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

23 March 2006 [shall come into force on 20 April 2006];

12 December 2008 [shall come into force on 1 January 2009];

1 December 2009 [shall come into force on 1 January 2010];

27 September 2018 [shall come into force on 1 January 2022];

8 March 2023 [shall come into force on 22 March 2023].

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:

**State Culture Capital Foundation Law**

**Section 1. Purpose of the Law**

This Law prescribes the purpose, tasks and organisational structure of the State Culture Capital Foundation and the procedures for the use of the resources thereof.

**Section 2. Legal Status of the State Culture Capital Foundation**

(1) The State Culture Capital Foundation (hereinafter – the Foundation) is a public foundation which is established by this Law.

(2) The Foundation is a legal person governed by public law that acts in accordance with this Law, other laws and regulations and the by-laws of the Foundation, which shall be approved by the Cabinet.

**Section 3. Purpose and Tasks of the Foundation**

(1) The purpose of the Foundation is to promote balanced development of creativity in all sectors of culture and art and the preservation of cultural heritage in the State in accordance with the national cultural policy guidelines.

(2) The Foundation shall have the following tasks:

1) to attract, accumulate, administer and allocate resources for the implementation of cultural projects (hereinafter – the projects) and lifetime grants to outstanding individuals working in the field of culture and the arts for lifetime achievement in the development of culture and the arts;

2) to announce and organise calls for project proposals for the receipt of financing;

3) to purposefully and efficiently manage the State funds allocated to the Foundation by ensuring control over their use;

4) to ensure complete openness of the activities thereof – in allocating financing, to publish information in the official gazette *Latvijas Vēstnesis* on the amount of project funding and the source of the earmarked financing, ensure publicly available information on the projects submitted to the Foundation and financed by the Foundation, prepare and publish in the official gazette *Latvijas Vēstnesis* the annual public statement and report of the Foundation on the implementation of the purpose.

(3) The Foundation shall financially support projects implemented by natural and legal persons, which:

1) promote the process of cultural renewal and artistic creativity and foster the diversity thereof;

2) promote the creative and research projects of natural and legal persons in the field of culture;

3) foster the acquisition of education and professional skill development;

4) promote the development of international relations and the popularisation of the culture and art of Latvia in the world;

5) foster the preservation and dissemination of cultural values and the availability thereof to the general public;

6) foster the development of traditional culture.

**Section 4. Rights of the Foundation**

The Foundation has the right to:

1) receive financing from the State budget;

2) receive gifts and donations to be used for the implementation of the purpose and tasks of the Foundation;

3) obtain movables and immovables in the ownership thereof for the implementation of the purpose and tasks of the Foundation;

4) engage in economic activity, which is related to the implementation of the purpose and tasks of the Foundation.

**Section 5. Funds of the Foundation and the Use Thereof**

(1) Funds of the Foundation shall be comprised of:

1) funds of State budget from general revenues in the amount specified in the annual State budget law;

2) gifts and donations of persons, including foreign persons, and other financial assistance;

3) income from the economic activities of the Foundation.

(2) Allocation of the funds of the State budget for the current year shall be:

1) 3 per cent of the State budget revenues planned for the current year from the excise duty on alcoholic beverages;

2) 3 per cent of the State budget revenues planned for the current year from the excise duty on tobacco products;

3) 3 per cent of the State budget revenues planned for the current year from the lotteries tax;

4) 3 per cent of the State budget revenues planned for the current year from the gambling tax.

(3) The funds allocated from the State budget shall be kept in the Treasury.

(4) The funds allocated by persons, including foreign persons, shall be kept in a bank chosen by the Foundation.

(5) The funds of the Foundation shall be used only in accordance with the purpose and tasks of the Foundation, as well as to ensure the activities of the Foundation. The gifts and donations of persons, including foreign persons, and other financial assistance shall be used by the Foundation in accordance with the indicated purpose of the financing. If the purpose of the financing has not been indicated, the financing shall be used in accordance with the procedures specified by this Law.

(6) The surplus of funds at the end of the financial year shall be used to cover the expenditures of the Foundation in the subsequent financial year.

(7) The Foundation shall be liable to the extent of all its funds.

[*23 March 2006; 27 September 2018; 8 March 2023* / *Amendment to Clauses 3 and 4 of Paragraph two which provides for the allocation of funds from the State budget in the amount of three per cent shall come into force on 1 January 2024. See Paragraph 10 of Transitional Provisions*]

**Section 6. Procedures for the Distribution of the Funds of the Foundation**

The funds of the Foundation shall be distributed in accordance with the purpose and tasks of the Foundation within the time limits and in the amount specified by the Council of the Foundation, taking into account the procedures specified by the by-laws of the Foundation.

**Section 7. Restrictions on the Activities of the Foundation**

(1) The Foundation does not have the right to undertake liabilities at the expense of the property of the Foundation if such liabilities do not directly apply to the purpose and tasks of the Foundation.

(2) The property of the Foundation may not be pledged or otherwise encumbered.

(3) The Foundation may not be a member in a partnership, a member (shareholder) in a capital company, purchase securities, undertake liabilities that arise from guarantee agreements, enter into loan agreements, as well as give, lend or donate the property of the Foundation.

**Section 8. Organisational Structure of the Foundation**

The Council of the Foundation shall manage the Foundation, the director shall ensure the activities thereof, and sectoral expert commissions of the Foundation shall evaluate projects.

**Section 9. Council of the Foundation**

(1) The Council of the Foundation is the highest administrative body of the Foundation. The composition of the Council of the Foundation shall include the Minister for Culture, a representative of the Ministry of Finance, a representative of the National Board of Culture, a representative of the Council of Creative Unions, a representative of the Latvian Association of Local and Regional Governments and the chairperson of each sectoral expert commission of the Foundation.

(2) Heads of institutions subordinate to the Ministry of Culture may not be included in the composition of the Council of the Foundation.

(3) The Cabinet shall approve the composition of the Council of the Foundation.

(4) The term of office of the Council of the Foundation shall be two years. Members of the Council of the Foundation, as well as the chairperson of the Council of the Foundation, may act for not more than one successive term of office.

(5) The chairperson of the Council of the Foundation shall be elected from among its members by the members of the Council of the Foundation for a period of two years. The Minister for Culture may not be the chairperson of the Council of the Foundation.

(6) A member of the Council of the Foundation shall receive remuneration for fulfilling the duties of office. The amount of remuneration shall be determined by the Cabinet.

[*23 March 2006*]

**Section 10. Taking of Decisions of the Council of the Foundation**

(1) Decisions of the Council of the Foundation shall be taken by a simple majority vote. In the case of a tied vote, the vote of the Council chairperson shall be the deciding vote.

(2) All members of the Council of the Foundation present in a meeting shall sign the minutes of the Council meeting.

(3) Members of the Council of the Foundation shall be independent in their decision taking.

**Section 11. Director of the Foundation**

(1) The executive body of the Foundation shall be the director thereof.

(2) The chairperson of the Council of the Foundation shall appoint the director of the Foundation as a result of an open competition organised by the Council.

(3) The director of the Foundation shall ensure the activities of the Foundation and fulfil the instructions of the Council of the Foundation and the chairperson thereof in accordance with the procedures specified in the by-laws of the Foundation.

(4) The remuneration of the director of the Foundation and the employees of the Foundation shall be determined by the Council of the Foundation in accordance with the Law on Remuneration of Officials and Employees of State and Local Government Authorities.

[*23 March 2006; 1 December 2009*]

**Section 12. Sectoral Expert Commissions of the Foundation**

(1) The by-laws of the Foundation shall determine the procedures for the establishment of and the activities of the sectoral expert commissions of the Foundation.

(2) The Foundation shall have the following sectoral expert commissions:

1) an expert commission of the literature sector;

2) an expert commission of the music and dance arts sector;

3) an expert commission of the theatre arts sector;

4) an expert commission of the film arts sector;

5) an expert commission of the visual arts sector;

6) an expert commission of the cultural heritage sector;

7) an expert commission of the traditional culture sector.

(3) The Council of the Foundation may establish other sectoral expert commissions.

(4) The sectoral expert commission of the Foundation shall consist of seven members – specialists of the relevant cultural sector.

(5) The term of office of a sectoral expert commission of the Foundation shall be two years. The members of a sectoral expert commission of the Foundation may act as experts for not more than one successive term of office.

(6) The chairperson of a sectoral expert commission of the Foundation shall be elected with a majority vote from among the members thereof by the members of the expert commission of the relevant sector of the Foundation.

(7) The amount of remuneration for members of sectoral expert commissions of the Foundation and for connoisseurs and experts involved in the work of commissions shall be determined by the Council of the Foundation in accordance with the procedures stipulated by the Cabinet.

[*23 March 2006*]

**Section 13. Accounting and the Annual Public Statement**

(1) The Foundation shall keep accounting in accordance with the requirements of laws and regulations and shall submit a report on the use of financial resources in accordance with the requirements of this Law, the law On Accounting and other laws and regulations.

(2) When concluding a financial year, the Foundation shall prepare and publish an annual public statement on the accumulation and use of the funds of the Foundation to inform the public of the activities of the Foundation.

**Section 14. Control of the Rule of Law in the Activities of the Foundation**

(1) The Minister for Culture shall control the legality and efficiency of the use of the funds of the Foundation.

(2) The chairperson of the Council of the Foundation shall be liable for the legality of the activities of the Council of the Foundation.

(3) The by-laws of the Foundation shall determine the internal auditing procedures of the Foundation.

**Transitional Provisions**

1. With the coming into force of this Law, the Law on the Culture Capital Foundation (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1998, No. 3; 1999, No. 11; 2000, No. 10) is repealed.

2. The Cabinet shall develop the by-laws of the State Culture Capital Foundation by 1 January 2004.

3. Up to the day of the coming into force of the Cabinet Regulations referred to in Paragraph 2 of these Transitional Provisions, Cabinet Regulation No. 160 of 28 April 1998, Statutes of the State Non-profit Joint-Stock Company Culture Capital Foundation, are in force, insofar as such Statutes are not in conflict with this Law, but not longer than until 1 March 2004.

4. The Council of *valsts bezpeļņas akciju sabiedrība “Kultūrkapitāla fonds”* [the State non-profit joint-stock company Culture Capital Foundation] (hereinafter – the State non-profit joint-stock company Culture Capital Foundation), established by Cabinet Order No. 281 of 24 May 2002, On the Council of the State Non-profit Joint-Stock Company Culture Capital Foundation, shall operate until the expiration of the term of office thereof. After coming into force of the Cabinet Regulations referred to in Paragraph 2 of the these Transitional Provisions, the Council of the State Culture Capital Foundation shall act in accordance with this Law and the by-laws of the State Culture Capital Foundation.

5. The State Culture Capital Foundation is the legal successor of liabilities, property and financial resources of the State non-profit joint-stock company Culture Capital Foundation.

6. The Ministry of Culture shall prepare and submit to the Enterprise Register of the Republic of Latvia the necessary documents to withdraw the State non-profit joint-stock company Culture Capital Foundation from the Enterprise Register of the Republic of Latvia not longer than within one month after coming into force of this Law.

7. In 2009, the remuneration (work remuneration, bonuses, gratuities, benefits etc.) specified in accordance with this Law shall be determined in accordance with the law On Remuneration of Officials and Employees of State and Local Government Authorities in 2009.

[*12 December 2008*]

8. The provision of Section 5, Paragraph two of this Law shall not be applied to the allocation of funds from the State budget in 2009.

[*12 December 2008*]

9. In 2023, Section 5, Paragraph two, Clause 2 of this Law determines an allocation of the funds from the State budget in the amount of 2.5 per cent of the State budget revenues planned for the current year from the excise duty on tobacco products.

[*8 March 2023*]

10. Amendments to Section 5, Paragraph two, Clauses 3 and 4 of this Law which provide for the allocation of funds from the State budget in the amount of three per cent shall come into force on 1 January 2024.

[*8 March 2023*]

The Law shall come into force on 1 January 2004.

The Law has been adopted by the *Saeima* on 30 October 2003.

President V. Vīķe-Freiberga

Rīga, 14 November 2003