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** Unofficial Translation*

Supreme Council,
Republic of Latvia

The Law of the Republic of Latvia

ON ENTERPRISE REGISTER OF THE REPUBLIC OF LATVIA

Adopted Nov. 20, 1990.

Chapter I General Provisions

Enterprise Register of the Republic of Latvia shall be an administrative public institution that registers enterprises (entrepreneurial companies), their subsidiaries and establishments in the territory of the Republic of Latvia, as well as all the changes in their fundamental documents of operation, and perform other activities provided by legislation.

Enterprise Register of the Republic of Latvia shall perform the following:

- 1) public registration of enterprises (entrepreneurial companies);
- 2) state control over compliance of founding and operational documents of enterprises (entrepreneurial companies) to the legislation of the Republic of Latvia;

- 3) keep joint public recording of enterprises (entrepreneurial companies);
- 4) provide information on enterprises (entrepreneurial companies).

Chapter II

Enterprise Register of the Republic of Latvia and Its Functions

Article 1. Enterprise Register of the Republic of Latvia

Enterprise Register of the Republic of Latvia shall function within the structure of the Ministry of Justice of the Republic of Latvia that performs its general management and control of operation.

Functionally, Enterprise Register of the Republic of Latvia shall be headed by the chief public notary of Enterprise Register. Enterprise Register of the Republic of Latvia shall include:

- chief public notary of Enterprise Register of the Republic of Latvia;
- municipal and regional public notaries of the Enterprise Register of the Republic of Latvia.

Chief public notary of Enterprise Register shall be appointed by the Council of Ministers of the Republic of Latvia at the proposal of the Minister of Justice. Municipal and regional public notaries shall be appointed by the Minister of Justice at the proposal of the chief public notary of the Enterprise Register.

In issues regarding operations of Enterprise Register, municipal and regional public notaries and public notaries of municipal districts shall report directly to the chief public notary of Enterprise Register. Chief public notary of Enterprise Register shall have the right to:

- issue binding instructions to municipal and regional public notaries and public notaries of municipal districts, regarding administration of this Law;

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- revoke unsubstantiated or illegal decisions of municipal and regional public notaries and public notaries of municipal districts of Enterprise Register;
- make his/ her decisions instead.

Article 2. Registration of enterprises (entrepreneurial companies).

Chief public notary of Enterprise Register shall register:

- all state (except local government) enterprises;
- entrepreneurial companies (except agricultural and forestry partnerships) with capital assets exceeding Ls 500 000;
- foreign enterprises, entrepreneurial companies, subsidiaries of international commercial organizations, as well as entrepreneurial companies with the participation of a foreign investor operating in the territory of the Republic of Latvia;
- non-profit organizations.

Regional and municipal public notaries of Enterprise Register of the Republic of Latvia shall register all the enterprises (entrepreneurial companies) as well as subsidiaries and establishments of enterprises and entrepreneurial companies not referred to in Part 1 of this Article.

Each enterprise (entrepreneurial company) shall register with Enterprise Register at its location.

If during the time of operation of enterprise (entrepreneurial company) the amount of its capital assets changes or new participants join the enterprise (entrepreneurial company), it shall be registered at the location of initial registration.

Self-employed persons shall register with regional, Republic city (a town reporting directly to the central government) and municipal district local governments, if the legislation does not provide for a different procedure of registration.

When registering an enterprise (entrepreneurial company), the Enterprise Register of the Republic of Latvia shall issue a registration

certificate for the enterprise. The original copy of the registration certificate shall be always stored with the entrepreneur, but notary-certified copies shall be submitted to respective agencies or organizations.

On the front page of the Charter of incorporation of a registered enterprise, the Enterprise Register of the Republic of Latvia shall mark the date of registration and the registration number.

Article 3. Legal basis for operation of Enterprise Register of the Republic of Latvia

The operation of Enterprise Register of the Republic of Latvia shall be governed by this Law, the law of the Republic of Latvia *On Entrepreneurial Activity*, the Civil Code, legislation regulating forms and types of entrepreneurial activity, as well as other normative acts.

Article 4. Functions of Enterprise Register of the Republic of Latvia.

The Enterprise Register of the Republic of Latvia shall perform the following functions:

- 1) accept registration documents from natural and legal persons, enterprises (entrepreneurial companies), their subsidiaries and permanent establishments, in accordance with the provisions of this law, the law of the Republic of Latvia *On Entrepreneurial Activity*, laws regulating specific forms and types of entrepreneurial activity and other laws;
- 2) request and examine all the information and documents listed by legislation in order to ascertain an enterprise (entrepreneurial company) starts its operation in accordance with the procedure provided by legislation;
- 3) adopt decisions on registration of an enterprise (entrepreneurial company). If documents submitted for registration do not meet the

requirements of legislation of the Republic of Latvia, adopt a decision on a substantiated refusal;

4) within 30 days after receiving documents, inform the submitter of registration application on the decision adopted, issuing him/ her a document on registration of the enterprise (entrepreneurial company) or a substantiated refusal to register, if the enterprise (entrepreneurial company) is not being registered;

5) accept documents necessary for registration of an enterprise (entrepreneurial company) for the second inspection if previous defects in it have been eliminated. During the secondary inspection objections shall be allowed only in regards to defects discovered in the first inspection. In the case of a secondary submission of documents, the term for registration of an enterprise shall commence on the date of the secondary submission of documents;

6) inform the respective state institutions on specific violations of law or submission of false information to Enterprise Register in order to hold persons accountable in accordance with law;

7) accept for registration the amendments made in the fundamental documents of enterprises (entrepreneurial companies);

8) perform entries of registration in the Journal of Records of Enterprise Register;

9) expel enterprises (entrepreneurial companies) from Enterprise Register by a respective entry in the Journal of Records of Enterprise Register, if an enterprise (entrepreneurial company) ceases its operations at its own initiative, in accordance with a court decision or in other cases provided by law;

10) publish in the press the information on enterprises (entrepreneurial companies), as provided by law;

11) perform other functions provided by legislation.

Chapter III
Procedure of Registration of an Enterprise (Entrepreneurial Company) and Information to be Entered in the Journal of Records of Enterprise Register

Article 5. The official name of enterprise (entrepreneurial company), (company name).

The official name of enterprise (entrepreneurial company) shall be designed in accordance with this Law and the legislation of specific forms of entrepreneurial activity. For the purposes of labeling products and advertising, a short form of the name of enterprise, or trademark may be used.

The official name of enterprise (entrepreneurial company) shall comply with a law on the specific form of entrepreneurial activity.

The official and the short form of the enterprise (entrepreneurial company) name shall be designed in Latvian in accordance with the requirements of Latvian grammar.

Names of foreign and mixed capital enterprises (entrepreneurial companies) shall be exceptions. The name of an enterprise (entrepreneurial company) shall not violate moral standards. In case of dispute, the issue shall be settled by the State Language Center at the Council of Ministers of the Republic of Latvia.

The official and the short forms of an enterprise (entrepreneurial company) name shall not be translated.

The official and short forms of an enterprise (entrepreneurial company) name (company name) shall not be the same as a name of an enterprise registered at the Enterprise Register of the Republic of Latvia before.

The official name (company name) of enterprise (entrepreneurial company) may be used for entrepreneurial activity (commercial

agreements, advertising etc.) with the moment of its registration in the Journal of Records of Enterprise Register of the Republic of Latvia.

Every registration number in the Journal of Records of Enterprise Register shall have a corresponding file (collection of documents) with the same number. The file shall contain all the documents serving as the basis for entry in the Journal of Records of Enterprise Register.

Journal of Records of Enterprise Register shall be a document stored indefinitely.

The documents attached to the Enterprise Register shall be kept for 20 years after the exclusion of the respective enterprise (entrepreneurial company) from the Journal of Records of Enterprise Register.

Article 6. Information to be entered in the Journal of Records of Enterprise Register.

The following information shall be entered in the Enterprise Register Journal of Records on every enterprise (entrepreneurial company):

- 1) the name of enterprise (entrepreneurial company);
- 2) basic business of enterprise (entrepreneurial company) and additional businesses;
- 3) the term for which the enterprise (entrepreneurial company) is established;
- 4) the date of signing the Charter of incorporation (partnership agreement) of enterprise (entrepreneurial company);
- 5) address of enterprise (entrepreneurial company);
- 6) in registering a subsidiary and permanent establishment, the address of the office of parent shall be indicated;

- 7) capital assets (charter fund) of a statute company; the number of shares or parts (stock) and their par value;
- 8) name, last name, address and citizenship of the council and board members, as well as executive directors (presidents);
- 9) name, last name and position of officials and members of partnership who have been allocated signatory rights.

For registration of foreign (including the former USSR) enterprises (entrepreneurial companies), their subsidiaries and permanent establishments, they shall, in addition, list the following:

- 1) the address of the head office of enterprise (entrepreneurial company) outside Latvia;
- 2) part of capital earmarked for entrepreneurial activity in Latvia;
- 3) name, last name, place of residence and citizenship of executive representatives and authorized representatives in Latvia;
- 4) the date when a permit allowing the enterprise (entrepreneurial company), its subsidiaries and permanent establishments to engage in enterprise activity in Latvia was issued, and its term;
- 5) date of registration of enterprise (entrepreneurial company), its subsidiaries and permanent establishment in Latvia.

For individual businesses and farms, the following information shall be entered in the Enterprise Register Journal of Records:

- 1) name of enterprise, name, last name and address of the owner;
- 2) location of enterprise (farmer's holding);
- 3) type of business of enterprise;
- 4) amount of farm land and the location of farm;

5) the number of land ownership or land use act and the date of its issue.

In case of cessation of operation of an enterprise (entrepreneurial company) in accordance with a court, arbitration or State Environmental committee decision, the following additional information shall be included in the Enterprise Register Journal of Records:

- 1) court decision on establishment, revocation or liquidation of creditor administration, and appointment and revocation of administrators, as well as the name and the last name of an administrator;
- 2) court decision on announcement of insolvency of enterprise (entrepreneurial company), starting, recalling or ceasing of bankruptcy procedures, establishment and revocation of the respective institutions, as well as names and last names of the members of said institutions;
- 3) decision of an entrepreneur (entrepreneurial company) on liquidation of enterprise (entrepreneurial company), the starting date of liquidation, as well as the name, last name and signatory rights of liquidators;
- 4) court adjudgement or decision of the State Committee for Environment barring the enterprise (entrepreneurial company) registered in Enterprise Register Journal of Records, as well as its subsidiaries and permanent establishments to engage in entrepreneurial activity;
- 5) court decision on establishment of guardianship or custodianship, its appointment or cessation and appointment of a guardian or custodian, as well as the name and last name of guardians or custodians.

If court decision bars an enterprise (entrepreneurial company) to operate, or closes such enterprise, or its subsidiary, or permanent establishment, the decision shall be announced by the enterprise (entrepreneurial company) for registration within 7 days after the court decision takes effect.

Article 7. Documents to be submitted for registration

All documents listed in the law of the Republic of Latvia *On Entrepreneurial Activity* and laws governing specific forms and types of entrepreneurial activity shall be submitted for the purposes of registration.

Copies of documents and document excerpts shall be certified in accordance with the procedure provided by legislation.

When registering a subsidiary or permanent establishment, an enterprise (entrepreneurial company) shall comply with all the provisions of this Law.

Article 8. Operation of Enterprise Register of the Republic of Latvia

Public notary of the Enterprise Register of the Republic of Latvia shall examine:

- 1) whether the registration application has been submitted directly to Enterprise Register establishment that should register it;
- 2) whether the enterprise (entrepreneurial company) for registration has been established in accordance with the effective legislation;
- 3) whether managing officials of entrepreneurial company have been elected in accordance with law and the effective legislation.

The notary shall decide separately on each application and enter the decision Journal of Records of Enterprise Register, date and sign it.

When accepting applications (documents) for registration, the Enterprise Register shall sign a copy of application thus certifying the documents are accepted.

If public notary discovers an error in registration process, he/ she shall inform the submitter of the application on the error and set a 7 day period for objection. If there are no objections during this period or if the public notary determines objections to be unsubstantiated, he/ she shall adopt a decision on correction of the entry, or amendment of the decision.

If public notary of Enterprise Register of the Republic of Latvia has a substantiated information that the enterprise (entrepreneurial company) registered in Journal of Records of Enterprise Register has not started any enterprise activity during one year, he/ she shall request explanations from the entrepreneur (head of the enterprise, entrepreneurial company) or an authorized person on the situation of the enterprise (entrepreneurial company).

If Enterprise Register of the Republic of Latvia receives no explanation requested to certify said information, or if the explanation is determined insufficient by public notary, the public notary of Enterprise Register of the Republic of Latvia shall adopt a decision on liquidation of the enterprise (entrepreneurial company), but in regards to statute companies - also appoint liquidators.

If a non-profit organization shall violate its Charter or make profit, the Enterprise Register of the Republic of Latvia, at a substantiated request of the State Finance inspection shall re-register it as enterprise (entrepreneurial company).

Information entered in the Journal of Records of Enterprise Register shall be published no later than within 7 days after adoption of the decision referred to in Paragraph 2 of this Article in the press publication determined by the Supreme Council of the Republic of Latvia, if it is not published on the basis of other laws.

Charter of incorporation and amendments to the Charter of a registered entrepreneurial company shall be published at the expense of respective companies in the press publications determined by the Supreme Council of the Republic of Latvia.

Enterprise (entrepreneurial company) shall announce all amendments to be recorded with the Enterprise Register within 15 days from the date of performance of amendments.

If information entered in the Enterprise Register Journal of Records has been published, it may be used as an official source.

In transactions between an enterprise (entrepreneurial company), its subsidiary or permanent establishment the determining factor shall be the fact of publication and the entry recorded about the enterprise (entrepreneurial company), its subsidiary or permanent establishment by the public notary of the Enterprise Register of the Republic of Latvia.

A state fee shall be collected for copying the documents of an enterprise (entrepreneurial company), performance of other activities provided by law, as well as for providing ~~of~~ information.

Article 9. Right of persons to use information from Enterprise Register of Republic of Latvia

At the request of the Supreme Council of the Republic of Latvia, Council of Ministers, law enforcement and control institutions, Enterprise Register of the Republic of Latvia shall provide, free of charge, all the information on any registered enterprise (entrepreneurial company). Local governments shall receive this information free of charge in regards to the territory under their authority.

After the payment of state fee, natural and legal persons not listed in Part 1 of this Article shall have the right to receive all the information entered in the Journal of Records of Enterprise Register from Enterprise Register of the Republic of Latvia. Other information and documents shall not be provided to said persons.

Copies of documents from the registration file may be issued only with an approval in writing of the owner of the respective company, or at the request of investigative and court institutions, as well as the prosecutor's office and at the request of officials listed by law.

Supreme Council,
Republic of Latvia

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