Republic of Latvia

Cabinet

Regulation No. 406

Adopted 27 August 2019

**Regulations Regarding the Amount of Information Provided by the State Revenue Service on Politically Exposed Persons and the Procedures for the Requesting, Issuing, and Storing Thereof**

*Issued pursuant to*

*Section 25, Paragraph six of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing*

**I. General Provisions**

1. The Regulation prescribes the amount of information that may be received by a subject of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing (hereinafter – the subject of the Law) from the database of politically exposed persons of the State Revenue Service (hereinafter – the database) on a politically exposed person of the Republic of Latvia (except for the head (director, deputy director) and a member of the board of an international organisation or a person who holds an equivalent position in such organisation) (hereinafter – the politically exposed person), his or her spouse, parents, children, brothers, or sisters (hereinafter – the family member of the politically exposed person), and also the procedures for requesting, issuing, and storing of such information.

2. The subject of the Law shall request and receive information on the politically exposed person or the family member of the politically exposed person:

2.1. from the public information database of the State Revenue Service;

2.2. by using the State information systems’ integrator and in conformity with the Extensive Markup Language (hereinafter – the XML) schema structure:

2.2.1. online through web services (hereinafter – the web service solution);

2.2.2. by using a data distribution network.

**II. Amount of Information, Procedures for the Requesting and Issuing Thereof**

3. The subject of the Law that requests information on the politically exposed persons and the family members of the politically exposed persons in the manner indicated in Sub-paragraph 2.2 of this Regulation shall receive the following information:

3.1. the given name, surname, personal identity number of the person;

3.2. information on the position held by the person currently or in the period of 24 months prior to execution of the request and the period of holding the position;

3.3. the degree of kinship if the person is the family member of the politically exposed person and is a resident of the Republic of Latvia of legal age.

4. In order to receive information on the politically exposed person and the family member of the politically exposed person in the manner indicated in Sub-paragraph 2.2.1 of this Regulation, the subject of the Law shall send a request in conformity with the XML schema structure referred to in Sub-paragraph 2.2 of this Regulation that determines the structure of the information to be indicated in the request on a natural person – a resident of the Republic of Latvia of legal age – and the structure of the information to be provided to the subject of the Law upon execution of the request. If the natural person is a minor resident of the Republic of Latvia, the user of the system shall request information on the lawful representative of the minor resident of the Republic of Latvia in order to ascertain his or her compliance with the status of the family member of the politically exposed person.

5. In order to receive information in the manner indicated in Sub-paragraph 2.2 of this Regulation, the subject of the Law shall send a request to the State Revenue Service to access to the web service solution and the data distribution network channel of the State information systems’ integrator, indicating the following information:

5.1. the registration number of the subject of the Law;

5.2. the registered office of the subject of the Law;

5.3. the given name, surname, electronic mail address, and phone number of the responsible person of the subject of the Law;

5.4. the type of authentication of the subject of the Law (certificate-based authentication or username, password);

5.5. the Internet Protocol address wherefrom the subject of the Law is going to request and whereto the subject of the Law is going to receive the information on the politically exposed persons or the family members of the politically exposed persons.

6. The State Revenue Service shall, within 10 working days after receipt of the request referred to in Paragraph 5 of this Regulation, send to the State Regional Development Agency an electronically signed request for rights in relation to the connection of the subject of the Law to the web service solution as the user of the database.

7. The State Regional Development Agency shall, in accordance with the laws and regulations regarding the provisions for the State information systems’ integrator, inform the subject of the Law and the State Revenue Service of the connection of the subject of the Law to the web service solution and shall ensure a test environment of the data distribution network.

8. When the subject of the Law has, through using the test environment of the data distribution network ensured by the State Regional Development Agency, ascertained that it is possible to retrieve and to insert data in the data distribution network, it shall send a request for connection to the data distribution network channels of the State Revenue Service whereof the Service receives an automatic notification.

9. The State Revenue Service shall, within five working days after receipt of the automatic notification referred to in Paragraph 8 of this Regulation, inform the subject of the Law of the approval of the request for connection by sending the approval and the start date of the data exchange to the electronic mail address referred to in Sub-paragraph 5.3 of this Regulation.

10. The State Revenue Service shall publish the XML schema structure referred to in Sub-paragraph 2.2 of this Regulation in the XML schema catalogue of the State information systems’ integrator.

11. The State Revenue Service shall make changes in the XML schema structure referred to in Sub-paragraph 2.2 of this Regulation in accordance with Paragraph 38 of Cabinet Regulation No. 374 of 14 June 2016, Regulations Regarding the State Information Systems’ Integrator.

12. In order to ensure automatic updating of the information on the politically exposed person and the family members of the politically exposed person at the disposal of the subject of the Law, the State Revenue Service shall, once a quarter until the twentieth date of the first month of the quarter, insert information for the subject of the Law that receives the relevant information in the manner indicated in Sub-paragraph 2.2.2 of this Regulation, in the data distribution network of the State information systems’ integrator, on the clients (natural persons – residents of the Republic of Latvia of legal age who are the holders, authorised persons, or beneficial owners of demand deposit, payment, or investment accounts) of the subject of the Law – a credit institution or a payment service provider – whereon the subject of the Law – a credit institution or a payment service provider – provided information to the account register until the tenth date of the first month of the quarter.

13. Other issues related to the use of the infrastructure of the State information systems’ integrator for requesting and receipt of information shall be solved by the subject of the Law in accordance with the laws and regulations regarding the provisions for the State information systems’ integrator.

14. In order to request and receive information on the politically exposed persons and the family members of the politically exposed persons in the manner indicated in Sub-paragraph 2.2 of this Regulation, the subject of the Law shall comply with the procedures referred to in Paragraphs 15, 16, 17, 18, and 19 of this Regulation. In order to ensure requesting and receipt of information, the State Revenue Service shall comply with the procedures referred to in Paragraphs 20, 21, 22, 23, and 24 of this Regulation.

15. Conformity with the requirements of the laws and regulations regarding the personal data processing, including automatic creation of audit trail in respect of requests for information and facts on processing of the received information and the storage thereof at least for 24 months and, if necessary, the provision thereof upon request to the State Revenue Service, takes place according to the internal control system of the user of the database.

16. The subject of the Law shall, without delay, but not later than three working days prior to the entry into effect of changes, inform the State Revenue Service of the changes in the information referred to in Paragraph 5 of this Regulation.

17. The subject of the Law that requests and receives information on the politically exposed persons and the family members of the politically exposed persons in the manner indicated in Sub-paragraph 2.2 of this Regulation shall ensure that:

17.1. information is requested and received only by the responsible person authorised in the information system of the subject of the Law to which the subject of the Law has granted the right to request and receive information on the politically exposed persons and the family members of the politically exposed persons, using the information system of the subject of the Law;

17.2. the responsible person authorised in the information system of the subject of the Law requests the information in a manner that permits the responsible officials of the State Revenue Service to identify the particular responsible person.

18. The subject of the Law shall, without delay, inform the State Revenue Service of unauthorised access or possible unauthorised access to the information system of the subject of the Law to request and receive information on the politically exposed persons and the family members of the politically exposed persons in the manner indicated in Sub-paragraph 2.2 of this Regulation, of the loss or disclosure of access information or such possibility, and also of established security incidents that have occurred for the subject of the Law and threaten confidentiality, integrity, or availability of the information. The relevant information shall be sent to the electronic mail address of the State Revenue Service.

19. The subject of the Law shall refrain from any actions that are aimed at circumvention of security, unreasonable overload of, or damaging of the database, including the web service solution.

20. The State Revenue Service shall ensure continuous availability of the possibility to request and receive information on the politically exposed persons and the family members of the politically exposed persons (except for scheduled and unscheduled interruptions in the operation of the database, including the web service solution) provided that the terms of use of the database, including the web service solution, are complied with (security requirements have not been violated, no malicious actions have been taken to reduce availability and performance, or other similar security incidents related to the system).

21. The State Revenue Service shall notify the subject of the Law of scheduled interruptions not later than two working days in advance by sending a notification to the electronic mail address referred to in Sub-paragraph 5.3 of this Regulation.

22. If the State information systems’ integrator, including the data distribution network, is not available, the State Revenue Service shall ensure the option to request and receive information on the politically exposed persons and the family members of the politically exposed persons in the manner indicated in Sub-paragraph 2.2 of this Regulation within one working day after restoring the availability of the State information systems’ integrator.

23. The State Revenue Service shall cease the provision of information on the politically exposed persons and the family members of the politically exposed persons in the manner indicated in Sub-paragraph 2.2 of this Regulation if the subject of the Law has violated the terms of use of the database, including the web service solution (security requirements have been violated, malicious actions to reduce availability and performance have been taken, access information has been made available to third parties, or other similar security incidents related to the system have been established).

24. If availability of the database, including the web service solution, decreases, the State Revenue Service is entitled to cease the provision of information on the politically exposed persons and the family members of the politically exposed persons in the manner indicated in Sub-paragraph 2.2 of this Regulation for a time period necessary for restoring availability to the previous level, by sending a notification thereon three working days in advance to the subject of the Law to the electronic mail address referred to in Sub-paragraph 5.3 of this Regulation.

**III. Procedures for the Storage of Information and Audit Trail**

25. The subject of the Law shall store the information on the politically exposed persons and the family members of the politically exposed persons received in electronic form in accordance with Section 37 of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

26. The State Revenue Service shall store the audit trail on the requested and received information on the politically exposed persons and the family members of the politically exposed persons for at least 18 months.

**IV. Closing Provision**

27. The Regulation shall come into force on 1 November 2019.

Prime Minister A. K. Kariņš

Minister for Finance J. Reirs