

The Saeima has adopted and the President has proclaimed the following Law:

## Amendments to the Law " On the Latvian banking "

Make the Law " On the Latvian banking "(Latvian Supreme Council of the Republic and the Government of the 1992 22./23.nr., Latvian Parliament and the Cabinet of Ministers, 1997 15.nr., 1998 23.nr., 1999 23.nr., 2000 13.nr., 2001 22.nr., 2002 No. 14, 2006 1st, No. 14, 2009 22.nr., Latvian Journal, 2012, 70th nr.) as follows:

First Expressing Article 2, the third paragraph to read as follows:

"Latvian Bank adheres to the law, the Treaty on European Union (hereinafter - Agreement), as well as other national central banks in accordance with the regulatory provisions of the Treaty and its Protocol No. 4" The European System of Central Banks and the European Central Bank "(hereinafter - Statute). "

Second Express 3rd and 4 of the following:

" **Section 3.** Latvian Bank's main objective is to maintain price stability. primary objective of the Latvian Bank support the general economic policies in the Union in accordance with Article 127, paragraph 1.

Latvian Bank participates in the European System of Central Banks tasks in accordance with the Treaty and the Statute.

**Section 4.** Latvian Bank, pursuant to the Treaty, the Charter and the provisions of this Law shall be entitled to:

- 1) to grant loans and to borrow funds;
- 2) adopt and deploy a deposits;
- 3) to carry out transactions in financial instruments and precious metals, as well as other activities in the financial markets;
- 4) open accounts, accept and settle payment orders and make the payment order clearing (clearing);
- 5) issue of *the euro* banknotes and coins in the process, change, withdraw, and to issue and accept the credit;
- 6) to determine the statistical data collection, statistical reporting and filing requirements. "

3rd Article 5:

make the first paragraph to read as follows:

"Latvian Bank holds and manages its foreign reserves in accordance with the Charter of the rules."

replace the second paragraph, the words "(gold) reserves" with the word "means".

4th In Article 7 reads as follows:

" **Section 7.** Latvian Bank is working with the European Central Bank, European Union member states and foreign central banks and other financial institutions.

Latvian Bank may, with the consent of the European Central Bank, participate in international monetary institutions within the meaning of Article 6.2 of the Statute. Latvian Bank may participate in other activities of international financial institutions, in line with its goals and objectives in accordance with the provisions of the Treaty and the Statute. "

5th Express 9 of the following:

" **Section 9.** Latvian Bank participates in the payment system for promoting smooth operation in accordance with the provisions of the Treaty and the Statute. "

6th Express 13, the first paragraph to read as follows:

"Latvian Bank, its President, Vice-President and members of the Board shall not seek or receive instructions from the Latvian and other EU national governments, the European Union institutions and other national, foreign or international institutions and bodies, and in this article, those governments, institutions and structures not be entitled to instruct the Latvian Bank Governor, Deputy and members of the Board or otherwise try to influence them in connection with their duties, responsibilities pursuant to Article 130 of the Treaty. "

7th Express article 15 to read as follows:

" **Article 15.** Latvian Bank prepares financial statements in accordance with the European System of Central Banks binding European Central Bank legislation on accounting and financial reporting in accordance with the Latvian Bank of specified requirements. Latvian financial statements are authorized by the Board.

Latvian Bank Board approves the annual report. "

8th Disable article 17.

9th Replace the first paragraph of Article 18 of the number and the words "25 million" with the words "within 100 million *euros* . "

10th 18th <sup>1</sup> Article:

believe the current text of the article on the first part and add to the introductory part of the words "approval of the annual report" with the words "and in previous years in the amount of loss compensation, if any";

supplement to the second part of the article reads as follows:

"Latvian Bank Board approval of the annual report, has the right to decide on the payment referred to in this Article percentage reduction of the state capital, if necessary, Latvian Bank's capital reserves in the face of the financial risks to which the Bank subject to the Latvian tasks. Latvian Bank of such decision shall immediately inform the parliament and the Latvian Ministry of Finance. "

11th Section 22:

supplement the third paragraph, the words "new member of the Board" the words "on a six-year term of office";

expressed in this Law:

"Before the third paragraph, the deadline may be released Latvian Saeima Bank president, his deputy and member of the Board from office only if:

- 1) she received a personal request for the resignation of the
- 2) he has committed a serious breach of the Charter 14.2.panta meaning;
- 3) the occurrence of other specified Statute 14.2.pantā case of the removal from office. "

Article supplement to the fifth and sixth of the following:

"The fourth paragraph of Article 2 of the said case, the Saeima may decide to Latvian Bank President, the Vice-Chairman and member of the Board of resignation after the entry into force of a conviction.

Latvian Saeima appointed Governor of the Bank of resignation may be appealed to the Statute 14.2.pantā procedures. Latvian Bank Vice President and Board member of the parliamentary decision of resignation can be appealed to the court [of the Administrative Procedure Act](#) Regulations. "

12th Express 26, the first paragraph to read as follows:

"Latvian Latvian Bank Board decisions on behalf of the Bank, the Bank of Latvian required tasks, including the participation of the European System of Central Banks tasks."

13th Express the fifth paragraph of Article 28 reads as follows:

"If the Latvian president of the Bank dismissed or the end of his term of office until a new president of the Bank for approval Latvian Latvian Bank President shall perform the duties of his deputy. Latvian Bank of absence Latvian Bank President shall perform the duties of his deputy. Latvian Bank President and the Vice-Chairman in the absence of Latvian President of the Bank meets its obligations (including the Director of the Latvian Bank Board) Latvian President of the Bank appointed Latvian Bank council member. "

14th Expressing Article 34 reads as follows:

" **Section 34.** Latvian Bank issued *euro* banknotes in accordance with the Charter of the European Central Bank law. Latvian Bank organizes and implements *euro* circulation coins and *euro*commemorative and collector coins, design creation, production and delivery, as well as those issued pursuant to the European Central Bank approved *euro* coins and emissions under the European Union's legislation.

Latvian Bank of *euro* banknotes and coins handled, removed from circulation and replaced damaged banknotes with valid according to the European Union, including the European Central Bank, the law.

Latvian Bank in accordance with European Union legislation lays down requirements for *euro* cash handling equipment and *euro* banknote handling quality requirements, as well as the registration and reporting requirements for enterprises dealing with cash handling and placing the secondary circulation. Latvian Bank is entitled to in the first sentence of this paragraph above merchant prohibiting the use of cash handling and placing the secondary circulation, if it does not comply with the European Union, including the European Central Bank and Bank of Latvia statutory requirements for *euro* cash handling. "

15th Express article 36 to read as follows:

" **Section 36.** To achieve the objectives and meet the challenge of Latvian Bank has the right to adequate collateral, credit operations with credit institutions and other financial market participants. Latvian Bank has no right to grant loans and to purchase debt securities, pursuant to Article 123, and Article 21, Paragraph . "

16th Shut down in Article 37.

17th Express article 38 to read as follows:

" **38.** Financial market participants covered by the European Central Bank set the minimum reserve requirements, there Latvian Bank Account in accordance with the statutory reserves and provisions of the Charter of the European Central Bank and the level specified in the order.

Latvian Bank in accordance with the Statute of the European Central Bank law, financial market participants pay a fee for the holding of minimum reserves account Latvian Bank, followed by the minimum reserve requirements and the measures required for the minimum reserve requirement, including executing decisions to impose sanctions or take other the sanctions-related activities. "

18th Express the title of Chapter V as follows:

**" Chapter V:  
STATISTICS AND ANALYTICAL CHALLENGES "**

19th To express 39th, 40th and Article 41 reads as follows:

" **Section 39.** Latvian Bank collects, stores and processes the data available, as well as develop, compile, analyze and disseminate statistical information to ensure the Latvian Bank of tasks, including support of the European Central Bank in the European System of Central Banks to perform the tasks necessary statistical information according to the compilation of the European Union, including the European Central Bank, the law.

Latvian Bank of the statistical reporting and the procedure for submission deadline, as well as persons who are obliged to submit statistical reports relating to monetary and financial statistics, banknote statistics, payments and payment systems statistics, financial stability statistics, balance of payments and international investment position statistics as well as other statistics needed in the first paragraph above tasks enforcement.

**Article 40.** Latvian Bank statistical information collected for statistical purposes only, distributed in a way that does not allow direct or indirect identification of the statistical reports to the person or any other person or entity.

Latvian Bank, subject to the European Union, including the European Central Bank, the legal requirements, shall be entitled to exchange confidential statistical information with the following entities:

1) The European Central Bank and European Union member states' central banks if such information is necessary for the European System of Central Banks tasks;

2) the European Systemic Risk Board and the other EU institutions, if such information is necessary for the performance of tasks and have a reasoned request;

3) Financial and Capital Market Commission, where such information is necessary for Latvian Bank, the European System of Central Banks or Financial and Capital Market Commission's tasks;

4) The Latvian Central Statistical Bureau of the European Union and the national central statistical authorities when such information is necessary for the European System of Central Banks or the European Union's statistics office *Eurostat*, the competence of the European statistics in accordance with the European System of Central Banks and of the European Union statistics office *Eurostat* statistical confidentiality requirements exchange.

**Article 41.** Pursuant to Article 127, Paragraph 5 of Article 3.3 and Article Latvian Bank shall contribute to the smooth conduct of policies relating to the prudential supervision of credit institutions and the stability of the financial system.

In order to achieve the goals and objectives for the Latvian Bank research and analysis of financial markets and economic development of the Latvian, other EU countries and abroad. "

20th Replace Article 42, the word "newspaper" with the words "official publication".

21st Express 43, the second paragraph to read as follows:

"Latvian Bank's annual financial statements are audited by the European Central Bank, the Board recommended and approved by the Council of the European Union by independent external auditors. Legality and effectiveness of the audit performed by the Latvian Bank control, subject to the provisions of Section 13. SAO not the European System of Central Banks task audit and without prejudice to that referred to the independent external auditors audit Latvian Bank. "

22nd Contribute to the transitional provisions of the law as follows:

## **" Transitional Provisions**

First To ensure the Latvian Bank legal integration into the Eurosystem, the amendments to the Law on the 3rd, 4th, 5th, 7th, 9th and 15, 18, the first part of the 18th <sup>1</sup> Article 26, the first part of the 34th, 38th, 39th and in Article 40, Article 41, first paragraph and the second paragraph of Article 43 shall enter into force on the date on which the European Union in accordance with Article 2 of article 140 Latvian Republic abrogate.

Second Within three working days after the date on which the European Union in accordance with Article 2 of article 140 Latvian Republic abrogate Latvian Bank share capital reserve of the share capital by up to in the first paragraph of Section 18, the amount stated. "

Law was adopted on 10 January 2013.

National President *Andris Berzins*

Riga on January 23, 2013