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

1 November 2011 [shall come into force from 5 November 2011];

19 March 2013 [shall come into force from 23 March 2013];

7 July 2015 [shall come into force from 14 July 2015];

5 September 2017 [shall come into force from 12 September 2017];

12 February 2019 [shall come into force from 15 February 2019].

If a whole or part of a paragraph has been amended, the date of the amending regulation appears in square brackets at the end of the paragraph. If a whole paragraph or sub-paragraph has been deleted, the date of the deletion appears in square brackets beside the deleted paragraph or sub-paragraph.

Republic of Latvia

Cabinet

Regulation No. 233

Adopted 3 April 2007

**By-laws of the Financial Sector Development Board**

*Issued pursuant to*

*Section 13 of the State Administration Structure Law and Section 61, Paragraph two of the Law on the Prevention of Money Laundering and Terrorism Financing*

*[7 July 2015]*

1. The Financial Sector Development Board (hereinafter – the Board) is a coordinating authority the objective of operation of which is to coordinate and improve the cooperation between the State authorities and the private sector in promoting the development of the financial sector, as well as to implement the tasks specified in the Law on the Prevention of Money Laundering and Terrorism Financing.

*[7 July 2015]*

2. The Board has the following functions:

2.1. to promote the international competitiveness of the financial sector and the export of financial services;

2.2. to promote the recognition of Latvia as an international financial centre in foreign countries;

2.3. to coordinate the cooperation between the State authorities and the private sector in promoting the development of the financial sector, including in execution of the financial sector development plan;

2.4. to coordinate the cooperation between the State authorities and the private sector in the prevention of money laundering, terrorism financing, and manufacturing, storage, moving, use, or proliferation of weapons of mass destruction (hereinafter – the proliferation), including achievement of the objectives indicated in the policy and strategy for the prevention of money laundering, terrorism financing, and proliferation;

2.5. to promote the cooperation with the relevant foreign public and private institutions which are responsible for the development of the financial sector and for the prevention of money laundering, terrorism financing, and proliferation.

*[5 September 2017; 12 February 2019]*

3. The Board has the following tasks:

3.1. to assess the development of the financial sector, including implementation of the financial sector development plan;

3.2. to assess the money laundering, terrorism financing, and proliferation risk, including the course of implementation of the plan of measures for the restriction of money laundering and terrorism financing risk developed on the basis of the National Money Laundering and Terrorism Financing Risk Assessment;

3.2.1to analyse information regarding global tendencies in the field of money laundering, terrorism financing, and proliferation, to assess the risks of the financial innovations sector and their impact at national level, as well as to develop guidelines corresponding to the situation of Latvia in introduction of the State policy and to prepare measures for the supervision of the introduction in order to prevent money laundering, terrorism financing, and proliferation;

3.3. [5 September 2017];

3.4. [5 September 2017];

3.5. to examine proposals regarding the development of such laws and regulations which are necessary to promote the development of the financial sector and to reduce the possibility of carrying out money laundering and terrorism financing in the Republic of Latvia, as well as to decide on further progress of the abovementioned proposals.

*[5 September 2017; 12 February 2019]*

4. According to the functions specified in Paragraph 2 of this Regulation, upon carrying out the tasks referred to in Paragraph 3 of this Regulation, the Board has the following rights:

4.1. to request and receive from State and other authorities the information, opinions, and explanations necessary for the work of the Board;

4.2. to provide proposals for promoting the development of the financial sector, increasing its efficiency, and reducing the potential negative consequences of the identified risks;

4.3. to provide proposals for the prevention of money laundering, terrorism financing, and proliferation;

4.4. to invite officials and employees of State authorities, as well as representatives of the interested parties for participation in meetings of the Board in advisory capacity;

4.5. to propose the establishment of a working group for solving issues within the competence of the Board and to invite officials and employees of State authorities, as well as representatives of the interested parties for participation therein;

4.6. to propose that State authorities develop draft laws and regulations for the promotion of the development of the financial sector and for the prevention of money laundering, terrorism financing, and proliferation;

4.7. to take other measures in order to carry out the functions of the Board.

*[12 February 2019]*

5. The Board shall consist of:

5.1. the Prime Minister (chairperson of the Board);

5.1.1the Minister for Economics;

5.1.2the Minister for Foreign Affairs;

5.2. the Minister for the Interior;

5.3. the Minister for Finance;

5.4. the Minister for Justice;

5.5. the Prosecutor General;

5.6. the President of the Bank of Latvia;

5.7. the chairperson of the Financial and Capital Market Commission;

5.7.1the head of the Office for Prevention of Laundering of Proceeds Derived from Criminal Activity;

5.8. the chairperson of the board of directors of the Finance Latvia Association;

5.9. the President of the Latvian Insurers Association;

5.10. [5 September 2017];

5.11. [5 September 2017];

5.12. the chairperson of the board of directors of the Association of Latvian Payment and Electronic Money Service Providers;

5.13. the head of the Alternative Financial Services Association of Latvia;

5.14. the President of the Employers’ Confederation of Latvia.

*[1 November 2011; 7 July 2015; 5 September 2017; 12 February 2019]*

6. Upon invitation of the chairperson of the Board, officials and employees of other State authorities, as well as representatives of the interested parties may participate in meetings of the Board in advisory capacity.

7. Meetings of the Board shall take place in person or upon communicating electronically, using written procedure. The Board has a quorum if at least seven members of the Board are participating in its meeting in person or if replies from at least seven members of the Board have been received within the scope of written procedure. Meetings of the Board shall be closed.

*[19 March 2013; 7 July 2015; 12 February 2019]*

7.1 Issues regarding an inspection or investigation initiated by the supervisory and controlling authority or law enforcement authority are examined in meetings of the Board with participation of only the persons referred to in Sub-paragraphs 5.1, 5.1.1, 5.1.2, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, and 5.7.1 of this Regulation.

*[12 February 2019]*

8. In the absence of the chairperson of the Board his or her duties shall be carried out by a member of the Board appointed by the chairperson of the Board.

9. The council shall take decisions by a simple majority vote of members of the Board. In the event of tied vote, the vote of the chairperson of the Board (in his or her absence – the vote of the member of the Board appointed by the chairperson of the Board) shall be the casting vote.

*[19 March 2013]*

10. The chairperson of the Board shall:

10.1. not less than twice a year convene meetings of the Board, approve their agenda, and manage meetings of the Board;

10.2. sign decisions of the Board, minutes of meetings, and other documents of the Board;

10.3. represent the Board without special authorisation.

11. Meetings of the Board shall also be convened if it is proposed by any member of the Board. If at least one third of members of the Board request convening of a meeting of the Board in person, not upon communicating electronically, using written procedure, the chairperson of the Board has an obligation to convene such a meeting.

*[19 March 2013]*

11.1Within the scope of written procedure members of the Board shall, within five working days, provide a reply electronically regarding the decision prepared. The Ministry of Finance shall, within two working days after expiry of the time period for coordination of the issue sent electronically, send information to members of the Board regarding course of coordination of the issue, including information regarding taking of the decision.

*[19 March 2013; 5 September 2017]*

12. If a meeting of the Board takes place in person, it shall be recorded in minutes. Issues of the agenda and the decisions taken, as well as the persons who participated in the meeting and the persons who expressed an opinion regarding the relevant issue, and the opinion expressed thereby shall be recorded in the minutes of the meeting of the Board.

*[19 March 2013]*

12.1Minutes of the meeting of the Board shall, within 14 working days after the meeting of the Board, be sent electronically to all members of the Board for coordination. If no member of the Board expresses objections within five working days, the minutes shall be considered coordinated. If objections or corrections have been received, the minutes shall be sent electronically to members of the Board for repeat coordination.

*[19 March 2013; 12 February 2019]*

12.2[12 February 2019]

12.3In the cases referred to in Paragraphs 11.1 and 12.1 of this Regulation the run of the time period shall commence on the following working day after receipt of the relevant e-mail.

*[19 March 2013]*

13. The draft agenda of a meeting of the Board and the materials submitted for examination in a meeting of the Board shall be prepared, as well as material and technical carrying out of the continuous functions of the Board shall be ensured by the Ministry of Finance. The Ministry of Finance shall ensure storage of materials of meetings of the Board and their transfer into State storage in accordance with the procedures laid down in the laws and regulations regarding State archives.

*[19 March 2013; 5 September 2017]*

14. Cabinet Regulation No. 55 of 25 January 2005, By-laws of the Office for Prevention of Laundering of Proceeds Derived from Criminal Activity (*Latvijas Vēstnesis*, 2005, No. 15), is repealed.

Prime Minister A. Kalvītis

Minister for the Interior I. Godmanis