

# **NATIONAL LEGISLATION: LITHUANIA**

1. Lithuanian Civil Code

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## 1. LITHUANIAN CIVIL CODE

18 July 2000 No VIII-1864

### **Book Three Family Law**

#### **Part VI**

#### **Rights and Duties of Other Members of the Family**

#### **Chapter XV**

#### **Living Together of Persons Not Legally Married (Cohabitation)**

##### **Article 3.229. Scope**

The provisions of this Chapter shall regulate the relations in property of a man and a woman who, after registering their partnership in the procedure laid down by the law, have been cohabiting at least for a year with the aim of creating family relations without having registered their union as a marriage (cohabitees).

##### **Article 3.230. Assets subject to the legal regime set in this Chapter**

1. The provisions of this Chapter shall regulate the legal regime of the assets referred to in this Chapter provided the assets have been acquired and used jointly by the cohabitees.
2. The community property of cohabitees shall include:
  - (1) a dwelling house or a flat acquired and used together by cohabitees for their life together;
  - (2) the rental, usufruct or any other right of one of the cohabitees to use the dwelling house or the flat which the cohabitees use for their life together;
  - (3) immovable property related to the dwelling house or flat used and acquired together provided the immovable is used by the cohabitees together;
  - (4) furniture and other household utensils acquired and used together by the cohabitees except for the chattels which the cohabitees use separately.
3. The provisions of this Chapter shall not be applicable to assets which the cohabitees use for recreation (garden, summer cottage, etc.).

##### **Article 3.231. Legal regime of assets used by the cohabitees together**

1. Where the immovables or the rights to the immovables referred to in Article 3.230 hereof are registered in the name of one of the cohabitees, both cohabitees may require, by submitting a joint application to the public register, the addition of a record to the effect that the cohabitees use these immovables or the rights to these immovable together. The signatures of

the cohabitees adduced to such an application must be certified by a notary public.

2. Cohabitees shall have a right to make an agreement by a notarial deed on how the assets acquired and used together should be divided after their life together ends. Provisions of Articles 3.101-3.108 hereof shall be applicable to such agreements *mutatis mutandis*.

**Article 3.232. Division of assets acquired and used together**

At the request of one of the cohabitees the court may divide all the assets, acquired and used by the cohabitees together, after the death of one of the cohabitees or at the end of their life together provided the cohabitees had not made an agreement on the division of assets certified by a notary public.

**Article 3.233. Limitations of the right to dispose of the assets used together**

1. Without the written consent of the other cohabitee, a cohabitee shall have no right to sell, donate or alienate in any other way, lease or charge the assets acquired and used together or to encumber the rights to such assets in any other way.

2. Paragraph 1 of this Article shall not be applicable if a cohabitee is incapable of giving such a consent due to incompetence or the consent of the other cohabitee is unavailable due to other important reasons. In such a case the permission to make a transaction may be granted by the court at the request of the other cohabitee.

3. Transaction made in violation of the rules set in paragraphs 1 and 2 may be declared null and void in an action brought by the cohabitee who has not given his or her consent to the transaction except in cases where a third party recipient of the assets sold, charged or leased was in good faith. The time limit for bringing an action for the avoidance of such a transaction shall be one year from the day when the cohabitee knew or should have known about the transaction.

**Article 3.234. Division of assets used together**

1. To divide assets acquired and used by cohabitees together in cases referred to in Article 3.232 the court shall first establish the assets acquired and used together and the separate assets of each cohabitee. Debts contracted by the cohabitees together and outstanding at the end of their life together shall be deducted from the assets acquired and used together by the cohabitees.

2. The assets acquired and used together remaining after the deduction of the joint outstanding debts of the cohabitees shall be divided into two equal shares except in cases provided for in this Article.

3. The court shall have a right to depart from the principle of equal shares if it is just and reasonable to award one of the cohabitees a bigger share of the assets taking account of the interests of their minor children, the duration of their life together, their age, health, financial situation, personal contribution to the community property and other important circumstances.

4. A dwelling house or a flat may be awarded to the cohabitee who is in greater need of a residence place taking into consideration his or her age, health, financial situation, the interests of his or her minor children and other important circumstances. In such cases the share of this cohabitee in other community assets shall be reduced. Where the value of the dwelling house or the flat exceeds the value of the cohabitee's share in the assets, he or she must be compensated in money to the other cohabitee for the difference in the value.

5. The dwelling house or the flat which belonged to one of the cohabitees before their life together can be left to the other cohabitee under right of usufruct if he or she has underage children born to the cohabitation or due to health, age or other important reasons does not have his or her own dwelling place.

6. Assets other than those referred to Article 3.230 hereof acquired and maintained by using the funds of both cohabitees, shall be divided in accordance with the rules of shared community property.

#### **Article 3.235. Right to use a dwelling place**

1. Having regard to the duration of cohabitation, the interests of the minor children of the cohabitees, the age, health, financial situation of the cohabitees and other important circumstances, the court shall have a right to award the use of the rented dwelling place to the cohabitee who is in greater need of the dwelling place.

2. Having regard to the circumstances of the case, the court may obligate the cohabitee who has been awarded the right to use the rented dwelling place to pay compensation to the other cohabitee for the expenses related to the search for and movement to another dwelling place.

### **Book Four**

### **Material Law**

### **Section Four**

### **Co-ownership Right**

**Article 4.72. Definition of common ownership and its subjects**

1. Co-ownership right is the right of two or several owners to possess, use, and dispose of the object of the right of ownership held by them as common.
2. A co-owner may be any person that can be the subject of property relations.

**Article 4.73. Kinds of co-ownership**

1. Common partial ownership is ownership when shares of each co-owner are established in the co-ownership, while common joint ownership right is ownership when such shares are not established.
2. Common ownership right shall be deemed partial, unless the laws provide otherwise.
3. When the size of specific shares of each co-owner is not established, it is assumed that these shares are equal.

**Article 4.74. Object of common ownership right**

Any thing or other property may be the object of co-ownership right, unless otherwise provided by law.

**Article 4.75. Implementation of co-ownership rights**

1. The object subject to common partial ownership is possessed, used and disposed of by a common agreement of co-owners. In case of disputes, the order of possession, use or disposal is established by a judicial procedure on the basis of a claim by one of the co-owners.
2. If a object of common partial ownership was directly possessed, used and disposed of not by all co-owners, then the other co-owners have the right to receive a respective report annually or immediately after they have ceased to directly possess, use and dispose of the property held in common partial ownership.

**Article 4.76. Rights and duties of co- owners in possession and maintenance of common partial ownership**

Each of the co-owners in proportion to their respective shares shall have the right to the profits obtained from thing (property), shall be accountable to third persons in relation to duties related to a thing (property), held in co-ownership and shall pay expenses related to its maintenance and preservation, taxes, dues and other payments. If one of the co-owners fails to fulfill the obligation to maintain and take care of thing (property), the other co-owners shall have the right to a compensation for losses thus incurred.

**Article 4.77. Change of rights of co-owners due to increase of common partial ownership**

1. If a co-owner, in agreement with the other co-owners and in keeping with the rules established by relevant laws, increases the thing owned in common or the value thereof, the share of such co-owner in the common partial ownership and the order of the use of such thing owned in common shall be changed respectively, upon his demand.

2. If a co-owner increases the thing owned in common or the value thereof without the consent of the other co-owners, he shall acquire the right to that increased part, provided it can be partitioned without causing damage to the entire thing. If the increased part of a thing or its value cannot be partitioned from the main body without causing damage to the thing, the shares of all the co-owners shall increase in proportion to their shares of property held in common.

**Article 4.78. The right of a co-owner to transfer or encumbrance the right to his share of the thing held in common partial divided ownership**

Each co-owner shall have the right to transfer in possession of, lease or otherwise alienate, mortgage or encumbrance in some other way all or a part of his share held in common partial ownership, with the exception where this Code stipulates otherwise.

**Article 4.79. Priority right to buy shares held in co-ownership**

1. Co-owners shall enjoy the right to buy the share in sale of the commonly owned property at a price at which it is sold, and under the same conditions, with the exception of cases when the sale takes the form of a public auction.

2. The seller of a share commonly owned shall inform the other co-owners in written form about the intention to sell his part to others than the co-owners, indicating the price and other conditions of sale. When a share of an immovable thing commonly owned is sold, such information shall be given through a notary. When the other co-owners renounce their priority right to buy the share or fail to use such right to the immovable thing within one month, and to other thing, within ten days from the day of receipt of such notification, provided the co-owners have not agreed otherwise, the seller shall have the right to sell his share to any person.

3. If the share is sold in violation of priority right to buy it, the other co-owner shall have the right, within three months, to demand through court, the transfer of buyer's rights and obligations to him.

4. The seller and buyer of a share of common property are jointly responsible for the obligations pertaining to the share of the thing on sale, arising from the sale of the thing with regard to the other co-owners.

**Article 4.80. Partitioning of common partial divided property**

1. Each co-owner shall have the right to demand that his share should be partitioned from the common partial ownership.
2. Provided no agreement is reached regarding the mode of partitioning, the thing shall be divided in kind possibly without disproportionate damage to its destination; in other cases, one or several of the co-owners thus partitioned shall receive compensation in money.
3. A creditor of a co-owner shall have the right to partition the debtor's share, in order to claim it.
4. If one of co-owners is incapable of action or under age, in partitioning his share of co-ownership, a tutor (care) institution shall be present.

**Article 4.81. The order of use of houses, flats and other immovable things owned in common**

1. Co-owners of a house, flat or other immovable things shall have the right upon common agreement to establish the order for the use of specific parts of isolated spaces of that house, flat or other immovable things, with regard to their respective shares of common partial property.
2. If the agreement as stipulated in this article is certified by a notary and registered in a public register, it shall be obligatory also to a person that acquires a part of the house, flat or other immovable thing held in common partial ownership at a later time.

**Article 4.82. Right of common partial divided ownership to flats and other premises**

1. Owners of flats and other premises shall have common ownership right to commonly used premises of a house, to carrying constructions, mechanical, electrical, sanitary- technical and other equipment of common use.
2. The owner of a house, flat or other premises shall have no right to transfer his share of the common partial property, as described in paragraph 1 of this Article, or perform other acts due to which that share would be transferred separately from ownership right to the flat or other spaces, with the exception of cases when a part of thing held in common partial ownership, which can be, or will be after restructuring, used as a separate thing, this use being no impediment to the use of flats or other premises according to their destination, is transferred.
3. Owners of flats and other premises shall pay a proportionate share of expenses of the maintenance and protection of the house, as well as of taxes, dues, and other fees, and shall make regular contributions into the renovation fund of the house.

4. The rules stipulated in Article 4.79 of this Code shall also apply when owners of flats and other premises of a house sell to other persons their entire share or a part of their proportionate share of the property held by them in common partial ownership (attic, cellar, etc.). If the share on sale of the thing held in common partial ownership is or can be used to meet the needs not of the entire building but of the owners located in a part thereof (separate stairwell/ entrance etc.), without violating the rights of the owners of premises present in that building, then notification shall be made regarding the sale of that part held in common partial ownership to the owners of premises located in that part of the building, and only these latter shall enjoy priority right to buy it.

5. The share of common partial property owned by the owner of a flat or other premises shall be equal to the proportion between the useful space owned by him and the entire useful space of the building.

**Article 4.83. Rights and duties of owners of flats and other premises to use common partial property**

1. Owners (users) of flats and other premises shall have the right to use parts of common use of a dwelling according to their function, on condition such use does not violate the rights and rightful interests of other space owners (users).

2. Owner of flats and other premises shall also have the right:

(1) to take necessary measures without prior consent of other owners (users) in order to prevent damage and eliminate threats to parts of common use, and demand from the other owners of flats and premises compensation for expenses in proportion to the share of these owners in the common partial property.

(2) Demand from other owners (users) of flats and other premises that the possession and use of parts of common use of a dwelling should be in correspondence with the rights and rightful interests of other owners (users). The rightful interests of owners of flats and other premises shall include establishing internal rules of a dwelling, due maintenance and care of parts of common use, preparation of a financial and economic plan for the maintenance of a dwelling, accumulation of renovation funds for parts of common use.

3. Owners (users) of flats and other premises shall possess, duly maintain, repair and otherwise tend to the parts of common use. For the possession of parts of common use of a multi-flat dwelling, owners of flats and other premises shall establish an association of owners of flats and other premises or shall make up an contract on joint activity.

4. Owners (users) of flats and other premises do not have to pay expenses incurred without their consent and which are not related to compulsory

requirements regarding the use and care of buildings established by laws and other legal acts, or when there is no decision by the administrator or by a meeting of owners of flats and other premises as established by Articles 4.84 and 4.85 of this Code.

5. Owners (users) of flats and other premises shall allow appointed persons to repair and otherwise put in order the mechanical, electric, technical and other equipment of common use that is situated in their flat or other premises.

6. Owners of flats and other premises shall have the right to income received from parts in common use, in proportion to their share in the common partial divided property.

**Article 4.84. Administration of common partial ownership of owners of flats and other premises, when such owners have not formed a condominium or have not made a contract on joint activities (partnership)**

1. When owners of flats and other premises have not established an condominium of owners of flats and other spaces of a living house or have not made a contract on joint activities (partnership), also when an condominium has been liquidated or a contract has terminated, an administrator of parts in common use shall be appointed.

2. Such administrator shall be appointed by the mayor (board) of a municipality or his (her) representative. The administrator shall administer the property in accordance with Article 4.240 hereof.

3. The administrator shall act in accordance with regulations endorsed by the mayor (board) of the municipality. Standard regulations on the administration of co-ownership of flats and other spaces shall be approved by the Government or an institution delegated thereby.

4. The expenses of administration shall be covered by owners of flats and other premises in proportion to their share of property in the common partial ownership.

5. Administration shall be terminated as established by Article 4.250 hereof, as well as upon registration of the statutes of an condominium of owners of flats and other premises of a living house, or upon making of a contract on joint activities (partnership).

6. Rules stipulated in Chapter XIV of this Book shall apply, *mutatis mutandis*, to the activities of the administrator.

**Article 4.85. Implementation of right of common partial ownership of owners of flats and other premises**

1. Decisions regarding the possession and use of parts of common use shall be taken by the majority of votes of the owners of flats and other premises,

provided the statutes of the association of owners of flats and other premises or the contract on joint activities does not establish otherwise. Each owner of a flat or other premises shall have one vote. If a flat and other premises are owned by several owners, they shall be on common accord represented by one person, which shall have that vote.

2. Decisions of owners of flats and other premises shall be taken at the meeting of owners of flats and other premises. The agenda of the meeting shall be notified in public two weeks before the meeting takes place.

Meetings of owners of flats and other premises shall be called by the board (chairman) of the company or by a person delegated by parties to the joint activities contract by owners of flats and other premises, or by administrator of flats and other premises held in common partial property.

3. Decisions by owners of flats and other premises shall be made public and shall be binding to all owners of flats and other premises, as well as to owners who have acquired ownership rights to flats and other premises after such decisions have been taken. Such decisions cannot limit the rights and legitimate interests of owners of flats and other premises and third persons, with the exception of cases established by this Code and other laws.

4. Decisions of owners of flats and other premises may be taken without convening a meeting, upon written notification about their decision. The manner of voting in writing shall be established by the Government or an institution delegated thereby.

#### **Article 4.86. Rights and duties of co-owners in using and maintaining common joint property**

1. Co-owners shall have equal rights to income obtained from common thing (property), shall respond to third persons according to the obligations related to the thing (property) co-owned, and shall jointly pay expenses arising from the use and maintenance of the thing, as well as taxes, dues and other fees, provided they have not agreed or the law does not establish otherwise.

2. The right of common joint ownership may arise only in cases established by law.

#### **Article 4.87. Change of rights of co-owners upon increasing common joint property**

If a co-owner increases the common thing or its value in keeping with the rules established by law, all co-owners shall have equal rights to the increased thing or its value.

**Article 4.88. Right of co-owner to transfer or limit the right to the part held in joint common ownership**

1. A thing (property) which is object of common joint ownership is possessed, used and disposed of only upon agreement by co-owners.
2. Agreement of co-owners is necessary in order to transfer the immovable thing to the ownership of another person, to rent or to give for use in some other way, to mortgage or otherwise to encumbrance the right to the thing. If a co-owner is under age, permission may be given by his parents, guardians, or bread-winners.
3. A co-owner shall have no right to transfer to the ownership of another person his share of common joint ownership until that share has not been established in the common thing (property), with the exception of cases where the thing (property) is being inherited, and in other cases established by law.

**Article 4.89. Establishing the share of a co-owner in common joint ownership**

1. The share of a co-owner in common joint ownership shall be established upon demand of the co-owner or upon expiration of legal relations of common joint ownership, or when the share of the co-owner is claimed as liability in relation to his personal obligations, if the rest of the property owned by such person is not sufficient to reimburse the claims of the creditors.
2. The size of the share of a co-owner in common joint ownership shall be established upon agreement among co-owners. In the event of failure to reach such agreement, the court shall decide.

**Article 4.90. Partitioning of common joint ownership**

1. Each co-owner shall have the right to partition his share from the common joint ownership.
2. If a dispute arises regarding the manner of partitioning, upon the claim by an alienating co-owner the thing may be divided in kind, without causing disproportionate damage to its function. In a contrary case, the partitioning co-owner shall receive compensation in money.
3. The creditor of a co-owner shall have the right to submit a claim regarding the partitioning of the share of a co-owner and such share itself.

**Article 4.91. Payment for common joint property**

1. On the basis of contracts made by one of the co-owners, claims can be indemnified from the entire common joint property, if circumstances do not indicate that the contract was made in the personal interest of the

person making the contract, and when the law does not establish otherwise.

2. Damage caused by a crime committed by a co-owner may be paid from the common joint ownership if a court decision rules that the thing making the subject-matter of common joint ownership has been acquired by funds received from criminal activity or that its value has increased due to such funds.

#### **Article 4.92. Common joint ownership right of spouses**

1. The common joint ownership right of spouses shall be established by the rules stipulated in Book Three of this Code

2. Provided no agreement has been reached on the matter and Book Three of this Code does not stipulate otherwise, common joint ownership of spouses shall also include agricultural implements acquired by the common funds of spouses.

### **Book Five**

#### **Law of Succession**

### **Chapter I**

#### **General Provisions**

#### **Article 5.1. Concept of succession**

1. Succession is the devolution of property rights, duties and some other personal non-property rights of a deceased natural person to his heirs by operation of law (intestate) or/and to successors by the will (testate).

2. The following shall be subject to succession: material objects (movable and immovable things) and non-material objects (securities, patents, trade marks, etc.) claims of patrimonial character and property obligations of the bequeather; in cases provided for by laws – intellectual property (authors' property rights to works of literature, science and art, neighbouring property rights and rights to industrial property), as well as other property rights and duties stipulated by laws.

3. The following shall not be subject to succession: personal non-property and property rights inseparable from the person of the bequeather (right to honour and dignity, authorship, right to author's name, inviolability of creative work, to the name of performer and inviolability of performance), right to alimony and benefit paid for the maintenance of the bequeather, right to pension, except in cases provided for by laws.

#### **Article 5.2. Grounds for succession**

1. Succession shall arise by operation of law and by a will.

2. Succession shall arise by operation of law unless the testator has changed, and to the extent he has changed, the grounds for succession by his testamentary disposition.

3. In the instances when there are no successors either by operation of law or by a will, or none of the successors accepts succession, or when the testator deprives all the heirs of the right to succession, the estate of the deceased shall devolve to the state pursuant to the right of succession.

### **Article 5.3. Opening of succession**

1. The time of the opening of succession shall be considered the moment of death of the bequeather, and in the event where he is declared deceased, the day when the judgement of the court on the declaring of the bequeather to be deceased becomes *res judicata*, or the day of death indicated in the court judgement.

2. In the instances where it is impossible to determine which of the two or more persons survived the each other, they all shall be considered to have died at the same time, without the arising of the devolution of rights.

### **Article 5.4. Place of the opening of succession**

1. The place of the opening of succession shall be considered the last place of domicile of the bequeather (Article 2.12 of this Code).

2. In the event where the bequeather had no permanent place of residence, the place of the opening of succession shall be considered to be:

(1) the place where the bequeather lived most time during the last six months before his death;

(2) if the bequeather resided in several places, the place of the opening of succession shall be considered the place of prevailing economic or personal interests of the bequeather (place of location of property or its principal part, when the property is situated in several places; the place of residence of the spouse with whom the bequeather maintained matrimonial relationship during the last six months before his death, or the place of residence of the child who was residing together with the bequeather).

3. Where the place of residence of the bequeather is impossible to determine in accordance with the circumstances indicated in Paragraphs 1 and 2 of this Article, the place of the opening of succession may be determined in accordance with the citizenship of the bequeather, his registration, the place of registration of the vehicles belonging to him, and other circumstances.

4. In the event of dispute, the place of the opening of succession may be determined by the court under the request of the interested persons, taking in regard all circumstances.

## **Chapter II**

### **Successors**

#### **Article 5.5. Persons who have capacity to inherit**

1. The following persons shall have the capacity to inherit:

(1) in succession by operation of law: natural persons who survived the bequeather at the moment of his death, children of the bequeather who were born after his death, likewise the State of Lithuania;

(2) in succession pursuant to a will: natural persons who survived the testator at the moment of his death, likewise those who were conceived while the testator was still alive and were born after his death; persons named in the will before their conception – upon their birth;

(3) in succession pursuant to a will: legal persons which existed at the moment of death of the testator, or established in executing the testator's true intent expressed in his will.

2. The state or municipalities may also be entitled to inherit pursuant to a will.

#### **Article 5.6. Persons unworthy of inheriting**

1. Those persons shall be unworthy of inheriting either by operation of law or by a will who by unlawful intentional actions against the bequeather, or against any of his successors, or against the execution of the true intent of the testator expressed in his will, created legal situation to become successors if it was established within judicial procedure that they:

(1) by malicious intent deprived the bequeather or his successor of their life, or made an attempt on the life of those persons;

(2) intentionally created circumstances which hindered the testator until his death in writing, amendment or revocation of the will;

(3) by means of deceit, intimidation or coercion made the testator write up, amend or revoke the made will, or forced a successor to renounce succession;

(4) concealed, forged or destroyed the will.

2. A successor shall not be unworthy of inheriting in accordance with Points 3 and 4 of Paragraph 1 of this Article if before the opening of succession, the will or relevant parts thereof ceased to be valid despite the actions of the successor.

3. Parents shall be unworthy of inheriting after the death of their children by operation of law if they were deprived of parental authority in accordance with a court judgement, and this judgement was not extinguished or abolished at the moment of the opening of succession.

**Article 5.7. Forfeiture of the right of succession by a spouse**

1. The surviving spouse shall forfeit his/her right of succession by operation of law if before the opening of succession:

(1) the bequeather had applied to the court for the dissolution of marriage because of the fault of the surviving spouse, and the court had established a ground for the dissolution of marriage;

(2) separation had been established by the court;

(3) there was a ground for declaring the marriage null and void if a suit had been brought for declaring the marriage null and void. This point shall not apply in respect of a spouse who was not at fault for the marriage being declared null and void.

2. The grounds for declaring marriage null and void established in points 1 and 3 of paragraph 1 of this Article shall be established by the court before the opening of succession, or already after the opening of succession.

**Article 5.8. Challenging the right of succession**

A person claiming inheritance shall be able to challenge the lawfulness of the acceptance of succession as well as the issued certificate of the right of succession by bringing an action against the person who has accepted succession within a period of one year from the day of the opening of succession, or from the day when he became aware or should have become aware that the succession was accepted by another person.

**Article 5.9. Effects of the challenging of the right of succession**

1. When the court judgement by which the person claiming inheritance is not acknowledged heir with the right of succession becomes *res judicata*, this person shall be considered as not having accepted succession.

2. Where the action has been brought by a heir with the right of succession, he shall be considered as having accepted the succession, except in cases where this action is brought in the interests of other heirs.

3. Other heirs who ought to acquire the right of succession upon the court judgement indicated in Paragraph 1 of this Article becoming *res judicata*, shall have the right to accept succession within three months from the day when the court judgement becomes *res judicata*.

4. In respect of new heirs, heirship shall be considered open from the moment of the opening of succession (Article 5.3 of this Code).

**Article 5.10. Persons not entitled to testamentary reservation**

In the event where the beneficiary of testamentary reservation has performed actions indicated in Paragraph 1 of Article 5.6 of this Code, he shall forfeit his right to the testamentary reservation.

### **Chapter III**

#### **Succession by Operation of Law (Intestate Succession)**

##### **Article 5.11. Order of intestate succession**

1. In intestate succession, the following persons shall be heirs to inheritance in equal shares:

(1) first degree descendants: bequeather's children (including adopted children) and bequeather's children born after his death;

(2) second degree descendants: bequeather's parents (adoptive parents), grandchildren;

(3) third degree descendants: bequeather's grandparents both on the father's and mother's side, bequeather's great grandchildren;

(4) fourth degree descendants: bequeather's brothers and sisters, great grandparents both on the father's and mother's side;

(5) fifth degree descendants: children of the bequeather's brothers and sisters (nephews and nieces), likewise brothers and sisters of the bequeather's parents (uncles and aunts);

(6) sixth degree descendants: children of the bequeather's parents' brothers and sisters (cousins).

2. Second degree heirs shall inherit by operation of law only in the absence of the first degree heirs, or in the event of the latter's non-acceptance or renunciation of succession, likewise in cases where the first degree heirs are deprived of the right to inherit. The third, fourth, fifth and sixth degree heirs shall inherit in the absence of heirs of superior degree or in the event of latter's renunciation of succession or deprivation of the right to succession.

3. Adopted children and their descendants worthy to inherit after the death of their adoptive parent or his relatives shall be equalled to the children of the adoptive parent and their descendants. They shall not inherit by operation of law after the death of their parents and other blood relatives of a higher degree in the line of descent, likewise after the death of their blood brothers and sisters.

4. Adoptive parents and their relatives entitled to inherit after the death of their adoptive child or his descendants shall be equalled to the parents and other blood relatives. Parents of the adopted child and other blood relatives of a superior degree in the line of descent shall not inherit by operation of law after the death of the adopted child or his descendants.

5. Entitled to inherit by operation of law shall be the children of the bequeather born to their parents in marriage, or to the parents whose marriage was acknowledged null and void, likewise children born out of wedlock with their paternity established in accordance with laws.

**Article 5.12. Succession by the right of representation**

The bequeather's grandchildren and great-grandchildren shall inherit by operation of law alongside with correspondingly the first and second degree heirs entitled to inherit in the event of the predecease at the time of the opening of succession of any of their parents who would have been a heir. They shall be entitled to equal shares of that part of estate which would have been inherited by their deceased father or mother pursuant to intestate succession.

**Article 5.13. Spouses' right of inheritance**

The surviving spouse of the bequeather shall be entitled to inherit pursuant to intestate succession or alongside with the heirs (if any) of either the first or second degree of descent. Together with the first degree heirs, he shall inherit one fourth of the inheritance in the event of existence of not more than three heirs apart from the spouse. In the event where there are more than three heirs, the spouse shall inherit in equal shares with the other heirs. If the spouse inherits with the second degree heirs, he is entitled to a half of the inheritance. In the event of absence of the first and second degree heirs, the spouse shall inherit the whole inheritable estate.

**Article 5.14. Inheritance of house furnishing and household equipment**

Ordinary house furnishing and household equipment shall be devolved to the intestate heirs irrespective of their degree of descent and the share of inheritance if they resided together with the bequeather for a period of at least one year before his death.

**Chapter IV**

**Inheritance by Will (Succession)**

**Article 5.15. Testamentary capacity**

1. A will may be made exclusively by the testator himself.
2. A will may be made only by a legally capable person who is able to comprehend the importance and consequences of his actions.

**Article 5.16. Nullity of a will or its parts**

1. A will shall be null and void if:
  - (1) made by an legally incapable person;
  - (2) made by a person of limited legal capacity due to the abuse of alcoholic drinks, narcotic or toxic substances;
  - (3) its content is unlawful and impossible to understand.

2. A will may be acknowledged null and void on other grounds of nullity of transactions.
3. A perished will shall have no effect. The content of such a will may not be established by judicial procedure.
4. A testator may not authorise another person to establish or alter the content of a will after the death of the testator.

**Article 5.17. Contesting of a will**

1. An action for acknowledging a will or separate parts thereof null and void may be brought only by other intestate or testate successors who would be entitled to inherit if the will or separate parts thereof were acknowledged null and void.
2. On acknowledging a later made will null and void, the previous will shall not become effective, except in cases where a later will was acknowledged null and void because it had been made under coercion or real threat, likewise where it had been made by a person acknowledged by the court legally incapable, or by a person whose legal capacity was limited by the court on the grounds of abuse of alcoholic drinks, narcotic or toxic substances.

**Article 5.18. Conditions for making a will**

1. A testator shall make a will freely, without coercion or error. Ordinary persuasion or request of interested heirs for a will to be made in their favour shall not be considered coercion and shall not affect the validity of the will.
2. Mistakes in the text of the will, incorrect naming of persons, or the fact that some characteristics or state of a certain person or thing has changed or disappeared shall have no effect if the true intent of the testator is clear from the content of the will.

**Article 5.19. The right of a testator to bequeath his estate at his discretion**

1. Any natural person may bequeath all his property or a part thereof (including ordinary house furnishing and household equipment) to one or several persons irrespective of whether they are his heirs by operation of law, likewise to the state, municipalities or legal persons.
2. A testator may bequeath all his property or a part thereof to legal persons which will have to be established in executing the will, likewise to natural persons not yet conceived and born.
3. A testator may by his will disinherit one, several or all of his heirs.
4. In the event where the testator failed to indicate what share of his estate he bequeathed to every of his successors by the will, the estate shall be divided by equal shares to all of them.

5. In the event where the inheritable estate is divided by the will in such a way that all the shares in their totality exceed the amount of the whole estate, the share of every successor shall be correspondingly reduced.

6. In the event where the totality of all the shares is smaller than the amount of the whole estate, taking in regard the content of the will, the shares of the estate devolved upon each of the successors shall be proportionally increased or the remaining property shall be devolved by the operation of law.

**Article 5.20. Right to the mandatory share of the inheritance**

1. The testator's children (adoptees), spouse, parents (adoptive parents) who were entitled to maintenance on the day of the testator's death shall inherit irrespective of the content of the will a half of the share that each of them would have been entitled to by operation of law (mandatory share) unless more is bequeathed by the will.

2. The mandatory share shall be determined taking in regard the value of the inheritable estate, including ordinary house furnishing and household equipment.

**Article 5.21. Appointment of another successor**

A testator shall have the right by his will to designate another successor in case the successor appointed by the will died before the opening of succession or renounced the succession. The testator may likewise appoint another successor to the secondary successor in case the secondary successor died before the opening of succession or renounced the succession. The number of the appointments of other successors shall not be limited.

**Article 5.22. Inheritance of the part of estate not bequeathed by a will**

1. The part of the testator's estate which remained not included into a will shall be divided in equal shares between the intestate heirs who inherit in accordance with the rules provided for in Articles from 5.11 to 5.14 of this Code.

2. These heirs shall also include the intestate successors who have a share of inheritable estate bequeathed to them by a will unless otherwise provided for by the will.

**Article 5.23. Testamentary reservation**

1. The testator shall have the right to obligate a testate successor to fulfil a certain obligation (testamentary reservation) for the benefit of one or several persons, while these persons shall acquire the right to demand

fulfilment of this obligation. Beneficiaries of the testamentary reservation may be intestate heirs as well as any other persons.

2. The successor authorised by the testator shall have to fulfil the testamentary reservation without exceeding the value of the inheritable property after the claims of the testator's creditors have been satisfied.

3. If the testate successor, authorised to fulfil the testamentary reservation, is entitled to the mandatory share of the inheritance, he shall fulfil the testamentary reservation without exceeding the value of the property inheritable by him which is bigger than his mandatory share.

4. In the event where the successor authorised to fulfil testamentary reservation dies before the opening of succession or renounces the succession, the obligation to fulfil the testamentary reservation shall be alienated to the other successors who have received the share of that successor.

5. In the event where the executor of the testamentary reservation is not specified in the will, the testamentary reservation shall be excluded from the inheritable estate until the shares of the property inheritable by the successors have been determined.

6. The testamentary reservation shall become ineffective in the event of the death of its beneficiary before the opening of the succession.

#### **Article 5.24. Acceptance of the testamentary reservation**

1. The beneficiary of the testamentary reservation shall have the right to accept the testamentary reservation within the period of three months from the day when he became aware or should have become aware of his entitlement to the testamentary reservation.

2. The beneficiary of the testamentary reservation shall inform about his acceptance thereof the executor of the will (administrator of inheritance), the successor who has accepted succession and is authorised to fulfil the testamentary reservation, or the notary public of the place of the opening of succession. In the event where the testamentary reservation is related with the right to immovable property, application in all cases shall be filed with the notary public. The notary shall issue a certificate of the right to inheritance and the testamentary reservation shall be registered in the Public Register.

#### **Article 5.25. Types of testamentary reservation**

1. In the event where the subject-matter of the testamentary reservation is a thing defined by its individual features, the beneficiary of the testamentary reservation, having accepted thereof, shall acquire the right of ownership to this thing from the moment of the acceptance of succession. From that moment, the thing shall be transferred to the

beneficiary of the testamentary reservation together with all the rights and duties related with this thing which belonged to the testator. The accessories of the principal thing shall also belong to the beneficiary of the testamentary reservation.

2. In the even where the subject-matter of the testamentary reservation is composed of claims resulting from obligations, all the supplementary claims which had to be fulfilled before the death of the testator shall also belong to the beneficiary of the testamentary reservation.

3. In the event where the subject-matter of the testamentary reservation is movable things defined as to specific features, such testamentary reservation shall have to be fulfilled irrespective of the existence of such things in the inheritance. If there are several things of this kind, the right of choice shall belong to the beneficiary of the testamentary reservation unless otherwise provided for by the will.

4. The testator shall have the right to obligate a successor to whom an immovable thing (land, house, apartment, etc.) or a private (personal) enterprise is devolved to allow another person for a certain period or for life use the immovable thing or its part, or to transfer the revenue, or a part thereof, derived from that property.

5. In the event where the testator by his testamentary reservation established maintenance for somebody without specifying its content, such person shall be entitled to board, accommodation, clothing and medical care, and those who study shall be entitled to have their study expenses paid for the whole duration of their study, but not longer than until they reach the age of twenty-four.

**Article 5.26. Bequeath of property to the society for useful and charitable purposes**

1. A testator shall be able to bequeath his whole estate, its part, or an individual thing to the society for useful and charitable purposes. A legal person to be established in executing the wish of the testator may be appointed as successor to such property. The testator may obligate his successor or the executor of the will to establish such a legal person.

2. In the event where the successor or the executor of the will fails to take any action for the establishment of the legal person, the interested persons may apply to the court with a request to appoint an administrator and obligate the latter to establish the legal person stipulated in the will.

3. In the event of disappearance of the social need for which the estate was intended, or the property cannot be used for the purpose indicated in the will, and in absence of any related instructions from the testator, the question of a further use of such property shall be decided by the court of

the place of the opening of succession. Such property must be used for the purposes similar to those indicated by the testator.

**Article 5.27. Types of wills**

Wills may be official and private.

**Article 5.28. Official wills**

1. Official wills are such wills which are made in writing in two copies and attested by the notary public or an official of the Consulate of the Republic of Lithuania in the relevant state.

2. Public wills of persons with hearing and speech impairment shall be made with the participation of a person who understands sign language and is trusted by the testator, except in cases where the person with hearing and speech impairment is literate and can read the written up will and confirm in writing of his awareness of the content of the will.

3. The place and time when the will was made shall be indicated therein. The written up will shall be read to the testator alone or with the participation of witnesses. The will shall be signed by the testator himself. The will shall be attested and registered in the Notarial Register in his presence. One copy of the will shall be handed in to the testator, the other shall remain with the institution which has attested it. The information about the making of the will and its content shall be confidential.

4. If the will possessed by the testator or any other person fails to conform to the will deposited with the notary, in case of dispute preference shall be given to the will deposited with the notary, providing that it does not contain any corrections, deletions or erasures that were not agreed upon in accordance with the established procedure.

5. The fact of making an official will may not be disputed.

6. The following shall be equalled to official wills:

(1) wills of the persons undergoing treatment in hospitals or any other institutions of medical care and disease prevention or in sanatoriums, as well as the wills of persons living in the homes for old or disabled people attested by the chief doctors, their deputies for medical matters or doctors on duty of these hospitals, institutions of medical care or sanatoriums, likewise by the directors or chief doctors of such homes for old or disabled people;

(2) wills of persons sailing in seagoing vessels or ships of internal waters flying the flag of the Republic of Lithuania, attested by the masters of those ships;

(3) wills of persons participating in surveyor, research, sport or any other expeditions attested by the heads of those expeditions;

(4) wills of soldiers attested by the commanders of those units, formations or institutions and military schools;

(5) wills of inmates of the places of confinement attested by the heads of these institutions;

(6) wills attested by the neighbourhood executive managers of the place of residence.

7. Persons indicated in Paragraph 6 of this Article shall be obliged as soon as possible to transfer the attested will to the notary in accordance with the procedure determined by the Minister of Justice.

#### **Article 5.29. Signing of wills by another person**

In the event where the testator due to his physical disabilities, illness or any other reasons is unable himself to sign the will, it may be signed upon the testator's request and in the presence of the notary or any other official authorised to attest the will by another legally capable natural person who is not a testate successor, by concurrently indicating the reason for which the testator is not able to sign the will himself. Witnesses shall also put their signatures in the will.

#### **Article 5.30. Private will**

1. A private will is a will written up in hand by the testator indicating the first name and surname of the testator, the date (year, month, day) and place where the will was made, expressing the true intent of the testator and signed by him. A private will may be written up in any language. Failure to indicate the date and place of the making of the will shall render it invalid only in those cases where it is impossible to determine the date and place of the making of the will by any other way, or they are not possible to infer from other circumstances.

2. Corrections introduced by the hand of the testator and the deletions explained by him shall not render the will invalid. Such conditions shall be valid which were mistakenly deleted by the hand of the testator who later made an inscription by his hand testifying that those conditions were deleted by mistake. The will shall be valid if there is some word omitted by mistake, or a word contains a spelling mistake; the relevant conditions shall also be valid, providing that their meaning is not obscure.

3. A will which is undeniably unfinished and unsigned shall be null and void.

4. If a will contains an inscription about the testator's intent to supplement it in the future though he failed to accomplish that, such will shall be valid, providing that it can be executed without the intended supplement.

#### **Article 5.31. Depositing of a private will**

1. A testator shall be able to deposit his will with the notary public or a consular official of the Republic of Lithuania in a foreign state. In accepting a will for deposit, the identity of the testator shall have to be established.
2. A deposited will shall be equalled to an official will if the deposit was performed pursuant to the following requirements:
  - (1) the will was deposited by the testator himself who declared that the will expressed his final true intent;
  - (2) the will was deposited in a sealed envelop, stamped with the stamp of the accepting institution, and both the testator and the person accepting the will put their signatures on the envelop;
  - (3) an act on the acceptance of the will for deposit has been written up where it is indicated that the requirements specified in Point 1 and 2 of Paragraph 2 of this Article have not been violated, there also is presented the description of the envelope, stamps, indicated the testator's name, surname, personal identity code, and the place of his residence, the place and date of the making of the will and its kind, likewise the official position, the name and surname of the person who accepted the will for deposit. The act shall be signed by the testator and the official accepting the will for deposit. The testator shall be issued with a copy of the act.
3. The accepted will shall be kept in the safe of the institution of deposit. The testator shall have the right to take the will back at any time. The will may also be handed in to an agent of the testator under a special authorisation of the testator.
4. In the event where a private will was not transferred for deposit in accordance with the procedure established in this Article, it must be confirmed by the court within a period of one year from the death of the testator. In this case, only a will confirmed by the court shall be valid.

#### **Article 5.32. Register of wills**

1. The Register of wills made in the territory of the Republic of Lithuanian shall be handled by the Central Hypothec institution.
2. Notaries, consular officers shall be obliged within three working days to notify the Central Hypothec institution about the attested, accepted for deposit or revoked wills. The notification shall include the testator's name and surname, personal identity code, and the place of residence, the place and date of the making of the will, its kind, and the place of deposit. The content of the will shall not be divulged.
3. After the death of the testator, the data of the Register may be transferred to the court, notary and other interested persons.

#### **Article 5.33. Announcement of the will**

1. Upon becoming aware of the death of the testator, the notary of the place of the opening of succession shall immediately establish the day for the announcement of the will and inform about it to the known successors and other interested persons. If the envelope containing the will is stamped, it shall be necessary to write up a protocol where it must be noted whether the envelope and the stamps are intact. In the event where there are several wills, all of them shall be announced.

2. After having announced the will, the notary shall take all the measures necessary to establish the place of residence of all the successors and other interested persons who were not present when the will was announced, and without delay inform them about the content of the will.

**Article 5.34. Time-limit for keeping the will in deposit**

In the event where a will is kept in deposit for a period over thirty years, the depository institution shall be obliged by the means available to them to verify whether the testator is still alive. If it becomes clear that the testator is dead, the envelope with the will shall be opened and the will announced.

**Article 5.35. Revocation, supplementing and alteration of a will**

1. The testator shall have the right at any time to alter, supplement or revoke a will made by him by drawing up a new will, or not to make a will.

2. A will made at a later time shall annul the whole previous will or a certain part thereof which contradicts the later will. This provision shall not apply in respect of a joint will of spouses.

3. The testator may also revoke an official will by filing an application with the depositor of the will or the institution which attested it. The signature of the testator on such application shall be witnessed within the procedure established by laws.

**Article 5.36. Conditions of a will**

1. The testator may appoint a successor or a beneficiary of testamentary reservation by specifying one or several conditions to be fulfilled by them in order to inherit.

2. Unlawful conditions, or conditions contrary to the usages, or those violating the requirements of good morals shall be null and void.

**Article 5.37. Execution of a will**

1. A will shall be executed by the executor of the will or a successor appointed by the testator, or by an administrator of inheritance appointed by the court.

2. Nobody can be appointed executor of a will against his wish, however the person who has assumed the duties of the executor of the will may not relinquish those duties without important reasons.

3. The testator may appoint one or several executors of the will. The testator may likewise appoint a secondary executor of the will in case the primary executor is not able to fulfil his duties. In this event, the agreement of the secondary executor inscribed in the will itself or expressed in an application appended to the will shall be necessary.

4. The person who has signed the will on behalf of the testator may not be an executor of the will.

5. In the event where the testator failed to appoint an executor, or the appointed executor or a successor are not able to fulfil their duties, the district court of the place of the opening of succession shall appoint an administrator of inheritance to perform all the actions necessary for the execution of the will.

6. A person who has embarked upon the execution of will shall have no right to relinquish those duties without important reasons.

**Article 5.38. Rights and obligations of the executor of the will appointed by the testator**

1. The executor of the will shall perform all the actions necessary for the execution of the will. Pending the appointment of the administrator of inheritance or the establishment of the successors, the executor of the will shall perform the functions of a successor: possess the inheritance, compile the inventory of the inheritance, pay the debts of the inheritance, recover the debts from the testator's debtors, provide maintenance for the successors who are entitled to it, perform the search of successors, establish whether the successors accept the inheritance, etc. In his activity, the executor shall be guided by the will. In executing the will, the executor shall consult with the successors. Any dispute concerning the execution of the will shall be decided by the district court of the place of the opening of succession.

2. In performing his duty, the executor of the will shall be obliged to act with the same diligence as in taking care of his private interests. In the event where the executor of the will receives payment for his work, he shall be liable before the successors and other interested persons for any loss caused by his negligent actions.

3. If the testator has appointed several executors of the will without clearly defining their corresponding rights and duties, they shall act jointly. Any disagreement between them over the execution of the will shall be decided within judicial proceedings. The executors shall be solidarily liable for the actions performed upon their mutual consent.

4. In the event where one of the executors has been given a specific assignment by the testator, or authorised with execution of a certain part of the will, such executor shall be liable solely for his own actions.

5. Expenses incurred in the execution of the will shall be covered from the inherited estate.

6. The executor shall perform his duties gratuitously if nothing has been specified by the testator in his will concerning payment.

**Article 5.39. Inventory of inheritance**

1. Having assumed the management of the inheritance, the executor of the will or the administrator of the inheritance shall immediately compile the inventory of the inheritance which lists the whole inheritable estate, likewise all the amounts due to and owed by the testator. A successor, who expresses such a wish, may participate in the compilation of the inventory of the property.

2. The executor of the will or the administrator of the inheritance shall have the right upon his discretion, or the obligation upon the demand of a successor, to apply to the court with a request to delegate the compilation of the inventory to the court bailiff.

3. Expenses incurred in the compilation of the inventory of inheritance shall be covered from the inherited assets.

**Article 5.40. Possession of inheritance and its duration**

The testator may authorise the executor of the will to possess the inheritance accepted pursuant to the established procedure, or to authorise the possession of inheritance after other assignments of the testator have been fulfilled. The duration of such possession may be specified in the will by indicating a definite time-limit or a certain event (attainment of a certain age by the successor, death of a successor, marriage, etc.). Such time-limit may not exceed the period of twenty years from day of the opening of succession.

**Article 5.41. Report of the executor of the will**

Having fulfilled the execution of the will, the executor or the will or the administrator of the inheritance shall be obliged upon the request of the successors to provide them with the report. In the event where the will is being executed for a period exceeding one year, and the possession of the inheritance is performed by the executor of the will or the administrator (Article 5.40 of this Code), such reports shall be submitted every year.

**Article 5.42. Removal of the executor of the will or the administrator of the inheritance**

In the event where the executor of the will or the administrator of the inheritance improperly fulfils his duty, violates the interests of the successors, beneficiaries of the testamentary reservation, of the testator's creditors and those of other interested persons, the court of the place of the opening of succession shall have the right upon the demand of the latter persons to remove the executor of the will and appoint an administrator of the inheritance, to replace the administrator appointed by the court.

## **Chapter V**

### **Joint Will of Spouses**

#### **Article 5.43. Concept of a joint will of spouses**

By their joint will, the spouses appoint each other as the successor and after the death of one of the spouses, the whole property of the deceased (including the part of the common property of the spouses therefrom) shall be inherited by the surviving spouse, except the mandatory share of succession (Article 5.20 of this Code).

#### **Article 5.44. Making a joint will of spouses**

1. A joint will of spouses shall be made exclusively by spouses. Such will shall be signed by both spouses in the presence of a notary or any other person attesting the will.
2. A joint will of spouses shall be made exclusively as an official will (Article 5.28 of this Code).

#### **Article 5.45. Content of a joint will of spouses**

1. By testamentary disposition each of the spouses shall provide for the devolution of his/her whole property to the other spouse.
2. A successor may be appointed by the will to inherit the property after the death of the surviving spouse.
3. A will may provide for a testamentary reservation awarded from the property of one of the spouses after his/her death, or from the common property of the spouses after the death of the surviving spouse.
4. The spouses may bequeath their whole property or a part thereof to the society for worthy causes or to charity. Such a direction of the will may be effectuated from the property of one of the spouses after his/her death or from the common property of the spouses after the death of the surviving spouse.

#### **Article 5.46. Revocation and invalidity of a joint will of spouses**

1. Each of the spouses shall be entitled before the opening of the succession to revoke the expression of his/her intention within the same procedure

as the drawing up of the will. In this event, the expression of the intention of the other spouse shall lose its legal effect as well.

2. The wills drawn up by the spouse without previous revocation of the joint will of spouses shall be null and void.

3. A joint will of spouses shall be rendered invalid by the dissolution of marriage before the opening of succession or by filing a suit (bringing an application) for the dissolution of marriage, or by the consent of the spouse to the dissolution of marriage.

**Article 5.47. Obtaining the deposited will**

The institution which has attested the will and deposited for safekeeping may submit the will only upon the request of both spouses.

**Article 5.48. Declaration of a joint will of spouses**

Upon the death of one of the spouses, only the intent of this spouse shall be revealed to the interested successors in accordance with the procedure established in Article 5.33 of this Code without revealing the intent of the other spouse.

**Article 5.49. Renunciation of inheritance under a joint will of spouses**

1. Upon the death of one of the spouses, the other spouse shall have no right to modify a joint will. He shall have the right to renounce the acceptance of succession. In this event, the estate of the deceased spouse shall be devolved upon his/her heirs by operation of law, and the surviving spouse shall acquire the right to make a new will upon his/her discretion.

2. Such refusal on the part of the surviving spouse to accept succession shall have no effect upon the right of the beneficiary of testamentary reservation from the estate of the deceased spouse to a testamentary reservation which is issued by intestate heirs.

3. In the event of the surviving spouse renouncing succession, the successor appointed by the joint will to inherit after the death of the surviving spouse, shall lose the right of succession under the joint will.

**Chapter VI**

**Acceptance of Succession and Liability for the Debts of the Bequeather**

**Article 5.50. Acceptance of succession**

1. In order to acquire succession, a successor shall have to accept it. Acceptance may not be in part, or subject to conditions or exceptions.

2. A successor shall be deemed to have accepted succession when he actually starts possessing the estate, has applied to the district court of the

place of the opening of succession for the inventory of the estate, or when the successor files an application on the acceptance of succession with the notary public of the place of the opening of succession

3. Actions indicated in this Article shall have to be performed within three months since the day of the opening of succession.

4. Persons whose right to inheritance arises only upon the renunciation of succession by other successors, may express their agreement to accept inheritance within three months from the day of the arising of the right to accept the inheritance.

5. Inheritance devolved to the successors born after the opening of succession shall be accepted within three months from the day of their birth.

6. The notary or the court shall be obliged within three working days to inform the Central Hypothec Institution about the acceptance of succession.

**Article 5.51. Acceptance of succession after the actual start of property possession**

1. A successor shall be deemed to have accepted the inheritance if he has started to possess the estate, treating it like his own property (possesses, uses and disposes it, takes care of, pays taxes, has applied to the court by expressing his intention to accept the inheritance and appoint the administrator of inheritance, etc.). A successor, who has started to possess any part of the inheritance, shall be deemed to have accepted the whole inheritance.

2. A successor, who has started to possess the estate, shall have the right within the period established for the acceptance of succession to renounce succession by filing an application with the notary public of the place of the opening of succession. In this case, the successor shall be deemed to have possessed the inheritance in the interests of other successors.

**Article 5.52. Liability for the debts of the bequeather by the successor who has accepted inheritance by starting to possess the estate or by filing an application with the notary**

The successor who has accepted succession by taking over the possession of the estate or by filing an application with the notary shall be liable for the debts of the bequeather with his whole property, except in cases provided for in this Code. In the event where the estate was accepted by several successors by the manner indicated above, they all shall be solidarily liable with their whole property for the debts of the bequeather.

**Article 5.53. Acceptance of succession in accordance with an inventory**

1. A successor who has accepted inheritance in accordance with the inventory compiled by the court bailiff shall be liable for the debts of the testator only with the inherited property. In the event where at least one of the successors has accepted the inheritance in accordance with the inventory, all the other successors shall be deemed to have accepted the inheritance in accordance with the inventory.\*\*\*
2. For the compilation of such inventory, the accepting successor or successors shall apply to the district court of the place of the opening of succession, while the court shall delegate the compilation of the inventory to the court bailiff.
3. The time-limit for the compilation of property inventory shall be determined by the court. The term-limit may not exceed the period of one month. Only in cases where the inherited estate is located in several places, or there is a considerable number of creditors of the bequeather, the time-limit may be extended for a period of not exceeding three months.
4. A successor shall be obliged to furnish all the data necessary for the compilation of the inventory of the bequeather's estate.
5. The inventory shall contain:
  - (1) a list of all the things comprising inheritance indicating their value and the circumstance necessary for the determination of their value;
  - (2) indication of all known obligatory rights and duties of the bequeather by specifying the bequeather's creditors and debtors.
6. The inventory of the inheritance shall be signed by the court bailiff and the successor who participated during the compilation of the inventory. At the end of the inventory, there must be an equalled to oath inscription signed by the successor to testify that the inventory includes the whole estate of the bequeather known to the successor as well as his all the bequeather's obligatory claims and duties.
7. Upon becoming aware about property or obligatory claims and duties not included into the inventory, the successor (successors) shall be obliged within three working days from the day when these circumstances became known to inform the court accordingly in order to have the bailiff to supplement the inventory.
8. The compilation of the inventory may also be requested by the creditors of the bequeather. The creditors of the bequeather shall also have the right to participate during the compilation of the inventory or to authorise another person to participate during the compilation of the inventory.
9. The court shall be obliged to ensure access to the inventory of the inheritance for everyone who proves his lawful interest in the inventory.

#### **Article 5.54. Inaccurate inventory**

1. In the event where during the compilation of the inventory the successor (successors) due to their fault failed to indicate the whole estate comprising inheritance, concealed debtors of the bequeather, on his initiative a non-existing debt was included into the inventory, or he (they) failed to supplement the inventory, the successor (successors) concerned shall be liable for the debts of the bequeather with their whole property. The same effect will be produced by the failure of the successor to perform his duty indicated in Paragraph 4 of Article 5.53 of this Code.

2. In the event where the inventory contains not the whole estate without the fault of the successor, the court shall determine a time-limit for the supplementing of the inventory.

**Article 5.55. Applying to the court for the administration of the property of the succession**

1. In the event where the inherited estate is an private (personal) enterprise, a farmstead, or the bequeather's debts might exceed the value of the inheritance, the successor, having accepted succession, may apply to the court of the place of the opening of succession with a request to appoint an administrator for the property of the succession, or request to appoint an administrator for the property of the succession and decide on the issue of auction or a starting of bankruptcy proceedings. In this event, the debts of the bequeather shall be paid only from the inheritance.

2. Administration of the property of the succession shall be established by a ruling of the district court located of place of the opening of succession. By this ruling, the court shall appoint an administrator of the property of the succession and determine his remuneration.

3. No administration of the property of the succession shall be established in the event where the inheritance is not significant, and the costs of administration would exceed the value of the inheritance, or where the major part of the inheritance would have to be used for the payment of administration costs. Administration of the property of the succession shall be abolished in the event where it becomes clear that the costs of administration would exceed the value of the inheritance.

4. The administrator of the property of the succession shall have the same rights and duties as the executor of the will (Article 5.38 of this Code), the norms of Chapter XIV of Book Four shall also apply *mutatis mutandis* in this respect.

5. In the event where there are several successors, they shall file a joint application for the appointment of an administrator for the property of the succession. No administrator of the property of the succession shall be determined in the event where the successors have taken over the possession of the inheritable estate.

6. If in the events indicated in this Article no administration of the property is established, or it is abolished, an estate inventory shall be compiled and the debts of the bequeather paid only from the property of the succession.

7. Any disputes among successors concerning the administration of the property of the succession shall be decided by the court by passing a corresponding ruling.

**Article 5.56. Implementation of the right to succession of legally incapable persons or persons of limited legal capacity**

Succession on behalf of legally incapable persons shall be accepted by their parents or guardians. Persons of limited legal capacity shall accept inheritance exclusively upon the consent of their parents or curators.

**Article 5.57. Extension of the time-limit for the acceptance of succession**

1. The time-limit established in Article 5.50 of this Code for the acceptance of succession may be extended by the court where it is determined that the time-limit was delayed due to important reasons. Succession may be accepted after the expiry of the time-limit likewise without the application to the court where all the other successors who have accepted the succession give their assent .

2. In the instances provided for in the preceding Paragraph of this Article, the successor who has delayed the time-limit for the acceptance of succession shall be entitled only to that part of the estate belonging to him and accepted by other successors or devolved to the state which remained in kind, likewise the means received from the disposal of the other part of the estate belonging to him.

**Article 5.58. Transference of the right to accept succession**

1. Where a successor entitled to inherit by operation of law or by a will dies after the opening of succession without having been able to accept thereof within the established time-limit (Article 5.50 of this Code), the right to accept succession shall be transferred to his heirs.

2. This right of a deceased successor may be implemented by his successors on general grounds within three months from the day of the opening of succession in their respect.

**Article 5.59. Rights of a successor who has started possessing the inheritable estate before the appearance of other successors**

1. A successor who has started to possess the inheritable estate in the event where there are other successors, shall have no right to dispose of the inheritable property (to sell, pledge, etc.) before the expiry of three months

from the day of the opening of succession, or until he receives the certificate of the right to inheritance.

2. Before the expiry of the indicated time-limit, or until he gets the certificate of the right to inheritance, the successor shall only be entitled to:
- (1) pay the expenses for the medical treatment and care of the bequeather, likewise his funeral costs and the expenses for taking care of the grave;
  - (2) provide maintenance to natural persons who were maintained by the bequeather;
  - (3) ensure normal functioning of the enterprise (farm);
  - (4) satisfy requirements arising from labour relationship;
  - (5) protect and manage the inheritable estate.

#### **Article 5.60. Renunciation of inheritance**

1. An heir by operation of law or successor by a will shall have the right within three months from the day of the opening of succession to renounce inheritance. Renunciation may not be in part or subject to conditions or exceptions.
2. Renunciation of inheritance shall have the same effect as non-acceptance of succession.
3. A successor shall renounce inheritance by filing an application with the notary public of the place of the opening of succession.
4. No renunciation shall be allowed in the instances where the successor has filed an application on the acceptance of succession with the notary public or asked for issuance of the certificate of the right to inheritance, or applied to the district court of the place of the opening of succession for the compilation of the inventory of the estate.

#### **Article 5.61. Increase of the shares of succession**

1. In the event where an heir by operation of law or a successor by a will renounces succession, or the testator deprives his heir of the right of inheritance, the share of succession belonging to that successor shall devolve to the intestate heirs divided into equal shares among them.
2. In the event where the testator bequeathed his whole estate to the successors by his will, the share of succession which belonged to the successor who renounced or did not accept thereof, shall devolve to the other intestate heirs divided into equal shares among them.
3. The rules established in the present Article shall not apply in the instances where a secondary successor is appointed for the successor who has renounced or not accepted succession.

#### **Article 5.62. Devolution of succession to the state**

1. The inherited estate shall devolve to the state under the right of succession if:

- (1) the estate was bequeathed to the state by a will;
- (2) the testator has neither intestate heirs nor testate successors;
- (3) none of the successors accepted the succession;
- (4) all the heirs have been deprived of the right to inheritance (disinherited).

2. In the event where there are no intestate heirs, while only a part of the estate of a testator has been bequeathed by a will, the remaining part shall devolve to the state.

3. The state shall be liable for the testator's debts not exceeding the real value of the inherited property devolved to it.

#### **Article 5.63. The procedure for making and satisfying creditors' claims**

1. The creditors of a bequeather shall have the right within three months from the day of the opening of succession make claims against the successors who accepted the succession, executor of the will or administrator of the inheritance, or bring an action in respect of the inheritable property.

2. Claims shall be made without taking regard of the maturity of the time-limit for their satisfaction.

3. The procedure for making and satisfying creditors' claims established in Paragraphs 1 and 2 of this Article shall not apply in respect of claims based on mortgage and pledge, likewise of claims related with the economic activity of the inheritable private (personal) enterprise or that of a farmer. Claims related with the activity of an inheritable enterprise or farm shall pass to the successors and be satisfied in accordance with the transactions entered into by the bequeather, except in those cases when the inherited estate is an enterprise against which bankruptcy proceedings have been started, or a farm which is insolvent.

4. The court may extend the time-limit specified in Paragraph 1 of this Article, where the time-limit was delayed due to important reasons and the time lapse from the opening of the inheritance does not exceed three years.

#### **Article 5.64. Securing of inheritance**

1. Upon having received information about the opening of succession, the court of the place of the opening of succession shall take the necessary measures to secure the inheritance if:

- (1) the successors are not known;
- (2) there are no successors in the place of the opening of succession;
- (3) the successors do not want or cannot accept the inheritance;

- (4) at least one of the successors is legally incapable;
- (5) the testator is known to have considerable debts;
- (6) there exist other circumstances determining the need to secure the inheritance.

2. The inheritable estate shall be secured until it is accepted by all the successors, and where it is not accepted, until the expiry of the time-limit established for the acceptance of succession.

**Article 5.65. Appointment of an administrator for the inheritable estate**

In the event where the inheritance includes property subject to management (private (personal enterprise), a farmstead, securities, etc.) and it cannot be performed by the executor of the will or the successor, likewise if the creditors of the bequeather bring an action before the successors accept the inheritance, the district court shall appoint an administrator of the inheritable property vested with the rights established in Article 5.38 of this Code. Provisions of Chapter XIV of Book Four shall apply *mutantis mutandis* in respect of the administrator of inheritance.

**Article 5.66. Application for the issuance of the certificate of the right to inheritance**

1. The successors who inherit by operation of law or by a will shall be able to present an application with the notary public of the place of the opening of succession for the issuance of the certificate of the right to inheritance.

2. The same procedure for the issuance of a certificate of the right to inheritance shall apply in the instances where the inheritable estate is devolved to the state or municipality.

**Article 5.67. Time-limit for the issuance of the certificate of the right to inheritance**

1. The successors shall be issued with the certificate of the right to inheritance upon the lapse of three months from the day of the opening of succession.

2. In the event of succession both by operation of law and by a will, natural persons may also be issued with a certificate of the right to inheritance before the expiry of three months from the day of the opening of succession if the notary possesses information that there are no successors apart from the persons who have applied for the issuance of the certificate of the right to inheritance.

**Book Six**

**Law on Obligations**

## **Chapter LI**

### **Joint Activities (Partnership)**

#### **Article 6.969. Concept of the agreement on joint activities (partnership)**

1. By the agreement on joint activities (partnership) two or more persons (partners), co-operating their property, work or knowledge, undertake to act jointly for a certain goal or certain activities which do not contravene the law.
2. invalid.
3. The goal of the joint activities is not related to the seeking of profit, the agreement on joint activities is called the association agreement.
4. The agreement on joint activities (partnership) shall be made in writing, and in the cases prescribed by the law - in notary form. If the requirements set for the form of the agreement are not satisfied, the agreement shall become null and void.

#### **Article 6.970. Contributions of the partners**

1. A contribution of a partner shall be deemed everything such partner contributes to the joint activities - money, any other assets, professional or any other knowledge, skills, reputation and business relations.
2. It is presumed that the contributions of the partners are equal unless otherwise established in the agreement on joint activities. A contribution shall be assessed in money by agreement of all partners.

#### **Article 6.971. Joint ownership of partners**

1. The property contributed by the partners, which was previously their ownership, also the production received during joint activities, income and results, shall be joint-partial ownership of all the partners, unless otherwise established in the law or the agreement on joint activities.
2. If the contributed property previously was not the ownership of a partner, and the partner uses such property on any other grounds, this property shall be used in the interests of all the partners and shall also be deemed the property which is jointly used by all the partners, unless otherwise established in the law.
3. One of the partners appointed by joint agreement of all the partners shall be in charge of the accounting of the joint property.
4. The joint property shall be used, possessed and disposed of by joint agreement of all the partners. In case of a dispute, at the request of any of the partners the procedure shall be established by the court.
5. The obligations of the partners related to the maintenance of the joint property, and the coverage of any other expenses, shall be established in the agreement on joint activities.

**Article 6.972. Management of joint affairs**

1. While managing joint affairs, each of the partners shall be entitled to act on behalf of all the partners, unless the agreement on joint activities provides that joint affairs shall be managed by one of the partners or all the partners together. If the affairs may be managed only by all the partners together, the conclusion of each transaction shall require the approval by all the partners.

2. In case of relations with the third persons, the right of a partner to conclude the transactions on behalf of all the partners shall be approved by the power of attorney issued by the remaining partners or the agreement on joint activities.

3. In case of relations with the third persons, the partners shall not rely on limitations of the rights of the partner, who has concluded the transaction, to act on behalf of all the partners, except for the cases when they prove that at the time of conclusion of the transaction the third person knew of should have known about such limitations.

4. The partner who has concluded the transaction on behalf of all the partners in abuse of the powers granted to him or who has concluded the transaction in his own name in the interests of all the partners, shall be entitled to claim from the other partners the indemnification of the loss incurred if he proves that such transactions were necessary in order to protect the interests of the other partners. The partners who have incurred the damages by virtue of such transactions shall be entitled to claim from the partner, who has concluded such transactions, the compensation of such damages.

5. The decisions related to the joint affairs of the partners shall be adopted by joint agreement of the partners, unless otherwise established in the agreement on joint activities.

**Article 6.973. The right of the partners to information**

Each partner shall be entitled to have access to the documents concerning the management of the joint affairs, notwithstanding whether or not he has the right to manage the joint affairs. Any agreements imposing limitations on, or cancelling, the above mentioned right shall be void.

**Article 6.974. Joint expenses and joint damages**

1. The distribution of joint expenses and joint damages, related to the joint activities, shall be established in the agreement on joint activities. Absent such agreement, each partner shall be liable for the joint expenses and joint damages in proportion to the amount of his part of such expenses or damages.

2. The agreement which fully releases one of the partners from the coverage of the joint expenses or joint loss shall be null and void.

**Article 6.975. The liability of partners under joint obligations**

1. If the agreement on joint activities is not related to the economic-commercial activities of the partners, each partner shall be liable under joint contractual obligations to the extent of all his property in proportion to his part of such obligations.

2. Under the joint non-contractual obligations the partners shall be solidarily liable.

3. If the agreement on joint activities is related to the economic-commercial activities of the partners, all the partners shall be solidarily liable under the joint obligations, notwithstanding the ground for appearance of such obligations.

**Article 6.976. Distribution of profit**

1. The profit, obtained from the joint activities, shall be distributed among the partners in proportion to the value of the contribution of each of them into the joint activities, unless otherwise established in the agreement on joint activities.

2. The agreement to exclude any of the partners while distributing the profit shall be null and void.

**Article 6.977. The separation of the interest of a partner**

The creditors of a partner shall be entitled to claim the separation of the partner's interest from the joint property pursuant to the rules established in Book Four of this Code.

**Article 6.978. The expiration of the agreement on joint activities**

1. The agreement on joint activities shall expire:

(1) when one of the partners is recognised as legally incapable, of limited legal capacity or untraceable, unless the agreement on joint activities or later arrangement of the remaining partners establishes to retain the agreement on joint activities among the remaining partners, except for the cases when the agreement on joint activities is valid without the above mentioned partner;

(2) when bankruptcy proceedings are instituted against one of the partners, to the exclusion of exceptions established in sub-clause 1 of this clause;

(3) in case of death or liquidation or reorganisation of one of the partners, unless the agreement on joint activities or later agreement of the remaining partners establishes to retain the agreement on joint activities among the

remaining partners or substitute the deceased (liquidated or reorganised) partner with his legal successors;

(4) when one of the partners refuses to continue as a participant of the non-term agreement on joint activities, to the exclusion of exceptions established in sub-clause 1 of this clause;

(5) when the fixed-term agreement on joint activities is terminated at the request of one of the partners, to the exclusion of exceptions established in sub-clause 1 of this clause;

(6) upon expiration of the validity term of the agreement on joint activities;

(7) upon separation of the interest of one of the partners from the joint property at the request of his creditors, to the exclusion of exceptions established in sub-clause 1 of this clause;

2. Upon expiration of the agreement on joint activities, the things assigned for the joint use by all the partners shall be gratuitously returned to the partners who have assigned them, unless otherwise agreed by the parties.

3. From the moment of expiration of the agreement on joint activities, its participants shall be solidarily liable against the third persons for the outstanding joint obligations.

4. The property which is the joint ownership of the partners after termination of the agreement on joint activities shall be distributed in accordance with the rules established in Book Four of this Code.

5. The partner who has contributed a distinctive thing after expiration of the agreement on joint activities shall be entitled to demand to return him the thing unless the interests of other partners and creditors are infringed by such return.

#### **Article 6.979. Waiver of the non-term agreement on joint activities**

1. The partner who wishes to waive the non-term agreement on joint activities shall notify to that effect the other partners at least three months prior to such withdrawal, unless otherwise established in the laws or the agreement.

2. The agreements imposing the limitations on the right of the partners to waive the non-term agreement on joint activities or cancelling such right, shall be null and void.

#### **Article 6.980. Termination of the agreement on joint activities at the request of one of the partners**

1. One of the partners shall be entitled to terminate the agreement concluded with other partners, fixed-term or made for a certain goal, if:

(1) other partners are in material breach under such agreement;

(2) the partner who wishes to terminate the agreement cannot perform the agreement for important reasons;

2. The partner who has terminated the agreement shall indemnify to the other partners the direct damages incurred by virtue of such termination.
3. After termination of the agreement by one of the partners, the agreement shall remain in force in respect of the other partners, to the exclusion of the exceptions established in sub-clause 1 of clause 1 of Article 6.978 of this Code.

**Article 6.981. Liability of the partner who has terminated the agreement on joint activities**

If the agreement on joint activities is terminated upon refusal of one of the partners to be a participant of the agreement, or at the request of one of the partners, the person who is no longer a participant of the agreement on joint activities shall be liable against third persons under the obligations which appeared while he was a participant of the agreement on joint activities as if he were a partner.

**Article 6.982. Undeclared partnership**

1. The agreement on joint activities may stipulate that a partner (partners) shall be not avowed to third persons (the secret partnership). Such agreement shall be governed by the rules of the present Chapter, to the exclusion of the exceptions established in the agreement and this Article.
2. In case of relations with the third persons, each of the undeclared partners shall be liable to the extent of all his property under all the transactions he has concluded in his own name in the interests of all the partners.
3. All the obligations arising among the partners during their joint activities shall be partial.