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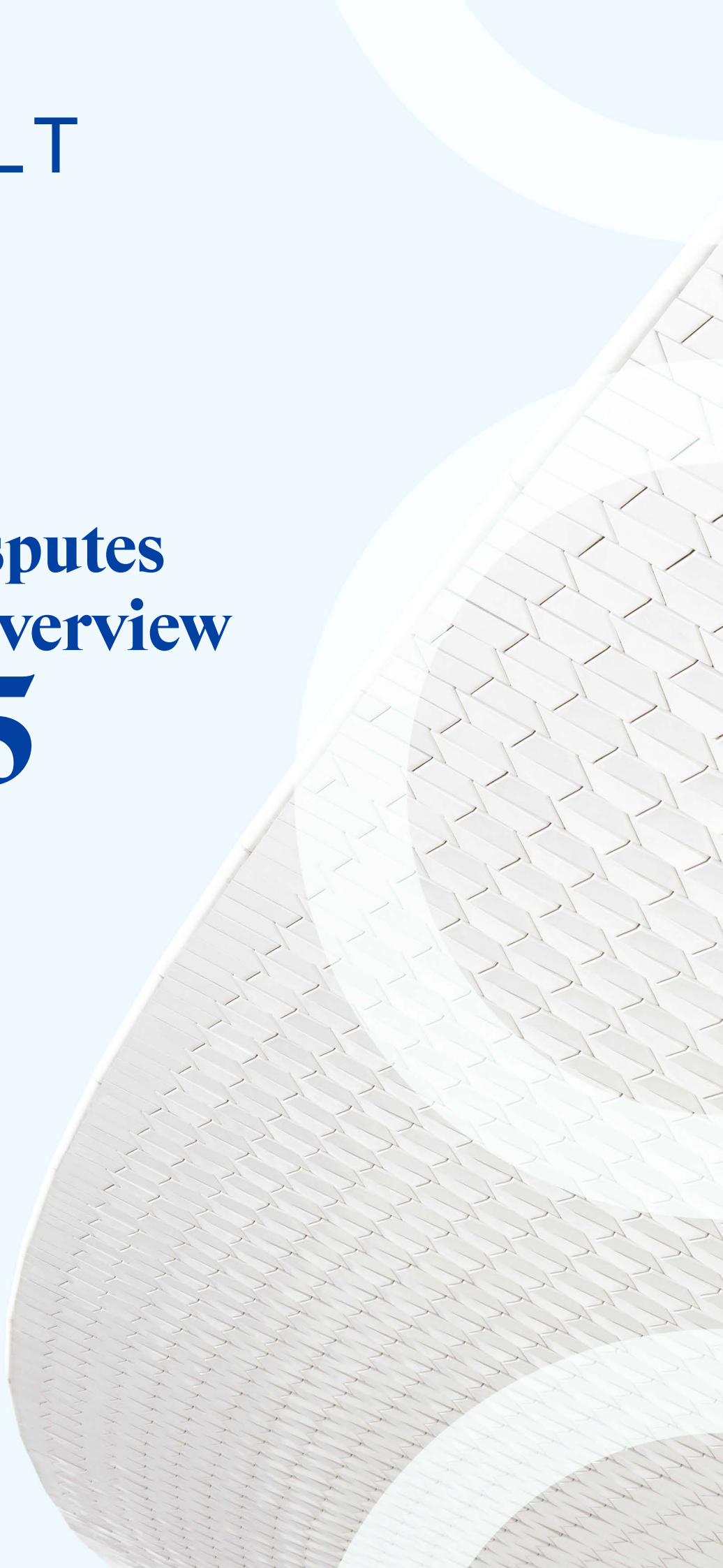
Baltic Disputes Market Overview 2025



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Baltic Disputes Market Overview 2025

Baltic Disputes Market Overview 2025 continues our effort to highlight the most important developments shaping dispute resolution in Estonia, Latvia and Lithuania. Building on the strong reception of the prior editions, this report maps the key litigation and regulatory themes emerging across the region and explains how developments in one Baltic market increasingly resonate in the others. Our aim is to offer clear, practice-oriented analysis that helps businesses and legal professionals anticipate risk and navigate an evolving disputes landscape.

Disputes Shaped by Compliance and Decision-Making Quality

Across several areas covered in this report, courts and authorities placed particular emphasis on substantiation and sound decision-making – from the quality of documentation and the coherence of reasoning to the evidentiary standards applied in review and enforcement proceedings. The report also notes that, in some categories, most visibly in construction-related disputes, parties continued to favour negotiated or court-mediated settlements as a pragmatic way to avoid lengthy litigation.

Within this broader picture, the report highlights a spread of activity across the core areas of the disputes market. Employment cases continued to revolve around termination and workplace-conduct themes, with clear reminders on the practical importance of consistent internal processes and well-kept records. Construction and planning disputes remained active both in private relationships (contract performance, defects and delay-related issues) and in public-facing development questions, including municipal decisions on planning and permitting. Digital and IP-related disputes stayed in focus, with data protection enforcement in Estonia marked by a record fine and growing breach notifications, while competition litigation increasingly tested the robustness of administrative reasoning and judicial review. Public law matters continued to evolve as procurement activity shifted alongside sustainability and methodology questions. Tax disputes reflected courts' insistence on formal criteria, evidence and proportionality. Finally, the report notes sustained pressure in financially sensitive disputes - restructuring activity rose sharply in Lithuania alongside ongoing bankruptcies, while corporate matters continued to be shaped by shareholder-management tensions.

About the Report

The overview draws on COBALT's experience, as well as publicly available information and noteworthy disputes handled by other law firms, with the aim of offering a grounded snapshot of where the disputes landscape is heading. We hope this report serves as a useful resource for businesses, legal practitioners and policymakers navigating disputes in the Baltic region. We gladly welcome feedback and discussion on the developments highlighted in the pages that follow.

On behalf of COBALT's Dispute Resolution Practice Group, we sincerely thank our colleagues for their expertise and contribution to this edition. We also thank our clients and partners for their trust and collaboration. We remain committed to supporting them with pragmatic, strategic advice in an increasingly complex disputes environment.

Sincerely,

Jaanus Mody, Managing Partner, COBALT Estonia
Lauris Liepa, Managing Partner, COBALT Latvia
Professor Dr Rimantas Simaitis, Partner, COBALT Lithuania

Civil matters

Employment disputes

Comments by Managing Associate Kadri Michelson (EE), Senior Associate Ivo Maskalāns (LV), Associate Partner Jovita Valatkaitė and Senior Associate Eglė Stražnickienė (LT)

Employment disputes in **Estonia** increasingly centre on "soft values", with claims based on workplace culture, communication failures, and management behaviour gaining prominence alongside discrimination and bullying cases. Employers also place high expectations on employee's soft skills, including communication, responsibility, proactiveness, cooperation and efficiency. Deficiencies in these areas frequently lead to terminations, resulting in more disputes over these subjective and hard-to-measure criteria. Despite these trends, dismissal-related disputes remain the most common. Recent Supreme Court rulings have clarified termination timelines and compensation rules, offering greater procedural certainty. For employers, these developments highlight the need for robust documentation, transparent communication, and consistent internal processes to reduce litigation risk.

The number of labour disputes in the county courts has remained at a similar level over the years, with 273 new cases in 2025. In total, Estonian county courts delivered judgments in 230 labour dispute cases in 2025. More than half of these disputes were resolved by settlement at the county court level. While in 2024 the Supreme Court delivered a judgment in one labour dispute case, in 2025 it delivered judgments in four such cases.

In **Latvia**, litigation trends did not change significantly in 2025. The most common issues disputed in courts remain the termination of employment on grounds of breach of contract and redundancies. Latvian law offers substantial benefits for employees to challenge terminations; if they win, they receive full payment of their salary for the period of litigation and are exempt from state duties. There has been a growing trend of employees disputing the fact that they have used their annual leave. Courts still tend to favour employees; however, if the breach is clear and well-documented, employers generally manage to succeed in their cases.

There have also been a few interesting cases dealing with the termination of employment by mutual agreement, which is the safest method for both parties to end employment. It remains extremely difficult to prove that an agreement was signed under false pretences or duress and therefore must be voided. Another interesting case clarified the notion of agreement, stating that written communication between parties could form an agreement.

In **Lithuania**, while the overall number of employment law cases fell slightly in the first half of 2025, claims within those disputes increased. Salary recovery claims remained dominant at over 72% of all claims, and their significance is expected to grow with the implementation of the EU Pay Transparency Directive. Discrimination-related claims tripled, while disputes over working and rest time doubled. Increases were also noted in cases involving confidentiality and non-compete obligations, suspensions from work, and psychological harassment. Most disputes arose in sectors like transport, construction, wholesale, and retail. Overall, in the first half of 2025, outcomes in employment-related disputes favoured employees, with over half of claims upheld or settled. Financially, employees were awarded recoveries 1.2 times higher compared to last year, while amounts awarded to employers decreased by 1.2 times. For businesses, this signals rising litigation risks, necessitating a review of compliance and dispute strategies.

Significant cases:

Case	Description	Main law firms involved
ESTONIA		
Tallinna Linnatransport vs Employee X	A landmark decision of the Supreme Court on the question of whether an employee is entitled to redundancy compensation paid upon termination of the employment contract if the employee contests the termination of the employment contract and the court or the labour dispute committee establishes the nullity of the termination (i.e. the absence of a redundancy situation). The Supreme Court stated that if the labour dispute committee or the court establishes the nullity of the extraordinary cancellation of the employment contract, the employer has the right to reclaim from the employee the redundancy payment paid to the employee upon termination of the employment contract on the basis of the provisions on unjust enrichment. If the nullity of the cancellation of the employment contract is established, the employer does not have the right to reclaim the compensation paid to the employee based on § 100 (5) of the Employment Contracts Act in lieu of the advance notice period.	Ruus & Veso

TREV-2 Grupp vs Employee X	First case in practice where the Supreme Court explained the regulation of the protection of business secrets in employment relationships on the basis of the EKTÄKS (Unfair Competition Prevention and Protection of Business Secrets Act). More specifically, what is meant by "private use" and providing guidance for future disputes relating to a breach of the obligation of confidentiality. The court found that sending documents by an employee to his or her personal e-mail address, which is not related to the performance of work duties, is considered to be the use of documents for personal purposes. By acting in this way, the employee violated the obligation arising from the employment contract not to use the employer's business secrets for his or her own personal purposes. In a decision made by the circuit court, which entered into force in 2025 on the basis of the instructions given in the Supreme Court's judgment in the proceedings preceding this, the circuit court ordered the employee to pay a significant amount of contractual penalty agreed upon in the employment contract in the event of a violation.	COBALT, MOSS Legal
Leonhard Weiss vs Employee X successors	The dispute concerns the extent of an employer's responsibility for complying with occupational safety requirements and for damage caused to an employee as a result of a workplace accident. Employers must ensure occupational health and safety in all work-related situations and reassess risks whenever circumstances change. Because employees must know what may endanger their health and how to avoid such risks, employers must also ensure that employees can avoid danger arising from poor communication or misunderstandings between co-workers. The employer is liable for unlawful acts committed by its employees or other persons engaged to perform its duties. If several parties, for example, both the employer and the injured employee, have breached their duties or acted unlawfully, the harmful outcome may result from all of their actions. The employee's own violations do not exclude the employer's liability. However, the employee's contribution to the damage is taken into account when determining the amount of compensation for non-pecuniary (moral) harm.	KPMG Law, Law Firm Namm

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Employee X vs Vidzemes Hospital	The case concerned a termination due to breach. The employee was dismissed for three distinct breaches: failure to report to work for six days, unauthorised parallel employment, and failure to undergo a mandatory periodic health check. The court ruled that a six-day unexcused absence constitutes a serious breach of work duties and a valid ground for dismissal. The court noted that the lack of written consent for secondary employment and failure to undergo a medical check-up cannot serve as independent reasons for dismissal. However, the court found that one severe violation is sufficient to terminate the contract, and even if the other breaches were not sufficient in themselves, this does not alter the conclusion. An interesting aspect of this case is that the employee contested that she had an actual obligation to come to work for those six days, as changes to her work schedule were notified to her only about two days in advance. However, the court concluded she was obliged to report as the employer had the right to change the work schedule.	COBALT, TRINITI
Employee X vs State University	This judgement clarifies the concepts of primary job and additional job duties. The Supreme Court stated that an employment contract may only specify one main job, namely, the duties performed within one profession. Where an employee holds two academic positions at the same university, such as professor and senior researcher, the roles must be assessed to identify the principal job. The court determined that if both roles are with the same employer, the professorship is considered the main job, and the researcher position is additional, carried out within the existing employment with no obligation to continue after termination. The court stated that employees are entitled to payment for additional work when assigned, but not necessarily to the additional work itself. A contractual clause on additional work does not give the employee a right to demand it or oblige the employer to provide it.	N/A

Employee X vs Company Y	In this instance, the court addressed two principal questions: (1) when a continuous breach is considered established, which triggers the limitation period for the employer to act, and (2) the method of notifying an employee about the place of work when the contract indicates that the employee may be required to work at various locations. Regarding the first question, the court determined that when an employee's absence persists over time, the employer has the discretion to decide when this becomes a significant breach warranting. On the second matter, the court recognised that if the employment contract permits working at different locations, the employer must clearly and promptly specify the exact location and time. This may be done through orders or schedules, or by electronic or telephone communication. The specification does not have to be in writing, but in the event of a dispute, the employer must prove that the workplace was communicated clearly, understandably to the employee and in good time.	N/A

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Employee X vs Employer Y	The court ruled that the employee was dismissed unlawfully, despite the employee's request offering two alternatives: to reduce the workload or, if that was not possible, to terminate the employment contract. The employee justified the request for a reduced workload on the grounds that the employer had not purchased the requested work equipment, although the relevant legal acts do not stipulate that such equipment is essential for the performance of work duties. The court noted that an employer may refuse to reduce the workload of employees raising children under the age of 8 only for serious reasons. Since the employer was aware that the employee was raising young children, it had a duty to reduce the workload, even if the employee gave other reasons for the request. Because the employer unjustifiably refused to reduce the workload, the termination of the employment contract was found to be unlawful. This decision reinforces the strengthened protection for parents of young children.	COBALT, Motieka & Audzevičius
Employee X vs Thermo Fisher Scientific Baltics	The Supreme Court examined whether employment with a competitor during childcare leave was a conflict of interest and a gross breach of work duties. The employee argued that her dismissal was unlawful as no non-compete agreement had been signed, and the restriction on additional employment unreasonably limited her constitutional right to choose work. The court held that employers may define conflicts of interest and found that working for a competitor without the employer's consent, when such a restriction is established in the employment contract and internal policies, creates such a conflict and may justify lawful dismissal. This decision is significant as it clarifies employee's obligations to avoid conflicts of interest and distinguishes these obligations from non-compete agreements.	N/A
Employees vs Vilnius District Polyclinic, D Labs	The Supreme Court assessed the relationship between two distinct grounds for terminating an employment contract. The case involved the dismissal of dental technicians after the Vilnius District Polyclinic closed one department and outsourced services. The claimants argued that their dismissal was unlawful, asserting that the real reason was their refusal to accept lower pay, which cannot justify termination under Lithuanian law. The court held that termination due to redundancy and termination for refusing amended working conditions are separate legal grounds. The court clarified that statutory protection against dismissal for refusing reduced pay does not make a later termination due to organisational changes unlawful.	N/A

Construction and planning disputes

Comments by Specialist Counsel Tavo Tiits (EE), Specialist Counsel Sergejs Rudāns (LV), Partner Vydmantas Grigoravičius and Senior Associate Donatas Kilikevičius (LT)

In construction disputes, matters related to infrastructure and residential real estate have received the most attention in **Estonia** over the past year. While infrastructure construction disputes are linked to large-scale infrastructure projects (primarily Rail Baltica) and contracts performance, then residential real estate disputes mainly concern the quality of work, adherence to budget and deadlines. Disputes about hidden defects also remain relevant, both in older buildings and in new developments.

Recently, there have been several landmark decisions confirming that construction contracts may also protect third parties. Therefore, construction companies must consider that negative effects extending beyond their contractual partner may widen their contractual liability.

In planning disputes, conflicts between renewable energy developers and local authorities have become increasingly prominent, with local authorities having prematurely refused to conduct planning procedures. These disputes often focus on whether a local authority may, without a thorough planning procedure, claim that a renewable energy development project would have unacceptable impacts on the local community.

In **Latvia**, construction disputes have similarly focused on both large-scale infrastructure and residential real estate projects. Similarly to Estonia, infrastructure disputes are closely linked to the implementation of major projects such as Rail Baltica, where delays, cost overruns and challenges to building permits highlight questions of contract performance and risk allocation between the state, the project company and contractors. Residential real estate disputes remain focused on the quality of construction work, compliance with the scope of works, budget and deadlines.

Recent court decisions underline that the seller carries a significant burden to prove the proper condition of the property or adequate disclosure to the buyer in hidden-defect cases. In a case on defective construction works, the court held that a claim cannot be rejected simply because solidary liability is not established as pleaded. Instead, the court must itself determine the liability of the contractor, supervising engineer and other participants in the construction process.

In 2025, the construction and territorial planning sector in **Lithuania** has remained legally stable, with no substantial changes affecting judicial practice. Court rulings have largely upheld precedents formed in recent years, ensuring predictability in the adjudication of disputes.

One prevailing issue continues to be the inconsistent interpretation and application of territorial planning regulations by local municipalities across different cities. This fragmentation often creates legal uncertainty for developers and individuals, leading to litigation. In many instances, local authorities adopt divergent positions on the same or similar provisions of the law, which complicates the planning and permitting process. This highlights the need for greater harmonisation, clearer national guidance, and stronger methodological support for municipal planning departments.

In private construction disputes, contractual disagreements remain the primary source of litigation, typically concerning the scope, quality, deadlines and costs of works, as well as liability for delays or defects.

Significant cases:

Case	Description	Main law firms involved
ESTONIA		
Apartment owners vs Mapri Ehitus	Precedent-setting court case in which the apartment owners brought a non-contractual claim for damages directly against the construction company, as the apartment building began to subside extensively several years after completion. Although the court did not determine the causes of the subsidence or establish the construction company's liability, the company agreed, in the interest of legal peace, to enter into a settlement with the apartment owners under which a new apartment building would be constructed to replace the one that had sunk.	COBALT, Ruus & Veso, WALLESS
Application of the Kiili Municipality for the constitutional review of a legal act	The Supreme Court explained that overloaded social infrastructure and insufficient financial resources may be compelling grounds allowing a municipality to refuse to initiate or to approve a detailed spatial plan for a new development. The Supreme Court also noted that a municipality may require the developer to build a necessary social infrastructure and bear the related costs, either by establishing secondary conditions to the detailed spatial plan or under an administrative contract. The court emphasised that, as the municipality is not obliged to construct the social infrastructure (buildings) itself, it is permissible to delegate the respective obligation to the construction developer.	N/A

Vinni Municipality vs Sustainable Investments and TMV Green	The court annulled the decisions of the Vinni Municipality to refuse the initiation of wind farm planning procedures and ordered the municipality to resume the processing of the detailed planning applications. The court pointed out both the errors in the municipality's decision-making process and the fact that the potential impacts of the planning must be assessed during the planning procedure itself, not at the initiation stage. The court emphasised that it is not possible to evaluate all arguments for and against the planning or to involve all interested parties during the council meeting deciding on whether to initiate the plan.	WALLESS

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Gjensidige and Ostas celtnieks vs Valsts nekustamie īpašumi (a state-owned company)	Valsts nekustamie īpašumi demanded the return of all payments made under the agreement and asked Gjensidige to perform the first demand guarantee, as the contractor refused to repay the money. The court established that the customer did not prove its demand, i.e., that due to certain defects the works performed and accepted by the customer has lost all value. The court also reasoned that it is the customer, not the contractor, who must prove that the accepted works are defective.	COBALT, Rödl & Partner
RB INVEST vs Jūrmala's municipality	The Supreme Court decided that, in certain cases, it is justified to deviate from the principle that the owner is responsible for unlawful construction on his/her property. In this case, the municipality demanded from the owner to take necessary steps to ensure that an illegally constructed building complies with the law. The building was erected before the current owner acquired title to the respective property. The court ruled that in this situation, the municipality had to consider fairness and assess which person was best placed for the effective elimination of the unlawful construction.	N/A
TeleTower vs Ogre's Municipality	The Supreme Court made an important decision on interim measures and a construction permit. The potential infringement of legal interests caused by the non-issuance of a building permit and later by the refusal to grant interim measures must be assessed broadly from the perspective of the overall economic objectives of all companies within the group. Given the rapid technological development in the communications sector and the constant need to upgrade infrastructure, unjustified administrative barriers may create significant obstacles to the competitiveness of infrastructure developers and service providers and may unfairly distort market competition.	Šķiņķis Pētersons

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Birutės St. 22 House Owners Association vs Rainių statyba, UAB	The case deals with a dispute between the owners of an apartment building and the contractors who carried out the construction work. The court is deciding whether the Contractor may be materially liable for the construction work if the residential building itself was built on peaty soil.	COBALT
O. G, V. G. vs Vilnius municipality	This case concerns whether the owner of a residential building that was destroyed by fire has the right to initiate the formation of a land plot, which is necessary in order to reconstruct the residential building. What distinguishes this situation from established practice is the fact that the building had already been declared to be in an emergency condition prior to the fire.	COBALT
Private individuals (20 different cases) vs National Land Service under the Ministry of Environment	The applicants seek annulment of the authority`s decision approving the cadastral data of a residential area and establishing a sanitary protection zone (SPZ) with special conditions for the use of land. The case will examine whether a SPZ could have been established for the applicant's property in the absence of an individual administrative act; whether SPZ could have been established in the absence of the documents required by law; and whether the decision adopted by the authority unjustifiably restricted the applicant's right to property by causing damage.	AKJ CONSULTUS, COBALT, WALLESS

IP, IT and data protection disputes (including pharma)

Comments by Specialist Counsel Liina Jents, Senior Associate Priit Põld (EE), Specialist Counsel Līga Fjodorova, Senior Associate Gabriela Šantare (LV), Partner Žilvinas Kvietkus and Specialist Counsel Julija Beldeninovienė (LT)

In the area of data protection, the year was notable - **Estonia** imposed its largest data protection fine. Several high-profile data protection incidents clearly demonstrated that insufficient data protection measures can quickly lead to both violations and disputes. The number of breach notifications submitted to the Estonian Data Protection Inspectorate continued to rise, indicating both increased supervisory activity and growing data protection risks.

The field of intellectual property disputes remained stable this year. The majority of cases were still handled by the Estonian Industrial Property Board of Appeal, which is the mandatory pre-litigation body in most patent, design, and trademark disputes (excluding infringement cases). The complaints, applications, and decisions issued, both collegial and by the chair of the Board of Appeal sitting alone, predominantly concerned trademark matters. Similarly, in the courts, most decisions involved trademark disputes.

While the volume of intellectual property disputes has remained stable, data protection-related violations and disputes have become increasingly significant and complex.

In the area of data protection, developments in **Latvia** continued to reflect increased regulatory attention and growing compliance challenges. The Data State Inspectorate remained active, with a steady flow of investigations and breach notifications, indicating both heightened awareness among data controllers and processors and persistent shortcomings in technical and organisational safeguards. Data protection disputes increasingly intersected with employment, healthcare and public sector matters, underlining the expanding practical relevance of GDPR compliance.

The field of intellectual property disputes in Latvia remained relatively stable. Trademark-related matters continued to constitute the majority of disputes, both before the Patent Office of the Republic of Latvia and in court proceedings. Court practice likewise showed a predominance of trademark disputes, including both validity and infringement claims.

Intellectual property dispute volumes remained largely unchanged, whereas data protection issues gained further importance, becoming more complex and affecting a wider range of sectors.

In 2025, compared to 2024, a significant decrease is being observed in the number of new disputes initiated before the Lithuanian State Patent Bureau, which is the mandatory pre-litigation body for trademark disputes (excluding infringement cases) in **Lithuania**.

As statistics for court-related intellectual property disputes in 2025 are not yet available, it is not possible to assess whether the number of disputes has increased or decreased, nor how they are distributed across different types of intellectual property rights.

Based on last year's statistics, the majority of cases involved copyright disputes, followed by trademark disputes, with patent disputes coming third. Court decisions in 2025 predominantly involved copyright issues and trademark disputes. As we observe from our work, the number of patent disputes in 2025 is similar to that in 2024, as many cases have been carried over into the new year, and most of these disputes concern pharmaceutical patents. The vast majority of trademark and copyright disputes are resolved without initiating proceedings in court or before the Lithuanian State Patent Bureau.

Significant cases:

Case	Description	Main law firms involved
ESTONIA		
Allium UPI vs the Estonian Data Protection Inspectorate	The Estonian Data Protection Inspectorate imposed a record EUR 3 million fine on the Estonia-based company Allium UPI, which operates in the pharmacy and healthcare product sectors in Estonia, Latvia and Lithuania, for failing to protect customer data. The investigation found that inadequate security and data protection measures in the Apotheka loyalty program enabled unauthorised access to the personal data of more than 750,000 individuals. As a result, unauthorised persons downloaded large amounts of sensitive customer data.	N/A
Extery vs Repston,Valmap Grupp and Otepää county	A significant copyright and design infringement dispute concerning outdoor furniture, involving proceedings against the manufacturer of the products, the public procurement contractor that supplied them, and the municipality that purchased and installed them. In first-instance proceedings, the court granted injunctive relief, removal and destruction of the infringing items, and damages, addressing the liability of both private operators and public authorities in the IP context. On appeal, however, the Court of Appeal overturned the first-instance judgment and dismissed the claim. The rights holder has filed a cassation appeal with the Supreme Court, and the matter is currently pending. Parallel European Union Intellectual Property Office (EUIPO) invalidity proceedings were initiated after the manufacturer sought to register the contested design. The case highlights coordinated enforcement across national courts and EUIPO, as well as the interaction between public procurement and IP compliance.	COBALT, HansaLaw

Äripäev vs Balti Meediamonitooringu Grupp	The Estonian Supreme Court addressed the question of whether the use of works by a media monitoring company falls within the exception provided for in § 18^1 (1) of the Copyright Act. The purpose of the said exception is to allow automatic temporary data storage in network servers or computer memory for the use of online content (e.g., websites) without the consent of the copyright holder. The Supreme Court analysed in detail all the conditions for the application of the exception and remitted the case to the same circuit court for a new review so it could determine whether all the prerequisites for the application of the exception are met in this specific case.	LEVIN, RASK

LATVIA

Bayer Intellectual Property vs Krka, EGIS, Zentiva, Polpharma, Teva, Stada	A complex patent invalidation and/or enforcement dispute initiated by or against generic manufacturers Krka, EGIS, Zentiva, Polpharma, Teva and Stada. This patent litigation spans multiple jurisdictions and involves more than twenty countries (e.g. Germany, Norway, UK, Poland, Lithuania, Estonia, etc.).	COBALT, FORAL Patent Law, Sorainen, TRINITI
Private person vs Data State Inspectorate	The Senate heard a data-protection appeal on judicial review of the Data State Inspectorate's (DSI) refusals to uphold data-subject complaints. It held that such refusals are binding administrative acts under GDPR Article 78(1). Accordingly, the application seeks issuance of a favourable administrative act, wherein the court must conduct a full merits review. It must also assess timeliness, diligence, and the choice of appropriate and necessary investigative and corrective measures. That diligence extends to all material, factual and legal issues. If defects are found, the DSI must reassess using suitable means. The ruling clarifies Latvia's standard of review and remedial powers.	N/A
Teledistribucija vs Kinomania TV	The Senate heard an IP dispute between Russian companies Teledistribucija (claimant) and Kinomania TV (respondent) on trademark use. The court held proprietors must prove genuine use with objective evidence of origin-indicating use that maintains demand. Classes of Nice Classification are not decisive: narrow categories may be proved in part, while broad ones require use in each autonomous subcategory. Use in a variant form counts only if distinctiveness is unchanged. Broadcasters can obtain neighbouring rights in their broadcasts for organisational effort and investment. But that does not give them copyright, which protects only original human creativity. The ruling clarifies genuine-use proof and category scope.	N/A

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Bayer Intellectual Property vs Krka, EGIS, Zentiva, Polpharma, Teva, Viatris, Stada, Sandoz	A complex patent invalidation and/or enforcement dispute, initially involving twelve separate patent cases initiated by or against generic manufacturers Krka, EGIS, Zentiva, Polpharma, Teva, Viatris, Stada and Sandoz and Auxilia. This patent litigation spans multiple jurisdictions and involves more than twenty countries (e.g. Germany, Norway, Australia, the UK, Poland, Latvia, Estonia, etc.). The infringement cases have been stayed pending the final court decision on patent validity. The court of first instance dismissed all invalidity claims and upheld the patent. The Lithuanian Court of Appeal has annulled the decision of the court of first instance and returned the case back for its repeated examination on the merits.	COBALT, Glimstedt, IP forma, Sorainen, TRINITI JUREX
Berlin-Chemie vs Lex Ano	A landmark civil case against parallel importer Lex Ano over the parallel import of the medicinal products "Letrox" from Hungary to Lithuania, which was reboxed and renamed "L-Thyroxin Berlin-Chemie". In 2025, the Supreme Court of Lithuania, after the case reached the cassation instance for the second time, ruled that the importer failed to justify the necessity of renaming the medicinal product and ordered the defendant to cease actions violating Berlin-Chemie's rights. This case is significant for the development of Lithuanian case law, as it is the first case addressing the infringement of a trademark holder's rights through the rebranding of a parallel-imported medicinal product.	COBALT, HubLegal, Motieka & Audzevičius

Bristol-Myers vs EGIS	A patent invalidation case that raised important issues related to the entitlement to priority, achievement of technical effect and the need to provide experimental data in the context of the requirement of a sufficient disclosure of the invention. Given that patent invalidation cases are very rare in Lithuania, this case was important for the development of the Lithuanian case-law. However, all issues remained unaddressed because the dispute was resolved through a settlement agreement.	COBALT, IP forma

Competition disputes

Comments by Partner Rauno Ligi (EE), Partner Uģis Zeltiņš, Specialist Counsel Jūlija Jerņeva (LV), Partner Rasa Zaščiurinskaitė and Specialist Counsel Justinas Šileika (LT)

In **Estonia**, in the summer of 2025, provisions of the ECN+ directive entered into force in the Estonian Competition Act. These amendments grant the Competition Authority significantly broader discretion and enhanced rights in conducting supervisory proceedings. It is still too early to assess the precise impact of the legislative changes, but it can be expected that there will be an increase in both supervisory and misdemeanour proceedings, and that these will result in higher fines than companies have been accustomed to so far. The wording of the amendments already caused considerable controversy and differing interpretations during the transposition, therefore different disputes may be expected during the enforcement of the new law.

In 2025, the Competition Authority´s efforts to combat unfair trading practices attracted broader media attention. In this regard, a survey of market participants was conducted, and related supervisory proceedings were reported on various retail companies and the wholesale of food supplements.

2025 was a landmark year for competition litigation in **Latvia**. The Supreme Court delivered significant reversals of lower-instance judgments in cases concerning both private enforcement and public enforcement of competition law.

In the context of private enforcement, the Supreme Court clarified that claimants are not entitled to a "blank cheque" to rely on alleged difficulties in quantifying harm and to invite the court to award an "estimated" amount of damages against an undertaking that has infringed competition rules. Only where the claimant demonstrates objective evidentiary difficulties may the court apply a lower standard of proof and resort to judicial estimation of harm.

In the area of public enforcement, the year concluded with a far-reaching ruling from the Supreme Court: covert surveillance data collected for the purposes of a criminal investigation may not be transmitted to the competition authority. This decision is likely to have implications extending beyond the specific case involving construction undertakings, as criminal investigative authorities had, in a number of other cases, also shared such surveillance data with the competition authority.

In **Lithuania**, administrative cases are taking longer to resolve as the courts become more inclined to address conceptual issues. This trend is exemplified by the Supreme Administrative Court's referral of the Lithuanian Basketball League's case to the Court of Justice of the European Union. In its preliminary ruling request, the court raised questions of EU-wide importance relating to the interpretation of "by-object" restrictions in the labour market and the extent to which extraordinary circumstances, such as COVID, should be taken into account when assessing the liability for such an infringement.

The administrative courts maintained the tendency to support the Competition Council's position, recognising its broad discretion when adopting decisions (e.g., Notaries, Dobeles dzirnavnieks). Nevertheless, despite the courts' confirmation of the Competition Council's decisions, actions for private damages remained exceptionally rare.

The first-instance courts stood out by applying heightened scrutiny to the Competition Council's assessment and the evidence presented. For instance, the Vilnius Regional Administrative Court annulled the decision of the Competition Council in the Lithuanian Pharmacy Association case.

Significant cases:

Case	Description	Main law firms involved
ESTONIA		
Alexela, Eesti Energia and Elektrum Eesti vs Competition Authority and Elering	Balance providers have challenged the decisions of the Competition Authority in the administrative court, by which the Competition Authority has approved the methodologies prepared by Elering regarding the fee for obtaining the readiness of regulating capacities. The disputes arose from Estonia´s desynchronisation from the Russian electricity system in February 2025. Notably, within this short period, the current law has been amended, and four different methodologies have been approved, which itself indicates that the regulation has been inadequate.	COBALT, Ellex

MM Grupp vs Competition Authority	The Competition Authority suspected MM Grupp of engaging in anti-competitive conduct. Evidence collected indicated that the company had acquired a 100% stake in Forum Cinemas OÜ, Forum Cinemas Latvia OÜ and Forum Cinemas Lithuania OÜ, implementing a concentration without the control of the Competition Authority. The supervisory proceedings were terminated in August 2025, as not all evidence was accessible, and the existing material was insufficient to substantiate the allegations. The Competition Authority emphasised, however, that it will continue to monitor the resulting competitive situation. The head of the Competition Authority pointed out that, following amendments to the Estonian Competition Act, the Estonian authority operates within a different legal framework compared to its Latvian and Lithuanian counterparts, which does not allow for the exchange of evidence with them.	N/A
Prenton vs Competition Authority	The dispute concerned the Competition Authority´s supervisory proceedings and precept regarding the fact that timber transport companies that participated in the RMK public procurement formed a consortium to participate in it. In the autumn of 2025, the Competition Authority annulled its previously issued precept, bringing to an end a proceeding that had lasted approximately seven years. In conclusion, it therefore became clear that the timber transport companies that formed the consortium had not violated the law. It is rather uncommon for the Estonian Competition Authority to annul its own precept.	COBALT

LATVIA

ABORA and others vs Competition Council	Nine construction undertakings appealed a 2021 decision of the Latvian Competition Council finding bid rigging and imposing fines of EUR 16.7 million. The appeal focused on the admissibility of covert audio recordings obtained by the anti-corruption authority in the context of a criminal investigation. In December 2025, the Supreme Court held that the use of covert recordings in competition proceedings lacked a sufficient legal basis and violated the right to privacy. It found that the applicable legal framework did not meet the "quality of law" requirements under the European Convention on Human Rights. The judgment has clarified the limits on the use of surveillance evidence in the public enforcement of competition law and has reignited the debate on the criminalisation of cartel conduct.	COBALT, Ellex, Levin, Sorainen, Vilgerts and others
Jelgava City Municipality vs Competition Council	A long-term waste management contract was awarded by Jelgava municipality in 2004. The arrangement relied on an "in-house" exception available under procurement law, which enabled direct contract award provided the municipality had "complete control" over its company. In reality, private shareholders retained nearly half the capital, raising questions about compliance with procurement and competition law. The case examines whether a Latvian municipality's exclusive waste contract with a partly private firm constitutes an abuse of dominance under Article 102 TFEU. The Latvian Supreme Court requested a preliminary ruling from the CJEU to resolve whether this public–private arrangement qualifies as economic activity and whether the municipality's 'in-house' award could be an abuse of dominance.	In-house
TOODE vs State Revenue Service	CJEU issued a preliminary ruling on the question of when State aid is considered "granted" under EU law. The Latvian government had introduced a COVID-19 aid scheme, with a strict cutoff date for granting aid. The authority rejected TOODE's application, but the rejection was later found unlawful. Although the court judgment was issued after the scheme's expiry, the applicant argued that the aid must be deemed granted within the deadline. The CJEU held that aid must be regarded as granted on the date of the wrongful refusal. Furthermore, CJEU noted that if national law precludes retroactive recognition, EU law requires such national rules to be disapplied. The aid in question is classified as "existing aid" if it is deemed to have been granted while the Commission's approval was in force, even if the payment occurs later.	WIDEN

LITHUANIA

Dobeles dzirnavnieks vs Competition Council	The dispute relates to the refusal by the Competition Council to clear a merger in the flour sector. The Supreme Administrative Court affirmed the broad discretion enjoyed by the Competition Council when adopting such decisions and noted that the judicial review is limited to assessing whether the facts were accurate and whether there was no manifest error of assessment on the part of the Competition Council. The court also emphasised the importance of procedural safeguards associated with such wide discretion but confirmed that a procedural violation could serve as grounds for annulment only if it was recognised as a material.	Ellex
Lithuanian Basketball League and others vs Competition Council	The dispute concerns an infringement decision by the Competition Council, which determined that the Lithuanian Basketball League and 10 basketball clubs entered into an anti-competitive agreement by deciding not to pay players' salaries for the remainder of the season after the championship was terminated due to the pandemic. Given the complex legal questions raised, namely, whether the conduct constituted an infringement, whether it could be qualified as an infringement "by object", and whether the peculiarities of the sports sector and COVID-19 circumstances had to be taken into account, the Supreme Administrative Court referred the case to the Court of Justice of the European Union for a preliminary ruling. It is expected that the judgement will have wider implications for the interpretation of anti-competitive agreements in labour markets.	COBALT, Ellex, Sorainen
Lithuanian Pharmacy Association and others vs Competition Council	The Lithuanian Pharmacy Association and related pharmacies have sought annulment of the Competition Council's decision, which found them guilty of forming a cartel by agreeing on the margins of reimbursable medicines and imposed a fine of EUR 72 million. The Vilnius Regional Administrative Court annulled the decision of the Competition Council based on the fact that the actions of the Lithuanian Pharmacy Association and related pharmacies were carried out not by companies operating in the market, but through participation in the legislative process, with the Ministry of Health ultimately setting mark-ups on medicines. The Competition Council has appealed the decision to the Supreme Administrative Court.	Ellex, Sorainen, WALLESS

Bankruptcy and Restructuring disputes

Comments by Partner Annika Peetsalu, Associate Heivo Reinek (EE), Specialist Counsel Mārtiņš Aljēns (LV), Partner Dr Paulius Markovas and Senior Associate Dr Ieva Strunkienė (LT)

In **Estonia**, the previous trend of a growing number of bankruptcies stopped in 2025, and the number of bankruptcies dropped slightly, from 160 to 154. Trade saw the biggest increase in the number of bankruptcies (+13), while construction (-11) and industry (-9) saw the biggest declines. Bankrupt companies continue to cite high input prices and low demand as causes of issues. Regrettably, there are still also many cases which indicate schemes of attempting to dump debts into one body and move the business into another.

The number of reorganisation proceedings dropped sharply from last year, from 28 to 9. The previous surge has therefore subsided. One discouraging factor may be witnessing other companies under restructuring ending up bankrupt. This, however, does not characterise the inefficiency of the reorganisation proceedings, but rather the late reaction of the companies in the past. As an encouraging factor, all reorganisation proceedings initiated in 2025 have so far had a positive outcome.

Latvia recorded a moderate decline in insolvency activity, with the number of company insolvency proceedings decreasing from 283 in 2024 to 269 in 2025. The number of restructuring proceedings opened also fell year on year, from 137 in 2024 to 127 in 2025, which may reflect either a slight easing of financial distress among companies or a more cautious approach to initiating formal restructuring procedures. At the same time, despite fewer filings overall, there was a notable increase in restructuring plans approved by courts, rising from 28 in 2024 to 39 in 2025. This may indicate improved quality of restructuring proposals, more active creditor involvement, or a more pragmatic judicial approach to business recovery, pointing to a gradual strengthening of the restructuring framework in practice.

In **Lithuania**, in the first half of 2025, bankruptcy proceedings were initiated for 1,550 companies, of which 14 were later cancelled. Compared to 2024[1], the number of bankruptcy proceedings decreased by 9.8%[2].

The most significant decline was recorded in the transportation and storage sector, where 37 fewer bankruptcy proceedings were initiated. This change may have been influenced by the exceptionally high number of cases in the same sector in 2024. The largest number of bankruptcy proceedings in the first half of 2025 were initiated in the wholesale and retail trade sector and the construction sector.

The number of restructuring cases in the first half of 2025 increased by 89.5% compared to 2024[3], with a total of 36 restructuring cases, of which 8 were later cancelled. It represents the total number of proceedings initiated for the entire 2024. This increase was affected by the large-scale restructuring involving AUGA Group and its subsidiaries.

Significant cases:

Case	Description	Main law firms involved
ESTONIA		
Kon Tiki	Bankruptcy proceedings of a travel agent, which affected a large number of consumers and triggered the guarantee insurance claim. Pursuant to the travel agent, the permanent insolvency was caused by a chain of events: the Consumer Protection and Technical Regulatory Authority (TTJA) issued a public warning against the travel agent due to temporary difficulties, which caused a loss of trust and a loss of customers. Meanwhile, the trustee in bankruptcy is unable to obtain the necessary documents from the management, there are suspicions of asset stripping, and the TTJA has even filed a criminal complaint against Kon Tiki.	COBALT, Lepmets & Nõges (debtor), WALLESS (creditors)
Saaremaa Lihatööstus (Saaremaa Meat Factory)	The troubles of Saaremaa's largest meat factory have been going on for a long time, but they also characterise the problems of the meat industry in general. Saaremaa Lihatööstus faced troubles due to the sharp increase in raw material and other input prices, while the sale prices followed too slowly. First, there was an attempt to restructure the meat company. However, this failed, and the company went bankrupt. The sale of the bankruptcy estate revealed a typical issue – whether it is more reasonable to sell the production assets as a whole or in parts. After repeated failures, the production assets were sold as a whole.	COBALT, Koch & Partnerid (debtor in restructuring proceedings), TRINITI (creditors in restructuring proceedings)

1 The period analysed is the first and second quarters of 2024

2 Overview of Insolvency Proceedings for the I-II Q of 2025, prepared by the Authority of Audit, Accounting, Property Valuation and Insolvency Management under the Ministry of Finance of the Republic of Lithuania. The annual statistics for 2025 will be officially published only in April 2026.

3 The first half of 2024.

TartEst trustee in bankruptcy vs Car Rent Group	An important ruling in the case law of clawback. The debtor had claims against Car Rent Group in the amount of more than half a million euros, but just before the due date, they agreed to extend the deadline by 10 years. An interim trustee was appointed for the debtor nearly a year and a half later, and bankruptcy was declared. The trustee filed a clawback claim, which was satisfied by the district court but not by the circuit court, because it considered the damaging of the interests of the creditors to have been insufficiently proven. However, the Supreme Court did not agree with this and clearly expressed its position that postponing the deadline to such an extent that it is unlikely to be collected during bankruptcy proceedings is presumably detrimental to the interests of creditors. In such a case, the defendant should prove that there is no harm to the interests of creditors. Thus, the respective clawback claim was also satisfied.	N/A

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DELFI	COBALT represented DELFI, one of Latvia's largest news portals, in proceedings concerning an insolvency application filed in connection with a disputed commercial claim. The court dismissed the application as unfounded, holding that the dispute should be resolved through ordinary civil litigation. Delfi's stable financial position, evidenced by its turnover and profitability, confirmed the absence of insolvency. The court emphasised that insolvency proceedings cannot be used as an accelerated debt recovery mechanism and relied on both the statutory purpose of insolvency proceedings and the principle of good faith. The decision reinforces the prohibition against abusing insolvency procedures in the context of legal disputes.	COBALT
EAST METAL	Following the opening of legal protection proceedings for EAST METAL, a Latvian metalworking company, in 2024, the company successfully negotiated a restructuring plan with the majority of its creditors. The plan was approved by the court on 26 March 2025 and sets out a clear and realistic roadmap for restoring the company's financial stability and operational viability. It envisages the full recovery of EAST METAL within four years, demonstrating the effectiveness of the legal protection framework in facilitating sustainable business turnaround.	COBALT
SMARTLYNX AIRLINES	SMARTLYNX AIRLINES, a Latvian airline specialising in ACMI, charter, and cargo operations, was declared insolvent on 17 December 2025 following an unsuccessful legal protection process. According to the insolvency judgment, at the time of filing the insolvency application, the company's assets consisted largely of cash of approximately EUR 765,000, while its outstanding liabilities exceeded EUR 238 million. A number of creditors have called for a thorough investigation into the circumstances preceding the insolvency, including the change in the company's shareholders shortly before the filing for legal protection. COBALT represents several creditors in the proceedings, primarily aircraft lessors.	COBALT, Widen

LITHUANIA

Approved creditors` claims in the restructuring proceedings of AUGA Group and its subsidiaries	The Court approved the creditors' financial claims in both restructuring proceedings- those of the principal debtors (Agrobokštai, Baltic Champs, Baltic Champs Group, AUGA Smilgiai, Grain LT) and the surety/guarantor (AUGA Group) - ruling that such parallel confirmations do not constitute claim duplication or unjust enrichment. The confirmation alone does not imply unconditional satisfaction, and if the obligation is enforced against the assets of multiple co-debtors, the extent of recovery can and should be controlled within the restructuring process. There is no basis to consider that the obligation guaranteed by the surety/guarantor has already been modified, as this will only be determined upon the (non)approval of the restructuring plan in the principal debtor's restructuring proceedings. These court decisions are already final and binding.	COBALT, TEGOS

Civil case concerning a claim for damages arising from an incident during repair works at a wind farm	In the course of repair works at a wind farm, a wind turbine collapsed and caused a fire, which severely damaged a crane, rendering it inoperable. The case involves nearly 20 parties and includes a foreign entity. It examines the incompatibility of concurrent contractual and tort liability, the conditions for the application of civil tort liability, claims for damages caused by a source of increased danger, and matters relating to joint and several civil liability. The dispute has been referred to judicial mediation, and the parties reached a Peaceful Settlement Agreement.	COBALT, GREENLEX, LAWFICE, NOOR, Sorainen, WIDEN
Restructuring and bankruptcy proceedings of group companies	Utenos trikotažas, one of Lithuania's largest and oldest textile companies, is undergoing restructuring. Its group company Šatrija was deemed insolvent, and bankruptcy proceedings were initiated despite the group's broader stabilisation efforts.	COBALT

Corporate law disputes

Comments by Partner Annika Peetsalu, Managing Associate Kristina Schotter (EE), Senior Associate Marija Berdova (LV), Partners Prof Dr Rimantas Simaitis and Marius Inta, Senior Associates Areldas Augustinaitis and Rugilė Šiaulytė (LT)

Special audits in state-owned companies have caught public attention in **Estonia** in 2025. Assessing the liability of board members of private companies has also become more frequent. This is largely due to the economic environment becoming more complicated following the coronavirus pandemic and the subsequent war in Ukraine. However, as a rule, a claim for damages against a board member is brought to court in cases where the company's assets have been used for personal interests or the company has become bankrupt.

The automatic deletion of a company from the register due to failure to submit the annual report, and the limited opportunities of creditors to restore such a company, have also received considerable attention. Disputes between company owners are still concentrated on the distribution of profits and the validity of shareholder meetings' decisions. The Supreme Court ruled that failure to elect the chairman or recorder of the meeting is not a violation of the law, and this may affect in practice the correct application of restrictions on voting rights at shareholder meetings, which is important upon submitting damage claims. The actual solution to shareholder disputes usually comes with a buyout of one of the parties.

There have been no noticeable changes in corporate law disputes in Latvia over the past year. Simplified liquidation of a company from the register due to a lack of officials for a particular term or failure to submit annual reports or pay taxes, and the limited opportunities for creditors to bring a company back to life have also received some attention. Disputes between company owners are still concentrated on the distribution of profits and the validity of shareholder meetings' decisions.

On the other hand, the Supreme Court of **Latvia** clarified that an interim prohibition recorded with the Commercial Register (for example, to prevent a shareholder from selling or pledging shares) should not prevent a company from registering shareholder changes once a final court judgment - such as in a shareholder-expulsion case - has been issued. This confirms that interim measures are meant to safeguard the situation during the dispute, not to delay the final outcome.

In **Lithuania**, there have been no noticeable changes in corporate law disputes in 2025. Disputes between shareholders and disputes with company management continue to dominate. Such disputes, and the established practice in this area, mean they are usually resolved in ways that ensure the protection of confidential and sensitive information. However, amendments to the law adopted in mid-2025 (entering into force in mid-2026) may, in one way or another, be relevant in resolving disputes of this nature. Among other things, the amendments to the laws grant greater importance and power to company management and introduce a new type of shares (redeemable shares). These changes highlight the need to review shareholder agreements and company statutes to avoid potential future conflicts.

Significant cases:

Case	Description	Main law firms involved
ESTONIA		
BLRT Grupp shareholder disputes	Shareholder disputes in the largest industrial group in the Baltics, engaged in shipbuilding, lasted for almost 15 years and generated a lot of valuable court practice, and now ended with an agreed buyout of the minority shareholders.	Ellex, NOVE, Sorainen, WALLESS, et al.

Interchemie Werken De Adelaar Eesti shareholder disputes	Shareholder disputes in a veterinary medicines production company, which lasted for more than five years and involved tens of different civil, administrative and other proceedings, ended with the complete buyout of the 49% shareholder. The disputes, amounting to millions of euros, concerned, among other things, the possible misuse of the company's assets and trade secrets by its former manager when starting a competing business.	COBALT, Concordia, Ruus & Veso, WIDEN
Sportland International Group shareholder disputes	Disputes have broken out between the shareholders of Estonia's largest sporting goods retail chain. They concern the distribution of profits, the fulfilment of option agreements, the composition and decisions of the supervisory board, etc., and are being heard in both state and arbitration courts. As is typical in such disputes, an attempt is made to agree on the buyout of one of the parties.	Ellex, Glimstedt, NJORD, TRINITI

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Latvijas Projektēšanas Sabiedrība vs Commercial Register	The company received a final court judgment on the expulsion of one of its shareholders, whereby shares were automatically transferred to the company. However, the Commercial Register refused to register the change, claiming that the earlier record on an interim prohibition (originally intended to prevent the former shareholder from selling or pledging the shares) is still valid, blocking enforcement of the court judgement. The Supreme Court held that a record on interim prohibition registered with the Commercial Register cannot be used to stop a company from registering shareholder changes after receipt of a final court judgment in a shareholder-expulsion case. This ruling strengthens legal clarity for corporate disputes in Latvia and ensures that interim measures are meant to safeguard, not block, the execution of justice.	N/A
Namu serviss APSE vs Company Y	A dispute arose after a service provider allegedly violated a contractual non-compete clause by becoming involved in the transfer of several residential buildings from the client to other managing entities. The core issue was whether the company could be held liable for actions taken by its sole shareholder and Management Board member. The Supreme Court held that a management board member's conduct is attributable to the company only when performed in the capacity of a corporate officer and functionally linked to official duties. The ruling clarifies the distinction between personal and corporate acts.	N/A
Private person vs Commercial Register	A company was excluded from the Commercial Register in a simplified liquidation procedure after its sole management board member died and no new official was appointed for more than three-months period. The late Management Board member's (and shareholder's) heir sought to restore the company, arguing that the exclusion unlawfully deprived him of inherited property. In July 2025, the Supreme Court upheld the exclusion, holding that simplified liquidation aims to remove inactive companies and that assets pass to the state when no interested party undertakes liquidation. Compensation is not provided, and only in atypical circumstances could justify treating the outcome as disproportionate, which were not present here. The ruling clarifies the limits of heirs' rights in simplified liquidation cases.	N/A

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Private person X vs Private person Y	A complex dispute between shareholders concerning shareholders' loans to a jointly controlled company. Both shareholders lent funds to the company in proportion to their shareholdings to purchase a plot of land, develop it and sell it. When the minority shareholder requested repayment of the loan, the other shareholder increased the authorised capital and took control of the company, reducing the minority stake (to less than one percent. After gaining control, the majority shareholder transferred the plot of land to another company he controlled and mortgaged the plot. The case will examine all direct and derivative actions of the majority shareholder that may have violated the rights of the minority shareholder.	COBALT

Private person X vs Private person Y and Company Z	A dispute over the ownership of shares was resolved when the shares were paid for by another shareholder, not by the person (shareholder) who was allowed to acquire them after the increase in authorised capital. The court ruled that, despite the oral agreement between the shareholders on the payment for the shares, the purpose of such an agreement was neither remuneration for the contribution to the company's activities, nor a gift; the true intention of the parties was the continuity of the company's activities in order to obtain credit. The shareholder who paid for all the new shares was not obliged to fulfil the obligation for other persons (another shareholders). Therefore, the court ruled that, since the shareholder failed to properly pay for the issued shares, he did not acquire these shares. The dispute shows that the payment for shares through another person does not necessarily mean that the obligation to pay for shares has been properly fulfilled.	N/A
Company X vs Company Y and Company Z	The case concerned a dispute between shareholders regarding the proper determination of the share price and the proper notification of the shareholder whose shares were to be acquired. Under the regulation, a shareholder holding at least 95 % of the shares of a company is entitled to require the remaining shareholders to sell their shares compulsorily. Among other points, the court emphasised that a minority shareholder whose shares are subject to compulsory acquisition must be properly and effectively informed. Reliance on a legal fiction of notification is not permissible (for example, sending a registered letter to an address where the shareholder is no longer active), especially where prior communication between the company and its shareholders had taken place by email. The court provided an important interpretation concerning the requirement of real and effective notification of minority shareholders about the share acquisition procedure.	N/A

Criminal matters (white collar)

Comments by Partners Lembit Tedder and Rauno Ligi (EE), Managing Partner Lauris Liepa, Senior Associate Gabriela Šantare (LV), Partner Mindaugas Bliuvas and Senior Associate Simona Šlerpaitė-Martinaitienė (LT)

In **Estonia**, the past year marked a significant change at the prosecutor's office by the appointment of a new Prosecutor General, setting one of her goals to make the Prosecutor's Office more efficient, so that more state resources, especially workforce, would be left for investigating crimes. Various cases related to politicians and high-ranking officials received a lot of attention, wherefrom a question inevitably arises whether and to what extent the focus of the prosecutor's office in such cases is more motivated by the alleged perpetrator rather than the act itself. Such regretful prioritisation also included state-owned enterprises. Regrettably, the protection of privately owned companies is by no means an equal priority to the prosecution. Therefore, the role of lawyers in protecting victims in the private sector is ever more important. Our advice remains that it is necessary for companies that have fallen victim to economic crime to carry out a thorough internal investigation in order to contribute to criminal proceedings to reduce the risks that may accompany the state's unfortunately insufficient resources in investigating private sector crimes.

In **Latvia**, tax, customs, and sanctions-related disputes continued to dominate the white-collar landscape in 2025. The year also marked a significant legislative shift: amendments to Article 84 of the Criminal Law expanded criminal liability for violations of international sanctions by introducing imprisonment as the primary sanction in most cases, while simultaneously decriminalising low-value circumvention below EUR 10 000, which is now treated as an administrative offence. This dual approach both strengthens the deterrent effect against sanction evasion and relieves investigative bodies from pursuing minor offences, allowing resources to focus on more complex and typically cross-border schemes.

A defining development in 2025 was the Constitutional Court's active role in shaping the procedural framework for proceedings involving allegedly criminally acquired property, which frequently arise in tax, customs, and sanction-related cases. The Court delivered several judgments scrutinising restrictions on access to case materials, evidentiary submissions in appellate proceedings, and the standard of proof applicable to confiscation. While confirming that confiscation proceedings constitute a specific legal regime within criminal law, the Court held that this regime cannot diminish fair trial guarantees. Asset recovery measures must therefore be based on sufficiently substantiated evidence and accompanied by procedural safeguards ensuring equality of arms and effective judicial protection. These rulings set a clearer boundary for the State in pursuing confiscation and reinforce the need for rigorous evidentiary assessment in high-value economic crime cases.

In 2025, **Lithuania** significantly amended the Criminal Code, easing liability for abuse of office. Under the amendments, abuse of office for material or other personal gain – where there are no elements of bribery – was reclassified from a serious to a less serious crime. This means that offenders may now be exempted from criminal liability through surety. These amendments are particularly relevant to ongoing cases in which members of municipal councils are being prosecuted for abuse of office. However, court practice continues to develop in a way that real imprisonment sentences are imposed on public officials for bribery offences.

Courts also issued significant decisions in high-profile cases that attracted public attention, shaping case law on the conduct of law enforcement officers in extreme situations and the extent to which such conduct meets the conditions of necessary defence. Case law has also been developing in the field of public order protection, particularly in cases concerning crimes committed by individuals during mass protests.

Significant cases:

Case	Description	Main law firms involved
ESTONIA		
Baltic Workboats benefit fraud and tax fraud	The company and the people associated with it are suspected of fraud at the expense of the grants of the Estonian Business and Innovation Agency (EIS) and in concealing tax liability in connection with salaries to a particularly large extent. According to the prosecutor's office, the payment of labour taxes in the amount of 1.7 million euros may have been avoided, and EIS may have paid out EUR 400,000 in support based on misleading data. The Prosecutor's Office has announced the termination of the investigation in one aspect of suspected fraud, but the pre-trial proceedings continue in other aspects. Unfortunately, it is becoming a custom for the state authorities to handle tax cases, which could and should be handled in the tax administrative proceedings, to be handled in the criminal proceedings, to put more pressure on companies and people connected.	COBALT, Sorainen
Misappropriation of Electrolux Eesti funds by the managers	The court heard two criminal cases related to the embezzlement of the company's assets in the amount of nearly EUR 2 million by the long-term managers of Electrolux Estonia over a 10-year period. One of the former executives confessed to the act and was convicted in a settlement procedure. The other manager, Martin Kirsberg, has not admitted to the act. The county court convicted Martin Kirsberg in general proceedings and also satisfied the civil action in the amount of more than EUR 500,000. The proceedings will continue in the circuit court.	COBALT, TARK, WALLESS
Tim Heath's kidnapping to extort cryptocurrency	The county court is hearing two criminal cases related to the attempted kidnapping of a billionaire living in Estonia by foreign criminal organisations with the motive of extortion of cryptocurrency. Although a wave of so-called crypto millionaire kidnappings has been observed at the global level in the last few years, the case of Tim Heath is the first such extortion case in Estonia. In January 2026, the county court found two criminals guilty in one case; the judgment has not yet entered into force.	COBALT, REMO's, Valdma & Partnerid
LATVIA		
Constitutional review of the legal framework regulating the process of allegedly illegal property confiscation	The Constitutional Court, in three separate cases, examined whether the rules governing access to case materials, the burden of proof, and appeal rights in proceedings on criminally acquired property comply with fair trial guarantees protected by the Constitution. Following the CJEU preliminary ruling in the joined case 1Dream and Others, the Court found the contested provisions constitutional. It noted that proceedings on criminally acquired property are an exception within criminal law, allowing specific rules to ensure timely and effective recovery of assets, while maintaining procedural fairness, equality of arms, and judicial protection.	A.Liepiņš Law firm, COBALT, Davidsons & Partners, Jaunzars & Partners, NJORD, Ņikuļceva Law firm, Rusanovs & Partners, Valdemārs Law firm, Voroņko Law firm, WALLESS, WIDEN
Right to submit evidence in appeal proceedings during the process of allegedly illegal property confiscation	The Constitutional Court reviewed whether the procedural rule restricting parties from submitting evidence to the appellate court in proceedings on criminally acquired property complied with the fair-trial guarantees protected by the Constitution. The applicants argued that the restriction under Article 629(4) of the Criminal Procedure Law disproportionately limited their right to a fair trial and the principle of equality of arms. The Court held the provision unconstitutional, finding that parties must be allowed to submit evidence to the appellate court when objective circumstances prevented earlier submission. The judgment strengthens procedural safeguards and ensures a fair balance between procedural efficiency and the parties' rights to a fair hearing.	N/A

Insufficient evidence of criminal origin - over EUR 1.6 million released	Two court instances ruled in favour of several individuals whose funds – totalling over EUR 1.6 million – had been frozen by the Economic Police on suspicion of criminal origin. COBALT represented two of the three individuals in the proceedings. The Riga Regional Court upheld the Economic Court's decision, concluding that the criminal confiscation proceedings must be terminated, as the case materials did not provide sufficient grounds to presume that the funds had a criminal origin. The court reaffirmed that only assets with a probable and demonstrable link to a criminal offence may be subjected to confiscation and that uncertainty about the origin of funds alone cannot justify seizure. The court rejected the prosecution's reliance on assumptions, emphasising that circumstantial evidence must meet a threshold of credibility and relevance to substantiate the alleged criminal origin of property.	COBALT, WIDEN

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Criminal cases against municipal council members and mayors	High-profile cases continue to examine the liability of municipal council members and mayors for using municipal allowances for personal purposes. In one case, former Jonava mayor M. S. was charged with abuse of office, embezzlement, and document forgery for using municipal funds from 2019 to 2023 to cover personal phone, internet, and television expenses, causing EUR 1,500 in damage to the municipality. He was convicted by the Kaunas Regional Court, fined EUR 12,500, and banned for three years from holding public positions; a decision upheld on appeal. However, the Supreme Court of Lithuania terminated the case, finding the damage minor, the payments reimbursed, and that the compensation rules were unclear and allowed for inconsistent application of liability. This decision is particularly significant for similar ongoing cases.	COBALT, Ellex, N/A
Criminal case against a police officer	Police officer D. Š. was charged with the murder of a woman, abuse of office, and exceeding the limits of necessary defence after he shot a woman who, despite the use of other special measures against her, did not stop her aggressive actions and continued to attack the police officers with a knife. The Vilnius Regional Court acquitted D. Š., ruling that the police officer fired his weapon in a situation of necessary defence – only after warning the woman about the use of the firearm and when other means, such as pepper spray, a taser, and physical force, had failed, while the woman continued to attack the officers with a knife in her hand. The court concluded that officer D. Š. acted in self-defence against a real threat to his life and health, that his actions did not exceed the limits of necessary defence, and that he therefore bears no criminal liability. The decision of the court of first instance was upheld by the Lithuanian Court of Appeal. This case is significant in assessing the conduct of police officers in extreme situations.	Law firm Drakšas, Mekionis and Partners
The Riots Case	The Vilnius City District Court examined a case involving charges against 87 individuals in connection with the riots that took place near the Seimas of the Republic of Lithuania on 10 August 2021. The court found that the actions of the protesters went beyond the limits of a peaceful assembly and, for offences related to disturbing public order, participating in riots, resisting police officers, and other criminal acts, 84 of the 87 defendants were found guilty. Most of the individuals were sentenced to imprisonment with suspended execution, while three were given real custodial sentences. This is the largest case of its kind in Lithuania and has contributed to the development of case law in the field of public order protection.	Law Firm of Attorney-at-law Paulius Snukiškis, N/A

Public law matters

Public procurement disputes

Comments by Managing Associate Kaidi Reiljan-Sihvart, Procurement specialist Laura Frolov (EE), Partner Sandija Novicka, Senior Associate Artūrs Valderšteins (LV), Partner Dr Deividas Soloveičik and Senior Associate Kristina Peleckaitė (LT)

In 2025, **Estonia**'s public procurement saw declining volumes and tender activity, alongside progress toward sustainability, innovation, and efficiency goals. By mid-October 2025, the total estimated value of procurements had fallen to around EUR 7.47 billion from EUR 8.79 billion in 2024, continuing a downward trend since 2023. Strategic indicators show gradual improvement: quality criteria accounted for 13.5% of tenders by number and 32.5% by value, while green procurement reached 21.2% and 25.5%, respectively. Competition remained moderate at 4.3 bidders per tender, but single-supplier awards remained high, indicating persistent supplier diversity challenges.[4] Dispute resolution remains central, with the Public Procurement Review Committee (VAKO) receiving 299 challenges in 2025, mainly concerning award decisions, evaluation, and compliance.[5]

In summary, Estonia's public procurement system is progressing toward strategic goals. Estonia is amending its Public Procurement Act to speed up procurement by simplifying below-threshold procedures and replacing the three-tier threshold system with simplified and international thresholds.

In 2025, **Latvia**'s public procurement landscape reflected a contraction in overall volumes. The total value of concluded contracts fell to EUR 6.29 billion from EUR 9.15 billion in 2024, largely due to a slowdown in large-scale construction projects, which nonetheless remained the dominant category with EUR 2.95 billion in total value.

29.6 % of all procurement parts were evaluated based on the most economically advantageous tender criteria. The share of procedures using price as the sole criterion decreased marginally – from 70.9 % in 2024 to 70.3 % in 2025.

The Ministry of Finance submitted significant amendments to the public procurement framework to the Parliament. Among other changes, the amendments propose a substantial increase in the contract value thresholds that determine when public procurement procedures must be applied, which would lead to a considerable rise in below-threshold procurements. At the same time, the Ministry's proposal provides that even below-threshold procurements would fall under the jurisdiction of the Administrative Court.

In the first half of 2025, **Lithuania**'s public procurement landscape has undergone notable changes. The total value of public procurement decreased - from EUR 5.8 billion in the first half of 2024 to EUR 4.4 billion in 2025, while the number of procurements declined by just over 7%. One key development is the continued rise in centralised procurement, which now accounts for 38.6% of all procurements, up from 28.3% in 2024. Green procurement also increased sharply, from 76.6% in 2024 to 96.6% in 2025.

Over 330 procurement procedures, with a combined estimated value of EUR 1.75 billion, were examined in the first half of 2025. Construction and infrastructure projects continue to dominate. Service contracts and goods procurement accounted for 29% and 23%, respectively. A 7% decline in single-bid procedures.

Despite the positive trends, the share of procurements awarded to a single supplier remains high - at 43% in 2025. In conclusion, Lithuania's public procurement system is making important strides toward efficiency, sustainability, and transparency. Nevertheless, ensuring greater competition and supplier diversity remains a critical priority.

4 Addenda Training at the Public Procurement Meetup 2025 – Presentation by Estella Põllu: "Updates from the Ministry of Finance"

5 Ministry of Finance, response to a request for information

Significant cases:

Case	Description	Main law firms involved
ESTONIA		
LEONHARD WEISS, INF INFRA, Leonhard Weiss GmbH & Co KG, Ramboll Danmark AS, Skepast&Puhkim vs Osaühing Rail Baltic Estonia	In the so-called "procurement of the century", namely the Rail Baltica alliance tender, the dispute before the Public Procurement Review Committee focused on whether the contracting authority correctly evaluated the tenders based on its evaluation methodology and criteria. More specifically, the dispute concerned the legality of the evaluation and the awarding of points based on the evaluation criteria of project management and cooperation capabilities. There was also debate about the extent to which the Public Procurement Review Committee can review the contracting authority's evaluation decision for a given evaluation criterion. The committee analysed the objections raised by the Leonhard Weiss consortium and the evaluation carried out under the qualitative evaluation criteria. The committee found that the Contracting Authority had correctly evaluated the successful bidder, and the appeal was therefore dismissed.	COBALT, Matteus, NOVE
PETTAN vs Rakvere City Government	Public procurement dispute concerning the qualification of the tenderer and the submission of required documents. The dispute centred on whether the evidence of the right to use the required machinery had to be submitted with the initial tender or could be provided later. The Administrative Court found that the contracting authority was entitled to require the evidence to be submitted with the tender and was not obliged to consider documents submitted afterwards. The Court acknowledged that even if the contracting authority requests clarifications and the tenderer responds by submitting new documents, this does not create an obligation for the Contracting Authority to make a favourable decision based solely on the fact that such clarifications were requested.	Jewelex, Sorainen
Semetron vs Estonian Centre for Defence Investments (ECDI)	A public procurement dispute concerning the legality of the final tender and compliance with qualification and technical requirements. The complainant argued that the successful joint tenderers did not meet the qualification requirements and that their joint tender did not comply with the technical specifications. They also claimed that the winning tenderer had modified its final tender beyond what was permitted under the procurement documents (including that the tender was modified to a greater extent than permitted after the negotiations) and that the price offered was unreasonably low. The Supreme Court clarified that a competitive negotiated procedure is inherently multi-stage and aims to achieve the best possible tender through negotiations. All terms may be negotiated except for the evaluation of criteria and minimum requirements. If the procurement documents do not provide the possibility to immediately select the best tender, the tenders submitted prior to negotiations are merely indicative. The final tender, which is subject to evaluation, is generally submitted only as a result of the negotiations, and its content does not need to match the earlier version.	Ellex, NOVE, TEGOS
LATVIA		
CSDD vs LATSIGN	Public procurement dispute concerning the interpretation of statutory deadlines for filing applications challenging amendments to procurement contracts. The case arose after LATSIGN claimed that the contracting authority (CSDD) had materially amended a contract by accepting licence plates that did not comply with national standards. The Supreme Court held that the six-month deadline under Section 73(3)(1) of the Public Procurement Law begins on the date when the contract or its amendments are concluded, not when a party becomes aware of a potential breach. As the claim had been submitted after this period expired, the application was inadmissible.	N/A

Tele2 vs Ministry of Foreign Affairs	Public procurement dispute concerning the legality of using a negotiated procedure without prior publication due to an alleged lack of competition. The Ministry awarded a mobile communications services contract to the incumbent operator, arguing that technical reasons prevented competition, while Tele2 claimed the situation resulted from the Ministry's poor planning rather than objective exclusivity. The court held that a negotiated procedure is lawful only when the absence of competition is based on objective technical grounds and not caused by the contracting authority's own actions. Authorities must plan procurements in due time to ensure fair competition and cannot rely on urgency or convenience to justify limiting access.	N/A
Track Tec vs RB Rail	Public procurement dispute concerning the extent of a procurement commission's duty to record its meetings and the legal significance of such records. Track Tec argued that RB Rail had breached transparency and equality principles by failing to properly document discussions on technical specification changes and interactions with the winning bidder. The court held that the commission is obliged to record only meetings at which decisions are made. Internal deliberations without formal decisions do not require detailed minutes, and minutes are not intended to serve as verbatim transcripts. Transparency must instead be assessed based on whether the commission's final decisions and reasoning are sufficiently justified and credible.	COBALT

LITHUANIA

DG VPP vystymas vs Lithuanian prison service	This case concerns a public-private partnership project initiated through a competitive dialogue procedure, where one of the key evaluation criteria was the energy efficiency of the proposed solution - specifically, the installation of a solar power plant to meet the building's annual electricity needs. The claimant's offer was ranked last out of four submissions and not selected. Challenging the outcome, the claimant alleged unfair evaluation and requested the annulment of the procurement process. The first-instance court dismissed the claim, upholding the contracting authority's right to assess whether the proposed technical solution could realistically ensure the required energy output. However, the appellate court exceeded the scope of the appeal by declaring the evaluation criterion unlawful and terminating the procurement. The case is now before the Supreme Court of Lithuania, which is expected to clarify the permissible boundaries of appellate review, interpret the legal nature of evaluation criteria under the competitive dialogue procedure compared to open tenders, and provide guidance on the interpretation of public procurement rules specific to this flexible and complex procurement model.	COBALT, HubLegal, NOOR
Innoforce vs State Food and Veterinary Service	The Supreme Court of Lithuania examined a dispute arising from a public procurement contract for the modernisation and integration of two information systems. The Court held that the contract was a works contract, as the principal obligation was to deliver a clearly defined functional result - an integrated IT system. The Court reaffirmed that a contracting authority may unilaterally terminate a public procurement contract, provided such right is expressly stipulated in the agreement. However, the lawfulness of such termination must be assessed in light of public procurement principles. In this case, the termination was found to be lawful. . The ruling underscores key distinctions in contract classification, reiterates limitations on payment for non-accepted work, and provides important guidance on the lawful unilateral termination of contracts.	N/A
Skinest Baltija vs Lietuvos geležinkeliai, LTG Cargo	This case concerns a supplier's claim for damages against a group of contracting authorities - arguing that internal restructuring led to an unlawful omission: the failure to conduct public procurement procedures as required by law. As a result, the supplier was effectively excluded from procurement opportunities, which led to a significant loss of income. What makes the case exceptional is that liability is not based on unlawful acts within specific procurement procedures, but on the absence of procedures altogether. In this case, was emphasised the lack of a proven causal link between the omission and the alleged damage. The court also highlighted objective barriers: unresolved national security concern confirmed by Government decisions, that would have prevented the supplier from entering into contracts even if it had won the tenders.	N/A

Tax disputes

Comments by Partner Egon Talur, Specialist Counsel Karli Kütt (EE), Partner Sandija Novicka, Associate Arnolds Mikāns (LV) and Associate Partner Rasa Mikutienė (LT)

In **Estonia**, disputes regarding the tax liability of a company's legal representative continue to be a significant issue in court cases. The tax authority is issuing more liability decisions, while courts are regularly defining the limits of board members' tax obligations and the criteria for tax debt collection.

Due to the specific nature of tax proceedings, the standard of proof for tax assessment acts and the limits of the taxpayer's obligation to cooperate were also frequently disputed in court. The tax authority seems to underestimate its duty to justify tax assessment acts, frequently shifting most of the burden of proof onto the taxpayer.

The tax authority is currently focusing on implementing various tax exemptions and exploring options to increase revenue for the state treasury within the current legal framework. The authority is also thoroughly investigating issues related to the pricing of transactions between related parties, with some cases now reaching the courts. In recent years, the complexity of tax proceedings has risen, making it necessary for courts to possess a deeper understanding of both economics and taxation to resolve disputes effectively.

In **Latvia**, while the Supreme Court clarified some specific questions related to VAT, customs and procedural aspects of tax collection proceedings in 2025, there were no landmark cases in corporate or personal taxation that year.

The total number of tax audits decreased significantly. The tax control procedure has become the predominant form of tax inspection. The audits that did occur mainly focused on recurring issues, including the accounting for transactions unrelated to economic activity, the declaration of fictitious transactions in VAT returns, non-compliance with minimum wage requirements for posted workers, payment of excessive per diem beyond statutory limits, and undeclared employment income.

Recent practice demonstrates that if new tax rules are introduced, taxpayers are willing to seek constitutional review before the Constitutional Court. In 2025, several cases concerning advance corporate income tax payments were resolved, and the Constitutional Court initiated a new case regarding solidarity contributions, based on a complaint submitted by Swedbank.

The most notable **Lithuanian** tax cases in 2025 concerned intra-group loss transfers, exemption for home sales, and applying the 0% VAT rate. Courts clarified how loss transfer requirements interact under the Law on CIT, reaffirmed the formal declaratory requirement for the home-sale exemption under the Law on PIT, and emphasised suppliers' due diligence duties when claiming VAT exemptions in intra-EU transactions. Together, these cases underscore the courts' role in refining statutory interpretation while limiting taxpayers' ability to rely on substance-over-form arguments.

More broadly, Lithuanian tax case law in 2025 featured disputes over VAT, CIT adjustments, and PIT exemptions. Courts continued to scrutinise cross-border arrangements, intra-group financing and evidentiary standards for tax reliefs, often requiring strict compliance with formal criteria. Also, the principle of proportionality became increasingly important in penalty disputes, with decisions reducing fines and interest where full sanctions would be excessive. This signals a maturing balance between enforcement and fairness, proportionality and alignment with EU law.

Significant cases:

Case	Description	Main law firms involved
ESTONIA		
LENNUNDUS vs Tax and Customs Board	The Estonian Supreme Court evaluated whether a company's individual real estate transactions qualify as business activities under the Estonian Value Added Tax Act or constitute the exercise of property rights that are not subject to VAT. The court cited the European Court of Justice's guidelines, which specify that transactions involving immovable property are not deemed economic activity as long as the owner exercises their property rights without the intent of ongoing economic operations. However, if a person actively markets real estate using methods common among other companies in the sector, such activities are regarded as continuous economic engagement rather than occasional transactions or mere exercise of ownership rights, potentially leading to VAT liability. A passive person who employs an agent, such as a broker, to sell their real estate and actively engages in the marketing process for the sale also assumes VAT liability.	Eversheds Sutherland Ots&Co

X vs Tax and Customs Board	An Estonian company, which is part of an international group, participates in a notional cash pooling system via an account it holds. The Estonian tax authority considered the funds transferred to this notional cash pooling account to be a hidden profit distribution and levied corporate income tax. They pointed out factors such as the accumulating amount over the years, the taxpayer not paying dividends, and the lack of commercial justification for using the account as reasons for this decision. The court concluded that, to tax hidden profit distributions, there must be evidence of a payment or a transfer of funds resembling a loan or credit relationship to another party, and that the taxpayer no longer controls these funds. It also highlighted the characteristics of the notional cash pooling system: the account was registered in the taxpayer's name; the sweep was temporary and technical (primarily for bank reporting purposes); and the ownership of the funds was maintained. This is a first instance decision, and the judgment has not yet entered into force.	COBALT
X and Y vs Tax and Customs Board	The tax authority continues to try to classify the transfer of assets through companies as personal income; specifically, transactions in which individuals transfer assets to a company they control before selling them to a third party. The courts clarified that individuals can transfer their assets to a company they control, and this alone doesn't constitute tax evasion if the company later sells the assets at a profit. The courts emphasised that a taxpayer may make tax-efficient choices so long as they do not distort the economic substance of the transaction. A natural person may use their assets through a company to earn income from business activities. It is also neither prohibited nor taxable for a natural person to transfer their assets to a company under their control at a price below market value, provided the company earns income from the resale of those assets.	RASK

LATVIA

MAXIMA Latvija vs State Revenue Service	The Senate confirmed that the outcome of a mutual agreement procedure binds the State Revenue Service to correct its audit calculations, even if the audit decision was not appealed. It emphasised that the procedure aims to ensure fair profit allocation between associated enterprises and to eliminate double taxation by revising profit adjustments made by national authorities. The Court held that once the procedure establishes that part of the assessed tax was incorrect, the related audit decision becomes unlawful to that extent, and penalties or late-payment interest inseparably linked to the cancelled tax must also be annulled.	N/A
Private person vs State Revenue Service	The Senate confirmed that tax debts of a company cannot be recovered from a board member after the company has been removed from the commercial register and its debts written off, emphasising that the write-off legally extinguishes the debt and that the recovery procedure requires the company to exist since it provides for alternative collection and allows both parties to initiate insolvency proceedings.	N/A
4finance, Finanza, DelfinGroup, ViziaFinance, West Kredit, VIA SMS vs Parliament	The Constitutional Court upheld the corporate income tax advance payment system for consumer credit service providers, finding it consistent with the Constitution. It ruled that the system is justified by the sector's high profitability rather than EURIBOR fluctuations and does not impose a disproportionate burden, as it serves to secure state budget revenue for public welfare. The Court accepted that these providers differ from credit institutions, allowing the legislator to distinguish them to ensure regular tax payments. It also found no violation of property rights, noting that advance payments apply only to a provider's own profits and pass-through dividends remain untaxed, with unlimited carry-forward available.	COBALT (as experts)

LITHUANIA

Delta projektai vs State Tax Inspectorate	The Supreme Administrative Court assessed how two conditions for group loss transfer interact under the Law on Corporate Income Tax. The case concerned a refund denied after the company offset 2018 profits with losses received from a group entity. The taxpayer argued that ≥2/3 control is required only on the transfer day, while the two-year requirement concerns uninterrupted group membership. The court agreed, defined the "transfer day" as the date of the loss-transfer agreement, annulled the tax authorities' decisions, and awarded costs. The ruling clarifies that the control threshold need not be maintained for two years.	N/A
Private person vs State Tax Inspectorate	Tax dispute over personal income tax on proceeds from a flat sale. The taxpayer claimed the home-sale exemption, arguing she had lived in the flat and that substance should prevail over form. The tax authority found she had not declared that address as her residence and assessed PIT, a reduced fine, and interest. The court held that the law requires a declared residence for the prior two years; factual living is irrelevant. It rejected substance-over-form. The appeal was dismissed. The ruling confirms the declaratory requirement and narrows the use of substance-over-form here.	N/A
Tauritus vs State Tax Inspectorate	The Supreme Administrative Court examined whether a supplier may apply the 0% VAT rate to intra-EU fuel sales when the goods left Lithuania, but CMR/EMCS records showed delivery only to Polish excise warehouses—not to the Croatian purchaser named on the invoices. The company argued that 0% was justified because the buyer's VAT number was valid and the consignments were exported, and that it acted diligently. The court held that 0% requires all three elements: transfer of the right to dispose to the identified VAT-registered purchaser, cross-border dispatch, and supply to a VAT payer in another Member State; warehouse stamps and a VIES check are insufficient without buyer-acknowledged second CMRs or equivalent proof, and the rate is denied where the supplier knew or should have known it was in a fraud chain. The court upheld tax authorities' assessment and dismissed the appeal, clarifying suppliers' due diligence duties and the difference between proving export and proving delivery to the actual buyer.	N/A

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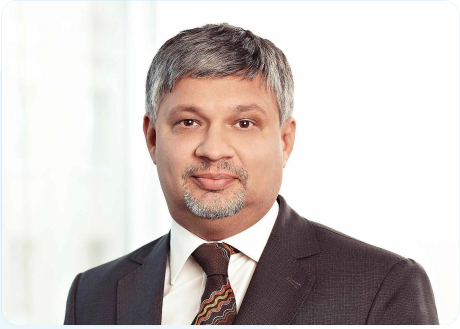

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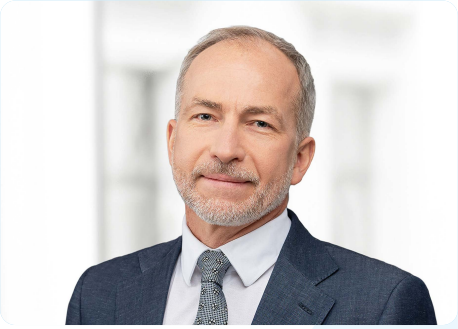

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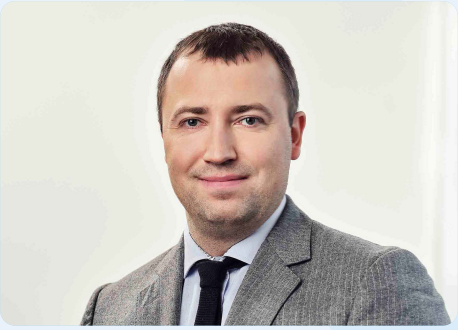

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