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

5 March 2021 (Constitutional Court Judgment) [shall come into force on 8 March 2021].

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

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Law on Compensation for Damage Caused in Criminal Proceedings and Administrative Offence Proceedings**

**Chapter I**

**General Provisions**

**Section 1. Purpose of the Law**

(1) The purpose of the Law is to ensure for a private person the right laid down in the Constitution of the Republic of Latvia to commensurate compensation for loss and non-material damage (hereinafter – the compensation for damage) caused to him or her in criminal proceedings or administrative offence proceedings due to illegal or unjustified action of an institution, Office of the Prosecutor, or court.

(2) Within the meaning of this Law, an institution shall be:

1) an investigating institution;

2) the Office for Prevention of Laundering of Proceeds Derived from Criminal Activity (hereinafter – the Control Service);

3) the State or local government authority which has commenced or examined an administrative offence case.

**Section 2. Application of the Law**

(1) The Law prescribes:

1) lawful basis for the compensation for damage, types of damage and conditions for determining the amount of the compensation for damage;

2) the procedures for the examination of the submission of a private person for the compensation for damage;

3) the procedures for the enforcement of the decision taken in the case on the compensation for damage or court ruling on the compensation for damage;

4) the procedures for evaluating and determining the liability of officials in the cases related to the compensation for damage.

(2) The provisions of this Law shall be applicable also in the cases not directly referred to in this Law if a damage has been caused to a private person in criminal proceedings or administrative offence proceedings due to illegal action of an institution, Office of the Prosecutor, or court.

**Section 3. Sources of Financing for the Compensation for Damage**

(1) The damage caused in criminal proceedings shall be compensated from the State basic budget.

(2) The damage caused during the course of administrative offence proceedings shall be compensated from the budget of the legal person governed by public law which has caused the damage, namely from:

1) the State basic budget;

2) a local government budget;

3) a budget of other derived legal person governed by public law.

(3) If the legal basis for the compensation for damage in administrative offence proceedings has been caused by illegal or unjustified action of different legal persons governed by public law, the damage caused shall be compensated in proportion to the damage caused by the relevant institution from the budget of each legal person governed by public law separately.

**Chapter II**

**Determination of Legal Basis for the Compensation for Damage**

**Section 4. Legal Basis for the Compensation for Damage Caused in Criminal Proceedings**

(1) A natural person has the right to the compensation for damage if one of the following conditions has set in:

1) a court ruling of acquittal has come into effect by which the person has been recognised to be innocent and justified in all accusations brought against him or her;

2) criminal proceedings have been terminated completely due the reasons exonerating the person;

3) a court ruling by which the person is justified in the accusation for any of the criminal offences for which he or she has been held criminally liable has come into effect if a procedural coercive measure related to the deprivation of liberty has been applied to such person during the course of the particular criminal proceedings and for the criminal offence for the committing of which the person has been sentenced the law does not provide for the penalty of deprivation of liberty;

4) criminal proceedings have been terminated in the part due to the reasons exonerating the person if a procedural coercive measure related to the deprivation of liberty has been applied to such person during the course of the particular criminal proceedings and criminal proceedings are continuing in the part regarding criminal offence for the committing of which the law does not provide for the penalty of deprivation of liberty;

5) the duration of a procedural coercive measure related to deprivation of liberty applied in the relevant criminal proceedings has exceeded the duration of the penalty of deprivation of liberty sentenced by a final judgment;

6) by a ruling of the official authorised in the criminal proceedings a violation has been established in the course of procedural action as a result of which the property is destroyed or incommensurately damaged.

(2) The right to the compensation for damage shall arise for a legal person governed by private law (hereinafter – the legal person) if the ruling on termination of the proceedings completely or in the part on the application of coercive measures to such person has come into effect without establishing the justification laid down in the Criminal Law for the application of coercive measures for the relevant person.

**Section 5. Legal Basis for the Compensation for Damage Caused in Administrative Offence Proceedings**

A private person has the right to the compensation for damage if one of the following conditions has set in:

1) the decision on termination of administrative offence proceedings has come into effect in relation to the following:

a) there has not been an event or there is no constituent elements of administrative offence therein;

b) a natural person has acted in extreme necessity or under circumstance of necessary self-defence;

2) the time period for administrative detention has exceeded the time period laid down in the law.

**Section 6. Illegal and Unjustified Action**

(1) Within the meaning of this Law, an action of an institution, Office of the Prosecutor or court is illegal if legal norms are violated by such action and lawful basis for the compensation for damage indicated in this Law has set in later. Illegal action shall be established by the ruling of an institution, authorised official in the criminal proceedings or court.

(2) Within the meaning of this Law, an action of an institution, Office of the Prosecutor, court, or the Control Service is unjustified if its decision has complied with legal norms at the time of taking thereof, however, one of the lawful basis for the compensation for damage indicated in this Law has set in later.

**Section 7. Causal Link**

The right to the compensation for damage shall arise if there is a direct causal link between illegal or unjustified action of an institution, Office of the Prosecutor, or court and damage caused to a private person – an objective link between the action of the institution, Office of the Prosecutor, or court and damage caused thereby which follows later in terms of time, namely the abovementioned action has caused and determined a realistic possibility of the occurrence of damage and is the main factor which inevitably has caused such damage.

**Section 8. Co-responsibility**

A private person is co-responsible for such damage the occurrence of which has been caused by his or her action during the criminal proceedings or administrative offence proceedings by knowingly taking the guilt of another person for committing a criminal offence or administrative offence, or by knowingly causing occurrence of damage otherwise.

**Section 9. Justification and Proving the Compensation for Damage**

(1) Legal basis for the compensation for damage and the amount of the compensation shall be proven by the means of evidence indicated in the Administrative Procedure Law.

(2) The facts which confirm that non-material damage has been caused shall be proven by the means of evidence indicated in the Administrative Procedure Law. A private person has the obligation to indicate how the infringement of his or her non-material rights and interests protected by law was expressed, and justify the amount of the compensation.

**Chapter III**

**Types of Damage and Determination of the Compensation for Damage**

**Section 10. Loss**

(1) Within the meaning of this Law, a loss shall be a deprivation which can be materially assessed and which has been caused for a private person due to illegal or unjustified action of an institution, Office of the Prosecutor, or court in criminal proceedings or administrative offence proceedings.

(2) When calculating a loss, the unearned profit shall be taken into account if a private person can prove that the profit would have been earned in the course of normal process of events.

(3) A loss shall cover also the costs related to legal assistance. The costs for legal assistance and expenses related thereto shall be compensated in conformity with the types and amount laid down in the laws and regulations regarding the payment of State ensured legal assistance in criminal proceedings.

(4) Within the meaning of this Law, a loss is also such deprivation which can be materially assessed and which has been caused for a private person due to unjustified or illegal action by the Control Service if, on the basis of the information provided by the Control Service, the criminal proceedings or administrative offence proceedings have been commenced and any of the legal basis for the compensation for damage indicated in this Law has set in later.

**Section 11. Non-material Damage**

Within the meaning of this Law, non-material damage shall be the following caused by illegal or unjustified action of an institution, Office of the Prosecutor, or court in criminal proceedings or administrative offence proceedings:

1) violation of life, health, freedom, dignity and respect, personal or family secret of a natural person, other non-material rights or interests thereof protected by law as a result of which adverse non-material consequences have been caused;

2) violation of transaction reputation, commercial secret of a legal person, its copyright or other non-material rights or interests protected by law as a result of which adverse non-material consequences have been caused.

**Section 12. Determination of Loss**

(1) The amount of loss shall be determined by assessing the evidence.

(2) If the institution which examines a submission of a private person for the compensation for damage (hereinafter – the decision-making institution), or a court, when determining the amount of loss, establishes co-responsibility of a private person (Section 8), the amount of loss shall be reduced accordingly.

(3) When determining the amount of unearned profit, the decision-making institution or court shall take into account general risks and conditions of a particular case which affect the probability of unearned profit. Unearned profit shall be compensated in such amount which in accordance with the data of the State Revenue Service on the amount of income of a private person of the last taxation year does not exceed the average annual income of this person for which taxes have been paid.

(4) If the loss caused to a natural person is comprised by non-received remuneration for work, the amount of loss shall include also the amount of personal income tax to be paid and the part of the employer of mandatory State social insurance contributions.

(5) By the term “remuneration for work” used in this Law is meant “remuneration” within the meaning of the Law on Remuneration of Officials and Employees of State and Local Government Authorities.

(6) The consumption price index laid down by the Central Statistical Bureau shall be applied to the compensation for loss other than compensation for losses caused to the property.

**Section 13. Determination of the Amount of the Compensation for Loss**

(1) When determining appropriate amount of the compensation for loss, the nature of action of an institution, Office of the Prosecutor, or court (Section 6) and also action of a private person shall be taken into account.

(2) When determining the amount of the compensation for loss, also other significant conditions in a particular case may be taken into account additionally if it is possible to prove them objectively.

(3) In accordance with Section 12 of this Law, the calculated sum of loss shall be compensated in the following amount:

1) if the sum of loss does not exceed EUR 145 000 – in the amount of 100 per cent;

2) if the sum of loss is from EUR 145 000 to EUR 1 450 000 – EUR 145 000 plus in the amount of 50 to 100 per cent of the amount which exceeds EUR 145 000;

3) if the sum of loss exceeds EUR 1 450 000 – the sum calculated in accordance with Clause 2 of this Paragraph plus up to 50 per cent of the sum which exceeds EUR 1 450 000.

**Section 14. Determination of the Compensation for Non-material Damage**

(1) Non-material damage shall be determined in conformity with the significance of infringed rights and interests protected by law and severity of a particular infringement by taking into account the nature of action of an institution, Office of the Prosecutor, or court (Section 6), severity of accusation, duration of criminal proceedings, personality and action of a natural person, co-responsibility, and also other significant conditions in a particular case.

(2) Non-material damage shall be compensated by restoring the condition which existed before causing damage, or, if it is not possible or is not completely possible, or it is not adequate, by apologising or paying corresponding compensation.

(3) If a decision-making institution or court, upon assessing the conditions of a particular case, establishes that the infringement of the rights or interests protected by law of a private person is not severe, a written or public apology may be an independent or additional compensation for non-material damage.

(4) The compensation for non-material damage shall be determined in the amount up to EUR 7000. If severe non-material damage has been caused, the compensation may be determined up to the amount of EUR 10 000, but if the damage to life or especially severe damage to health has been caused, the maximum amount of the compensation may be up to EUR 30 000. The amount of the compensation for non-material damage caused by unjustified or illegal restriction of liberty shall be determined in accordance with Section 15 of this Law.

**Section 15. Determination of the Amount of the Compensation for Non-material Damage Caused by Unjustified or Illegal Restriction of Liberty**

(1) If one of the legal basis for the compensation for damage provided for in this Law has set in, a natural person has the right to the compensation for non-material damage for unjustified or illegal restriction of freedom if he or she:

1) has been adjudged a criminal penalty and the person has completely or partly served such penalty;

2) has been imposed the procedural coercive measure related to deprivation of liberty provided for in the Criminal Procedure Law;

3) has been imposed the coercive measure of medicinal nature related to deprivation of liberty provided for in the Criminal Law;

4) has been imposed the coercive measure of correctional nature – the placement in the educational institution of social correction – within the framework of criminal proceedings;

5) has been imposed an administrative arrest and it is fully or partly executed;

6) has been imposed administrative detention which exceeds the time period for administrative detention laid down in law.

(2) By complying with the provisions referred to in Section 4, Paragraph one and Section 5 of this Law (if administrative arrest has been fully or partly served), the compensation for damage shall be disbursed to a natural person for unlawful or unjustified restriction of liberty in the amount of remuneration for work for two days for each day (24 hours) on which liberty of the person has been restricted.

(3) When calculating the amount of the compensation for non-material damage, the minimum monthly salary laid down in the State at the time of setting in of the provisions referred to in Section 4, Paragraph one and Section 5 of this Law (if the administrative arrest has been fully or partly served) shall be taken into account.

(4) Remuneration for work of one day shall be calculated by dividing the minimum monthly salary by 30 at the time of setting in of the provisions referred to in Section 4, Paragraph one and Section 5 of this Law (if the administrative arrest has been fully or partly served). The remuneration for work of one day shall be determined in whole numbers by deleting the digits after the point.

(5) If liberty of a natural person has been restricted for less than 24 hours, it shall be considered that the liberty of such person has been restricted for 24 hours, except for the case referred to in Section 5, Clause 2 of this Law.

(6) In the case referred to in Section 5, Clause 2 of this Law the compensation for illegal or unjustified restriction of liberty (for a period of time which exceeds the time period of administrative detention) shall be disbursed to a natural person in the amount of remuneration for work of two hours for each hour (60 minutes) in which the liberty of such person was restricted. The remuneration for work of one hour shall be calculated by dividing the minimum monthly salary laid down in the State by 240 at the time of setting in of the conditions referred to in Section 5, Clause 2 of this Law. The remuneration for work of one hour shall be determined in whole numbers by deleting the digits after the point.

(7) If the liberty of a natural person has been restricted for less than 60 minutes in the case referred to in Section 5, Clause 2 of this Law, it shall be regarded that the liberty of such person has been restricted for 60 minutes.

(8) A decision-making institution may reduce the amount of compensation for damage which has been calculated in accordance with the provisions of this Section by having regard to the information characterising the personality and co-responsibility of the natural person the liberty of whom has been unjustifiably restricted.

**Section 16. Means of Protection of Legal Interests of a Private Person**

(1) A period of time while liberty, the right to fulfil the duties of office (work) or service or to carry out a certain type of activity has been unlawfully or unjustifiably restricted for a natural person shall be included in total insurance (work) length or length of service if the compensation for loss has been calculated for the person for the relevant period of time for non-received remuneration for work, including the compensation for non-used leave.

(2) If information on criminal proceedings or administrative offence proceedings are reflected on mass media and the legal basis for the compensation for damage indicated in Section 4 or 5 of this Law has set in, upon request of a private person, mass media shall publish the information on termination of criminal proceedings or administrative offence proceedings.

(3) For a private person, on the basis of the submission of such person, the right, military or special service ranks and office ranks, and also awards and titles of honour which have been deprived from him or her in relation to illegal or unjustified action of an institution, Office of the Prosecutor, or court shall be restored, unless there are other lawful or actual obstacles for the restoration thereof.

**Chapter IV**

**Procedures for the Examination of the Submission for the Compensation for Damage**

**Section 17. Decision-making Institution**

(1) A decision-making institution for the compensation for damage caused in criminal proceedings shall be:

1) the Office of the Prosecutor General if the decision is the basis for the right to the compensation for damage taken in pre-trial criminal proceedings;

2) the Ministry of Justice if the judgment or decision which is the basis for the right to the compensation for damage is taken by a court.

(2) A decision-making institution for the compensation for damage caused in administrative offence proceedings shall be:

1) a higher institution of the institution which took a decision in the administrative offence case;

2) the institution which took a decision in the administrative offence case if there is no higher institution;

3) the institution which took a decision to commence administrative offence proceedings if examination of the administrative offence case is subject to a court.

(3) A decision-making institution for the compensation for damage caused in administrative offence proceedings shall be a local government city council if the decision in the administrative offence case has been taken by a local government institution.

**Section 18. Submission of the Submission for the Compensation for Damage**

(1) A private person shall submit the written submission for the compensation for damage to a decision-making institution in conformity with the competence referred to in Section 17, Paragraph one of this Law.

(2) A private person shall submit a written submission for the compensation for damage caused in administrative offence proceedings to the institution which examined the administrative offence case and took the decision, or to the institution which took the decision to commence administrative offence proceedings if the examination of the administrative offence is subject to a court.

(3) An institution which receives the submission for the compensation for damage caused in administrative offence proceedings shall immediately forward it to a decision-making institution.

**Section 19. Content of the Submission for the Compensation for Damage**

(1) The following shall be indicated in the submission for the compensation for damage:

1) the given name, surname, personal identity number (or a year and date of birth) and place of residence of a submitter, but for a legal person – name, registration number and legal address;

2) the claim;

3) the facts which justify the right to the compensation for damage;

4) for a natural person – the details of a personal account in a credit institution or postal settlement system, for a legal person – the details of an account in a credit institution to which the compensation shall be transmitted.

(2) The submission shall be appended by the documents which confirm the fact of causing the damage and the amount of the compensation for damage.

(3) When requesting the compensation for damage for several types of damage, the type of each damage and requested amount shall be indicated in the submission separately.

(4) When requesting the compensation for damage (non-received remuneration for work), a private person is obliged to submit a statement of the employer where it has indicated:

1) the time period for which the non-received remuneration for work is to be disbursed [the time period during which employment relationship or service relationship existed for a natural person and remuneration for work has not been received in relation to incapacity to perform his or her work (office) duties, provided that any of the conditions referred to in Section 4, Paragraph one or Section 5 of this Law has set in];

2) the calculated non-received remuneration for work, including compensation for non-used leave;

3) the calculated mandatory State social insurance contributions of the employee;

4) the calculated personal income tax;

5) the amount of non-received remuneration for work to be disbursed to a natural person [the amount of the compensation for loss (non-received remuneration for work)] after deduction of the personal income tax and the part of the employer of the mandatory State social insurance contributions;

6) the part of the employer of the mandatory State social insurance contributions for the amount of non-received remuneration for work to be disbursed to a private person.

(5) If a person cannot submit the statement referred to in Paragraph four of this Section, he or she shall indicate in the submission for the compensation for damage the reason why it is impossible to submit the abovementioned statement. Failing to provide the information referred to in Paragraph four of this Section or incomplete provision thereof may be the basis for refusal to compensate the loss – non-received remuneration for work.

(6) If a private person requests the compensation for losses – non-received remuneration for work or unearned profit – a decision-making institution has the right to request the necessary information on the amount of income of such person from the State Revenue Service. The State Revenue Service shall provide the requested information on the amount of income of a private person in conformity with the income of a private person indicated in the tax returns at the disposal thereof.

**Section 20. Time Period for the Submission of a Submission**

A private person shall submit a submission for the compensation of damage within six months after setting in of conditions referred to in Section 4 or 5 of this Law.

**Section 21. Time Period for the Examination of a Submission**

(1) A decision-making institution shall, within three months, after receipt of a submission, evaluate the lawful basis for the compensation for damage and take the decision for the compensation for damage.

(2) If due to objective reasons it is not possible to conform with the time period laid down in Paragraph one of this Section, a decision-making institution may extend it in accordance with the procedures laid down in the Administrative Procedure Law.

**Section 22. Decision to Compensate the Loss – Non-received Remuneration for Work**

If the compensation for loss of a natural person consists of non-received remuneration for work, including compensations for non-used leave, a decision-making institution shall, in conformity with the procedures laid down in the law On Personal Income Tax, calculate the personal income tax to be deducted from the amount of the compensation for loss and in accordance with the procedures laid down in the law On State Social Insurance – the mandatory State social insurance contributions to be made. In such case a decision-making institution has the obligation to indicate the following in the decision to compensate the loss:

1) the time period for which the non-received remuneration for work is to be disbursed and taxes and mandatory State social insurance contributions laid down in laws and regulations have been calculated;

2) the remuneration for work, including the compensation for non-used leave;

3) the mandatory State social insurance contributions of the employee;

4) the mandatory State social insurance contributions of the employer which are to be made from the budget resources of the institution which disburses the compensation;

5) the personal income tax;

6) the amount of the compensation for loss (non-received remuneration or work) to be disbursed to a natural person after deduction of the part of the employer of mandatory State social insurance contributions and personal income tax;

7) the time period which is to be included in total insurance (work) length or service length of a natural person.

**Section 23. Appeal of the Decision Taken in the Case of the Compensation for Damage**

The decision of the decision-taking institution on the compensation for damage may be appealed to a court in accordance with the Administrative Procedure Law.

**Chapter V**

**Enforcement of the Decision Taken in the Case of the Compensation for Damage**

**Section 24. Enforcement Authority and Procedures for the Disbursement of the Compensation for Damage**

(1) An enforcement authority is an institution which disburses the compensation for damage in accordance with the procedures provided for in this Section.

(2) If the decision to compensate a damage is addressed to a local government, the amount laid down therein shall be disbursed from the budget of the relevant local government by the local government institution authorised for that.

(3) If the decision of a decision-making institution or court ruling for the compensation for damage is addressed against such derived legal person governed by public law other than a local government, the sum laid down therein shall be disbursed from the budget of a derived legal person governed by public law.

(4) In the cases not referred to in Paragraphs two and three of this Section the compensation for damage shall be disbursed by the Ministry of Justice from the State basic budget resources intended for such purpose.

**Section 25. Procedures for the Enforcement of the Decision or Court Ruling on the Disbursement of the Compensation for Damage**

(1) After the decision taken by a decision-making institution in the case of the compensation for damage or court ruling regarding the compensation for damage has become non-disputable, the decision-making institution or institution which has been invited in the court on the side of a defendant shall, within a month, send the true copy of the decision or court ruling and information on the current account in a credit institution or account of a postal settlement system of the relevant private person, personal data and address of the place of residence thereof to the enforcement authority. The enforcement authority shall, within a month after receipt of the abovementioned information, disburse the compensation for damage by transmitting it to the account in a credit institution or account of a postal settlement system of the private person by deducting the taxes before disbursement of the compensation for damage in accordance with the procedures laid down in laws and regulations.

(2) If the compensation to be disbursed to a natural person consists of non-received remuneration for work, when sending a court ruling to an enforcement authority, a decision-making institution shall indicate the information referred to in Section 22 of this Law in a cover letter.

(3) An enforcement authority shall transmit the part of the employee of mandatory State social insurance contributions to the relevant income account of the State budget which has been deducted from non-received remuneration for work, and the part of the employer in conformity with the procedures laid down in the law On State Social Insurance, the personal income tax which has been deducted from non-received remuneration for work – in the account of the personal income tax in the Treasury in conformity with the procedures laid down in the law On Personal Income Tax.

(4) An enforcement authority shall notify the time period to be included in the total insurance (work) length of a natural person to the State Social Insurance Agency and the authority which calculate the service length of a natural person – the time period which is to be included in the service length.

(5) An enforcement authority shall inform the State Social Insurance Agency on those mandatory State social insurance contributions in the State budget which are to be made from non-received remuneration for work and the tax administration – on the personal income tax payments by submitting a statement on the amounts disbursed to a natural person. The enforcement authority shall transmit these payments in the State budget in accordance with the laws and regulations in the field of mandatory State social insurance contributions and personal income tax.

(6) By taking a justified decision an enforcement authority may disburse the compensation for damage in instalments. The disbursement shall be made no longer than within a year after receipt of the information referred to in Paragraph one of this Section. The enforcement authority shall inform a private person on the relevant decision. This decision may not be contested or appealed.

**Section 26. Evaluation of Events Related to the Compensation for Damage**

(1) In order to establish the circumstances which caused or facilitated causing of the damage to be compensated, a decision-making institution which took the decision to compensate the damage, or the institution which has been invited in the court on the side of a defendant shall, within a month after coming into effect of a final ruling, evaluate each particular case when the damage is to be compensated in accordance with the decision of a decision-making institution or court ruling.

(2) After evaluation of all circumstances present in the case of the compensation for damage, a decision-making institution which took the decision to compensate the damage, or the institution which has been invited in the court on the side of a defendant shall decide to send materials to the institution that has jurisdiction in order to decide on the issue of holding the responsible official disciplinary, administratively or criminally liable for causing the damage.

**Section 27. Civil Legal Liability of an Official**

(1) In order to compensate the damage caused to a legal person governed by public law due to action of an official, the relevant institution of the legal person governed by public law or institution that has jurisdiction shall, in conformity with this Section, evaluate and recover in accordance with subrogation procedures full or partial compensation for damage from the official.

(2) An official shall have civil legal liability for the damage caused to a legal person governed by public law if he or she has acted unlawfully by intention or has allowed rough negligence in his or her action.

(3) False application or interpretation of legal norms shall not be regarded to be rough negligence if the opinion which has been the basis of action of an official shall not be regarded to be legally non-adequate. The fact that a higher institution or court has expressed other opinion at a later time shall not serve as confirmation for the fact that the opinion of the official has been legally non-adequate.

(4) Officials of a collegial decision-making institution shall be liable for the loss which has been caused to a legal person governed by public law in accordance with the State Administration Structure Law.

(5) If the loss is caused due to action of several officials, the sum of compensation which is paid by each relevant official shall be determined by taking into account the degree of liability and guilt thereof.

(6) When taking the decision to compensate a loss and determining whether full or partial compensation for loss is to be demanded from an official, the degree of liability and guilt of the official shall be taken into account.

(7) Civil legal liability of an official shall set in regardless of whether the relevant official is held disciplinary or administratively liable.

(8) Provisions of this Section shall not apply to unjustified or illegal action by a judge and prosecutors.

**Section 28. Subrogation Action against an Official**

(1) The institution that has jurisdiction (Section 26, Paragraph two) laid down in a legal act shall, within six months from the day when the obligation for a legal person governed by public law set in to compensate the damage, carry out disciplinary investigation in order to determine a possible responsible official against whom an subrogation action could be brought.

(2) If an official agrees to voluntarily compensate the loss caused, he or she shall pay the amount of compensation from his or her funds or agrees with an employer on deduction of the amount of the compensation from his or her remuneration.

(3) If an official does not agree to voluntarily compensate the loss caused or it is not possible to deduct the amount of compensation from the remuneration of such official because he or she is no longer in employment or service relationship with the institution, the subrogation action shall be brought against the relevant official in accordance with the procedures laid down in the Civil Procedure Law.

(4) The funds obtained in accordance with subrogation procedures shall be transferred to the budget of a legal person governed by public law from the budget of which the compensation for loss is disbursed.

(5) Provisions of this Section shall not apply to unjustified or illegal action by a judge and prosecutors.

**Transitional Provisions**

1. With coming into force of this Law, the law On Compensation for Losses Caused by Illegal or Unjustified Action of an Investigating Institution, Office of the Prosecutor, or Court (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1998, No. 14; 1999, No. 11; 2001, No. 9; 2003, No. 22; *Latvijas Vēstnesis*, 2013, No. 187) is repealed.

2. A natural person who in accordance with this law has the right to the compensation for such damage which has been caused to him or her by illegal or unjustified action of an institution, Office of the Prosecutor, or court until the day of coming into force of this Law and the court proceedings have been initiated in a court of general jurisdiction, the submission for the compensation for damage shall be submitted within six months from the time of arising of legal basis for the compensation for damage.

3. The relevant institution shall examine the submission for the compensation for damage which has been submitted to the Ministry of Justice or Office of the Prosecutor General until the day of coming into force of this Law and shall evaluate the legal basis for the compensation for damage in conformity with the legal regulation which was in force until the day of coming into force of this Law.

4. The cases in the claim of a person for the compensation for damage in relation to the damage due to illegal or unjustified action caused by an investigating institution, Office of the Prosecutor, or court in which before coming into force of this Law the statement of claim has been accepted and court proceedings have been initiated in a court of general jurisdiction shall be examined in accordance with court proceedings of a claim by a court of general jurisdiction by having regard to the provisions of this Law. The compensation for damage shall be disbursed by the Ministry of Justice from the State basic budget resources intended for such purpose.

5. A decision-making institution or court shall examine the cases which are examined on the day of coming into force of this Law in accordance with the Law on Compensation for Damage Caused by the State Administration Institutions and shall evaluate the legal basis for the compensation for damage in conformity with the legal regulation which was in force until the day of coming into force of this Law.

The Law shall come into force on 1 March 2018.

The Law has been adopted by the *Saeima* on 30 November 2017.

President R. Vējonis

Rīga, 19 December 2017