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

23 May 1996 [shall come into force from 1 June 1996];

24 March 1997 [shall come into force from 24 April 1997];

18 June 1997 [shall come into force from 15 July 1997];

11 November 1999 [shall come into force from 1 January 2000],

11 May 2000 [shall come into force from 1 July 2000];

22 March 2001 [shall come into force from 20 April 2001];

10 May 2001 [shall come into force from 1 June 2001];

24 October 2002 [shall come into force on 27 November 2002];

19 June 2003 [shall come into force from 24 July 2003];

23 October 2003 [shall come into force from 1 December 2003];

30 October 2003 [shall come into force from 1 January 2004];

22 June 2005 [shall come into force from 20 July 2005];

3 November 2005 [shall come into force from 25 November 2005];

1 December 2009 [shall come into force from 1 December 2010];

6 May 2010 [shall come into force from 28 May 2010];

12 July 2010 [shall come into force from 11 August 2010];

16 December 2010 [shall come into force from 1 January 2011];

12 September 2013 [shall come into force from 1 January 2014];

6 November 2013 [shall come into force from 1 January 2014];

23 November 2016 [shall come into force from 1 January 2017];

12 December 2019 [shall come into force from 14 December 2019];

18 December 2019 [shall come into force from 20 December 2019];

10 February 2022 [shall come into force from 27 April 2022];

2 February 2023 [shall come into force from 8 February 2023].

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 Ports**

[*10 February 2022*]

**Chapter One**

**General Provisions**

**Section 1. Application of this Law**

This Law governs the principles of port activities and the administrative procedures of ports.

[*11 May 2000*]

**Section 2. Concept of a Port**

(1) A port is a part of the land territory of Latvia defined by boundaries, including artificially created banks, and such part of inland waters, including inner and outer roadsteads and fairways in the port entrance, which are set up for the servicing of ships and passengers, for the conduct of cargo, transport, and expedition operations and other economic activities.

(2) Use of a port for defence purposes shall be governed by the Cabinet regulations and the regulations of the relevant port.

[*10 February 2022*]

**Section 3. Determination of Port Boundaries**

The boundaries of a port, including territories which, taking into account their geographical situation, might be used for prospective development of the port, including the territories of the railway right of way of the State public-use railway infrastructure, shall be determined by the Cabinet upon a recommendation of the relevant local government of the Ministry of Transport, port authority, and administrator of the State public-use railway infrastructure.

[*11 May 2000; 10 February 2022*]

**Section 4. Immovable Property in Ports**

(1) The land portion of the territory of a port (hereinafter –the land of the port) may be the property of the State, local government or other legal or natural person.

(2) The inner water area of the port (hereinafter – the aquatorium) is the property of the State.

(3) The following shall be in the possession of the relevant port authority:

1) the State and local government land and aquatorium;

2) navigation equipment and devices;

3) in the ports of Rīga, Liepāja, and Ventspils – the common hydrotechnical structures of the port (breakwaters, dams for regulating currents, groynes, shore reinforcements), fairways, berths in the ownership of the State or the local government but in other ports – the common hydrotechnical structures and berths in the ownership of the State or the local government;

4) buildings (structures) connected to the State land under jurisdiction of or owned by the State.

(4) The possession of the port authority shall not be applied to:

1) the State land in the territory of the port on which the State public-use railway infrastructure right of way is located and the land of the local government on which local government roads are situated;

2) the State immovable property in the territory of the port which has been transferred to the possession of a State authority for implementing the function within its competence and has not been leased or rented, which has not been granted the right of superficies, which has not been encumbered with servitudes for the construction of buildings (structures), aboveground and underground communications or for the performance of other economic activities (also in respect of the ownership rights);

3) the vacant land of the local government in the territory of the port in relation to which the possession of the local government has been renewed in agreement between the local government and the port authority, provided that this land is necessary for implementing the functions of the local government and it has not been leased, rented, it has not been granted the right of superficies, it has not been encumbered with servitudes for the construction of buildings (constructions), aboveground and underground communications or for the performance of other economic activities (also in respect of the ownership rights);

4) berths in the ports of Rīga, Liepāja, and Ventspils which are located on the property of the legal and natural persons, and also the common hydrotechnical structures and berths in other ports which are located on the property of legal or natural persons.

(5) The port authority is entitled to:

1) lease, rent the immovable property in its possession owned by the State or the local government, grant the right of superficies for it, encumber it with the property rights, including with servitudes for the construction of buildings (structures) and the construction of aboveground and underground communications or for the performance of other economic activities;

2) build the buildings (structures) necessary for the port operation as independent property objects on the land in its possession owned by the State or the local government. These buildings (structures) shall be entered in the Land Register by the port authority on its behalf. The port authority has the same rights also in respect of land of legal or natural persons in respect of which a personal servitude has been established.

(51) The port authority shall act on behalf of the land owners in the cases referred to in Paragraph five of this Section. The port authority shall be responsible for all the charges and losses caused to the owner and third persons by its actions in the transactions with the immovable property in its possession owned by the State or the local government.

(6) The term of lease, rent, or the right of superficies for the land of the port and other immovable property, and also for the servitude rights established for other legal or natural persons through the port authority may not exceed 45 years, except for the case when the amount of investments planned for the port and invested within the planned term exceeds 70 million euro. The lease and rental payments for the land of the port and other immovable property, and also the payment for granting the right of superficies shall be determined by the port authority of each port.

(61) After expiry of the right of superficies, the port authority shall disburse the reimbursement to the superficiary for a building (structure) erected on the basis of the right of superficies if such is provided for in the contract granting the right of superficies, the building (structure) is in a condition fit for service, it has no unauthorised construction carried out and the superficiary has transferred the construction and service documentation of the building (structure) to the port authority. After expiry of the right of superficies and the disbursement of the reimbursement to the superficiary, the land owner (the State or the local government) shall transfer the building (structure) into possession of the port authority.

(62) In the territory of the port, the right of superficies may be established to the land which is in the composition of several immovable properties in the possession of the port authority. In this case, activities that are necessary so that the configuration and the borders of the immovable property would allow for the buildings (structures) to be included in their composition after expiry of the right of superficies shall be carried out throughout the period of validity of the right of superficies. If such activities are not carried out, the port authority shall, until the time when its possession of the relevant immovable property expires, ensure the carrying out of such works which are necessary for the building on the land to conform to the principle of unity of the land and structures.

(63) In the territory of the port, the right of superficies may be established to the land on which the buildings (structures) of the land owner are located, insofar as it is necessary for the use of the right of superficies.

(7) The port authority has the right to encumber the land of the port owned by legal and natural persons with the servitude necessary for it. The servitude shall be established on the basis of a contract. If a legal or natural person (the land owner) and the port authority are unable to agree, the port authority has the right to enter the servitude in the Land Register without consent of the land owner. The port authority shall pay a reimbursement for the establishment of the servitude to the land owner. The reimbursement shall not be higher than five per cent from the annual cadastral value of the land.

(71) The immovable property in the territory of the port owned by legal and natural persons may be alienated in accordance with the procedures laid down in the Law on the Alienation of Immovable Property Necessary for Public Needs.

(8) [11 May 2000]

(9) The State and the local government are entitled to alienate the immovable property in the territory of the port owned by it, the State transferring it to the local government and the local government transferring it to the State without reimbursement.

[*24 March 1997; 11 May 2000; 22 March 2001; 23 October 2003; 3 November 2005; 12 July 2010; 12 September 2013; 10 February 2022*]

**Chapter Two**

**Port Authority**

**Section 5. Documents Governing the Operation of Ports**

The ports shall act on the basis of international treaties binding to Latvia, laws, legal acts issued by the Cabinet, and the regulations of the relevant port. The operation of the small ports shall also be governed by the by-laws of the port authorities.

[*10 February 2022*]

**Section 6. Port Regulations**

(1) Port regulations shall be developed by the port authority and after co-ordination with Ministry of Transport the relevant local government council shall issue them in the form of binding regulations. Port regulations shall indicate:

1) the approved boundaries of the land of the port and the aquatorium;

2) the technical capabilities for handling of ships in the various port areas (berths);

3) regulations on vessel traffic in the aquatorium – procedures by which information shall be provided regarding ships entering and leaving the port, for drawing up of documents, for the use of the communication system, regulations with respect to pilotage, traffic speed and areas for manoeuvring;

4) regulations for ships in port – anchorage coordinates in the roadstead, mooring and un-mooring procedures, security of ships in the port, procedures for repairs while in port, regulations on cargo operations;

5) regulations on environmental protection in the port;

6) requirements to be stipulated for dredging the port;

7) basic principles for port security supervision;

8) arrangements for customs, border guarding, sanitation and fire safety in the port;

9) liability for infringement of port regulations;

10) fees to be charged in the port;

11) other provisions governing port operations.

(11) The port regulations referred to in Paragraph one of this Section for the Rīga and Ventspils ports shall be issued by the Cabinet.

(2) Port regulations are mandatory for all legal persons and natural persons operating or staying in the port, and the conformity therewith shall be supervised by the port authority.

[*11 November 1999; 11 May 2000; 22 June 2005; 12 July 2010; 12 December 2019*]

**Section 7. Functions of Port Authorities**

(1) The port authority is a capital company or for the small ports – the local government institution or the local government capital company which carries out the functions of the port authority specified in this Law.

(11) The port authority in the ports of Rīga and Ventspils is a capital company the capital shares (stocks) of which are owned by the State and may also be owned by the relevant local government. The State shall own not less than three fifths of the capital shares (stocks) in the capital company. This capital company shall implement the functions of the port authority in the ports of Rīga and Ventspils and shall be under supervision of the Ministry of Transport in respect of the implementation of the functions, tasks, and obligations specified in the Free Port of Rīga Law and the Free Port of Ventspils Law. The capital shares (stocks) of the capital company may not be pledged and they may be alienated only jointly between the shareholders.

(12) The holder of the State capital shares (stocks) of the capital company referred to in Paragraph 1.1 of this Section shall be the Ministry of Transport, the Ministry of Finance, the Ministry of Economics, and the Ministry of Environmental Protection and Regional Development. The capital shares (stocks) owned by the State are transferred into holding in the following proportions: into holding of the Ministry of Transport – 40 per cent, into holding of the Ministry of Finance, the Ministry of Economics, and the Ministry of Environmental Protection and Regional Development – 20 per cent to each of the capital shares (stocks) owned by the State.

(2) Management of the port shall be ensured by the port authority which shall perform the following State administration functions:

1) determine port fee reliefs and, after discussion in the Port Cooperation Council, the port fee and tariff ceilings for the services referred to in Section 15, Paragraph one of this Law. The Cabinet shall determine the procedures by which the port authority shall determine a port fee, its reliefs, and tariff ceilings for the services referred to in Section 15, Paragraph one of this Law;

2) [6 November 2013];

3) determine the security and pass regime in the port;

4) within its competence, control the conformity with the port regulations;

5) within its competence, control the conformity of the activities of port commercial companies with laws, Cabinet regulations, and the by-laws of the relevant port authority;

6) control the protection of the port territory against pollution, ensure rectification of the consequences of pollution in the port, and participate in the rectification of the consequences of pollution at the sea, as well as organise the reception of ship waste and polluted water and prepare a ship generated waste management plan for a port. The Cabinet shall determine the procedures for the reception of ship generated waste and polluted water, and the procedures for the development of ship generated waste management plans for ports;

7) ensure winter navigation in the port;

8) determine the meeting of the requirements of the International Ship and Port Facility Security Code in the port and control the activities of organizations located in the territory of the port in conformity with the port facility security plan;

9) take a decision to permit to commence the intended activities in the territory of the port in conformity with the law On Environmental Impact Assessment.

(3) The port authority as a body governed by private law shall perform the following functions:

1) submit proposals and participate in the development of the port development programme;

2) ensure the implementation of the port development programme adopted by the Latvian Port, Transit and Logistics Council;

3) manage the property owned or transferred to its possession – hydrotechnic structures, berths, fairways, navigation equipment and devices in the port, as well as the aquatorium and navigation devices in management districts laid down by the Ministry of Transport, as well as the infrastructure related to the port activities;

4) develop and approve draft estimates for the utilisation of financial resources, in accordance with the procedures laid down in the by-laws of the port authority, for the next calendar year and the subsequent five years and, if necessary, update the prospective draft estimates for the use of financial resources submitted in the previous year;

5) organise port construction and construction of infrastructure related to the port activities in the territory of the port in conformity with the port development programme;

6) perform research on the demand and supply of the port services and ensure the package of the port services when entering into contracts with the merchants. The port authority may take the decision to provide a service, except for freight handling services, by itself or by a legally distinct entity that is controlled by the port authority in a similar way to it controlling its structural units in accordance with the laws and regulations of the Republic of Latvia and Regulation (EU) 2017/352 of the European Parliament and of the Council of 15 February 2017 establishing a framework for the provision of port services and common rules on the financial transparency of ports and in conformity with the procedures laid down in the State Administration Structure Law;

7) enter into contracts with commercial companies regarding their operation at the port according to the by-laws of the port authority, the port development programme and planning documents;

8) within the scope of its authority, manage the land of the port and the State or local government property objects located on it and transferred to the possession of the port authority;

9) ensure maintenance and development of the infrastructure located on its property or transferred into possession, as well as participate in the development of infrastructure related to the activities of the port;

10) ensure collection of the port fee, the lease (rent) fee, and also the fee for the right of superficies.

(4) In private ports the administrative procedures shall be determined by the owner of the port, but the safety of navigation shall be ensured in accordance with the procedures laid down in Chapter Five of this Law.

[*24 March 1997; 11 November 1999; 11 May 2000; 22 March 2001; 19 June 2003; 23 October 2003; 30 October 2003; 22 June 2005; 12 July 2010; 6 November 2013; 12 December 2019; 18 December 2019; 10 February 2022* / *The new wording of Clause 1 of Paragraph two shall come into force on 1 October 2022. See Paragraph 22 of Transitional Provisions*]

**Section 8. Port Authority and Structure Thereof**

[10 February 2022]

**Section 8.1 Competence of the Meeting of Shareholders of the Capital Company that Implements the Functions of the Port Authority in the Ports of Rīga and Ventspils**

In addition to the decisions specified in the Law on Governance of Capital Shares of a Public Person and Capital Companies which are taken at the meeting of shareholders, the meeting of shareholders of the capital company which implements the functions of the port authority in the ports of Rīga and Ventspils shall take decisions on:

1) approving the medium-term budget;

2) approving the internal control system.

[*10 February 2022*]

**Section 9. Restrictions for Board Members of Ports**

[10 February 2022]

**Section 10. Latvian Port, Transit and Logistics Council**

(1) The State policy on the development of ports and the operation of all ports shall be co-ordinated by the Latvian Port, Transit and Logistics Council.

(2) The Latvian Port, Transit and Logistics Council shall comprise the following:

chairperson of the board – the Prime Minister;

board members: the Minister for Transport and two representatives from the Ministry of Transport;

a representative of Rīga local government;

a representative of Liepāja local government;

a representative of Ventspils local government;

the Chief Executive Officers of Rīga, Liepāja and Ventspils ports;

a representative of other ports of Latvia who has been recommended by the Association of Small Ports of Latvia;

the chairperson of the Board of the Maritime Administration of Latvia;

a representative from the Development Agency of Latvia;

the Minister for Finance;

the Minister for Economics;

the Minister for the Interior;

the Minister for Environmental Protection and Regional Development;

the Minister for Agriculture;

the State Secretary of the Ministry of Foreign Affairs;

a representative from the Maritime Association;

a representative from the Ministry of Defence;

one representative from each capital company that implements the functions of the port authorities in the ports of Rīga and Ventspils;

a representative from the Association for Stevedoring Companies of Latvia.

(3) Representatives to the Latvian Port, Transit and Logistics Council shall be delegated by a decision of the head of the relevant institution and the Prime Minister shall be informed thereon.

(4) The by-laws of the Latvian Port, Transit and Logistics Council shall be approved by the Prime Minister.

[*18 June 1997; 11 May 2000; 19 June 2003; 22 June 2005; 3 November 2005; 12 July 2010; 16 December 2010; 18 December 2019; 10 February 2022*]

**Section 11. Main Responsibilities of the Latvian Port, Transit and Logistics Council**

The main responsibilities of the Latvian Port, Transit and Logistics Council are as follows:

1) to assess policy planning documents and draft laws and regulations which affect the development of the Latvian ports, transit and logistics sector, and provide opinion thereon;

2) to make proposals regarding foreign affairs activities of Latvia aimed at promoting Latvian ports, transit and logistics sector;

3) to promote and support identification of Latvian ports, transit and logistics sector in the international business environment and support the participation of the Latvian ports in international exhibitions and conferences;

4) to provide opinion on proposals to alienate immovable property in ports for State or public needs;

5) to approve the use of the resources of the Port Development Fund;

6) to promote the development of the Latvian ports, transit and logistics sector, by co-ordinating the co-operation of involved parties and solving common current issues;

7) to approve the port development programme of Latvia where the development objectives, operation directions and conditions serve as the basis for the development of the documents for the development and planning of each port.

[*12 July 2010; 10 February 2022*]

**Chapter Three**

**Financial Resources of Port Authority**

[*19 June 2003*]

**Section 12. Sources of Financial Resources**

(1) The financial resources of a port authority shall comprise:

1) deductions from payments of port fees;

2) land lease payments;

3) lease (rental) payments for the lease (rental) of immovable properties owned, administered, or possessed by the port authority and the fee for the right of superficies;

4) investments;

5) payments for services provided by a port authority;

6) gifts (donations);

7) subsidies from the local government budget, if the port authority is a local government institution and the relevant local government has intended such subsidy in the budget thereof.

(2) [10 February 2022]

(3) [10 February 2022]

(4) A port authority shall maintain accounts of economic activities and financial operations in accordance with the law On Accounting, and shall submit statements in accordance with the Law on the Annual Financial Statements and Consolidated Financial Statements.

[*11 November 1999; 11 May 2000; 22 March 2001; 19 June 2003; 6 May 2010; 12 July 2010; 23 November 2016; 10 February 2022*]

**Chapter Four**

**Port Fees, their Distribution and Service Fees**

[*11 May 2000*]

**Section 13. Port Fees**

(1) In the ports of Latvia the following fees may be applied:

1) tonnage fee;

2) canal fee;

3) sanitary fee;

4) small ship fee;

5) anchorage fee;

6) ice fee;

7) berthing fee;

8) cargo fee;

9) pilotage fee;

10) passenger fee.

(2) A port authority may combine the port fees, taking into account the conditions referred to in Section 14 of this Law.

(3) After discussion in the Port Cooperation Council, the port fees and tariffs shall be determined by the port authority and published in the official gazette *Latvijas Vēstnesis* and on the website of the port authority. Increases in port fees shall come into effect not sooner than two months after their publication in the official gazette *Latvijas Vēstnesis*.

(31) The procedures by which the port authority determines and approves the amount of canal fee and reliefs therefrom shall be determined by the Cabinet.

(4) Port fees shall not be collected from foreign warships, except for ice fee, pilotage fee and sanitary fee, if the relevant services are used.

[*11 May 2000; 22 March 2001; 10 May 2001; 10 February 2022* / *The new wording of Paragraph three, and Paragraph 3.1 shall come into force on 1 October 2022. See Paragraphs 22 and 23 of Transitional Provisions*]

**Section 14. Distribution of Port Fee Payments**

(1) Tonnage, canal, small ship, anchorage, ice, cargo and pilotage fees collected in ports, as well as berthing, passenger and sanitary fees shall be received by the port authority.

(2) Ten per cent of payments for the tonnage, canal, small ship, anchorage, and cargo fees is transferred into the budget of the local government and are used for the development of the infrastructure related to the operation of the port. The local government shall, twice a year, prepare a statement to the port authority on the use of the funds allocated to it.

(21) [23 November 2016]

(3) In 2001, three per cent of all port fees shall be transferred to the Port Development Fund and shall be used in accordance with the by-laws of the Port Development Fund.

(4) In 2002, 1.5 per cent of port fees shall be transferred to the Port Development Fund and shall be used for the development of small ports.

[*11 November 1999; 11 May 2000; 22 March 2001; 6 November 2013; 23 November 2016; 10 February 2022*]

**Section 15. Charges for Services**

(1) A port authority shall approve the tariff ceilings for the following services that are provided in the port:

1) charge for mooring operations;

2) charge for fresh water supply;

3) charge for the reception of waste and polluted water;

4) charge for the use of port tugboats and other floating facilities;

5) charge for fire-fighting services.

(2) The tariff ceilings of port paid services shall be published by the port authority in the official gazette *Latvijas Vēstnesis* and on the website of the port authority. The tariff ceilings of port paid services shall come into effect not sooner than two months after their publication in the official gazette *Latvijas Vēstnesis*.

(3) In ports of Latvia charge for navigation services shall be applied. It shall be collected by the Maritime Administration of Latvia. The amount of charge and procedures for the collection thereof shall be governed by the Cabinet regulations which determine the price list of paid services provided by the Maritime Administration of Latvia within the framework of State administration tasks.

(4) [12 July 2010]

(5) [12 July 2010]

(6) Port authority shall reimburse the service providers who receive waste and polluted water from ships in accordance with mutual agreements between port authorities and service providers regarding tariffs for relevant services.

[*24 March 1997; 11 November 1999; 11 May 2000; 22 March 2001; 19 June 2003; 12 July 2010; 10 February 2022* / *The new wording of Paragraph two shall come into force on 1 October 2022. See Paragraph 22 of Transitional Provisions*]

**Section 15.1 State Duty**

[23 October 2003]

**Section 15.2 Procedures by which the Port Fees and the Port Regulated Fees for the Services shall be Paid**

The port fees and the port regulated fees for the services shall be paid in full by the owner or operator of the ship and according to the payment procedures stipulated by the port authority until the exit of the ship from the port. The owner or operator of the ship, or the agent of the ship authorised by them and the port authority or the merchant providing the relevant service may mutually agree on other procedures for the payment of the relevant fee.

[*10 February 2022*]

**Chapter Five**

**Vessel Traffic in Ports**

[*11 May 2000*]

**Section 16. Vessel Traffic and Control Thereof**

(1) The operational management of ship traffic in a port and in port access fairways, as well as the vessel traffic safety control in the port, shall be ensured by the harbour master.

(2) The staff of the harbour master service who are involved in the vessel traffic safety shall be engaged to work in the port authority after appropriate certification by the Maritime Administration of Latvia.

[*11 May 2000*]

**Section 17. Harbour Master**

(1) The harbour master shall be a public official. The functions, rights and obligations of a harbour master shall be determined by the Maritime Administration and Marine Safety Law, this Law, and other laws and regulations.

(2) The harbour master shall issue administrative acts related to the maritime safeguard measures and the prevention of threats of environmental pollution in the aquatorium of the port, fairways, berthings, and terminals, including to the procedures for winter navigation in icy conditions. Contesting or appealing of these administrative acts shall not suspend the enforcement thereof.

(3) [24 October 2002]

(31) The harbour master shall preclude the ship from exiting the harbour if a court ruling regarding the arrest of a ship or a decision of the Maritime Administration of Latvia or another authority specified in laws and regulations regarding the detention of a ship has been received.

(4) The arrest of a ship shall be performed in accordance with the Maritime Code.

(5) Expenditures incurred, if a harbour master exercises the rights provided for by this Section, shall be covered by the owner of the ship.

[*11 May 2000; 24 October 2002; 22 June 2005; 12 July 2010; 10 February 2022*]

**Chapter Six**

**Commercial Activity in Ports**

[*22 June 2005*]

**Section 18. Regulations on Commercial Activity in Ports**

(1) Commercial activity in a port shall be carried out in accordance with the laws in force and other laws and regulations, with the port regulations and on the basis of the contract entered into by the port authority and the respective merchant. A port authority, when entering into contracts regarding commercial activity in a port, shall take into account a precondition that founders and participants of a commercial company must have a good reputation and stable financial situation.

(2) Commercial companies which carry out commercial activities in the territory of a port, the main direction of which is ship repair or shipbuilding, may receive enterprise income tax rebates in accordance with the procedures laid down in the law On Enterprise Income Tax.

[*11 May 2000; 24 October 2002; 23 October 2003; 22 June 2005; 12 July 2010*]

**Section 19. Restrictions on Economic Activities**

(1) The land of a port authority may be assigned to sublease only with the permission of the relevant port authority.

(2) Activities of legal persons and natural persons in the port, including any underwater work, may be performed only with the permission of the relevant port authority and under its control.

(3) A harbour master’s permit is required for the retrieval of sunken property, for carrying out dredging, construction, diver and other works in the aquatorium of the port.

(4) The right of first refusal to the land and other immovable property in the territory of the port, regardless of its owner, may be exercised by the local government. In the territory of the ports of Rīga and Ventspils, the capital company that implements the functions of the relevant port authority shall have the right of first refusal to the land and other immovable property. It is prohibited for the port authority to sell, change, gift, or otherwise alienate the immovable property in its possession, except for the cases which are provided for in Paragraph seven of this Section.

(5) Restrictions for renewal of the property rights to land that are laid down in Section 12 of the Law on Land Reform in the Cities of the Republic of Latvia shall not be applicable to the land which has been included in the territory of the port of Rīga after 20 April 1994 and in the territory of the port of Ventspils – after 4 May 1995. The former land owner who owned the land in 21 July 1940 in the present territory of the port, or his or her heirs for whom the property rights to land have been recognised in accordance with the procedures laid down in the law, however they have not been renewed due to restrictions laid down in the law, have the right to receive land of equal value or property compensation certificates in accordance with the procedures laid down in the laws and regulations on land reform.

(6) Users of land who during the land reform obtained land in the territory of a port for permanent use are not entitled to possession of it for payment. In such case users of the land shall be guaranteed the right to enter into a lease agreement with the port authority in accordance with the requirements of this Law.

(7) The port authority shall be permitted to provide a guarantee or to pledge in favour of a third party the immovable property owned thereby, but the immovable property owned by the State or local government in its possession – only upon coordination with the Minister for Finance, if the immovable property is owned by the State, or with the relevant local government, if the immovable property is owned by the local government.

(8) All complaints regarding infringements of Regulation (EU) 2017/352 of the European Parliament and of the Council of 15 February 2017 establishing a framework for the provision of port services and common rules on the financial transparency of ports shall be examined by the Ministry of Transport in accordance with the administrative proceedings, except for complaints regarding infringements in the field of the competition that are examined by the Competition Council and complaints regarding the operation of the port authority in the field of private law which are examined by court.

[*24 March 1997; 11 May 2000; 24 October 2002; 19 June 2003; 22 June 2005; 3 November 2005; 12 December 2019; 10 February 2022*]

**Section 19.1 Consultation with Port Users and Other Interested Parties in the Port Cooperation Council**

The port authority shall establish the Port Cooperation Council, representing the users of the relevant port, the service providers of the port, representatives from trade unions of employees employed at the port and from the local governments, and also other interested parties in order to discuss material issues in relation to the port development in conformity with the requirements of the legal acts of the European Union. The procedures by which the discussion takes place in the Port Cooperation Council, and also agendas and minutes of the sittings shall be published by the port authority on its website. The decisions taken in the Port Cooperation Council shall be of recommendatory nature.

[*10 February 2022*]

**Chapter Seven**

**Port Development Fund**

**Section 20. Purpose and Tasks of the Port Development Fund**

(1) The purpose of the Port Development Fund is to manage the financial resources in order to ensure the interests of the State in port development and to raise the prestige of the ports of Latvia.

(2) The tasks of the Port Development Fund are as follows:

1) implementation of joint projects of ports;

2) maintenance of State property in the small ports;

3) popularisation of ports and advertisement;

4) ensuring the operation of the Latvian Port, Transit and Logistics Council.

[*11 May 2000; 19 June 2003; 30 October 2003; 12 July 2010*]

**Section 21. Sources of Financial Resources of the Port Development Fund**

Financial resources of the Port Development Fund shall be comprised of contributions of port authorities and donations of legal persons and natural persons.

[*1 December 2009*]

**Section 22. Use of Financial Resources of the Port Development Fund**

The by-laws of the Port Development Fund shall be approved by the Latvian Port, Transit and Logistics Council. The Fund shall be held and managed by the Maritime Administration of Latvia. Decisions on the amount of resources to be paid in the Fund and use thereof shall be taken by the Latvian Port, Transit and Logistics Council.

[*1 December 2009; 12 July 2010*]

**Chapter Eight**

**Additional Provisions for Small Ports**

[*24 March 1997*]

**Section 23. Concept of a Small Port**

A small port is a defined restricted part of the land territory, including artificially made banks, and a part of inland waters, including inner and outer roadsteads and port approaches which are provided for the servicing of ships, and its main activity is fishing, fish processing, tourism, export and import of ecologically clean cargo.

**Section 24. Features of Land Lease Agreements**

(1) For the owners of existing buildings and structures in ports, land leasing rights shall be guaranteed to ensure their activity, taking into account the conditions of the land lease agreements entered into between the port authority and owners of the buildings and structures.

(2) [10 February 2022]

[*11 May 2000; 10 February 2022*]

**Section 25. Co-ordination of Port Regulations**

[22 June 2005]

**Section 26. Authority of a Small Port and the Structure Thereof**

(1) The authority of a small port is an institution established by the local government council which ensures the implementation of the functions of the port authority in the small port located in the territory of the local government.

(2) Model by-laws according to which the relevant government issues the by-laws of the relevant port authority, including therein the structure of the authority of a small port, the rights and obligations of the board of the port and the Chief Executive Officer of the port shall be issued by the Cabinet.

(3) The authority of the small port shall consist of the board of the port which is the highest decision-making body and an executive body subordinate thereto and headed by the Chief Executive Officer.

(4) The board of the small port shall be established by the relevant local government council, consisting of not more than 10 members, including therein the chairperson of the board, represented by an official of the local government, one official each from the Ministry of Environmental Protection and Regional Development, the Ministry of Economics, the Ministry of Agriculture, and the Ministry of Transport, appointed by the relevant Minister, and also an equal number of representatives from deputies of the local government and the commercial companies operating in the port.

(5) The Chief Executive Officer of the small port shall be appointed by the board of the port.

(6) Remuneration for the member of the board of the small port shall be determined in accordance with the Law on Remuneration of Officials and Employees of State and Local Government Authorities.

(7) For the administration of the small port, the local government may establish a capital company the port authority of which acts in accordance with the procedures laid down in the Law on Governance of Capital Shares of a Public Person and Capital Companies and this Law.

(8) The local government shall, when taking the decision on founding a capital company in a small port, take the decision on the successor of the rights and obligations of the port authority.

[*10 February 2022*]

**Section 27. Payments**

[10 February 2022]

**Transitional Provisions**

1. Ship berths, buildings and structures, underground and terrestrial communications that at the moment of the coming into force of this Law are in the possession of legal persons of the State or a local government shall remain in their possession for a period of up to 30 years. The port authority shall, within six months from the coming into force of this Law, enter into lease agreements with such undertakings regarding the use of such facilities in accordance with the procedures prescribed by Section 4 of this Law.

2. Contracts regarding the use of buildings and structures owned by other legal persons and natural persons shall remain in effect until an easement that is related to such contracts is created for the benefit of the port authority, in accordance with Section 4 of this Law. With the creation of such an easement the contracts are repealed and new contracts shall be subsequently entered into with the port authority.

3. An easement created by a contract or on compulsory basis by 31 December 1996 shall be regarded effective from the day when the relevant contract was certified by a notary or an order regarding the creation of an easement came into force. The relevant easement shall be recorded in the Land Register by 31 December 1997. If an easement is not recorded in the Land Register during this time period, it shall be automatically revoked.

4. Local governments shall form port authorities in accordance with this Law by 1 August 1994.

5. The Ministry of Transport and the local governments shall transfer the port land, aquatoria, berths and common hydrotechnic structures to port authorities by 1 October 1994. Port authorities have the right to enter into lease agreements regarding the land transferred to their possession also before registration of the property rights in the Land Register.

[*24 March 1997*]

6. [22 March 2001]

7. The Cabinet shall, by 1 July 2002, issue the regulations referred to in Section 7, Paragraph two, Clause 6 of this Law.

[*22 March 2001*]

8. Amendments to Section 17, Paragraph four in respect of the arrest of a ship shall come into force concurrently with the Maritime Code adopted by the *Saeima*.

[*24 October 2002*]

9. Section 18, Paragraph two shall come into force concurrently with the relevant amendments to the law On Enterprise Income Tax.

[*24 October 2002*]

10. Until the coming into effect of the binding regulations of local government referred to in Section 6, Paragraph one of this Law, but not later than by 1 January 2006, the port regulations approved by the Minister for Transport shall be in effect.

[*22 June 2005*]

11. The Cabinet shall, by 1 February 2020, issue the Cabinet regulations referred to in Section 6, Paragraph 1.1 of this Law. Until the day of coming into force of this Cabinet Regulation, but not later than by 31 January 2020, the binding regulation of Ventspils City Council No. 9 of 2 March 2012, Ventspils Freeport Rules, and the binding regulations of Riga City Council No. 255 of 2 May 2017, Freeport of Riga Regulations, shall be applied, insofar as they are not in contradiction with this Law.

[*12 December 2019*]

12. The Cabinet shall, by 1 February 2020, issue the Cabinet regulations referred to in Section 7, Paragraph 1.1 of this Law. Until the day of coming into force of this Cabinet Regulation, but not later than by 31 January 2020, the Cabinet Regulation No. 378 of 29 May 2012, By-laws of Rīga Freeport Authority, shall be applied, insofar as they are not in contradiction with this Law.

[*12 December 2019; 18 December 2019*]

13. Upon coming into force of the amendments to Section 8, Paragraph three of this Law providing that the boards of Rīga and Ventspils ports consist of four members of the board – representatives nominated by the Minister for Economics, the Minister for Finance, the Minister for Transport, and the Minister for Environmental Protection and Regional Development –, the office of the member of the board in the boards of Rīga and Ventspils ports shall lose the relevant members of the board appointed by the Rīga City Council and Ventspils City Council.

[*12 December 2019*]

14. The Cabinet shall assess the conformity of the management model of Latvian ports with the international principles of good governance and shall, by 1 July 2020, submit to the *Saeima* the draft law on the change of the management model of Latvian ports.

[*12 December 2019*]

15. Until the date of liquidation of the port authority of Ventspils (a derived legal person governed by public law) but not longer than by 31 December 2023 according to the international principles of good governance (Clause 14 of the Transitional Provisions), the port authority of Ventspils (a derived legal person governed by public law) shall act in conformity with the following conditions:

1) its operation shall be determined by the by-laws approved by the Cabinet which shall be approved by the Cabinet by issuing regulations by 1 February 2020. Until the day of coming into force of this Cabinet Regulation, but not later than by 31 January 2020, the Cabinet Regulation No. 379 of 29 May 2012, By-laws of Ventspils Freeport Authority, shall be applied, insofar as they are not in contradiction with this Law;

2) there shall be four members on its board – representatives nominated by the Minister for Economics, the Minister for Finance, the Minister for Transport, and the Minister for Environmental Protection and Regional Development who shall be appointed to and removed from office by the Cabinet. The board of Ventspils port shall have the quorum if not less than three members of the board are present in the meeting of the board and the decision shall be taken if not less than three members of the board vote for it. The members of the board of Ventspils port shall appoint a chairperson of the board amongst them by open voting. Until the day of coming into force of this Paragraph of Transitional Provisions the members appointed on the board of the port authority of Ventspils (a derived legal person governed by public law) shall continue the performance of their obligations until release or until the moment when other legal grounds for losing the position of the member of the board on the port authority of Ventspils (a derived legal person governed by public law) set in;

3) the activities referred to in Section 4, Paragraphs five, six, and seven of this Law in relation to the land and other immovable property of Ventspils port may be carried out by the board of the port authority of Ventspils (a derived legal person governed by public law), except for the case when the relevant port land or other immovable property has been transferred, in accordance with the procedures laid down in laws and regulations, into possession, administration, or management of the capital company referred to in Section 7, Paragraph 1.1 of this Law;

4) the functions referred to in Section 7, Paragraph two, Clause 1 and Paragraph three, Clause 1 of this Law shall be carried out by the port authority of Ventspils (a derived legal person governed by public law);

5) the functions referred to in Section 7, Paragraph three, Clauses 2, 3, 4, 8, and 9 of this Law shall be carried out by the port authority of Ventspils (a derived legal person governed by public law) and the State capital company referred to in Section 7, Paragraph 1.1 of this Law. The Cabinet shall provide for the conditions and procedures by which the port authority of Ventspils (a derived legal person governed by public law) and the capital company referred to in Section 7, Paragraph 1.1 of this Law shall carry out the functions referred to in this Sub-paragraph. The Cabinet shall, by 1 February 2020, issue the Cabinet regulations referred to in this Sub-paragraph.

[*18 December 2019; 10 February 2022; 2 February 2023*]

16. In order to ensure the continuity of the operation of the ports of Rīga and Ventspils:

1) the Cabinet and the Rīga local government shall, until 1 September 2023, take the decision on the founding of a capital company for the management of Rīga port in accordance with the procedures laid down in the State Administration Structure Law and in the Law on Governance of Capital Shares of a Public Person and Capital Companies. In reaching an agreement on the establishment of a joint capital company – of the State and the local government –, the State shall invest the property and the assets owned by the Free Port Authority of Rīga in the equity capital, but the Rīga local government – the property and assets owned by it in the territory of the port that up until now were transferred into possession of the Free Port Authority of Rīga provided that the State owns not more than 60 per cent and the Rīga local government – not more than 40 per cent of the capital shares (stocks). The shareholders shall enter into the shareholders’ agreement in order to determine and specify the rights and obligations of the shareholders and to define the responsibility in relation to the joint management of a capital company;

2) the State shall, until 31 December 2023, invest the property and assets owned by the Free Port Authority of Ventspils in the equity capital of *akciju sabiedrība “Ventas osta”* [joint-stock company “Ventas osta”] in accordance with the procedures laid down in the Law on Governance of Capital Shares of a Public Person and Capital Companies and if an agreement is reached with the Ventspils local government on its participation in the capital company, the Ventspils local government shall invest the property and assets owned by it in the territory of the port provided that the State owns not less than 60 per cent and the Ventspils local government – not more than 40 per cent of the capital shares (stocks). The shareholders of the capital shares (stocks) shall enter into the shareholders’ agreement in order to determine and specify the rights and obligations of the shareholders and to define the responsibility in relation to the joint management of a capital company;

3) the Free Port Authority of Rīga and the Free Port Authority of Ventspils shall be liquidated until 31 December 2023. The decision on the liquidation of the Free Port Authority of Rīga and the Free Port Authority of Ventspils shall be taken by the Cabinet. Liquidation proceedings shall be implemented by the Liquidation Commission approved by the Cabinet which carries out an inventory of the material, financial means, and liabilities of the Free Port Authority of Rīga and the Free Port Authority of Ventspils, ensures the transfer of the liabilities (the rights and obligations) and property along with all related obligations, rights, and encumbrances, including credit defaults of the Free Port Authority of Rīga and the Free Port Authority of Ventspils to the capital companies which will be in the port authority in the ports of Rīga and Ventspils, and also carries out other tasks determined by the Cabinet which are necessary for a proper liquidation of the Free Port Authority of Rīga and the Free Port Authority of Ventspils. The Cabinet shall, by 31 March 2022, establish the Liquidation Commission for the liquidation of the Free Port Authority of Rīga and the Free Port Authority of Ventspils;

4) all agreements in effect and entered into by the Free Port Authority of Rīga and the Free Port Authority of Ventspils with the port service providers and employees shall, until 31 December 2023, be novated (Section 1876 of the Civil Law), with the relevant port authorities, i.e. derived legal persons governed by public law, being replaced by the capital companies referred to in Section 7, Paragraph 1.1 of this Law. The derived legal persons governed by public law, i.e. the Free Port Authority of Rīga and the Free Port Authority of Ventspils, shall be liquidated, transferring their liabilities (rights and obligations) and property along with all related obligations, rights, and encumbrances, including credit defaults, to the capital companies referred to in Section 7, Paragraph 1.1 of this Law, and the provisions of the Labour Law on the transfer of an undertaking to another person shall be applied to employment relationship.

[*10 February 2022; 2 February 2023*]

17. The joint-stock company “Ventas osta” (registration No. 40203235757) shall be the legal successor of the liabilities (the rights and obligations) and property of the Free Port Authority of Ventspils in liquidation. The Free Port Authority of Ventspils shall transfer the land, buildings (structures), berths, engineering structures, and other property objects in its possession to the joint-stock company “Ventas osta” according to the principle of universal succession and in accordance with the decision of the Liquidation Commission of the Free Port Authority of Ventspils.

[*10 February 2022*]

18. The Cabinet shall, no later than by 31 December 2023, take the decision on the liquidation of the Free Port Authority of Ventspils and the investment of the property and assets of the Free Port Authority of Ventspils in the equity capital of the joint-stock company “Ventas osta” in accordance with the procedures laid down by the Law on Governance of Capital Shares of a Public Person and Capital Companies.

[*10 February 2022; 2 February 2023*]

19. A capital company that has been established for the management of Rīga port shall be the legal successor of the liabilities (the rights and obligations) and property of the Free Port Authority of Rīga in liquidation. The Free Port Authority of Rīga shall transfer the land, buildings (structures), berths, engineering structures, and other property objects in its possession to the newly established capital company according to the principle of universal succession and in accordance with the decision of the Liquidation Commission of the Free Port Authority of Rīga.

[*10 February 2022*]

20. The Cabinet shall, not later than by 31 December 2023, take the decision on the liquidation of the Free Port Authority of Rīga and the investment of the property and assets of the Free Port Authority of Rīga in the equity capital of the newly established capital company in accordance with the procedures laid down by the Law on Governance of Capital Shares of a Public Person and Capital Companies.

[*10 February 2022; 2 February 2023*]

21. Servitudes that until the date of liquidation of the Free Port Authority of Rīga and the Free Port Authority of Ventspils (derived legal persons governed by public law), but not later than until 31 December 2023 have been established for the benefit of the Free Port Authority of Rīga and the Free Port Authority of Ventspils, by encumbering the land owned by other legal and natural persons in the territory of the port, shall not be extinguished with the liquidation of the Free Port Authority of Rīga and the Free Port Authority of Ventspils, but from the date of the liquidation of both free port authorities it shall be considered that servitudes have been established for the benefit of the newly established port authority of Rīga and the port authority of Ventspils. Servitudes that have been corroborated in the Land Register for the benefit of the Free Port Authority of Rīga and the Free Port Authority of Ventspils shall be corroborated for the benefit of the newly established port authority of Rīga and the port authority of Ventspils, respectively.

[*10 February 2022; 2 February 2023*]

22. Amendments to this Law regarding the new wording of Section 7, Paragraph two, Clause 1, Section 13, Paragraph three, and Section 15, Paragraph two of this Law shall come into force on 1 October 2022.

[*10 February 2022*]

23. Section 13, Paragraph 3.1 of this Law shall come into force on 1 October 2022.

[*10 February 2022*]

24. For the authorities of the small ports, the State requirements that have been established as a subrogation action within the frameworks of the State guarantee servicing and monitoring agreements, and also the accrued servicing fee and late charges calculated in accordance with the procedures laid down in Section 47, Paragraph one of the Law on Budget and Financial Management shall be removed on the date of the coming into force of these Transitional Provisions. The decision on the removal of a subrogation action, the accrued servicing fee and late charges shall be taken by the Cabinet if a proposal from the Ministry of Transport is received and the conditions for the regulation of the aid for commercial activity are met.

[*10 February 2022*]

25. Within the time period from 2022 to 2024, the Minister for Finance shall provide a State loan to the capital companies specified in Section 7, Paragraph 1.1 of this Law if a proposal from the Ministry of Transport regarding the re-creditation of the credits drawn down by the credit institutions and the creditation of the initiated construction projects has been received provided that the Cabinet has taken the relevant decision which determines the conditions for granting a State loan and the Budget and Finance (Tax) Commission of the *Saeima* has examined it and has not objected to granting the loan within five working days from the receipt of the relevant information.

[*10 February 2022*]

This Law has been adopted by the *Saeima* on 22 June 1994.

President G. Ulmanis

Rīga, 12 July 1994