

Disclaimer: The English language text below is provided by the Translation and Terminology Centre for information only; it confers no rights and imposes no obligations separate from those conferred or imposed by the legislation formally adopted and published. Only the latter is authentic. The original Latvian text uses masculine pronouns in the singular. The Translation and Terminology Centre uses the principle of gender-neutral language in its English translations. In addition, gender-specific Latvian nouns have been translated as gender-neutral terms, e.g. *chairperson*.

Text consolidated by Tulkosanas un terminoloģijas centrs (Translation and Terminology Centre) with amending laws of:

8 June 2000;
15 June 2000;
20 June 2002;
18 December 2003.

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

The *Saeima*¹ has adopted and
the President has proclaimed the following law:

On the Prevention of Laundering of Proceeds Derived from Criminal Activity

Chapter I General Provisions

Section 1.

The following terms are used in this Law:

- 1) financial transaction (hereinafter also – transaction):
 - a) attraction of deposits and other repayable funds;
 - b) lending, also in accordance with financial leasing regulations;
 - c) making cash and other than cash payments;
 - d) emitting and servicing of payment instruments other than cash;
 - e) trading with foreign currency in one's own name or in the name of a client;
 - f) fiduciary transactions (trusts);
 - g) provision of investment services and investment non-core services and management of investment funds and pension funds;
 - h) issuing of guarantees and other such obligation documents, whereby someone undertakes an obligation to a creditor for the debt of a third person;
 - i) safekeeping of valuables;
 - j) participation in the issue of stock and the provision of services related thereto;
 - k) consultation for clients regarding services of a financial nature;
 - l) [18 December 2003]

¹ The Parliament of the Republic of Latvia

m) the provision of such information, as is associated with settlement of the debt liabilities of a client;

n) insurance;

o) the organisation and maintenance of lotteries and gambling; and

p) other transactions which essentially are similar to the aforementioned.

2) **financial institution**: an undertaking (company) registered in the Enterprise Registry of the Republic of Latvia, also a branch or a representation office which is founded to perform one or more of the financial transactions referred to in this Law, except attraction of deposits and other repayable funds, or in order to acquire participation in the equity capital of other undertakings (companies). Within the meaning of this Law, other legal or natural persons or associations of such persons whose professional activity includes the conduct of financial transactions, the provision of consultations related to such or the approval of these transactions, shall also be considered financial institutions.

3) **financial resources** – are payments in the form of cash and payment instruments other than cash, precious metals, as well as financial instruments;

4) **client** – a legal or natural person or an association of such persons who is associated by at least one financial transaction with a credit institution or a financial institution;

5) **credit institution** – a bank or a branch of a foreign bank; and

6) **list of indicators of unusual transactions** – a list approved by the Cabinet, the indicators included therein may be indicative of the laundering of the proceeds from crime or an attempt at laundering.

[20 June 2002; 18 December 2003]

Section 2.

(1) This Law determines the duties and rights of the persons referred to in Paragraph two of this Section and their supervisory and control authorities regarding the prevention of the laundering of the proceeds from crime, as well as the procedures for establishing an Office of the Prevention of Laundering of Proceeds Derived from Criminal Activity (hereinafter – the Control Service) and an Advisory Board, and the duties and rights of these institutions and authorities.

(2) The requirements of this Law shall apply to

1) participants in the financial and capital markets, including:

a) credit institutions,

b) insurers, private pension funds and insurance intermediaries,

c) stock exchanges, depositaries and brokers of brokerage companies, and

d) investment companies, credit unions and investment consultants;

2) organisers and holders of lotteries and gambling;

3) undertakings (companies), which are engaged in foreign currency exchange;

4) natural persons and legal persons who perform professional activities associated with financial transactions (provision of consultations, authorisation of transactions), including:

a) providers of postal services and other similar institutions, which perform money transfers and transmissions,

b) tax consultants, sworn auditors, sworn auditor commercial companies and providers of financial services, except in cases which are associated with the pre-trial investigation professional activities thereof or within the scope of court proceedings,

c) notaries, advocates and their employees and self-employed lawyers if they assist their client to plan the management of financial instruments and other resources, the opening or management of various types of accounts, the organisation of the necessary investments for the creation, operation and management of undertakings (companies) and similar structures, as well as if they represent their client or act on his or her behalf in financial transactions or transactions with immovable property, except in the cases which are associated with the fulfilment of the defence or representation function in court proceedings,

d) persons whose professional activity includes trading in immovable property, means of transport, art and cultural objects, as well as intermediation in the referred to trading transactions, and

e) performers of economic activities who are engaged in the trading of precious metals, precious stones and the articles thereof.

[18 December 2003]

Section 3.

The purpose of this Law is to prevent the possibility of laundering the proceeds from crime in the Republic of Latvia.

Section 4.

(1) As proceeds from crime shall be acknowledged financial resources and other property, which have been directly or indirectly acquired as a result of the committing of the criminal offences provided for in the Criminal Law.

(2) As proceeds from crime shall also be acknowledged financial resources and other property, which are controlled (directly or indirectly) or the owner of which is:

1) a person who in connection with suspicion of committing an act of terror or participation therein is included in one of the lists of such persons compiled by a state or international organisation in conformity with the criteria specified by the Cabinet of the Republic of Latvia; or

2) a person regarding whom institutions referred to in Section 33 of this Law have information, which gives sufficient grounds to hold such person under suspicion regarding the committing of a crime – terrorism or participation therein.

(3) In respect of the persons referred to in Paragraph two of this Section, the Control Service shall notify the persons referred to in Section 2 of this Law in conformity with the conditions of the provider of the information.

[8 June 2000; 20 June 2002; 18 December 2003]

Section 5.

(1) The laundering of the proceeds from crime are the following activities, if such are committed with intent to conceal or disguise the criminal origin of financial resources or other property:

- 1) the conversion of financial resources or property into other valuables, changing their disposition or ownership;
- 2) the concealment or disguising of the true nature, origin, location, placement, movement or ownership of financial resources or other property;
- 3) the acquisition of ownership to, possession of or use of financial resources or other property, if at the time of the creation of these rights it is known, that these resources or property have been derived from crime; and
- 4) participation in the performance of the activities referred to in Clauses 1-3 of this Section.

(2) As the laundering of the proceeds from crime shall be deemed to be such also when the criminal offence provided for in the Criminal Law as a result of which directly or indirectly such proceeds have been acquired, has been committed outside of the territory of the Republic of Latvia and in the place of the commitment of the criminal offence criminal liability is provided for such offence.

[18 December 2003]

Chapter II

Identification of Clients

Section 6.

The persons referred to in Section 2, Paragraph two of this Law have the right to open an account or accept financial resources or other valuables for safe keeping, requesting client identification documents in which the following information is provided:

- 1) regarding a natural person:
 - a) regarding a resident – given name, surname, personal identity number, or
 - b) regarding a non-resident – given name, surname, date of issue and number of the personal identification documents, and the authority which issued the documents; and
- 2) regarding a legal person – the legal basis for the founding or legal registration, address, as well as the given name, surname, date of issue and number of the personal identification documents, and the authority which issued the documents of the authorised person, as well as the authorisations of such natural person and status, and if necessary – the given name and surname of the manager or the highest official of the administrative body of the legal person.

[18 December 2003]

Section 7.

(1) Any of the persons referred to in Section 2, Paragraph two of this Law shall identify a client, pursuant to the procedures specified in Section 6 of this Law, also in the performance of any other financial transaction, if the total amount in lats, on the basis of the exchange rate

specified by the Bank of Latvia on the day of the performance of the transaction, of a single separate transaction or several clearly related transactions is the equivalent of 15 000 euro or larger, and if previously when opening the account or accepting the financial resources for safe keeping the identification of the client had not been conducted.

(2) If the total amount of the financial transaction is not determinable at the time of its performance, the identification of the client shall be conducted as soon as the total amount of the transaction becomes known, which in lats on the basis of the exchange rate specified by the Bank of Latvia is the equivalent of 15 000 euro or larger.

(3) Irrespective of the amount of the financial transaction, the persons referred to in Section 2, Paragraph two of this Law shall identify a client if the indicators of the transaction conforms to at least one of the indicators included in the unusual transaction element list, or also if due to other circumstances, there is cause for suspicion regarding the laundering or attempted laundering of the proceeds from crime.

(4) A client shall be re-identified as soon as there is cause to suspect the veracity of the information acquired in the initial identification.

[18 December 2003]

Section 8.

If the persons referred to in Section 2, Paragraph two of this Law know or have cause to suspect, that the transactions referred to in Sections 6 and 7 of this Law are conducted on behalf of a third person, they shall, insofar as is possible, conduct purposeful measures to identify such third person, including requesting the client to sign a statement regarding the person in whose interests the transactions are being conducted.

[18 December 2003]

Section 9.

The client identification requirements prescribed in this Law do not apply to the following:

1) financial transactions in which the client of a credit institution or a financial institution is:

a) a credit institution or a financial institution licensed in the Republic of Latvia; or

b) a credit institution or a financial institution that has been granted a licence in a state, which is referred to in a list, specified by the Control Service. In this list the Control Service shall include states in which laws are in force, which have been adopted in accordance with the European Union Council Directive on Prevention of the Use of the Financial System for the Purpose of Money Laundering;

2) a member of a stock exchange that is registered in a European Union Member State or another state specified by the Control Service, if this exchange is a member of the International Stock Exchange Federation; or

3) insurance companies (insurers), if the periodic insurance premium payments of a client within a period of one year do not exceed a total of 1000 euro equivalent in lats on the basis of the exchange rate specified by the Bank of Latvia or a single insurance premium

payment does not exceed 2500 euro equivalent in lats on the basis of the exchange rate specified by the Bank of Latvia – irrespective of the amount of the insurance.
[18 December 2003]

Section 10.

(1) If a client is identified pursuant to the procedures set out in Section 6 of this Law, the persons referred to in Section 2, Paragraph two of this Law shall preserve copies of the documents attesting to the identification data of the client for not less than five years after the transaction relationship with the client has terminated.

(2) If a client is identified pursuant to the procedures set out in Sections 7 and 8 of this Law, the persons referred to in Section 2, Paragraph two of this Law shall preserve copies of the documents attesting to the identification data of the client, as well as the documents attesting to the performance of transactions for not less than five years after the performance of the transaction. The term referred to for preserving documents shall also apply to the documents attesting to the identification data of third persons referred to in Section 8 of this Law, if such have been acquired.

[18 December 2003]

Section 10.¹

(1) Any of the persons referred to in Section 2, Paragraph two of this Law in commencing transaction relations or in conducting transactions with a client who has not personally appeared before such persons, shall perform measures which allow the ascertainment of the veracity of the identification data of the client. For this purpose additional documents may be requested, checks made of the identification data and various types of certifications received.

(2) The special measures referred to in Paragraph one of this Section, shall be determined by the relevant internal regulatory enactments of the authorised administrative body of the persons referred to in Section 2, Paragraph two of this Law.

[18 December 2003]

Chapter III **Reporting Unusual and Suspicious Financial Transactions**

Section 11.

(1) The persons referred to in Section 2, Paragraph two of this Law have an obligation to:

1) notify the Control Service without delay regarding each financial transaction the indicators of which conform to at least one of the indicators included in the list of indicators of unusual transactions. The list of indicators of unusual transactions and procedures for notification shall be prepared by the Control Service, taking into account the recommendations of the Advisory Board, and shall be approved by the Cabinet; and

2) pursuant to a written request of the Control Service, provide without delay, for the performance of the functions provided for by this Law, additional information regarding the financial transaction (transactions) of a client concerning which a report has been received,

but in the cases provided for in Section 32 of this Law, with the consent of the Prosecutor General or a specially authorised prosecutor – also regarding other transactions of the client.

(2) Officials and employees of the persons referred to in Section 2, Paragraph two of this Law have a duty to also notify the Control Service regarding discovered facts which do not conform to the indicators included in the list of indicators of unusual transactions, but which due to other circumstances cause suspicion regarding the laundering or attempted laundering of the proceeds derived from crime.

[8 June 2000; 18 December 2003]

Section 12.

In the report, which is submitted to the Control Service by the persons referred to in Section 2, Paragraph two of this Law, the following, if possible, shall be included:

- 1) client identification data;
- 2) a copy of the client identification document;
- 3) a description of the transaction conducted or proposed, as well as the addressee of the transaction and the amount of the transaction, the time and place of the transaction conducted or proposed; and
- 4) the indicators, which give a basis for considering that the transaction is suspicious or conform to the indicators included in the list of indicators of unusual transactions.

[18 December 2003]

Section 13.

The Control Service has the right to utilise information, which is reported in compliance with the requirements of this Law, only to perform the functions provided for by this Law. An employee of the Control Service who has utilised this information for other purposes or has disclosed it to persons who do not have the right to receive the relevant information, shall be subject to criminal liability pursuant to the procedures prescribed by law.

Section 14.

The persons referred to in Section 2, Paragraph two of this Law and the officials and employees of such persons do not have the right to inform a client or a third person that information regarding the client or his or her transaction (transactions) has been reported to the Control Service.

[18 December 2003]

Section 15.

A pre-trial investigation regarding the fact of the laundering of the proceeds from crime may not be commenced against a person who has reported this to the Control Service.

Section 16.

(1) If the persons referred to in Section 2, Paragraph two of this Law or an official or employee of such persons has reported to the Control Service in compliance with the requirements of this Law, irrespective of whether the fact of the laundering of the proceeds from crime is proved or not proved during the investigation or at trial, as well as irrespective of the provisions of the contract between the persons referred to in Section 2, Paragraph two of this Law and the client, the reporting to the Control Service shall not be deemed to be the disclosure of information not to be disclosed and therefore the persons referred to in Section 2, Paragraph two of this Law and the official or employee of such persons shall not be subject to legal liability.

(2) Compliance with the provisions of this Law shall not be a violation of the norms regulating the professional activities of the persons referred to in Section 2, Paragraph two of this Law or their supervisory and control authorities, as well as the officials and employees thereof.

[18 December 2003]

Chapter IV

Refraining from the Conduct of Suspicious Financial Transactions and the Suspension of such Transactions

[20 June 2002]

Section 17.

The persons referred to in Section 2, Paragraph two of this Law shall refrain from conducting a transaction if there is cause for suspicion that this transaction is associated with the laundering or attempted laundering of the proceeds from crime.

[18 December 2003]

Section 17.¹

(1) If financial resources or other property in accordance with Section 4, Paragraph two of this Law is qualified as proceeds of crime, the Control Service may give the persons referred to in Section 2, Paragraph two of this Law an order to suspend the debit operation of such financial resource into the account of the client or other movement of property for the time specified in the order, but for not longer than six months.

(2) The persons referred to in Section 2, Paragraph two of this Law shall without delay implement the order referred to in Paragraph one of this Section.

(3) The Control Service has the right to revoke its own order to suspend the debit operation of such financial resource into the account of the client or other movement of property before the end of the time period.

[20 June 2002; 18 December 2003]

Section 17.²

- (1) If, on the basis of information at the disposal of the Control Service, there is cause to suspect that laundering or attempted laundering of the proceeds from crime is taking place, the Control Service may give the persons referred to in Section 2, Paragraph two of this Law an order to suspend the debit operation of financial resources into the account of a client or other movement of property for a time period not longer than 45 days.
- (2) The persons referred to in Section 2, Paragraph two of this Law shall implement the Control Service order without delay and request from the client the information indicated in the Control Service order.
- (3) The Control Service shall revoke the order regarding the suspension of the debit operation of financial resources into the account of a client or other movement of property if the client has provided justified information regarding the lawfulness of the origin of the financial resources or other property. The information referred to shall be submitted by the client to the persons referred to in Section 2, Paragraph two of this Law, who shall transfer such information without delay to the Control Service.
- (4) If the order is not revoked, the Control Service shall, within a period of 10 working days after the issue thereof, provide information to the pre-trial investigation institutions pursuant to the procedures specified in Section 32 of this Law.

[18 December 2003]

Section 18.

If the persons referred to in Section 2, Paragraph two of this Law are not able to refrain from conducting a suspicious transaction, or if refraining from the conducting of such a transaction may serve as information, which would assist persons involved in the laundering of the proceeds from crime to evade liability, the credit institution or financial institution has the right to conduct the transaction, and report it to the Control Service pursuant to the procedures set out in Section 12 of this Law after the transaction has been conducted.

[18 December 2003]

Section 19.

If the persons referred to in Section 2, Paragraph two of this Law have refrained from a transaction in accordance with the requirements of Section 17 of this Law, in relation to such refraining from or delaying of the transaction, the persons referred to in Section 2, Paragraph two of this Law or an official or employee of such persons shall not be subject to legal liability, irrespective of the results of the utilisation of the information provided.

[20 June 2002; 18 December 2003]

Section 19.¹

- (1) If the persons referred to in Section 2, Paragraph two of this Law have suspended the debit operation of financial resources into the account of a client or other movement of

property in compliance with the requirements of Section 17.¹ of this Law, then irrespective of the fact of what is the result of the suspension of the financial resources debit operation or other movement of property, the persons referred to in Section 2, Paragraph two of this Law, as well as an official or employee of such institution shall not be subject to legal liability.

(2) If the order regarding the suspension of the debit operation of financial resources into the account of a client or other movement of property has been given in conformity with the provisions of this Law, the Control Service and its officials shall not be subject to legal liability for the consequences of the order.

[20 June 2002; 18 December 2003]

Chapter V Internal Control

[18 December 2003]

Section 20.

(1) The persons referred to in Section 2, Paragraph two of this Law shall establish and document a laundering of the proceeds from crime and prevention of the financing of terrorism internal control system, providing for the regular assessment of the operational effectiveness thereof, as well as clear procedures for specifying the identification of clients and the procedures for the oversight of economic activity.

(2) The persons referred to in Section 2, Paragraph two of this Law shall ensure that their employees are familiar with the requirements of this Law, as well as conduct regular training of their employees in the determination of the indicators of unusual transactions or suspicious financial transactions and the implementation of the activities provided for in the internal control regulations.

(3) The persons referred to in Section 2, Paragraph two of this Law shall designate a unit or appoint one employee or several employees who are entitled to take decisions and shall be directly responsible for the observance of the requirements of this Law. The persons referred to in Section 2, Paragraph two of this Law shall notify the Control Service in respect of the designation of such unit or the appointment of such employees, as well as the relevant supervisory and control authorities of such persons.

(4) The persons referred to in Section 2, Paragraph two of this Law shall register the reports provided to the Control Service and ensure the accessibility of such reports to the supervisory and control authorities.

[18 December 2003]

Section 21.

(1) The persons referred to in Section 2, Paragraph two of this Law, the supervisory and control authority of such persons, the Control Service and their officials and employees do not have the right to disclose to a third person data regarding the employees of the units thereof, or employees specially designated who are responsible for maintaining contact with the Control Service.

(2) The Control Service does not have the right to disclose data about those persons who have reported unusual or suspicious financial transactions. This restriction shall not apply to cases, which are provided for in Section 33 of this Law.

[18 December 2003]

Chapter VI **Duties of the Supervisory and Control Authorities**

[18 December 2003]

Section 22.

The supervisory and control authorities of the persons referred to in Section 2, Paragraph two of this Law, if such have been established in accordance with the regulatory enactments regulating the activities of such persons, have a duty to report to the Control Service the facts discovered during the course of examinations which conform to the indicators which are included in the list of indicators of unusual transactions, and regarding which the relevant persons referred to in Section 2, Paragraph two of this Law have not notified the Control Service.

[18 December 2003]

Section 23.

The supervisory and control authorities of the persons referred to in Section 2, Paragraph two of this Law have the right to notify the Control Service regarding facts discovered during the course of examinations which do not conform to the indicators which are included in the list of indicators of unusual transactions, but which due to other circumstances cause suspicion of the laundering or attempted laundering of the proceeds from crime.

[18 December 2003]

Section 24.

The supervisory and control authorities of the persons referred to in Section 2, Paragraph two of this Law and their employees do not have the right to inform the clients of the persons referred to in Section 2, Paragraph two of this Law, or third persons, that the Control Service has been notified in the cases referred to, and pursuant to the procedures set out in Sections 11, 12, 22 and 23 of this Law.

[18 December 2003]

Section 25.

Notification of the Control Service pursuant to the procedures set out in this Chapter shall not constitute the disclosure of information not to be disclosed, and therefore the persons referred to in Section 2, Paragraph two of this Law or their employees shall not be

subject to legal or financial liability irrespective of whether the fact of the laundering of the proceeds from crime is proved or not proved during the pre-trial investigation or at trial.
[18 December 2003]

Section 26.

The supervisory and control authorities of the persons referred to in Section 2, Paragraph two of this Law have an obligation, pursuant to a request from the Control Service, to provide it with methodological assistance for the performance of the functions provided for in this Law.

[18 December 2003]

Section 26.¹

In order that the supervisory and control authorities may perform the duties specified in this Law, they have the right, within the scope of their competence specified by law, to request from natural persons and legal persons information, which is associated with the implementation of the requirements of this Law, as well as to perform activities in order to reduce the possibilities of utilising the financial system and capital market of the Republic of Latvia for the laundering of the proceeds from crime.

[18 December 2003]

Chapter VII The Control Service

Section 27.

The Control Service is a specially established State authority which, in accordance with this Law, shall exercise control over unusual and suspicious financial transactions, and shall acquire, receive, register, process, compile, store, analyse and provide information to pre-trial investigative institutions and the court, which may be utilised for the prevention, detection, pre-trial investigation or adjudication of the laundering or attempted laundering of the proceeds from crime or other criminally punishable activities associated with it.

Section 28.

- (1) The Control Service is a legal person monitored by the Office of the Prosecutor; such monitoring shall be directly exercised by the Prosecutor-General and specially authorised prosecutors. The Council of the Prosecutor-General shall approve the by-laws of the Control Service.
- (2) The Control Service shall be financed from the State budget.
- (3) The structure and the staff of the Control Service shall be determined by the Prosecutor-General in accordance with the amount of funds allocated from the State budget.
- (4) The Head of the Control Service shall be appointed to office, for a four year term, and dismissed from office by the Prosecutor-General, but the Head of the Control Service may be removed from office during his or her term of office only for the committing of a criminal

offence, an intentional violation of the law, or for negligence which is related to his or her professional activities or has resulted in substantial consequences, or for a shameful offence which is incompatible with his or her status.

(5) The other employees of the Control Service shall be hired, as well as dismissed, by the Head of this Service. The Cabinet shall determine the salaries of the employees of the Control Service.

(6) The Head and employees of the Control Service must comply with the requirements which are provided for in the Law On Official Secrets, in order to receive a special permit to access especially secret information. Their compliance with these requirements shall be examined and certified by the Constitution Protection Bureau.

Section 29.

The duties of the Control Service are:

1) to receive, compile, store and analyse reports by the persons referred to in Section 2, Paragraph two of this Law, as well as information obtained by other means in order to determine whether such information may be related to the laundering or attempted laundering of the proceeds from crime;

2) to provide to pre-trial investigative institutions and to the court information that may be utilised for the prevention, detection, pre-trial investigation or adjudication of the laundering or attempted laundering of the proceeds from crime or other criminally punishable activities associated with such;

3) to analyse the quality of the information reported and the effectiveness of its utilisation, and to inform the persons referred to in Section 2, Paragraph two of this Law thereof;

4) to conduct analysis and research of the laundering or attempted laundering of the proceeds from crime methods, and to improve the methodology for the hindrance and detection of such activities; and

5) in accordance with the procedures set out in this Law, to co-operate with international authorities, which are engaged in combating the laundering or attempted laundering of the proceeds from crime.

[18 December 2003]

Section 30.

The Control Service shall perform the necessary administrative, technical and organisational measures, in order to ensure the confidentiality of information, to prevent unauthorised access to and unauthorised tampering with, or distribution or destruction of such information. The procedures for the registration, processing, storage and destruction of the information received by the Control Service shall be determined by the Council of the Prosecutor-General, taking into account the recommendations of the Advisory Board. The Control Service shall retain information regarding financial transactions for at least five years.

Section 31.

All State authorities have a duty to provide information requested by the Control Service for the performance of its functions, pursuant to the procedures prescribed by the Cabinet. In performing the information exchange with the Control Service, the person who manages the personal data processing system or performs the data processing is prohibited from disclosing to other natural or legal persons the fact of the information exchange and the information.

[8 June 2000]

Chapter VIII **Co-operation between the Control Service and State Authorities**

Section 32.

Upon its own initiative the Control Service may provide information to pre-trial investigative institutions or to a court, if such information allows the making of a reasonable assumption, that the relevant person has committed or attempted to commit a criminal offence or has performed the laundering of the proceeds from crime.

[8 June 2000]

Section 33.

At the request of persons performing investigative field work, or of pre-trial investigative institutions, as well as of the court, pursuant to an assessment from the point of view of lawfulness and justification and the approval of the Prosecutor-General or specially authorised prosecutors, the Control Service, in compliance with the requirements of this Law, shall provide information, if, regarding criminally punishable offences provided for in Section 4 of this Law, at least one of the following actions has been commenced:

1) a criminal matter has been initiated pursuant to the procedures set out in the Criminal Procedure Code of the Republic of Latvia, or

2) investigatory operations have been initiated in accordance with the procedures set out in Section 22 of the Investigatory Operations Law.

[18 December 2003]

Section 34.

Pursuant to a request from the State Revenue Service, which has been accepted by the Prosecutor-General or a specially authorised prosecutor, the Control Service shall provide the information at its disposal necessary for the examination of the income declarations of State officials provided for by the Law On Prevention of Conflict of Interest in Activities of Public Officials, if there is substantiated cause for suspicion that the official has provided false information regarding his or her financial circumstances or income.

[20 June 2002]

Section 35.

- (1) The submitter of a request for information and the prosecutor who accepts it shall be liable for the validity of the request.
- (2) The information issued by the Control Service shall lose its secret status at the moment when the relevant person is subjected to criminal liability.
- (3) In the cases referred to in Sections 32-34 of this Law, the Control Service shall submit the materials to the Prosecutor-General or to specially authorised prosecutors for transfer to the relevant authorised institutions.

Section 36.

- (1) The Control Service may use the information at its disposal only for the purposes provided for in this Law and in accordance with the procedures prescribed by this Law.
- (2) Information, which has been acquired by the Control Service pursuant to procedures monitored by the Prosecutor-General or specially authorised prosecutors, shall not be transferred to the control of investigative institutions or to the court or be utilised for their needs.
- (3) The State institutions referred to in this Law may use the information issued to them by the Control Service only for the purpose for which it has been received. Copying or entering of information into databases is prohibited.

Chapter IX **The Advisory Board of the Control Service**

Section 37.

In order to facilitate the work of the Control Service and to co-ordinate its co-operation with law enforcement institutions, the persons referred to in Section 2, Paragraph two of this Law, an Advisory Board shall be established, the tasks of which are:

- 1) to co-ordinate co-operation among State institutions and the persons referred to in Section 2, Paragraph two of this Law with respect to the implementation of this Law;
- 2) to develop recommendations to the Control Service for the performance of its functions as provided for in this Law;
- 3) to prepare and submit to the Control Service proposals for supplementing or amending the list of indicators of unusual transactions; and
- 4) pursuant to a petition of the Prosecutor-General, or on its own initiative, to inform the Prosecutor-General regarding the work of the Control Service and to submit proposals on improving the work of this Service.

[18 December 2003]

Section 38.

(1) In the composition of the Advisory Board:

1) the Minister for Finance shall designate two representatives, including one from the State Revenue Service; and

2) the following shall designate one representative:

- a) the Minister for the Interior,
- b) the Minister for Justice,
- c) the Bank of Latvia,
- d) the Finance and Capital Market Commission,
- e) the Latvian Association of Commercial Banks,
- f) the Latvian Association of Insurers,
- g) the Latvian Sworn Auditors Association;
- h) the Latvian Sworn Notaries Council;
- i) the Latvian Sworn Advocates Collegium, and
- j) the Supreme Court.

(2) The Prosecutor-General shall chair meetings of the Advisory Board.

(3) The head of the Control Service and experts shall be invited to participate at the meetings of the Advisory Board.

(4) The Control Service shall ensure record keeping for the Advisory Board.

[15 June 2000; 18 December 2003]

Chapter X **International Co-operation**

Section 39.

(1) The Control Service may freely, on its own initiative or pursuant to a petition, conduct an exchange of information with foreign authorised institutions the duties of which are essentially similar to the duties referred to in Section 27 of this Law, as well as with foreign or international anti-terrorism agencies concerning the issues of the control of the movement of financial resources or other property linked to terrorism if:

1) the confidentiality of data is ensured and they shall be used only for mutually agreed purposes; and

2) it is guaranteed that the information shall be utilised to prevent and detect only such types of criminal offences as are criminally punishable also in Latvia.

(2) Information at the disposal of the Control Service shall be provided to foreign investigative institutions and courts in accordance with the procedures provided for by international agreements regarding mutual legal assistance in criminal matters and through the Latvian State institutions specified in such agreements, moreover only regarding criminal offences, which are also criminally punishable in Latvia, if the international agreements regarding mutual legal assistance in criminal matters do not specify otherwise.

[8 June 2000; 20 June 2002; 18 December 2003]

Transitional Provision

No actions, except for closing of the account, may be performed after 1 January 1999 with regard to accounts which were opened prior to 1 January 1997 without identifying the client, until the identification of the account holder has been performed.

Informative Reference to European Union Directives

This Law contains legal norms arising from European Union Directives 91/308/EEC and 2001/97/EC.

This Law shall come into force on 1 June 1998.

This Law has been adopted by the *Saeima* on 18 December 1997.

President

G. Ulmanis

Rīga, 6 January 1998

Transitional Provisions Regarding Amendments to the Law On Prevention of the Laundering of the Proceeds from Crime

Transitional Provision (regarding amending law of 18 December 2003)

This Law shall come into force on 1 February 2004.