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

28 May 2020 [shall come into force on 12 June 2020]

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 Inventory of Trees and Round Timber in Transactions**

**Chapter I**

**General Provisions**

**Section 1.** The following terms are used in this Law:

1) **round timber** – barked or unbarked logs the length of which exceeds one metre and the diameter at the smaller end – three centimetres;

2) **amount** – the volume of trees or round timber in cubic metres;

3) **transactions** – operations with trees and round timber that establish, amend or terminate legal relations. This term shall also be applicable to the acquisition or use of round timber if such timber is intended to be used after treatment or processing for the performance of transactions;

4) **origin** – information in a document certifying a transaction regarding the location of tree felling and the previous owner or legal possessor of trees or regarding the previous owner of round timber;

5) **trees** – trees regarding which a felling certification has been received;

6) **temporary storage location** – one or several felling areas of one calendar year in one property or legal possession, and the place of stowage of the round timber obtained therein, as well as the place of stowage of such round timber for the acquisition of which a tree felling certification is not required;

7) **permanent storage location** – an area in which round timber intended for the performance of economic activities is stored and which is not a temporary storage location;

8) **individual consumption** – the acquisition of round timber from trees that are in a property or legal possession and the use thereof for the needs of an owner, not performing transactions with such timber or the products obtained therefrom;

9) **admissible deviation** – the maximum amount of round timber by which the actual amount may differ from the inventoried amount, taking into account the precision of measurement.

**Section 2.** The purpose of this Law is to implement single inventory procedures for trees and round timber in transactions in all stages of the circulation of trees and round timber, as well as to promote fair competition and the collection of taxes.

**Section 3.** (1) This Law applies to natural persons and legal persons who have obtained trees or round timber in a property or legal possession or who perform storage, treatment and processing of round timber.

(2) Persons who perform transactions with trees or round timber shall determine the amount of trees and round timber and perform inventory in accordance with the procedures prescribed in Chapter III of this Law.

(3) If trees or round timber are intended for individual consumption, such trees or round timber shall be inventoried in accordance with the procedures prescribed in Chapter IV of this Law.

**Chapter II**

**Determination of the Amount of Trees and Round Timber**

**Section 4.** The amount of trees shall be determined in accordance with the inventory data indicated in the State Forest Register or using methods that ensure precision of measuring with a permissible error of up to 10 per cent.

**Section 5.** (1) The amount of round timber shall be determined by measuring such round timber in accordance with the Latvian National Standard of round timber measurement.

(2) The Cabinet shall determine the mandatory application of Latvian national standards.

**Section 6.** (1) If one of the parties involved in a transaction does not agree with the results of the measurement of trees or round timber, an organisation accredited in the field of the measurement of trees or round timber (hereinafter – accredited organisation) shall be invited for the determination of the amount.

(2) Accredited organisations shall enter into a professional activity risk (civil liability) insurance contract (hereinafter – civil liability contract).

(3) The Cabinet shall determine the accreditation requirements for organisations that operate in the field of round timber measurement, as well as the minimum sum for which such organisations may enter into a civil liability contract.

**Chapter III**

**Procedures for the Inventory of Trees and Round Timber in Transactions**

**Section 7.** The amount of trees and round timber specified in accordance with the requirements of Sections 4 and 5 of this Law shall be reflected in transaction documents.

**Section 8.** (1) Inventory of trees or round timber in transactions in temporary or permanent storage locations shall be performed in such a way so as to be able to determine the origin and amount of trees and round timber, as well as to trace the progress of transactions.

(2) If the amount of trees indicated in a tree felling certification and the amount of round timber obtained after the felling of such trees (not performing a transaction) differs by more than the admissible deviation, then the actual amount shall be the amount of round timber obtained in the felling area.

(3) The admissible deviation shall be 10 per cent from the inventoried amount of round timber.

**Section 9.** (1) If a person that is not an owner or legal possessor of a forest obtains trees in a property, such person shall be liable for the amount of round timber actually obtained in the relevant felling area.

(2) An owner or legal possessor of a forest shall attach information regarding the amount of sold trees and round timber to an economic activities report. The report shall be submitted to the State Forest Service in accordance with the procedures specified by the Law on Forests.

**Section 10.** The Cabinet shall regulate the procedures for the inventory of trees and round timber, documents certifying inventory and transactions, as well as documents certifying individual consumption and the procedures for the registration and provisions for storage thereof.

**Chapter IV**

**Procedures for the Inventory of Round Timber Used for Individual Consumption**

**Section 11.** (1) If round timber is used for individual consumption, the amount thereof shall be determined by using methods that ensure the precision of measurement with a permissible error of up to 10 per cent.

(2) An owner or legal possessor of a forest shall perform inventory of round timber obtained for individual consumption, indicating the amount of round timber actually obtained, the species of trees, the place of acquisition and the purpose of the use thereof.

(3) An owner or legal possessor of a forest shall attach data regarding the amount of round timber used for individual consumption to an economic activities report. The report shall be submitted to the State Forest Service in accordance with the procedures specified by the Law on Forests.

**Chapter V**

**Administrative Offences in the Trade of Timber and Timber Products, in the Inventory of Trees and Round Timber and Competence in Administrative Offence Proceedings**

[*28 May 2020 /* *The new wording of Chapter shall come into force on 1 July 2020.* *See Paragraph 2 of the Transitional Provisions*]

**Section 12.** (1) For failure to fulfil the obligation of due diligence specified in Article 4(2) and (3) of Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market, a warning or a fine from twenty to two hundred and eighty units of fine shall be imposed on a natural person, but a fine from one hundred to two thousand and eight hundred units of fine – on a legal person, with or without a prohibition to place timber or timber products on the market for a time period of up to one year.

(2) For the violation of the prohibition specified in Article 4(1) of Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market, a fine from twenty to four hundred units of fine shall be imposed on a natural person, but a fine from two hundred to four thousand units of fine – on a legal person, with or without a prohibition to place timber or timber products on the market for a time period of up to two years.

(3) For the violation of the requirements for the inventory of trees and round timber specified in this Law, a fine from twenty-eight to seventy units of fine shall be imposed on a natural person, but a fine from forty-two to eighty-six units of fine – on a legal person.

[*28 May 2020 /* *The new wording of Section shall come into force on 1 July 2020.* *See Paragraph 2 of the Transitional Provisions*]

**Section 13.** (1) Administrative offence proceedings for the offences referred to in Section 12 of this Law shall be conducted by the State Forest Service.

(2) Administrative offence proceedings for the offences referred to in Section 12, Paragraph three of this Law shall be conducted by the State Revenue Service.

[*28 May 2020 /* *The new wording of Section shall come into force on 1 July 2020.* *See Paragraph 2 of the Transitional Provisions*]

**Transitional Provisions**

[*28 May 2020*]

1. The Cabinet shall issue the regulations referred to in Paragraphs 5, 6 and 10 of this Law by 1 July 2005.

[*28 May 2020*]

2. Amendment regarding the new wording of Chapter V of this Law shall come into force concurrently with the Law on Administrative Liability.

[*28 May 2020*]

This Law shall come into force on 1 July 2005.

This Law has been adopted by the *Saeima* on 16 December 2004.

President V. Vīķe-Freiberga

Rīga, 28 December 2004