Cabinet

Regulation No. 550

Adopted 17 August 2021

**Regulations Regarding the Procedures for the Submission of Reports on Suspicious Transaction and the Threshold Declaration and Content Thereof**

*Issued pursuant to*

*Section 31.6, Paragraph three of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing and Section 22.2, Paragraph six of the law On Taxes and Fees*

**I. General Provisions**

1. The Regulation prescribes:

1.1. the functions and tasks of the manager of the Financial Intelligence Data Receipt and Analysis System (hereinafter – the System), the scope of information to be included therein and procedures for its inclusion, and also the conditions and procedures for ensuring access to the System;

1.2. the procedures for the provision of reports on suspicious transactions (hereinafter – the reports) and content thereof;

1.3. the cases when a threshold declaration shall be submitted, and also the procedures for the submission and content of the threshold declaration;

1.4. the procedures by which the Financial Intelligence Unit shall send the reports of the subjects of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing (hereinafter – the subjects of the Law) and the threshold declaration in the field of taxes to the State Revenue Service.

2. The Financial Intelligence Unit shall maintain and develop the System, and also ensure the administration of the System in conformity with the requirements laid down in laws and regulations in order to preclude the possibility of using the financial system of the Republic of Latvia for money laundering and terrorism and proliferation financing. The Financial Intelligence Unit shall:

2.1. ensure the subjects of the Law and the persons referred to in Section 3.1 of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing (hereinafter – other persons) with the possibility of submitting the reports and threshold declarations;

2.2. ensure exchange of information in the cases specified in the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing;

2.3. perform operational and strategic analysis of the information contained within the System.

3. The website maintained by the Financial Intelligence Unit (https://goaml.fid.gov.lv) (hereinafter – the website of the Financial Intelligence Unit) shall be a part of the System. On the website:

3.1. it shall be possible to download the XML (Extensible Markup Language) (hereinafter – XML) Schema Definition or XSD (XML Schema Definition) (hereinafter – XSD) for the submission of the reports and threshold declarations;

3.2. the subjects of the Law and other persons shall submit the reports;

3.3. the subjects of the Law shall submit the threshold declaration;

3.4. requests or information of other kind are received in the cases provided for in the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing, and also replies to requests are sent.

**II. Acquisition and Administration of the Rights of a System User**

4. The subject of the Law or another person, or their delegated representative (hereinafter – the main representative of the System user) shall apply the rights of the System user on the website of the Financial Intelligence Unit by filling in an electronic application and appending the copies of documents which certify the right to represent the subject of the Law or another person unless the right of representation arises from the information in the Enterprise Register of the Republic of Latvia. The information referred to in Sub-paragraphs 15.5.1.2, 15.5.1.3, 15.5.1.4, 15.5.1.5, 15.5.1.6, 15.5.1.7, 15.5.1.8, and 15.5.1.12 of this Regulation shall be indicated in the application on the subject of the Law – natural person. The information referred to in Sub-paragraphs 15.5.2.2, 15.5.2.4, 15.5.2.5, 15.5.2.6, 15.5.2.7, and 15.5.2.13 of this Regulation shall be indicated in the application on the subject of the Law – legal person.

5. After verification of the information included in the application and the documents appended, the account of a System user linked to a unique identifier of the reporter shall be activated in the System. The Financial Intelligence Unit shall not activate the account of the System user if the subject of the Law has not been registered with the supervisory and control authority.

6. The main representative of the System user shall ensure the rights of other representatives of the System user to use the account by confirming or blocking their access to the account of the System user.

7. If the main representative of the System user changes, the System user shall ensure taking over of the administration of the account of the System user and transferring it to a new main representative of the System user.

**III. Submission of Reports and the Threshold Declaration**

8. The reports and the threshold declaration shall be submitted electronically by using the online form available on the website of the Financial Intelligence Unit or uploading the XML file created in conformity with the XSD published on the website of the Financial Intelligence Unit. Other persons may submit the report to the Financial Intelligence Unit also as a submission in writing or using the online forms available on the Single State and Local Government Services Portal www.latvija.lv.

9. The Financial Intelligence Unit has the right not to accept a threshold declaration which has not been submitted in accordance with the requirements laid down in this Regulation and other laws and regulations by informing the subject of the Law thereof.

10. If the Financial Intelligence Unit makes changes in the XSD referred to in Sub-paragraph 3.1 of this Regulation, the Financial Intelligence Unit shall publish the new XSD on its website by sending a notification thereon to the subjects of the Law in the System. The new XSD shall enter into effect not earlier than six months after publishing thereof or prior to this time period if the Financial Intelligence Unit has coordinated it with the supervisory and control authorities.

11. The subjects of the Law shall, in the cases referred to in Paragraph 14 of this Regulation, submit a weekly threshold declaration to the Financial Intelligence Unit on each transaction made in the previous period between the subject of the Law and its client or each activity performed. The subject of the Law may join several threshold declarations into one by including therein the information on one of the types of transactions or activities referred to in Paragraph 14 of this Regulation.

12. Within the meaning of Paragraph 11 of this Regulation, the previous period shall be the period from the date of submission of the previous threshold declaration.

13. The subjects of the Law shall submit a threshold declaration on each transaction and activity which conforms to the sum in euros referred to in Paragraph 14 of this Regulation or to its equivalent in another currency according to the euro reference rate published by the European Central Bank on the day of the transaction. If such foreign currency is used in the transaction for which the European Central Bank does not publish the euro reference rate, the most recent currency market rate in relation to euro published in a periodical of a provider of financial information recognised by the global financial market or on its website shall be used for calculations.

14. The subjects of the Law shall submit the threshold declaration to the Financial Intelligence Unit in the following cases:

14.1. in relation to the subjects of the Law which provide payment services within the meaning of the Law on Payment Services and Electronic Money which are related to cash transactions or cross-border payments:

14.1.1. the client performs a cash transaction the amount of which is equivalent to EUR 7000 or more, except for the case if, within the scope of a collection service, cash is transferred or withdrawn from the account of the client of the service provider in a credit institution or financial institution;

14.1.2. the client sends or receives a cross-border payment the amount of which is equivalent to EUR 500 000 or more;

14.2. in relation to insurance merchants and intermediaries, insofar as they perform or provide life insurance or other insurance services related to the accumulation of funds – the amount of insurance indemnities disbursed or the surrender value is equivalent to EUR 100 000 or more;

14.3. in relation to private pension funds – the amount of supplementary pension capital disbursed is equivalent to EUR 100 000 or more;

14.4. in relation to capital companies and credit institutions engaged in the purchase and selling of cash in foreign currency – the transaction in which a client buys or sells foreign currency in cash if the amount thereof is equivalent to EUR 5000 or more;

14.5. in relation to organisers of lotteries and gambling – a transaction the amount of which is equivalent to EUR 2000 or more and where a prize is disbursed to the client or settlement of accounts is performed with the client, and also if the client purchases, sells or exchanges means for participation in the game or exchanges the currency for such purpose, replenishes the interactive gambling and interactive lottery account or withdraws means from it in the amount equivalent to EUR 2000 or more;

14.6. in relation to persons engaged in handling of art and antique articles – the amount of the transaction is equivalent to EUR 50 000 or more;

14.7. in relation to sworn notaries – an heir, in submitting a list of the property to be inherited with the appraisal of the property, has indicated movable property which is not to be registered (including cash) and the appraisal of which exceeds EUR 15 000 in the entirety of property of an estate.

**IV. Content of the Report and the Threshold Declaration**

15. At least the following information shall be included in the report and the threshold declaration according to the XSD requirements:

15.1. the registration data of the report or threshold declaration;

15.2. the single currency code of the European Union;

15.3. information on the System user and the main representative of the System user or a representative of the System user by indicating the information referred to in Sub-paragraphs 15.5.1.2, 15.5.1.3, 15.5.1.4, 15.5.1.5, 15.5.1.6, 15.5.1.7, 15.5.1.8, and 15.5.1.12 or Sub-paragraphs 15.5.2.2, 15.5.2.4, 15.5.2.5, 15.5.2.6, 15.5.2.7, and 15.5.2.13 of this Regulation;

15.4. the code of the indication in conformity with the values of the classification:

15.4.1. for the threshold declaration – in conformity with the cases referred to in Paragraph 14 of this Regulation;

15.4.2. for the report – the information on the possible criminal offence or offences and at least one indication of typology;

15.4.3. an indication that a report on suspicious transactions in the field of taxes has been submitted and should be sent to the State Revenue Service;

15.4.4. if necessary, other indications characterising the report;

15.5. information on participants in a transaction and the persons related thereto:

15.5.1. on a natural person if applicable and if information is known:

15.5.1.1. an indication whether the person is a client of the System user;

15.5.1.2. the given name, surname, date of birth;

15.5.1.3. for foreign natural persons – the social security number;

15.5.1.4. the personal identity number assigned in the Republic of Latvia;

15.5.1.5. the taxpayer code of the natural person in foreign countries if such has been assigned;

15.5.1.6. the nationality;

15.5.1.7. the actual and (or) declared place of residence;

15.5.1.8. the telephone and (or) electronic mail address;

15.5.1.9. the type of a personal identification document, the number, date of issue, term of validity, issuing body, issuing country of the document;

15.5.1.10. an indication regarding the fact and date of death of the person;

15.5.1.11. an indication regarding the source of welfare of the person;

15.5.1.12. other additional information on the natural person;

15.5.2. on a legal person if applicable and if information is known:

15.5.2.1. an indication whether the person is a client of the System user;

15.5.2.2. the name and registration number;

15.5.2.3. the registration date;

15.5.2.4. the code of the legal form of commercial activity;

15.5.2.5. the country of registration;

15.5.2.6. the legal address and (or) address where economic activity is carried out;

15.5.2.7. the telephone, electronic mail address, and website address, if any;

15.5.2.8. the type of economic activity according to the NACE Classification Rev. 2;

15.5.2.9. an indication regarding the fact and date of liquidation of an undertaking;

15.5.2.10. for foreign legal persons – the taxpayer number;

15.5.2.11. for persons who are linked to the legal person, the information on the role of a natural person shall be indicated in addition to the data included in Sub-paragraph 15.5.1 of this Regulation on a natural person;

15.5.2.12. the Internet address (URL);

15.5.2.13. other additional information on the legal person;

15.6. the information on the account of the person included in the report or threshold declaration if known. The following fields shall be included in the System in relation to the account information:

15.6.1. the indication whether an account has been opened in the institution of the System user;

15.6.2. the name of the institution in which an account has been opened;

15.6.3. the data on the institution where an account has been opened:

15.6.3.1. for the institution to which a SWIFT code has been assigned – the SWIFT code;

15.6.3.2. for the institution to which a SWIFT code has not been assigned – the registration number;

15.6.4. the indication whether the relevant account has been opened in the institution other than a credit institution;

15.6.5. the account number;

15.6.6. the sub-account number;

15.6.7. the basic currency code of the account;

15.6.8. the type of the account;

15.6.9. the date of opening the account;

15.6.10. the date of closing the account;

15.6.11. the state of the account;

15.6.12. the balance on the account and the date of calculating the balance on the account;

15.3.13. the information on the account holder or the authorised natural person in conformity with Sub-paragraph 15.5.1 of this Regulation;

15.6.14. the information on the account holder – legal person – in conformity with Sub-paragraph 15.5.2 of this Regulation;

15.6.15. other additional information on the account;

15.7. information on the transaction by including the sum of the transaction. If the transaction has been carried out in foreign currency, in addition the sum of the transaction in the single currency of the European Union and the currency conversion rate shall be indicated.

16. In addition to the information referred to in Paragraph 15 of this Regulation, the following shall be indicated in the report according to the XSD requirements:

16.1. the justification for the submission of the report;

16.2. the information on the activities carried out by the System user in relation to the information referred to in the report;

16.3. the IP address or IP addresses used in the transaction if they can be determined;

16.4. the information on the resources, goods, or services of other types involved in the transaction if such exist.

17. The threshold declaration and the report shall contain information on at least one transaction or activity. It shall be possible to report two types of transactions in the threshold declaration and the report:

17.1. a transaction of two participants in which the sender and recipient of the money are indicated;

17.2. a transaction of one or several participants in which the person or persons of the transaction and their role are indicated.

18. In submitting the report or threshold declaration by using the online form available on the website of the Financial Intelligence Unit, the data referred to in Sub-paragraphs 15.2 and 15.3 of this Regulation are generated automatically.

**V. Sending the Report on Suspicious Transactions in the Field of Taxes and the Threshold Declaration to the State Revenue Service**

19. The Financial Intelligence Unit has an obligation to forward electronically, without delay, the registered report and threshold declaration to the State Revenue Service with all the annexes appended to the report and the threshold declaration in the following cases:

19.1. the subject of the Law has submitted the report by making a relevant note in conformity with Sub-paragraph 15.4.3 of this Regulation;

19.2. a sworn notary has submitted the threshold declaration for the activity referred to in Sub-paragraph 14.7 of this Regulation.

20. The Financial Intelligence Unit shall ensure transfers of data and the State Revenue Service shall ensure a channel for the receipt of data for the receipt of the reports and threshold declarations in an unchanged form.

**VI. Closing Provisions**

21. In case of insolvency and liquidation proceedings commenced prior to the coming into force of this Regulation, credit institutions may submit the report electronically in the System by using the website maintained by the Financial Intelligence Unit (https://zinojumi.fid.gov.lv), uploading a pre-prepared XML file, or filling in the online form available on the website of the Financial Intelligence Unit.

22. The following Cabinet regulations are repealed:

22.1. Cabinet Regulation No. 408 of 27 August 2019, Regulations Regarding the Procedures for Submitting Reports on Suspicious Transactions (*Latvijas Vēstnesis*, 2019, No. 182);

22.2. Cabinet Regulation No. 407 of 27 August 2019, Regulations Regarding the Procedures for the Submission of the Threshold Declaration and Content Thereof (*Latvijas Vēstnesis*, 2019, No. 182);

22.3. Cabinet Regulation No. 162 of 22 March 2016, Regulations Regarding the Procedures for Submitting Reports on Suspicious Transactions to the State Revenue Service (*Latvijas Vēstnesis*, 2016, Nos. 59, 149, 251).

23. The Regulation shall come into force on 1 October 2021.

Prime Minister A. K. Kariņš

Minister for Finance J. Reirs