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

3 April 2020 [shall come into force from 5 April 2020];

23 April 2020 [shall come into force from 25 April 2020];

7 May 2020 [shall come into force from 9 May 2020];

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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:

**On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19**

**Section 1.**The purpose of the Law is to determine measures for the prevention and suppression of threat to the State and its consequences, special support mechanisms as well as expenditures which are directly related to the containment of the spread of COVID-19.

**Section 2.**The Cabinet shall determine the sectors for which the financial situation has significantly deteriorated due to the spread of COVID-19 (hereinafter – the sectors affected by the crisis) and the procedures by which the measures and special support mechanisms specified in Sections 3, 13, and 14 of this Law shall be applicable. Upon assessing the economic situation, the Cabinet shall determine the criteria and procedures for the application of the measures and special support mechanisms specified in Sections 3, 13, and 14 of this Law also to undertakings representing other sectors.

**Section 2.1** The applicants who, within the meaning of the Public Procurement Law, are legal persons or associations of persons registered in an offshore or are legal persons registered in Latvia in which the owner or holder of more than 25 per cent of capital shares (stocks) is a legal person or association of persons registered in an offshore shall be excluded from the group of recipients of the State aid and State-guaranteed aid measures (except for the recipients of the allowance for idle time).

[*19 May 2020*]

**Section 2.2** The Ministry of Environmental Protection and Regional Development shall be responsible for ensuring secure remote work within the State administration.

[*23 April 2020 /* *Numbering of the Section is amended by the Law of 19 May 2020*]

**Section 3.**(1) A taxpayer who has been affected by the crisis due to the spread of COVID-19 has the right to apply for an extension of the term for the payment of taxes, and also to request that an extension of the term for the payment of taxes is granted to the late tax payments the term for the payment of which has been extended in accordance with Section 24 of the law On Taxes and Duties if the term has been delayed due to the spread of COVID-19. The taxpayer shall, not later than within two months after setting in of the term for payment or the day of coming into force of this Law, submit a justified application to the tax administration. The tax administration has the right to divide the payment for late tax payments in instalments or to defer it for a period of up to three years as of the date of the submission of the application.

(2) [3 April 2020]

(3) The late payment charge specified in Section 29, Paragraph two of the law On Taxes and Duties is not calculated for the late tax payment in relation to which an extension of the term for the payment of taxes has been granted in accordance with Paragraph one of this Section.

(4) If an extension of the term for the payment of taxes has been granted to the taxpayer in accordance with the procedures laid down in this Section, information regarding the taxpayer is not included in the database of tax (duty) debtors administered by the State Revenue Service.

(5) The tax administration has the right to revoke the decision to extend the term for the payment of taxes if the taxpayer:

1) does not comply with the terms specified in the decision to extend the term for the payment of taxes;

2) does not perform the current payments of taxes in full amount within the terms specified in tax laws;

3) does not perform, within the specified terms, payments of taxes the term for the payment of which has been extended in accordance with the procedures laid down in Section 24 of the law On Taxes and Duties;

4) does not perform payments of taxes in relation to which the tax administration has taken the decision on voluntary execution of late tax payments.

(6) If the decision to extend the term for the payment of taxes is revoked, the late payment charge is assessed for the portion of the outstanding debt according to the general principles throughout the period of default and the late tax payments are recovered in accordance with the procedures laid down in the law On Taxes and Duties.

[*3 April 2020*]

**Section 4.**Local governments have the right to determine other terms for the payment of the immovable property tax in 2020 which are different from the terms determined in the law On Immovable Property Tax, postponing them to a later period within the scope of 2020.

**Section 5.**A payer of personal income tax shall not perform the advance payments of personal income tax for the income from economic activity specified in Section 18 of the law On Personal Income Tax for the taxation year of 2020. This condition shall be applicable to advance payments from 1 January 2020. The payer of personal income tax may perform the advance payments of personal income tax for the income from economic activity for the taxation year of 2020 on a voluntary basis.

**Section 5.1** Donations of goods and services to the social groups negatively affected by the emergency situation (without specifying the donee for the purposes of personal income tax application), and also to persons whose main activity is the provision of health services, provision of education, charity, aid to socially low-income persons, persons with disability or children shall be considered as expenditures related to the economic activity of an enterprise income taxpayer within the time period from the day when the emergency situation in relation to the spread of COVID-19 was declared until 31 December 2020, provided that the following conditions are concurrently met:

1) the donee is not a person related to the taxpayer;

2) the information regarding the donation is made public;

3) the information regarding the donee and the aid sum is submitted to the State Revenue Service together with the return for the last month of the reporting year.

[*23 April 2020*]

**Section 5.2** An enterprise income tax payer who has made donations to reduce the consequences arisen due to the spread of COVID-19 within the time period from the day when the emergency situation in relation to the spread of COVID-19 was declared until 31 December 2020 is entitled, according to that laid down in Section 12 of the Enterprise Income Tax Law, to increase the amount of donations not to be included in the base taxable with the enterprise income tax in the taxation period as specified in Paragraph one, Clause 1 of the abovementioned Section by three more percentage points of the profits of the previous reporting year after the calculated taxes.

[*7 May 2020*]

**Section 6.** (1) The procedures for the refund of overpaid value added tax in the time period from 1 April 2020 to 31 December 2020 shall be determined by this Law, and the procedures laid down in Sections 109 and 110 of the Value Added Tax Law shall not be applicable during the abovementioned time period.

(2) Upon performing the tax administration measures, the State Revenue Service shall refund the approved overpaid amount of value added tax which has been indicated in the value added tax return submitted to the State Revenue Service after 31 March 2020 within 30 days after:

1) the time limit for submitting the value added tax return laid down in Section 118 of the Value Added Tax Law;

2) the day of submitting the value added tax return if it has been submitted after the time limit for submitting the value added tax return laid down in Section 118 of the Value Added Tax Law;

3) the day of submitting the adjusted value added tax return if an adjusted value added tax return has been submitted.

(3) The State Revenue Service shall, prior to the refund of the approved overpaid amount of value added tax, cover the taxes and duties of the taxpayer administered by the State Revenue Service, other payments stipulated by the State and the payments related thereto in accordance with the procedures laid down in the law On Taxes and Duties.

(4) The State Revenue Service shall refund the approved overpaid amount of value added tax which has arisen for the value added tax group to the principal undertaking.

(5) The State Revenue Service shall refund the approved overpaid amount of value added tax which has arisen for a person excluded from the State Revenue Service Value Added Tax Taxable Persons Register within 30 days after the decision to exclude the registered payer of value added tax from the State Revenue Service Value Added Tax Taxable Persons Register has been taken.

(6) The State Revenue Service shall, by 14 April 2020, refund the overpaid amount of value added tax which has been approved by 31 March 2020 and which has been transferred to the subsequent taxation period until the end of the taxation year or which has arisen for a person excluded from the State Revenue Service Value Added Tax Taxable Persons Register.

(7) Upon performing the tax administration measures, the State Revenue Service shall refund the approved overpaid amount of value added tax which has been indicated in the value added tax return submitted to the State Revenue Service by 31 March 2020 and not approved by 31 March 2020 within 30 days after submission of the value added tax return to the State Revenue Service.

(8) If the time limit for approval of the overpaid amount of value added tax was extended by 31 March 2020 in accordance with Section 110 of the Value Added Tax Law, the State Revenue Service shall refund the approved overpaid amount of value added tax not later than on the following working day after approval of validity of the overpaid amount of value added tax.

**Section 7.**During the emergency situation related to the spread of COVID-19:

1) the exemption specified in Section 16, Paragraph one of the law On Excise Duties shall also be applicable to undenatured alcohol which is used in the production of disinfectants containing alcohol if the purchase or production of denatured alcohol is significantly hindered or is not possible due to the spread of COVID-19. In such case the regulatory enactment regarding the procedures by which an exemption from excise duty shall be applied to alcoholic beverages shall be conformed to in the handling of alcohol. A permit of the State Revenue Service for the purchase of alcoholic beverages must be received for the purchase of alcohol;

2) the temporarily registered consignee specified in the law On Excise Duties which has been issued with a permit of the State Revenue Service for the purchase of alcoholic beverages and which wishes to bring in and (or) receive alcohol from another Member State shall submit the excise duty security specified in Section 31, Paragraph two, Clause 1 of the law On Excise Duties, applying a reduction in the amount of 100 per cent;

3) the State Revenue Service may grant a reduction of the general excise duty security specified in Section 31, Paragraph two, Clause 2 of the law On Excise Duties in the amount of up to 90 per cent to such merchants which have a special permit (licence) for the operation of an approved warehousekeeper and which carry out production of alcohol. Such merchants shall, using the Electronic Declaration System, inform the State Revenue Service of commencement of the production process of alcohol not later than one working day prior to the commencement thereof.

**Section 7.1** (1) The permits received in accordance with Section 7, Clause 1 of this Law shall expire on the day following the end of the emergency situation.

(2) After the end of the emergency situation, the taxpayer (except for medical treatment institutions and veterinary medicine institutions and pharmacies) shall, on the day when the permit received in accordance with Section 7, Clause 1 of this Law expires, make an inventory of the remainder of undenatured alcohol and shall declare the established remainder to the State Revenue Service, additionally indicating the activities planned with the undenatured alcohol. Within a month from the day when the permit has expired, the taxpayer shall do the following with the abovementioned remainder of undenatured alcohol:

1) without the permit of the State Revenue Service send back to the supplier;

2) with the permit of the State Revenue Service move or sell it to the tax warehousekeeper who has the right to operate with alcohol. In order to receive the abovementioned permit, a contract for the sale of undenatured alcohol to the relevant tax warehousekeeper shall be appended;

3) destroy in the presence of an official of the State Revenue Service;

4) hand over for denaturation to the tax warehousekeeper who has the right to denature alcohol and receive the permit for the purchase of denatured alcohol for the production of disinfectants.

[*23 April 2020*]

**Section 8.** During the emergency situation related to the spread of COVID-19 it is prohibited to organise gambling and lotteries, except for interactive gambling, numerical lotteries, and instant lotteries.

**Section 9.** For the duration of operation of this Law the Lotteries and Gambling Supervisory Inspection shall suspend all the licences to operate gambling both in physical locations where gambling is organised (licence of a casino, license of a gambling hall, licence of a bingo hall) and in the interactive environment and (or) using the intermediation of electronic communications services.

**Section 10.**It shall be permitted to sell excisable goods, using a distance contract, except for tobacco products and liquids to be used in electronic cigarettes. It is prohibited to sell alcoholic beverages to persons who are younger than 18 years of age and in the time period from 22.00 to 8.00.

**Section 11.**Upon assessing the actual implementation of the revenue from personal income tax for the previous quarter in comparison with the forecasted implementation in accordance with the division in percentage specified in the law On the State Budget for 2020, the Cabinet may take a decision on the procedures for and the amount in which the non-implementation of the revenue projection from personal income tax shall be compensated to local governments.

**Section 12.** In 2020, 2021, 2022, and 2023 the State Revenue Service is entitled to not take a negative decision in relation to the participants of the In-depth Cooperation Programme if they have been affected by the crisis caused by COVID-19 and they ensure evidence attesting to the objective circumstances.

**Section 13.** (1) State and local government institutions as well as derived public persons and capital companies controlled by a public person, free ports, and special economic areas shall, for the duration of operation of this Law, exempt merchants and other performers of economic activity, associations and foundations affected by the emergency situation determined due to the spread of COVID-19 from lease payment for a public person property and a property of a capital company controlled by a public person or decide on reduction of the lease payment and on the use of the public person property, and also shall not apply late interest and contractual penalties in case of a late payment, except for the money for the services consumed – electricity, thermal energy, water supply, and other services related to the maintenance of the property.

(2) [28 May 2020]

(3) Costs incurred upon granting the aid provided for in this Section shall not be compensated to the lessor directly from the State budget.

[*23 April 2020; 7 May 2020; 28 May 2020*]

**Section 14.** (1) If an employer in the sectors affected by the crisis does not provide work to an employee or does not perform the activities necessary for the acceptance of employee’s obligations (idle time), a remuneration shall be compensated to the employee in accordance with the procedures and in the amount stipulated by the Cabinet in the amount of up to 75 per cent from the amount of the average remuneration of the previous six months but not more than EUR 700 per calendar month (allowance for idle time). In such case the employer need not apply Section 74 of the Labour Law. The allowance for idle time is not taxable with personal income tax and mandatory State social insurance contributions. The disbursement of the allowance for idle time is discontinued if during the period of receipt thereof the employer hires new employees. The decision to refuse to grant the allowance for idle time may be disputed and appealed by the addressee of the administrative act in accordance with the procedures laid down in the Administrative Procedure Law.

(2) The Cabinet may also stipulate other support measures in the sectors affected by the crisis.

(3) A medical treatment institution which has concluded a contract regarding the provision of State paid health care services and to which, according to the procedures stipulated by the Cabinet, a compensation payment for ensuring standby is disbursed during the emergency situation shall disburse a remuneration to the employee in the amount of up to 75 per cent from the amount of the average remuneration of the previous six months if the medical treatment institution does not provide work to such employee or does not perform the activities necessary for the acceptance of employee’s obligations (idle time); however, the remuneration shall not exceed the triple of the amount of the average monthly remuneration for work for the workforce in the State as published in the official statistical notification of the Central Statistical Bureau of the previous year. In such case the medical treatment institution need not apply Section 74 of the Labour Law.

[*23 April 2020; 19 May 2020*]

**Section 14.1** (1) Until 31 December 2020, an employer who conforms to the criteria specified for the participants of the In-depth Cooperation Programme and who has been adversely affected by the crisis caused by COVID-19 may:

1) reduce the remuneration for idle time specified in Section 74 of the Labour Law for an employee to 70 per cent of the salary to be disbursed to the employee, observing the following conditions:

a) the amount of remuneration to be maintained shall be not less than the minimum monthly salary;

b) in addition to that laid down in Sub-clause a) of this Paragraph, funds in the minimum amount of the maintenance specified by the State for each dependent child shall be maintained for an employee upon whom a minor or a child who continues acquiring the general, vocational, higher or special education but has not yet reached 24 years of age is dependent;

2) grant the unused annual paid leave to an employee, without observing the provisions of Section 150, Paragraph two of the Labour Law.

(2) The employee who does not agree with the reduction in the remuneration referred to in Paragraph one, Clause 1 of this Section has the right to give a notice of termination of the employment contract, without observing the time period referred to in Section 100, Paragraph one of the Labour Law. In such case the employer has an obligation to disburse a severance pay to the employee in the amount specified in Section 112 of the Labour Law.

[*7 May 2020*]

**Section 14.2** (1) It may be provided for in the collective agreement concluded with the trade union, upon mutual agreement and without reducing the total level of protection of employees, that in case of temporary fall in the production a part-time work shall be determined for an employee. Changes to a collective agreement may be valid for a time period not longer than by 31 December 2020. The following conditions shall be applicable to the remuneration to be disbursed to an employee:

1) the amount of remuneration to be maintained shall be not less than the minimum monthly salary;

2) in addition to that laid down in Clause 1 of this Paragraph, funds in the minimum amount of the maintenance specified by the State for each dependent child shall be maintained for an employee upon whom a minor or a child who continues acquiring the general, vocational, higher or special education but has not yet reached 24 years of age is dependent.

(2) The employee who does not agree with determination of part-time work referred to in Paragraph one of this Section has the right to give a notice of termination of the employment contract, without observing the time period referred to in Section 100, Paragraph one of the Labour Law. In such case the employer has an obligation to disburse a severance pay to the employee in the amount specified in Section 112 of the Labour Law.

[*7 May 2020*]

**Section 14.3**[*Section shall come into force on 1 July 2020 and shall be included in the wording of the Law as of 1 July 2020 /* *See Paragraph 2 of Transitional Provisions*]

**Section 14.4** In order to ensure the rights of the public to objective information regarding the refusal to grant the support measures laid down by this Law, the civil servant (employee) of the tax administration may, without the consent of the taxpayer, provide information on the reasons due to which the following has been decided in relation to the taxpayer:

1) an extension of the term for the payment of taxes referred to in Section 3, Paragraph one of this Law has not been granted or the decision to extend the term for the payment of taxes has been revoked;

2) it is refused to grant the allowance for idle time referred to in Section 14 of this Law or it has been granted but it is established that the requesting or receiving of allowance for idle time has not been justified.

[*7 May 2020*]

**Section 15.**If necessary, the Minister for Finance has the right to extend the terms for the preparation and submission of the statements specified in Sections 30, 31, and 32 of the Law on Budget and Financial Management and in the regulations issued on the basis thereof, and also the terms for the provision of opinions on statements.

**Section 16.** (1) The holder of the Commercial Pledge Register shall, within 60 days, take the decision on exercising the commercial pledge referred to in Section 42, Paragraph six of the Commercial Pledge Law.

(2) The commercial pledgor and commercial pledgees may contest the notice (Section 42, Paragraph one of the Commercial Pledge Law) on exercising of the commercial pledge to a court also in case when exceptional circumstances preclude the exercising of the commercial pledge.

(3) Upon hearing civil cases and deciding on the term for voluntary enforcement of the judgment in accordance with Section 204.1 of the Civil Procedure Law, the court may specify it as not exceeding 60 days, except for the cases when the judgment is to be enforced without delay.

(4) An application for undisputed enforcement of obligations or voluntary sale of immovable property by auction through the court in accordance with the procedures laid down in the Civil Procedure Law may only be submitted if a warning has been issued to a debtor not later than 60 days prior to submission of the application.

(5) A creditor or a provider of debt recovery service, upon commencing the recovery of a debt, shall notify the debtor in writing regarding existence of a debt and invite to fulfil the late payment liabilities voluntarily, indicating information in the notice regarding the possibility of expressing justified written objections regarding existence, amount, and payment term of the debt and determining a term for expressing objections which is not less than 60 days from the day of receipt of the notice.

(6) A creditor may submit a notarial deed to a sworn notary for assignment for compulsory enforcement within one year from the day when the term for execution of the relevant liability became due, but not less than 60 days from the day when the term for execution of the liability became due.

[*3 April 2020*]

**Section 17.** Creditors are prohibited, until 1 September 2020, from submitting an application for insolvency proceedings of a legal person if any of the features of insolvency proceedings of a legal person referred to in Section 57, Paragraph one, Clause 1, 2, 3, or 4 of the Insolvency Law exists.

**Section 18.** (1) An undertaking to which the Law on the Annual Financial Statements and Consolidated Financial Statements applies is entitled to submit the annual statement and the consolidated annual statement on 2019 within a term which exceeds the term for submission specified in Section 97, Paragraph one of the Law on the Annual Financial Statements and Consolidated Financial Statements by three months.

(2) An association or foundation which exceeds the term specified in Section 52, Paragraph three and that specified in Section 102 of the Associations and Foundations Law is entitled to submit the annual statement on 2019 or part thereof to the State Revenue Service by 31 July 2020.

(3) A religious organisation the term for submission of annual statements for which is determined in accordance with the Cabinet regulation regarding annual statements of religious organisations issued pursuant to Section 13, Paragraph four, Clause 2 of the law On Accounting is entitled to submit the annual statement on 2019 or part thereof to the State Revenue Service by 31 July 2020.

(4) Social enterprises are entitled to submit an activity report on 2019 referred to in Section 10, Paragraph one of the Social Enterprise Law to the Ministry of Welfare by 31 July 2020.

(5) Public benefit organisations are entitled to submit an activity report on 2019 referred to in Section 13, Paragraph one of the Public Benefit Organisation Law to the State Revenue Service by 31 July 2020.

(6) In order to approve the annual statement and the consolidated annual statement of a capital company for the reporting year of 2019, the capital company of a public person and public-private capital company to which the Law on Governance of Capital Shares of a Public Person and Capital Companies applies are entitled to convene a meeting of shareholders (stockholders) within a term that exceeds the time period determined in Section 54 of the Law on Governance of Capital Shares of a Public Person and Capital Companies by three months.

(7) The deadline for submitting a report on the utilisation of gift (donation) in 2020 provided for in the contracts of gift (donation) of financial resources and property of a public person shall be extended until 31 December 2020.

[*23 April 2020; 28 May 2020*]

**Section 19.** Measures for the prevention and suppression of threat to the State and its consequences due to the spread of COVID-19 shall be financed from the resources from the State budget and local government budgets allocated to the authorities financed from the budget. The Cabinet may, upon a justified request of ministries, take the decision on measures for the prevention and suppression of treat to the State as well as on allocation of funding from the State budget programme 02.00.00 “Funds for Unforeseen Events”.

**Section 20.** In order to ensure achievement of the objectives specified in Section 1 of this Law, the Ministry of Finance as the Managing Authority of the European Union Structural Funds and the Cohesion Fund (hereinafter – the EU Funds) has the right to suspend, discontinue, or terminate the selection of the specific support objective, and also entering into a contract or agreement regarding implementation of a project of the EU Funds and to propose reallocation of resources of the specific support objective until further decisions of the Cabinet.

**Section 21.** If a relevant Cabinet decision has been taken, the Minister for Finance has the right to give an order to the Treasury to impose restrictions on the use of accounts for a specific period if the actual tax and non-tax revenue of the State budget in relation to the revenue forecasted in the relevant period significantly decrease or there are insufficient resources in the cash accounts of the Treasury in order to cover the payment liabilities planned for the following month.

**Section 22.** The Minister for Finance has the right, upon informing the *Saeima* thereof, to make changes in appropriation, including reduction or reallocation of appropriation between the ministries and other central State institutions for measures for the prevention and suppression of threat to the State and its consequences due to the spread of COVID-19 if a relevant Cabinet decision has been adopted, and also to perform reallocation of appropriation for a ministry or another central State institution within the scope of the appropriation specified in the law among programmes, sub-programmes, and codes of expenditure according to the economic categories.

**Section 23.**The Minister for Finance has the right, upon informing the *Saeima* thereof, to increase the appropriation specified in the law On the State Budget for 2020 in the programme 02.00.00 “Funds for Unforeseen Events” of the budget department “74. Funding to be Reallocated in the Process of Implementation of the Annual State Budget” and to extend the permissible limits of the government action for carrying out of the government liabilities if a relevant Cabinet decision has been adopted.

**Section 24.** In order to ensure funding for the measures for the mitigation and prevention of the impact of the emergency situation related to the spread of COVID-19 and the expenditure related thereto, and also for the financing of the State budget financial deficit, for carrying out of the national debt liabilities, and for ensuring of State loans, the Minister for Finance is entitled to take borrowings on behalf of the State in the necessary amount, to select instruments and conditions of borrowings as well as is entitled, upon informing the *Saeima* thereof, to increase the maximum permissible amount of the national debt specified in the law on the annual State budget at the end of the economic year and the appropriation specified for execution of expenditure and liabilities of the national debt management.

**Section 25.** The Cabinet shall decide on the issuance of new State loans and their conditions or the change in the conditions of the contracts of State loans already issued and the conditions of the security contracts related thereto for the mitigation and prevention of the impact of the emergency situation related to the spread of COVID-19. The Cabinet has the right to increase the total increase of State budget loans specified in the law On the State Budget for 2020.

**Section 25.1** If the turnover of the capital company controlled by the local government has decreased by more than 50 per cent in comparison with the respective period of 2019 due to the emergency situation declared in the State in relation to the spread of COVID-19, the local government is entitled to receive a State budget loan for increasing the equity capital of the capital company to ensure financial resources for the maintenance expenditures of the capital company. The term for repaying the loan shall be up to 12 months from the day of concluding the loan contract. The fixed State loan servicing fee shall not be applied to the loan. The contribution of a local government into the equity capital of a capital company shall be calculated without exceeding the period during which the restrictions on the main activity of the capital company imposed during the emergency situation are operating. The conditions of Sections 13 and 56 of the law On the State Budget for 2020 shall not apply to the abovementioned loan.

[*23 April 2020*]

**Section 26.**After the Cabinet decision on the increase of the reserve capital for *akciju sabiedrība “Attīstības finanšu institūcija Altum”* [joint stock company Development Finance Institution Altum] has been taken for financing the crisis guarantee programme and the crisis loan programme, the Minister for Finance shall increase the appropriation for the Ministry of Economics for the resources from the grant from general revenue for transfer into the reserve capital of the joint stock company Development Finance Institution Altum in accordance with the procedures and in the amount stipulated by the Cabinet for financing the crisis guarantee programme and for financing the crisis loan programme.

**Section 27.** The conditions of Section 7, Paragraph three and Section 9 of the Fiscal Discipline Law are not applied in relation to the measures for the mitigation of the impact of the emergency situation related to the spread of COVID-19.

**Section 28.** In relation to the application of the norms of the Fiscal Discipline Law, measures for the mitigation of the impact of the emergency situation related to the spread of COVID-19 are one-time measures which are not included in the structural balance of the general government budget.

**Section 29.** Upon granting aid for commercial activity referred to in Sections 13 and 14 of this Law as well as upon implementing other measures referred to in this Law which conform to the features specified in Section 5 of the Law on Control of Aid for Commercial Activity, the requirements of the regulation of control of aid for commercial activity are conformed to.

**Section 30.** During the time period from1 April 2020 to 1 September 2020, the late payment interest on default of the performance of civil obligations may not exceed the lawful interest.

[*3 April 2020*]

**Section 31.** During the time period from 12 March 2020 to 1 July 2020, the running of the prescriptive period of obligations rights specified in laws shall be suspended, and this time period shall be deducted from the calculation of the prescriptive period.

[*3 April 2020*]

**Section 32.** (1) Until 1 September 2020 a member of an association or cooperative society has the right to participate and vote in a general meeting of members remotely.

(2) A notification regarding convening of the general meeting of members shall indicate the procedures according to which and the time periods within which the members may exercise the right to vote prior to the general meeting of members or to participate and vote in the general meeting of members through electronic means.

(3) A member has the right to vote in writing (including through electronic means) prior to the general meeting of members if the following conditions are met:

1) the vote has been given in a way which allows an association or cooperative society to identify the member;

2) an association or cooperative society is informed of the vote at least one day prior to the day of the general meeting of members.

(4) A member who has voted prior to the general meeting of members may request the association or cooperative society to acknowledge the receipt of the vote. Upon receipt of the vote of the member, the association or cooperative society shall immediately send an acknowledgement to the member, but after the end of the voting it shall publish votes of all members.

(5) A board of directors shall, upon its own initiative or upon request of members thereof who jointly represent at least 20 per cent of the number of members of the association or cooperative society, ensure the member with the right to participate and vote in the general meeting of members through electronic means. In such a case the board of directors shall determine the requirements for identification of members and the procedures by which the members can exercise this right.

(6) The right of a member to participate and vote in the general meeting of members through electronic means shall not restrict the right of the member to participate and vote in the general meeting of members in person.

(7) A member who votes prior to the general meeting of members or participates and votes in the general meeting of members through electronic means shall be considered present at the general meeting of members and shall be included in the list of the members present.

(8) If a member participates and votes in the general meeting of members through electronic means, an association or cooperative society shall ensure recording and registration of the course of the general meeting of members on a medium and storage of the relevant materials of the meeting. Members, members of the board of directors and council, an auditor, and competent authorities have the right to access materials of the meeting.

(9) Paragraph eight of this Section shall also be applicable to capital companies until 1 September 2020.

[*3 April 2020*]

**Section 33.** During the emergency situation related to the spread of COVID-19 and for six months after the end thereof, a court may, upon receipt of a reasoned application from a debtor within the scope of the procedure for extinguishing obligations in insolvency proceedings of a natural person, decide to postpone the time periods for payments to creditors included in the plan for extinguishing obligations by concurrently extending the time period for the procedure for extinguishing obligations by the relevant period.

[*3 April 2020*]

**Section 34.**(1) During the emergency situation related to the spread of COVID-19, a creditors meeting within the framework of insolvency proceedings may also be held remotely. An administrator of insolvency proceedings shall determine the type of the occurrence of creditors meeting by taking into account the restrictions on gathering prescribed by the decision to declare the emergency situation.

(2) In convening the creditors meeting, the administrator of insolvency proceedings shall determine one of the following types of participation:

1) participants of the meeting participate and vote in the meeting in person;

2) participants of the meeting participate and vote in the meeting through electronic means;

3) participants of the meeting vote in writing on items on the agenda of the meeting and submit their vote at least one day prior to the day of the creditors meeting.

[*3 April 2020*]

**Section 35.** (1) During the emergency situation related to the spread of COVID-19 and for six months after the end thereof in cases where an application for approval of the plan of measures of legal protection proceedings or for amending of the plan of measures of legal protection proceedings has been submitted, a time period shall be determined for the implementation of legal protection proceedings not exceeding four years from the day when a court ruling on the implementation of legal protection proceedings has entered into effect. In such a case the possibility to extend the time period for the implementation of legal protection proceedings referred to in Section 48, Paragraph two of the Insolvency Law shall not be applicable to the specific legal protection proceedings.

(2) If the time period for the implementation of legal protection proceedings is extended in accordance with Section 48, Paragraph two of the Insolvency Law and adverse effects which have arisen due to the spread of COVID-19 prevent a debtor from implementing the plan of measures of legal protection proceedings, during the emergency situation related to the spread of COVID-19 the time period for the implementation of legal protection proceedings may be extended by one year, if the majority of the creditors specified in Section 42, Paragraph three of the Insolvency Law agrees to that.

(3) During the emergency situation related to the spread of COVID-19, a creditors meeting may also be held remotely when developing a plan of measures of legal protection proceedings. A debtor shall determine the type of the occurrence of creditors meeting by taking into account the restrictions on gathering prescribed by the decision to declare the emergency situation.

(4) In convening the creditors meeting, the debtor shall determine one of the following types of participation:

1) participants of the meeting participate and vote in the meeting in person;

2) participants of the meeting participate and vote in the meeting through electronic means;

3) participants of the meeting vote in writing on items on the agenda of the meeting and submit their vote not later than one day prior to the day of the creditors meeting.

[*3 April 2020*]

**Section 36.** (1) During the emergency situation related to the spread of COVID-19, an application for legal protection proceedings, insolvency proceedings of a legal person, and insolvency proceedings of a natural person may be submitted electronically by signing it in compliance with the requirements of Section 3 of the Electronic Documents Law.

(2) In the cases specified in the Civil Procedure Law, only a recipient shall make an entry regarding receipt of the application in the register of the relevant application if the application has been submitted electronically.

[*3 April 2020*]

**Section 37.** During the emergency situation related to the spread of COVID-19, it shall be permitted for religious associations (churches), irrespective of whether they are registered with the Register of Public Benefit Organisations, to arrange donations by phone.

[*3 April 2020*]

**Section 38.** During the emergency situation related to the spread of COVID-19, upon receipt of payment from an addressee of a cash-on-delivery item for the provision of courier services with a payment card or by using a mobile application, postal operators are entitled to not use electronic devices and equipment for registering tax and other payments and to issue an electronically prepared registered receipt for confirmation of a transaction in compliance with the requirements of the laws and regulations governing the procedures for using electronic devices and equipment in respect of electronically prepared registered receipts for the transactions in facilities for receipt of postal items.

[*3 April 2020*]

**Section 39.** An alternative investment fund the manager whereof is *akciju sabiedrība “Attīstības finanšu institūcija Altum”* [joint stock company Development Financial Institution Altum] is established by this Law, and after the registration with the Financial and Capital Market Commission it is entitled to commence the operation of a registered manager of alternative investment funds, notifying thereof in the official gazette *Latvijas Vēstnesis*. The explanation of the term “manager of alternative investment funds” used in Section 1, Clause 3 of the Law on Alternative Investment Funds and Their Managers shall not apply to the manager of the abovementioned alternative investment fund.

[*23 April 2020*]

**Section 40.** The joint stock company Development Financial Institution Altum shall, within 10 working days from the day of coming into force of Section 39 of this Law, submit an application to the Financial and Capital Market Commission for the registration of the manager of an alternative investment fund in accordance with the procedures laid down in Section 8 of the Law on Alternative Investment Funds and Their Managers.

[*23 April 2020*]

**Section 41.** The registered manager of the alternative investment fund and the alternative investment fund referred to in Section 39 of this Law shall operate in conformity with the Law on Alternative Investment Funds and Their Managers, except for Section 5, Paragraph six and Section 6, Paragraphs three and six of the Law on Alternative Investment Funds and Their Managers.

[*23 April 2020*]

**Section 42.** The registered manager of the alternative investment fund referred to in Section 39 of this Law shall provide the information and documents specified in the Law on Alternative Investment Funds and Their Managers to the Financial and Capital Market Commission and shall perform payments for financing the Financial and Capital Market Commission, and also shall fulfil other obligations referred to in the Law on Alternative Investment Funds and Their Managers.

[*23 April 2020*]

**Section 43.** The fund referred to in Section 39 of this Law shall be liquidated in accordance with the procedures laid down in the Law on Alternative Investment Funds and Their Managers.

[*23 April 2020*]

**Section 44.** The limits specified in the first and second sentence of Section 12, Paragraph two, Clause 7.1 and Clause 14 of the Law on State Funded Pensions shall not be applied in relation to the managers of funds of the State funded pension scheme of the alternative investment funds referred to in Section 39 of this Law.

[*23 April 2020*]

**Section 45.** If, within the meaning of Section 55.11, Paragraph 1.1 of the Financial Instrument Market Law and in relation to the management of COVID-19 consequences, a small or medium-sized merchant who is registered in Latvia issues debt securities with the amount of issue of up to two million euros and with a maturity of debt securities not exceeding three years, the manager of funds of the State funded pension scheme in relation to investments in such securities is entitled to not observe the restrictions referred to in Section 12, Paragraph one, Clause 3 of the Law on State Funded Pensions and the requirement of Section 12, Paragraph two, Clause 4 of the Law on State Funded Pensions that the investment in securities of one issuer may not exceed 10 per cent of the debt securities of one issuer.

[*23 April 2020*]

**Section 46.** The manager of funds of the State funded pension scheme is entitled to invest in debt securities referred to in Section 45 of this Law in the amount of up to 100 % of the relevant issue.

[*23 April 2020*]

**Section 47.** The total amount of investments of an investment plan in the debt securities referred to in Section 45 of this Law may not exceed one per cent of the assets of such investment plan.

[*23 April 2020*]

**Section 48.** The manager of funds of the State funded pension scheme does not apply the requirement of Section 12.1, Paragraph three of the Law on State Funded Pensions:

1) to investments in the fund referred to in Section 39 of this Law over the period from the commencement of the operation of the fund referred to in Section 39 of this Law until its liquidation;

2) to investments in the debt securities referred to in Section 45 of this Law until the maturity of the debt securities referred to in Section 45 of this Law.

[*23 April 2020*]

**Section 49.** The manager of funds of the State funded pension scheme shall concurrently submit the amendments made to the investment plan prospectus in relation the investments in the fund referred to in Section 39 of this Law or in the financial instruments referred to in Section 45 of this Law to the Financial and Capital Market Commission and the State Social Insurance Agency. The Commission shall examine the amendments to the investment plan prospectus within five working days from the day of receipt thereof and shall send a notification to the State Social Insurance Agency on the registration of such amendments or the refusal to register them. Amendments to the investment plan prospectus shall come into effect on the day following their registration. The State Social Insurance Agency shall, within three working days from the day of receipt of the notification of the Financial and Capital Market Commission, decide whether to conclude a contract with the manager of funds of the State funded pension scheme regarding the amendments to the contract on the management of such funds. Section 11, Paragraph 4.1 of the Law on State Funded Pensions and Paragraph 28 of Cabinet Regulation No. 272 of 27 May 2003, Regulations Regarding the Operation of the State Funded Pension Scheme, shall not be applied in relation to such amendments.

[*23 April 2020*]

**Section 50.** In accordance with Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies, the Cabinet shall, by 30 April 2020, submit to the *Saeima* the Stability Programme of Latvia for 2020–2023.

[*23 April 2020*]

**Section 51.** (1) During the emergency situation related to the spread of COVID-19 and for three months after the end thereof, the owner of a vehicle or – where the vehicle has been leased – the holder of the vehicle indicated in the vehicle registration certificate has the right to remove the vehicle from the register by temporarily suspending the registration of the vehicle and without handing over the vehicle registration plates to the Road Traffic Safety Directorate, and to submit an application by using the e-services of the Road Traffic Safety Directorate. In such case the Road Traffic Safety Directorate shall make a mark “the registration of a vehicle has been temporarily suspended without handing over the vehicle registration plates” in the Register of Vehicles maintained by it. It is prohibited to participate in road traffic with a vehicle whose registration has been temporarily suspended without handing over the vehicle registration plates.

(2) In order to renew the registration of a vehicle, a submission shall be submitted to the Road Traffic Safety Directorate by using the e-services of the Road Traffic Safety Directorate. Following receipt of the submission, the Road Traffic Safety Directorate shall delete the mark regarding the temporary suspension of registration.

(3) The Road Traffic Safety Directorate shall ensure that the submissions referred to in this Section can be submitted remotely by using the e-services of the Road Traffic Safety Directorate*.*

(4) If the registration of a vehicle has been temporarily suspended in accordance with the procedures laid down in this Section without handing over the vehicle registration plates to the Road Traffic Safety Directorate:

1) the vehicle operation tax shall be paid into the State budget for the months from the beginning of the relevant taxation period until the month (including) when the registration of the vehicle is temporarily suspended;

2) the company car tax shall be paid into the State budget for the previous taxation period if it has not been paid, and from the beginning of the current taxation period until the month (including) when the registration of the vehicle is temporarily suspended.

(5) Upon renewing the registration of a vehicle which has been temporarily suspended in accordance with the procedures specified in this Section:

1) the vehicle operation tax shall be paid into the State budget for the period from the month (including) when the registration of a vehicle is renewed until the end of the relevant calendar year;

2) the company car tax shall be paid into the State budget for the month when the registration of a vehicle is renewed.

(6) During the emergency situation related to the spread of COVID-19 and for three months after the end thereof, the owner of the vehicle or – where the vehicle has been leased – the holder of the vehicle indicated in the vehicle registration certificate (if it has concluded an appropriate insurance contract) who is a carrier that has received the special permit (licence) for performing carriage for reward is entitled to submit a written application to the insurer for an early termination of the insurance contract – standard contract or international insurance contract (the Green Card), if the registration of a vehicle used for carriage for reward has been temporarily suspended without handing over the vehicle registration plates to the Road Traffic Safety Directorate. In such case the operation of the insurance contract is terminated on the day following the submission of a written application.

(7) Upon submitting the written application referred to in Paragraph six of this Section, one of the following justifications for terminating the insurance contract shall be indicated:

1) early termination of the insurance contract by receiving back the portion of the deposited insurance premium according to Section 10, Paragraph five, Clause 1 of the Compulsory Civil Liability Insurance of Owners of Motor Vehicles Law;

2) early termination of the insurance contract without receiving back the portion of the deposited insurance premium for the remaining period from the day of terminating the contract until the expiration of the insurance contract. After renewal of the registration of a vehicle and when the insurer has received a written application for the conclusion of a new insurance contract for the terms of validity of an insurance contract referred to in the Compulsory Civil Liability Insurance of Owners of Motor Vehicles Law, the insurer shall issue a new insurance contract, and the unused insurance premium shall be included into the portion of insurance premium of such contract. In such case the new insurance contract shall come into effect not later than within three months after the end of the emergency situation.

(8) The owner of the vehicle or – where the vehicle has been leased – the holder of the vehicle indicated in the vehicle registration certificate (if it has concluded an appropriate insurance contract) who is not referred to in Paragraph six of this Section has the right to terminate an insurance contract and to receive back the unused portion of insurance premium in accordance with Section 10, Paragraphs two and three and Paragraph five, Clause 1 of the Compulsory Civil Liability Insurance of Owners of Motor Vehicles Law, provided that the registration of a vehicle is temporarily suspended, handing over the vehicle registration plates to the Road Traffic Safety Directorate.

[*23 April 2020; 28 May 2020*]

**Section 51.1** (1) During the emergency situation related to the spread of COVID-19 and for six months after the end thereof, the tax payer may pay the vehicle operation tax for the taxation period of 2020 for goods vehicles with gross weight above 3000 kilograms and their trailers and semi-trailers in the amount of 50 per cent.

(2) If the vehicle operation tax has been paid in accordance with Paragraph one of this Section, in the next calendar year the vehicle operation tax shall be paid into the State budget for the current calendar year, and for the previous calendar year in the amount of 50 per cent.

(3) If the vehicle operation tax has been paid in accordance with Paragraph one of this Section, the registration of a change in owner, the registration of holder, and also the removal of a vehicle from the register for alienation in Latvia or for the bringing out of Latvia shall be performed by the Road Traffic Safety Directorate if the tax for the previous period is paid in full.

[*28 May 2020*]

**Section 52.** Property of a public person may be transferred for use without compensation to the authority involved in the epidemiological safety measures for the containment of the spread and elimination of consequences of COVID-19 for the duration of operation of this Law. The decision on the transfer of a property of a public person for use without compensation shall be taken by the institution of the public person in whose possession the relevant property is. Property of a public person shall be transferred for use without compensation by a deed of acceptance and delivery. The institution of the relevant public person has the right to control whether the property transferred for use without compensation is used in conformity with the purpose of its transfer. If the property of a public person transferred for use without compensation is used for performing economic activities, the conditions of Section 29 of this Law shall be met.

[*23 April 2020*]

**Section 53.** Movable property (personal protective equipment and disinfectants) of a public person may be transferred into the ownership of the authority involved in the epidemiological safety measures for the containment of the spread and elimination of consequences of COVID-19 without compensation. Permission to alienate a movable property of the State shall be given by the authority stipulated by the Cabinet, whereas the permission to alienate a movable property of a derived public person shall be given by the decision-making authority of the relevant derived public person, without clarifying the need of the public person or its institutions for such property. The movable property which is transferred according to the procedures laid down in this Section, but has not been used for the containment of the spread and elimination of consequences of COVID-19 during the operation of this Law, shall be given back to the relevant public person. If the movable property which is transferred according to the procedures laid down in this Section is used for performing economic activities, the conditions of Section 29 of this Law shall be met. The abovementioned solution applies also to the transfer of movable property (personal protective equipment and disinfectants) of a public person without compensation into the ownership of a religious association (church) for implementing the epidemiological safety measures.

[*23 April 2020*]

**Section 54.** Property of a public person which has been transferred for use without compensation to the authority involved in the epidemiological safety measures for the containment of the spread and elimination of consequences of COVID-19 or movable property (personal protective equipment and disinfectants) of a public person which has been transferred without compensation shall be regarded as a donation (gift) that is exempted from the application of the enterprise income tax or personal income tax. If the property of a public person which is transferred according to the procedures laid down in this Section is used for performing economic activities, the conditions of Section 29 of this Law shall be met.

[*23 April 2020*]

**Section 55.** During the operation of this Law, the State and local governments have the right to disburse financing to the associations and foundations with which a project financing contract, participation or delegation contract has been concluded for the provision of services and implementation of other types of activities, even if they could not be provided or implemented due to the emergency situation. The State and local governments shall evaluate the impact of idle time on the financial flow of the service provider or project implementer and shall determine the extent to which payment for the period of idle time shall be made.

[*23 April 2020*]

**Section 56.**(1) The debt obligations attributable to the State budget of guarantees provided on behalf of the State shall be increased by EUR 57 070 750 in order to issue the guarantee of the Republic of Latvia to the European Commission on the participation in the European Union support instrument Support to Mitigate Unemployment Risks in an Emergency (SURE).

(2) When the Cabinet has approved the guarantee agreement, the Minister for Finance has the right to sign the guarantee agreement with the European Commission on behalf of the Republic of Latvia on the participation in the European Union support instrument Support to Mitigate Unemployment Risks in an Emergency (SURE).

[*28 May 2020*]

**Transitional Provisions**

[*7 May 2020*]

1. The norms of this Law shall be applicable from the moment of declaration of the emergency situation in order to contain the spread of COVID-19.

[*7 May 2020*]

2. Section 14.3 of this Law shall come into force concurrently with the Law on Administrative Liability.

[*7 May 2020 /* *Section shall be included in the wording of the Law as of 1 July 2020*]

This Law shall come into force on the day following its proclamation.

This Law has been adopted by the *Saeima* on 20 March 2020.

President E. Levits

Riga, 21 March 2020