Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

30 August 2022 [shall come into force on 14 September 2022];

29 September 2022 [shall come into force on 1 October 2022].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Law on Assistance for Mitigating the Economic Consequences Caused by the Sanctions and Countermeasures Imposed due to the Military Aggression of Russia against Ukraine**

**Section 1. Purpose and Scope of Application of the Law**

(1) The purpose of the Law is to provide financial assistance to performers of economic activity to remedy the economic consequences caused by the sanctions and countermeasures imposed due to the military aggression of Russia against Ukraine (hereinafter – the consequences of the military aggression) and to promote investments in the maintenance and further development of the economic activity of the Latvian national economy.

(2) The Law determines the range of persons who may apply for assistance, the types of, conditions and procedures for the provision of such assistance, the financing of assistance measures, and also the conditions for the implementation of assistance measures.

[*29 September 2022*]

**Section 2. Recipients of Assistance, Types of Assistance, and Administrating Institutions**

(1) The performers of economic activity who have been affected by the consequences of the military aggression in the form of decrease in demand and turnover, discontinuation of the operation of current contracts, disturbances in supply chains, increase in prices, and restriction of further investments may apply for assistance.

(2) Energy-intensive merchants in the manufacturing industry affected by the consequences of the military aggression in the form of additional costs for energy resources due to sharp increases in their prices may apply for assistance.

(21) Large and medium-sized merchants may apply for assistance for the implementation of viable business projects which require a stimulating effect in order to ensure the development, competitiveness, and growth of export volume of these merchants and which provide for the introduction of new equipment and technological processes.

(3) Assistance within the meaning of this Law means:

1) a loan or guarantee for which the performers of economic activity referred to in Paragraph one of this Section may apply;

2) a grant for which the merchants referred to in Paragraph two of this Section may apply;

3) loans with a capital discount which is granted as a full or partial repayment of the principal amount of the loan which may be applied for by the merchants referred to in Paragraph 2.1 of this Section.

(4) Within the scope of this Law, assistance shall not be granted to:

1) performers of economic activity on whom international or national sanctions are being imposed;

2) capital companies in which the Russian Federation or the Republic of Belarus, its citizens or legal persons registered in the Russian Federation or the Republic of Belarus (hereinafter – the persons belonging to Russia or Belarus) have a direct or indirect decisive influence;

3) limited partnerships the members of which are persons belonging to Russia or Belarus or in which these persons have a decisive influence over the members;

4) associations the members of which are persons belonging to Russia or Belarus.

(5) Assistance to the performers of economic activity referred to in Paragraphs one and 2.1 of this Section shall be provided by *akciju sabiedrība “Attīstības finanšu institūcija Altum”* [joint-stock company Development Finance Institution Altum]. Assistance to the merchants referred to in Paragraph two of this Section shall be provided by the State Construction Control Bureau.

[*30 August 2022; 29 September 2022*]

**Section 3. Alternative Investment Fund**

[29 September 2022]

**Section 4. Conditions and Procedures for the Granting and Administration of Assistance**

(1) For the assistance provided for in Section 2, Paragraphs one and two of this Law, the Cabinet shall determine the available funding, the conditions and procedures for the granting and administration of the assistance provided for in this Law as well as the sectors and activities not to be supported.

(2) For the assistance provided for in Section 2, Paragraph 2.1 of this Law, the Cabinet shall determine the conditions for granting it in the form of loans and capital discounts, the procedure for implementing the loan programme contained in these regulations, including perform the selection of projects, the funding available for the implementation of the loan programme, the eligibility conditions for supported activities and costs as well as the accounting of assistance and the sectors and activities not to be supported.

[*29 September 2022*]

**Section 5. Financing of Assistance**

(1) The following is used for the implementation of the assistance measures specified in Section 2, Paragraphs one and 2.1 of this Law:

1) the funding from the State budget which has been allocated to the joint-stock company Development Financial Institution Altum in accordance with the Law on the Suppression of Consequences of the Spread of COVID-19 Infection if the Cabinet has taken a relevant decision and the Budget and Finance (Taxation) Committee of the *Saeima* has, within five working days from receipt of the relevant information, examined it and has not objected against it;

2) the funding repaid within the scope of the crisis loan programme for the suppression of consequences of the spread of COVID-19 infection;

3) the funding repaid within the scope of the short-term export credit guarantee programme.

(2) In order to ensure assistance for loans with a capital discount, the Minister for Finance has the right to increase the appropriation specified in the law On the State Budget for 2022 in the programme 02.00.00 “Funds for Unforeseen Events” of the budget unit “74. Funding to be Reallocated in the Process of Implementation of the Annual State Budget” by an amount which does not exceed EUR 25 000 000, and also to make, within the scope of the appropriation specified in the law to a ministry or another central State institution, the necessary reallocation of the appropriation between programmes, sub-programmes, and codes of expenditures according to economic categories.

(21) In order to ensure the implementation of the assistance measures specified in Section 2, Paragraph two of this Law, the Minister for Finance has the right to increase the appropriation specified in the law On the State Budget for 2022 in the programme 02.00.00 “Funds for Unforeseen Events” of the budget unit “74. Funding to be Reallocated in the Process of Implementation of the Annual State Budget” by an amount which does not exceed EUR 50 000 000, and also to make, within the scope of the appropriation specified in the law to a ministry or another central State institution, the necessary reallocation of the appropriation between programmes, sub-programmes, and codes of expenditures according to economic categories.

(3) Appropriation may be increased in the case provided for in Section 2, Paragraphs two and 2.1 of this Law if the Cabinet has taken a decision and the Budget and Finance (Taxation) Committee of the *Saeima* has, within five working days from the day of receipt of the relevant information, examined it and has not objected against increase in appropriation.

(4) The funding provided for within the scope of this Law shall be used until the end of the time period for the implementation of assistance measures.

[*30 August 2022; 29 September 2022*]

**Section 6. Conditions for the Provision of Assistance**

In implementing the assistance measures referred to in this Law which conform to the features specified in Section 5 of the Law on Control of Aid for Commercial Activity, the requirements for the regulation of control of aid for commercial activity shall be conformed to.

The Law shall come into force on the day following its proclamation.

The Law has been adopted by the *Saeima* on 2 June 2022.

President E. Levits

Rīga, 8 June 2022