The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Law on the Execution of Coercive Measures**

**Chapter I General Provisions**

**Section 1. Scope of Application of the Law**

This Law prescribes the procedures for executing the coercive measures provided for in the Criminal Law and the competence of State institutions in executing coercive measures.

**Section 2. Grounds for the Execution of Coercive Measures**

A court judgment that has entered into legal effect shall be the grounds for the execution of coercive measures.

**Section 3. Procedures for the Execution of Coercive Measures**

Coercive measures shall be executed by:

1) an administrator of insolvency proceedings – liquidation;

2) bailiffs – restriction of rights, confiscation of property, recovery of money, compensation for damage.

**Chapter II Execution of Liquidation**

**Section 4. Transfer for the Enforcement of a Judgment on the Liquidation**

After entering into legal effect of a judgment, the court which has applied liquidation to a legal person shall send a true copy of the judgment to the register institution which has registered the legal person for making a relevant entry and to the court according to the jurisdiction – for the initiation of an insolvency case.

**Section 5. Procedures for the Execution of Liquidation**

When executing liquidation, the norms of the law On the Insolvency of Undertakings and Companies and the Civil Procedure Law shall be applied, unless it has been laid down otherwise in this Law.

**Section 6. Initiation of an Insolvency Case**

(1) After receipt of the judgment referred to in Section 4 of this Law, a court shall initiate an insolvency case.

(2) If a seizure has been imposed on a property within the scope of a criminal case, the court which initiates the insolvency case shall not decide on the issue regarding attachment of the monetary funds in accounts of a debtor in credit institutions, the publicly circulated securities and fixed assets belonging thereto.

**Section 7. Declaration of a Legal Person to Be Insolvent**

(1) A court judgment on the application of liquidation to a legal person which has entered into legal effect shall be the grounds for the declaration of the legal person to be insolvent.

(2) The day when criminal proceedings were commenced shall be considered to be the day when insolvency set in.

**Section 8. Removal of Seizure from a Property**

Seizure which, within the scope of a criminal case, has been imposed on a property of a legal person shall be revoked, upon request of the administrator of insolvency proceedings, by the court examining the insolvency case.

**Section 9. Implementation of the Powers of a Meeting of Creditors**

(1) If no creditor has applied in insolvency proceedings until the end of the time period for the application of creditors declared by a court, the powers of a meeting of creditors laid down in the law shall be implemented by the State agency Insolvency Administration (hereinafter – the Agency).

(2) The administrator of insolvency proceedings shall, without delay, inform the Agency of setting in of the circumstances referred to in Paragraph one of this Section. The Agency shall authorise a representative for the implementation of the powers of a meeting of creditors.

**Section 10. Solution for the State of Insolvency**

When applying liquidation, the only solution for the state of insolvency is bankruptcy.

**Section 11. Termination of Insolvency Proceedings**

When applying liquidation, the only grounds for the termination of insolvency proceedings shall be a completed bankruptcy procedure. Other circumstances indicated in the law On the Insolvency of Undertakings and Companies may not be grounds for the termination of insolvency proceedings.

**Section 12. Satisfying Claims of Employees**

(1) When applying liquidation, claims of employees of the legal person to be liquidated shall be satisfied in accordance with the procedures laid down in the laws and regulations governing insolvency of an employer.

(2) Claims of such employees shall not be covered in the relevant insolvency proceedings from the funds of the legal person to be liquidated or the funds of the employee claim guarantee fund which, within the scope of the relevant criminal case, have been convicted of committing a criminal offence and have acted individually or as members of the collegial body of the relevant legal person, on the basis of the right to represent the legal person, to act upon its assignment, or to take decisions on behalf of the legal person, or have implemented control within the scope of the legal person, or have been in the service of the legal person.

**Section 13. Satisfying Claims of Creditors**

(1) When applying liquidation, claims of creditors of the legal person to be liquidated shall be satisfied in accordance with the procedures laid down in the laws and regulations governing insolvency proceedings.

(2) Claims of such creditors shall not be covered in the relevant insolvency proceedings from the funds of the legal person to be liquidated which, within the scope of the relevant criminal case, have been convicted of committing a criminal offence and have acted individually or as members of the collegial body of the relevant legal person, on the basis of the right to represent the legal person, to act upon its assignment, or to take decisions on behalf of the legal person, or have implemented control within the scope of the legal person, or have been in the service of the legal person.

**Section 14. Actions with Residual Funds**

The administrator shall pay the funds remaining after covering the administration costs of insolvency proceedings and debts of the legal person to be liquidated into revenues of the State basic budget.

**Section 15. Notification of the Enforcement of a Judgment**

An administrator of insolvency proceedings shall, without delay, notify such court of the enforcement of a judgment which ruled the judgment in the criminal case by sending thereto the court decision on the completion of bankruptcy proceedings and the termination of insolvency proceedings and the decision of the register institution to exclude the legal person from the register.

**Chapter III Execution of the Restriction of Rights**

**Section 16. Transfer for the Enforcement of a Judgment on the Restriction of Rights**

After entering into legal effect of the judgment, a court of first instance shall send a writ of execution on the restriction of rights applied to the legal person to the bailiff according to the legal address of the legal person.

**Section 17. Procedures for the Execution of the Restriction of Rights**

(1) A bailiff shall, after receipt of the writ of execution referred to in Section 16 of this Law, send an order to the relevant authority to carry out specific activities for the implementation of the restrictions laid down in the writ of execution. The relevant authority shall notify the bailiff of commencing the execution of his or her order, and also control whether the court judgment is enforced throughout the period of execution of the coercive measure.

(2) The relevant authority shall notify the bailiff of a violation of the restriction of rights laid down by the court which has been detected during the time period of execution of the restriction of rights laid down by the court.

(3) The bailiff shall, after receipt of the notification referred to in Paragraph two of this Section, act in accordance with the Law on Bailiffs.

(4) After expiration of the time period of the restrictions laid down by the court, the relevant authority shall notify the bailiff of execution of his or her order.

(5) The bailiff shall, without delay, notify the court which ruled the judgment of enforcement of the judgment.

**Chapter IV Execution of the Confiscation of Property**

**Section 18. Transfer for the Enforcement of a Judgment on the Confiscation of Property**

After entering into legal effect of the judgment, a court of first instance shall send a writ of execution regarding confiscation of property applied to a legal person and a copy of the protocol on the seizure of the property to a bailiff according to the location of the property and concurrently inform such register institution which has registered the legal person, and the financial institutions thereof.

**Section 19. Activities of a Bailiff, when Executing Confiscation of Property**

After receipt of the writ of execution and a copy of the protocol referred to in Section 18 of this Law, a bailiff shall, without delay, examine the existence of the property indicated in the protocol on the seizure of the property and of the property to be confiscated, and also shall place an attachment on the property subject to confiscation.

**Section 20. Property to be Confiscated**

Such property may be confiscated which is indicated in the court judgment and is included in the protocol on the seizure of the property as the property belonging to a legal person.

**Section 21. Transfer of Confiscated Property for Sale**

When executing the confiscation of property, the bailiff shall transfer for sale the property of the legal person which has remained after covering of expenditures of enforcement of the judgment and satisfaction of all the claims which had arisen before the pre-trial investigation institutions or the court imposed a seizure on the property of the legal person.

**Section 22. Notification of the Enforcement of a Judgment**

The bailiff shall, without delay, notify the court which ruled the judgment of enforcement of the judgment.

**Chapter V Execution of the Recovery of Money and Compensation for Damage**

**Section 23. Transfer for the Enforcement of a Judgment on the Recovery of Money and Compensation for Damage**

After entering into legal effect of the judgment, a court of first instance shall send a writ of execution on the recovery of money or compensation for damage applied to the legal person to the bailiff according to the legal address of the legal person.

**Section 24. Procedures for the Execution of the Recovery of Money and Compensation for Damage**

The recovery of money or compensation for damage shall take place in accordance with the procedures laid down in the Civil Procedure Law.

The Law has been adopted by the *Saeima* on 8 June 2006.

President V. Vīķe-Freiberga

Rīga, 27 June 2006