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

21 June 2018 [shall come into force from 12 July 2018];

13 June 2019 [shall come into force from 4 July 2019].

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 International Sanctions and National Sanctions of the Republic of Latvia**

**Section 1. Terms Used in this Law**

The following terms are used in this Law:

1) **international sanctions** – restrictions imposed in accordance with the international law in relation to subjects of sanctions, which have been adopted by the United Nations Organization or the European Union, or another international organisation, to which the Republic of Latvia is a member state, and which are directly applicable or introduced in Latvia in accordance with the procedures laid down in this Law;

2) **national sanctions** – restrictions imposed in accordance with the laws and regulations of Latvia and international law in relation to subjects of sanctions, which have been stipulated by the Cabinet in accordance with the procedures laid down in this Law;

3) **competent authority** – an authority of a public person or another authority, which, in accordance with the competence specified for it in laws and regulations, is responsible for the enforcement of international or national sanctions, its supervision or control;

4) **subject of sanctions** – a subject of public international law, a natural or legal person, or another identifiable subject on which international or national sanctions have been imposed;

5) **beneficial owner** – a natural person within the meaning of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

[*13 June 2019*]

**Section 2. Purpose and Scope of Application of this Law**

(1) The purpose of this law is to ensure peace, security and rule of law in accordance with the international obligations and national interests of Latvia, when introducing international sanctions or imposing national sanctions, or in the cases specified in this Law when the sanctions imposed by the European Union or North Atlantic Treaty Organisation are being imposed.

(2) The Law applies to all persons, and they have the obligation to comply with and enforce the international and national sanctions.

[*12 June 2018; 13 June 2019*]

**Section 3. Imposition of National Sanctions**

The Cabinet may, upon its own initiative, as well as upon a proposal of the Minister for Foreign Affairs or the National Security Council, impose national sanctions, if it is not in contradiction with the international obligations of Latvia arising from the participation of Latvia in an international organisation, and if it is necessary to achieve any of the following objectives:

1) to achieve peace or to prevent international crimes or human rights violations outside the territory of Latvia;

2) to prevent harm to external policy interests or national security of Latvia;

3) to combat international terrorism or manufacture, storage, movement, use, or proliferation of weapons of mass destruction (hereinafter – the proliferation);

4) to prevent justification of such actions or invitation to such actions, which are against the objectives referred to in Clauses 1–3 of this Section.

[*21 June 2018; 13 June 2019*]

**Section 3.1 Proposition of International Sanctions**

(1) The Cabinet may, upon its own initiative, as well as upon a proposal of the Minister for Foreign Affairs or the National Security Council, propose the imposition of international sanctions in accordance with the rights which the Republic of Latvia has as the Member State of the European Union and United Nations.

(2) The procedures for the proposition of international sanctions shall be determined by the Cabinet.

[*13 June 2019*]

**Section 4. Types of International and National Sanctions**

The following international or national sanctions may be introduced or imposed in Latvia:

1) financial restrictions;

2) civil legal restrictions;

3) restrictions on admission;

4) restrictions on circulation of goods of strategic significance and other goods;

5) restrictions on provision of tourism services.

**Section 5. Financial and Civil Legal Restrictions**

(1) If financial restrictions have been imposed on the subject of sanctions, all persons in accordance with their competence have the obligation to immediately and without a prior warning take the following actions:

1) to freeze all financial resources and financial instruments, which are directly or indirectly, completely or partially under the ownership, possession, holding or control of the subject of sanctions, including those financial resources and financial instruments that have been transferred to third persons;

2) to deny access for the subject of sanctions to financial resources and financial instruments;

3) not to provide the financial services specified in international or national sanctions to the subject of sanctions (including by means of an authorisation).

(2) A subject of sanctions on which civil legal restrictions have been imposed, based on these restrictions, is prohibited from acquiring and alienating tangible and intangible objects to which ownership rights or other property rights must be registered, corroborated, or published in public registers.

(3) The acquisition and alienation of the ownership rights or other property rights referred to in Paragraph two of this Section is forbidden to be registered or corroborated in public registers.

[*13 June 2019*]

**Section 6. Civil Legal Restrictions**

[13 June 2019]

**Section 7. Restrictions on Admission**

A subject of sanctions on which a restriction on admission has been imposed is prohibited from entering and residing in Latvia or crossing the territory of Latvia in transit.

**Section 8. Restrictions on Circulation of Goods of Strategic Significance and Other Goods**

If in relation to a subject of sanctions an arms embargo or a prohibition of import, export, transit, or brokering services of other goods has been imposed, the subject governed by private or public law is prohibited from selling, supplying, transferring, or exporting goods of strategic significance of specific kind to the subject of sanctions, or otherwise alienating them or other goods specified in law, or allowing access to them.

**Section 9. Restrictions on Provision of Tourism Services**

A subject governed by private law is prohibited from providing services, which are directly related to tourism activities in a territory specified in international or national sanctions or to a subject of sanctions on which restrictions for the provision of tourism services have been imposed.

**Section 10. Application of Exceptions in Enforcement of Sanctions**

(1) If international or national sanctions provide for specific exceptional cases in enforcement of sanctions, the competent authority may take the decision to apply such exceptions to the subject of sanctions upon a request of the subject of sanctions.

(2) The competent authority shall take the decision to apply exceptional cases in enforcement of sanctions on the basis of the opinions provided by State security authorities or other institutions.

(3) The civil legal restrictions imposed in international or national sanctions on the tangible or intangible objects in ownership or possession of a subject of sanctions do not preclude the direction of recovery towards such objects when executing rulings of courts and other institutions.

**Section 11. Introduction, Imposition, and Enforcement of Sanctions**

(1) The financial and civil legal sanctions imposed by the United Nations Security Council resolutions and the sanctions imposed by the European Union regulations are binding and directly applicable to the Republic of Latvia.

(11) After a resolution of the United Nations Security Council on the imposition, amendment or revocation of sanctions has been adopted, the Ministry of Foreign Affairs shall immediately notify this information to the competent authorities and publish it on its website, and shall also send the information regarding the adoption, amendment or revocation of the resolution and the aforementioned resolution for publication in the official gazette *Latvijas Vēstnesis* not later than on the next working day.

(2) The Cabinet may issue regulations regarding introduction of international sanctions, if international sanctions that are not directly applicable have been imposed.

(3) The Cabinet may issue regulations regarding imposition of national sanctions, if any of the grounds referred to in Section 3 of this Law are established. The sanctions imposed by the Cabinet regulations are applicable to specific subjects of sanctions by a Cabinet order including the list of subjects of sanctions. A Cabinet order shall come into force on the day of its signing. After signing an order, the Ministry of Foreign Affairs shall immediately notify the competent authorities thereof. The order shall be published in the official gazette *Latvijas Vēstnesis* on the next working day after its signing.

(4) The Cabinet shall determine general procedures for the enforcement of sanctions.

(5) The Cabinet shall determine separate procedures for the enforcement of the national sanctions specified in accordance with Section 3, Clause 3 of this Law.

*[21 June 2018; 16 June 2019]*

**Section 11.1 Imposition of Sanctions in the Fields of Public Procurements and Public-Private Partnerships**

(1) As regards the tenderer to whom contract should be awarded in accordance with the laws and regulations in the field of public procurement, the contracting authority, public service provider, public partner or its representative shall examine whether on this tenderer, or a member of its board or council, its beneficial owner, a person having the right of representation or proctor, or a person who is authorised to represent the tenderer in activities related to a branch, or member of a partnership, or member of the board or council, its beneficial owner, a person having the right of representation or proctor, if the tenderer is a partnership, international or national sanctions, or sanctions of a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests have been imposed. Where international or national sanctions, or sanctions of a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests have been imposed on the tenderer or any of the aforementioned persons, and they will delay the performance of the contract, the tenderer must be excluded from participation in the contract awarding procedure.

(2) Where the contracting authority has provided for a possibility to make direct payments to a subcontractor in accordance with the laws and regulations in the field of public procurements, the verification referred to in Paragraph one of this Section shall also be made in respect of the subcontractor indicated by the tenderer, a member of its board or council, beneficial owner, person having the right of representation or proctor, or person who is authorised to represent the subcontractor in activities related to a branch, or member of a partnership, or member of its board or council, beneficial owner, person having the right of representation or proctor, if the subcontractor is a partnership. Where the international or national sanctions or sanctions of a Member State of the European Union or North Atlantic Treaty Organisation affecting significant financial and capital market interests that have been imposed on the subcontractor or any of the aforementioned persons will delay the performance of the contract, the respective tenderer must be excluded from participation in the contract awarding procedure, if this tenderer has not substituted such subcontractor in accordance with the procedures specified by the laws and regulations in the field of public procurements within 10 working days after the request has been issued or sent.

(3) The contracting authority, public service provider, public partner or its representative shall obtain the information referred to in Paragraphs one and two of this Section regarding a tenderer or subcontractor that is registered in the Republic of Latvia from the Enterprise Register of the Republic of Latvia in accordance with the procedures specified in the laws and regulations.

(4) The contracting authority, public service provider, public partner or its representative shall request that the tenderer referred to in Paragraph one of this Section and the subcontractor referred to in Paragraph two of this Section which are registered in a foreign country submit a statement of the respective foreign competent authority where the information regarding the tenderer and subcontractor that is necessary for the verification provided for in Paragraphs one and two of this Section, including information regarding the beneficial owner of the tenderer and subcontractor or information regarding the fact that the beneficial owner cannot be identified, is indicated, by determining a deadline for the provision of information which shall not be less than 10 working days. If such statement is not issued, the aforementioned document may be replaced by a declaration on oath or, if the laws and regulations of the respective country do not provide for taking the oath, by a certification of the tenderer or subcontractor referred to in Paragraph two of this Section to a competent executive and judicial institution, sworn notary or competent organisation of the respective field in the country of their registration. The contracting authority, public service provider, public partner or its representative can also obtain the information regarding the tenderer or subcontractor registered in a foreign country that is necessary for the verification provided for in Paragraphs one and two of this Section independently.

(5) A procurement contract, framework agreement, partnership procurement contract or concession contract shall provide for the right for the contracting authority, public service provider, public partner or its representative to unilaterally withdraw from the performance of the contract, if the contract cannot be performed due to the fact that international or national sanctions or sanctions determined by a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests have been imposed.

*[13 June 2019 /* *See Paragraph 5 of Transitional Provisions]*

**Section 11.2 Imposition of Sanctions in the Field of European Union Funds and Other Foreign Financial Assistance**

(1) As regards the project promoter the project application of which should be approved or with whom the contract on the project implementation should be concluded in accordance with the procedures specified in the laws and regulations regarding the respective European Union fund or other foreign financial assistance, the liaison body, intermediary body or manager of the European Union funds or other foreign financial assistance, or another authority specified in the laws and regulations regarding the introduction of the European Union funds or granting of the foreign financial assistance (hereinafter – the responsible authority) shall verify whether international or national sanctions, or sanctions of a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests have been imposed on this project promoter, a member of its board or council, beneficial owner, person having the right of representation or proctor, or person who is authorised to represent the project promoter in activities related to a branch. If before the approval of the project application or concluding the contract on project implementation the responsible authority finds that international or national sanctions, or sanctions of a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests have been imposed on the project promoter or any of the aforementioned persons, it shall immediately exclude the project promoter from participation in the selection of project applications or not conclude the contract on project implementation.

(2) Before making a payment, the responsible authority shall make the verification, and it shall not make the payment when as a result of the aforementioned verification it finds that international or national sanctions, or sanctions of a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests have been imposed on the beneficiary of the European Union funds or other foreign financial assistance, a member of its board or council, its beneficial owner, a person having the right of representation or proctor, or a person who is authorised to represent the aforementioned beneficiary in activities related to a branch.

(3) The contract on project implementation or decision on the approval of a project application, when the contract on project implementation is not being concluded in accordance with the laws and regulations regarding the respective European Union fund or other foreign financial assistance, shall provide for the right for the responsible authority to unilaterally withdraw from the performance of the contract or to revoke the decision on the approval of a project application, if the contract cannot be performed or the project cannot be implemented due to the fact that international or national sanctions, or sanctions determined by a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests have been imposed.

*[13 June 2019]*

**Section 11.3 Conclusion of Contracts in the Field of Public or Private Law and Making of Payments when Sanctions are Imposed**

(1) A subject governed by public law is prohibited from concluding a contract in the field of public or private law when international or national sanctions, or sanctions determined by a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests have been imposed and affect the performance of the contract.

(2) A subject governed by public law is prohibited from making a payment when international or national sanctions, or sanctions determined by a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests have been imposed and affect the payment.

*[13 June 2019]*

**Section 12. Circulation of the Information Associated with the Imposition and Introduction of Sanctions**

(1) The Ministry of Foreign Affairs shall inform:

1) international organisations of the introduction of the sanctions imposed thereby in Latvia, as well as of the exceptions applied by the competent authority in accordance with Section 10 of this Law;

2) the Cabinet of international sanctions, amending their term of validity, and revocation;

3) the competent authorities of the imposition of international and national sanctions, amending or revocation of such sanctions, and provide the information necessary for their enforcement;

4) the subject of sanctions of the national sanctions imposed on such subject, and of their revocation.

(2) Upon a request of the Ministry of Foreign Affairs the competent authority shall inform it of the enforcement and supervision of sanctions. The competent authority is entitled to transfer the information at its disposal regarding a natural person to the Ministry of Foreign Affairs, if such information is associated with enforcement of international sanctions and is necessary for the Ministry of Foreign Affairs to be able to fulfil its commitments towards international organisations in relation to the sanctions imposed thereby which are applied in Latvia.

(3) The Ministry of Foreign Affairs is the co-ordinating institution in communication with international organisations and foreign competent authorities regarding the imposition and introduction of sanctions and application of exceptions in Latvia.

**Section 13. Competent Authorities**

(1) The competent authorities shall perform any activities, which are necessary to ensure enforcement of international and national sanctions.

(2) The Office of Citizenship and Migration Affairs as the competent authority shall be responsible for the person on whom the restriction on admission has been imposed in accordance with Section 11 of this Law to be included in the list of such persons who are prohibited to enter Latvia.

(3) The Ministry of Economics as the competent authority shall provide information and consult on the entry into effect, enforcement, or revocation of restrictions on the provision of tourism services introduced or specified in accordance with the procedures laid down in Section 11 of this Law.

(4) The Financial and Capital Market Commission as the competent authority shall:

1) supervise the enforcement of the restrictions provided for in the international and national sanctions in relation to the participants of the financial and capital market for which this Law does not specify another competent authority;

2) be entitled to take the decisions necessary to enforce the sanctions, including decisions on the freezing of funds that are binding on the participants of the financial and capital market, if it has sufficient evidence at its disposal that the participant of the financial and capital market is obliged to impose the sanctions, but the sanctions have not been enforced in accordance with the requirements of the laws and regulations;

3) determine requirements for the participants of the financial and capital market in relation to the establishment and control of an internal control system for the sanction risk management;

4) determine criteria for the participants of the financial and capital market by which the sanctions determined by a Member State of the European Union or North Atlantic Treaty Organisation that significantly affect interests of the participants of the financial and capital market or financial and capital market itself shall be imposed;

5) determine requirements for the participants of the financial and capital market in relation to imposition of financial restrictions, if these restrictions result from such sanctions determined by a Member State of the European Union or North Atlantic Treaty Organisation the compliance with which significantly affects interests of the participants of the financial and capital market or financial and capital market itself.

(41) The Financial Intelligence Unit shall be the competent authority in combating the circumvention of international or national sanctions or a circumvention attempt in the enforcement of financial restrictions in accordance with the procedures laid down in the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

(42) The State Revenue Service, as the competent authority, shall supervise the enforcement of the financial and civil legal restrictions imposed by international or national sanctions in relation to those persons which it supervises in accordance with the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

(43) The Consumer Rights Protection Centre as the competent authority shall monitor how the persons who are engaged in consumer crediting and to whom the Consumer Rights Protection Centre has issued a special permit (licence) for the provision of crediting services, and persons who are dealing with provision of debt recovery services and to whom the Consumer Rights Protection Centre has issued a special permit (licence) for the provision of debt recovery services are complying with the financial and civil legal restrictions laid down in international and national sanctions.

(44) The Latvian Council of Sworn Advocates, as the competent authority, shall:

1) supervise the enforcement of the restrictions imposed by international and national sanctions in the work of sworn advocates;

2) develop procedures which provide for a set of measures that a sworn advocate must implement in order to ensure the fulfilment of the requirements of this Law.

(45) The Council of Sworn Notaries of Latvia, as the competent authority, shall:

1) supervise the enforcement of the restrictions imposed by international and national sanctions in the work of sworn notaries;

2) develop procedures which provide for a set of measures that a sworn notary must implement in order to ensure the fulfilment of the requirements of this Law.

(46) The Latvian Association of Sworn Auditors, as the competent authority, shall:

1) supervise the enforcement of the restrictions imposed by international and national sanctions in the work of sworn auditors and commercial companies of sworn auditors;

2) develop procedures which provide for a set of measures that a sworn auditor and commercial company of sworn auditors must implement in order to ensure the fulfilment of the requirements of this Law.

(47) The Lotteries and Gambling Supervision Inspection, as the competent authority, shall supervise the enforcement of the restrictions imposed by international and national sanctions in the work of the lottery and gambling operators.

(48) The National Cultural Heritage Board, as the competent authority, shall supervise the enforcement of the restrictions imposed by international or national sanctions in relation to those transactions and persons which it supervises in accordance with the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

(49) *Latvijas Banka*, as the competent authority, shall supervise the enforcement of the restrictions imposed by international or national sanctions in the work of those capital companies which have received the licence of *Latvijas Banka* for the buying and selling of cash in a foreign currency, and shall determine requirements that are binding on them for the establishment and control of an internal control system for the sanction risk management.

(5) The Land Registry Office of a district (city) court as the competent authority shall enforce the prohibition specified in international or national sanctions to corroborate the property rights to immovable property or record a pledge notation, which hinders voluntary corroboration of any rights (except for the rights obtained as a result of inheriting) in relation to the immovable property in the ownership of the subject of sanctions.

(6) If the sanctions imposed on the subject of sanctions are amended or revoked, the competent authorities shall take all actions necessary for amending or revoking the imposed restrictions based on the competence specified for such institutions in laws and regulations.

*[21 June 2018; 13 June 2019]*

**Section 13.1 Obligation to Make Sanction Risk Assessment and to Establish an Internal Control System**

(1) The persons that are under the supervision of the Financial and Capital Market Commission, State Revenue Service, Consumer Rights Protection Centre, Latvian Council of Sworn Advocates, Council of Sworn Notaries of Latvia, Latvian Association of Sworn Auditors, Lotteries and Gambling Supervision Inspection, National Cultural Heritage Board and *Latvijas Banka* shall, based on their type of activity, make and document the assessment of international and national sanction risk in order to establish, assess, understand and manage the risks of failure to enforce the international and national sanctions imposed on their activities or customers. Based on this assessment, the persons that are under supervision shall establish an internal control system for the management of the risks of international and national sanctions, including by developing and documenting the respective policies and procedures.

(2) An internal control system is a set of measures including actions taken to ensure the fulfilment of the requirements of international and national sanctions, providing appropriate resources and training the employees for this purpose in order to prevent, as far as possible, the involvement of persons who are under the supervision of the Financial and Capital Market Commission, State Revenue Service, Consumer Rights Protection Centre, Latvian Council of Sworn Advocates, Council of Sworn Notaries of Latvia, Latvian Association of Sworn Auditors, Lotteries and Gambling Supervision Inspection, National Cultural Heritage Board and *Latvijas Banka* in the violation or circumvention of the requirements of international and national sanctions, or avoidance of their enforcement.

*[13 June 2019]*

**Section 13.2 Liability for Violations in the Field of the Requirements of International and National Sanctions**

(1) The Financial and Capital Market Commission, State Revenue Service, Consumer Rights Protection Centre, Latvian Council of Sworn Advocates, Council of Sworn Notaries of Latvia, Latvian Association of Sworn Auditors, Lotteries and Gambling Supervision Inspection, National Cultural Heritage Board and *Latvijas Banka* shall be entitled to apply administrative sanctions and supervisory measures to the persons that are under their supervision for violations of the laws and regulations governing the requirements of international and national sanctions regarding the internal control system and sanction risk management.

(2) The competent authorities referred to in Paragraph one of this Section, except for the Financial and Capital Market Commission, may apply the following administrative sanctions to the persons that are under their supervision for the violations of the laws and regulations governing the requirements of international and national sanctions regarding the internal control system and sanction risk management:

1) to issue a warning;

2) to impose a fine on the natural or legal person liable for the violation in the amount of up to EUR 1 000 000;

3) to suspend or terminate the activity, including to suspend or annul a licence (certificate) or to annul the record in the relevant register;

4) to impose an obligation to take certain action or refrain therefrom.

(3) Cases against sworn advocates and sworn notaries in relation to violations of the laws and regulations governing the requirements of international and national sanctions regarding the internal control system and sanction risk management shall be examined in accordance with the procedures determined for the examination of disciplinary cases in the laws and regulations governing the activities of these persons. The administrative sanctions provided for in Paragraph two, Clauses 1, 2 and 4 of this Section shall be applied to sworn auditors and commercial companies of sworn auditors by the State Revenue Service upon a proposal of the Latvian Association of Sworn Auditors, but the licences of sworn auditors and commercial companies of sworn auditors shall be revoked by the Latvian Association of Sworn Auditors in accordance with the procedures laid down in the laws and regulations regarding the audit services.

(4) The Financial and Capital Market Commission may apply the following administrative sanctions to the persons that are under its supervision – participants of the financial and capital market – for violations of the laws and regulations governing the requirements of international and national sanctions regarding the internal control system and sanction risk management:

1) to issue a warning;

2) to impose a fine on a participant of the financial and capital market in the amount of up to 10 per cent of the total annual turnover according to the latest approved financial statement, drafted, approved and, if necessary, audited in accordance with the laws and regulations regarding the drawing up of annual financial statements. If 10 per cent of the total annual turnover that has been determined in accordance with the first sentence of this Clause is less than EUR 5 000 000, the competent authority is entitled to impose a fine in the amount of up to EUR 5 000 000. If the participant of the financial and capital market is a parent undertaking or a subsidiary undertaking of a parent undertaking, the corresponding total annual turnover shall be the total annual turnover or the income of the corresponding type in accordance with the relevant laws and regulations and the latest available consolidated statements which have been approved by the key management body of the parent undertaking;

3) to impose a fine of up to EUR 5 000 000 on an official, employee or a person who, at the time of committing the violation, is liable for the compliance with the requirements of international and national sanctions under the assignment or in the interests of the participant of the financial and capital market;

4) to suspend or terminate the activity, including to suspend or annul a licence (certificate) or to annul the record in the relevant register;

5) to determine a temporary prohibition for the person liable for the violation to fulfil the obligations specified for the participant of the financial and capital market;

6) to impose an obligation on a participant of the financial and capital market to dismiss the person liable for the violation from the position held.

(5) The decisions of Financial and Capital Market Commission on the application of administrative sanctions can be appealed to the Administrative Regional Court, but the decisions of other competent authorities on the application of administrative sanctions – to the Administrative District Court in accordance with the procedures specified in the Administrative Procedure Law. The appeal of the administrative act on the application of the administrative sanctions, except for the imposition of a fine, shall not suspend the operation of such act.

(6) The competent authority shall publish the decision on the application of administrative sanctions and supervisory measures on its website immediately after the person to whom the administrative sanction or supervisory measure has been applied is informed of this decision.

(7) When publishing the decision by which the administrative sanctions and supervisory measures are applied, the competent authority shall comply with the following provisions:

1) the post must include at least the information on the type and nature of the violation and the identity of persons held liable, except for that which is laid down in Clause 2 of this Paragraph, as well as on contesting the decision and the adopted ruling;

2) the natural person need not be identified in the post, if after making the initial assessment it is found that the disclosure of his or her data can endanger the stability of the financial market or the course of the initiated criminal proceedings, or cause incommensurate harm to the persons involved;

3) if it is expected that the circumstances referred to in Clause 2 of this Paragraph may cease to exist in a reasonable period of time, the public disclosure of information may be temporarily postponed;

4) the post shall be available on the website of the competent authority for five years in accordance with the personal data protection requirements.

*[13 June 2019]*

**Section 13.3 Procedures for the Use of Fines**

The fines imposed for the violations of this Law shall be transferred into the State budget, and its use shall be determined in accordance with the annual State budget law.

*[21 June 2018 /* *Section shall come into force on 3 July 2019.* *See Paragraph 4 of Transitional Provisions]*

**Section 13.4 Statute of Limitation**

(1) As regards the violations specified in Section 13.2, Paragraph one of this Law, the competent authority is entitled to initiate an administrative case not later than within 10 years from the day of committing the violation, but if the violation is continuous – from the day of terminating the violation. Counting of the limitation period for the initiation of a case shall be suspended on the day of the initiation of the administrative case.

(2) The competent authority may take the decision on the imposition of the sanctions specified in Section 13.2 of this Law within two years from the day when the administrative case was initiated.

(3) Due to objective reasons, including if the case requires a protracted determination of facts, the competent authority, by taking a decision, may extend the time period for taking a decision specified in Paragraph two of this Section for a time period not exceeding three years from the day when the administrative case was initiated. The decision on extending the time period shall not be subject to appeal.

(4) The competent authority shall terminate the case, if the decision on the imposition of the sanctions specified in Section 13.2 of this Law has not been taken within the time period specified in Paragraph two or three of this Section.

*[21 June 2018 /* *Section shall come into force on 3 July 2019.* *See Paragraph 4 of Transitional Provisions]*

**Section 13.5 Discharge of the Liability of a Person**

(1) Provision of information to the State Security Service and other competent authorities regarding alleged violations of the international and national sanctions, or sanctions of a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests, and violations irrespective of the provisions of other laws and regulations or contracts, shall not be recognised as the disclosure of confidential information, and a natural or legal person, or a subject governed by public law, or its management (including members of the board or council) and employees shall not be held legally liable, including civilly liable, for the provision of the aforementioned information.

(2) If, upon the application of the requirements of this Law or other laws and regulation in the field of international or national sanctions, or sanctions of a Member State of the European Union or North Atlantic Treaty Organisation that affect significant financial and capital market interests, a person has refrained from conducting a transaction, has terminated business relations or has requested early fulfilment of the commitments, this person, or its management (including members of the board or council) and employees shall not be held legally liable, including civilly liable, due to such refraining or delay of a transaction, termination of business relations or request for an early fulfilment of commitments.

*[13 June 2019]*

**Section 14. Revocation of International and National Sanctions**

(1) The Minister for Foreign Affairs may, upon his or her initiative or on the basis of the recommendation of the National Security Council, or after evaluating the application of the subject of sanctions, express a proposal to the international organisation to revoke international sanctions, insofar as they apply to the subject of sanctions, if the relevant subject is a natural or legal person under the jurisdiction of the Republic of Latvia.

(2) The Cabinet may, upon its initiative or on the basis of the proposal of the Minister for Foreign Affairs or recommendation of the National Security Council, decide on amending or revocation of the Cabinet regulations issued in accordance with the procedures laid down in Section 11, Paragraph three of this Law and the Cabinet orders issued on their basis. Upon receipt of an application from the subject of sanctions, the Cabinet may decide on amending or revoking the Cabinet order issued in accordance with the procedures laid down in Section 11, Paragraph three of this Law, insofar as it applies to the subject of sanctions.

*[21 June 2018]*

**Section 15. Appeal and Revision of National Sanctions**

(1) The Cabinet order issued on the basis of the Cabinet regulation regarding national sanctions, insofar as it applies to the subject of sanctions, may be appealed to the Administrative Regional Court in accordance with the procedures laid down in law. Appeal of a Cabinet order shall not suspend the operation of this order.

(2) The Cabinet shall, not less than once a year, revise the Cabinet regulations issued in accordance with the procedures laid down in Section 11, Paragraph three of this Law and Cabinet orders with lists of subjects of sanctions and, if necessary, amend or partially or completely revoke them.

*[21 June 2018]*

**Section 16. Sanctions Coordination Council**

(1) The Sanctions Coordination Council is a consultative body established by the Cabinet the objective of which is to coordinate the activities of the competent authorities and to promote a uniform approach to the application of laws and regulations.

(2) By-law of the Sanctions Coordination Council shall be approved by the Cabinet.

*[13 June 2019]*

**Section 17. Reporting Obligation**

The persons that are under the supervision of the competent authorities shall be obliged to:

1) immediately, but no later than on the next working day, report to the State Security Service on the violation of the international or national sanctions or an attempt to violate them, and the funds frozen due to such actions, and to inform the respective competent authority thereof;

2) if suspicions of the circumvention of international or national sanctions or circumvention attempt in the enforcement of financial restrictions have arisen, report thereon to the Financial Intelligence Unit in accordance with the procedures laid down in the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

*[13 June 2019]*

**Transitional Provisions**

*[21 June 2018]*

1. With the coming into force of this Law, the law On Introduction in the Republic of Latvia of the Sanctions Specified by International Organisations (Latvijas Vēstnesis, 2006, No. 171) is repealed.

*[21 June 2018]*

2. The right provided in Section 11.1, Paragraph three of this Law to unilaterally withdraw from the performance of the contract shall not be applied to those procurements or procurement procedures that have been commenced or announced before the day of entry into force of this provision.

*[21 June 2018]*

3. Section 13.1 of this Law shall come into force on 1 May 2019.

*[21 June 2018]*

4. Sections 13.2, 13.3 and 13.4 of this Law shall enter into force concurrently with amendments to Section 84 of the Criminal Law providing criminal punishments for the violation of the sanctions imposed by the United Nations, European Union and other international organisations or the national sanctions imposed by the Republic of Latvia.

*[21 June 2018]*

5. Amendments to Section 11.1 of this Law shall not apply to those procurements or procurement procedures that have been commenced or announced prior to coming into force of these amendments.

*[13 June 2019]*

6. Until the respective amendments are made in other laws and regulations, the name “Financial Intelligence Unit” used in this Law shall correspond to the name “Office for Prevention of Laundering of Proceeds Derived from Criminal Activity” or “Control Service” used in other laws and regulations.

*[13 June 2019]*

The Law shall come into force on 1 March 2016.

This Law has been adopted by the *Saeima* on 4 February 2016.

Acting for the President,

Speaker of the *Saeima* I. Mūrniece

Riga, 15 February 2016