

INVESTMENT ACCOUNT: WHAT DOES INVESTOR NEED TO KNOW?

From 2025, the Investment Account (IA) system will come into force in Lithuania - a new way of investing and tax-efficient planning. Here is the most important information, based on official data from the STI.

WHAT AN INVESTMENT ACCOUNT IS?

An investment account is any separately accountable account that holds and uses funds for investments. It allows you to postpone the payment of Personal Income Tax (PIT) until the moment when the profits are withdrawn from the account.

IA purpose:

- Encourage long-term investing
- Simplify the taxation of investments income
- Allow reinvestment of profits without additional tax

WHO CAN USE AN INVESTMENT ACCOUNT?

- A permanent resident of Lithuania who is considered:
 - Living in Lithuania for more than 183 days per calendar year
 - Have a personal, social or economic interest in Lithuania (e.g. family, work, business)
 - Declares Lithuania as their permanent place of residence

HOW DOES AN INVESTMENT ACCOUNT WORK?

1. Account selection

- May be a newly opened or existing account with a bank/payment institution in Lithuania, EEA, OECD countries or countries with which Lithuania has a double taxation agreement
- For investment only, not for everyday payments

2. Declaring to STI

- First declaration in 2026 for 2025
- All IA and their related deposits and withdrawals must be specified

THROUGH WHICH TOOLS CAN I INVEST WITH IA?

- Shares and bonds (publicly traded);
- Units of collective investment undertakings;
- Derivative financial instruments;
- Money market instruments;
- State savings certificates;
- Crowdfunding and peer-to-peer lending (the PROFITUS platform falls into this category).

WHICH INSTRUMENTS CANNOT BE USED TO INVEST WITH IA?

- Cryptocurrencies;
- Loans to related parties;
- Investments in businesses where you have significant control (e.g. your own start-ups).

HOW ARE PROFITS AND PERSONAL INCOME TAX CALCULATED WITH IA?

Profit = Withdrawals - Deposits - Investment expenses.

Personal income tax rate:

- 15% if the profit for the year is less than 120 average salaries (which is ~ EUR 200-250 thousand)
- 20 % if above 120 average salaries

The tax moment is only when the funds are withdrawn from the IA.

500 € annual relief (for normal taxation) - not applicable in the IA mode. Example:

- Deposited: 10 000 €
- Withdrawn: 15 000 €
- Expenses: 500 €

Profit = €4,500, which is taxed at 15% of the personal income tax rate, plus €675 in personal income tax.

ADDITIONAL IMPORTANT POINTS

- You can have more than one IA, but they must all be declared separately.
- Financial instruments acquired before 31st of December 2024 may be included in the IA if declared before 1st of May 2026 for the tax year 2025.

- In this case, their acquisition value must be stated as a deposit to the investment account.
- Investments made in 2025 outside the investment account are not included in the investment account mode.
- Funds can be transferred from one IA to another without tax implications.
- The IA mode is optional - the investor can choose whether to use it or stay with the €500 allowance.
 - If the annual interest earnings are up to EUR 500, it is not beneficial for the Investor to use the Investment Account.

HOW DO I START USING AN INVESTMENT ACCOUNT ON THE PROFITUS PLATFORM?

To have your investments made through the PROFITUS platform treated under IA mode:

1. Funds must be transferred from your investment account.
 - The PROFITUS wallet, created by our payment operator - Lemonway, cannot be recognised as an IA.
2. Once you have funds in your PROFITUS wallet, invest as you have done before.

HOW DO I MAKE A WITHDRAWAL ON THE PROFITUS PLATFORM USING AN INVESTMENT ACCOUNT?

1. Withdrawals from the PROFITUS wallet must be returned to the same IA account from which the deposits were made.
2. If no transactions have been made in your new IA account so far, you can make a minimum top-up of EUR 1 to your PROFITUS wallet. You will need to attach a copy of the payment in order to withdraw the funds. Once you have saved your bank account details and a copy of the transfer, our payment operator - Lemonway - will approve your bank account within 2-3 days. You will be notified by a separate email if your account has been successfully validated.
3. Once your bank account is confirmed, you will be able to initiate a withdrawal of the desired amount.

* An investor can only have one assigned account on the platform.

IA OR €500 ALLOWANCE - WHICH TO CHOOSE?

Criteria	Investment account (IA)	500 EUR allowance
When is tax payable?	Only after withdrawing profits from IA	When you exceed an annual profit of 500 EUR
Adaptable across platforms?	Yes	Yes
Benefits	Flexible tax planning, reinvestment	Simple if earnings are not high
Suitable	For medium and large investors	For beginner investors

BRIEFLY: HOW TO PREPARE?

- Open a new account for investing
- Use it only for investments
- Transfer funds through it to PROFITUS

For 2026, when filing your annual income tax declaration, declare it as IA

If you have any further questions, please contact us by email - support@profitus.it

PROFITUS team