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

6 June 2019 [shall come into force on 3 July 2019];

15 June 2021 [shall come into force on 12 July 2021];

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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 Extrajudicial Recovery of Debt**

**Chapter I**

**General Provisions**

**Section 1. Terms Used in the Law**

The following terms are used in the Law:

1) **borrower** – a legal or natural person who has entered into a credit agreement with a credit institution to which the requirements of this Law for a non-performing credit agreement are applicable;

2) **outsourcing service provider** – a legal person engaged by a provider of debt recovery services which performs one or more servicing activities of a non-performing credit agreement in the name of the provider of debt recovery services;

3) **non-performing credit agreement** – a credit agreement classified as a non-performing exposure in accordance with Article 47a of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;

4) **creditor** – a person who has lawful relations with a debtor and who, on the basis of a lawful transaction or legal act, has the right to request the fulfilment of payment obligations;

5) **credit seller** – a credit institution which has granted credit to a natural or legal person to whom the requirements of this Law for a non-performing credit agreement are applicable;

6) **credit purchaser** – a legal person, except for a credit institution, which, within the scope of its economic or professional activity, acquires the right to claim arising from a non-performing credit agreement;

7) **debt recovery** – an aggregate of extrajudicial activities used by a creditor or provider of debt recovery services inviting a debtor to voluntarily fulfil the delayed payment obligations;

8) **provider of debt recovery services** – a person who recovers debts in the name of or on behalf of a creditor within the scope of commercial activities or professional activities thereof;

9) **debtor** – a natural person who has not fulfilled the payment obligations undertaken thereby under a lawful transaction or specified in legal acts within the deadline specified in the lawful transaction or legal act, and who is operating beyond the scope of the economic or professional activities thereof;

10) **debt** – payment obligations which have not been fulfilled within the deadline specified in a lawful transaction or legal act;

11) **home Member State** – a European Union Member State where the legal address or principal undertaking of the provider of debt recovery services, credit purchaser or its representative is located;

12) **host Member State** – a European Union Member State where the provider of debt recovery services has established a branch or performs credit servicing activities and also a Member State where the permanent place of residence or legal address of the borrower or its principal undertaking is located.

[*13 June 2024*]

**Section 2. Purpose of the Law**

The purpose of this Law is to:

1) govern the rights and obligations of a creditor and a provider of debt recovery services in the field of debt recovery;

2) ensure justice, commensurability and rationality during the recovery process;

3) facilitate voluntary payment of a debt;

4) promote the opportunity for third parties to assess the fulfilment of payment obligations by a natural person;

5) govern the rights and obligations of a credit seller, a credit purchaser, a provider of debt recovery services and also an outsourcing service provider in respect of the servicing of non-performing credit agreements.

[*13 June 2024*]

**Section 3. Scope of Application of the Law**

(1) This Law shall govern the operation of providers of debt recovery services and prescribe the requirements for a creditor and provider of debt recovery services in respect of debt recovery and the creation of a debt history database.

(2) The norms of this Law shall not be applicable to the debt recovered by a State or local government institution in the field of public law.

(3) This Law shall not affect the right of a creditor, provider of debt recovery services or debtor to turn to a court or an arbitration court. A court or an arbitration court shall examine civil legal disputes arising from this Law in accordance with the procedures specified by the Civil Procedure Law.

(4) The norms of this Law regarding the reminder of a creditor shall be applicable insofar as is not specified otherwise by the Civil Law.

(5) The rights and obligations of a creditor specified in Chapter III of this Law shall be applicable if the creditor is the performer of economic or professional activities.

(6) If the recovery of a debt is directed against a guarantor who is a natural person and operates beyond the scope of economic or professional activities thereof, the norms of this Law governing recovery of a debt from a debtor shall be applicable.

(7) A cessionary shall effect the recovery of a debt in compliance with the rights and obligations of a creditor provided for in this Law. If the cessionary has acquired the right to claim on the basis of a cession within the scope of its economic or professional activities, the cessionary shall be subject to the rights and obligations of a provider of debt recovery services provided for by this Law.

(8) Chapters VI, VII, and VIII of this Law shall be applicable in cases where the provider of debt recovery services services of a non-performing credit agreement.

[*13 June 2024*]

**Section 3.1 Exceptions for the Servicing of Non-Performing Credit Agreements**

The requirement to be licensed in accordance with Section 5, Paragraph one of this Law in respect of the servicing of non-performing credit agreements shall not be applicable in cases where:

1) it is carried out by a credit institution registered in the European Union;

2) it is carried out by an alternative investment fund manager, a holding company, or an investment management company which has obtained an authorisation or has been registered in accordance with Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, or by a management company or investment company which has obtained an authorisation in accordance with Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), if the investment company has not selected a management company in the name of the fund it manages in accordance with the abovementioned Directive;

3) it is carried out by a capital company which has obtained a special permit (licence) for the provision of consumer credit services in accordance with Section 8, Paragraph 1.1 of the Consumer Rights Protection Law;

4) the credit agreement has not been entered into by a credit institution registered in the European Union, except for the case where the original credit agreement has been replaced by a credit agreement entered into by such credit institution;

5) a credit institution registered in the European Union acquires the rights of the creditor arising from a non-performing credit agreement or the non-performing credit agreement itself.

[*13 June 2024*]

**Section 4. Supervisory Authorities**

(1) The Consumer Rights Protection Centre (in respect of the protection of consumer rights) and the Data State Inspectorate (in respect of the protection of the data of natural persons), as well as other supervisory and control authorities shall supervise the compliance with this Law in accordance with the competence specified in laws and regulations.

(2) When supervising the compliance with this Law, the Consumer Rights Protection Centre is entitled to request the information necessary for the performance of its functions from a debtor, creditor, or provider of debt recovery services, credit seller, credit purchaser, or outsourcing service provider and specify the deadline for the submission thereof.

(3) If the Consumer Rights Protection Centre establishes that the non-compliance with this Law has caused or could cause harm to the interests of consumer groups (collective interests of consumers), it is entitled to take the decision by which it assigns the creditor or provider of debt recovery services, credit seller, credit purchaser, or outsourcing service provider to terminate the violation of this Law or to rectify the violation allowed and to determine the deadline for the performance of the necessary activities. The procedures by which the Consumer Rights Protection Centre shall take decisions and the procedures for appealing these decisions shall be determined by the Consumer Rights Protection Law and the Unfair Commercial Practices Prohibition Law.

[*13 June 2024*]

**Chapter II**

**Operation of a Provider of Debt Recovery Services**

**Section 5. Special Permit (Licence) for Debt Recovery**

(1) A provider of debt recovery services is entitled to recover a debt in the name of or on behalf of a creditor and also to perform servicing activities of a non-performing credit agreement in the name of or on behalf of a credit purchaser if it has registered as a merchant or a performer of professional activities and has obtained the special permit (licence) for debt recovery (hereinafter – the special permit (licence)).

(2) The special permit (licence) shall be issued by the the Consumer Rights Protection Centre.

(3) The requirement referred to in Paragraph one of this Section shall not be applicable to sworn advocates, an administrator in accordance with the Covered Bonds Law, and a servicer if it is an initiator in accordance with the Securitisation Law.

(4) The Cabinet shall determine the necessary requirements for a provider of debt recovery services to obtain the special permit (licence) and also the procedures for the issuance, use, suspension of operation, and cancellation of the abovementioned special permit (licence).

(5) A provider of debt recovery services shall pay the State fee for the issuance of the special permit (licence) and the supervision of activities of the provider of debt recovery services. The amount of the State fee and procedures for its payment shall be determined by the Cabinet.

[*15 June 2021; 8 June 2023; 13 June 2024*]

**Section 6. Reimbursement of Debt Recovery Expenses**

(1) A debtor or borrower (a natural person – consumer) has an obligation to reimburse the provider of debt recovery services the expenses incurred thereby in recovering the debt if their reimbursement is requested and there is no dispute regarding the existence of the debt.

(2) The debt recovery expenses must be commensurate and objectively justified. The debt recovery expenses shall be considered to be commensurate if they correspond to the permissible amount of debt recovery expenses specified by the Cabinet (except for those expenses which the Cabinet has deemed to be non-reimbursable).

(3) The Cabinet shall determine the permissible amount of debt recovery expenses and the non-reimbursable expenses.

[*13 June 2024*]

**Chapter III**

**Communication to be Implemented During Debt Recovery and also During Servicing of a Non-performing Credit Agreement**

[*13 June 2024*]

**Section 7. Obligation to Provide True and Complete Information**

(1) When commencing debt recovery, a creditor or provider of debt recovery services shall notify the debtor or borrower in writing of the existence of a debt and invite him or her to voluntarily fulfil the delayed payment obligations. The following information shall be provided in such notification:

1) regarding the creditor – a legal person – the firm name (name), registration number, legal address, telephone number, electronic mail address and other contact information; regarding the creditor – a natural person – the given name, surname, personal identity number, address, telephone number, electronic mail address and other contact information;

2) regarding the provider of debt recovery services – a legal person – the firm name (name), registration number, special permit (licence) number, legal address, telephone number, electronic mail address and other contact information; regarding the provider of debt recovery services – a natural person – the given name, surname, personal identity number, special permit (licence) number, address, telephone number, electronic mail address and other contact information;

3) the legal grounds on which the provider of debt recovery service has acquired the right to recover the debt – the type of transaction and the date of entering into the transaction;

4) the legal grounds for the creditor’s claim – the type of transaction entered into by the creditor and the debtor or borrower, the date of entering into the transaction, and the subject-matter of the transaction;

5) the amount of the debt, including the amount of the principal debt, the interest on allocation of the amount of money or other fungible property, the contracted or lawful interest and the amount of a fine;

6) the debt recovery expenses (if any);

7) the procedures and deadline for the repayment of debt;

8) information regarding the possibility to express justified written objections against the existence of a debt, its amount and payment deadline, providing that at least 21 days from the day of receipt of the notification are allotted for the expression of objections.

(11) If the provider of debt recovery services and the credit purchaser are the same person, then after acquiring the creditor’s right to claim provided for in a non-performing credit agreement, the notification addressed to the borrower shall include, in addition to the information specified in the Section 7, Paragraph one of this Law, the information referred to in Section 20, Paragraph one of this Law.

(2) If the creditor or provider of debt recovery services sends a written notification by mail or the debtor or borrower sends written objections by mail, it shall be deemed that the information has been received on the seventh day after its handover at the post office, even if the addressee has actually received the consignment sooner.

(3) During the time period specified for the expression of objections by the debtor or borrower, the creditor and the provider of debt recovery services shall not be permitted to take debt recovery activities (to include information on the debtor or borrower and his or her debt in the debt history database or to take activities which increase the expenses of debt recovery, etc.) which may cause unfavourable consequences for the debtor or borrower.

[*13 June 2024*]

**Section 8. Obligation to Co-operate and Expression of Objections Regarding a Debt**

(1) A debtor or borrower has an obligation to co-operate with a creditor, a credit purchaser, and a provider of debt recovery services.

(2) If a debtor or borrower admits a debt in its entirety or partially but is unable to repay it according to the procedures or within the time period specified by the creditor or provider of debt recovery services, the debtor or borrower is entitled, by justifying why the fulfilment of payment obligations is not possible, to offer his or her procedures and time period for settling the payment obligations.

(3) A creditor or provider of debt recovery services shall examine the proposal of a debtor or borrower referred to in Paragraph two of this Section for settling the payment obligations and give the debtor or borrower an answer.

(4) Upon receipt of the objections of a debtor or borrower against the existence of a debt or the amount thereof, the creditor or provider of debt recovery services shall justify in writing the existence of the debt and the amount thereof and, if requested by the debtor or borrower, issue copies of the documents justifying the existence of the debt and the amount thereof.

[*13 June 2024*]

**Section 9. Communication with Third Parties**

(1) In communication with third parties, a creditor, a provider of debt recovery services, a credit purchaser, a credit seller, and an outsourcing service provider are not entitled to disclose information on a debtor without the consent of the debtor.

(2) In communication with third parties, a creditor, a provider of debt recovery services, a credit purchaser, a credit seller, and an outsourcing service provider are entitled to provide only the following information on themselves during the debt recovery process:

1) the given name and surname of the person who is implementing the communication;

2) the name (firm name) or given name and surname of the creditor, provider of debt recovery services, credit purchaser, credit seller, or outsourcing service provider;

3) the contact information of the creditor, provider of debt recovery services, credit purchaser, credit seller, or outsourcing service provider.

[*13 June 2024*]

**Section 10. Communication Culture**

(1) In communication with a debtor or borrower in the case of servicing of a non-performing credit agreement, it is prohibited:

1) to use aggressive means of communication (including expression of threats and taking activities which prejudice gender, age, race or ethnicity and safety, religious, political or other beliefs, disability, social background and financial or family status, as well as sexual orientation);

2) to communicate with the debtor or borrower in a manner offensive to his or her dignity or honour;

3) to visit the debtor at his or her place of employment, place of the performance of work, or place of residence without prior consent of the debtor or borrower (a natural person – consumer);

4) to provide false or misleading information regarding the consequences of non-payment of the debt.

(2) In communication with a debtor or borrower, the creditor, the provider of debt recovery services, the credit purchaser, the credit seller, and the outsourcing service provider has an obligation to observe commensurability.

(3) Communication shall be considered to be incommensurable if it:

1) takes place on Sundays or on public holidays determined by Law;

2) takes place between the hours of 21.00 and 8.00 or without prior consent of the debtor between the hours of 21.00 until 23.00;

3) encumbers the ability of the debtor or borrower to use the relevant electronic means of communication for daily communication.

[*13 June 2024*]

**Section 11. Means of Communication**

(1) Unless otherwise laid down in law, communication with a debtor or borrower (a natural person – consumer) shall take place using the means of communication and contact information indicated in the lawful transaction entered into.

(2) If a debtor or borrower (a natural person – consumer) cannot be reached using the means of communication and contact information referred to in Paragraph one of this Section or if it has been requested by the debtor or borrower himself or herself (a natural person – consumer), the creditor and the provider of debt recovery services are entitled to use the contact information which has become known to them or used for communication with the debtor or borrower (a natural person – consumer) during previous cooperation.

(3) If a debtor or borrower (a natural person – consumer) cannot be reached using the means of communication and contact information referred to in Paragraph one or two of this Section, communication shall be implemented in writing, sending the necessary information to the address of the declared place of residence of the debtor or borrower (a natural person – consumer).

[*13 June 2024*]

**Chapter IV**

**Debt History Database and Entry of Information Therein**

**Section 12. Debt History Database**

(1) The debt history database is an aggregate of data regarding a debtor or borrower (a natural person – consumer) and his or her debt which is recovered in the name of or on behalf of a creditor or has been recovered by a provider of debt recovery services.

(2) The holder of the debt history database shall be the provider of debt recovery services.

(3) The purpose of the debt history database is to provide information to a third party so that it could assess the ability of a natural person to fulfil the payment obligations.

(4) The provider of debt recovery services is entitled to create a debt history database including information therein on the debtor or borrower (a natural person – consumer) and the debt thereof if one of the following conditions is in effect:

1) the debtor or borrower (a natural person – consumer) has not expressed objections in writing against the existence of a debt or the amount thereof;

2) the debtor or borrower (a natural person – consumer) has expressed objections in writing against the existence of a debt or the amount thereof, but the court or arbitration court has recognised the claim of a creditor or provider of debt recovery services for the fulfilment of obligations as justified and the judgement has entered into legal effect;

3) the debtor or borrower has expressed substantiated objections in writing against the existence of a debt or the amount thereof, but the provider of debt recovery services has sent a reasoned response to the debtor or borrower and provided copies of documents justifying the existence and amount of the debt, informing the debtor or borrower that information on the debt will be included in the debt history database with an indication that written objections have been received from the debtor or borrower against the existence or the amount of the debt and that there is a dispute in the case regarding the justification of the debt.

[*13 June 2024*]

**Section 13. Inclusion of Information in the Debt History Database**

(1) Information on a debtor or borrower (a natural person – consumer) and his or her debt shall be included in the debt history database if all the following conditions have been met:

1) fulfilment of the payment obligations specified in a transaction or legal act has been delayed by more than 60 days;

2) the period for the expression of objections by a debtor or borrower (a natural person – consumer) specified in the notification of the provider of debt recovery services has expired, and the debtor or borrower (a natural person – consumer) has not paid his or her debt within this period.

(2) The following information on a debtor or borrower (a natural person – consumer) and his or her debt shall be included in the debt history database:

1) the given name, surname, personal identity number of the debtor or borrower (a natural person – consumer);

2) the date when the information was included in the debt history database;

3) the amount of the debt, including the amount of the principal debt, the interest on allocation of the amount of money or other fungible property, the contracted or lawful interest and the amount of a fine;

4) the paid part of the debt;

5) the debt repayment duration;

6) the status of debt recovery (whether or not debt recovery is taking place; the date on which debt recovery was terminated; whether or not there is a dispute regarding the existence of a debt or the amount thereof);

7) if the creditor is a performer of economic activity – the sector in which the creditor of the debtor or borrower (a natural person – consumer) operates in accordance with Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.

(3) The provider of debt recovery services shall notify the debtor or borrower (a natural person – consumer) in writing of the inclusion of information into the debt history database. The information included therein shall be made available to third parties no sooner than 30 days after sending of the notification to the debtor or borrower (a natural person – consumer).

(4) A third party is entitled, on the basis of a written contract with the holder of the debt history database, to receive the information referred to in Paragraph two of this Section entered in the debt history database on the debtor or borrower (a natural person – consumer) and his or her debt if the debtor or borrower (a natural person – consumer) has given his or her consent thereto in accordance with the procedures laid down in the Personal Data Processing Law. If the debtor or borrower (a natural person – consumer) alleges that he or she has not given consent to the transfer of information entered in the database to the third party, the person who alleges that the consent has been given has the obligation to prove the existence of such consent.

(5) If the provider of debt recovery services itself or according to information provided by a debtor or borrower (a natural person – consumer), or another person establishes that the information included in the database of debt history is inaccurate, incomplete, or false, the provider of debt recovery services has an obligation to immediately rectify these shortcomings and notify accordingly the third parties who have received the relevant information. The refusal of the provider of debt recovery services to rectify the relevant shortcomings may be contested to the Data State Inspectorate in accordance with the procedures laid down the Personal Data Processing Law.

(6) Information in the debt history database shall be stored for three years from the day of payment of the debt or from the day when the obligations were extinguished in accordance with the procedures specified by law. If a debt is not repaid, information on the debt of the debtor or borrower (a natural person – consumer) shall be stored in the debt history database until the day when right to claim has expired.

[*13 June 2024*]

**Section 14. Information on the Debtor and the Borrower to be Received from the Register of Natural Persons**

In order to implement the requirements of Section 7 of this Law, the provider of debt recovery services and the creditor who has received the permit (licence) for the provision of crediting services or which is a credit institution is entitled to acquire the following information from the Register of Natural Persons:

1) the declared place of residence of the debtor or borrower (a natural person – consumer);

2) a confirmation of the death of the debtor or borrower (a natural person – consumer).

[*13 June 2024*]

**Chapter V**

**Administrative Liability in the Field of Extrajudicial Recovery of Debt and Competence in the Administrative Offence Proceedings**

[*6 June 2019* / *This Chapter shall come into force on 1 July 2020.* *See Paragraph 6 of Transitional Provisions*]

**Section 15. Administrative Liability in the Field of Extrajudicial Recovery of Debt**

For the provision of extrajudicial debt recovery services without the special permit (licence) which is required by this law or continuing the provision of extrajudicial debt recovery services after the special permit (licence) has been suspended or cancelled, or its term of validity has expired, a fine from fifty-six to four hundred units of fine shall be imposed on a natural person or member of the board with or without depriving the member of the board of the right to hold certain offices for a period of up to five years.

[*6 June 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 6 of Transitional Provisions*]

**Section 16. Competence in the Administrative Offence Proceedings**

The administrative offence proceedings for the offence referred to in Section 15 of this Law shall be conducted by the Consumer Rights Protection Centre.

[*6 June 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 6 of Transitional Provisions*]

**Chapter VI**

**Servicing and Supervision of Non-Performing Credit Agreements**

[*13 June 2024*]

**Section 17. Servicing Activities of a Non-Performing Credit Agreement**

The following shall be considered servicing activities of a non-performing credit agreement:

1) recovery of a payment;

2) an agreement with the borrower in relation to the terms and conditions of the credit agreement in conformity with the instructions of the credit purchaser;

3) examination of a complaint arising from the credit agreement regarding obligations of the creditor provided for in the agreement or the agreement itself.

[*13 June 2024*]

**Section 18. Cooperation between the Provider of Debt Recovery Services and the Credit Purchaser**

(1) The provider of debt recovery services shall enter into a written agreement with the credit purchaser, indicating the following:

1) a detailed description of the activities to be performed;

2) the amount of remuneration for the provider of debt recovery services or the procedures for the calculation thereof if the amount of the remuneration is not a fixed amount;

3) the extent to which the provider of debt recovery services may represent the credit purchaser in relationship with the borrower;

4) the obligation of parties to comply with the legal acts governing consumer rights protection and data protection;

5) communication requirements with the borrower when carrying out activities arising from the agreement;

6) the obligation to inform the credit purchaser of outsourcing of any servicing activities carried out by the provider of debt recovery services in respect of the non-performing credit agreement.

(2) For five years, but not more than 10 years after termination of the agreement referred to in Paragraph one of this Section, the provider of debt recovery services has an obligation to retain and, upon request, provide the following to the Consumer Rights Protection Centre:

1) correspondence with the borrower and the credit purchaser;

2) instructions received from the credit purchaser in respect of the rights of the credit seller provided for in the non-performing credit agreement or the credit agreement itself;

3) the cooperation agreement entered into between the provider of debt recovery services and the credit purchaser.

[*13 June 2024*]

**Section 19. Cooperation between the Provider of Debt Recovery Services and the Outsourcing Service Provider**

(1) The provider of debt recovery services shall be responsible for the fulfilment of the obligations specified in this Law even when it uses an outsourcing service provider to perform one or more servicing activities of non-performing credit agreements.

(2) When assigning the servicing of non-performing credit agreements to an outsourcing service provider, the provider of debt recovery services and the outsourcing service provider shall enter into a written agreement that provides for the obligation to comply with the legal provisions applicable to debt recovery services. The terms and conditions of this agreement shall not affect the relationship of the provider of debt recovery services with the credit purchaser and the obligations towards the borrower.

(3) The outsourcing service provider may only perform the servicing activities of a non-performing credit agreement which have been assigned thereto.

(4) The assignment of specific servicing activities of non-performing credit agreements to the outsourcing service provider shall not affect the obligation of the provider of debt recovery services to comply with the requirements laid down for obtaining the special permit (licence).

(5) The assignment of servicing activities of non-performing credit agreements to the outsourcing service provider shall not affect the rights of the Consumer Rights Protection Centre to supervise the provider of debt recovery services.

(6) The outsourcing service provider shall ensure that the provider of debt recovery services has access to information on all assigned servicing activities of a non-performing credit agreement.

(7) After termination of the outsourcing agreement, the provider of debt recovery services shall be responsible for the performance of the servicing activities of a non-performing credit agreement assigned to the outsourcing service provider.

(8) Prior to assigning the servicing activities of non-performing credit agreements to the outsourcing service provider, the provider of debt recovery services shall inform the Consumer Rights Protection Centre and, if applicable, also the supervisory and control institution of the host Member State.

(9) For five years, but not more than 10 years after termination of the agreement referred to in Paragraph one of this Section, the provider of debt recovery services has an obligation to retain records of the instructions given to the outsourcing service provider, and also the cooperation agreement itself, and, upon request, provide them to the Consumer Rights Protection Centre.

(10) The provider of debt recovery services shall, within the scope of the outsourcing agreement, handle any funds received from the borrower.

[*13 June 2024*]

**Section 20. Informing of the Assignment of a Non-Performing Credit Agreement**

(1) Prior to the commencement of debt recovery activities and whenever requested by the borrower, the credit purchaser, provider of debt recovery services, outsourcing service provider, or the entity specified in Section 3.1, Clauses 1 and 3 of this Law after acquiring the right to claim of a non-performing credit agreement, a written notification is sent to the borrower, indicating the following:

1) information on the assignment and the date thereof;

2) the name, registration number, and contact information for communication of the credit purchaser;

3) the name, legal address, and contact information for communication of the provider of debt recovery services or the entity specified in Section 3.1, Clause 1 or 3 of this Law;

4) the name, registration number, and contact information for communication of the outsourcing service provider, if such has been selected;

4) the requirement to comply with the laws and regulations governing consumer rights protection;

5) the name, address, and contact information of the supervisory authority where a complaint can be submitted.

(2) Each subsequent notification shall include the information specified in Paragraph one, Clause 2 of this Section, but if the notification has been sent in relation to the appointment of a new provider of debt recovery services, it shall also include the information specified in Paragraph one, Clause 3 of this Section.

[*13 June 2024*]

**Chapter VII**

**Provision of the Cross-border Debt Recovery Services in Respect of a Debt Arising from a Non-performing Credit Agreement**

[*13 June 2024*]

**Section 21. Provision of the Debt Recovery Services in the Host Member State**

The provider of debt recovery services which has obtained the special permit (licence) in the Republic of Latvia referred to in Section 5, Paragraph two of this Law has the right to provide debt recovery services in respect of a debt arising from a non-performing credit agreement without any restrictions in the European Union.

[*13 June 2024*]

**Section 22. Supervision of the Provider of Debt Recovery Services Providing Cross-border Services**

(1) The Consumer Rights Protection Centre shall ensure mutual exchange of information with the supervisory and control institution of the host Member State on the supervisory measures taken in respect of the provider of debt recovery services.

(2) The Consumer Rights Protection Centre is entitled to assess the need and to turn to the supervisory and control institution of the host Member State, requesting taking of supervisory measures at the branch established by the provider of debt recovery services or at an assigned outsourcing service provider.

(3) The Consumer Rights Protection Centre is entitled to take supervisory measures at the Latvian branch of the provider of debt recover services of another European Union Member State or at an assigned outsourcing service provider, informing the supervisory and control institution of the home Member State of the inspection results.

(4) If credit has been granted in the Republic of Latvia but it is serviced by the provider of debt recovery services of another European Union Member State and the Consumer Rights Protection Centre has evidence at its disposal of violations committed by the provider of debt recovery services, the Consumer Rights Protection Centre shall inform the supervisory and control institution of the relevant Member State, concurrently transferring evidence of the established violations.

(5) The Consumer Rights Protection Centre shall, within two months, inform the supervisory and control institution of the host Member State which has provided evidence of the violations committed by the provider of debt recovery services and the imposed sanctions of the planned and initiated supervisory measures.

[*13 June 2024*]

**Chapter VIII**

**Credit Purchaser**

[*13 June 2024*]

**Section 23. Right to Information on the Rights of the Credit Seller Specified in a Non-performing Credit Agreement**

(1) The credit seller shall provide the credit purchaser with information on the rights of the credit seller provided for in a non-performing credit agreement or on the non-performing credit agreement itself and the security, if any, so that prior to entering into the agreement, the credit purchaser can assess the value of the rights of the credit seller provided for in the non-performing credit agreement or the value of the credit agreement itself and the possibility of recovering this value, guaranteeing protection and confidentiality of the information received from the credit seller.

(2) The Consumer Rights Protection Centre is entitled to request the credit seller to provide the information indicated in Paragraph one of this Section and also any other information necessary for the Consumer Rights Protection Centre to perform its functions in accordance with this Law.

[*13 June 2024*]

**Section 24. Obligations of the Credit Purchaser**

(1) The credit purchaser has an obligation to authorise the provider of debt recovery services or the entity specified in Section 3.1, Clause 1 or 3 of this Law to perform the servicing activities of a non-performing credit agreement if the non-performing credit agreement has been entered into with a consumer.

(2) A representative of the credit purchaser has an obligation to appoint the provider of debt recovery services or the entity specified in Section 3.1, Clause 1 or 3 of this Law to perform the servicing activities if the non-performing credit agreement has been entered into with natural persons, including consumers and legal persons.

(3) Activity of the credit purchaser shall be governed by this Law and also by national and European Union legal acts in the field of consumer rights protection.

(4) The provider of debt recovery services or the entity specified in Section 3.1, Clause 1 or 3 of this Law shall perform the obligations referred to in Paragraph three of this Section and Sections 25 and 27 in the name of the credit purchaser. If the provider of debt recovery services or the entity specified in Section 3, Paragraph eight, Clause 1 or 3 of this Law is not authorised, these obligations shall be performed by the credit purchaser or a representative thereof.

[*13 June 2024*]

**Section 25. Use of the Providers of Debt Recovery Services or Other Entities**

(1) The credit purchaser or a representative thereof shall, not later than on the day of the commencement of servicing activities of non-performing credit agreements, notify the Consumer Rights Protection Centre of the name, registration number, and legal address of the appointed providers of debt recovery services or the entities specified in Section 3.1, Clause 1 or 3 of this Law.

(2) If the provider of debt recovery services or the entity specified in Section 3.1, Clause 1 or 3 of this Law which has been notified in accordance with the procedures laid down in Paragraph one of this Section is changed, the credit purchaser or a representative thereof shall notify the Consumer Rights Protection Centre thereof on the day of the change.

(3) The Consumer Rights Protection Centre shall immediately send the information received in accordance with the procedures laid down in Paragraphs one and two of this Section to the supervisory and control institution of the host Member State and the supervisory and control institution of the European Union Member State where the credit has been granted.

[*13 June 2024*]

**Section 26. Representative of Third-Country Credit Purchasers**

(1) After assignment of the rights of the credit seller provided for in a non-performing credit agreement or of the credit agreement itself, the credit purchaser shall appoint a representative that is registered or has its principal undertaking in a European Union Member State.

(2) The institutions specified in Section 4, Paragraph one of this Law are entitled to request that the representative of the credit purchaser ensures compliance with the requirements of this Law.

[*13 June 2024*]

**Section 27. Assignment of the Rights of the Credit Seller Provided for in a Non-performing Credit Agreement or Assignment of the Credit Agreement Itself**

(1) The credit purchaser or a representative selected thereby which assigns the rights of the credit seller provided for in a non-performing credit agreement or the credit agreement itself to another credit purchaser shall inform the supervisory and control institutions twice a year of the legal entity identifier (LEI) of the new credit purchaser or the representative selected thereby or, in the cases where there is no such identifier, of the following:

1) the identity of the new credit purchaser or the appointed representative thereof, or the members of the management or administrative bodies thereof, and the persons with qualifying holding in the new credit purchaser or the representative thereof within the meaning of Article 4(1)(36) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;

2) the registration number and legal address of the new credit purchaser or the representative thereof.

(2) The credit purchaser or the representative thereof shall inform the supervisory and control institutions of the following:

1) the number of non-performing credit agreements and the outstanding balance;

2) the security for the non-performing credit agreement.

(3) If necessary, the Consumer Rights Protection Centre may request the credit purchaser or an appointed representative thereof to provide the information referred to in Paragraph one of this Section.

(4) The Consumer Rights Protection Centre shall, not later than within one month, send the information received in accordance with the procedures laid down in this Section to the supervisory and control institutions of the host Member State and the supervisory and control institutions of the home Member State of the new credit purchaser.

[*13 June 2024*]

**Transitional Provisions**

1. Section 5, Paragraphs two, three, four and five, as well as Section 6 of this Law shall come into force on 1 February 2013.

2. Section 5, Paragraph one of this Law shall come into force on 1 May 2013.

3. The Cabinet shall issue the regulations referred to in Section 5, Paragraphs four and five, as well as Section 6, Paragraph three of this Law by 31 January 2013.

4. A provider of debt recovery services is entitled to obtain the information referred to in Section 14 of this Law from the Population Register when he or she has fulfilled the requirement specified in Section 5, Paragraph one of this Law and received the special permit (licence) for debt recovery.

5. A provider of debt recovery services who has commenced debt recovery from a debtor until the day of the coming into force of this Law is entitled to enter information on a debtor and his or her debt in the debt history database if both of the following conditions have been met:

1) the debtor has not expressed objections in writing against the existence of a debt or the amount thereof;

2) the provider of debt recovery services has legally acquired the data on the debtor and his or her debt.

6. Chapter V of this Law shall come into force concurrently with the Law on Administrative Liability.

[*6 June 2019*]

**Informative Reference to European Union Directive**

[*13 June 2024*]

The Law contains legal norms arising from Directive (EU) 2021/2167 of the European Parliament and of the Council of 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU.

This Law has been adopted by the *Saeima* on 8 November 2012.

President A. Bērziņš

Riga, 27 November 2012