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12/02/2024

Finantsinspeksioon has been informed of the suspicion that fund's assets were used illegally in 2018–2023 mainly by Lithuanian and Polish companies that fund had invested in. That fund was managed by unlicensed small fund manager OÜ Baltcap Infrastructure Management. The investigative authorities of Lithuania and the European Union have opened criminal proceedings into this because the information currently available indicates that the illegal activities were principally undertaken by Lithuanian and in Lithuania, while European Union institutions were among the investors.

OÜ Baltcap Infrastructure Management is an unlicensed small fund manager that does not come under financial supervision. Licences for fund management and for fund managers issued in Estonia are under European Union law. A fund manager licence is needed if the value of assets of the funds managed by a business exceeds a certain limit, and the business must monitor compliance with this continuously.

Finantsinspeksioon granted AS BaltCap a licence to operate as a fund manager on 7 August 2023. AS BaltCap applied for the licence because it considered that its funds had reached the threshold where they would need to be licensed. OÜ Baltcap Infrastructure Management, which does not have a licence and which is associated with the possible thefts, and AS BaltCap are two separate companies.

When Finantsinspeksioon issued the licence to AS BaltCap it also directed the company to clean up its organisation. It wanted to see consistent and major improvement in the risk controls of the organisation. AS BaltCap informed Finantsinspeksioon that it had identified illegal use of financial resources in October 2023. Finantsinspeksioon understands that BaltCap transactions are the basis for criminal proceedings in Lithuania to identify the guilty parties and compensate any damages that may have been caused.