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29 October 2019 [shall come into force from 1 November 2019].

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

Republic of Latvia

Cabinet

Regulation No. 245

Adopted 29 March 2011

**Regulations Regarding the Special Permit (Licence) for the Provision of Consumer Credit Services**

[*5 January 2016*]

*Issued pursuant to*

*Section 8, Paragraph 1.3 of the Consumer Rights Protection Law*

**I. General Provisions**

1. This Regulation prescribes:

1.1. the requirements to which a capital company shall meet so that it could receive the special permit (licence) for the provision of consumer credit services (hereinafter – the special permit (licence));

1.2. the procedures by which the special permit (licence) shall be issued to a capital company;

1.3. [5 January 2016]

1.4. the procedures by which the validity of the special permit (licence) shall be suspended and the special permit (licence) shall be cancelled;

1.5. the procedures for paying the State duty for the issuing of the special permit (licence) and the annual State duty for the supervision of the operation of a provider of credit services, as well as the amount of the State duty.

[*5 January 2016*]

2. The Consumer Rights Protection Centre shall issue the special permit (licence) to a capital company.

3. [5 January 2016]

4. A capital company shall display the special permit (licence) or a copy thereof in a place visible to the consumer at the location where credit services are provided . If a capital company provides a credit service as a public information service, an electronic copy of the special permit (licence) shall be published on the Internet homepage of the capital company so that it would be visibly, directly and permanently available thereon.

5. The Consumer Rights Protection Centre shall, within three working days following the coming into effect of the special permit (licence), publish information on its website regarding the capital companies which have received the special permit (licence) by indicating information regarding the credit types and the places where the service is provided. Within three working days after taking the respective decision, the Consumer Rights Protection Centre shall publish information on its website regarding the suspension and cancellation of the special permits (licences) issued to capital companies. In the case referred to in Paragraph 27 of this Regulation, the Consumer Rights Protection Centre shall, where necessary, without delay, but not later than within three working days after completing the inspection of the submitted information, shall update the information published on its website regarding capital companies.

[*5 January 2016*]

6. The Consumer Rights Protection Centre has the right to request and receive information from a capital company, as well as to perform the necessary inspections, including at the place where the services are provided to ascertain the compliance of the capital company and the activities thereof with the requirements of this Regulation.

7. Before taking the decision to issue, suspend or cancel the special permit (licence) and also during term of validity of the special permit (licence), the Consumer Rights Protection Centre is entitled to provide instructions to a capital company regarding the activities it must take in order to ensure the compliance of the capital company or its operations with the requirements of this Regulation.

[*5 January 2016*]

7.1Within the meaning of this Regulation, a beneficial owner shall be a natural person within the meaning of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

[*29 October 2019/ See Paragraph 59*]

**II. Requirements for a Capital Company to Receive the Special Permit (Licence)**

8. In order to receive the special permit (licence), a capital company must meet the following requirements:

8.1. the capital company has been registered in accordance with the procedures laid down in the laws and regulations governing commercial activities;

8.2. [5 June 2018];

8.3. the capital company has developed internal procedures for the provision of consumer credit services determining the granting of credits and the supervision of issued credits;

8.4. the capital company has developed procedures by which the consumerʼs creditworthiness is evaluated in accordance with Section 8 of the Consumer Rights Protection Law, if such is necessary for the credit service indicated in the application for the special permit (licence) in accordance with the Consumer Rights Protection Law;

8.5. the capital company has developed procedures for the examination of consumer complaints, in order to ensure the examination of the received complaints and the provision of a response within a reasonable time period;

8.6. the capital company has developed an internal control system for the prevention of money laundering and terrorism and proliferation financing in conformity with requirements of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing and the procedures for assessing compliance of the attracted financing with the requirements in the field of prevention of money laundering and terrorism and proliferation financing and their legal origin.

[*5 June 2018; 29 October 2019/ See Paragraph 59*]

9. The following capital companies may not receive the special permit (licence):

9.1. [12 August 2014];

9.2. which have overdue tax, duty or other mandatory payments into the State budget;

9.3. which have been prohibited from performing commercial activities;

9.4. to which the issued special licence (permit) has been cancelled within the last three years or on which the decision to refuse to issue the special permit (licence) has been taken within the last three years, except where the special permit (licence) has been cancelled upon a request of the capital company in accordance with Sub-paragraph 42.2 of this Regulation;

9.5. the funds of which that are being invested in the equity capital of the capital company or used to pay for the alienated shares of shareholders of the capital company have been acquired by unusual or suspicious financial transactions or the legal acquisition of these funds has not been proved by documents. A suspicious financial transaction is a transaction which creates suspicion of money laundering or the financing of terrorism or proliferation within the meaning of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing or an attempt at such operations, or another criminal offence related thereto. A transaction which conforms to at least one of the following indications shall be regarded as an unusual transaction:

9.5.1. a transaction involving a person who is being suspected of committing a terrorist act or participation therein and is included in one of the lists compiled by national or international organisations and recognised by the Cabinet of the persons that are being suspected of involvement in terrorist activities;

9.5.2. a transaction involving cash in the amount of at least EUR 10 000 (except for the disbursement of salaries, pensions and social benefits, credits and inter-bank settlements);

9.6. which are not able to prove legal origin of the attracted financing.

[*8 October 2013; 5 January 2016; 29 October 2019/ See Paragraph 59*]

10. The following persons may be a member of the council (if such has been formed) or board of the capital company, a procuration holder and the person responsible for the fulfilment of requirements for the prevention of money laundering and terrorism and proliferation financing (hereinafter – the responsible person):

10.1. a person who has not been criminally convicted of committing an intentional criminal offence;

10.2. a person who has not been convicted of violations of laws and regulations in the field of prevention of money laundering and terrorism and proliferation financing;

10.3. a person who has not been deprived of the right to conduct commercial activities or on whom an administrative sanction – the deprivation of right to hold specific offices – has not been imposed;

10.4. a person who has not been a member of the council (if such has been formed) or board, or a procuration holder in such capital company to which the special licence (permit) has been cancelled within the last three years (except where the special permit (licence) has been cancelled upon a request of the capital company) or who has not been a member of the council (if such has been formed) or board, or a procuration holder in the capital company to which the issue of the special licence (permit) has been refused within the last three years;

10.5. a person which has impeccable reputation.

[*29 October 2019*]

11. When taking the decision to issue a special permit (licence), the Consumer Rights Protection Centre shall evaluate the following information about a capital company, including information received from other competent authorities:

11.1. the administrative offences committed by the capital company, members of its council (if such has been formed) and board, procuration holders and responsible persons within the last year in the field of commercial activities, taxation, protection of consumers’ rights or personal data protection, including offences for which administrative sanctions have been imposed. In evaluating whether an administrative offence should be recognised as substantial, the Consumer Rights Protection Centre shall take into account the nature and duration of the committed violation, the impact caused (losses to consumers), as well as other circumstances of significance to the case;

11.2. the execution of the decision taken by the Consumer Rights Protection Centre which has come into effect for the protection of collective interests of consumers;

11.3. the activity or planned activity of the capital company in the provision of consumer credit services and the conformity of the activities with the requirements of the laws and regulations governing the protection of consumer rights;

11.4. the execution of the written commitment specified in the laws and regulations in the field of the protection of consumer rights to eliminate the committed violations within a specified time period;

11.5. whether the institution has at its disposal information of negative nature on a shareholder (stakeholder) and a beneficial owner of the capital company which attests to a potential relation to proceeds of crime or their laundering, terrorism or proliferation;

11.6. whether the capital company has received a refusal to register commercial activities in the last three years if, in conformity with requirements of laws and regulations, such permit (licence) is required in the field of financial services;

11.7. whether within the last three years the capital company has received a refusal to issue the permit (licence) thereto for the provision of services if according to the requirements of laws and regulations such permit (licence) is required in the field of financial services;

11.8. whether within the last three years the licence (permit) of the capital company for the provision of services in the field of financial services has been cancelled, withdrawn or terminated.

[*29 October 2019/ See Paragraph 59*]

11.1The Consumer Rights Protection Centre has the right to verify information regarding the founders (shareholders) of the capital company, as well as obtain information regarding its beneficial owners. Legal persons are obliged to provide the Consumer Rights Protection Centre with all information needed for the verification of the information referred to in this Paragraph (except for the information in public registers available to the Consumer Rights Protection Centre).

[*29 October 2019/ See Paragraph 59*]

**III. Issue of the Special Permit (Licence)**

12. A capital company shall file a submission for the receipt of the special permit (licence) that has been drawn up and signed in accordance with Annex 1 to this Regulation. The following documents prepared in conformity with the laws and regulations regarding the development and drawing up of documents shall be appended to the submission:

12.1. statement on the criminal and administrative records that has been issued by an institution of the country of the personʼs permanent place of residence which maintains information regarding such records in accordance with laws of the respective country if the member of the council (if such has been formed) or board, procuration holder or the responsible person of the capital company is a foreign national. The statement must have been issued not earlier than six months before the day of the filing of the submission for the receipt of the special permit (licence);

12.2. authorisation of an authorised representative, if the submission is filed by an authorised representative;

12.3. [5 January 2016];

12.4. information referred to in Sub-paragraph 13.1.2 of this Regulation from the relevant State tax administration authority or competent authority if any of the shareholders of the capital company is a non-resident;

12.5. statement certified by the relevant State tax administration authority or competent authority that the capital company does not have any late tax, duty or other mandatory payments to the State budget if the submission is filed by a foreign capital company;

12.6. information regarding the beneficial owners to the extent specified in Section 18.1, Paragraph four of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing;

12.7. information regarding the cases in the last three years where the capital company has received a refusal to register commercial activities or issue the permit (licence) thereto for the provision of services if, in conformity with requirements of laws and regulations, such permit (licence) is required in the field of financial services, or information regarding cancellation, withdrawal or termination of such registration or permit (licence);

12.8. documents certifying the legal origin of the financial resources which are being invested in the equity capital of the capital company or which are used to pay for the alienated shares of shareholders of the capital company;

12.9. documents certifying the amount and and legal origin of the attracted financing.

[*20 September2011; 5 January 2016; 29 October 2019/ See Paragraph 59*]

12.1 The documents of foreign natural and legal persons must be legalised unless different procedures are provided for in the laws of the Republic of Latvia or international agreements approved by the *Saeima* of the Republic of Latvia. Where a document is in a foreign language, it shall require a translation into Latvian or another language used in the field of international finances.

[*19 July 2011*]

13. In order to prepare documents for the taking of the decision to issue the special permit (licence), the Consumer Rights Protection Centre, where necessary, shall obtain the following information in accordance with the procedures laid down in the laws and regulations governing administrative procedures:

13.1. from the State Revenue Service:

13.1.1. information regarding late tax, duty or other mandatory payments to the State budget;

13.1.2. information which, in conformity with the requirements laid down in the laws and regulations, has been submitted with regard to the income of the shareholders of the capital company which have paid the equity capital of the capital company in the previous taxation year and in the current year (from the beginning of the year);

13.2. from the Enterprise Register – information in its current wording regarding the capital company, members of its board or council (if such has been formed) members, procuration holders, shareholders (stockholders) and beneficial owners;

13.3. from the Punishment Register maintained by the Information Centre of the Ministry of the Interior (hereinafter – the Punishment Register) – information regarding the criminal and administrative records of the capital company, its council (if such has been formed) and board members, procuration holders, beneficial owners and responsible persons. If a shareholder (stakeholder) of the capital company is registered in another country, the Consumer Rights Protection Centre is entitled to request that the capital company submits a statement issued from the Punishment Register or an equivalent institution of the relevant country on the criminal and administrative records of the persons referred to in this Paragraph;

13.4. [5 June 2018];

13.5. other information from the institutions referred to in this Paragraph or other institutions which is necessary to evaluate the information referred to in Sub-paragraph 11.1 of this Regulation.

[*19 July 2011; 5 January 2016; 29 October 2019/ See Paragraph 59*]

14. A capital company has the right to submit the documents referred to in Sub-paragraphs 13.1, 13.2 and 13.4 of this Regulation, as well as the documents referred to in Sub-paragraph 13.3 of this Regulation regarding the criminal and administrative records of the capital company itself to the Consumer Rights Protection Centre.

15. If the submission referred to in Paragraph 12 of this Regulation is submitted in the form of an electronic document, the capital company shall certify the submission and the electronic copies of documents appended thereto by secure electronic signature and a time stamp in accordance with the laws and regulations regarding the drawing up of electronic documents, as well as indicating whether it wishes to receive the special permit (licence) in the form of an electronic document.

16. If not all the documents referred to in this Regulation are appended to the submission or if the information indicated therein is incomplete or inaccurate, or if the documents have not been drawn up in accordance with the requirements laid down in laws and regulations, or if additional information is necessary for the taking of the decision referred to in Paragraph 19 of this Regulation, the Consumer Rights Protection Centre shall inform the capital company thereof in writing, indicating the deadline by which the capital company shall submit the relevant documents or information, and extend the deadline accordingly for the taking of a decision to issue the special permit (licence) or to refuse to issue the special permit (licence).

17. According to the information at its disposal, the Consumer Rights Protection Centre shall decide to refuse to issue a special permit (licence), if:

17.1. the capital company, its council (if such has been formed) or board member, the procuration holder or the responsible person does not conform to the requirements referred to in Paragraphs 8, 9 and 10 of this Regulation;

17.2. the capital company does not submit the documents referred to in Paragraph 12 of this Regulation or other information necessary for the taking of a decision within the deadline indicated in Paragraph 16 of this Regulation;

17.3. when evaluating the information referred to in Paragraph 11 of this Regulation, the Consumer Rights Protection Centre establishes that the capital company is not ensuring compliance of its activities with the requirements laid down in laws and regulations.

[*29 October 2019/ See Paragraph 59*]

18. According to the information at its disposal, the Consumer Rights Protection Centre shall decide to refuse to issue the special permit (licence), if:

18.1. the capital company has provided false information;

18.2. the documents submitted by the capital company for the receipt of the special permit (licence) or the information indicated therein does not comply with the requirements laid down in laws and regulations;

18.3. the capital company has not fulfilled the instructions of the Consumer Rights Protection Centre referred to in Paragraph 7 of this Regulation regarding the activities to be taken by a capital company to ensure the compliance of the capital company or the activities thereof with the requirements of this Regulation.

19. The Consumer Rights Protection Centre shall take the decision to issue the special permit (licence) or to refuse to issue the special permit (licence) within one month from the day when all the information and documents referred to in Paragraph 12 of this Regulation have been received.

20. Within three working days after taking of the decision referred to in Paragraph 19 of this Regulation, the Consumer Rights Protection Centre shall inform the capital company in writing thereof.

21. Following the taking of the decision to issue the special permit (licence), the Consumer Rights Protection Centre shall issue the capital company the standard form special permit (licence) (Annex 2) A representative of the capital company shall confirm the receipt of the special permit (licence) with his or her signature.

22. In accordance with the procedures laid down in the laws and regulations governing the circulation of electronic documents, the Consumer Rights Protection Centre may issue the special permit (licence) in the form of an electronic document, if the capital company has expressed such request.

23. The special permit (licence) shall come into effect on the day when the Consumer Rights Protection Centre has taken the decision to issue the special permit (licence) or on the date indicated in the special permit (licence).

[*5 January 2016*]

24. If the special permit (licence) has been damaged, stolen or lost, the capital company shall inform the Consumer Rights Protection Centre thereof in writing within five working days after the determination of the abovementioned fact, by filing a submission for the issue of a duplicate special permit (licence). Within five working days after receipt of the submission, the Consumer Rights Protection Centre shall issue a duplicate of the special permit (licence). Until the issue of the duplicate of the special permit (licence), the capital company is entitled to provide consumer credit services.

25. If during the term of validity of the special permit (licence) the information indicated in the special permit (licence) issued to a capital company (the name (firm) or the legal address of the capital company) has changed, the capital company shall file a submission to the Consumer Rights Protection Centre regarding the necessary amendments to the special permit (licence) (Annex 3) within 10 days after the occurrence of the respective changes. Documents certifying the facts referred to in the submission shall be appended to thereto.

26. Within 15 days after receipt of the submission referred to in Paragraph 25 of this Regulation, the Consumer Rights Protection Centre shall decide whether to make amendments to the special permit (licence) or to refuse to make amendments to the special permit (licence). If additional information or the verification of information is necessary for deciding, the deadline may be extended by up to one month.

27. If during the term of validity of the special licence (permit) any changes occur in the information indicated in Paragraphs 2, 3 and 4 of Annex 1 to this Regulation, the composition of the council (if such has been formed) or board members of the capital company, the information regarding procuration holders, the amount of shares owned by shareholders of the capital company, or owners (shareholders) of shares of the equity capital or beneficial owners change, the capital company is obliged to inform the Consumer Rights Protection Centre thereof and submit the current information within 10 working days from the day when the changes have been made or have occurred. If the abovementioned changes affect non-residents, the information shall be accompanied by documents attesting to the changes.

[*29 October 2019/ see Paragraph 59*]

28. During the term of validity of the special permit (licence), a capital company has an obligation to submit the following information to the Consumer Rights Protection Centre twice a year – by 1 March and by 1 September (regarding each credit type separately):

28.1. the number of new credit contracts entered into with consumers in the previous six months;

28.2. the total amount of credits issued anew to consumers in the previous six months;

28.3. the amount of the credit portfolio of credits issued to consumers at the end of the previous six months;

28.4. the interest rate of new credit contracts entered into with consumers in the previous six months;

28.5. the amount of such credits (number and sum) at the end of the previous six months, for which consumers have missed payments, in distribution according to the time period of delay in payment;

28.6. other information upon request of the Consumer Rights Protection Centre, which is necessary for fulfilling the functions laid down in laws and regulations or for determining the market development trends, warning the capital company thereof in writing in advance within a reasonable time period.

[*25 June 2013*]

28.1 The Consumer Rights Protection Centre is entitled to determine the form, in which the information referred to in Paragraph 28 of this Regulation shall be submitted.

[*25 June 2013*]

28.2During the term of validity of the special permit (licence), a capital company is obliged to, twice a year – by 1 March and 1 September –, submit to the Consumer Rights Protection Centre information regarding the amount and legal origin of the financing attracted in the previous six months, as well as information regarding the financing returned in the previous six months.

[*29 October 2019/ See Paragraphs 59 and 60*]

28.3During the term of validity of the special permit (licence), a capital company is obliged to, once a year – by 1 March of the following year –, submit to the Consumer Rights Protection Centre information regarding criminal and administrative records of a member of the council or board, a procuration holder or the responsible person who is a foreign national.

[*29 October 2019/ see Paragraph 59*]

**IV. Re-Registration of the Special Permit (Licence) and the Documents Required Therefore**

[5 January 2016]

29. [5 January 2016]

30. [5 January 2016]

31. [5 January 2016]

32. [5 January 2016]

33. [5 January 2016]

34. [5 January 2016]

35. [5 January 2016]

36. [5 January 2016]

**V. Suspension of the Validity and Cancellation of the Special Permit (Licence)**

37. The Consumer Rights Protection Centre, when performing monitoring or based on the information submitted by the authority of another country, is entitled to take a decision to suspend or cancel the validity of the special permit (licence) in accordance with the procedures laid down in this Regulation.

38. The Consumer Rights Protection Centre is entitled to take the decision to suspend the validity of the special permit (licence) issued to a capital company for a period of up to six months, if:

38.1. the capital company, a member of its council (if such has been formed) or board, the procuration holder or the responsible person does not conform to the requirements referred to in Paragraphs 8, 9 and 10 of this Regulation;

38.2. the capital company does not provide the Consumer Rights Protection Centre with the documents and information requested thereby for the performance of the inspection of the capital company or does not co-operate with the Consumer Rights Protection Centre in order to eliminate violations in the field of the consumer rights protection;

38.3. the capital company has not executed the decision of the Consumer Rights Protection Centre for the protection of the collective interests of consumers or does not fulfil the written undertaking specified in laws and regulations to eliminate the committed violations within the deadline specified;

38.4. the capital company has not provided the information referred to in Paragraph 27 of this Regulation to the Consumer Rights Protection Centre within the deadlines specified;

38.5. the amount of the late tax, duty or other mandatory payments of the capital company is greater than EUR 1425 and the delay in payment thereof exceeds one month following the end of the payment term. In such case, the Consumer Rights Protection Centre is entitled to suspend the validity of the special permit (licence) until the moment when the information regarding the payment of full debt amount has been provided thereto;

38.6. the capital company systematically fails to comply with the procedures specified by the capital company for the provision of consumer credit services, the examination of consumer complaints and evaluation of the consumerʼs creditworthiness;

38.7. the operation of the capital company in the provision of consumer credit services does not comply with the requirements of the laws and regulations governing the protection of consumer rights;

38.8. the Consumer Rights Protection Centre has information at its disposal regarding violations committed by the capital company, a member of council (if such has been formed) or board of the capital company, the procuration holder or the responsible person during the the of validity of the special permit (licence) in the fields of commercial activities, protection of consumers rights or personal data protection;

38.9. the capital company has not paid the annual State duty for the supervision of the operation of a provider of credit services within the period and in the amount specified in this Regulation.

[*8 October 2013; 5 January 2016; 29 October 2019/ See Paragraph 59*]

39. Within three working days after taking of the decision to suspend the validity of the special permit (licence), the Consumer Rights Protection Centre shall inform the capital company thereof in writing, indicating the grounds for the suspension of the validity.

40. If a capital company has eliminated the violations established in the decision of the Consumer Rights Protection Centre to suspend the validity of the special permit (licence), the Consumer Rights Protection Centre shall take the decision to renew the operation of the special permit (licence) within 10 working days from the day when the capital company or other institution has provided all the necessary information to the Consumer Rights Protection Centre, which proves the elimination of the violations. If additional information or the verification of information is necessary for the taking of a decision, the deadline may be extended by up to one month.

41. Within three working days after taking of the decision to renew a suspended special permit (licence), the Consumer Rights Protection Centre shall notify the capital company thereof in writing.

42. The Consumer Rights Protection Centre shall take the decision to cancel the special permit (licence), if:

42.1. within six months after taking of the decision by the Consumer Rights Protection Centre to issue the special permit (licence), the capital company has not commenced the provision of services or has suspended commercial activities for a period exceeding six months;

42.2. the capital company has filed a submission (Annex 5) with a request to cancel the special permit (licence);

42.3. the capital company has been declared insolvent;

42.4. a court ruling has been taken or information regarding the termination of the activities of the commercial company has been included in the Enterprise Register;

42.5. the validity of the special permit (licence) has been temporarily suspended in accordance with Paragraph 39 of this Regulation and the capital company has not eliminated the violations due to which the validity of the special permit (licence) has been suspended within the specified deadline.

43. The Consumer Rights Protection Centre is entitled to take the decision to cancel the special permit (licence), if:

43.1. significant violations of the laws and regulations governing commercial activities, taxation, protection of consumers rights or personal data protection have been established;

43.2. the Consumer Rights Protection Centre has information at its disposal regarding administrative sanctions imposed on the capital company, a member of its council (if such has been formed) or board, the procuration holder or the responsible person during the term of validity of the special permit (licence) for significant administrative offences in the fields of commercial activities, taxation, protection of consumers rights or personal data protection;

43.3. the capital company has provided false information to the Consumer Rights Protection Centre.

[*29 October 2019/ See Paragraph 59*]

44. A capital company whose issued special permit (licence) has been cancelled or the validity of whose special permit (licence) has been suspended, shall not:

44.1. enter into new credit contracts with consumers;

44.2. make changes to contracts entered into during the term of validity of the special permit (licence) if the changes are less favourable to the consumer in comparison with the changes to be made to the market conditions existing in the contract at the time of offer, or enter into renewable contracts, except in cases where a new loan is not being issued and restructuring of the existing obligations is being performed.

45. Suspension or cancellation of the validity of the special permit (licence) shall not affect the fulfilment of commitments of the contract entered into during the term of validity of the special permit (licence).

46. A consumer who has entered into a credit contract with a capital company whose issued special permit (licence) has been cancelled after entering into of the credit contract is entitled to unilaterally withdraw from the credit contract informing the capital company in writing. In such case the capital company shall not be allowed to request that the consumer pays the penalty or recompense losses in connection with the revocation of the consumer credit contract.

47. If a consumer uses the right specified in Paragraph 46 of this Regulation to unilaterally withdraw from a credit contract, it is the obligation of the consumer to repay the credit amount received and the interest accrued for the use of the credit from the day of receipt of the credit to the date that it has been repaid, to the creditor without delay, but not later than 30 days after the notice of withdrawal from the credit contract has been sent. The interest shall be calculated on the basis of the borrowing rate specified in the credit contract.

48. A capital company whose special permit (licence) has been cancelled may file a submission for the receipt of a new special permit (licence) no sooner than three years after the day when the decision to cancel the special permit (licence) was taken, except where a special permit (licence) has been cancelled by a request of the capital company in compliance with Sub-paragraph 42.2 of this Regulation. If the special permit (licence) is cancelled, the paid State duty for the issuing of the special permit (licence) and the annual State duty for the supervision of the operation of a provider of credit services shall not be reimbursed to the capital company.

[*5 January 2016*]

**VI. Amount and Procedures for the Payment of the State Duty**

49. The amount of the State duty for the issuance of the special permit (licence) shall be EUR 250 000.

[*8 October 2013; 8 October 2019*]

50. The amount of the annual State duty for the supervision of the operation of a provider of credit services shall be EUR 55 000.

[*5 January 2016; 8 October 2019*]

51. A capital company shall pay the State duty for the issuing of the special permit (licence) prior to filing the submission referred to in Paragraph 12 of this Regulation to the Consumer Rights Protection Centre.

[*5 January 2016*]

51.1 A capital company shall pay the annual State duty for the supervision of the operation of a provider of credit services as follows:

51.1 1. for the first time – until the day when a year has passed from the day of the issuing of the special permit (licence) in proportion to the number of days for the period until the end of the relevant calendar year. The annual State duty for the supervision of the operation of a provider of credit services shall not be paid for the first calendar year from the day when the special permit (licence) was issued;

51.1 2. for each following calendar year – until 1 December of the current year.

[*5 January 2016*]

52. A capital company shall pay the State duty with the intermediation of a credit institution or such institution which has the right to provide payment services by indicating the purpose of the payment – the State duty for the issuing of the special permit (licence) or the annual State duty for the supervision of the operation of a provider of credit services.

[*5 January 2016*]

53. The State duty shall be paid into the State basic budget.

54. If the issuing of the special permit (licence) is refused or a capital company withdraws its application for the receipt of the special permit (licence) before the Consumer Rights Protection Centre takes a decision, the State Revenue Service shall, based on the decision of the Consumer Rights Protection Centre to refuse the issuing of the special permit (licence) or the information provided thereby regarding withdrawal of the application for the special permit (licence), reimburse the capital company for the paid State duty in the amount of 70 per cent in accordance with the procedures laid down in the law On Taxes and Duties.

[*29 October 2019/ See Paragraph 59*]

**VII. Closing Provisions**

55. This Regulation shall come into force concurrently with Section 21 of the Law on Procedures for the Coming into Force of The Commercial Law, which provides for requirements with respect to the minimum amount of equity capital to be payable to capital companies providing consumer credit services.

56. Paragraph 28 of this Regulation shall be applicable from 1 January 2013.

57. [12 August 2014]

58. The special permit (licence) issued or re-registered before 31 December 2015 shall be valid until expiry of the term indicated in the special permit (licence), unless the decision is taken to cancel the special permit (licence) or suspend its validity in accordance with this Regulation. Not later than two months before the expiry of the term of validity indicated in the special permit (licence), a capital company shall submit to the Consumer Rights Protection Centre a submission in free form for the issue of the special permit (licence) for an indefinite period. In such case, the State duty need not be paid. The submission shall be accompanied by the information and documents referred to in Paragraph 12 of this Regulation if the information indicated therein has changed or if the term of validity of the document has expired and this information has not been notified to the Consumer Rights Protection Centre in accordance with Paragraph 27 of this Regulation. Until the expiry of the term of validity of the valid licence, the capital company shall pay the State duty for the supervision of the operation of a provider of credit services in proportion to the number of days for the period from the expiry of the term of validity of the special permit (licence) until the end of the relevant calendar year.

[*5 January 2016*]

59. Amendments to Paragraph 7.1, Sub-paragraph 8.6, Sub-paragraphs 9.3, 9.4, 9.5, 9.5.2, 9.6, Paragraph 10, Sub-paragraphs 11.1, 11.5, 11.6, 11.7, 11.8, Paragraph 11.1, Sub-paragraphs 12.1, 12.6, 12.7, 12.8, 12.9, 13.2, 13.3, 17.1, Paragraphs 27, 28.2, 28.3, Sub-paragraphs 38.1, 38.8, 43.1, 43.2, Paragraph 54 of this Regulation and Paragraph 4.1, Sub-paragraph 8.4 and Paragraph 10 in Annex 1 to this Regulation shall be applicable from 1 January 2020 to the capital companies which have received the special permit (licence) for the provision of consumer credit services before the day of entry into force of these amendments.

[*29 October 2019*]

60. The information referred to in Paragraph 28.2 of this Regulation shall be submitted for the period from 1 January 2020.

[*29 October 2019*]

Prime Minister V. Dombrovskis

Minister for Economics A. Kampars

**Annex 1**

Cabinet Regulation No. 245

29 March 2011

[*5 January 2016; 29 October 2019/ See Paragraph 59 of the Regulation*]

**Submission for the Receipt of the Special Permit (Licence)**

To the Consumer Rights Protection Centre

1. Information regarding the capital company

|  |  |
| --- | --- |
| Name (firm) of capital company |  |
| Registration number in the Commercial Register (or in an equivalent competent authority in another European Union or European Economic Area country in which the capital company is registered) |  |
| Legal address |  |
| Telephone number |  |
| Fax number |  |
| E-mail |  |

2. Contact person of the capital company

|  |  |
| --- | --- |
| Given name, surname |  |
| Phone number |  |
| Fax number |  |
| E-mail address |  |

3. Information regarding the location (address) or locations of the performance of commercial activities (customer service) and the website on which public information services are offered (if the capital company provides these):

3.1. information regarding the location (address) or locations of the performance of commercial activities

|  |  |  |
| --- | --- | --- |
| Name of the customer service location (if any) | Address | Credit service offered |
|  |  |  |
|  |  |  |
|  |  |  |

3.2. information regarding the website (sites) of the capital company on which consumers are or may be offered public information services

|  |  |
| --- | --- |
| Website address | Credit service offered |
|  |  |
|  |  |
|  |  |

4. Information regarding the types of credit services which the capital company offers or is proposing to offer consumers

|  |  |  |
| --- | --- | --- |
| Credit type (mark with an X) | Security (mark with an X) | Short description of service |
| □ | Mortgage credit for the acquisition of immovable property |  |  |
| □ | Other credit for the acquisition of immovable property, which is not mortgage credit |  |  |
| □ | Other credit which is secured with an immovable property mortgage (specify which) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |
| □ | Credit against pledged movable property (lombard credit) |  |  |
| □ | Credit for the acquisition of consumable goods or services |  |  |
| □ | Financial leasing |  |  |
| □ | Operative leasing |  |  |
| □ | Payment card credit |  |  |
| □ | Other (specify which)\* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |

Note. If necessary, the table may be supplemented with additional columns.

4.1Information regarding the person(s) responsible for the fulfilment of requirements for the prevention of money laundering and terrorism and proliferation financing in the capital company

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Name | Surname | Position | Contact information (including telephone, electronic mail address) |
|  |  |  |  |  |
|  |  |  |  |  |

5. Information regarding the competence of the capital company employees in the provision of consumer credit services, who provide or will provide credit services to a consumer and information on how the competence of employees is ensured (for example, employee selection methods, requirements for employee education, employee training programmes and other activities)

|  |
| --- |
|  |

6. Please issue the special permit (licence) for the provision of consumer credit services in the Republic of Latvia from \_\_ \_\_\_\_\_\_\_\_\_\_.\_\_\_\_ (date).\*

Note. \*To be completed if the provision of consumer credit services is intended to be commenced not earlier than four months following the filing of the submission for the receipt of the special permit (licence).

7. I wish to receive a licence (mark with an X):

□ in the form of a printed document

□ in the form of an electronic document in accordance with the procedures laid down in the laws and regulations governing the circulation of electronic documents

8. I hereby certify that:

8.1. the capital company has developed procedures by which consumer credit services are provided, consumer complaints are examined and the consumerʼs creditworthiness is evaluated;

8.2. the capital company employees are competent in the provision of consumer credit services;

8.3. if the capital company offers or is planning to offer a consumer a credit contract, upon entry into which the consumer hands over some movable property for keeping to the capital company:

8.3.1. all premises in which the provision of services to a consumer is performed or is to be performed and the keeping of pledge, shall conform to the requirements of consumer credit regulations;

8.3.2. contracts with security merchants who operate in accordance with the Security Guard Activities Law have been entered into or are to be entered into in order to ensure the compliance of the locations of provision of services with the requirements of consumer credit regulations;

8.3.3. civil liability for damages caused to the pledge handed over to the capital company for keeping due to an act or omission by the capital company has been insured;

8.4. the capital company has developed an internal control system for the prevention of money laundering and terrorism and proliferation financing and the procedures for evaluating compliance of the attracted financing with requirements in the field of prevention of money laundering and terrorism and proliferation financing and legal origin thereof.

9. I certify that I am informed of the obligation provided for in Paragraphs 25 and 27 of Cabinet Regulation No. 245 of 29 March 2011, Regulations Regarding a Special Permit (Licence) for the Provision of Consumer Credit Services, to provide information to the Consumer Rights Protection Centre regarding the name, legal address of the merchant, as well as changes in the information provided in this application and documents appended thereto within 10 days from the making of the relevant changes.

10. I certify that I am informed that the provision of false or misleading information to the Consumer Rights Protection Centre constitutes a violation for which the receipt of the special permit (licence) may be refused or an issued special permit (licence) may be cancelled. The laws and regulations of Latvia provide both administrative liability and criminal liability for commercial activities without the special permit (licence).

Appended (mark with an X):

□ the statement on criminal and administrative records from a State institution of the country of the personʼs permanent place of residence which maintains information regarding such records in accordance with laws of the respective country (if a member of the council (if such has been formed) or board of the capital company, a procuration holder or a person responsible for the fulfilment of requirements for the prevention of money laundering and terrorism and proliferation financing is a foreign national)

□ the authorisation of an authorised representative (if the submission is filed by an authorised representative)

□ the documents certifying the legal origin of financial resources which are invested in the equity capital of the capital company or which are used to pay for the alienated shares of shareholders of the capital company

□ the information regarding the beneficial owners

□ the information as to whether in the last three years the capital company has received a refusal to register commercial activity or to issue the permit (licence) thereto for the provision of services if, in conformity with requirements of laws and regulations, such permit (licence) is required in the field of financial services, or the information regarding cancellation, withdrawal or termination of such registration or permit (licence)

□ other documents (specify which)

|  |  |  |  |
| --- | --- | --- | --- |
| Official of the merchant |  |  |  |
|  | (given name, surname) |  | (signature\*) |

|  |
| --- |
|  |
| (date\*) |

Note. \* The details of the document “date” and “signature” shall not be completed if the electronic document has been drawn up in conformity with the laws and regulations regarding drawing up of electronic documents.

**Annex 2**

Cabinet Regulation No. 245

29 March 2011

[*5 January 2016*]

**Consumer Rights Protection Centre**

**Special Permit (Licence) No. \_\_\_\_\_\_\_**

|  |  |
| --- | --- |
| Name of the merchant |  |
| Registration number in the Commercial Register (or in an equivalent competent authority in another European Union or European Economic Area country in which the capital company is registered) |  |
| Legal address of the merchant |  |

The special permit (licence) has been issued for the provision of consumer credit services in the Republic of Latvia from \_\_\_ \_\_\_\_\_\_ \_\_\_\_ (date), based on Decision No.\_\_\_\_ of \_\_\_ \_\_\_\_\_\_ \_\_\_\_ (date) of the Consumer Rights Protection Centre

|  |  |  |  |
| --- | --- | --- | --- |
| Director of the Consumer Rights Protection Centre |  |  |  |
|  | (given name, surname) |  | (signature\*) |

Place for a seal\*

Note. The details of the document “signature” and “Place for a seal” shall not be completed if the electronic document has been drawn up in conformity with the laws and regulations regarding drawing up of electronic documents.

**Annex 3**

Cabinet Regulation No. 245

29 March 2011

**Submission for Making Amendments to the Special Permit (Licence)**

To the Consumer Rights Protection Centre

1. Information regarding the merchant

|  |  |
| --- | --- |
| Name (firm) of capital company |  |
|  |
| Special permit (licence) number |  |
|  |
| Registration number in the Commercial Register or in an equivalent competent authority in another European Union or European Economic Area country in which the capital company is registered |  |
|  |  |
| Legal address |
|  |  |
| Phone number |
|  |  |
| Fax number |
|  |  |
| E-mail address |

2. Contact person of the capital company

|  |  |
| --- | --- |
| Given name, surname |  |
| Phone number |  |
| Fax number |  |
| E-mail address |  |

Please make the following amendments to the special permit (licence):

|  |
| --- |
|  |
|  |
|  |  |  |
| (given name and surname of the responsible official) |  | (signature) |

|  |
| --- |
|  |
| (date) |

Appended:

1. Justification for amendments to the conditions of the special permit (licence).

2. Documents certifying the justification (specify the documents).

3. Power of attorney of the authorised representative (if the submission is submitted by an authorised representative).

Note. \* The details of the document “date” and “signature” shall not be completed if the electronic document has been prepared in accordance with the laws and regulations regarding the drawing up of electronic documents.

Minister for Economics A. Kampars

**Annex 4**

Cabinet Regulation No. 245

29 March 2011

**Submission for the Re-Registration of the Special Permit (Licence)**

[5 January 2016]

**Annex 5**

Cabinet Regulation No. 245

29 March 2011

**Submission for the Cancellation of the Special Permit (Licence)**

To the Consumer Rights Protection Centre

Please cancel the special permit (licence) from \_\_\_\_\_(date).

Information regarding the merchant

|  |  |
| --- | --- |
| Name (firm) of capital company |  |
|  |  |
| Special permit (licence) number |
| Registration number in the Commercial Register or in an equivalent competent authority in another European Union or European Economic Area country in which the capital company is registered |  |
|  |  |
| Legal address |  |
|  |  |
| Phone number |  |
|  |  |
| Fax number |  |
|  |  |
| E-mail address |  |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| (given name and surname of the responsible official) |  | (signature) |

|  |
| --- |
|  |
| (date) |

Appended: the power of attorney of an authorised representative (if the submission is submitted by the authorised representative, mark with an X).

Note. \* The details of the document “date” and “signature” shall not be completed if the electronic document has been prepared in accordance with the laws and regulations regarding the drawing up of electronic documents.

Minister for Economics A. Kampars