

# Law on Credit Register

(Unofficial translation)

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

## Chapter I

### General Provisions

**Article 1.** The following terms are used in this Law:

1) **financial service associated with credit risk** – a funding service or a surety service delivered for one's own or other person's benefit:

1<sup>1</sup>) **funding service** – one of the following financial services:

a) loan (credit) or other type of money lending or a commitment to lend money subject to the obligation of repayment,

b) leasing,

c) factoring involving a person's obligation to repay the funding if the debtor fails to pay the transferred monetary claim (hereinafter, factoring);

1<sup>2</sup>) **surety service** – one of the following financial services:

a) a letter of credit service provided to a buyer,

b) guarantee insurance or another service whereby an obligation to be responsible, within certain quantitative limits, for the debt incurred by a person is undertaken, without releasing the person from the debt (hereinafter, guarantee);

2) **Credit Register participant (hereinafter, a Register participant)** – economic operator providing financial services associated with credit risks or taking over credit claims arising from the provision of financial services associated with credit risks, where it is one of the following economic operators:

a) a credit institution registered in Latvia and equivalent economic operator registered in another country that has opened a branch in Latvia,

b) a commercial company registered in Latvia and having close links with the credit institution registered in Latvia, as defined by the Law on Credit Institutions, or an equivalent economic operator registered in another country,

c) an economic operator registered in another country and equivalent to a commercial company referred to in Paragraph 2(b) of the present Article that has opened a branch in Latvia,

d) a credit union registered in Latvia,

e) an economic operator registered in Latvia and entitled to make insurance or reinsurance and equivalent economic operator registered in another country that has opened a branch in Latvia,

f) a state capital company, registered in Latvia, established and operating as a joint stock company and fulfilling a special task – implementing state development and aid programmes (hereinafter, the Development Finance Institution);

**3) Register participant with restricted status (hereinafter, a restricted Register participant)** – an economic operator that has lost a Register participant's status and has entered data on the customer's obligations or customer guarantor's obligations in the Credit Register (hereinafter, the Register), where such obligations have not been terminated or the rights and obligations or credit claims arising from the customer agreement or customer guarantor's agreement have not been transferred to other person;

**4) former Register participant** – an economic operator that:

a) has lost a Register participant's status, where all customer's obligations or customer guarantor's obligations entered as data in the Register by the relevant Register participant have been terminated on the day the Register participant has lost its status, or the rights and obligations or credit claims arising from the customer agreement or customer guarantor's agreement have been transferred to other person,

b) has lost the status of a restricted Register participant;

**5) customer** – a person who receives financial services in the European Union associated with credit risks, pursuant to a written agreement (hereinafter, a customer agreement), or is subject to credit claims arising from the customer agreement taken over in the European Union, pursuant to a written agreement. The central bank and a credit institution shall not be deemed a customer.

**6) customer's obligations** – the following customer's obligations stipulated by the customer agreement or related to the agreement:

a) in the context of funding services, except factoring – customer's current or contingent payment obligations;

b) in the context of factoring – customer's current or contingent payment obligations incurred if a debtor fails to pay the monetary claims transferred by the customer;

c) in the context of surety services – customer's current or contingent payment obligations incurred if the customer's creditor has used these services to settle the customer's debt;

**7) potential customer** – a person:

a) who has submitted an application to the Register participant or the Treasury with the intention to become a customer. The application shall be submitted in a written

form or in a form pre-agreed in writing between the Register participant or the Treasury and the potential customer, and it shall contain information about the time of submitting the application and the financial service associated with the credit risks that the person wishes to receive as well as personal identification details.

b) who is subject to the intention expressed by the Register participant or the Treasury, through the conclusion of a written agreement with other legal subject, to take over from this legal subject in the European Union the rights and obligations or credit claims arising from the customer agreement;

8) **customer's guarantor** – a person who has assumed liability for the customer's obligations in the European Union based on a written agreement (including a guarantee insurance policy or a guarantee) in the amount specified therein, where such customer is not exempt from its obligations (hereinafter, a customer guarantor's agreement), or who is subject to credit claims arising from the customer guarantor's agreement taken over in the European Union, pursuant to a written agreement. The central bank shall not be deemed a customer's guarantor.

9) **customer guarantor's obligations** – current and contingent payment obligations of the customer's guarantor stipulated by the customer guarantor's agreement;

10) **potential customer's guarantor** – a person:

a) who has submitted an application to the Register participant or the Treasury with the intention to become a customer's guarantor. The application shall be submitted in a written form or in a form pre-agreed in writing between the Register participant or the Treasury and the potential customer, and it shall contain information about the time of submitting the application and the customer's obligations that the person wishes to take over as well as personal identification details,

b) who is subject to the intention expressed by the Register participant or the Treasury, through the conclusion of a written agreement with other legal subject, to take over from this legal subject in the European Union the rights and obligations or credit claims arising from the customer guarantor's agreement;

10<sup>1</sup>) *(deleted pursuant to the Law of 21 December 2017);*

10<sup>2</sup>) *(deleted pursuant to the Law of 21 December 2017);*

11) **consumer's creditor** – a person providing loans to a consumer:

a) a natural person whose declared place of residence is any European Union Member State or European Economic Area country,

b) a person other than the Register participant registered in any European Union Member State or European Economic Area country, or an equivalent person registered in another country that has opened a branch in any European Union Member State or European Economic Area country;

12) **general data** – Register data on a customer and customer guarantor's obligations (including information about the above data, data on the supervision of financial market participants and macroeconomic analysis and date of entering such data in the Register or correcting the above to that effect), excluding periodic data;

13) **periodic data** – Register data on the customer and customer guarantor's obligations (including information about the above data, data on the supervision of financial market participants and macroeconomic analysis and date of entering such data in the Register or correcting them to that effect) entered in the Register at the end of a definite time period;

14) **data on the supervision of financial market participants and macroeconomic analysis** – general and periodic data entered in the Register solely to enhance the supervision of financial market participants and macro-economic analysis, where the disclosure of such data to other Register participant, other restricted Register participant, consumer's creditor, customer, customer's guarantor, other institution or person may be detrimental to the Register participant, restricted Register participant or former Register participant due to the disclosure of restricted information pertaining to the relevant Register participant, restricted Register participant or former Register participant, or may jeopardise smooth settlement of the customer's obligations or customer guarantor's obligations;

15) **qualifying holding** – as defined in point (36) of Article 4.1 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;

16) **controlling interest** – as defined in point (37) of Article 4.1 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;

17) **subsidiary** – as defined in point (16) of Article 4.1 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

*(As amended by the Laws of 30 January 2014, 16 October 2014, 9 February 2017 and 21 December 2017 taking effect on 1 April 2018. See Paragraph 11 of the Transitional Provisions)*

**Article 2.** The purpose of this Law is as follows:

1) to contribute to the promotion of Latvia's financial stability by providing:

a) a Register participant and the Treasury with additional opportunities of assessing creditworthiness of its customer, potential customer, customer's guarantor and potential customer's guarantor,

b) a restricted Register participant with additional opportunities of assessing creditworthiness of its customer and customer's guarantor,

c) the Financial and Capital Market Committee with additional opportunities of receiving data necessary for the supervision of financial market participants,

d) Latvijas Banka with additional opportunities of receiving data necessary for financial statistics,

e) the Financial and Capital Market Committee and Latvijas Banka with additional opportunities of receiving data necessary for macroeconomic analysis;

2) to promote responsible lending to consumers as well as responsible and fair borrowing, providing:

a) a consumer's creditor with additional opportunities of assessing the consumer's creditworthiness,

b) the Register participant with additional opportunities of assessing whether the relevant Register participant's customer and potential customer are deemed consumers under the Consumer Rights Protection Law;

3) to promote the execution of public administration-related tasks, providing public institutions with additional opportunities of receiving the data necessary for the performance of the relevant analysis as stipulated by laws and regulations, as well as a customer and customer's guarantor encountering financial problems – with additional opportunities for the settlement of the relevant obligations;

4) to contribute to the promotion of fulfilling the tasks of the European System of Central Banks.

*(As amended by the Laws of 30 January 2014, 16 October 2014 and 21 December 2017 taking effect on 1 April 2018)*

**Article 3.** (1) The Register is a national information system managed by Latvijas Banka.

(2) Latvijas Banka shall permanently maintain and develop the Register and shall stipulate its security management policy in compliance with the provisions stipulated herein. The Register shall not be incorporated into the integrated national information system.

(3) Latvijas Banka shall keep the title to the technical facilities supporting the operation of the Register.

**Article 4.** (1) The Register data which have not been disclosed and made public under Article 5 herein shall be deemed restricted information and as such may be used and disclosed solely in the cases and pursuant to the procedure stipulated herein.

(2) Latvijas Banka shall be entitled to provide the Register data only to the persons provided for by this Law subject to the procedure specified herein.

(3) The customer and customer's guarantor shall be entitled to disclose the provided Register data at their own discretion and use them in any other way.

(4) The Register participant and restricted Register participant shall be entitled to use the provided Register data solely for the purpose stipulated herein, to disclose the above data to the relevant customer and relevant customer's guarantor and provide such data to the court and court of arbitration.

(5) Other person entitled to receive the Register data subject to the provisions of the present Law shall use such data solely for the purpose stipulated herein, shall disclose the above data to the relevant customer, relevant customer's guarantor, Register participant or restricted Register participant who has entered the respective data in the Register.

(6) When using the Register data for the purpose stipulated herein, Latvijas Banka and the Financial and Capital Market Commission shall be entitled to provide the above data to the institutions of Latvia, other countries and the European Union.

*(As amended by the Law of 30 January 2014 taking effect on 20 February 2014)*

**Article 5.** (1) Latvijas Banka and the Financial and Capital Market Commission shall be entitled to disclose and publish the Register data in the form of a report and summary so that it is not possible, directly or indirectly, to identify individual customer, customer's guarantor, Register participant or restricted Register participant, and such disclosure is not detrimental to the interests of the national economy.

(2) When contributing to the promotion of fulfilling the tasks of European System of Central Banks, Latvijas Banka shall disclose the data contained in the Register to the European Central Bank based on the requirements provided in the directly applicable European Union legislation, including in a form enabling direct or indirect identification of a customer, a customer's guarantor, a Register participant or a restricted Register participant.

*(As amended by the Law of 21 December 2017 taking effect on 1 April 2018)*

**Article 6.** The Register data shall be informative and as such the above data do not serve as a proof of the customer's and customer guarantor's obligations and existence or non-existence of their default.

**Article 7.** Data shall be entered in the Register in Latvian. The name and surname of a natural person who is neither a Latvian citizen nor non-citizen and the name of a person registered in another country shall be entered in the Register by using the Latin alphabet.

## Chapter II

### Data to Be Entered in the Register

**Article 8.** (1) The data entered in the Register shall be as follows:

1) data about the customer of the Register participant and restricted Register participant, such customer's obligations and violations thereof (including information

regarding the above data and the date on which they are entered in the Register or corrected);

2) data about the customer's guarantor of the Register participant and restricted Register participant, customer guarantor's obligations and violations of the customer guarantor's obligations (including information regarding the above data and the date on which they are entered in the Register or corrected);

3) data on the Register data requests.

(2) In the event of guarantee or taking over the rights to a claim arising from a guarantee, the data referred to in the first part of Paragraph (1) of this Article shall be entered into the Register only if data referred to in the second part of Paragraph (1) of this Article and the second part of Paragraph (1) of Article 38 are not to be entered into the Register.

*(As amended by the Laws of 16 October 2014 and 21 December 2017 taking effect on 1 April 2018)*

**Article 8<sup>1</sup>.** (1) A Register participant who is a credit institution registered in Latvia or a restricted Register participant who has lost the Register participant's status shall enter into the Register the data referred to in the first and the second parts of Paragraph (1) of Article 8 arising from financial services associated with credit risks delivered in the European Union and rights to a claim arising from financial services associated with credit risks taken over in the European Union.

(2) Other Register participant or a restricted Register participant shall enter into the Register the data referred to in the first and the second parts of Paragraph (1) Article 8 arising from financial services associated with credit risks delivered in Latvia and rights to a claim arising from financial services associated with credit risks taken over in Latvia.

*(As amended by the Law of 21 December 2017 taking effect on 1 April 2018)*

**Article 9.** Upon correcting and updating the Register data, the former Register data shall be deleted.

**Article 10.** Latvijas Banka shall stipulate the contents and scope of the data to be entered in the Register.

### **Chapter III**

#### **Data Entry in the Register**

**Article 11.** (1) Data on the customer, customer's obligations and violations of such obligations, and data on the customer's guarantor, customer guarantor's obligations and violations of such obligations shall be entered in the Register by the Register participant. The Register participant shall update the Register data, once such data change, except for the periodic data.

(2) A restricted Register participant shall enter the following data in the Register: data on the customer, the customer's obligations and violations of the customer's

obligations or on the customer's guarantor, customer guarantor's obligations and violations of the customer guarantor's obligations, where the above restricted Register participant has entered the relevant data on the customer concerned and the customer's obligations in question or the customer's guarantor concerned and customer guarantor's obligations in question in the Register until the day the Register participant has lost its status. The restricted Register participant shall update the Register data, once such data change, except for the periodic data.

(3) Depending on the type of the Register data request, the data referred to in the third part of Paragraph (1) of Article 8 of the present Law shall be entered automatically in the Register or they shall be entered therein by Latvijas Banka.

*(As amended by the Laws of 16 October 2014 and 21 December 2017 taking effect on 1 April 2018)*

**Article 12.** The Register participant or the restricted Register participant shall notify the relevant customer or customer's guarantor of entering data on the violation of the customer or customer guarantor's obligations prior to such entry.

**Article 13.** Latvijas Banka shall stipulate the time frame and procedure for the data entry in the Register.

## **Chapter IV**

### **Provision of Register Data**

**Article 14.** (1) A customer and customer's guarantor shall be entitled to receive any Register data pertaining to them free of charge. The customer and customer's guarantor shall not be entitled to receive data on the supervision of financial market participants and macroeconomic analysis.

(2) Where, subject to the request of the customer or customer's guarantor, the Register data are delivered by post, the above customer or customer's guarantor shall pay a fee for postal services to Latvijas Banka in accordance with the tariffs of the postal services provider.

**Article 15.** (1) The Register participant shall be entitled to receive the Register data pertaining to the following person:

- 1) customer of the above Register participant;
- 2) customer's guarantor of the above Register participant;
- 3) potential customer of the above Register participant;
- 4) potential customer's guarantor of the above Register participant;
- 5) person who has a qualifying holding in a commercial company that is a customer, customer's guarantor, potential customer or potential customer's guarantor of the above Register participant;



6) commercial company that is a subsidiary of the above Register participant's customer, customer's guarantor, potential customer or potential customer's guarantor, and each subsequent subsidiary of the above subsidiary;

7) commercial company where the above Register participant's customer, customer's guarantor, potential customer or potential customer's guarantor has a qualifying holding;

8) member of the Council (if established) and the Board of the above Register participant's customer, customer's guarantor, potential customer or potential customer's guarantor;

9) *(deleted pursuant to the Law of 21 December 2017);*

10) *(deleted pursuant to the Law of 21 December 2017).*

(1<sup>1</sup>) In the event that the Register participant refuses to conclude a customer agreement or a customer guarantor's agreement or refuses to take over the rights and obligations or credit claims arising from the customer agreement or customer guarantor's agreement, the Register participant shall no longer be entitled to continue to receive the Register data relating to the person referred to in Paragraph (1) of the present Article.

(2) The Register participant shall not be entitled to receive:

1) data on the supervision of financial market participants and macroeconomic analysis entered in the Register by other Register participant or other restricted Register participant;

2) data enabling the identification of other Register participant or other restricted Register participant who has entered the data referred to in Paragraph (1) of the present Article in the Register.

3) data on the Register data requests submitted by other Register participant, other restricted Register participant, the Treasury, customer, customer's guarantor, consumer's creditor or other person.

(3) The restricted Register participant shall be entitled to receive the Register data on the customer of such restricted Register participant and customer's guarantor.

(4) Restricted Register participant shall not be entitled to receive:

1) data referred to in Paragraph (2) of the present Article;

2) data entered in the Register by other Register participant, other restricted Register participant or the Treasury on its customer's obligations or customer guarantor's obligations, where such obligations have been terminated or the rights and obligations or credit claims arising from the customer agreement or customer guarantor's agreement have been transferred to other person;

3) data entered in the Register by other Register participant, other restricted Register participant or the Treasury on the violations of its customer or customer guarantor's obligations, where such violations have been eliminated.

(5) The Register participant that is the user of credit information within the meaning of the Law "On Credit Information Bureaus" (hereinafter, a credit information user) shall be entitled to receive the Register data specified in the present Article and the Register data entered by Treasury relating to the person referred to in Paragraph (1) of the present Article (except data on supervision of financial market participants and macroeconomic analysis) also through a credit information bureau. The restricted Register participant that is a credit information user shall be entitled to receive the Register data specified in the present Article and the Register data entered by Treasury pertaining to the restricted Register participant's customer or customer's guarantor (except data on supervision of financial market participants and macroeconomic analysis) also through a credit information bureau. The credit information bureau shall use the received data for no other purposes than the transfer of these data, unchanged, to the user of credit information and shall not store them after their transfer to the credit information user.

*(As amended by the Laws of 16 October 2014, 9 February 2017 and 21 December 2017 taking effect on 1 April 2018)*

**Article 16.** (1) A consumer's creditor shall be entitled to receive the Register data pertaining to a natural person, subject to such natural person's consent.

(2) The consumer's creditor shall not be entitled to receive:

1) data on the supervision of financial market participants and macroeconomic analysis;

2) data enabling the identification of a Register participant or restricted Register participant who has entered the data referred to in Paragraph (1) of the present Article in the Register;

3) data on the Register data requests.

**Article 17.** Latvijas Banka shall stipulate the scope of the Register data to be provided to the customer and customer's guarantor and Register participant, restricted Register participant and consumer's creditor as well as the time frame and procedure for providing the above data and covering the relevant postal expenses.

**Article 18.** (1) The Financial and Capital Market Commission shall be entitled to receive all Register data for the performance of tasks stipulated by laws and regulations, including the data required for monitoring, within the competence provided for in the relevant laws and regulations, the Register participants' compliance with the provisions of the laws and regulations governing the operation of the Register.

(2) Latvijas Banka shall be entitled to receive all Register data for the performance of tasks stipulated by laws and regulations, including the data required for monitoring, within the competence provided for in the relevant laws and regulations, the Register

participants and restricted Register participants' compliance with the provisions of the laws and regulations governing the operation of the Register, as well as the data to be provided to the European Central Bank in accordance with requirements specified in the directly applicable European Union legislation.

(3) Latvijas Banka shall establish the time frame and procedure for providing the Register data to the Financial and Capital Market Commission.

*(As amended by the Law of 21 December 2017 taking effect on 1 April 2018)*

**Article 19.** Where, prior to a tax audit, the State Revenue Service has reasons to consider that the natural person's (resident's) expenses may exceed income, the above Service shall be entitled to receive the following Register data on the relevant customer – natural person (resident) and his/her obligations for the purpose of analysing the needs of such tax audit, based on a written request submitted by the State Revenue Service's Director General, Deputy Director General, Head of the relevant Structural Unit or Deputy Head in tax administration authorised by the Director General or Deputy Director General: type of the above customer's obligations, the date of such obligations taking effect and end date, amount, outstanding amount, time period, Register participant or restricted Register participant who has entered the above data in the Register and information about the number of customers regarding the relevant customer's obligation.

**Article 20.** The Register data on the Register participant and restricted Register participant who have entered data on the customer and customer's guarantor in the Register and date of the relevant customer and customer guarantor's obligations taking effect and end date required for performing the tasks stipulated by laws and regulations shall be provided to:

- 1) court;
- 2) pre-trial investigation institution and Prosecutor's Office;
- 3) subject of investigatory operations;
- 4) the State Revenue Service;
- 5) the Board of Prevention of Legalization of Proceeds from Criminal Activity;
- 6) the Corruption Prevention and Combating Bureau;
- 7) administrator of insolvency proceedings of the relevant customer or customer's guarantor where this customer or customer's guarantor is a natural person.

*(As amended by the Law of 16 October 2014 taking effect on 12 November 2014)*

**Article 21.** (1) Latvijas Banka shall provide immediately, but no later than within three business days after the receipt of an application in writing, the persons referred to in Articles 19 and 20 herein with the Register data, as stipulated in the relevant Articles, free of charge.

(2) Where a law or international agreement stipulates a prohibition to inform a customer, customer's guarantor or other persons on the Register data request, the above prohibition and justification thereof shall be stated in the data request. Latvijas Banka shall not disclose data on such data request, when providing the Register data.

(3) The persons referred to in Articles 19 and 20 herein shall be responsible for the submission of Register data requests and usage of the above data in accordance with the provisions of the present Law.

## Chapter V

### Responsibility for Data Processing

**Article 22.** (1) The Register participant and restricted Register participant shall be responsible for:

- 1) the entry of data in the Register that are fundamentally consistent with those of the customer agreement and customer guarantor's agreement;
- 2) the entry of all data in the Register as stipulated by the laws and regulations governing the Register operation, pursuant to the procedure provided for therein;
- 3) submission of the Register data requests in the cases stipulated herein.

(2) Latvijas Banka shall be responsible for consistency of the Register data with the data entered in the Register by the Register participant and restricted Register participant.

**Article 23.** The Register participant, restricted Register participant and former Register participant shall be entitled to review an application (complaint) of the customer, customer's guarantor, potential customer or potential customer's guarantor within one month and provide a reply with respect to the following actions by the Register participant or restricted Register participant:

- 1) entry of the same Register data as stated in the relevant customer agreement or the relevant customer guarantor's agreement;
- 2) entry of the data in the Register pursuant to the procedure stipulated by the laws and regulations governing the operation of the Register;
- 3) submission of a Register data request pertaining to the relevant customer, customer's guarantor, potential customer or potential customer's guarantor.

*(As amended by the Laws of 9 February 2017 and 21 December 2017 taking effect on 1 April 2018)*

**Article 24.** (1) In the event of an error the Register participant and restricted Register participant shall correct or cancel the Register data. The above data correction or cancellation shall not exempt the Register participant and restricted Register participant from the liability for data processing stipulated in the present Law.

(2) Latvijas Banka shall stipulate the time frame and procedure for correcting or cancelling the Register data by the Register participant and restricted Register participant.

(3) Where the Register participant or restricted Register participant is subject to liquidation, the data which the above Register participant or restricted Register participant has entered in the Register shall not be corrected, updated or cancelled as of the day the liquidation of the relevant Register participant or restricted Register participant is complete.

(4) The data entered in the Register by the former Register participant shall not be corrected, updated or cancelled, except for the cases referred to in Paragraph (5) of the present Article. Correction or cancellation of the Register data referred to in Paragraph (5) of the present Article shall not exempt the former Register participant from the liability for data processing stipulated by the present Law.

(5) Latvijas Banka shall correct or cancel no later than within five business days the data which the former Register participant has incorrectly entered in the Register, where:

1) the former Register participant and customer of such former Register participant or customer's guarantor or a person who has been incorrectly stated as such in the Register himself/herself signs a mutual certification about the correction or cancellation of incorrect Register data at Latvijas Banka in compliance with the procedure stipulated by Latvijas Banka;

2) Latvijas Banka receives a certification about the correction or cancellation of incorrect Register data drawn up as a notarial act or signed in accordance with the notarisational procedure by a former Register participant and customer of such former Register participant or customer's guarantor, or a person who has been incorrectly stated as such in the Register;

3) Latvijas Banka receives effective court decision whereby the contents of the rights and obligations with respect to the former Register participant's customer or customer's guarantor, or a person who has been incorrectly stated as such in the Register has been identified as fundamentally different from the Register data.

*(As amended by the Law of 16 October 2014 taking effect on 12 November 2014)*

**Article 25.** (1) A warning shall be issued to the Register participant, restricted Register participant or former Register participant by the Board of Latvijas Banka in case of a violation of the data entry procedure which cannot be eliminated or has not been eliminated by the above Register participant, restricted Register participant or former Register participant, and as a result material damage is or may be caused to the interests of the customer or customer's guarantor, or a person who has been incorrectly stated as such in the Register, other Register participant, other restricted Register participant, consumer's creditor or public authorities, or in case of lodging an unjustified Register data request.

(2) The Board of Latvijas Banka shall issue a warning to the Register participant, restricted Register participant or former Register participant about a violation of the

data entry procedure which has been eliminated by the Register participant, restricted Register participant or former Register participant, where such incorrect Register data have been provided to other Register participant, other restricted Register participant or consumer's creditor prior to the above data correction or cancellation and hence material damage is caused to the interests of the customer or customer's guarantor, a person who has been incorrectly stated as such in the Register, other Register participant, other restricted Register participant or consumer's creditor.

(3) The Board of Latvijas Banka shall impose a fine on the Register participant, restricted Register participant or former Register participant in the amount of 1 400 to 7 000 euro for a recurrent violation of the data entry procedure referred to in Paragraphs (1) or (2) of the present Article or for lodging unjustified Register data requests recurrently over the year.

(4) Without prejudice to the issued warning or imposed fine, the Register participant, restricted Register participant and former Register participant shall have an obligation to eliminate the violation of the data entry procedure immediately.

*(As amended by the Law of 12 September 2013 taking effect on 1 January 2014)*

**Article 26.** (1) Where a fine is imposed on the Register participant, restricted Register participant or former Register participant and the Board of Latvijas Banka establishes that prior to imposing such a fine the Register participant, restricted Register participant or former Register participant has committed two or more violations of the data entry procedure, a total fine shall be imposed for all the relevant violations of the data entry subject to the amount of a fine stipulated in Article 25 herein.

(2) Where a fine is imposed on the Register participant, restricted Register participant or former Register participant and the Board of Latvijas Banka establishes that prior to imposing such a penalty the Register participant, restricted Register participant or former Register participant has two or more times lodged unjustified Register data requests, a total fine shall be imposed for all the relevant unjustified Register data requests subject to the amount of a fine stipulated in Article 25 herein.

**Article 27.** (1) A warning for the violation of the data entry procedure shall be issued or a fine imposed no later than within six months of the day on which the above violation has been established.

(2) A warning for unjustified Register data requests shall be issued or a fine imposed no later than within a year of the day on which such data request has been submitted.

*(As amended by the Law of 16 October 2014 taking effect on 12 November 2014)*

**Article 28.** (1) Upon receiving information on a potential violation referred to in Article 25 herein, the Chairman of the Board, Deputy Chairman of the Board or member of the Board of Latvijas Banka shall be entitled to request the above information needed for passing a resolution on instigating an administrative case from the Register participant, restricted Register participant or former Register participant, customer, customer's guarantor and other persons who may have information at their disposal about a potential violation referred to in Article 25 herein.

(2) Information requested in Paragraph (1) of the present Article shall be provided no later than within seven business days of receiving the request from the Chairperson of the Board, Deputy Chairman of the Board or a member of the Board of Latvijas Banka. If for any objective reasons the above information cannot be provided within the stipulated time frame, the Chairman of the Board, Deputy Chairman of the Board or a member of the Board of Latvijas Banka may stipulate a different time frame for the provision of the above information.

(3) The Board Latvijas Banka shall not instigate an administrative case, where the information at its disposal fails to present data about an offence which qualifies as a violation under this Law.

**Article 29.** An administrative act issued by the Board of Latvijas Banka may be challenged at the Council of Latvijas Banka subject to the procedure and within the time frame stipulated under the Administrative Procedure Law.

**Article 30.** A fine paid by the Register participant, restricted Register participant or former Register participant shall be appropriated to the state budget.

## Chapter VI

### Fees for the Use of the Register

**Article 31.** (1) To cover the Register maintenance costs, the Register participant, restricted Register participant and the Financial and Capital Market Commission shall pay a fee to Latvijas Banka for the use of the Register.

(2) To cover the Register maintenance costs incurred due to the provision of the Register data, a consumer's creditor requesting the Register data shall pay a fee to Latvijas Banka for each instance of using the above Register.

(3) The Register participant and restricted Register participant adjudicated insolvent by the court or under liquidation shall not pay a fee for the use of the Register.

(4) Latvijas Banka shall stipulate the amount of and the payment procedure for the fees to be paid for the use of the Register.

(5) The fee for the use of the Register shall be paid into Latvijas Banka's budget.

**Article 32.** Latvijas Banka shall be entitled to cover in part the Register maintenance costs, where the fee stipulated in Article 31 herein fails to cover all Register maintenance costs.

## Chapter VII

### Retention of Register Data

**Article 33.** Latvijas Banka shall store data on the customer or customer's guarantor and general data for a period of 10 years:

1) of the day on which the customer's obligations or customer guarantor's obligations have been terminated;

2) of the day on which the rights and obligations or credit claims arising from the customer agreement or customer guarantor's agreement have been transferred to other person;

3) (deleted pursuant to the Law of 16 October 2014).

*(As amended by the Laws of 16 October 2014 and 21 December 2017 taking effect on 1 April 2018. See Paragraph 9 of the Transitional Provisions.)*

**Article 34.** Latvijas Banka shall store periodic data for three years following the end of the relevant time period.

**Article 35.** Latvijas Banka shall store data on the violation of the customer or customer guarantor's obligations for a period of five years of the day:

1) the violation of the customer or customer guarantor's obligations has been eliminated or as of the day on which the rights and obligations or credit claims arising from the customer agreement or customer guarantor's agreement have been transferred to other person, where the violation of the customer or customer guarantor's obligations has not been eliminated by that day;

2) the customer or customer guarantor's obligations have ceased, where the circumstances referred to in Paragraph (1) of the present Article have not occurred by that day.

*(As per the revised Law of 16 October 2014 taking effect on 12 November 2014)*

**Article 36.** Latvijas Banka shall store data on the Register data requests for one year of the day such data have been requested.

**Article 37.** Latvijas Banka shall delete the Register data after the expiry of the deadline for the data storage stipulated in the present Chapter.

## **Chapter VIII**

### **The Treasury's participation in the Register**

*(Chapter as per the advised Law of 21 December 2017 taking effect on 1 April 2018)*

**Article 38.** (1) The Treasury shall enter the following data in the Register:

1) data about its customer, customer's obligations and violations thereof (including information regarding the above data and the date on which they are entered in the Register or corrected);

2) data about its customer's guarantor, obligations of the customer's guarantor and violations thereof (including information regarding the above data and the date on which they are entered in the Register or corrected).



(2) In the event of a guarantee or taking over the rights to a claim arising from a guarantee, the data referred to in the first part of Paragraph (1) of this Article shall be entered into the Register only if data referred to in the second part of Paragraph (1) of Article 8 of the present Law are not to be entered into the Register.

(3) The Treasury shall update the Register data, once such data change, except for the periodic data. Upon correcting and updating the Register data, the previous Register data shall be deleted.

(4) Information about the Treasury's Register data requests shall be entered automatically in the Register.

(5) Latvijas Banka shall define the contents and scope of the data to be entered into the Register by the Treasury as well as the time frame and procedure for entering data into the Register.

*(As per the revised Law of 21 December 2017 taking effect on 1 April 2018)*

**Article 39.** (1) The Treasury shall be entitled to receive the Register data pertaining to the following person:

- 1) the Treasury's customer;
- 2) the Treasury customer's guarantor;
- 3) the potential Treasury's customer;
- 4) the potential Treasury customer's guarantor;
- 5) person who has a qualifying holding in a commercial company that is a customer, customer's guarantor, potential customer or potential customer's guarantor of the Treasury;
- 6) commercial company that is a subsidiary of the Treasury's customer, customer's guarantor, potential customer or potential customer's guarantor, and each subsequent subsidiary of the above subsidiary;
- 7) commercial company where the Treasury's customer, customer's guarantor, potential customer or potential customer's guarantor has a qualifying holding;
- 8) member of the Council (if established) and the Board of the Treasury's customer, customer's guarantor, potential customer or potential customer's guarantor.

(2) In the event that the Treasury refuses to conclude a customer agreement or a customer guarantor's agreement or refuses to take over the rights and obligations or credit claims arising from the customer agreement or customer guarantor's agreement, the Treasury shall no longer be entitled to continue to receive the Register data relating to the person referred to in Paragraph (1) of the present Article.

(3) The Treasury shall not be entitled to receive:

1) the Register data on the supervision of financial market participants and macroeconomic analysis;

2) data enabling the identification of a Register participant or restricted Register participant who has entered the data referred to in Paragraph (1) of the present Article in the Register;

3) data on the Register data requests submitted by a Register participant, a restricted Register participant, customer, customer's guarantor, consumer's creditor or other person.

(4) Latvijas Banka shall define the scope of the Register data to be provided to the Treasury as well as the time frame and procedure for providing the data.

*(As per the revised Law of 21 December 2017 taking effect on 1 April 2018)*

**Article 40.** (1) The Treasury shall be responsible for:

1) the entry of data in the Register that are fundamentally consistent with those of the customer agreement and customer guarantor's agreement;

2) the entry of all data in the Register as stipulated by the laws and regulations governing the Register operation, pursuant to the procedure provided for therein;

3) submission of the Register data requests in the cases stipulated herein.

(2) Latvijas Banka shall be responsible for consistency of the Register data with the data entered in the Register by the Treasury.

(3) In the event of an error, the Treasury shall correct or cancel the Register data within the time frame and following the procedure established by Latvijas Banka.

*(As per the revised Law of 21 December 2017 taking effect on 1 April 2018)*

**Article 41.** The Treasury shall have an obligation to review an application (complaint) of the customer, customer's guarantor, potential customer and potential customer's guarantor within one month and provide a reply with respect to the following actions by the Treasury:

1) entry of the same Register data as stated in the relevant customer agreement or the relevant customer guarantor's agreement;

2) entry of the data in the Register pursuant to the procedure stipulated by the laws and regulations governing the operation of the Register;

3) submission of a Register data request pertaining to the relevant customer customer's guarantor, potential customer or potential customer's guarantor.

*(As per the revised Law of 21 December 2017 taking effect on 1 April 2018)*

**Article 42.** Subject to the procedure established by Article 21 of the present Law, the entities referred to in Article 20 of the present Law shall be entitled to receive the Register data on the Treasury when it has entered data on the customer and customer's

guarantor in the Register and the date of the relevant customer's and customer guarantor's obligations taking effect and the end date, required for performing the tasks stipulated by laws and regulations.

*(As per the revised Law of 21 December 2017 taking effect on 1 April 2018)*

**Article 43.** The time frame and procedure established in Section VII of the present Law shall be applicable to retention of the Register data entered by the Treasury.

*(As per the revised Law of 21 December 2017 taking effect on 1 April 2018)*

### **Transitional Provisions**

1. Latvijas Banka shall delete the Register data within one month of this Law taking effect where the deadline stipulated for such retention has expired pursuant to the present Law.

2. The Law shall not apply to a credit institution and credit union declared in liquidation or bankrupt by 1 June 2003.

3. Where the liquidation of a Register participant has been initiated from 2 June 2003 until 31 December 2007, the Register participant shall enter, correct, update or cancel the Register data which the above Register participant has entered in the Register of Debtors within the time frame specified in the present Paragraph.

4. The Law shall apply to a restricted Register participant who has acquired the status of the restricted Register participant following the day on which the present Law has taken effect.

5. The State Joint Stock Company "Latvian Development Finance Institution Altum" shall be deemed a Register participant until the day the Development Finance Institution becomes a Register participant. The Development Finance Institution shall become a Register participant on the day it takes over the rights and obligations or credit claims arising from the customer agreement or customer guarantor's agreement from the State Joint Stock Company "Latvian Development Finance Institution Altum".

*(As per the revised Law of 30 January 2014 taking effect on 20 February 2014)*

6. The amendments made to Paragraph 5 of Article 15 of the present Law related to the provision of the Register data to Register participants and restricted Register participants through credit information bureaus shall take effect on 1 July 2015.

*(As per the revised Law of 16 October 2014 taking effect on 12 November 2014)*

7. Data concerning the Register participant's and restricted Register participant's existing, as on 31 March 2018, customer and a customer's guarantor who is a credit union, an electronic money institution, a money market fund as defined in the Law on Investment Management Companies or an initial legal person governed by public law, and their obligations and violations thereof shall be entered into the Register by 31 May 2018. If in the period by 31 May 2018 the violation of the customer or customer's guarantor has occurred, data concerning the customer or customer's guarantor, its obligations and violations thereof shall be entered into the Register

within the time frame and procedure stipulated by Latvijas Banka in accordance with Article 13 of the present Law.

*(As per advised Law of 21 December 2017 taking effect on 1 April 2018)*

8. With regard to the requirement stipulated in Article 8<sup>1</sup> of the present Law to enter into the Register data pertaining to the provision of financial services associated with credit risk not only in Latvia, but also in other European Union member countries, the data on any customers and customer's guarantors existing in other European Union member countries as on 31 March 2018, their obligations and violations thereof shall be entered into the Register by 31 May 2018. If in the period by 31 May 2018 the violation of the customer or customer's guarantor has occurred, data concerning the customer or customer's guarantor, its obligations and violations thereof shall be entered into the Register within the time frame and procedure stipulated by Latvijas Banka in accordance with Article 13 of the present Law.

*(As per advised Law of 21 December 2017 taking effect on 1 April 2018)*

9. By applying the amendment to Article 33 of the present Law (regard to reduction of the time frame for retaining the data to 10 years), Latvijas Banka shall delete the Register data whose 10-year retention period expires on 1 April 2018 by 30 April 2018.

*(As per advised Law of 21 December 2017 taking effect on 1 April 2018)*

10. The Treasury shall start its participation in the Register as of 1 October 2018.

*(As per advised Law of 21 December 2017 taking effect on 1 April 2018)*

11. The requirement to enter into the Register data resulting from the amendments to Paragraph (1) of Article 1 of the present Law [pertaining to a letter of credit service to a buyer and a guarantee] shall be applicable as of 1 April 2019. The data referred to in the first sentence of this paragraph concerning customers and customers guarantors existing as on 31 March 2019, their obligations and violations thereof shall be entered into the Register by 30 June 2019. If in the period by 30 June 2019 the violation of the customer or customer's guarantor has occurred, data concerning the customer or customer's guarantor, its obligations and violations thereof shall be entered into the Register within the time frame and procedure stipulated by Latvijas Banka in accordance with Article 13 and Paragraph (5) of Article 38 of the present Law.

*(As per advised Law of 21 December 2017 taking effect on 1 April 2018)*

### **Reference to the European Union Directive**

*(As per advised Law of 9 February 2017 taking effect on 9 March 2017)*

The Law incorporates the legal provisions arising from:

1) Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Directive 87/102/EEC;

2) Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (Text with EEA relevance).

The Law shall take effect on 1 December 2012.

The Saeima has adopted the Law on 24 May 2012.

Andris Bērziņš  
President of the Republic of Latvia