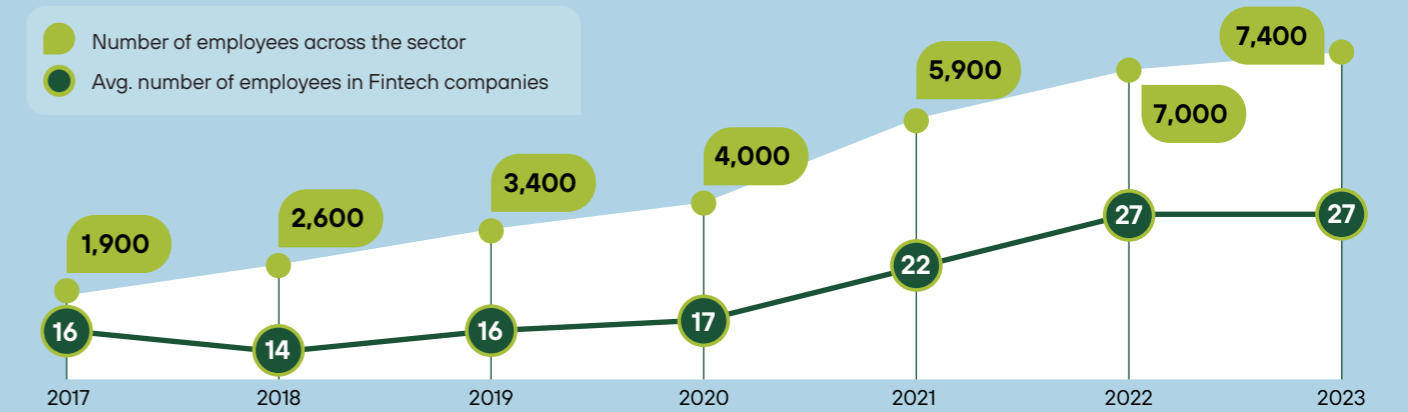


# Talent

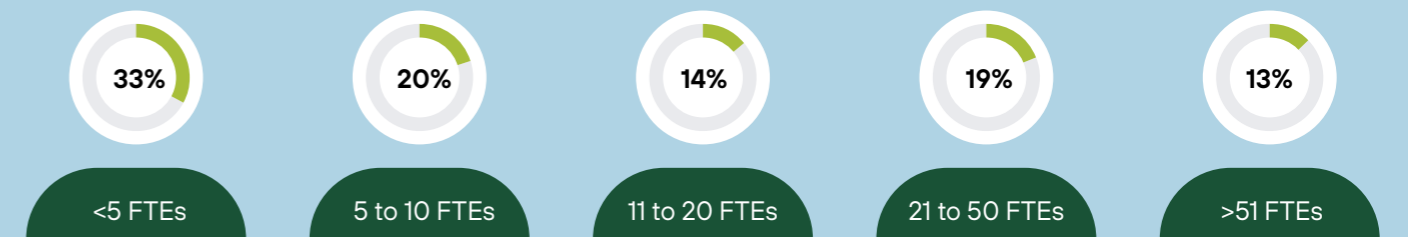
## Upward trend for Fintech jobs

Even amidst the global economic challenges of 2023, felt especially acutely by the tech industry, Lithuania's Fintech sector exhibited resilience by creating nearly 400 new jobs. The companies with a headcount of 50 and more led the growth of the jobs creation. The trends also show stable average team size and an increase in the number of Fintech companies employing 20 - 50 people. As the broader economy and venture capital funding regain momentum, we anticipate a continuous upward trend in new jobs created within the sector in 2024.

### Total and average number of employees across the sector<sup>3</sup>



### Fintechs in Lithuania by team size<sup>3</sup>



Source 3: Invest Lithuania, 2023

In 2023, Saldo Bank expanded its team in Lithuania by welcoming over 20 new colleagues. This growth included diverse roles such as software developers, data analysts, and finance specialists. A major advantage Lithuania has is its rich talent pool, with employees proficient in English, which is crucial for our communication. Recruitment primarily happens through LinkedIn, along with direct outreach and an effective referral policy.

Our employee retention strategy focuses on a strong company culture and building an environment where everyone feels safe and valued. The comprehensive benefits package, which includes private health insurance, meal allowances, recreational budgets, training opportunities, and team-building events, helps us not only to retain talent but also position Saldo Bank as a preferred employer.

## Saldo Bank

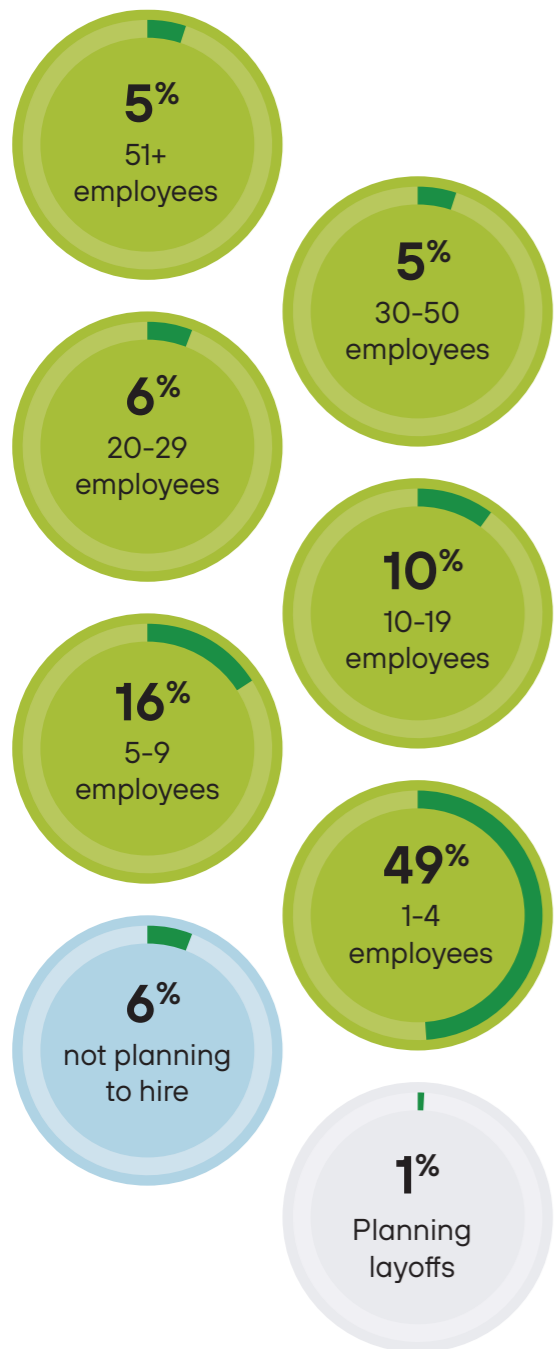


**Jarkko Maensivu**  
CEO and Chairman at Saldo Bank

# Empowering growth

A significant number of companies are actively planning to expand their teams, with a particular focus on software developers. This strategic approach underscores the sector's dedication to technological advancement and reflects its well-established expertise in fields like product and project management.

## Hiring plans for 2024<sup>1</sup>



The sector's stability is further evidenced by the low risk of layoffs, indicating a strong and forward-thinking industry. High demand for Fintech-ready specialists prompted creation of various upskilling and reskilling programmes, often subsidized by the government. The result is a noticeable improvement in the ease of recruitment, as survey participants indicate. This improvement is especially prominent in Compliance roles, where the share of companies struggling to recruit in those roles has decreased from 51% to 29% compared to last year.

## Most sought after specialists<sup>1</sup>

Software Development	40%
Compliance and AML	29%
Business Development	29%
Finance/Accounting	12%
Product Management	9%
Project Management	5%
Other	12%



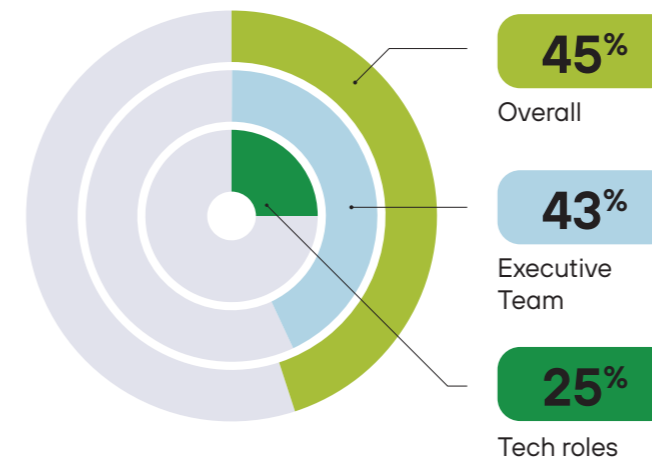
Source 1: Invest Lithuania Fintech Survey, 2023

# Strength in diversity

Lithuania's Fintech sector employs a diverse workforce, with over half of the surveyed companies hiring international employees in their Lithuanian offices.

The sector also shows notable progress when it comes to gender parity, with women making up 45% of the overall workforce and 43% of executive positions<sup>1</sup>. In technical roles, women account for 25% of workforce, a figure that stands out as one of the better representations in the ICT industry across Europe and underscores Lithuania's commitment to inclusivity in the tech sector<sup>2</sup>.

## Share of women in Lithuanian office<sup>1</sup>



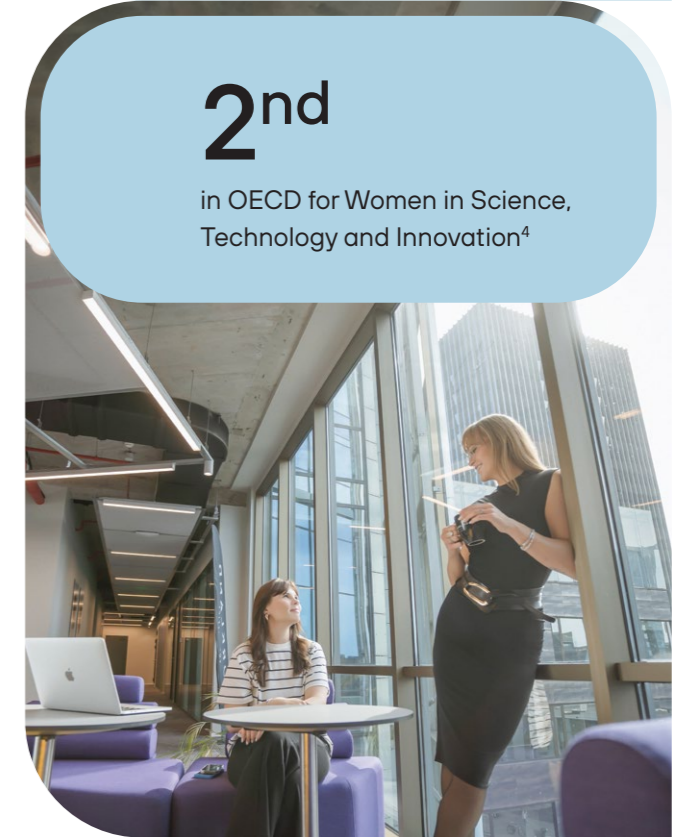
The workforce is predominantly young, with 88% under 45, indicating the sector's attractiveness to younger professionals, potential for sustained growth and talent development according to companies' needs.

Source 1: Invest Lithuania Fintech Survey, 2023  
Source 2: Eurostat, 2023

Source 3: World Economic Forum, 2023  
Source 4: OECD, 2021

**9th** globally  
in the Gender Gap Index<sup>3</sup>

**2nd**  
in OECD for Women in Science, Technology and Innovation<sup>4</sup>



**53%**  
of companies employ international staff in the Lithuanian office<sup>1</sup>





# Consistent growth of the talent pool

Quality talent is the key to fostering a thriving Fintech sector. Lithuania's commitment to education and skill development, particularly in ICT and Fintech-related fields, ensures a steady supply of highly skilled professionals. This growing workforce is ready to meet the evolving needs of companies, aligning with Lithuania's goal to be a leading destination for Fintech innovation.

## Highly educated talent

**58%**  
of the 25- to 34-year-olds hold higher education (3rd in the EU)<sup>5</sup>

**4<sup>th</sup>** in the EU  
by share of students choosing STEM degree programmes<sup>6</sup>

**23.6<sup>K</sup>**  
students in innovation-related studies<sup>7</sup>

**6<sup>th</sup>** in the EU  
by share of ICT specialists with a higher education<sup>8</sup>

Source 1: IMD Digital Competitiveness Ranking, 2023  
Source 2: Eurostat, 2023  
Source 3: The State Social Insurance Fund Board, 2023

- 1<sup>st</sup>** globally in IMD Digital Competitiveness Ranking by Digital/Technological skills<sup>1</sup>
- 1<sup>st</sup>** in the EU for young specialists (age 15-34) joining the ICT sector<sup>2</sup>
- 12<sup>K</sup>** specialists in Compliance and Risk Management<sup>3</sup>
- 75<sup>K</sup>** Finance and Business Management specialists<sup>3</sup>

## Number of ICT specialists<sup>4</sup>



Source 4: Eurostat, 2023  
Source 5: Population with tertiary education, OECD, 2023  
Source 6: Eurostat, 2020 | Life Sciences, Engineering, Mathematics, IT, Physical Sciences, Bachelor's and Master's degrees,  
Source 7: Ministry of Education, Science and Sport, 2022-2023  
Source 8: Eurostat, 2023

# Intentionally international

As Lithuania continues to establish itself as a leading global Fintech hub, its ambition and commitment to creating an inclusive, diverse, and international Fintech community are more evident than ever. This commitment is reflected not only in the country's strategic initiatives but also in the talents and capabilities of its workforce. With a strong focus on

embracing global perspectives and fostering a multicultural environment, Lithuania is well positioned to attract and nurture top talents from around the world. This approach is crucial for driving innovation and ensuring that Lithuania remains at the forefront of the Fintech industry.

## Multilingual talent

**85%**  
of young professionals are proficient in English<sup>9</sup>

**53%**  
of the population speaks at least 2 foreign languages<sup>10</sup>

## Streamlined migration with Blue Card

Lithuania's talent pool is bolstered by the Blue Card Programme, which distinguishes itself in the EU for the streamlined and efficient process. Applicants are permitted to apply for and receive their residence permit before arrival in the country, and applications reached over 3,500 last year. Efficient migration enables Lithuania's success in attracting top-tier global talent, essential for its thriving Fintech sector. By facilitating the entry of highly skilled professionals from outside the EU, Lithuania enhances its position as a forward-thinking leader in European Fintech.

Source 9: 2021 Invest Lithuania's estimations based on Population Census 2011  
Source 10: Eurostat, 2016



## MARKET PAY

Arriving from Dublin in 2011, the currency was Litas, a beer was 3 (< €1) and Fintech wasn't really heard of in Lithuania. But brewing on Šeimyniškių st. was IBM's own Fintech collaborating to build a global payment platform which would eventually grow to serve famous brands like BMW, Transport for London, Lindt, Visa, Enterprise and Carrefour. Fast forward three hundred takeout coffees later in 2021 and our payment product, team and customers have all come through a double divestiture to land in our permanent home known as Market Pay.

Growing, leading, and working alongside the team over those 12 or so years has been an incredible journey. The Lithuanian tech sector has evolved dramatically in that time transforming from a predominantly Java skills-based workforce into a massively diverse and mature community of highly talented and versatile IT professionals never afraid to punch above their weight and stake their claim. Add in the influx of international talent and you have a melting pot of creativity, dedication and sharp execution. I am truly humbled to be a part of it all in a country I very much call home.



**Ross Whitney**  
Country Manager, Market Pay

# Work in Lithuania

Work in Lithuania is a government-funded global talent attraction programme, encouraging highly-skilled professionals from around the world to build their careers in Lithuania.

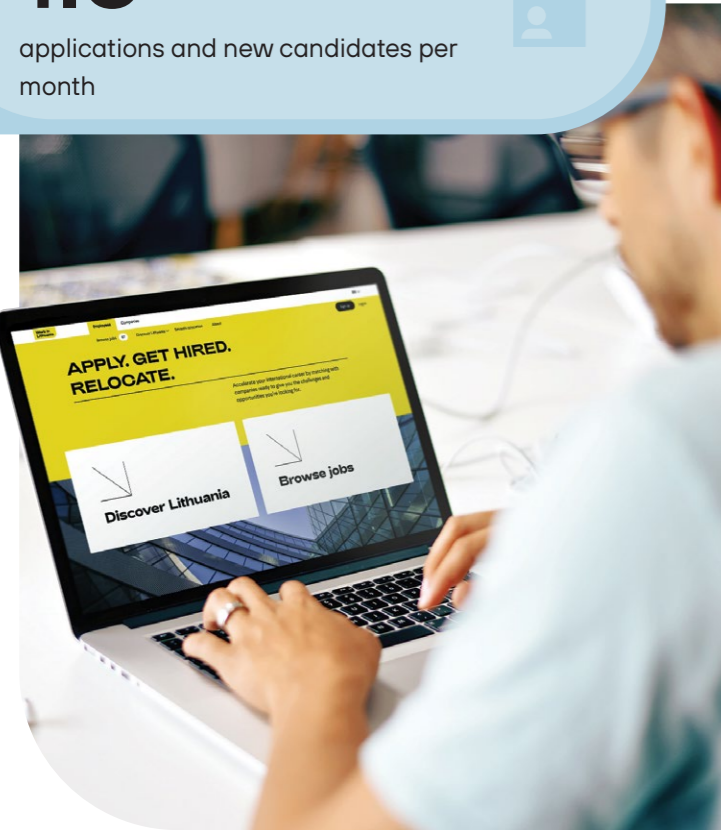


**39K**

monthly visits on the platform

**1.8K**

applications and new candidates per month



For partner companies, Work in Lithuania offers a platform to discover and hire the best global talents.

The Work in Lithuania team provides help for companies navigating international recruitment.

↓ Consultations and insights on building international recruitment strategy

↓ Tailored talent attraction tactics & analytics

↓ Navigation of migration procedures



Visit [workinlithuania.com](https://workinlithuania.com) to learn more.



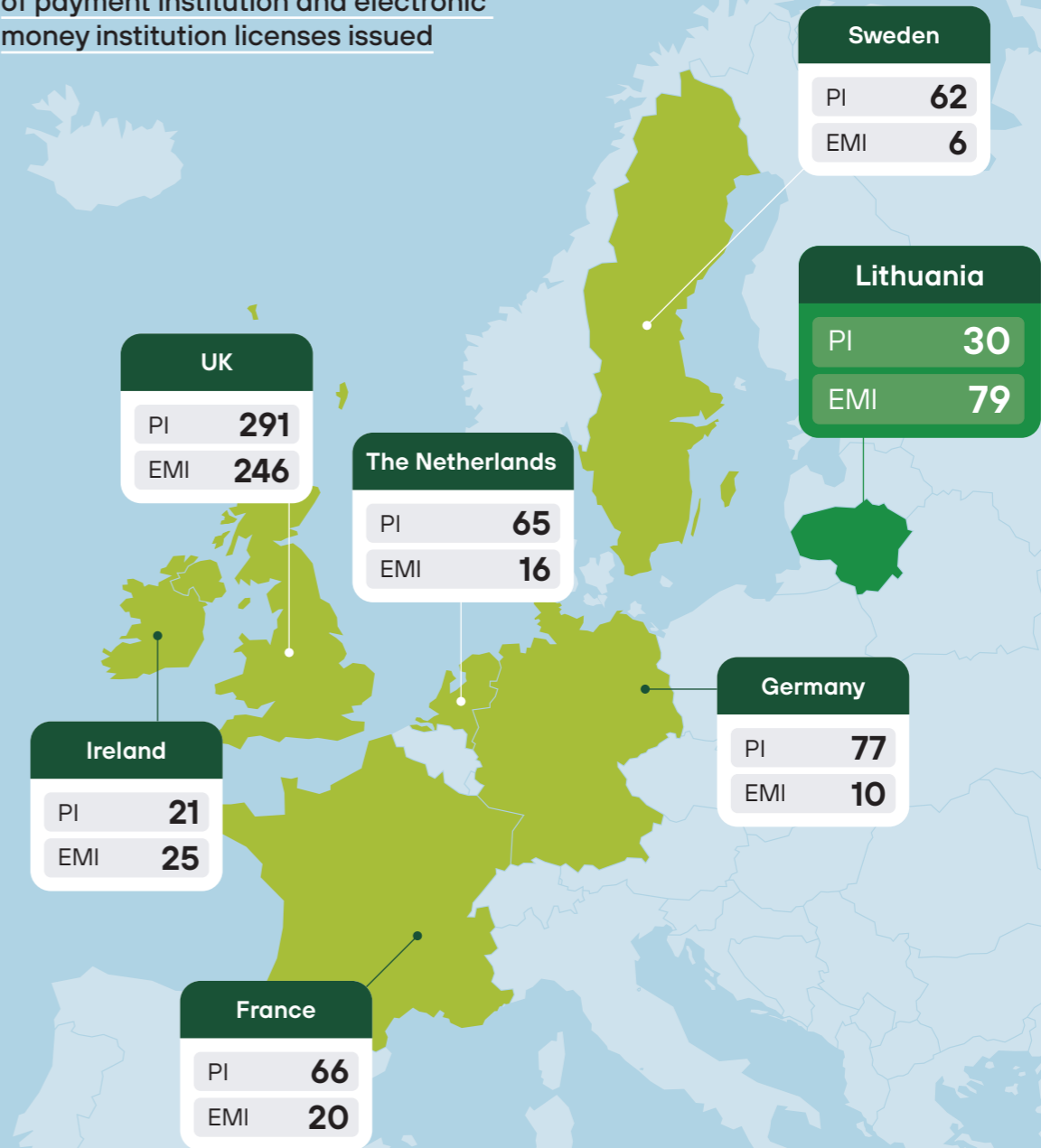
**Looking to hire international talents? Become a partner.**

Get in touch with Work in Lithuania experts.

Chapter 4

# Regulatory overview

Top 7 European countries by number of payment institution and electronic money institution licenses issued



Source 1: EUCLID register, European Banking Authority, Bank of Lithuania, FCA, Data as of the end of 2023

# Forward-looking regulator

Lithuania's central bank and supervisory authority, the Bank of Lithuania (BoL), supervises financial market participants, promotes competition in the financial system, protects consumers, develops a Fintech-friendly and reputable regulatory ecosystem, and fosters financial innovation.



The Bank of Lithuania has developed many successful Fintech-focused initiatives that both newcomers and established companies alike can benefit from<sup>1</sup>:

**Newcomer Programme:** a one-stop shop consultation service for financial market participants interested in applying for a license in Lithuania.

**Regulatory Sandbox:** a live environment to test financial innovations under the guidance and supervision of BoL.

**RegTech:** innovative solutions for financial market participants to streamline reporting procedures.

**CENTROlink:** the Bank of Lithuania's 24/7/365 payment system that provides technical access to the Single Euro Payments Area (SEPA) for payment service providers licensed in the European Economic Area (EEA), including electronic money and payment institutions.

**DAMAMA:** data maturity programme dedicated to changing the perspective of how regulators collect data, enabling them to pull granular data from the supervised entities rather than ask for reports.

Source 1: Bank of Lithuania, 2023



The sustainable development of the fintech ecosystem remains one of the key strategic goals of the Bank of Lithuania. Important milestones were reached in 2023, such as the new fintech development guidelines for the next five years and impressive market growth in various fintech segments.

I would like to emphasise an important milestone in the history of the crowdfunding sector, as the regulation evolved from the national to the European level. That opened up new opportunities for the sector, and Lithuania took its chance by becoming one of the top countries in the EU in terms of the number of crowdfunding service providers.

Last year, a big step forward was taken in building up the attractiveness of the capital market for investors as well as businesses. We expect further progress this year. It also might be an additional opportunity for wealthtech which is currently in quite an early development stage in Lithuania.

As regards 2024, one of the main challenges is related to the forthcoming MiCA regulation – the crypto industry aiming to enter the world of financial regulation.

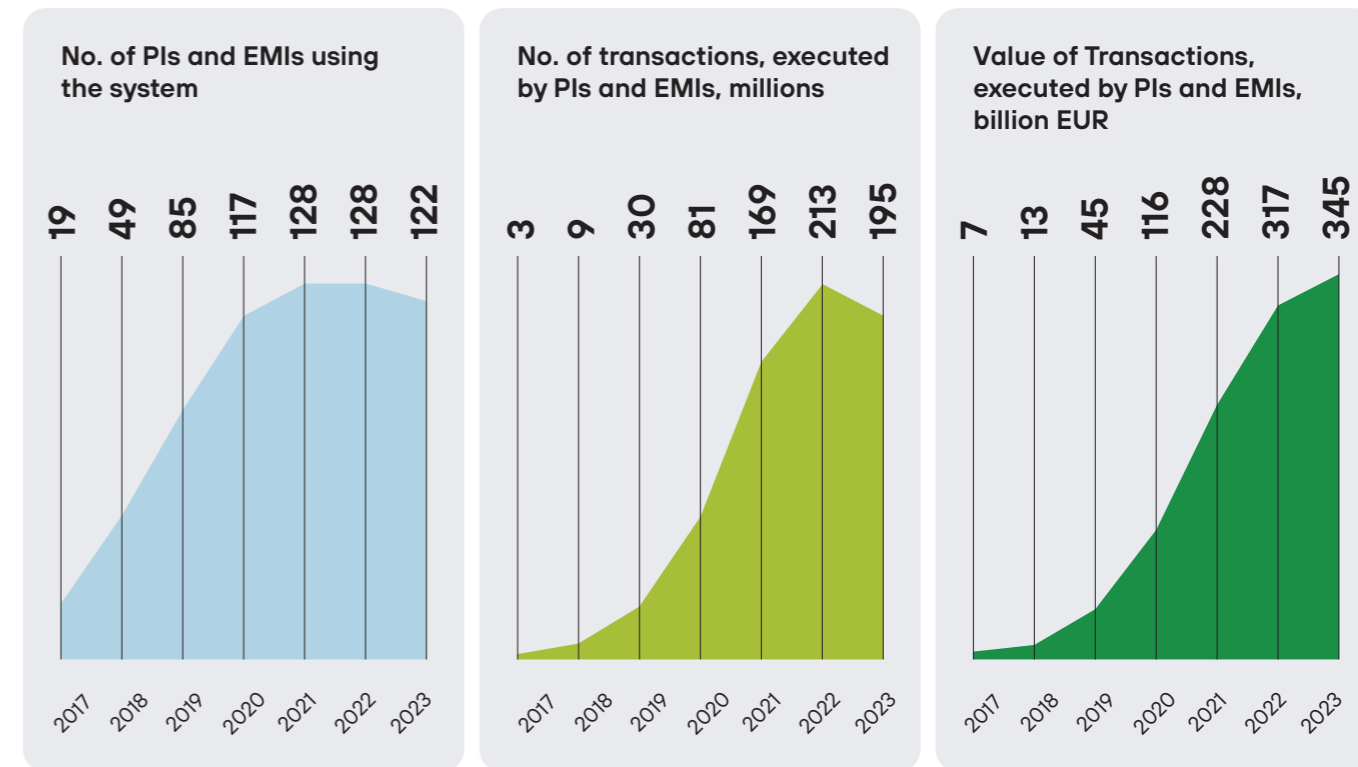


**Simonas Krėpšta**

Member of the Board of the Bank of Lithuania



## CENTROlink in numbers<sup>2</sup>



CENTROlink is a payment system operated by the Bank of Lithuania that provides access to the Single Euro Payments Area (SEPA) for credit institutions and licensed payment service providers. CENTROlink participants are also given technical capabilities to issue IBAN accounts and safeguard client funds in the Bank of Lithuania.

In 2023, CENTROlink continued to witness an upward trajectory in instant payments, capturing 55% of all transactions in Lithuania\*, a significant leap from the previous year. This growth encompasses all Payment Service Providers, including credit institutions. The Bank of Lithuania's Proxy Lookup Service, along with the newly introduced SEPA Request-to-Pay functionality, have been pivotal in advancing instant payments. This functionality facilitates a more interactive payment process for businesses and

individuals, allowing for immediate confirmation, postponement, or rejection of payments<sup>3</sup>.

Additionally, the Bank of Lithuania has enabled users of the State Treasury's Consolidated Account Management System (VIKSVA) to execute instant payments through the CENTROlink payment system. This allows public sector institutions to settle transactions with suppliers, employees, and other recipients in real-time. This development is a part of the ongoing collaboration between the Bank of Lithuania and the Ministry of Finance, aimed at integrating the public sector into CENTROlink. In the first six months since its connection to CENTROlink in June 2023, the Ministry of Finance VIKSVA project has serviced over 220 state budget institutions, opened more than 1,000 accounts, and processed over 170,000 payment orders<sup>3</sup>.

Source 2: Bank of Lithuania, CENTROlink Data as of the end of 2023  
\*Including all CENTROlink network participants  
Source 3: Bank of Lithuania, CENTROlink

## Upcoming changes in the crypto ecosystem

As the European Union gears up for a pivotal shift in the cryptocurrency sector with the upcoming “Markets in Crypto Assets” (MiCA) regulation, Lithuania is positioning itself as a leader in embracing this change. The country, known for its proactive stance in financial technology, is keen to be one of the first to integrate MiCA into its national legislation. This move is not just about regulatory compliance; it’s a strategic decision to make Lithuania a prime destination for companies seeking to operate MiCA-compliant crypto businesses in Europe. The transition indicates a significant step up in the evolution of the crypto ecosystem, with Lithuania at the forefront and ready to welcome companies into a new era of regulated crypto operations.



**LIETUVOS BANKAS**  
BANK OF LITHUANIA  
EUROSYSTEM

The European crypto regulation is one of the areas to experience tectonic shifts in 2024. Although built on innovative distributed ledger technology, crypto services are widely exposed to various risks, including fraud, money laundering and terrorist financing. The Bank of Lithuania does not yet have a mandate to directly oversee more than 500 crypto asset service providers registered in Lithuania, but in order to mitigate the risks, we have initiated various legislative changes together with other institutions.

Currently existing in the grey regulatory area, the crypto sector will soon be subject to the same requirements as traditional financial market participants. These include requirements for customer protection and compliance. Our survey shows that a tenth of all market participants intend to provide crypto and crypto-related services when MiCA comes into effect. At the same time, our supervisory practice shows that business relations between fintechs and crypto service providers are not uncommon. In such cases we emphasise the importance of risk management as dealing with crypto could be considered a high-risk relationship, and this might not change soon. The main change for crypto companies that wish to operate in the European Union will be the requirement to go through a licensing process.

For us, the change will bring significant challenges as the Bank of Lithuania will be responsible for licensing crypto companies. We are intensively preparing and indeed feel rather well prepared to ensure that access to the market is granted only to those applicants that are able to prove their maturity and commitment to compliance, with particular attention to the AML/CTF area.



**Rosvaldas Krušna**

Advisor to the Board Member  
of Bank of Lithuania

## CEO | Crypto Economy Organisation

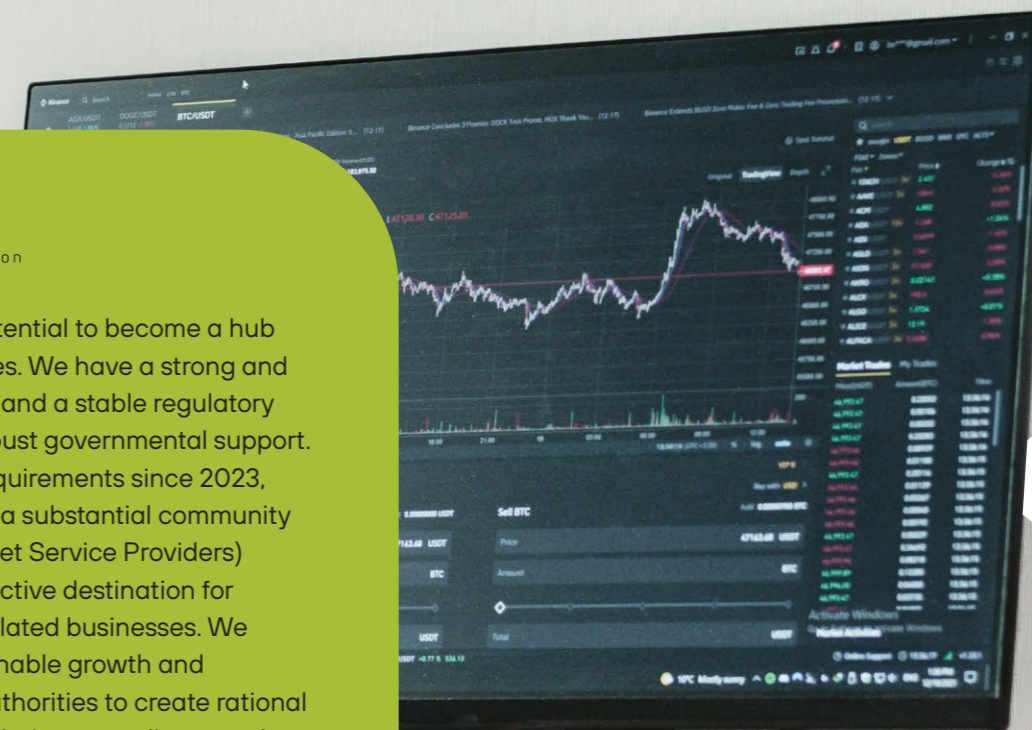
Lithuania has the potential to become a hub for Web3 technologies. We have a strong and talented community, and a stable regulatory environment with robust governmental support. Despite tightened requirements since 2023, Lithuania still boasts a substantial community of VASPs (Virtual Asset Service Providers) and remains an attractive destination for establishing Web3 related businesses. We must prioritise sustainable growth and collaboration with authorities to create rational and progressive legislation, as well as steady self-regulation by strongly promoting our Code of Conduct.

Lithuania stands out as an advanced country that favors VASP compliance, viewing the sector as a natural extension of the Fintech industry. The Crypto Economy Organisation sees Lithuania as one of the leading European countries that maintains clear and predictable regulations while understanding the uniqueness of the industry. Dialogue and education are a priority, which is why we have initiated the Web3 Summit in Vilnius – a significant event bringing together the public sector, Web3 enthusiasts, and businesses to explore cooperation forms, content, and prospects for sector development, ensuring we stay at the forefront of innovation.



**Vytautas Kašėta**

President, Crypto Economy  
Organisation



# A clear roadmap for 2024

Every year we survey Fintech companies in Lithuania to gather insights into the challenges they anticipate for the upcoming year. In recent years, economic conditions and the geopolitical climate were cited as primary concerns. While there is hope for improvement, the difficulties faced in 2023 are expected to persist in 2024 as well. Compliance with the evolving regulatory regime is another challenge experienced by Fintechs. The introduction of pan-European crowdfunding regulations and the expected implementation of MiCA will bring both hurdles and opportunities for companies seeking to innovate their services and expand across the EU.

Encouragingly, attracting qualified talent, a major concern in the past, has eased compared to last year. Lithuania's commitment to enhancing the business environment and nurturing the international Fintech community in Lithuania remains steadfast.

In terms of areas where Lithuania can excel, the sentiment among our Fintech community has been consistent over the years, with Payments and Digital Banking continuing to lead. This year, however, there's been a noticeable increase in the potential for Compliance and RegTech, with over half of the respondents identifying it as an area for potential leadership. Additionally, AI is increasingly viewed as a field of potential leadership, reinforced by the innovation capacity and expertise of the local talents.

Source 1: Invest Lithuania Fintech Survey, 2023

It's useful to reflect back on the sector's strengths and resilience that help through challenging times. According to our survey respondents, the key factors underpinning this resilience are the dedicated talent pool and a vibrant, active Fintech ecosystem. In times of uncertainty, it's the support and collaboration within our community – our colleagues, friends, and partners – that become our greatest assets. It is through this collective strength and teamwork that we can navigate challenges, fostering innovation and growth as we move forward.



FINTECH HUB LT

Fintech Hub LT is an association that serves as the driving force to bring together the ecosystem's participants and other interested groups. Our association unites 57 licensed companies and 18 unlicensed participants in the Fintech ecosystem.

Fintech Hub LT objective is to advocate for a Fintech-friendly political strategy, a risk-based regulatory approach, openness, and cooperation between all stakeholders. By building trust, we contribute to favourable conditions for Fintech companies to create high value-added products and solutions for the European market.

In 2023, we experienced significant growth in our membership, alongside hosting an unprecedented number of events and discussions for the Fintech community. It shows that market maturity is increasing, and Fintech companies are coming together for common goals, be it in terms of legislation and regulation, or technological advancements and setting trends for the years to come.

In 2024, our association's primary focus will be to voice market challenges and needs as well as to contribute actively to the execution of the new Fintech Strategy of Lithuania prepared by the Ministry of Finance.



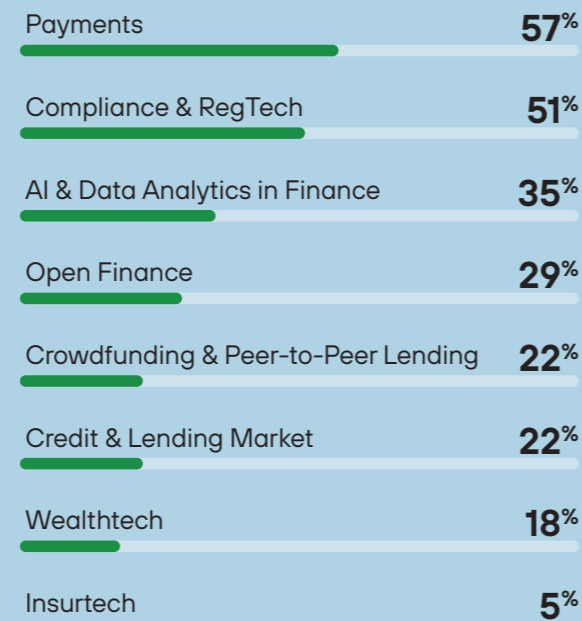
Greta Ranonytė

Head of Fintech HUB LT

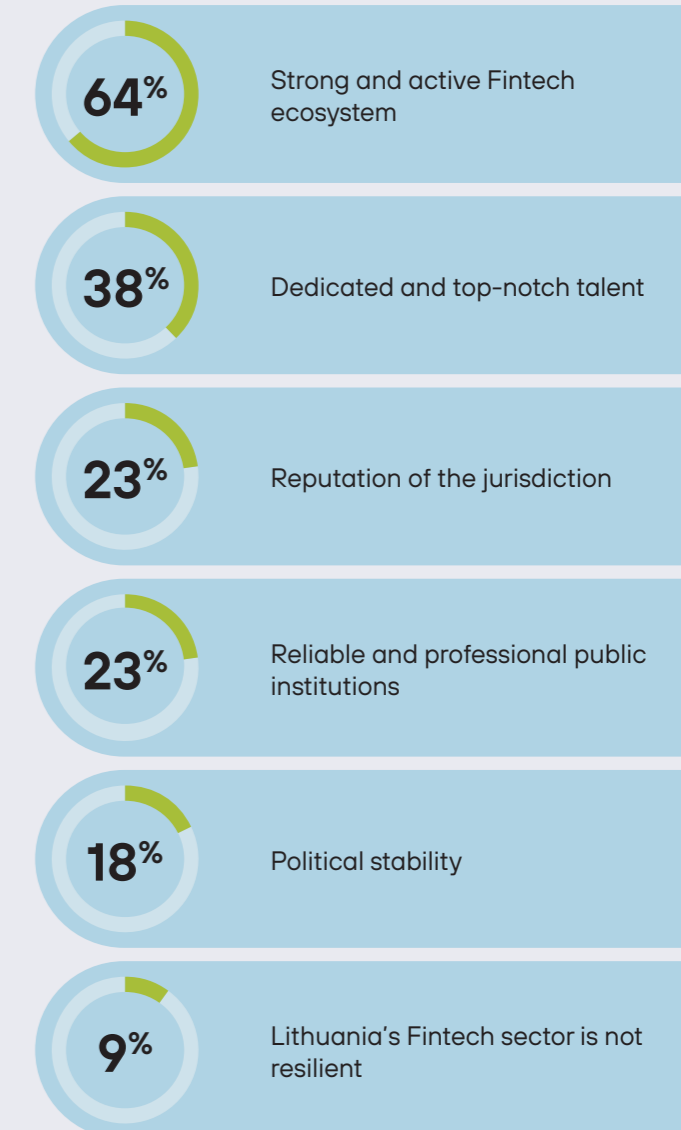
## Key challenges for 2024<sup>1</sup>



## Where Lithuania can be a leader<sup>1</sup>



## The sector's resilience<sup>1</sup>



# Some of the established brands in our Fintech hub

 Airwallex

alterDomus\*

**AMLYZE**

**BANKERA**

**BankingLab**

 *birkle*<sup>IT</sup>

 **blender**  
the new way to finance

 Blockchain.com

**bud** 

 Clearshift

 coingate

ConnectPay 

 **CURVE**

 Di Pocket

**DRIVEWEALTH**

**EISA** 

 **EMBANK**  
European Merchant Bank

 factris

 finbee<sup>©</sup>

**FJORD**  
BANK

*flywire*

FORBIS  
|

 General Financing  
banks

 **GPS**<sup>®</sup>

**HOKODO**

**IBS** International  
Business  
Settlement

 in bank

**inventi**

 MAMBU

 mano.bank

 MARKET PAY

**metasite**

 montonio

**myTU** 

**Nayax**

 NEO  
Finance

**NIUM**

**nuvei**

 Okredo

ondato

Payhawk

 PAYRAY

 paysera

**PAYSTRAX**  
A EUROPEAN PAYMENTS COMPANY

**Revel**  
SYSTEMS

Revolut

**ria**

Robinhood 

**ROBO**  
LABS

Saldo Bank

 Seven Seas  
Finance

**SH:FINANCIAL**

SHIFT 

smeFinance

 Solaris

 sumup<sup>®</sup>

SUPER HOW?

 transferGo

tribe

**Verifone**<sup>®</sup>

wallee

**WITTY**

 Windcave

**YAPILY**

# Environment for businesses to thrive

Invest Lithuania

© Norbert Tukaj

## Invest Lithuania

The official foreign direct investment promotion agency that provides support to international companies seeking to establish or expand their business operations in Lithuania.

## International House Vilnius

Municipality's agency that provides support, information and integration services to people relocating to Vilnius.

## Innovation Agency Lithuania

The official public agency responsible for the development of Lithuanian innovation ecosystem and the promotion of innovation at all stages of business development – from developing ideas to delivering products and services to end-users.

## Go Vilnius

The official development agency of the city of Vilnius, dedicated to promoting tourism and business development. Go Vilnius can help newcomers become locals in no time: practical advice about various events in the city, tourism, learning Lithuanian and much more.

## KAUNASTIC BUSINESS

The official development agency of the city of Kaunas creates favourable conditions for business and tourism by offering comprehensive assistance, information, access to funding, and tailored resources for accelerated growth.

## Klaipėda iD

The official city development agency of the city of Klaipėda on a mission to support both international and local businesses by providing information and advice, as well as attracting top-tier talent to the city.

## INVEGA

A state agency responsible for providing financial and other types of support measures for startups, businesses and investment projects.



Learn more about setting up and scaling your startup in Lithuania

## Financial incentives

The Lithuanian government is steadfast in its commitment to nurturing a competitive and business-friendly environment. Emphasising economic growth and job creation, the government provides a suite of supportive measures and incentives. These initiatives are aimed at fostering innovation, encouraging the integration of new technologies, and aiding global expansion. This approach underscores the government's dedication to enhancing the competitiveness and growth of Lithuanian businesses both domestically and internationally.



Innovation Agency Lithuania serves as a core governmental agency for Lithuanian businesses seeking specific advice at any development stage. With the investment budget exceeding €500 million, our focus is to provide opportunities for enterprises to integrate new technologies, invest in innovative practices, and establish a presence in foreign markets.

Our division, Startup Lithuania, enhances the startup ecosystem through networking opportunities, consultations, and special events. The new partnership with the global VC and startup accelerator Plug and Play will help increase the global visibility and competitiveness of not just Lithuania but also individual businesses, simultaneously managing diverse acceleration programs across multiple sectors.

Prioritising impactful sectors, our focus includes biotechnologies, ICT, and smart manufacturing. In the ICT field we develop programs, partnerships, and agreements to boost the industry, keeping an eye on new ideas in Fintech among other strategic areas. This aligns with our goal of positioning Lithuania on the map for top-notch technologies. Our agenda involves helping companies showcase Lithuania's Fintech strength at global events like Money20/20 and establishing valuable connections in such distant markets as Singapore and Taiwan.



**Romualda Stragienė**

Director, Innovation Agency

### Financial incentives and tax benefits<sup>1</sup>



#### Invest LT+ financial incentive

10% - 20% potential reimbursement of Total Cost of Employment for 24 months\*



#### 5% Reduced corporate income tax rate

on the profit deriving from the commercial exploitation of patented inventions



#### 3x

R&D expenses deduction from taxable income



#### Stock options taxed at 0%

Available to startup employees after a 3-year vesting period



#### Relocation Support Grant over €10K

€3,788 for employee relocation expenses and €6,652 for employers' costs per each recruited highly qualified employee from abroad



#### €80M

Earmarked for upskilling and reskilling of 20,000 in demand specialists by 2026

Source 1: Invest Lithuania, 2023  
\*For foreign companies only

### Accelerators, funds and VCs active in Lithuania

**7D**ventures

**baltic sandbox**

**CAPITALIA**

**CHANGE VENTURES**  
BACKING AMBITIOUS BALTIC FOUNDERS

**COINVEST CAPITAL**

**Contrarian Ventures**

**firstpick**

**IMAGURU**

**Iron Wolf Capital**

**KATALISTA VENTURES**

**LIGHTHOUSE VENTURES**

**LITCAPITAL**

**opencircle**

**PLUGANDPLAY**

**Practica Capital**

**Rockit**

**Startup Division**  
Powered by CIVITTA

**SUPERHERO CAPITAL**

### Global business services sector

**accenture**

**CITCO**

**cognizant**

**convera**

**Danske Bank**

**<epam>**

**Guidehouse**

**IBM**

**KPMG**

**MOODY'S**

**MUFG**

**Nasdaq**

**ORACLE**

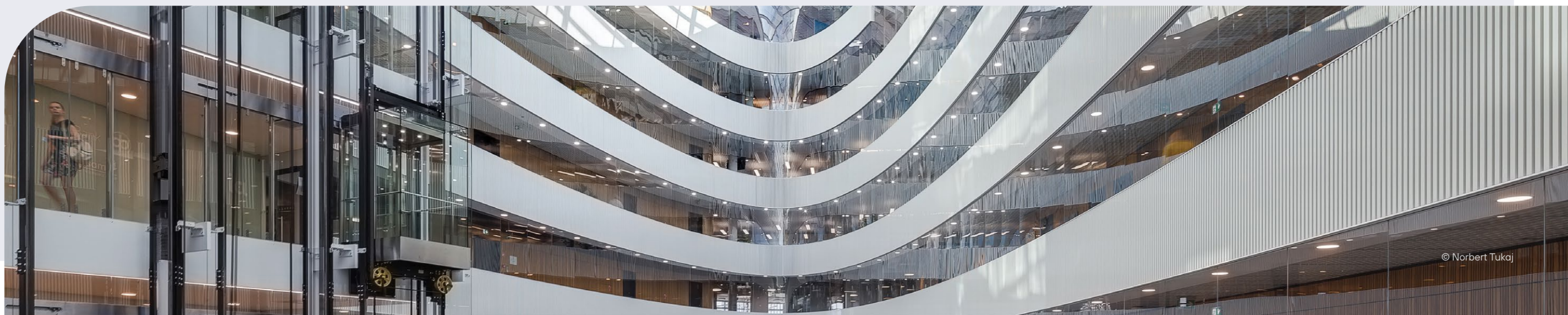
**SAPIENS**

**schonfeld**

**SEB**

**vention**

**Western Union**





# Your team at Invest Lithuania



**Gintarė Bačiulienė**  
Head of Technology Team



**Agnė Klimavičienė**  
Senior Investment Advisor



**Evelina Verbickė**  
Senior Investment Advisor



**Ieva Paulauskienė**  
Senior Investment Advisor



**Kristina Balčėtė**  
Senior Investment Advisor



**Diana Girdenytė**  
Senior Investment Advisor



**Ignas Marcinkevičius**  
Investment Advisor

Invest Lithuania, the country's Investment Promotion Agency, is a one-stop shop that informs, connects and supports foreign companies in Lithuania, all free of charge. The highly professional and driven team of Invest Lithuania enables international companies to reduce the risk, time, and costs of launching their operations in Lithuania. Invest Lithuania has already successfully helped hundreds of global, export-oriented companies to grow their business. It does so by giving them the knowledge and insights needed to take full advantage of Lithuania's highly qualified talent pool and favorable business environment.



Choosing the  
best fit



Setting up



Ramping up

## Invest Lithuania

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