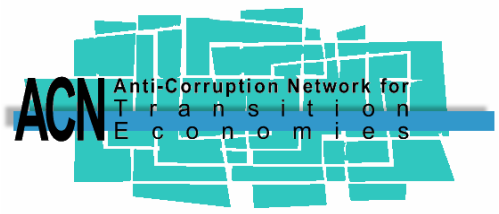

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STATUS REPORT OF THE REPUBLIC OF LATVIA UNDER THE BALTIC ANTI-CORRUPTION INITIATIVE

This is the final status report as submitted by the Latvian Ministry of Justice in April 2002. The draft report was discussed at the "Review Meeting of the Status Reports on Legal and Institutional Measures to Fight Corruption", held in Tallinn on 26-27 February 2002.
The assessment established by the reviews on the basis of the draft report and discussions with the Latvian expert during the Tallinn meeting is enclosed.

ASSESSMENT OF LATVIA'S ANTI-CORRUPTION MEASURES AS DESCRIBED IN THE STATUS REPORT ESTABLISHED UNDER THE BALTIC ANTI-CORRUPTION INITIATIVE (BACI)

Latvia has taken a number of measures in very recent years to combat corruption. Positive steps have been taken at the institutional level, including the establishment of the Corruption Prevention Council, which coordinates the activities of the different institutions involved in fighting corruption. Latvia has enacted several new laws and is continuing to improve them, in line with its international commitments relating to corruption. The challenge ahead will be the effective implementation of these laws.

I LEGAL FRAMEWORK TO FIGHT CORRUPTION

A. PREVENTIVE MEASURES

Ethics in Public Service

Latvia is commended for its Corruption Prevention Law, which is well detailed, clearly defines the duties of officials in conflict of interest situations and other obligations aimed at prevention of the corruption.

In addition, the CSA establishes "Civil servant principles of conduct". Judges, prosecutors, sworn notaries and advocates are also subject to their own codes of conduct, although some of these are not legally binding. Latvia is recommended to introduce codes of conduct specific to all sensitive professions, including customs and police officers, taking into account their specificity, and ensure that a breach thereof would have disciplinary consequences, as is contemplated by the "Civil servant principles of conduct".

Fiscal Treatment of Bribes

The relevant tax laws do not expressly deny the tax deductibility of bribes. It is not sufficient to not allow the deductibility of expenses declared as bribe. Indeed, entrepreneurs often hide such expenses behind deductions for a "commission of intermediary" or "consulting services". The Latvian authorities are therefore recommended to establish a clear prohibition against the tax deduction of bribes and provide tax officials with the practical power and means to investigate suspicious cases.

Money Laundering

It is recommended that the legislation prohibiting the establishment of anonymous accounts by banks be effectively enforced.

Latvian authorities should ensure that information about suspicious transactions is transmitted without delay to the appropriate authorities to enable investigations and the application of provisional measures such as the freezing of bank accounts.

Furthermore it is recommended that negligent laundering be criminalized.

B. REPRESSIVE MEASURES

Criminal Legislation on Corruption

Elements of the Offence

Latvia is in the process of improving its Criminal Law to achieve the standard of the Criminal Law Convention on corruption of the Council of Europe, which is comparable to that of the EU Convention. With regard to the definition of a foreign public official, Latvian law provides a non-autonomous definition. It is reminded that the absence of an autonomous definition, which is contrary to the OECD Convention, could be an obstacle to covering the bribery of officials of states with different legal structures.

Defences

There is concern about the effects of specific defences contained under Criminal Law, namely extortion and information provided to investigative authorities, which could create an obstacle in prosecution and which usefulness is doubtful. Moreover those defences allow avoiding criminal responsibility for bribery while allowing retaining advantages acquired in corruptive way. It is therefore recommended that these defences be abolished, or strictly limited in application.

Liability of Legal Persons

Legal persons are not responsible under the law for bribery committed for their benefit by natural persons. The Latvian authorities should establish such responsibility, in accordance with Latvian legal principles, bearing in mind that sanctions should be financial in nature, as well as effective, proportionate and dissuasive.

II INSTITUTIONAL FRAMEWORK TO FIGHT CORRUPTION

Institutional Resources

The existing national strategy to combat corruption and involvement of top political authorities of the country is of great importance. Latvia is consequently building such strategy within changing structures, but those changes seemed to result in elevating the level of decision-making in this area. Hope shall be expressed that the "Crime and Corruption Prevention Council" will indeed develop its activity in the field of corruption.

In this context it shall be underlined, that basement of proper strategy is knowledge about the phenomenon. The Council should support research in the field of anti-corruption. International experiences should be taken into account when designing enforcement strategies. Training in financial investigation is considered a key element in the combating of serious profit motivated crime, and thus the examiners strongly recommend the Latvian authorities to take steps for the improvement of skills in this regard.

In order to give proper effect to the law providing for declarations on the economic interests of public officials, the Latvian authorities should establish a mechanism, which would allow the control of a much wider number of declarations. This could be done by introducing a preliminary control procedure and by increasing the number of the State Revenue Service officials involved.

III. LEGAL FRAMEWORK TO FIGHT CORRUPTION

A. PREVENTIVE MEASURES – PROMOTION OF ACCOUNTABILITY AND TRANSPARENCY

1. Ethics in the public service

Latvia has adopted statutory rules and codes of conduct governing the behaviour of public officials, including measures aimed at preventing undue influence from being exercised on them.

Laws

Latvia has adopted *State Civil Service Law* (in force from January 1, 2001). Article 16 defines the duty of civil servant to be accountable for lawfulness of one's activities or inaction. The civil servant, when discharging the official duties, shall be accountable for the lawfulness of his/her official activities or inaction. It shall be the duty of the civil servant to refuse from an unlawful assignment by presenting a written notification to the person who has issued the respective assignment. The civil servant shall have the right to appeal against the received unlawful order or assignment by submitting a complaint to the supervisor right above the one who has given the respective order or the assignment. In case the decision or the assignment is not revoked the civil servant shall have the right to appeal to the *State Civil Service Administration (CSA).*

CSA is the institution that is responsible for control and disciplinary supervision of state civil service. CSA investigates disciplinary cases and controls legitimacy of civil servants. CSA has developed Instruction No.1 "Civil servant principles of conduct" (January 9, 2001) that is issued in accordance with *State Civil Service Law*.

Since 1995 there is in force *Corruption Prevention Law* (Annex 3) which aims at preventing corruption of state officials through imposing strict prohibitions and preclude them from acting in situation that might give raise to conflict of interest and unlawful influence.

According to *Corruption Prevention Law* officials have the duty, within the terms specified in this Law, to submit the following declarations to the *Corruption Prevention Control Section of State Revenue Service*:

1) The declaration of a public official, which shall be submitted upon assuming office;
2) The annual declaration of a public official;
3) The declaration of a public official, which shall be submitted upon terminating the performance of duties of office; and
4) The declaration of a public official for institutions of the Office of the Prosecutor, inquiry authorities and State security.

Codes of Conduct

There is *Code of Ethics for Judges* adopted in the Conference of Latvian Judges. Code provides the independence of the judicial power and impartiality of court. It points out that judges must observe all norms of high cultural behaviour. There is prescribed obligation to avoid an undignified behaviour and a provocation of such behaviour. Judge must fulfil duties objectively and fairly and organises its private life in such way that it is not in contradiction with duties of judge. The Code includes the principle that judge or candidate of judge refrains from political activities.

The prosecutor's office has its own "*Code of Ethics for the Prosecutors"*. A Prosecutors' Certification Commission has been established in the Prosecutor's Office and one of its tasks is to apply moral sanctions to the prosecutor in case the basic principles of the Prosecutors' Code of Ethics have been violated

There is *Code of Ethics for Sworn Notaries* adopted by General meeting of Sworn Advocates in 1994. This code defines norms of the professional ethics of sworn notaries that shall be observed by sworn notaries, but in some cases that are defined in the Law of the Republic of Latvia on Notaries - also by candidates of sworn notaries and assistants to notaries.

Sworn notaries may not allow negligence in their work, they may not to non-fulfil their duties, to afford condonable actions outside of the service or a behaviour that is not compatible with the staying in the notary's post and the place of practice.

When fulfilling the duties, the sworn notary must act legally, correctly and without unreasonable delays. The sworn notary must take care of the prestige of his occupation, must contribute to the professional growth of sworn notaries, the improvement of the creative capacities and the experience, must guard the dignity and the honour of the profession of sworn notary. The sworn notary may not support or hide illegalities, to link themselves with persons or processes with doubtful reputation that are contradictory to standards of ethics. This code defines other duties and rights for the sworn notary (his relations with clients, relations with other notaries, his rights of making publications, etc.).

There is also *Code of Ethics for Advocates* adopted by the Latvian Collegium of Sworn Advocates. It is based on International Code of Ethics for Advocates of 1958 and Code of Conduct for Lawyers of 1988 adopted by The International Bar Association. The object of this Code is to promote importance of the profession of advocates in the ensuring of democracy, rule of law and fairness and promote fulfilment of duties in honest and qualified way. The Code of Ethics for Advocates prescribes basic principles of ethics that shall be observed by all advocates involved in the judicial practice in Latvia and the international area. These basic principles are *independence* - advocates shall be independent and free from any influence; advocate can not be involved in another job or activity if it can influence his independence; *loyalty and honesty* - advocate in his professional and private life shall behave in such way that it is compatible with his profession and *confidentiality* -advocate may not divulge the secrets of his client not only while handling the case, but also after having been taken off the case or after the case has been completed. Advocate cannot defend or represent clients if there is conflict of interests.

2. Public procurement and public subsidies, licences, or other public advantages

The special rules ensuring transparency and equality in the tendering of public contracts were provided in the "*Law On State and Local Government Procurement" since 1995*. This law

provides that all tenderers shall be provided equal opportunity to compete for the right to perform government procurements and that government procurements shall be awarded independently of the nationality of the tenderer, the place of registration and activities of the undertaking, the type of undertaking or nationality of its ownership. According to the law transparency shall be maintained at all stages of awarding government contracts, the exchange of information between the government contracting authority and the tenderers shall be in writing and regulations on verifying the qualifications of tenderers, tendering procedure (competition) regulations, and regulations on the evaluation of tenders shall be determined and published beforehand (a public procurement notice is published at the Internet). It is the obligation of a government contracting authority in the process of awarding procurement, on the basis of documents, to record in writing, furthermore, this information may be requested by the State Audit Office, a law enforcement office and other persons. According to the Law each tenderer, who considers that a government contracting authority has caused it losses or other harm, by violating of the conditions of the Law in the process of awarding the government procurement, shall have the right to submit a complaint for administrative review or to court.

On 1 of January 2002 the new ‘’Law on purchase of state and local government” entered into force replacing the before mentioned ‘’Law on State and Local Government Procurement”. There are introduced more regulations to ensure transparency and equality in competition procedure. This law precisely defines selection criteria depending on a method of purchase and allows the competition commission to reject groundlessly cheap proposal that allows reducing subjectivity in the decision taking process.
According to the ‘’Law on purchase of state and local government’’ the Control Office on Public Procurement was established with the main tasks to:

a) control the public procurement procedure in all state institutions, agencies and companies where the public resources are used or invested;
b) publicize the decisions taken, opinions expressed and recommendations;
c) adjudicate the complaints submitted by the tendering parties;
d) elaborate the black list of companies;
e) elaborate the reports on tenders etc.

Criminal Law (article 210) provides liability for fraudulent obtaining and use of credit and other loans:

(1) The committing of knowingly providing false information to obtain subsidies, credit or other loans or during the period of use of the subsidies, credit or other loans,

shall be punished by deprivation of liberty for a term not exceeding two years, or a fine not exceeding fifty times the minimum monthly wage, with or without deprivation of the right to engage in entrepreneurial activities for a term of not less than two years and not exceeding five years.

(2) The committing of using subsidies, credit or other loans for purposes not provided for by the agreement,

shall be punished by deprivation of liberty for a term not exceeding four years, or a fine not exceeding sixty times the minimum monthly wage, with or without deprivation of the right to engage in entrepreneurial activities for a term of not less than two years and not exceeding five years.

(3) The committing of the acts provided for by the first and second Paragraph of this Section, if by such substantial harm has resulted to the State, creditor or other personal rights and interests protected by law,

shall be punished by deprivation of liberty for a term not exceeding six years, or a fine not exceeding eighty times the minimum monthly wage, with deprivation of the right to engage in entrepreneurial activities for a term of not less than two years and not exceeding five years.

3. State audit and Internal audit

State audit

To control the use of public finances the *State Audit Office* is established. According to the law "On the State Audit Office" (Annex 1) State Audit Office is an independent collegial authority, which shall audit the state of and actions with State and Local Government property (including financial resources). The activities of the State Audit Office are not applicable to the Saeima (Parliament). The duty of the State Audit Office is to monitor in order that the collection and utilisation of the base budget and special budgetary resources of the State and Local Governments, as well as actions with State and Local Government property, are lawful, efficient and correct.

The following are subject to audit by the State Audit Office:
1) State institutions and officials;
2) State undertakings, companies and public incorporated companies;
3) Local Governments, and institutions and undertakings established by, as well as officials belonging to, them;
4) other undertakings and companies, as well as voluntary organisations, associations of voluntary organisations and natural persons, if they have control or are in charge of State or Local Government property or financial resources or are financed or guaranteed from State or Local Government resources, or if they implement State or Local Government procurement and supply.

The Saeima (parliament) shall appoint the Auditor General for seven years. Members of the Council of the State Audit Office and of the collegia of audit departments shall, pursuant to the recommendation of the Auditor General, be confirmed by the Saeima (parliament) to seven-year term.

Law "On the Control of State and Local government Aid Provided for Entrepreneurial Activity" prescribes control over aid provided to entrepreneurial activity by state and local government. Supervision concerning use of such aid are carried out by *State Aid Monitoring Commission* . State aid control comprises all types of State aid – direct payments from the State or Local government budgets (subsidies), measures conducted in the field of tax or mandatory social security payments, credit guarantees provided by the State or Local governments, subsidising of credit interest rates, total or partial foregoing of dividends by the State or Local governments in undertakings (companies) controlled by them, State or Local government investment in undertakings (companies) and writing off of debts, setting of preferential rates for the utilisation of services provided by State undertakings, the sale of immovable property below market value or purchase above market value, as well as any other measures the purpose or result of which is the increased competitiveness of one undertaking (company) or group of undertakings (companies).

Internal Audit

The following legislative acts regulates auditing of state institutions:

a) Statutes on Internal Audit;
b) Statutes on The Board of Internal Audit;
c) Statutes of The State Agencies' Internal Audit.

The Statutes of the Cabinet of Ministers provides for the establishment of the internal audits in state institutions. The Statutes defines that the aim of the internal audit is to estimate the internal control system of the agency/institution and to provide the suggestions for developing the effective functioning. The overall implementation of the internal audit system, development of joined internal audit's policy and co-ordination of state institutions activities in the sphere is the main goal of the Internal Audit Board. The Internal Audit Board was established on 10 of May 1999. The main duties of the board are:
to review the internal audit programs and long-term development plans elaborated by the state institutions/agencies;
to review the internal audits' procedure established in the institutions/ agencies;
to consult the institutions/agencies on internal audit related issues etc.
The Board consists of five members who are appointed by the Cabinet of Ministers. The Minister of Finance is responsible for suggesting the candidates to the Cabinet of Ministers. The office period of the members is 5 years.
The establishment of an internal audit system is a direct responsibility of each ministry's state secretary or head of agency/institution. The direct tasks of the state secretaries are the adoption of the statutes on internal audit in each ministry or institution/agency, the adoption of the long-term development plans, strategic plans and annual plans on internal audit. The head of institution is obliged to inform the Internal Audit Board concerning the appointment of internal audit's division leaders.
The Ministry of Finance according to the Statutes on Internal Audit is responsible for the elaboration of Internal Audit Handbook that contains also the recommendations for the risk assessment methodology.

4. Access to information

Access to the information of public institutions is regulated by Freedom of Information Law (Annex 2), which is accepted on October 1998. The Law provides that every information what comes from state institutions or local governments shall be accessible to the public in all cases, when laws does not specify otherwise. This law determines a uniform procedure by which natural and legal persons are entitled to obtain information from State administrative institutions and Local government institutions, and to utilise it. This Law classifieds information as: generally accessible information and restricted access information.

Generally accessible information shall be provided to anyone who wishes to receive it, subject to the equal rights of persons to obtain information. The applicant shall not be required to specially justify his or her interest in such information, and he or she may not be denied it because this information does not apply to the applicant.

Public can get information from state institutions or local governments by letters, by phone, by Internet. Many institutions have made separate Information Centres were are possibilities to get consultations and information electronically or printed. For public information work with mass

media institutions organise Press centres and Public relation sections. Most part of institutions has Internet websites, with all actualities and documentation on it.

A person has the right to submit a complaint, in accordance with the procedures set out by law, to the manager of an institution or to a higher institution regarding the refusal to provide information, regarding the amount of payment required, or regarding any other decision, including a refusal to grant a request, which was based on a wrong description of the information requested.
(2) Any natural or legal person has the right to file a complaint in court regarding the actions of an institution which has infringed upon his or her right to obtain information if the institution:
1) has not provided an answer to the applicant within the time period prescribed by law;
2) has refused to provide information by taking a decision, without legal basis, to grant it the status of restricted access information; or
3) after receiving a written application, has refused to expunge or correct false, incomplete or illegally acquired information regarding a person.

5. Fiscal treatment of bribes

The bribe payments are not tax-deductible under Latvian tax law.

The taxable income gained from business is usually calculated as the difference between all income received in the frame of this business and the respective expenses that occurred, practically this means that any payment which is considered as business expenses can be deducted from the business income.

Under the Latvian Law, business expenses are defined as any “expenses connected with gaining income from business activities” (art.11 Law On Personal Income Tax). Since this law does not include any special provisions or restrictions on the tax-deductions of bribe payments, those payments could – in theory – fulfil the definition of business expenses in some cases.

However, in practice the tax-deduction of bribe payments is not possible, since these transactions cannot fulfil the condition mentioned under art.11 of the Personal Income tax Law. This provision includes the obligation of keeping records of any kind of business expenses as a prerequisite for their tax- deduction.

Bribe payments can practically never be documented and recorded in a sufficient way. Thus, they are not deductible under Latvia tax law.

6. Money laundering

Measures

There are more than 20 laws/regulations, subordinate acts as well as amendments regulating money laundering prevention. Institutional system has been established, i.e., the legal basis to combat laundering of proceeds derived from criminal activity, meeting the expectations of both financial institutions and law enforcement.

In December 1997, the Law "On Prevention of Laundering of Proceeds Derived from Criminal Activity" was passed. Based on the aforesaid legal provisions, on June 1, 1998, the Office for prevention of laundering of proceeds derived from criminal activity was established (hereinafter - Control Service).

Control Service maintains contacts with app. 400 diverse credit, financial and non-financial institutions all of which have appointed persons in charge of reporting to Control Service on unusual or suspicious transactions. The disclosures are thereafter analyzed at Control Service and the compiled materials are made available to the Division of Prosecutors with Special Powers under the Prosecutor General's Office of Latvia Republic for consideration on the basis of facts.

From the prospective of organization of the legislative acts and establishment of responsible institutions, the system for prevention of laundering of proceeds from crime is efficient enough after three years efforts and basically complies with the international requirements.

Reporting of suspicious transactions

Credit and financial institutions shall be under obligation to:
1) report without delay to the Control Service any financial transaction characterised by at least one of the indicators of unusual transactions. The Cabinet of Ministers approves the list of indicators of unusual transactions and it is in line with the international practice and trends (FATF recommendations and other information). The list focus mainly on cash transactions of all types and transactions in the areas of gambling, securities market, insurance
2) upon written request of the Control Service, promptly furnish additional information about any reported financial transaction as needed by that Office to properly function under this Law.
Officials and employees of credit and financial institutions shall also be under obligation to report to the Control Service any uncovered facts that may not match the list of indicators of unusual transactions but, due to other circumstances are suspected to involve money laundering or attempted money laundering.

Identification of customers

In the area of prevention of laundering of proceeds derived from criminal activity, the legislation of Latvia provides for uniform customer identification requirements in respect to all institutions - credit institutions, financial and non-financial institutions, recognised as such according to the law are all legal or natural persons or unions formed by persons the activities whereof involve transactions set out under the law or other transactions similar by nature, counselling in respect thereto or certifying thereof. The fundamental requirements in respect to customer identification are set forth as follows:

- when opening an account or in case of any other transaction where the volume of a single transaction or several obviously linked transactions totals or exceeds 10 000 lats and no previous customer identification has been carried out;

- where the volume of the transaction is not known at the time of its execution, the customer shall be identified as soon as the volume is appraised and it totals or exceeds 10 000 lats;

- irrespective of the volume of the transaction, a credit or financial institution shall identify the customer whenever the transaction is characterised by at least one of the unusual transaction indicators or there are other suspicious circumstances indicating that the transaction may constitute laundering of proceeds derived from criminal activity or an attempt thereof;

- where a credit or financial institution becomes aware or suspects that transactions are conducted on behalf of a third party, it shall take reasonable measures to obtain identification of the beneficiary.

- a credit or financial institution shall keep copies of identification certificates for at least five years after the relationship with the customer has ended.

In addition to the aforesaid, the Law On Lottery and Gambling stipulates that the organizers of lottery and gambling business are not allowed to disburse the awards (winnings) in excess of 5 000 lats without obtaining identification of the game participant (player).

Credit and financial institutions and their persons in charge of reporting are protected by a complex set of measures in place ensured by the aforesaid law.

7. Corporate Accounting and Auditing Standards

Creating or using an invoice or any other accounting document or record containing false or incomplete information, or unlawfully omitting to make a record of a payment is punished by Latvian Criminal Law, but not only in connection with corruption.

Criminal Law provides liability for:

Article 193. Illegal Acts With Securities and Monetary Documents

(1) The committing of the theft, destruction or damage or unlawful use of securities or means of payment,
shall be punished by deprivation of liberty for a term not exceeding ten years, with or without confiscation of property.
(2) The committing of counterfeiting of securities or means of payment as well as the committing of putting into circulation and using such counterfeits, if there are not present the elements of the crime provided for by Section 192,
shall be punished by deprivation of liberty for a term of not less than three years and not exceeding twelve years, with confiscation of property.
(3) The committing said activities repeatedly or in large scale or, by organised group,
shall be punished by deprivation of liberty for a term not less than five years and not exceeding fifteen years, with confiscation of property.

Article 217. Violation of Provisions Regarding Accounts and Statistical Information

(1) The committing of violating accounting document processing requirements or annual report or statistical report compilation procedures, provided for by law for an enterprise (company), institution or organisation, of failing to make timely submission of or incompletely submitting annual reports, statistical reports or statistical information to the relevant State institutions, if such has been committed repeatedly within a one year period,
shall be punished by community service, or a fine not exceeding twenty times the minimum monthly wage.

(2) The committing of concealing or forging accounting documents, annual reports, statistical reports or statistical information required by law regarding an enterprise (company), institution or organisation,

shall be punished by deprivation of liberty for a term not exceeding three years, or a fine not exceeding eighty times the minimum monthly wage.

The Criminal Law foresees the liability for falsification related to office in the following formulations:

Article 327. Forging Official Documents

(1) The committing of forging documents or of issuing or using documents, knowing they are forged, if such has been committed by a State official,

shall be punished by custodial arrest, or community service, or a fine not exceeding twenty times the minimum monthly wage.

(2) The committing of the same acts, if they have been committed repeatedly, or if they have been committed for the purpose of acquiring property,

shall be punished by deprivation of liberty for a term not exceeding two years, or a fine not exceeding forty times the minimum monthly wage.

8. Private sector initiatives and civil society involvement

Corruption Prevention Program (accepted by Cabinet of Ministers at 15th of May, 2001) includes actions on informing society about the consequences of corruption and the ethical education of the society. Responsibility for implementation of these plans lies on the Executive Secretariat to the Corruption Prevention Council (CPC) and institutions involved in the Corruption Prevention Council. The CPC Secretariat in co-operation with the PHARE project "Corruption prevention legislation, education and public information program" has organised several seminars for the employees of public sector, prosecutors, policemen and judges. During the seminars ethical performance was discussed as well. During the spring, 2000, a competition was organised in all secondary schools called "Together against corruption". The goal of the competition was to inform and educate the pupils about corruption matters. The participants of the competition had discussions and made pictures and figures related to honesty and corruption.

Starting in October, a new Internet website (www.anticorruption.lv) is available. The website is developed in order to serve as a channel for transferring official information on corruption and also to serve as a discussion facilitator among public and experts, where those interested would be able to clarify unclear questions.

In every institution that represents the CPC specialists of public relations are employed. They prepare not only the official information but also educational materials and organise informative and educational events. For instance, representatives of the Ministry of Internal affairs and the State Police attend educational institutions and inform students about the security of inhabitants of Latvia, as well as about the importance of ethical behaviour.

There are lists of NGOs operating in Latvia, which promote the development of the ethical attitude and behaviour in the society. For instance, several private companies and associations of companies have taken part in the project of Transparency International Latvia chapter «Delna» Conscience islands. The project promotes development of an honest and corruption free business environment.

The non-governmental organisation "*Delna*", which is a local unit of International anti-corruption organisation "*Transparency International*" is taking an active role to involve the society in prevention of corruption and to promote transparency in public bodies. In January 2001 "Delna" was given the observer status to follow the privatization process of "Latvia's Shipping Company".

There has been established a Board of ethics. It comprises of academics, students, and representatives of public sector. This board in co-operation with State administration school develops and organises training on ethics for both, officials and students.
Several public discussions on ethical information exchange among state institutions, media and the society.

B. REPRESSIVE MEASURES

Bribery is criminalised under the legislation of Latvia.

1. Criminal legislation on corruption

a. Elements of the offence of active and passive corruption in public and private sector.

a.1. The prohibited acts

Criminal Law provides liability for ***corruption in public sector***:

Article 317. Exceeding Official Authority

(1) The committing by a State official of intentional acts which evidently exceed the limits of rights and authority granted to the State official by law or their assigned duties, if substantial harm is caused thereby to the State authority, administrative order or personal rights and interests protected by law,

shall be punished by deprivation of liberty for a term not exceeding five years, or a fine not exceeding one hundred times the minimum monthly wage.

(2) The committing of the same acts, if they have resulted in serious consequences, or if they are associated with violence or threatened violence, or if such have been committed for the purpose of acquiring property,

shall be punished by deprivation of liberty for a term not exceeding ten years, or a fine not exceeding two hundred times the minimum monthly wage.

Article 318. Abuse of Official Status

(1) The committing by a State official of intentional acts using their official position in bad faith, if such acts cause substantial harm to State authority, administrative order or personal rights and interests protected by law,

shall be punished by deprivation of liberty for a term not exceeding three years, or a fine not exceeding sixty times the minimum monthly wage.

(2) The committing of the same acts, if they have resulted in serious consequences, or if they have been committed for the purpose of acquiring property,

shall be punished by deprivation of liberty for a term not exceeding eight years, or a fine not exceeding one hundred and fifty times the minimum monthly wage.

Article 319. Failure to Act by a State Official

(1) The committing by a State official of failing to perform their duties, that is, if a State official intentionally or through negligence fails to perform acts which, according to law or their assigned duties, they must perform to prevent harm to the State authority, administrative order or personal rights and interests protected by law, and if substantial harm is caused thereby to the State authority, administrative order or personal rights and interests protected by law,

shall be punished by deprivation of liberty for a term not exceeding three years, or custodial arrest, or a fine not exceeding fifty times the minimum monthly wage.

(2) The committing of the same offence, if it has resulted in serious consequences, or if the State official has acted with the purpose of acquiring property,

shall be punished by deprivation of liberty for a term not exceeding six years, or a fine not exceeding one hundred times the minimum monthly wage.

Article 320. Acceptance of Bribes

(1) The committing of acceptance of a bribe, that is, the intentional illegal acceptance of valuable property or benefits of material or other nature which has been committed by a State official personally or through an intermediary for the purpose of performing or failure to perform some act in the interests of the giver of the bribe by using their official position,

shall be punished by deprivation of liberty for a term not exceeding eight years, with or without confiscation of property.

(2) The committing of the same acts, if committed repeatedly, or on a large scale, or if they are associated with a demand for a bribe,

shall be punished by deprivation of liberty for a term of not less than three and not exceeding ten years, with confiscation of property.

(3) The committing of the acts provided for by the first and the second Paragraphs of this Section, if they are associated with extortion of a bribe, or if they were committed by a group of persons pursuant to prior agreement, or if committed by a State official holding a responsible position,

shall be punished by deprivation of liberty for a term of not less than eight and not exceeding fifteen years, with confiscation of property.

Article 321. Misappropriation of a Bribe

(1) The committing of misappropriation of a bribe which a person has received in order to provide to a State official, or which they have accepted, pretending to be a State official,

shall be punished by deprivation of liberty for a term not exceeding four years, or a fine not exceeding one hundred times the minimum monthly wage.

(2) The committing of misappropriation of a bribe which a State official has received in order to provide it to another State official, or which they have accepted claiming to be another State official,

shall be punished by deprivation of liberty for a term not exceeding six years.

Article 323. Giving of Bribes

(1) The committing of giving of bribes, that is, the furnishing of valuable property or benefits of material or other nature personally or through intermediaries to a State official in order that they, using their authority, perform or fail to perform some act in the interests of the giver of the bribe,

shall be punished by deprivation of liberty for a term not exceeding six years.

(2) The committing of the same acts, if they have been committed repeatedly, or if they have been committed by a State official,

shall be punished by deprivation of liberty for a term of not less than five and not exceeding twelve years, with or without confiscation of property.

Article 325. Violation of Restrictions Imposed on a State Official

(1) The committing of intentional violation of the restrictions provided for by law on entrepreneurial activities, or holding of more than one position, or performance of duty, or acceptance of remuneration, or exercise of authority in situations of a conflict of interest, if such acts have been committed repeatedly by a State official, or if substantial harm is caused by such acts to the interests of the State or of the public, or personal rights and interests protected by law,

shall be punished by deprivation of liberty for a term not exceeding three years, or a fine not exceeding fifty times the minimum monthly wage.

(2) The committing of the acts provided for by the first Paragraph of this Section, if such acts are committed by a State official who holds a responsible position,

shall be punished by deprivation of liberty for a term not exceeding five years with or without confiscation of property.

Article 326. Unlawful Participation in Property Transactions

(1) The committing of facilitating property transactions or of participating in such transactions, if such is committed for the purpose of acquiring property or due to other personal interest by a State official who, in connection with their official position, is prohibited from such transactions by law,

shall be punished by deprivation of liberty for a term not exceeding two years, or a fine not exceeding one hundred times the minimum monthly wage.

(2) The committing of the same acts, if such are committed by a State official who holds a responsible position,

shall be punished by deprivation of liberty for a term not exceeding five years with or without confiscation of property.

Article 328. False Official Information

The committing of knowingly providing false information to an institution or a State official who has the right to request such information, as well as concealment or knowingly

failing to inform of a document or information, if it has been committed by a State official whose responsibility includes the providing of such information and if substantial harm has been caused thereby,

shall be punished by deprivation of liberty for a term not exceeding three years, or a fine not exceeding sixty times the minimum monthly wage.

As The Republic of Latvia has ratified the Council of Europe Criminal Law Convention on Corruption at 7th of December, 2000 the necessary amendments to the Criminal Law concerning the *concept of bribery* will be brought in a line with Convention:

1. Article 320 "Acceptance of bribe" is amended[1] in following:

(1) The committing of **acceptance of an offer or a promise or** acceptance of a bribe, that is, the intentional illegal acceptance of valuable property or benefits of material or other nature which has been committed by a State official personally or through an intermediary for the purpose of performing or failure to perform some act in the interests of the giver of the bribe **or any other person** by using their official position,[1]

shall be punished by deprivation of liberty for a term not exceeding eight years, with or without confiscation of property.

2. Article 323 "Giving of Bribes" is amended in following:

(1)The committing **of promising, offering or** giving of bribes, that is, the furnishing of valuable property or benefits of material or other nature personally or through intermediaries to a State official in order that they, using their authority, perform or fail to perform some act in the interests of the giver of the bribe **or any other person**,

shall be punished by deprivation of liberty for a term not exceeding six years.

1. Criminal Law is amended with new Article 326[1] "**Trading in influence"**:

(1) The committing of promising, offering or giving of material or other benefits to any person in order to use his official, professional, or social position to influence personally activity or decision taking process of state official,

shall be punished by deprivation of liberty for a term not exceeding one year or arrest, or monetary fine not to exceed fifty minimum monthly wages.

(2) The committing of acceptance of an offer or a promise or acceptance of material or other benefit by any person in order to use his official, professional, or social position to influence personally activity or decision taking process of state official, or to induce other person to influence activity or decision taking process of state official,

shall be punished by deprivation of liberty for a term not exceeding two years or arrest, or monetary fine not to exceed fifty minimum monthly wages.

[1] Amendments are marked in bold.

Corruption in private sector

Article 198. Unauthorised Receipt of Financial Benefits

(1) The committing of receiving something of value or benefits of a financial or other nature which has been committed by a responsible employee of an enterprise (company) or organisation, or a person similarly authorised by an enterprise (company) or organisation. personally or through intermediaries for committing or failing to commit some act in the interests of the giver of the financial benefit, using their authority in bad faith,

shall be punished by deprivation of liberty for a term not exceeding six years, or a fine not exceeding one hundred and twenty times the minimum monthly wage.

(2) The committing of the same acts if they have been committed repeatedly, or on a large scale, or they have been committed by a group of persons pursuant to prior agreement, or they have been associated with a demand for material benefits,

shall be punished by deprivation of liberty for a term not exceeding eight years, or a fine not exceeding one hundred and fifty times the minimum monthly wage, with or without confiscation of property.

Article 199. Commercial Bribery

(1) The committing of the giving of something having value or benefits of a financial or other nature personally or through intermediaries to a responsible employee of an enterprise (company) or organisation, or a person similarly authorised by an enterprise (company) or organisation in order that they, using their authority in bad faith, commit or fail to commit some action in the interests of the giver of the financial benefit,

shall be punished by deprivation of liberty for a term not exceeding two years, or custodial arrest, or a fine not exceeding fifty times the minimum monthly wage.

(2) The committing of the same acts if they have been committed repeatedly or on a large scale,

shall be punished by deprivation of liberty for a term not exceeding five years, or a fine not exceeding one hundred times the minimum monthly wage.

a.2. The nature of the bribe:

Criminal Law provides that bribe is the intentional illegal acceptance of valuable property or benefits of material or other nature. Therefore the undue advantage can be of an economic nature (valuable property or benefits of material nature) and of a non- material nature (benefits of other nature).

According to the law and court practice such advantages may consist of money, securities, various goods and services, rights on property, deposits on name of briber taker, loans, entertainment, better career prospects, paying of awards or other bonuses and other advantages.

a.3. The expected behaviour from the public official

The criminalization of corruption aims at safeguarding of fair work of public institutions and lawful interests and rights of persons.

The decisive element of the bribery offence is that State official, using its authority, perform or fail to perform some act in the interests of the giver of the bribe. Before mentioned amendments to Criminal Law adds also "any other person".

a.4. The concept of an official

Definition of State official is provided in Criminal Law. According to the article 316 of Criminal Law State Officials are:

(1) Representatives of State authority, as well as every person who permanently or temporarily performs their duties in the State or local government service and who has the right to make decisions binding on other persons, or who has the right to perform any functions regarding supervision, control, inquiry, or punishment or to deal with the property or financial resources of the State (central) or local government, shall be regarded as State officials.

(2) The President, members of the *Saeima* (parliament*)*, the Prime Minister, members of the Cabinet as well as officials of State institutions who are elected, appointed or confirmed by the *Saeim*a or the Cabinet, heads of the local government, their deputies and executive directors shall be regarded as State officials holding a responsible position.

As Latvia ratified Council of Europe Criminal Law Convention on Corruption the amendments to introduce liability of foreign public officials for corruption in Criminal Law are passed at second reading in Parliament**.** The amendments in article 316 "Definition of State Officials" of Criminal Law are following:

"(3) With respect to the offences described in articles 320 (passive bribery), 321 (appropriation of bribe), 322 (mediation in bribery), 323 (active bribery) and 326^{1} (trading in influence) foreign public officials, members of foreign public assemblies, officials of international organisations, officials of international parliamentary assemblies, judges and officials of international courts shall be regarded as state officials."

a.5. Intervention of third persons in the corrupted transaction

Taking into account that corrupt activities can be performed indirectly by involving other persons, Criminal Law provides liability for mediation in bribery

Article 322. Mediation in Bribery

(1) The committing of mediation in bribery, that is, of acts manifested in the furnishing of a bribe received from the giver of the bribe to a person accepting the bribe or the bringing of these persons together,
shall be punished by deprivation of liberty for a term not exceeding six years.

(2) The committing of the same acts, if they have been committed repeatedly, or if they have been committed by a State official,
shall be punished by deprivation of liberty for a term of not less than three and not exceeding ten years, with or without confiscation of property.

The articles of Criminal Law concerning active bribery and passive bribery are composed in the way not to exclude liability if the bribery has been committed by a State official through an intermediary.

Accomplices are often involved in the transaction as instigators, abettors, etc. Criminal Law (article 20) states that an act or failure to act committed knowingly, by which a person (joint participant) has jointly with another person (perpetrator), participated in the commission of an intentional criminal offence, but they themself have not been the direct perpetrator of it, shall be considered to be joint participation. Organisers, instigators and accessories are joint participants in a criminal offence. A joint participant shall be held liable in accordance with the same Section of this Law as that in which the liability of the perpetrator is set out.

b. Defences

Criminal Law provides for general defence existing for all offences. These are circumstances which exclude criminal liability, even if acts committed:

1) necessary self-defence - an act which has been committed in defence of the interests of the State or the public, or the rights of oneself or another person, as well as in defence of a person against assault, or threats of assault, in such a manner that harm is caused to the assailant. Criminal liability for this act applies if the limits of necessary self-defence have been exceeded;
2) arrest causing personal harm - an act which is directed against such person as is committing or has committed a criminal offence. Criminal liability for this act shall not apply if the harm allowed to be effected to the person is not evidently disproportionate to the character of the offence, non-compliance or resistance;
3) extreme necessity- an act which a person commits to prevent harm, which threatens the interests of the State or the public, the rights of the person or another person, or that or another person, if in the actual circumstances it has not been possible to prevent the relevant harm by other means and if the harm caused is less than that which was prevented. Extreme necessity excludes criminal liability;
4) justifiable professional risk - criminal liability shall not apply for harm which has been committed through a professional act which has the constituent elements of a criminal offence, if such act has been committed in order to achieve a socially useful objective which was not possible to achieve by other means.
5) and the execution of a criminal command or criminal order- execution of a criminal command or a criminal order by the person who has executed it is justifiable only in those cases when the person did not know of the criminal nature of the command or the order and it was not evident. In such cases, however, criminal liability shall apply if crimes against humanity and peace, war crimes or genocide

Concerning bribery Criminal law (article 324) provides release of a giver of a bribe and intermediary from criminal liability in certain circumstances. Thereby a person who has given a bribe shall be released from criminal liability if this bribe is extorted from this person or if, after the bribe has been given, they voluntarily inform of the occurrence. By extortion of a bribe shall be understood a demand for a bribe in order that legal acts be performed, as well as the demand for a bribe which is associated with threats to harm lawful interests of a person. An intermediary or abettor respecting a bribe shall be released from criminal liability if, having committed such criminal act, they voluntarily inform of the occurrence.

c. Liability for active and passive bribery

There is not corporate criminal liability in Latvia. Criminal liability in the case of criminal acts involving a legal entity rests with the natural persons who committed said acts as the representatives of the legal entity, or who acted on the orders of the legal entity, or who were in the service of the legal entity, as well as collaborators of the said natural persons.

There is administrative liability for legal persons concerning customs offences, but necessary work is started to introduce administrative liability of legal persons also for corruption.

The Cabinet of Ministers will review the necessary amendments into the laws enacting the criminal liability of legal persons until the end of June 2002. The Working group established will present these amendments.

Criminal Procedure Code provides that as a civil respondent in a criminal matter may be invited natural and legal persons, who according to law are materially liable regarding losses, which committed with the criminal offence of the accused person. Therefore legal person can be held civil liable for damages committed by corrupt act of its employee.

d. Sanctions

As it is shown in answers a.1. the main sanction applicable to natural persons are imprisonment, monetary fine and confiscation of property. We are planning to introduce higher monetary sanctions for legal persons by introducing administrative liability of legal persons.

Confiscation of property as punishment is the compulsory transfer to State ownership without compensation of the property owned by a convicted person or parts of such. Confiscation of property may be determined only in the cases provided for in the Special Part of Criminal Law. Property owned by a convicted person, which they have transferred to another natural or legal person, may also be confiscated.

Confiscation of property as procedural measure. According to the Criminal Procedural Code the instruments belonging to the defendant and used to commit crime shall be confiscated. Valuables and articles acquired as a result of criminal activity or intended to use or actually used to commit a crime shall be confiscated or returned to the respective owner. Objects the use whereof is forbidden shall not be returned but handed over to the competent authorities or destroyed.

As it is shown in answers a.1. subsection 2 and 3 of article 320 provides separate liability with more severe punishment when act is committed either repeatedly, or in large scale, or by using extortion or by group of persons pursuant to prior agreement. Subsections 2 of Articles 322 and 323 provides separate liability with more severe punishment when act is committed repeatedly. In other corruption cases, when act is committed by group of persons, it can be considered as aggravating circumstance according to article 48 of Criminal Law.

The search may be performed only on the basis of the decision by the judge. Also Article 63 of the Law on Credit Institutions regulates that bank information shall be provided in criminal cases. According to the law the information on the accounts and the transactions performed by natural and legal persons is provided in the amount necessary to carry out certain functions of e state

institutions according to the procedure prescribed by the law: for the court and the prosecutor's office, if the information is necessary for a criminal case or a case in which the confiscation of assets can be applied. Police this information can get with accept of prosecutor and only within framework of criminal case.

e. Jurisdiction

Latvian judicial authorities have territorial jurisdiction over any criminal offence (including corruption) according to article 2 of Criminal Law. Any person, except representatives of diplomatic missions etc, who commits crime on the territory of Latvian Republic shall be held liable according to Latvian Criminal Law.

For crimes committed outside the territory of Latvia:

1) Latvian citizens and non-citizens, or foreigners or stateless persons, who have a permanent residence permit for the Republic of Latvia, shall be held liable in accordance with Latvian Criminal Law for a criminal offence committed in the territory of another state.
2) Military personnel of the Republic of Latvia who are located outside the territory of Latvia shall be held liable for criminal offences in accordance with Latvian Criminal Law, unless it is provided otherwise in international agreements binding upon the Republic of Latvia.
3) Foreigners and stateless persons, who do not have permanent residence permits for the Republic of Latvia, and who have committed especially serious crimes in the territory of another state, which have been directed against the Republic of Latvia or against the interests of its inhabitants shall be held criminally liable in accordance with Latvian Criminal Law irrespective of the laws of the state in which the crime has been committed, if they have not been held criminally liable or committed to stand trial in accordance with the laws of the state where the crime was committed.
4) Foreigners or stateless persons, who do not have a permanent residence permit for the Republic of Latvia, and who have committed a criminal offence in the territory of another state, in the cases provided for in international agreements binding upon the Republic of Latvia, irrespective of the laws of the state in which the offence has been committed, shall be held liable in accordance with Latvian Criminal Law if they have not been held criminally liable for such offence or committed to stand trial in the territory of another state.

f. Statute of limitation

According to the Criminal Law (article 56) a person may not be held criminally liable for bribery if from the day when they committed the criminal offence, the following time period has elapsed:

1) five years (includes commercial bribery, violation of restrictions imposed on state officials, unauthorised participation in property transactions)
2) ten years after the day of commission of a serious crime (includes unlawful acceptance of material benefits in private sector, exceeding official authority, abuse of official status, failure to act by state official , appropriation of bribe);
3) fifteen years after the day of commission of an especially serious crime (includes active bribery, passive bribery, mediation in bribery).

The limitation period shall be calculated from the day when the criminal offence has been committed until the charges are brought.

The running of the limitation period is interrupted if, before the date of termination of the period prescribed in the first Paragraph of this Section, the person who has committed the criminal offence commits a new criminal offence.

2. Money laundering legislation related to corruption

Since April 30, 1998, money laundering is separate criminal offence in the Republic of Latvia. Article 195 of Criminal Law prescribes liability for laundering of proceeds.

Article 195. Laundering of the Proceeds of Crime

(1) The committing of the laundering of criminally acquired financial resources or other property, in violation of the requirements prescribed by law and knowing that these resources or property were obtained criminally,

shall be punished by deprivation of liberty for a term not exceeding five years, or a fine not exceeding one hundred and fifty times the minimum monthly wage, with or without confiscation of property.

(2) The committing of the same acts if they have been committed on a large scale,

shall be punished by deprivation of liberty for a term not exceeding ten years, with confiscation of property.

June 1, 1998, the Law "On Prevention of Laundering of Proceeds derived from Criminal Activity" became effective, Article 4 whereof, provides for 15 categories of predicate crimes, including active bribery, passive bribery, mediation in bribery, appropriation of bribery and unauthorised receipt of financial benefits (passive corruption in private sector).

Latvia has ratified European Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime.

III. INSTITUTIONAL FRAMEWORK TO FIGHT CORRUPTION

1. Enforcement Rules (Investigation and Prosecution)

Latvian criminal system is based on mandatory prosecution. Criminal Procedure Code states that, court, prosecutor's office and investigative institutions should initiate criminal case (commence proceedings) after the elements of a criminal offence have become evident in order to detect criminal offence and identify person who committed criminal offence and impose punishment.

In the same time Criminal Procedure Code provides circumstances in which proceedings should not be carried out or criminal case should be terminated:

1) if no criminal acts has taken place;
2) if an act has no necessary elements of criminal offence;
3) if the limitation period has expired;
4) in the case of amnesty or pardon;
5) against person, who, in the time when criminal act has taken place, did not attained age at which criminal liability applies;
6) against person concerning whom judgement has entered into force in respect of the same charge;
7) against person concerning whom a prosecutors, investigative institutions or court ruling has entered into force in respect of the termination of the criminal proceeding on the same basis.

Criminal Procedure provides possibility to refuse initiate criminal case or terminate criminal case in following cases:

1) if there is elements of criminal offence, but which has not caused such harm as requires that criminal punishment be adjudged, may be released from criminal liability;
2) in the case of conciliation between victim and accused in criminal offence prescribed in Criminal Law;
3) if an criminal act has been committed by juvenile and specific circumstances has been established which mitigate his liability.

In the case there is no reason to initiate criminal case or there are circumstances in which proceedings should not be carried out, investigative institution, prosecutor, judge or court refuse initiation of criminal case. Copy of such a decision should be sent to parties of case. In the case there is circumstances according which person can be released form criminal liability, decision can be taken by Prosecutor General, other prosecutor or investigative institution with consent of General Prosecutor. Copy of such a decision should be sent to parties of case.

Criminal Procedure Code provides broad powers for prosecutors during pre-trial investigation and court proceedings. Prosecutor supervises actions of investigative institutions, organises,

manages and realises pre- trial investigation and represents public prosecution during trial. As implementation of supervision prosecutor:
- initiates or refuses to initiate criminal case,
- instructs investigative institutions to initiate criminal case,
- cancels unlawful and groundless decisions of investigative institutions and prosecutors with lower position,
- takes part in investigative activities,
- gives instructions concerning investigation of criminal offence,
- examines complaints concerning activities if investigative institutions and prosecutors with lower position.

Prosecutor commences criminal prosecution (brings criminal charge against person) and represents public prosecution during trial.

The mechanism to ensure that prosecution is not discontinued as a result of undue pressure or undue consideration is:
1) that there is rights for parties to appeal a prosecutors decision to a higher prosecutor and courts decision to higher instance court;
2) independence of prosecutors stipulated by law "On Prosecutors Office" (according to article 6 prosecutor is independent from influence of other public institutions and officials and conforms only with law).

Law "On Prosecutors Office" provides regulation on management and control of prosecutor's office and activities of prosecutors and appeals procedure concerning decisions of prosecutors. Prosecutor General can give interactions and orders binding for all prosecutors.

These means are used to ensure lawful decisions taking by prosecutors and investigative agencies and this allows controlling the legality of such decisions.

It is presumed that expected new Criminal Procedure Law will take its force until the end of 2003. The new Criminal Procedure Law is elaborated to ensure effective, democratic and fast criminal proceedings.

2. Institutional Resources

With the support of the World Bank in 1997 the Corruption Prevention Council was established. The main goal of the Council was to co-ordinate the activities of the members involved in such a way insuring political leadership over the activities undertaken to prevent and combat corruption.
The Minister of Justice chaired the Council and co-chairman was Minister of Interior. The other members were: General director of the State Revenue Service, Chief State Auditor, General Prosecutor, Director of the Competition Council, representative from the Latvian Bank, Head of Latvian Transparency International Division, representative from the National Radio and TV Council, chairman of the Lawyers Association of Latvia.
The decisions made by the Council were implemented through the members, as they are highest ranking officials of the institutions represented.

In the same time the Prime minister chaired the Crime Prevention Council that was a coordinative body and dealt with crime prevention and enforcement issues except the issue of corruption.

For the reason of increasing the effectiveness of the councils, the Cabinet of Ministers took a decision to merge the councils into one- Crime and Corruption Prevention Council (hereinafter- Council).
Council was established in 15 of January 2002 and consists of: Prime minister as a chairman, two chairmen- minister of Justice and minister of Interior, Minister of Welfare, Minister of Education, Minister of Foreign Affairs, Minister of Finance, Chief of Constitutional Protection Bureau, Chief State Auditor, General Prosecutor, President of Latvian Bank.
The majority of its members must accept the decisions made by the Council. The Council is assembling once per three months. The Council's duties are the following:

1) co-ordinate the elaboration and implementation of the strategy on crime and corruption prevention;
2) to promote the effectiveness of the activities of responsible agencies for corruption prevention and enforcement;
3) to review the proposals for the elaboration of legislation and to take a decision concerning further legislative movements;
4) to organize the researches on the causes of crime and corruption, to prepare prognoses for the possible adverse consequences and to organize their elimination;
5) to co-ordinate the activities of the Latvian law enforcement agencies combating crime and corruption with an aim to develop and implement the common policy of the European Union on justice and interior affairs;
6) co-ordinate the co-operation among Latvian law enforcement agencies with international institutions;
7) to promote the involvement of society into the crime and corruption prevention issues.

The executive body responsible for the implementation of the decisions taken by the Council is the Executive Secretariat of the Council, headed by the Executive secretary.

There is a sub-commission- Anti Drug Commission established within the Council chaired by the Minister of Interior. The main goal of the commission is to perform co-ordinative duties over the activities of the state and municipal authorities for the prevention of narcomania.

For the enforcement (including investigation and prosecution) are responsible the following agencies:

Police Forces

Investigation of corruption lies on State Police and Security Police.

Security Police

Security Police is an institution supervised by the Ministry of Interior, which performs intelligence, counterintelligence and operational activities in state security areas in order to combat organised and economic crime, terrorism, subversive activities, sabotage, banditry, corruption, counterfeiting of money, as well as unsanctioned distribution of narcotic and other substances with strong effect, fire arms and other weapons, explosives.

In April 2000 in order to make the fight against corruption more efficient, a special structural unit was formed within the Security Police, named the Active Operations Unit. The one of main tasks of this unit is combating corruption in the structures of the Ministry of Interior and other law enforcement bodies.

In *State police* there are two institutions whose function is investigation of corruption cases: *Economic Police* (established 1995) and *Bureau for Combating Organised Crime and Corruption* (established in 1998).

Economic police

Economic Police have been restructured at 1999 and as result central institution – Bureau of Economic Police with subordinated structural units in Riga, 7 cities and 20 regions.

The Economic Police covers the fight against the following types of crimes:

- Use and exceeding of authorisation in bad faith
- Neglect
- Unauthorised receipt of financial benefit
- Commercial bribery
- Unauthorised obtaining and disclosure of information containing secrets acquired in the course of employment or commercial secrets
- Laundering of proceeds of crime
- Exceeding official authority
- Abuse of official status
- Failure to act by a state official
- Acceptance of bribes
- Misappropriation of a bribe
- Intermediation in bribery
- Giving of bribes
- Violations of restrictions imposed on state official
- Unlawful participation in property transactions
- Forging official documents

The tasks of the Economic Police are:

- To analyse, plan, manage, co-ordinate, control and provide for the work of all structural units of the Economic Police in the prevention and disclosure of offences within their authority (10.1.p.);
- According to the Law on Intelligence Activities to perform operational and search activities (operational investigation, operational check-up and operational case preparation) in order to provide for due prevention of offences within the competence of the Economic Police, their disclosure, finding of the offenders and finding, collection, storing of proof, and its use in the criminal proceedings;
- To collect, analyse, systematise, register, store and use the legal and secret information on the facts, events, cases and persons, which is necessary for the investigation, warning, prevention and interruption of the offences under their jurisdiction as well as for the investigation process in criminal cases;
- To manage, plan, co-ordinate, control and provide for the work of the structural units of the economic police in the criminal cases within their competence in order to prevent and stop the offences in the sphere of economy;
- To perform operational, penal and administrative measures in order to warn, prevent and stop administratively liable offences in the sphere of economy within the competence of the Economic Police.

Bureau for Combating Organised Crime and Corruption

The Bureau for Combating of Organised Crime and corruption is structural unit of State police and is subordinated to the Head of State Police.

The main task of the Bureau for Combating of Organised Crime and corruption is the fight against organised crime, different forms of organised crime, as well as corruption.

The bureau is the main co-ordinating institution in the area of inquiry and operational activities regarding crimes related to the fight against organised crime and corruption.

The Bureau has the following tasks:

- To plan, co-ordinate work related to the fight against organised crime, smuggling and corruption, to co-ordinate the work of other structural units of the State Police, as well as to get involved in this work;
- To disclose and prevent crimes related to organised crime and corruption as well as to eliminate organised crime activities;
- To perform investigation and operational activities within its authority in the territory of the state.

There are 12 persons engaged in fight against corruption within the Bureau.

Prosecutor's Office

According to the Law on the Prosecutor's Office, the Prosecutor General shall determine the internal structure and the staff of the prosecutor's office in correspondence with the budget resources allocated by the state.

Article 28 of the Law on the Prosecutor's Office states that if necessary, the Prosecutor General may establish an Office of the Prosecutor for a specialised field. In practice, depending on the priorities set by the state in crime enforcement, as well as on the criminological situation, Prosecutor General uses the possibilities laid down in the law to rearrange the posts of the prosecutors depending on the situation as well as if necessary to establish prosecutor's offices for specialised fields.

In the Prosecutor's Office of the Republic of Latvia there are several structural units, for which the fight against corruption is one of their functions. In some cases the prosecutors of the Prosecutor General's Office have been involved in the verification of information on the relation of the high-ranking state officials to corruption.

In the Prosecutor General's Office there is a Department of Especially Serious Cases, which deals with the investigation of corruption cases of senior public officials.

In 1998 the Department of Specially Authorised Prosecutors was established which supervises the application of the special measures provided under the Law on Intelligence Activities, sanctions the intelligence operations including in the cases related to corruption, and receives materials from the Money Laundering Prevention Office and examines if there is a basis to forward these materials to the investigative institutions for further inquiries.

Since June 1, 1998 under the supervision of Prosecution operates the Money Laundering Prevention Office which receives the reports of credit, financial and non-financial institutions on unusual or suspicious transactions, processes and analyses them and sends to the Department of Specially Authorised Prosecutors in case there is suspicion on the legalisation of proceeds from crime.

In October 1994 the Specialised Prosecutor's Office for Organised Crime and Other Matters was established with the status of a regional prosecutor's office.

In March 1997 Prosecutor's Office for the Investigation of Financial and Economic Crimes was established as a district (lower level) prosecutor's office and in November 1999 the Customs Prosecutor's Office started to operate. One of the functions of all above-mentioned structural units is the investigation of corruption related matters. According to the orders of the

Prosecutor General the Specialised Prosecutor's Office for Organised Crime and Other Matters supervises the criminal cases in the structural units of the State Police, Ministry of Interior, including those units, which are responsible for corruption enforcement, i.e. Bureau for Combating Organised Crime and Corruption, the Economic Police, Drugs Enforcement Bureau; and performs the management and control functions of the judicial region prosecutor's office in respect of the Prosecutor's Office for the Investigation of Financial and Economic Crimes and the Customs Prosecutor's Office.

The Prosecutor's Office for the Investigation of Financial and Economic Crimes and the Customs Prosecutor's Office perform supervisory functions over the respective units in the State Police.

In case according to the legislation the investigation of the criminal case is not the responsibility of any of the above-mentioned structural units, the criminal cases including the corruption related cases are investigated either at the regional or district prosecutor's office depending on the provisions of the Latvia Criminal Procedure Code.

Courts

There is no special units in courts to deal with corruption cases.

State Revenue Service

There are institutions who has functions in prevention and combating of corruption. This institution is *Corruption Prevention Control Section and* it is a self-dependent structural unit of the State Revenue Service, directly subordinated to the general director.

The unit performs the following main tasks:

- Controls the enforcement of the *Law on the Prevention of Corruption* (Annex.3) as well as the observance of additional restrictions imposed on state officials by other laws;
- To call the offenders (state officials) to administrative liability in the procedure prescribed in normative acts;
- In cases where state officials have overstepped the Law on the Prevention of Corruption, which provide for criminal liability, transfers the investigation to the Finance Police
- Gives methodical guidelines to the employees of the territorial institutions of the SRS enforcing the Law on the Prevention of Corruption.

There are 53 employees of the unit, 9 within Riga, the remaining 44 within the regional institutions of the S.R.S.. According to the *Law on the Prevention of Corruption* every year approximately 35,000 – 40,000 state officials submit their income declarations, of which 2.7 – 4% of the total number of each category submitted are actually checked.

Co-operation between institutions

The top institution responsible for effective inter- agency co-operation is the Crime and Corruption Prevention Council. The Executive Secretariat to the Council implements inter-agency co-operation where the agencies represented in the Council have nominated the permanent representatives. Through representatives nominated the effective inter-agency co-operation is ensured.

Prosecutor General Office-
the internal legal acts issued by the Prosecutor General provide for the procedure of mutual co-operation and supervision and control among the structural units of the Prosecutor's Office. Article 2 of the Law on Prosecutor's Office provides for the functions and competence in respect of the investigative institutions including those, which deal with the investigation of the corruption cases.

The Prosecutor's Office:

1) supervises the work of investigative institutions and the intelligence operations of other institutions;
2) organises, manages, and conducts pre-trial investigations;
3) initiates and conducts criminal prosecution.

Article 21 of the Criminal Procedure Code determines the process of the supervision by the prosecutor's office in criminal procedure.

The Prosecutor General of the Republic of Latvia and the prosecutors carries out the supervision of the precise and unified compliance with the laws of the Republic of Latvia in the criminal procedure.

In all stages of the criminal procedure the prosecutor must use the means provided under the law in due time in order to prevent any violation of the law irrespective of who has committed the violation.

New initiatives

Corruption Prevention and Enforcement Bureau

Taking into account the large number of the institutions involved in enforcement of corruption the Corruption Prevention Council decided to establish central institution- Corruption Prevention and Enforcement Bureau. A Working group was established to elaborate the draft law On Corruption Prevention and Enforcement Bureau (hereinafter- Bureau). At this stage the law on Bureau is accepted by the Cabinet of Ministers and adopted in Parliament in first reading (to speed up the procedure the law must be reviewed by the parliament only by two readings).
The law "On Corruption Prevention and Enforcement Bureau" provides to establish institution that will concentrate the efforts to the prevention- analysis, public awareness, legislative matters, checking of the public officials disclosures, control of the political organizations financing, international co-operation, policy elaboration and enforcement- investigative and intelligence sphere.
The head of the Bureau will be selected by the Cabinet of Ministers and approved by the Parliament. The Cabinet of Ministers will play the role of the supervisory authority over the Bureau. The Bureau will start to operate in the beginning of June 2002. It is presumed the overall functioning of the Bureau will take place on 1 of January 2003. The Bureau will consist of approximately 100 agents and other personnel as well as regional structures-squads will be established in the biggest cities.

Bureau shall execute the following functions in the sphere of corruption prevention:

1) development the state anti-corruption programme and co-ordinate co-operation of institutions enlisted n it, in order to ensure the execution of the programme;
2) co-operation with other public and local government institutions, public organisations and foreign institutions;
3) controlling of the effective implementation of the Anti-Corruption Law, as well as observation of additional restrictions set forth for the public officials in other laws;
4) inspection complaints and applications within its own competence,
5) collection and analyse information;
6) development of methodology for corruption prevention and fighting corruption in public administration and private sector;
7) using the existing data bases, as well as establish and maintain its own data bases;

8) analysing legislative acts and draft normative acts as well as propose amendments to them, submit proposals for drafting new normative acts;
9) implementing public awareness strategy.

Bureau functions in the sphere of fighting corruption:

1) bring the state officials to administrative liability and apply punishment for the violations of the Law On Conflict of Interest of Public Officials;
2) perform inquiry and undercover operations in order to detect the criminal offences of public officials.

Law on the conflict of interest of public officials

With adoption of the Law on the conflict of interest of public officials Law on Corruption Prevention (in force since 1995) will loose its force. The draft law is accepted by the cabinet of Ministers and adopted by the Parliament in first reading (to speed up the procedure the law will be reviewed in two readings).
With the new law the greater liability lays on the heads of the state authorities to control their own employees and to prevent the conflict of interest situations in their own authorities. In line with the draft law, amendments into the Administrative Misdemeanor Code were elaborated strengthening the liability of heads of the authorities.
The new draft law like the existing one provides for public officials to submit the income disclosures although the authority that will check-up the disclosures will be the Bureau on Corruption Prevention and Enforcement (since 1995 this function was the scope of the State Revenue Service).
The draft law introduces the principle of legal presumption id est- if public official gets the assets or the benefits with that breaking the rules of the law (for instance- such as breaking the rule on Prohibition to occupy the additional post, or to receive prohibited income) it is presumed these assets or benefits are obtained illegally.

Law on Initial Fixation of Property

The Law on Initial Fixation of property provides for submission of the income disclosures of every citizen or permanent resident of the Republic. The law was debated many times by the Corruption Prevention Council and the Cabinet of Ministers. The Cabinet of Ministers adopted the law in 15 of January 2002. At this stage the draft law is prepared for the first reading in Parliament.
The law set up concrete thresholds for the property that must be disclosed. If the resident's assets surpass the threshold established by the draft law he/she has to disclose the assets and to submit the disclosure form to the State Revenue Service.
The disclosing of the finances or assets will take place only once and will be used as a starting point to fix the amount of the resources.
There is no rule providing a person to disclose his/her own car or house because that information can be obtained using public registers. In such a way the disclosing procedure is facilitated.
The disclosures submitted will not be automatically checked-up but will be used only in case the responsible authorities have made the request.
In case the person is not submitting the disclosure form to the State Revenue Service it is presumed that the person has nothing to declare.
For the infringement of the law the person is obliged to pay the income tax.

There are additional provisions drafted into the law regarding the confidentiality of information providing only authorized officials to get the information disclosed.
Taking into account that public officials are disclosing their assets since 1995 (entry into force of the Corruption Prevention Law) they have to submit the initial disclosure form only in case they are owning the assets mentioned in the law On Initial Fixation of Property and that differs from the asset's list mentioned in the Corruption Prevention Law.

3.The detection of bribery offences

The detection of bribery is difficult taking into account the nature of bribery and that corruption profits both parts of bribery – bribe giver and bribe taker.

According to the Law "On Police" the duty of policemen is to prevent crimes and other violations of law.

Regulations adopted by State Revenue Service "What State Revenue Service officials shall do in case, when bribe is offered" provides that superior must be informed by official if State Revenue Service about offer of bribe as soon as possible.

The Corruption Prevention Law provides that in case the State Revenue Service has detected violations of the norms of this law to be sanctioned according to the Criminal Law, its duty is to make inquiries itself or to pass the case over to another investigative institution according to cognisance. Article 315 of the Criminal Law provides that failing to inform, where it is known with certainty that preparation for or commission of a serious or especially serious crime is taking place is punished by deprivation of liberty for a term not exceeding four years, or other punishment, not related to imprisonment.
These two legal norms also include the obligation to report on possible corruption cases that come to their knowledge while performing their functions.

Latvia introduced amendments in legislation on witness protection in June 1997. According to legislation person is admitted for protection in cases of giving evidence in serious crimes committed by organised criminality or being connected to detection, investigation or trial of such cases. General Prosecutor admits person for protection under revision of the importance of the evidence and the posed threat. Used methods of protection depend on the threat and in regular cases are physical protection change of residence.

Rights to special procedure protection have been endowed to the victim, the witness, the suspect, the accused, the possible defendant and the convict, if they are giving testimony in criminal cases about serious crimes as well as to their legal representatives. If the person does not give evidence, but participates in detection, investigation or trial of serious crime committed by organised crime group, protective measures, similar in essence to special procedure protection can be applied.

The implementation of protection is based on special amendments to the Criminal Procedure Code and Law on Intelligence Activities.

According to Criminal Procedure Code, person is entitled to protection if there has been a real threat to his life, health, property or legal rights, or such threat has been posed, or the case investigator has sufficient basis to believe such a threat to be real.

Acts of intimidation to induce false testimony are punishable under separate Article of the Criminal Law of Latvia.

Protective measures are described in the Law on Police Intelligence Activities and include physical protection, change of residence, change of identity and other. Protective measures can be taken before (as exception), during and following proceedings.

The Criminal Law provides for criminal liability for threatening to commit murder or to inflict serious bodily injury (CL Article 132), an assault upon a representative of public authority or other State official (CL Article 269), interference in a trial of a matter (CL Article 295), defamation and injuring dignity of a representative of public authority or other state official (CL Article 271).

Article 56 of the Law on Prosecutor's Office states that the prosecutor has the rights to the protection of themselves and the members of their families, and their property, as well as the rights to a service weapon.

All these legal norms can be used for the protection of judges and prosecutors in the investigation and trial of criminal cases. The protection of prosecutors and judges is ensured by the police.

4. International aspects of enforcement

Latvia has ratified the following conventions concerning international co-operation in criminal matters: European Convention on Extradition with Additional and Second Additional Protocols, European Convention on the Transfer of Proceedings in Criminal Matters, European Convention on the Transfer of Sentenced Persons, European Convention on Mutual Assistance in Criminal Matters and additional protocol, European Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime.

Latvia has concluded bilateral and multilateral agreements on mutual legal assistance with following states: Lithuania and Estonia (11.11.1992.), Russian Federation (03.02.1993.), Moldova (14.04.1993.), Belarus (21.02.1994.), Poland (23.02.1994.), Ukraine (1996), Kyrgyzstan (10.04.1997.), United States of America (13.06.1997.). According to these agreements there is possible to carry out various proceedings such as examination of witnesses, suspected or accused persons, experts, expertise, transfer of documents and evidences, transfer of criminal case, extradition, execution of sentence.

Besides before mentioned agreements Prosecutors Office within their competence has concluded following agreements on co-operation with prosecutors offices of Russian Federation (22.05.1991.), Lithuania (31.08.1991.), Estonia (19.09.1991.), Moldova (09.10.1992.), Kazakhstan (09.10.1992.), Kyrgyzstan (09.10.1992), Uzbekistan (09.10.1992.), Belarus (09.10.1992.), Poland (23.10.1992.), England and Wales (13.02.1992.). Prosecutor's Office has concluded also Memorandum with Legal Department of Canada (01.04.1992.) and State Ministry of United States of America (11.09.1992.), Agreement with Special investigative division of General Attorney Department of Australia (15.10.1991) and State Legal Bureau of New Zealand (08.01.1992) and Memorandum with United Kingdom of Great Britain and Northern Ireland on co-operation in the fight against serious crime, organised crime, illicit drug trafficking, combating terrorism and like matters of mutual interest (agreement as an example is enclosed in Annex2).

Police within their competence has concluded following agreements on co-operation with Ministry of Interior of Lithuania and Estonia (20.04.1992. and 30.06.1995.), Belarus (16.05.1998.), Russian Federation (17.10.2000.), Ukraine (30.05.1992., 21.11.1995., 24.02.2000.), Uzbekistan (24.04.1992. and 23.05.1996.), Kyrgyzstan (24.04.2992.), Kazakhstan (24.0.4.1992.), Tajikistan (24.04.1992.), Armenia (24.04.1992.), Georgia (24.04.1992.), Austria (16.07.1997.), Israel (27.07.1994.), Turkey (04.06.1997.), Finland (27.06.1996.), Slovakia (24.05.1999), Hungary (06.03.1997.), Germany (30.03.1995., 14.12.1998.), United Kingdom of Great Britain and Northern Ireland (02.11.2000), Check Republic (14.11.2000), Croatia (23.02.2001).

Before mentioned agreements can provide for co-operation in combating corruption and other crimes. Thereby practical legal co-operation is based on international treaties. The provisions regarding legal co-operation in criminal matters are in several articles of the Code of Criminal Procedure Code, which is not sufficient. These articles contain the provisions on the mutual legal assistance, extradition and transfer of proceedings. The lack of internal regulations has not created considerable problems as our legislation provides possibility to implement the conventions directly. All requested procedures in Latvia are carried out according to the Criminal Procedure Code of Latvia.

Active work on the new Criminal Procedure Law, including judicial co-operation in criminal matters, is going on. The new legislation will regulate in details co-operation in criminal matters such as extradition, mutual assistance, and transfer of criminal proceedings and transfer of sentenced persons.

Latvia did not make reservations provided in article 5 of European Convention on Mutual Legal Assistance and that facilitates performance concerning requests on search and seizure of property.

It is possible to perform request on legal assistance even if act concerning is not criminal offence in Latvia, that is, no requirement for double criminality.

In order to carry out the co-operation in criminal matters Latvia has designated the Central authorities for legal assistance: Ministry of Interior (during pre-trial investigation till criminal prosecution), General Prosecutors Office (during pre-trial investigation till case is submitted to court) and Ministry of Justice (when case is brought to the court).

There are no specific factors in Latvia that would prevent or hinder international legal assistance in the prosecution of criminal offences of corruption. In mutual legal co-operation international treaties are directly applicable. Therefore assessment on possibility to grant mutual legal co-operation is based on regulations stipulated in international treaties. With regard to request, it should be noted that requested investigative activity should be regulated by Latvian Criminal Procedure Code.

According to the article 98 of Satversme of the Republic of Latvia (Constitution), Latvian citizens can not be extradited.

According to the article $23.^3$ of Criminal Procedure Code a request by a foreign authority to institute a criminal case, commence or take over (continue) criminal prosecution in respect of a person who has committed a crime in a foreign state and returned to Republic of Latvia shall be considered by the Office of prosecutor General of Republic of Latvia, determining whether the request to institute the criminal case, commence or take over (continue) criminal prosecution is substantiated.

ANNEX.1

The Saeima has adopted and the President
has proclaimed the following Law:

ON THE STATE AUDIT OFFICE

Chapter I
General Provisions

Section 1.
The State Audit Office is an independent collegial authority, which shall audit the state of and actions with State and Local Government property (including financial resources). The activities of the State Audit Office are not applicable to the Saeima.
[6 November 1996]

Section 2.
It is the duty of the State Audit Office to monitor in order that the collection and utilisation of the base budget and special budgetary resources of the State and Local Governments, as well as actions with State and Local Government property, are lawful, efficient and correct.
[6 November 1996]

Section 3.
The accounts of State institutions, as well as other information and documents requested by the State Audit Office shall be submitted to the State Audit Office according to procedures and time periods specified by it.

Section 4.
State and Local Government institutions, undertakings, companies and natural persons, at whose disposal State or Local Government property is, or which are financed from State or Local Government budgetary resources, or which carry out State or Local Government procurement and

supply, shall present to the State Audit Office account books and documents, as well as provide explanations required by it.
Pursuant to a request by the State Audit Office, banks and other credit institutions shall, if such is necessary to perform the actions mentioned in Section 1 of this Law, provide to the State Audit Office information with respect to the accounts and operations performed by the legal persons mentioned in Section 4 , Paragraph one of this Law.
The Auditor General, directors of audit departments of the State Audit Office, senior auditors of the State Audit Office and auditors of the State Audit Office (hereinafter - auditors of the State Audit Office) have the right to, if necessary, visit without hindrance, State, Local Government and other institutions, and undertakings (companies) regardless of whose control they are subject to or their ownership, in order to audit the condition of State and Local Government property, and actions therewith.
[6 November 1996]

Section 5.
To clarify questions related to an audit, employees of the State Audit Office, whose office is not lower than the office of auditor, have the right to request and obtain explanations from officials and private persons.

Section 6.
Authorities, which submit to the Cabinet projects that are related to State and Local Government revenues and expenditures and provide for actions with State and Local Government property, shall also submit them to the State Audit Office.
[6 November 1996]

Section 7.
The State Audit Office has the right to send its representatives in the capacity of advisors to meetings of those State and Local Government collegial decision-making authorities in which economic matters are discussed.
[6 November 1996]

Section 8.
The operational procedures of the State Audit Office shall be determined by the Audit Regulations adopted by the Saeima.

Chapter II
Procedures for Appointing and Approving Employees of the State Audit Office

Section 9.
The Saeima shall appoint the Auditor General for seven years.
The Auditor General shall, upon assuming office, give the following oath:
“I solemnly swear to be loyal to the Republic of Latvia, to observe its laws and to fulfil my duties honourably.”
The office of Auditor General may not be combined with the office of Member of the Saeima.
[6 November 1996]

Section 10.
Members of the Council of the State Audit Office and of the collegia of audit departments shall, pursuant to the recommendation of the Auditor General, be confirmed by the Saeima to a seven-year term. Members of the Council and of the collegia may be confirmed in office anew. If a member of the Council or of the collegium is released before his or her term ends, another member of the Council or of the collegium shall be confirmed in his or her place for the remainder of the term.
[6 November 1996]

Section 11.
Auditors of the State Audit Office, their assistants, secretariat and other staff of the State Audit Office shall be appointed by the Auditor General.

Section 12.
Restrictions on business activities of, acquisition of income by, combining of offices by and performance of work by the Auditor General, members of the Council of the State Audit Office, members of the collegia of audit departments of the State Audit Office, auditors of the State Audit Office and assistants to the auditors, as well as other restrictions and obligations related thereto, shall be determined by the Prevention of Corruption Law.
The Auditor General, members of the Council of the State Audit Office and members of the collegia of auditors of the State Audit Office may not be members of political organisations (parties).
Auditors of the State Audit Office and assistant auditors may not hold office in elected bodies of political organisations (parties).
[6 November 1996]

Chapter III
Composition and Competence of the State Audit Office

Section 13.
The State Audit Office shall be comprised of the Auditor General, the Council of the State Audit Office, audit departments and the secretariat.

A. THE AUDITOR GENERAL

Section 14.
The State Audit Office shall be managed by the Auditor General whose rights shall be comparable to those of a Minister. The Auditor General has the right to participate, in the capacity of an advisor, at meetings of the Cabinet.
During a period of illness or absence of the Auditor General, his or her duties shall be fulfilled by a member of the Council who has been authorised by the Auditor General. In the absence of such authorisation, the duties of the Auditor General shall be fulfilled by the senior member of the Council — the Director of a Department.

Section 15.
The Auditor General shall:
1) manage and supervise the work of the State Audit Office;

2) approve, within the scope of the audit regulations, instructions regarding the procedures for conducting audits;
3) determine the procedures pursuant to which matters and questions shall be submitted and decided at meetings of the Council of the State Audit Office and of the collegia of audit departments; and
4) within the scope of his or her competence, impose administrative sanctions.

Section 16.
Annually, the Auditor General shall submit a report to the Saeima regarding the actual implementation of the State budget for the previous year, as well as provide an evaluation regarding the collection and utilisation of State resources and regarding actions with State property in general. The Auditor General has the right to submit information to the Saeima on questions that are within the competence of the Saeima.

B. COUNCIL OF THE STATE AUDIT OFFICE

Section 17.
The Council of the State Audit Office shall be comprised of the Auditor General and six Council members.
The Auditor General shall be the Chairperson of the Council of the State Audit Office.
[6 November 1996]

Section 18.
Meetings of the Council of the State Audit Office shall be held on dates specified by the Auditor General and shall have a quorum if the Chairperson of the Council and not less than three of its members are present. Questions shall be decided by majority vote. If the votes are divided equally, the vote of the chairperson shall be the deciding vote.
[6 November 1996]

Section 19.
The Council of the State Audit Office shall:
1) decide questions regarding audit work raised by members of the Council or by the collegia of audit departments;
2) decide those questions submitted by the audit departments, which exceed the competence of the collegia of audit departments;
3) examine the report prepared by the Cabinet regarding the implementation of the State budget and provide comments thereon to the Saeima;
4) recommend to the Auditor General candidates for the office of auditors and higher offices;
5) take decisions regarding recommendations submitted concerning audit work;
6) examine complaints regarding decisions of the collegia of audit departments;
7) examine and approve drafts of internal documents of the State Audit Office; and
8) examine and approve the list of staff positions for the State Audit Office and the system of work remuneration.
[6 November 1996]

Section 20.
Persons, whose interests or rights have been affected by a decision of the collegium of audit departments, may, within a period of one month from the day of notification of the decision, submit a complaint to the Council of the State Audit Office with the intermediation of the department whose collegium took the decision.

Section 21.
The Council of the State Audit Office shall, at its meetings examine complaints mentioned in Section 20 of this Law. The submitter of a complaint shall be notified of the meeting of the Council, he or she are guaranteed the right to participate in the meeting and he or she shall be given an opportunity to provide explanations.
A decision of the Council of the State Audit Office may be appealed to the Senate of the Supreme Court within a period of one month from the day the decision is taken.

Sections 22-27 are deleted.

C. AUDIT DEPARTMENTS

Section 28.
Audit work shall be divided among audit departments.

Section 29.
Each audit department shall be comprised of a collegium, auditors of the State Audit Office and their assistants. Directors of the audit departments and their deputies shall be appointed by the Auditor General from among the members of the Council of the State Audit Office. The rights and duties of the aforementioned officials shall be determined by an instruction adopted by the Advisory Council of the State Audit Office and approved by the Auditor General.
The qualifications of a State auditor must conform to the requirements set out in the Law On Sworn Auditors.

Section 30.
Matters within an audit department shall be decided by a collegium, which is comprised of the Director of the department and members of the collegium (not more than six in each department).

Section 31.
The Director of the Department shall determine the time of meetings of the collegium of an audit department. A meeting shall have a quorum if the Director and not less than two members of the collegium participate.

Section 32.
It is the duty of the collegium of an audit department to review and examine the results of audits.

Section 33.
A collegium of an audit department has the right:
1) to approve the accounts of State or Local Government authorities, regardless of amount, and the results of audits regarding transactions which are acknowledged to be correct both in regard to law, and according to substance;

2) to approve accounts up to 3000 lati regarding transactions, which are not adequately justified in regard to law, but are justifiable according to substance;
3) to determine the amount of surcharge on transactions that have been found to be unlawful or incorrectly performed;
4) on the basis of a recommendation by the head of the relevant institution, to leave uncollected losses of up to 5000 lati in transactions that were performed in accordance with the requirements of the law and pursuant to procedures set out in law;
5) to permit the covering of separate losses of up to 3000 lati from resources obtained from the relevant transaction;
6) to cancel surcharges of up to 1000 lati, which would have to be determined regarding institutions or persons with respect to their incorrect actions, if no direct losses have been inflicted on the State as a result of such actions;
7) to leave losses uncollected if the amount, calculated for each official responsible for the loss, does not exceed 100 lati in a period of one year;
8) to approve the covering of losses from State or Local Government resources in those cases when surcharges, because of the doubtful possibility of collecting them or for other lawful reasons, are written off for institutions and officials based on the rights assigned to them; and
9) to examine audit questions raised by auditors.
Where a question concerning the amount of surcharges is decided within a collegium, the representative of the relevant State or Local Government authority has the right to provide his or her explanations; the collegium of the audit department has a duty to notify the relevant authority in good time regarding the day for the deciding of their question.
[6 November 1996]

D. THE SECRETARIAT

Section 34.
All record keeping of the State Audit Office shall be combined in the secretariat of the State Audit Office.

Section 35.
The secretariat shall be managed by a head of secretariat who shall be directly subject to the Auditor General.

Section 36.
The duties of the secretariat staff shall be determined by an instruction approved by the Auditor General.

Chapter IV
Financing of the State Audit Office

Section 37.
The State Audit Office shall be financed from State budget resources. Twenty percent of the sums collected from surcharges determined by the State Audit Office and which provide additional income for the budget of the State or Local Government, shall be utilised for the development and support of the State Audit Office.

These resources shall be included in the budget of the State Audit Office according to procedures determined by the Cabinet, and their utilisation shall be determined by a by-law approved by the Auditor General.
[6 November 1996]

Section 38.
The number of staff positions and the budget of the State Audit Office shall be approved and implemented in accordance with the Law On the State Budget.

Chapter V
Liability of Employees of the State Audit Office

Section 39.
Employees of the State Audit Office are prohibited to disclose, without the permission of the Auditor General, information that has, in the course of performing the duties of his or her office, become known to him or her regarding particular persons, undertakings (companies), organisations and institutions.

Section 40.
For unsanctioned disclosure of information mentioned in Section 39 of this Law, employees of the State Audit Office shall be punished in accordance with procedures prescribed by law.

Section 41.
In determining the liability of the employees of the State Audit Office regarding disciplinary violations, the Law On the State Civil Service shall be applied.

Transitional Provisions

1. The 17 December 1991 Law On the State Audit Office of the Republic of Latvia (*Latvijas Republikas Augstākās Padomes un Valdības Zi otājs,* 1991, No. 4/5) and the 9 March 1993 Decision of the Supreme Council of the Republic of Latvia On the State Audit Office of the Republic of Latvia (*Latvijas Republikas Augstākās Padomes un Valdības Zi otājs,* 1993, No. 10/11) are repealed.
2. The Chief Auditor General and State auditors shall prepare, for transfer to the newly formed authorities of the State Audit Office, the materials and files of matters under examination.
3. The newly-appointed Auditor General shall, within a period of two months, reorganize the State Audit Office by forming the institutions of the State Audit Office set out in Law and compiling a list of staff positions, as well as by performing certification of staff in accordance with the requirements of the Law On the Renewal of the 2 August 1923 Law On the State Audit Office.

This Law shall come into force on the fourth day after its proclamation.

This Law was adopted by the Saeima on 28 October 1993.
President G.Ulmanis

Rīga, 4 November 1993

ANNEX 2

The Saeima has adopted and the President has proclaimed the following law:

FREEDOM OF INFORMATION LAW

Chapter I
General Provisions

Section 1. Terms Used in this Law
The following terms are used in this Law:
1) **information** - information or compilations of information, in any technically possible form of fixation, storage or transfer;
2) **circulation of information** - the initiation, creation, compilation, collection, processing, use and destruction of information; and
3) **documented information** - information, the entry of which into the circulation of information may be identified.

Section 2. Purpose and Scope of Application of this Law
(1) The purpose of this Law is to ensure public access to information which is under the control of State administrative institutions and Local Government institutions for the performance of their specified functions as prescribed in regulatory enactments. This Law determines a uniform procedure by which natural and legal persons are entitled to obtain information from State administrative institutions and Local Government institutions (hereinafter - institutions), and to utilize it.
(2) This Law applies to documented information which is within the circulation of information of institutions.
(3) Information shall be accessible to the public in all cases, when this Law does not specify otherwise.
(4) This Law does not apply to the exchange of information between institutions.

Chapter II
Classification of Information

Section 3. Classes of Information
Information to which this Law applies shall be classified as:
1) generally accessible information; or
2) restricted access information.

Section 4. Generally Accessible Information
Generally accessible information is any information which is not categorized as restricted access information.

Section 5. Restricted Access Information
(1) Restricted access information is such information as is intended for a restricted group of persons in relation to the performance of their work or official duties and the disclosure or loss of which, due to the nature and content of such information, hinders or may hinder the activities of the institution, or causes or may cause harm to the lawful interests of persons.
(2) As restricted access information shall be deemed information:
1) which has been granted such status by law;
2) which is intended and specified for internal use by an institution;
3) which concerns trade secrets;
4) which concerns the private life of natural persons; or
5) which is related to certifications, examinations, submitted projects, invitations to tender and other assessment processes of a similar nature.
(3) The author of information or the manager of an institution has the right to grant, by his or her order, the status of restricted access information, indicating the basis therefore provided by this Law or by other laws.
(4) Information, which is accessible to the public without restrictions provided by law, or which has already been published, shall not be deemed to be restricted access information.

Section 6. Information for the Internal Use of Institutions
(1) Information, which is necessary to an institution for the preparation for resolution of matters, shall be deemed to be information for the internal use of an institution.
(2) Restricted access shall also apply to documents which are prepared in connection with the preparation for resolution of matters by an institution and which have been prepared by:
1) advisors or experts specially invited for the particular matter; or
2) one institution for the use by another institution.
(3) The status of restricted access information may be applied to information for the internal use of institutions during the process of preparation of matters only up to the time when the institution takes a decision regarding the particular matter, or when a document which has not been classified as a restricted access document is sent to an addressee.
(4) Information for internal use which has been classified as restricted access information, shall be registered by the institution concerned in accordance with the procedures set out in regulatory enactments.

Section 7. Information Regarding Trade Secrets
(1) Information shall qualify as a trade secret, if by disclosing it, an institution may adversely affect the ability to compete of the person who has submitted this information.
(2) Protection of the trade secrets of natural and legal persons may not restrict the rights of other natural and legal persons to obtain information which is accessible in accordance with other provisions of law.

Section 8. Information Regarding the Private Life of Natural Persons
Information regarding the private life of natural persons shall be protected by law.

Section 9. Registration of Information
(1) Each institution, depending on the type and nature of the information which is under its control, shall register the information in conformity with the prescribed record-keeping of the institution, setting out:

1) the class of information;
2) the designation of the information, and for documents - the necessary prerequisites in conformity with the record-keeping regulations; and
3) the source of the information.
(2) An applicant for information has the right to acquaint themselves with the register of generally accessible information.

Chapter III
Provision of Information and Protection of the Rights of Applicants for Information

Section 10. Obligation to Provide Information
(1) Generally accessible information shall be provided to anyone who wishes to receive it, subject to the equal rights of persons to obtain information. The applicant shall not be required to specially justify his or her interest in such information, and he or she may not be denied it because this information does not apply to the applicant.
(2) Procedures, by which information, which is within the control of an institution is disclosed, as well as the amount of copies, reproductions, duplicates and extracts of the information included in documents and other information media shall be regulated by regulations of the Cabinet.
(3) If the entirety of the information also includes restricted access information, the institution shall provide only that part of the information which is generally accessible.

Section 11. Form for Requesting Information and Registration Procedures
(1) Information may be requested in writing or orally.
(2) All written requests for information shall be registered. An institution may prescribe procedures for also registering oral requests and the content of the information provided.
(3) In a written request for information the name and surname of the applicant (for a legal person - the name), the domicile or place of residence in Latvia (legal address) shall be indicated, and it shall bear the signature of the applicant. The request for information shall be formulated as precisely as possible.
(4) In requesting restricted access information, a person shall provide grounds for his or her request and specify the purpose for which the information will be used. If restricted access information is provided, the recipient shall undertake the obligation to use this information solely for the purposes for which it was requested.
(5) An institution may refuse to grant the request if it has not been prepared pursuant to the provisions of Paragraphs three and four of this Section, or does not provide a description according to which it is possible to identify the information.
(6) Correspondence between an institution and an applicant and information regarding this person shall be deemed to be restricted access information.

Section 12. Procedures for Refusing Requested Information
(1) If an institution refuses to provide information which has been requested in writing, it shall specify in its written refusal on what grounds the request has been, wholly or in part, refused, and where and within what time period this refusal may be appealed.
(2) If a refusal is based upon the fact that the institution does not have the requested information within its control, it shall indicate in its refusal the institution where the requested information might be obtained or a reference may be provided regarding it, if the institution knows the location of the requested information.

Section 13. Charges for the Provision of Information
(1) Generally accessible information which does not require any additional processing shall be provided free of charge.
(2) Charges for the provision of information shall not exceed the expenses of the searching for, additional processing and copying of documents or information. An institution may not require compensation for any other expenses which have been incurred in respect of solving legal or political issues relating to responses to requests for information.
(3) Every applicant for information may request exemption from the charge for the service, and the institution may decide to provide the information for a reduced charge or waive such.
(4) The expected charge for the provision of information shall be made known to the applicant upon the registering of his or her request.

Section 14. Time Periods for the Provision of Information
An institution which has received a written request for information has the obligation to provide an answer within the time periods prescribed in the Law On the Procedures for Reviewing Submissions, Complaints and Proposals in State and Local Government Institutions.

Section 15. Procedures for Appealing Refusal of Information
(1) An applicant has the right to submit a complaint, in accordance with the procedures set out by law, to the manager of an institution or to a higher institution regarding the refusal to provide information, regarding the amount of payment required, or regarding any other decision, including a refusal to grant a request, which was based on a wrong description of the information requested.
(2) Any natural or legal person has the right to file a complaint in court regarding the actions of an institution which has infringed upon his or her right to obtain information if the institution:
1) has not provided an answer to the applicant within the time period prescribed by law;
2) has refused to provide information by taking a decision, without legal basis, to grant it the status of restricted access information; or
3) after receiving a written application, has refused to expunge or correct false, incomplete or illegally acquired information regarding a person.

Section 16. Protection of Restricted Access information
(1) An institution shall ensure that the obligation to protect restricted access information is known by all persons to whom this obligation applies, if it is not otherwise specified by law. A written confirmation shall be required from persons who process restricted access information that they know the regulations and undertake to observe them.
(2) If, due to illegal disclosure of restricted access information, harm has been caused to its owner or another person, or his or her legal interests have been materially infringed, these persons have the right to bring an action against the person at fault for damages for the harm done, or forestation of the rights infringed.

Transitional Provision

By 1 March 1999, the Cabinet shall issue regulations on the procedures for the disclosure of information which is within the control of institutions, as well as regulations on the amount of copies, reproductions, duplicates and extracts of the information included in documents and other information media.
This Law has been adopted by the Saeima on 29 October 1998.
President G.Ulmanis
Riga, 6 November 1998

ANNEX 3

The *Saeima*[2] has adopted and
the President has proclaimed the following Law[3]:

PREVENTION OF CORRUPTION LAW[4]

Chapter I
General Provisions

Section 1. Purpose of the Law

The purpose of this Law is:
1) to ensure openness regarding actions of public officials;[5]
2) to prevent public officials from getting into circumstances of unlawful influence;[6] and
3) to prohibit public officials from exercising authority in conflict of interest situations.[7]

Section 2. Concept of Corruption[8]

Within the meaning of this law, corruption is unlawful taking advantage of the official position of a public official for the purpose of obtaining benefit of a material or other nature.

Section 3. Circumstances of Unlawful Influence and Conflict of Interest Situations[9]

(1) Circumstances of unlawful influence are such circumstances as where a public official violates the restrictions set out in this law.[10]
(2) A conflict of interest situation is such situation as where a public official is required to exercise their powers of office on questions in which, along with their interests as a public official, there are concurrently also material or other personal interests of the official or their relatives.[11]

Section 4. Application of the Law[12]

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[2] The Parliament of the Republic of Latvia
[3] Text consolidated by Tulkošanas un terminolo□ijas centrs/Translation and Terminology Centre; amendments to 18 March 1999
[4] "insurance company or bank" and "investigation" deleted by amendment throughout this Law, 16 May 1996
[5] Added by amendment, 15 October 1998
[6] Clause 1) is deemed to be Clause 2) and is modified by amendment, 15 October 1998
[7] Clause 2) is deemed to be Clause 3) by amendment, 15 October 1998. Previous Clause 3) deleted by amendment, 16 May 1996
[8] Section modified by amendment, 16 May 1996 and 15 October 1998
[9] Modified by amendment, 15 October 1998 (heading only)
[10] Modified by amendment, 15 October 1998
[11] Paragraph modified by amendment, 16 May 1996
[12] Section modified by amendment, 15 October 1998

(1) This Law applies to public officials, as well as — in cases specified in this Law — to their relatives and to former public officials.
(2) If a person belongs concurrently to several categories of public officials as mentioned in Section 5 of this Law, all restrictions prescribed regarding such categories of public officials also apply to such person.

Section 5. Public Officials[13]

(1) Within the meaning of this Law, public officials are:
1) the President;
2) members of the *Saeima*;
3) the Prime Minister, Deputy Prime Ministers, Ministers, State Ministers and Parliamentary Secretaries;[14]
4) advisors to the President, Prime Minister, Deputy Prime Ministers, Ministers or State Ministers;[15]
5) the Governor of the Bank of Latvia, their deputy and members of the Board of Governors of the Bank of Latvia;
6) the Auditor-General, members of the Council of the State Audit Office, and members of Collegia of the Audit Departments of the State Audit Office;
7) the Chairperson of the Central Electoral Commission, their deputy and the Secretary of the Central Electoral Commission;
8) the Director of the Constitutional Protection Bureau and their deputy, and the Director of the National Human Rights Office and their deputy;
9) members of the National Radio and Television Council;
10) heads of State institutions or local government institutions and their deputies;
11) the Director-General and the Director of Administration of the State Revenue Service;[16]
12) civil servants and Civil Service candidates;
13) chairpersons of local government city councils (parish or district councils) and their deputies, executive directors of local governments and their deputies;
14) members of city and parish councils;
15) heads of State or local government enterprises and their deputies, as well as heads and deputies of such companies in which the shares of the State or local government, separately or combined, exceed 50 per cent;
16) judges, prosecutors or notaries public;
17) police officers, border guards or employees of State fire-fighting and rescue services; and
18) officers, instructors and career soldiers of the active military (combat) service of the National Armed Forces.
(2) Within the meaning of this law, public officials are also other persons who have been appointed, elected or confirmed in office or who perform work in State or local government institutions and enterprises (companies), as well as in other authorities created by them if the relevant persons, in fulfilling duties of office or work, have the right, pursuant to regulatory enactments, to adopt the decisions provided for in Section 6, Paragraph four of this Law, as well as to perform supervision, control, inquiry or punitive functions with respect to persons who are not directly or indirectly subject to them, or to act with regard to State or local government property or financial resources.
(3) Within the meaning of this Law, acting with regard to property or financial resources is manifested by a public official adopting decisions regarding the acquisition of property or

[13] Section modified by amendment, 16 May 1996 and 15 October 1998
[14] Clause modified by amendment, 16 May 1996
[15] Clause modified by amendment, 16 May 1996
[16] Modified by amendment, 18 March 1999

transferring of such into ownership or for use, or alienation of such to other persons, as well as by the utilization, distribution and redistribution of financial resources.[17]
(4) The list of public officials, to whom the provisions of Paragraph two of this Section apply, shall be approved by heads of State or local government institutions and enterprises (companies), and other authorities created by them. Such lists shall be submitted to the State Revenue Service. When new offices or work are determined, changes in the list of officials shall be made within a period of one month after determination of such offices or work.[18]

Chapter II
Restrictions with respect to Public Officials[19]

Section 6. Restrictions on Adopting of Decisions[20]

(1) It is prohibited for a public official to prepare or adopt decisions with respect to:
1) themselves and their relatives; [21]
2) questions, the deciding of which affects or may affect the material or other personal interests of the relevant official or their relatives;[22]
3) those natural or legal persons from whom the relevant official or their relatives obtain income of any kind, except income from capital in companies, if the share of capital does not exceed one per cent of the capital of the relevant company; [23] or
4) those enterprises (companies) where the relevant official or their relatives are members of the administration or audit institutions, or where the official or their relatives own more than one per cent of the capital.[24]
(2) A public official may adopt decisions only in cases and in accordance with procedures set out in laws, regulations of the Cabinet, by-laws and other regulatory enactments, as well as in binding regulations adopted by local government city councils (parish or district councils) and other regulatory enactments adopted by local government city councils (parish or district councils).[25]
(3) Within the meaning of this Law, relatives are persons who are married to a public official or are related in the first degree, as well as brothers and sisters.[26]
(4) Within the meaning of this Law, a decision is an act of an individual nature which applies legal norms, which concerns particular natural or legal persons which are not directly or indirectly subject to the adopter of the decision, and which decision is adopted, within the limits of their competence, by a public official or a collegial decision-making authority of which the relevant official is a member.[27]
(5) If a conflict of interest situation as mentioned in Paragraph one of this Section arises, the public official has the obligation to transfer the performance of the relevant functions to another competent public official in accordance with the procedures set out in law. If it is not possible to transfer the performance of the relevant functions to another public official, the procedure for

[17] Added by amendment, 18 March 1999
[18] Paragraph (3) is deemed to be Paragraph (4) and modified by amendment, 18 March 1999
[19] Chapter heading modified by amendment, 15 October 1999 and 18 March 1999
[20] Section modified by amendment, 18 March 1999
[21] Modified by amendment, 16 May 1996
[22] Modified by amendment, 15 October 1998
[23] Modified by amendment, 15 October 1998 and 18 March 1999
[24] Modified by amendment, 15 October 1998
[25] Added by amendment, 15 October 1998
[26] Paragrah (2) is deemed to be Paragraph (3) and is modified by amendment, 15 October 1998. Modified by amendment, 18 March 1998. Previous Paragraph (3) deleted by amendment, 16 May 1996
[27] Paragraph (3) is deemed to be Paragraph (4) and is modified by amendment, 15 October 1998, previosuly Paragraph (4) is deemed to be Paragraph (3) by amendment, 16 May 1996

their performance shall be decided by a higher public official or collegial decision-making authority.
(6) The restrictions on adopting decisions set out in this Section do not apply to members of the *Saeima* and to Cabinet members who participate in adopting decisions in accordance with provisions of the Rules of Order of the *Saeima* and of Sections 14 and 15 of the Law on the Structure of the Cabinet.[28]

Section 7. Prohibition to Influence Adopting of Decisions, as well as Performing of Supervision, Control, Inquiry and Punitive Functions[29]

Public officials are prohibited from influencing other public officials in any manner when they prepare or adopt decisions or perform supervision, control, inquiry or punitive functions with respect to:
1) such official or their relatives;[30]
2) questions, the deciding of which affects or may affect the material or other personal interests of the relevant official or their relatives;[31]
3) those natural or legal persons from whom the relevant official or their relatives obtain income of any kind, except income from capital in companies, if such capital share does not exceed one per cent of the capital of the relevant company;
4) those enterprises (companies) where the relevant official or their relatives are members of the administration or other bodies, or where the official or their relatives own more than one per cent of the capital.

Section 8. Limits of Supervision, Control, Inquiry or Penalty Functions[32]

(1) A public official who, in accordance with laws, regulations of the Cabinet or other regulatory enactments, has the duty to perform supervision, control or inquiry, impose punishment or arbitrate disputes is not entitled to perform such with respect to:
1) themselves, and their relatives;[33]
2) questions, the deciding of which affects or may affect the material or other personal interests of the relevant official or their relatives;[34]
3) those natural or legal persons from whom the relevant official or their relatives obtain income of any kind, except income from capital in companies, if such capital share does not exceed one per cent of the capital of the relevant company;[35] or
4) those enterprises (companies) where the relevant official or their relatives are members of the administrative or audit bodies, or where the official or their relatives own more than one per cent of the capital.[36]
(2) If a conflict of interest situation as mentioned in Paragraph one of this Section arises, a public official has the duty to delegate the performance of the relevant functions to another competent public official in accordance with the procedures set out in law. If it is not possible to delegate the performance of the relevant functions to another public official, the procedure for their performance shall be decided by a higher public official or collegial decision-making body.[37]

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[28] Added by amendment, 15 October 1998
[29] Section modified by amendment, 15 October 1998 and 18 March 1999
[30] Modified by amendment, 16 May 1996
[31] Paragraph modified by amendment, 16 May 1996
[32] Section modified by amendment, 18 March 1999
[33] Modified by amendment, 15 October 1998
[34] Modified by amendment, 16 May 1996 and 15 October 1998
[35] Modified by amendment, 15 October 1998
[36] Modified by amendment, 15 October 1998
[37] Modified by amendment, 16 May 1996 and 15 October 1998

Section 9. Prohibition to be a Representative[38]

(1) A public official may not be a representative of a State or local government body:[39]
1) if the official or their relatives have material or other personal interests in the matter to be examined or if the interests of the official or their relatives are contrary to the interests of the State or local government body which the official represents;[40]
2) in relations with such natural or legal persons as the relevant official or their relatives obtain income of any kind from, except income from capital in companies, if such capital share does not exceed one per cent of the capital of the relevant company;[41] or
3) in relations with enterprises (companies) in which the official or their relatives own more than one per cent of the capital.[42]
(2) The President, members of the *Saeima*, the Prime Minister, Deputy Prime Minister(s), Ministers, State Ministers and Parliamentary Secretaries, the Governor of the Bank of Latvia, their deputy, members of the Board of Governors of the Bank of Latvia, the Auditor-General, members of the Council of the State Audit Office, members of the Collegia of Audit Departments of the State Audit Office, the Chairperson of the Central Electoral Commission, their deputy and the Secretary of the Central Electoral Commission, the Director of the Constitutional Protection Bureau and their deputy, the Director-General and directors of administration of the State Revenue Service, judges, prosecutors, notaries public, police staff, border guards, and officers, instructors and career soldiers of the active military (combat) service of the National Armed Forces may not become authorized representatives who are appointed by a holder of capital shares of the State or a local government for the fulfillment of the rights and duties of stockholders or shareholders in a company. [43]

Section 10. Prohibition to Utilize Official Information

A public official is prohibited from utilizing, for material or other personal interests of themselves or other persons, information which, in accordance with laws or Cabinet regulations, is considered to be not publicly accessible.

Section 11. Restrictions on Entering into Contracts[44]

A public official may not prepare, or, in the name of a State or local government authority, enter into contracts in which the official or their relatives have material or other personal interests, except in cases when a contract is entered into as a result of a public tendering procedure or competition and the official has, in accordance with the procedures set out in this Law, reported their interest.

Section 12. Restriction on Acting with regard to State and Local Government Property and Financial Resources[45]

A public official may act with regard to State and local government property and financial resources only in cases and in accordance with procedures set out in laws, regulations of

[38] Section modified by amendment, 15 October 1998 and 18 March 1999
[39] Deemed to be Paragraph (1) by amendment, 15 October 1998
[40] Modified by amendment, 16 May 1996
[41] Modified by amendment, 15 October 1998
[42] Modified by amendment, 15 October 1998
[43] Added by amendment, 15 October 1998, modified by amendment, 18 March 1999
[44] Section modified by amendment, 16 May 1996 and 15 October 1998
[45] Section modified by amendment, 16 May 1996 and 15 October 1998

the Cabinet or other regulatory enactments, or binding regulations adopted by local government city councils (parish or district councils) or other regulatory enactments adopted by local government city councils (parish or district councils).

Section 12.1. Prohibition to Utilize State and Local Government Property for Personal Needs[46]

A public official may not utilize State or local government property for personal needs, or transfer such to another person to utilize for personal needs, unless it is permitted by law, regulations of the Cabinet or other regulatory enactments.

Section 13. Restrictions on Accepting Gifts[47]

(1) In fulfilling the duties of office, a public official is prohibited from accepting any gifts or other material benefits, except in cases provided for in Paragraph two of this Section.
(2) In fulfilling the duties of office, a public official is permitted to accept only diplomatic gifts and gifts which are presented to the official:
1) during official or work visits abroad;
2) on national holidays of the Republic of Latvia and on days of commemoration;
3) on the anniversary of the State or local government authority or enterprise (company) in which the official works; or
4) on other occasions provided for in laws or determined by the Cabinet.[48]
(3) Within the meaning of this Law, diplomatic gifts are gifts that foreign officials present to the President, the Chairperson of the *Saeima*, the Prime Minister, the Minister for Foreign Affairs and officials of the Ministry of Foreign Affairs, as mentioned in Section 5, Paragraph one, Clause 12 and in Paragraph two of this Law, during State, official or work visits in accordance with protocol.[49]
(4) The gifts mentioned in Paragraph two of this Section are State property. Diplomatic gifts shall be registered in the Unified State Protocol Register of the Ministry of Foreign Affairs, and the Minister for Foreign Affairs shall decide as to their utilization. The head of the State or local government authority or enterprise (company), in which the recipient of a gift is an official, shall decide, in accordance with the procedures provided for in regulations of the Cabinet, in respect of the utilization of other gifts. If the gift is an item for individual use, the recipient of the gift may pre-emptively purchase it. Regulations for pre-emptive purchase regarding gifts shall be determined by the Cabinet.
(5) Public officials, outside of performing the duties of office, are permitted to accept gifts from relatives, as well as from natural and legal persons with respect to which the public official has not, within a period of one year prior to receiving the gift, adopted a decision, performed supervision, control, inquiry or imposed punishment. If a public official, outside of performing the duties of office, has accepted gifts from natural or legal persons, such official is not entitled to adopt a decision, or perform supervision, control or inquiry, or impose sanctions in respect of the giver of the gift.

Section 14. Prohibition to Receive Supplementary Remuneration

(1) A public official who, in performing the duties of office, is required to offer free services or adopt decisions, is prohibited from accepting payment for performing such duties.

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[46] Section added by amendment, 18 March 1999
[47] Section modified by amendment, 16 May 1996
[48] Modified by amendment, 15 October 1998
[49] Modified by amendment, 15 October 1998

(2) A public official who, in performing the duties of office, is required to offer services or adopt a decision for a fee set by the State or local government, is prohibited from accepting additional payment for performing such duties.
(3) Within the meaning of this Law, payment is:
1) the transfer, without consideration, of money or other financial resources, or movable or immovable property into the ownership of the relevant public official;
2) the transfer, without payment or for reduced payment, of movable or immovable property for the use of the relevant public official; or
3) the provision, without payment or for reduced payment, of services to the relevant public official.

Section 15. Restrictions on Advertising

(1) A public official is prohibited from working with any kind of advertising or from utilizing their name for advertising, except in cases when such is included in the duties of the work or office of the public official.
(2) Within the meaning of this Law, advertising is the public expression of any kind of personal evaluation regarding a specific enterprise (company), or the goods produced or services provided by it, if the official has received remuneration for such.[50]

Section 16. Restrictions Required to be Observed by Public Officials after Terminating the Performance of the Duties of Office[51]

Section 17. Procedures for Observing Restrictions on Combining Offices and Performance of Work[52]

(1) A public official who has been appointed, elected or confirmed to any of the offices (work) mentioned in Section 5 of this Law and concurrently holds a prohibited office or performs prohibited work, has the duty, within a period of three working days after the appointment, election or confirmation to office (work), to notify in writing:
1) the highest public official or collegial decision-making authority that they hold a prohibited office or perform prohibited work; and
2) the authority in which they hold a prohibited office or perform prohibited work, regarding their wish to be released from the relevant office (work).
(2) An authority, which has received a notice from a public official as provided for in Paragraph one, Clause 2 of this Section, has the duty to adopt a decision, within a period of one month, regarding the release of such official from the prohibited office (work) and to send this decision to the relevant public official.
(3) If within a period of one month the public official, due to reasons not dependent on them, is not released from the prohibited office (work) and does not receive the decision provided for in Paragraph two of this Section, such official has the duty, not later than three working days after expiry of the term specified in Paragraph two of this Section:
1) to provide written notice of such to the highest public official or collegial decision-making authority, as well as the State Revenue Service;
2) to terminate the performance of all duties related to the prohibited office (work); and
3) to terminate the receipt of remuneration for the prohibited office (work).
(4) If the authority, in which the public official holds a prohibited office or performs prohibited work, does not fulfil the provisions of Paragraph two of this Section, the relevant official shall be

[50] Modified by amendment, 16 May 1996 and 15 October 1998
[51] Section deleted by amendment, 16 May 1996
[52] Section modified by amendment, 16 May 1996 and 15 October 1998

considered to be released from the prohibited office (work) as of the last day of the term determined in Paragraph two of this Section.

Section 18. Obligation to Terminate a Conflict of Interest Situation[53]

If, in the course of exercising their authority, a public official comes into a conflict of interest situation, it is their duty:
1) to immediately terminate the conflict of interest situation; and
2) to notify in writing the highest public official or collegial decision-making authority regarding the conflict of interest situation.

Section 19. Restrictions on Combining Offices and Performance of Work[54]

(1) The President is permitted to combine their office as public official only with offices which they hold in accordance with the Constitution of the Republic of Latvia.
(2) Members of the *Saeima*, the Prime Minister, the Deputy Prime Minister(s), Ministers, State Ministers and Parliamentary Secretaries are permitted to combine their office as public official only with:
1) offices which they hold in conformity with laws or international agreements ratified by the *Saeima*;
2) offices in voluntary, political or religious organizations or trade unions;[55]
3) the work of a teacher, scientist, or doctor, or creative work; or
4) other offices or work in the *Saeima* or the Cabinet, if such is specified in decisions of the *Saeima* and its bodies, or regulations or orders of the Cabinet.
(3) The Governor of the Bank of Latvia, their deputy, members of the Board of Governors of the Bank of Latvia, the Auditor-General, members of the Council of the State Audit Office and of the Collegia of Audit Departments of the State Audit Office, the Chairperson of the Central Electoral Commission, their deputy and the Secretary of the Central Electoral Commission, Director of the Constitutional Protection Bureau and their deputy, the Director of the National Human Rights Office and their deputy, members of the National Radio and Television Council, the Director-General and directors of administration of the State Revenue Service, judges, prosecutors, notaries public, police staff, border guards, staff of the State Fire-fighting and Rescue Service, and officers, instructors and career soldiers of the active military (combat) service of the National Armed Forces are permitted to combine their office as public official only with:
1) offices which they hold in accordance with laws, or international agreements ratified by the *Saeima*; or
2) the work of a teacher or scientist, or creative work.
(4) Chairpersons of local government city councils (parish of district councils), deputy chairpersons of republic city councils, executive directors of local governments and their deputies, heads of State and local government institutions and enterprises (companies) and their deputies, civil servants (Civil Service candidates), and public officials mentioned in Section 5, Paragraph two of this Law are permitted to combine their office as public official only with:[56]
1) offices which such persons hold in accordance with laws or Cabinet regulations and orders;
2) offices in public, political and religious organizations and trade unions;
3) the work of a teacher, scientist or doctor, or creative work; or

[53] Section modified by amendment, 15 October 1998
[54] Section modified by amendment, 16 May 1996, 15 October 1998
[55] Modified by amendment, 18 March 1999
[56] Paragraph modified by amendment, 18 March 1999

4) another office or other work in a State or local government authority, if a decision regarding such has been adopted by the head of the relevant authority or the collegial decision-making authority.
(5) The restrictions mentioned in Paragraph three of this Section apply only to those officers, instructors and career soldiers of the active military (combat) service of the National Armed Forces who are entitled to adopt the decisions provided for in Section 6, Paragraph four of this Law, as well as to carry out supervision, control, inquiry or punitive functions with respect to persons who are not directly or indirectly subject to them, or to act regarding State or local government property or financial resources. A list of such officials shall be approved by the Cabinet. Other officers. instructors and career soldiers of the active military (combat) service of the National Armed Forces are permitted to combine their office as public official with another office or other work if written permission has been received from the commander.
(6) The restrictions mentioned in Paragraph three of this Section shall apply only to those police officers and border guards, and State Fire-fighting and Rescue Service employees who are included in the list of officials approved by the Cabinet. Other police officers and border guards, and State Fire-fighting and Emergency Service officers are permitted to combine their office as public official with another office or work if written permission has been received from a higher official.
(7) The restrictions mentioned in Paragraph four of this Section apply only to those civil servants (Civil Service candidates) who are entitled to adopt the decisions provided for in Section 6, Paragraph four of this Law, as well as to perform supervision, inquiry or punitive functions with respect to persons who not directly or indirectly subject to them, or to act regarding State or local government property or financial resources. A list of such officials shall be approved by the Cabinet. Other civil servants (Civil Service candidates) are permitted to combine their office as public official with another office or work if written permission has been received from a higher public official.
(8) Within the meaning of this Law, creative work is work for which an author's fee or honorarium is received in relation to journalistic, literary or artistic activities.[57]
(9)Public officials who own a farm or a fishing enterprise, registered in accordance with procedures set out in regulatory enactments, are permitted to combine their office as public official with offices in a farm or fishing enterprise which they own and the income of which is derived only from agricultural production, forestry or fisheries, commerce in agricultural produce and rural tourism.

Section 19.1. Restrictions on Receiving Remuneration[58]

(1) A public official is permitted to concurrently receive remuneration for performing their duties as a public official and remuneration also for performing the duties of such office and carrying out such work as is not prohibited by this Law and other laws.
(2) If the performing of the duties of office of a member of the *Saeima* is combined with those of the office of Prime Minister, Deputy Prime Minister, Minister, State Minister or Parliamentary Secretary, receipt of remuneration is permitted only for one office.

Section 20. Provisions Regarding Enterprise Activities and Obtaining of Income [59]

(1) The President, members of the *Saeima*, the Prime Minister, Deputy Prime Minister(s), Ministers, State Ministers, Parliamentary Secretaries, State secretaries and their deputies, the Governor of the Bank of Latvia, their deputy, members of the Board of Governors of the Bank of

[57] Modified by amendment, 18 March 1999
[58] Added by amendment, 15 October 1998
[59] Section modified by amendment, 16 May 1996, 15 October 1998 and 18 March 1999

Latvia, and relatives of these public officials may not own enterprises (companies) or shares of capital (that exceed one per cent) in enterprises (companies) which receive State procurement contracts, State financial resources, State-guaranteed loans or State privatization fund resources, except in cases when such are awarded as a result of a public tendering procedure or open competition.

(2) The President, representatives to the *Saeima*, the Prime Minister, Deputy Prime Minister(s), Ministers, State Ministers, Parliamentary Secretaries, State secretaries and their deputies, the Governor of the Bank of Latvia, their deputy, members of the Board of Governors of the Bank of Latvia, and relatives of these public officials may not receive income of any kind from enterprises (companies) which receive State procurement contracts, State financial resources, State-guaranteed loans or State privatization fund resources, except in cases when such are awarded as a result of a public tendering procedure or open competition. These restrictions do not apply to income which a public official and their relatives receive from capital, which does not exceed one per cent of the capital of the relevant enterprise (company), as well as to income from payment for work or remuneration for office in enterprises (companies) in which the State or local government share of the fixed capital, separately or in total, exceeds 50 per cent.
(3) The provisions in Paragraphs one and two of this Section shall also be observed by relevant public officials and their relatives for two years after they have ceased to perform the duties of the relevant office.
(4) Heads of State and local government enterprises (companies) and their deputies may not obtain income of any kind from enterprises (companies) which receive procurement contracts from such State or local government enterprise (company) as is headed by the relevant public official, except in cases where the procurement is awarded as a result of a public tendering procedure or an open competition. These restrictions do not apply to income which the public official obtains from capital that does not exceed one per cent of the capital of the relevant enterprise (company), as well as to income from payment for work or remuneration regarding an office in enterprises (companies) in which the State or local government share of the fixed capital exceeds 50 per cent, separately or in total.
(5) Chairpersons, their deputies and members of local government councils (parish or district councils), as well as executive directors of local governments may not own enterprises (companies) or shares of capital (that exceed one per cent) in enterprises (companies) which receive procurement contracts, financial resources, local government guaranteed credits or privatization fund resources, from the relevant local government, except in cases when such are awarded as a result of a public tendering procedure or open competition.
(6) Chairpersons), their deputies and members of local government councils (parish or district councils, as well as executive directors of local governments may not obtain income of any kind from enterprises (companies) which receive procurement contracts, financial resources, local government guaranteed credits or privatization fund resources from the relevant local government, except in cases where they are awarded as a result of a public tendering procedure or open competition. These restrictions do not apply to income which a public official obtains from capital that does not exceed one per cent of the capital of the relevant enterprise (company), as well as to income from payment for work or remuneration regarding an office in enterprises (companies) in which the State or local government share of the fixed assets does exceeds 50 per cent, separately or in total.
(7) Chairpersons of republic city councils and district councils, and executive directors of these local governments, shall also observe the provisions of Paragraphs five and six of this Section for one year after they have ceased to perform the duties of the relevant office.
(8) The exceptions mentioned in Paragraphs one, two, four, five and six of this Section shall not be permitted if the relevant public official is head of a State or local government body which has announced a public tendering procedure or open competition, or the official has appointed to

office any member of the competition or tendering procedure commission, or if a member of a competition or tendering procedure commission is directly or indirectly subject to them.

Section 21. Special Provisions with Respect to Adopting of Decisions [60]

Chapter III
Declarations of Public Officials[61]

Section 22. Types of Declarations for Public Officials

(1) In order to be able to control how public officials observe the provisions of this Law, relevant officials have the duty, within the terms specified in this Law, to submit the following declarations to the State Revenue Service:[62]
1) declaration of a public official, which shall be submitted upon assuming office;
2) annual declaration of a public official;
3) declaration of a public official, which shall be submitted upon terminating the performance of duties of office; and
4) declaration of a public official for institutions of the Office of the Prosecutor, inquiry authorities and State security.[63]
(2) Heads of State or local government institutions, enterprises (companies) and bodies established by them shall submit to the State Revenue Service, in accordance with procedures prescribed by the Cabinet, lists of those public officials who, in conformity with the provisions of Section 5 of this Law, shall submit a declaration, and shall also, within a period of one month, report changes made to such lists.[64]
(3) In order for the head of a State or local government institution or enterprise (company), in organizing the work of public officials, to not permit them to be in a conflict of interest situation, a public official has the duty to also submit copies of the declarations, mentioned in Clauses 1 and 2 of Paragraph one of this Section, to the head of the relevant State or local government institution or enterprise (company) in accordance with the time periods and procedures prescribed in this Law.[65]
(4) Public officials working in State security institutions shall submit the declarations mentioned in Paragraph one of this Section only to the Director of the Constitutional Protection Bureau. The Director of the Constitutional Protection Bureau shall submit their official's declaration to the Director-General of the State Revenue Service.[66]
(5) Officials working in the Corruption Prevention Control Section of the State Revenue Service shall submit the declarations mentioned in Paragraph one of this Section to the Head of the Section, but the Head of the Section shall submit their declaration of an official to the Director-General of the State Revenue Service.[67]
(6) Sample forms of the declarations determined in Paragraph one of this Section shall be approved and the procedure for filling out and submitting the forms shall be determined by the Cabinet.[68]

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[60] Section modified by amendment, 16 May 1996, deleted by amendment, 15 October 1998
[61] Chapter heading modified by amendment, 16 May 1996; Chapter heading deleted and Chapter IV is deemed to be Chapter III by amendment, 15 October 1998
[62] Paragraph modified by amendment, 16 May 1996 and 18 March 1999
[63] Modified by amendment, 15 October 1998
[64] Modified by amendment, 15 October 1998 and 18 March 1999
[65] Added by amendment, 15 October 1998
[66] Added by amendment, 15 October 1998
[67] Added by amendment, 15 October 1998
[68] Added by amendment, 18 March 1999

Section 23. Declaration of a Public Official, Which Shall be Submitted upon Assuming Office

(1) A public official, upon assuming office, shall submit a declaration within one month from the day when the decision to appoint such person to office was taken or when, in accordance with procedures set out in law, official information regarding their appointment to office is published.
(2) In the declaration of a public official, which shall be submitted upon assuming office, there shall, in accordance with procedures determined by the Cabinet, be set out:[69]
1) immovable property owned by or in the possession of the submitter of the declaration, including that which is in the possession of such person in connection with the fulfilling of an established guardianship or trusteeship;
2) transport vehicles owned by the submitter of the declaration which require registration with State authorities;
3) immovable property which the submitter of a declaration leases to other persons or leases from other persons;
4) offices in enterprises (companies) and other offices held by the submitter of the declaration, or other work in which they are employed;
5) debt obligations of the submitter of the declaration, the value of which exceed 20 times the minimum monthly wage set by the Government, setting out the amount of such debt obligations;
6) loans issued by the submitter of the declaration, the value of which exceed 20 times the minimum monthly wage set by the Government, setting out the amount of such loans;
7) enterprises (companies) or share capital in enterprises (companies) owned by the submitter of the declaration, as well as cash savings in the possession of the submitter of the declaration if the amount exceeds 500 lats, savings other than cash if their value exceeds 500 lats, and securities owned by them;[70] and
8) name, surname, personal identity number and dwelling place (address) of the submitter of the declaration, as well as the names, surnames, personal identity numbers, dwelling place (addresses) and kinship of relatives of the submitter of the declaration.[71]
(3) The information prescribed in Paragraph two of this Section in respect of the declaration of a public official, shall be provided regarding both Latvia and foreign countries.[72]
(4) The declaration shall also set forth such property as is in the joint ownership of the official and their spouse, and also, as is in joint ownership with some other natural or legal person.[73]
(5) If a public official, who has submitted the declaration provided for in this Section, is transferred or elected to another State office, they shall not submit a declaration repeatedly.[74]

Section 24. Annual Declaration of a Public Official

(1) A public official shall submit the annual declaration of a public official each year within the same time periods as the general declaration of income is submitted.
(2) The annual declaration of a public official shall set out:[75]
1) the information determined in Section 23, Paragraphs two, three and four of this Law;
2) all types of income obtained by the submitter of the declaration in the previous year, having regard to the provisions of Paragraph three of this Section; and

[69] Paragraph modified by amendment, 16 May 1996 and 15 October 1998
[70] Modified by amendment, 15 October 1998
[71] Modified by amendment, 15 October 1998 and 18 March 1999
[72] Modified by amendment, 15 October 1998
[73] Added by amendment, 15 October 1998
[74] Paragraph (4) is deemed to be Paragraph (5) by amendment, 15 October 1998
[75] Paragraph modified by amendment, 15 October 1998

3) if during the period for which a declaration is submitted the public official has gained ownership, including joint ownership with their spouse or some other person, of immovable property or a transport vehicle as is to be registered with State authorities, an enterprise (company) or share capital in enterprises (companies) the cost of which, in total or separately, exceeds the amount of income which the relevant public official has obtained during the period for which the declaration is submitted, such public official has the duty to set out the source of income with which the relevant property was acquired.[76]

(3) Income such as salary, salary supplements, bonuses, all kinds of income gained in accordance with management contracts, honoraria, income from financial activities, business activities and sale of property, insurance payments, compensations, income from lease (rental) of moveable and of immovable property, as well as winnings and dividends shall be set forth regardless of their value. Inheritances, presents and other income shall be declared if their value exceeds 10 times the minimum monthly wage set by the Government.[77]

Section 25. Declaration of a Public Official, which shall be Submitted upon Terminating Performance of the Duties of Office[78]

(1) A declaration of a public official shall be submitted upon termination of the duties of office, if the reporting period, to which the declaration provided for in Section 23 of this Law relates, is longer than three months.[79]

(2) A declarations of a public official, which shall be submitted upon terminating the performance of the duties of office, shall set out the information required by Section 24, Paragraph two of this Law.[80]

(3) The declaration mentioned in Paragraph two of this Section shall be submitted not later than 15 days after the last day the duties of the public official are performed.[81]

(4) If, upon termination of the performance of some public official duties, the relevant person continues to perform other public official duties, they shall not submit the declaration provided for in this Section.[82]

Section 26. Declaration of a Public Official, Which shall be Submitted After Terminating Performance of the Duties of Office[83]

(1) The President, Members of the *Saeima*, the Prime Minister, the Deputy Prime Minister(s), Ministers, State Ministers and Parliamentary Secretaries, if they have been in the relevant office longer than three months, shall also submit a declaration for the 24 months following the termination of the performance of the duties of office. The declaration for the first 12 months shall be submitted not later than the 15th month, for the second year – not later than the 27th month after terminating the performance of the duties of office.

(2) Chairpersons of local government city councils (parish and district councils) and executive directors of such local governments, if they have executed the duties of the relevant office longer than three months, shall also submit a declaration for the 12 months following the termination of the performance of the duties of office. The declaration shall be submitted not later than 15 months after termination of the performance of the duties of office.

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[76] Added by amendment, 18 March 1999
[77] Added by amendment, 15 October 1998, modified by amendment, 18 March 1999
[78] Section modified by amendment, 15 October 1998 (Modified by amendment, 16 May 1996)
[79] Modified by amendment, 16 May 1996
[80] Modified by amendment, 15 October 1998
[81] Modified by amendment, 15 October 1998
[82] Added by amendment, 15 October 1998
[83] Section modified by amendment, 16 May 1996

(3) The information prescribed in Section 23, Paragraphs two, three and four of this Law, shall be set out in a declaration mentioned in Paragraphs one and two of this Section.[84]

Section 27. Declarations of Relatives of Public Officials[85]

Section 28. Declaration of Public Officials for Institutions of the Office of the Prosecutor, Inquiry and State Security[86]

(1) The State Revenue Service, upon the recommendation of institutions of the Office of the Prosecutor, inquiry or State security, shall require a declaration from officials and their relatives mentioned in Section 5 of this Law in cases when such is necessary to ensure inquiry or criminal prosecution.[87]
(2) The information required in Section 23, Paragraphs two, three and four of this Law shall be set out in the declaration mentioned in Paragraph one of this Section, and it shall be submitted to the State Revenue Service within a period of ten days from the date of its being required.[88]

Section 29. Public Access to Declarations of Public Officials[89]

(1) Declarations of public officials submitted to the State Revenue Service shall be accessible to the public. The information which shall be included in the declarations may not be qualified as confidential or as information having a status of restricted access. These provisions do not apply to information which, in accordance with this Law, has been determined to be non-publishable.[90]
(2) Within the meaning of this Law, public access is the right of reporters of mass media as well as of other persons, to acquaint themselves with declarations of any public official, as well as to make information in them, except that mentioned in Paragraph three of this Section, public. Moreover, declarations of the President, Members of the *Saeima*, the Prime Minister, the Deputy Prime Minister(s), Ministers, State Ministers, Parliamentary Secretaries and representatives to republic city councils shall be published in the newspaper *"Latvijas Vçstnesis"*[91] not later than a month after their submission.
(3) It is prohibited to make public the dwelling place (address) and identity number of an official, their relatives and other persons mentioned in declarations.[92]

Chapter IV
Control of Execution of this Law[93]

Section 30. Duties of the State Revenue Service in Controlling the Execution of this Law

The State Revenue Service has the duty to control the execution of the provisions of this Law. For this purpose the State Revenue Service shall verify:
1) whether all public officials have submitted declarations within the time period prescribed in the Law;[94]
2) whether all public officials have fully filled out declarations;[95] and

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[84] Modified by amendment, 15 October 1998
[85] Deleted by amendment, 16 May 1996
[86] Heading modified by amendment, 15 October 1998
[87] Modified by amendment, 15 October and 18 March 1999
[88] Modified by amendment, 15 October 1998
[89] Section modified by amendment, 15 Ocotber 1998
[90] Modified by amendment, 18 March 1999
[91] Official gazette of the Latvian government
[92] Modified by amendment, 18 March 1999
[93] Chapter V is deemed to be Chapter IV by amendment, 15 October 1998
[94] Modified by amendment, 15 October 1998

3) in accordance with the procedures set out in Section 31 of this Law – whether the information contained in the declarations of public officials and their relatives is complete and true to fact and whether public officials and their relatives have violated the restrictions and prohibitions set out in this Law.

Section 31. Rights of the State Revenue Service in Controlling Compliance with Restrictions Associated with Conflict of Interest

(1) The State Revenue Service, in controlling how the restrictions associated with conflict of interest are being complied with, has the right to require and receive information from State and local government institutions and enterprises (companies).
(2) The State Revenue Service has the right to require declarations from relatives of public officials in which the information prescribed by Section 23, Paragraphs two, three and four of this Law shall be set out and which shall be submitted within a period of ten days from the day of its being required.[96]
(3) The State Revenue Service has the right to require of public officials and their relatives supplementary declarations in which information shall be provided regarding the source of acquisition of movable and immovable property in their possession.[97]
(4) Samples of the forms of declarations prescribed by Paragraphs two and three of this Section shall be approved, and the procedure for filling out and submitting the declarations determined, by the Cabinet.[98]
(5) The State Revenue Service has the duty to verify the legality of the source of income if the public official, during the period for which the declaration is submitted, has gained possession, including joint possession with their spouse or another person, of property specified in Section 24, Paragraph two, Clause 3 of this Law, if the cost of such exceeds the income that the relevant public official has gained in the period for which the declaration is submitted.[99]

Section 32. Procedures for Controlling Compliance with Restrictions Associated with Conflict of Interest[100]

(1) The State Revenue Service shall verify whether the information contained in all the declarations of the President, Members of the *Saeima*, the Prime Minister, the Deputy Prime Minister(s), Ministers, State Ministers, Parliamentary Secretaries, the Governor of the Bank of Latvia and their Deputy, and representatives to Republic city councils conforms to fact, and whether these public officials have violated the restrictions, and the prohibitions, set out in this Law.[101]
(2) Verification shall be performed regarding other public officials annually, in regard to not less than two per cent of each category of officials, in accordance with methodology determined by the State Revenue Service.

Section 33. Duty of the State Revenue Service to Apply Administrative Sanctions and to Transfer Materials to an Institution of Inquiry

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[95] Modified by amendment, 15 October 1998
[96] Added by amendment, 15 October 1998
[97] Added by amendment, 16 May 1996, Paragraph (2) is deemed to be Paragraph (3) and is modified by amendment, 15 October 1998
[98] Added by amendment, 18 March 1999
[99] Added by amendment, 18 March 1999
[100] Modified by amendment, 16 May 1996
[101] Modified by amendment, 16 May 1996

(1) If the State Revenue Service determines that the provisions of this Law have been violated, for which violation administrative liability is provided, it has the duty to hold the offender to administrative liability.
(2) If the State Revenue Service determines that a public official has violated the provisions of this Law, for which violation criminal liability is provided, it has the duty to perform an inquiry itself, or to transfer such to another institution of inquiry according to jurisdiction.

Section 34. **Final Provisions**[102]

(1) In order to prevent public officials from getting into circumstances of illegal influence[103] (corruption),[104] as well as to prohibit public officials from exercising authority in conflict of interest situations, additional restrictions regarding public officials may be provided for in other laws.
(2) The Head of the State Revenue Service shall, not less than once every half year, submit to the *Saeima* a written report on compliance by public officials with the provisions of this Law. The report shall also include a list of persons who have violated the Prevention of Corruption Law, the violations of the Law committed by the officials, and the sanctions applied to them.[105]

Transitional Provisions[106]

1. It is the duty of the Cabinet to approve such regulatory enactments as are necessary for the execution of this Law.[107]

2. In order to harmonize legislative enactments as are in force with the Prevention of Corruption Law, the Cabinet shall submit to the *Saeima*, by 1 March 1996, amendments to laws as are in force.

3. The provisions of Sections 12, 17 and 20-29 of this Law shall apply as of 1 July 1996.

4. All public officials mentioned in Section 5, Paragraph one, Clauses 1-3 of the Prevention of Corruption Law, who have been elected or appointed to office on or before 1 June 1996, shall commence the submission of a declaration of public official and shall submit the declaration provided for in Section 23 of the Prevention of Corruption Law on or before 1 August 1996.[108]

5. All public officials mentioned in Section 5, Paragraph one, Clauses 4-14 of the Prevention of Corruption Law, who have been elected, appointed to or confirmed in office, or entered into a work relationship on or before 31 December 1996, shall commence submission of a declaration of public official, and shall submit the annual declaration of a public official for the year 1996 in accordance with the provisions of Section 24 of the Prevention of Corruption Law.[109]

6. The public officials mentioned in Section 5 of the Prevention of Corruption Law, who subsequent to this Law entering into force are in circumstances of illegal influence (corruption),

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[102] Section modified by amendment, 16 May 1996
[103] Clause 1) is deemed to be Clause 2) and is modified by amendment, 15 October 1998
[104] "(corruption)" modified by amendment throughout this Law, 16 May 1996
[105] Modified by amendment, 18 March 1999
[106] Transitional Provisions modified by amendment, 21 December 1995
[107] Modified by amendment, 16 May 1996 and 18 March 1999

[108] Added by amendment, 16 May 1996
[109] Added by amendment, 16 May 1996

that is in circumstances as are contrary to the provisions of Chapters II and III of the Prevention of Corruption Law, have a duty to terminate, on or before 1 August 1996, their being in circumstances of illegal influence (corruption).[110]

7. In order to implement the State policy on prevention of corruption, the Cabinet shall establish a co-ordinating authority within the framework of allotted State budget funds.[111]

8. In order to organize the control of the implementation of this Law, the State Revenue Service shall establish a prevention of corruption division by 1 January 1999, that is directly subject to the Director-General of the State Revenue Service.[112]

9. The public officials mentioned in Section 5 of this Law shall submit the annual declaration for 1998 on or before 1 May 1999.[113]

[110] Added by amendment, 16 May 1996
[111] Added by amendment, 15 October 1998
[112] Added by amendment, 15 October 1998
[113] Added by amendment, 18 March 1999

Transitional Provisions[114]

1. The lists of public officials mentioned in Section 5, Paragraph four of the Prevention of Corruption Law shall be submitted to the State Revenue Service not later than one month after the coming into force of this Law.[115]

2. Information about relatives, provided in the declarations of public officials submitted to the State Revenue Service from 18 November 1998 to the day that this Law comes into force, shall be considered complete if they include the information required by law with respect to persons who are married to the public official or who are related in the first degree, as well as to brothers and sisters.[116]

3. The Cabinet and other State authorities, as well as local government city councils (parish or district councils) and bodies established by them, shall, on or before 1 July 1999, approve regulatory enactments that regulate the procedures according to which public officials utilize State and local government property.

This Law shall come into force on the day following its proclamation, but Section 12.1 of the Prevention of Corruption Law shall come into force 1 July 1999.[117]

This Law has been adopted by the *Saeima* on 21 September 1995.

President G. Ulmanis

23 October 1998

Riga

[114] Added by amendment, 18 March 1999
[115] "this Law" being referred to is not the Prevention of Corruption Law but is the 18 March 1999 amending law
[116] "this Law" being referred to is not the Prevention of Corruption Law but is the 18 March 1999 amending law
[117] "this Law" being referred to is not the Prevention of Corruption Law but is the 18 March 1999 amending law