



Unofficial translation

Riga, 25 September 2009

Regulations No. 112
(Min. No. 35, paragraph 2)

Regulations on the Issue of Credit Institution and Credit Union Operating Licences, Obtaining Permits Regulating the Operation of Credit Institutions and Credit Unions, Settlement of Documents and Provision of Information

Issued in accordance with Sections 8 (1), 12.², 12.³, 13 (4), 57 (1.¹) and (3) of the Credit Institution Law and Sections 9 and 11 of the Credit Union Law

I. General Provisions

1. Regulations on the Issue of Credit Institution and Credit Union Operating Licences, Obtaining Permits Regulating the Operation of Credit Institutions and Credit Unions, Settlement of Documents and Provision of Information (hereinafter – the Regulations) are binding to newly established credit institutions and credit unions, as well as credit institutions, credit unions and foreign credit institutions registered in the Republic of Latvia.

2. The Regulations prescribe procedures as to how:

2.1. the Financial and Capital Market Commission (hereinafter – the Commission) shall issue a credit institution, electronic money institution and credit union operating licence (hereinafter – licence) to banks, electronic money institutions registered in the Republic of Latvia (hereinafter both together referred to as – a credit institution), as well as branches of foreign credit institutions and cooperative credit unions (hereinafter – a credit union);

2.2. The Commission shall re-register a licence for credit institutions and credit unions;

2.3. The Commission shall issue a permit:

2.3.1. to open a branch of a credit institution abroad;

2.3.2. to reorganise a credit institution or a credit union;

2.3.3. to a credit institution or credit union to launch provision of new financial services;

2.4. a credit institution shall reconcile payment of dividends with the Commission, if the opinion of sworn auditor or commercial company of sworn auditors that have verified an annual account is qualified;

2.5. a credit institution, foreign credit institution or credit union shall inform the Commission regarding:

2.5.1. intent of a credit institution to open a branch in a Member State or to provide financial services in a Member State without opening a branch;

2.5.2. opening of a representative office of a foreign credit institution in the Republic of Latvia;

2.5.3. candidates for the post of chairman and member of the executive board of a credit institution or credit union, the chairman and member of the supervisory board of a credit institution or credit union, the head of the internal audit (inspection) service and the head of a branch of foreign credit institution (hereinafter – official);

2.5.4. persons having close links with a credit institution;

2.5.5. change of the legal address;

2.5.6. breakdown of credit institution's share capital;

2.5.7. structural units of credit institution.

3. Documents formulated and approved in the Republic of Latvia and copies thereof shall be completed in accordance with the requirements of the regulations approved by the Cabinet of Ministers of Republic of Latvia regarding formulation and completion of documents.

4. Documents of foreign natural and legal persons shall be legalized unless laws of the Republic of Latvia or international agreements approved by the *Saeima* of the Republic of Latvia provide for another procedure. Documents in foreign languages shall have a notarised translation in Latvian or international language of finance.

5. In case a credit institution or credit union licence is lost, a credit institution or credit union shall without delay publish notification in the newspaper *Latvijas Vēstnesis* of the loss of the licence and submit to the Commission an application for receipt of a duplicate.

II. Licensing of Credit Institutions

6. In order to receive a credit institution operating licence, a credit institution shall submit to the Commission the following documents:

6.1. application signed by a person authorised by the founders of a credit institution addressed to the Commission listing all the documents accompanying the application;

6.2. credit institution establishment contract;

6.3. articles of association of a credit institution;

6.4. documents giving a clear view of the planned activities of a credit institution and its relevant structure and organisation in accordance with the requirements of Paragraphs 9 and 10 of the Regulations;

6.5. list of founders of a credit institution (Annex 1);

6.6. information concerning the founders of a credit institution:

6.6.1. copies of documents identifying the founders of a credit institution: for commercial companies (non-residents only) – a copy of a certified registration certificate or of another identifying document (certifying the registration) valid in the relevant foreign country; for other persons who are not natural persons – a copy of another identifying document;

6.6.2. documents regarding the financial situation allowing to ascertain the sufficiency of free capital in the amount of paid shares: for commercial companies of the Republic of Latvia – a certificate issued by the State Revenue Service (hereinafter – the SRS) not more than three months ago that the commercial company has no tax debts, and copies of audited annual accounts for the preceding two years of operation with a note of the SRS on receipt; for foreign commercial companies – copies of audited annual accounts for the preceding two

years of operation; for natural persons: residents – a copy of the annual income statement certified by the SRS; for non-residents – a copy of the tax (income) statement certified by the relevant tax administration, as well as other documents certifying the sufficiency of free capital and documents certifying the legal origin of said resources (capital);

6.6.3. information concerning a qualifying holding of the founders of a credit institution in other commercial companies, indicating their name (firm name), legal address, the number and state (territory) of registration, the type and size of the qualifying holding, as well as specifically indicating whether the commercial company is a credit institution, financial institution, financial institution or a financial holding company;

6.6.4. notification in writing of the persons having close links with a credit institution;

6.7. information concerning the owners of founders – commercial companies – of a credit institution until the information concerning the owners – natural persons – is obtained, and copies of documents identifying the owners (natural, legal and other persons) of all these founders of a credit institution and information concerning the qualifying holdings of these owners in other commercial companies, indicating their name (firm name), legal address, the size of the qualifying holding (amount and percentage of the share capital). If shares of the owner of a credit institution founder are quoted on the stock exchange registered in a Member State or on a stock exchange that is a full member of the International Federation of Stock Exchanges only information concerning the owners having a qualifying holding shall be provided;

6.8. documents characterising applicants for the post of chairman and members of the executive board of a credit institution, the chairman and members of the supervisory board of a credit institution, head of the internal audit service: notification (Annex 2), an expanded professional biography (CV – at least for the last 10 years, indicating also the posts held and functions performed), copies of education certificates.

7. Founders of a credit institution shall transfer money paid for the founding share capital into a temporary account opened with the Bank of Latvia and notify the Commission thereof. The meeting of the Board of the Commission taking a decision to issue a licence to a credit institution shall take place after the money is entered into the said temporary account.

8. If founders of a credit institution or their parent undertakings acquiring a qualifying holding in the amount of 20 or more percent of the share capital of a credit institution or of the total number of voting shares, are foreign credit institutions, financial institutions or financial holding companies, they, in addition to the documents referred to in Paragraph 6 of the Regulations, shall submit a permit of a credit institution or financial institution supervisory authority of the relevant state for the acquisition of a qualifying holding in a credit institution, if regulatory enactments of this state require such a permit, or a written confirmation of the said foreign authority that such a permit is not required and that it does not object to a holding of the relevant credit institution or the financial institution in a credit institution. In addition to the said information, certification of the relevant foreign credit institution supervisory authority shall be submitted regarding the fact that it carries out credit institution supervision on the basis of globally consolidated financial statements and that the regulatory enactments applicable in the relevant foreign country allow a credit institution supervisory authority to provide information to the credit institution supervisory authority of another state and receive from it financial statements of credit institutions as well as other information to the extent required for the performance of supervisory functions and that the regulatory enactments of the relevant foreign country provide for the liability for disclosure of confidential information.

9. Economic rationale for credit institution's activities (a scheme of operations) shall reflect the strategy of activities of a credit institution, financial forecast for the next three years of operation (the budget, balance sheet, profit and loss account of a credit institution, capital adequacy calculation), a market research plan and other information considered by the founders of a credit institution as necessary.

10. A credit institution shall submit descriptions of basic elements required for the setting up of its internal control system, policies and procedures which are important for the operation of a credit institution and provision of qualitative financial services, complying with the interests of credit institution's clients, i.e. the following documents approved by founders of a credit institution:

10.1. the organisational structure of a credit institution including clearly specified obligations and powers of members of the supervisory board and the executive board of a credit institution, as well as precisely specified and divided tasks of structural units of a credit institution and responsibilities of heads of the structural units (including obligations, powers and subordination of the internal audit service and its head);

10.2. substantial risk management policies and procedures;

10.3. accounting policies and the main principles of accounting organisation;

10.4. description of the management information system;

10.5. rules for the asset and information system protection;

10.6. procedures for identifying unusual and suspicious financial transactions.

III. Licensing of Branches of Foreign Credit Institutions

11. A credit institution of the foreign state shall be entitled to receive a licence for opening of a branch of foreign credit institution provided that the country complies with the following criteria:

11.1. credit institution supervisory authority of the relevant foreign country on the basis of globally consolidated credit institution financial statements, ensures appropriate, complete, effective supervision conforming to the Core Principles for Effective Banking Supervision of the Basel Committee on Banking Supervision;

11.2. regulatory enactments applicable in the relevant foreign country allow the credit institution supervisory authority to provide to and receive from the foreign supervisory authority financial statements of credit institutions and other information to the extent required for the performance of supervisory functions, and regulatory enactments of the relevant foreign country provide for the liability for disclosure of confidential information;

11.3. regulatory enactments applicable in the relevant foreign country provide for the application of appropriate standards conforming with international standards to the opening in the relevant foreign country of branches of credit institutions registered in another state, or the credit institution supervisory authority of the relevant foreign country has concluded a cooperation contract with the Commission in the field of supervision of credit institutions on a cross-border basis;

11.4. applicable regulatory enactments of the relevant foreign country do not prohibit or do not determine restrictions for a branch of the relevant foreign credit institution on making payments into the deposit guarantee fund in accordance with the Deposit Guarantee Law.

12. To receive a credit institution operating licence, a branch of a foreign credit institution shall submit to the Commission the following documents:

12.1. an application signed by an authorised official of a foreign credit institution and addressed to the Commission listing all the documents accompanying the application;

12.2. a permit of the credit institution supervisory authority of the relevant foreign country for the opening of a branch of a credit institution in the Republic of Latvia, if the effective regulatory enactments applicable in the relevant foreign country require such a permit, or a written confirmation of the said foreign authority that such a permit is not required and that it does not object to the opening of a branch, as well as a statement prepared by the said authority of the requirements of regulatory enactments of the relevant foreign country for credit institution supervision and deposit insurance matters, which gives the possibility to ascertain whether they conform to the requirements prescribed by Paragraph 11 of the Regulations. In addition to the said information, the name, address, contact person of the supervisory authority, its fax number, e-mail address, as well as the date of issue, registration number and place (authority) of a credit institution operating licence issued to the foreign credit institution;

12.3. notification in writing of the close links of a foreign credit institution with third parties;

12.4. copies of annual accounts for the preceding two years of operation of the foreign credit institution;

12.5. a copy of the decision of the competent management body or official of a foreign credit institution to open a branch and the by-law approved by such a body or an official;

12.6. documents characterising candidates for the post of head of a branch of a foreign credit institution and head of the internal audit service: notification (Annex 2), an expanded professional biography (CV - at least for the last 10 years, indicating also the posts held and functions performed), copies of education certificates and a copy of authorisation issued by a credit institution to the head of a branch;

12.7. documents giving a clear view of the planned activities of a branch of a foreign credit institution and its relevant structure and organisation in accordance with the requirements of Paragraphs 13 and 14 of the Regulations.

13. Economic rationale for activities of a branch of a foreign credit institution (a scheme of operations) shall reflect the strategy of its activities, financial forecast for the next three years of operation, a market research plan and other information considered by a foreign credit institution as necessary.

14. A foreign credit institution shall submit descriptions of the basic elements required for setting up the internal control system of a branch of foreign credit institution, policies and procedures which are material for the operation of a branch of foreign credit institution and the provision of qualitative financial services, complying with the interests of clients, i.e. the following documents approved by a competent management body or official of such a foreign credit institution:

14.1. the organisational structure of a branch of a foreign credit institution including precisely specified and divided tasks of its structural units and responsibilities of heads of the structural units (including obligations, powers and subordination of the internal audit service and its head);

14.2. substantial risk management policies and procedures;

14.3. accounting policies and the main principles of accounting organisation;

14.4. description of the management information system;

14.5. rules for the asset and information system protection;

14.6. procedures for identifying unusual and suspicious financial transactions.

IV. Licensing of Credit Unions

15. In order to receive a credit union operating licence, a credit union to be registered in the Republic of Latvia shall submit to the Commission the following documents:

15.1. application signed by a person authorised by the founders of a credit union addressed to the Commission and listing all the documents accompanying the application;

15.2. credit union establishment contract;

15.3. minutes of the founding meeting of a credit union;

15.4. articles of association of a credit union;

15.5. certificate of a credit union registered in the Republic of Latvia certifying the founding share capital payment;

15.6. documents giving a clear view of the planned activities of a credit union and its relevant organisation in accordance with the requirements of Paragraphs 16 and 17 of the Regulations;

15.7. list of founders of a credit union (Annex 3);

15.8. information concerning the founders of a credit union:

15.8.1. if the members belong to one commercial company, one institution, institutions or commercial companies included in the administrative territory of one local government – a certificate issued by the head of the relevant person certifying that the founders belong to this person and indicating the registration number and name (firm name) of the relevant person but, if a credit union includes employees of several commercial companies or institutions located in the administrative territory of one local government, – also, certificates of the SRS certifying the registration of all these commercial companies as tax payers in the administrative territory of the relevant local government;

15.8.2. if the members belong to one corporation (professional union), trade union, professional creative or public sports organisation established in accordance with the procedures prescribed by regulatory enactments of the Republic of Latvia – a certificate issued by the head of the relevant organisation certifying that the founders belong to this organisation and indicating the registration number and name (firm name) of the relevant organisation;

15.8.3. documents certifying the location of immovable property of the members if it is located in the administrative territory of one local government;

15.8.4. if local governments have concluded a cooperation contract, relevant certificate on establishing one credit union of several adjacent towns and/or parishes (*pagasts*) within the territory of municipality (*novads*);

15.9. documents characterising candidates for the post of chairman of the executive board of a credit union, deputy chairman of the executive board of a credit union and head of the internal audit service: notification (Annex 2), an expanded professional biography (CV – at least for the last 10 years, indicating also the posts held and functions performed), copies of education certificates.

16. Economic rationale for activities of a credit union (a scheme of operations) shall reflect the strategy of activities of a credit union, financial forecast for the next three years of operation (the budget, balance sheet, profit and loss account of a credit union, capital adequacy calculation), a plan of financial services to be provided to members of a credit union and other information considered by the founders of a credit union as necessary.

17. A credit union shall submit descriptions of basic elements required for the setting up of its internal control system, policies and procedures, which are material for the operation of a credit union and provision of qualitative financial services, complying with the interests of the members, i.e. the following documents approved by founders of a credit union:

17.1. the organisational structure of a credit union including clearly specified obligations and powers of the responsible persons (officials) of a credit union (including obligations, powers and subordination of the internal audit service and its head);

17.2. substantial risk management policies and procedures;

17.3. accounting policies and the main principles of accounting organisation;

17.4. rules for the asset and information system protection.

V. Re-registration of Licences

18. The Commission shall re-register a licence in the following cases:

18.1. if the name of a credit institution or credit union (firm name) has been changed;

18.2. if a credit institution or credit union receives a permit to provide such financial services that were not included in the licence.

19. To re-register a licence, a credit institution or credit union shall submit an application for re-registration of a licence signed by an authorised person addressed to the Commission and an attested copy of registration application in case of the change of name.

VI. Opening of Branches of Credit Institutions Abroad

20. A credit institution registered in the Republic of Latvia, which complies with all the requirements regulating credit institution operations and ensures the organisational structure and policies and procedures for financial service provision, technical equipment, information system and internal control system that allow to operatively control the operations of a branch of the said credit institution abroad and ensure the preparation of a summary balance sheet for each day not later than by the beginning of the next business day, shall be entitled to receive a permit for the opening of a branch of a credit institution abroad.

21. A credit institution may receive a permit for the opening of a branch of a credit institution abroad if the regulatory enactments applicable in the relevant foreign country:

21.1. do not restrict the right of a branch of a credit institution to regularly provide any information to a credit institution regarding its operations and financial services provided, financial statements, also, to the Commission – any information required for the performance of supervisory functions;

21.2. permit the Commission to conduct regular examinations of the operations of a branch of a credit institution in the relevant foreign country;

21.3. allow the credit institution supervisory authority of the relevant foreign country to provide information to the Commission and receive from the Commission information to the extent required for the performance of supervisory functions and provide for the liability for disclosure of confidential information.

22. In order to receive a permit for the opening of a branch abroad, a credit institution shall submit to the Commission the following documents:

22.1. application signed by an official authorised by a credit institution addressed to the Commission, indicating legal address of a branch of a credit institution and listing all the documents accompanying the application;

22.2. by-law of a branch of a credit institution approved in accordance with the procedures prescribed by the articles of association of a credit institution;

22.3. expanded professional biography of the head of a branch of a credit institution (CV – at least for the last 10 years, indicating also the posts held and functions performed), including personal identification data (identity number, date and year of birth).

23. After the issue of a permit for the opening of a branch of a credit institution abroad, a credit institution shall, not later than within a 30-day period after the registration in the relevant foreign country, but not later than within a 12-month period on receipt of the said permit at the Commission, submit copies of documents certifying the registration to the Commission, as well as a copy of the licence or permit issued by a competent authority of the relevant foreign country if regulatory enactments applicable in the foreign country provide for the necessity of such licence or permit. If a credit institution does not fulfil the above requirement, the Commission shall cancel a permit issued for the opening of a branch of a credit institution abroad.

VII. Reorganising of Credit Institutions and Credit Unions

24. In order that the Commission may allow reorganising a credit institution, all commercial companies involved in the reorganisation process shall submit to the Commission the following documents:

24.1. application addressed to the Commission signed by heads listing all the documents accompanying the application, including information on the reasons for reorganisation and information on the Member States in which a credit institution has creditors;

24.2. credit institution balance sheet continuing operations on the first day of operation upon completion of the reorganisation (Annex 4) and the calculation of own equity and capital adequacy ratio, which has been performed in accordance with its data.

25. The reorganisation of a credit union shall take place in accordance with the provisions of Division XV of the Commercial Law.

26. In order that the Commission may allow reorganising a credit union, all credit unions involved in the reorganisation process shall submit to the Commission the following documents:

26.1. application addressed to the Commission signed by the heads listing all the documents accompanying the application, including information on the reasons for reorganisation;

26.2. credit union balance sheet continuing operations on the first day of operation upon completion of the reorganisation (Annex 5) and the calculation of own capital and capital adequacy ratio, which has been performed in accordance with its data.

27. After obtaining permission to reorganise a credit institution or a credit union and registration of the reorganisation, the Commission shall cancel credit institution or credit union operating licences for those reorganised credit institutions or credit unions that no longer continue performing their operations.

VIII. Launching New Services by Credit Institutions or Credit Unions

28. If a credit institution or credit union plans to launch new financial services that have not yet been provided, or to make substantial amendments to the procedure for provision of a financial service, a credit institution or credit union shall, at least 30 days in advance, inform the Commission thereof in writing, simultaneously submitting a description of the relevant risk management policy and the procedures thereof.

29. In order that a credit union may receive a permit to commence performing transactions that in fact are similar to the financial services referred to in the Credit Union Law, it shall submit to the Commission a description of the relevant risk management policy and the procedures thereof.

IX. Payment of Dividends by Credit Institutions

30. In order that a credit institution may receive a permit to pay dividends if the auditor's opinion of a credit institution's financial statements is qualified, or the auditors have refused to render an opinion or have rendered a negative opinion, a credit institution shall submit to the Commission an application, specifying the amount of dividends and explaining the reasons for the qualified auditors' opinion, refusal to provide an opinion, or for the negative opinion rendered.

X. Opening of Branches of Credit Institutions in Member States and Provision of Financial Services in Member States without Opening a Branch

31. A credit institution, which intends to open a branch in a Member State, shall submit a notification in English (Annex 6) and the documents referred to in the Credit Institution Law in Latvian accompanied with translation of the documents into a language of the Member State where a credit institution intends to open a branch. A credit institution may submit translation of the documents also in English if such option is provided in the legislation of the relevant Member State.

32. A credit institution, which intends to take up provision of financial services in a Member State without opening a branch, shall submit a notification in English (Annex 7).

XI. Opening of Representative Offices of Foreign Credit Institutions

33. A foreign credit institution shall inform the Commission in writing on the opening of a representative office of a foreign credit institution in the Republic of Latvia not later than within a seven-day period after an entry is made in the Commercial Register. An official authorised by a foreign credit institution shall submit to the Commission notification (Annex 8) of the opening of a representative office of a foreign credit institution. The Commission shall without delay inform the supervisory authority of a foreign credit institution on receipt of the said notification.

34. If a foreign credit institution decides to close its representative office operating in the Republic of Latvia, it shall notify the Commission thereof in writing not later than within

a seven-day period after the deletion of the representative office from the Commercial Register.

XII. Provision of Information on Officials

35. To verify conformity of an official to the provisions of the Credit Institution Law and Credit Union Law, a credit institution or credit union shall, at least within a 10 business day period before a candidate for the post takes up his duties, submit to the Commission the following documents:

- 35.1. written application listing all the documents accompanying the application;
- 35.2. copy of the minutes of a meeting of the competent administrative body of a credit institution or credit union, or an extract of decision issued by a competent official regarding the nomination of the candidate to the relevant post;
- 35.3. documents characterising the applicants for the post: notification (Annex 2), an expanded professional biography (CV – at least for the last 10 years, indicating also the posts held and functions performed), copies of education certificates.

36. A credit institution or credit union does not provide documents on the applicant referred to in Paragraph 35 of the Regulations but within 10 business days prior an applicant takes up his duties shall notify the Commission of the changes in the status of the official in the following cases:

- 36.1. chairman of the executive board of a credit institution or credit union becomes a member of the executive board;
- 36.2. member of the executive board of a credit institution or credit union becomes a chairman of the executive board;
- 36.3. member of the executive board of a credit institution or credit union becomes a member of a supervisory board;
- 36.4. member of a supervisory board of a credit institution or credit union becomes a chairman of a supervisory board;
- 36.5. chairman of a supervisory board of a credit institution or credit union becomes a member of a supervisory board.

37. A credit institution or credit union shall within 10 business days after the registration of the relevant decision in the Enterprise Register or the Commercial Register notify the Commission of the changes in the composition of the supervisory board or executive board members or a change of a head of a branch of foreign credit institution.

XIII. Close Links

38. A credit institution shall notify the Commission in writing of the establishment of close links, or changes therein, not later than 30 days after the establishment of the close links, or the changes therein.

39. Notification regarding persons, with whom a credit institution has close links, shall include:

- 39.1 regarding natural persons:
 - 39.1.1. residents – name, surname, identity number and type of close links;
 - 39.1.2. non- residents – name, surname, date and place of birth, type of close links;

39.2. regarding commercial companies – firm name (name), number and place of registration, type of close links and reference if a commercial company provides financial services associated with credit risk.

40. A credit institution shall notify the Commission of close links in the form of participation only in cases where:

40.1. investment gives the possibility to exercise influence over the management or the financial policy of the commercial company;

40.2. investment cannot be classified as an asset held for trading or as an available-for-sale asset;

40.3. commercial company having close links provides financial services associated with credit risk.

41. A credit institution shall prepare a report on persons with whom it has close links and shall submit it to the Commission in writing before 1 February of each year regarding the situation on 31 December of the preceding year. Relationship to persons having close links with a credit institution shall be presented graphically or in the form of list.

42. In case a commercial company having close links starts or ceases provision of financial services associated with credit risk, a credit institution shall notify the Commission of it not later than in 30 days after starting or termination of provision of services thereof.

XIV. Information on the Change of Legal Address

43. A credit institution or credit union shall notify the Commission in writing of the change of legal address of credit institution or credit union not later than within a 10 business day period after an entry is made in the Commercial Register or Enterprise Register.

XV. Information on Distribution of Credit Union's Share Capital

44. A credit institution shall submit to the Commission information regarding breakdown of the credit union's share capital broken down by shareholders, countries and investment volumes (Annex 9) before 1 February of each year regarding the situation on 31 December of the preceding year.

XVI. Information on Structural Units of Credit Institution

45. A credit institution shall submit to the Commission a list of credit institution's branches, representative offices and other structural units (settlement groups, customer service centres and others) annually but not later than 31 January of next year (Annex 10) for the period from 1 January to 1 December.

XVII. Procedures for Application and Notification Processing

46. The Commission shall examine an application for obtaining a credit institution, branch of foreign credit institution or credit union operating licence and take a decision to issue or refuse a licence within a three-month period on receipt of all the necessary documents prepared and formulated in compliance with the requirements of regulatory enactments.

47. In case the name (firm name) of a credit institution or credit union is changed, the Commission shall re-register the licence within a three-day period on receipt of all the necessary documents prepared and formulated in compliance with the requirements of regulatory enactments.

48. In case licence terms are changed, the Commission shall examine an application on the re-registration of licence and take a decision to accept or refuse re-registration of a licence within 30 days on receipt of all the necessary documents prepared and formulated in compliance with the requirements of regulatory enactments.

49. In case a credit institution or credit union licence is lost, the Commission shall issue a duplicate within three business days on receipt of a relevant application.

50. The Commission shall examine all required applications or other documents referred to in Paragraphs 20–22, 24–26, 30 and 35 of the Regulations and prepared in compliance with the requirements of regulatory enactments within a 30-day period on their receipt.

51. In case amendments are made to applications or other documents referred to in the Regulations during examination of the documents, a credit institution, branch of foreign credit institution or credit union shall immediately submit the relevant specified documents to the Commission.

52. A credit institution or credit union may not submit to the Commission the documents which are available at the public registers of the Republic of Latvia.

53. If documents referred to in the Regulations that shall be submitted to the Commission are already available to the Commission and information contained is not changed, the relevant documents shall not be submitted to the Commission repeatedly specifying in the application that the relevant documents have been submitted to the Commission and information is not changed since submission to the Commission.

XVIII. Closing Provisions

54. With the coming into force of the Regulations the following Regulations become null and void:

54.1. the Commission's Regulations No. 153 of 24 May 2002 "Regulations on the Issue of Credit Institution and Credit Union Operating Licences";

54.2. the Commission's Regulations No. 328 of 6 December 2002 "Regulations for Obtaining Permits of the Financial and Capital Market Commission Regulating the Operation of Credit Institutions and Credit Unions and for Providing Information".

Informative Reference to European Union Directives

Legal norms resulting from the following directives have been incorporated into the Regulations:

1) Directive 2000/46/EC of the European Parliament and of the Council of 18 September 2000 on the taking up, pursuit of and prudential supervision of the business of electronic money institution;

2) Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions;

3) Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments;

4) Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council;

5) Directive 2005/1/EC of the European Parliament and of the Council of 9 March 2005 amending Council Directives 73/239/EEC, 85/611/EEC, 91/675/EEC, 92/49/EEC and 93/6/EEC and Directives 94/19/EC, 98/78/EC, 2000/12/EC, 2001/34/EC, 2002/83/EC and 2002/87/EC in order to establish a new organisational structure for financial services committees;

6) Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast);

7) First Council Directive 68/151/EEC of 9 March 1968 on co-ordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty, with a view to making such safeguards equivalent throughout the Community;

8) Directive 2003/58/EC of the European Parliament and of the Council of 15 July 2003 amending Council Directive 68/151/EEC, as regards disclosure requirements in respect of certain types of companies;

9) Directive 2007/44/EC of the European Parliament and of the Council of 5 September 2007 amending Council Directive 92/49/EEC and Directives 2002/83/EC, 2004/39/EC, 2005/68/EC and 2006/48/EC as regards procedural rules and evaluation criteria for the prudential assessment of acquisitions and increase of holdings in the financial sector.

Chairwoman
Financial and Capital Market Commission

I. Krūmane

**THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH
A SAFE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP**