

REPUBLIC OF LATVIA CABINET OF MINISTERS

October 7, 1997
Riga

Regulations No. 348
(Prot. No. 56, § 9)

**LICENSING REGULATIONS OF SPECIAL TYPES OF ENTREPRENEURIAL
ACTIVITY**

Issued in accordance with Article 32 of the Law
"On Entrepreneurial Activity"

I. General Provisions

1. The present Regulations shall determine the types of entrepreneurial activity performance of which by legal persons is subject to entrepreneurial activity limitations and requires a special permit (license), as well as the order of issuance of the said permits (licenses).
2. Determining the forms of entrepreneurial activity performance of which requires a special permit (license), any limitation of entrepreneurial activity is allowable:
 - 2.1. if such limitations are set forth by any international treaties, conventions or any other norms of the international law which are binding to Latvia;
 - 2.2. if this is necessary for protection of the national or municipal interests;
 - 2.3. if this is necessary for the public security and protection of the interests of the society.

II. Authorities Issuing Special Permits (Licenses)

3. The Bank of Latvia shall issue special permits (licenses) regarding to:
 - 3.1. banking transactions;
 - 3.2. purchase and sale of foreign currencies in cash;
 - 3.3. collection of cash.
4. Only credit institutions which are permitted to the activity specified below according to a special permit (license) issued by the Bank of Latvia, shall be allowed to announce publicly and receive money deposits of any kind (deposits, loans, money trust according to agreements of other type). Special permits (licenses) shall be issued in accordance with the Credit Institutions Law and the Law "On the Bank of Latvia".

5. Municipal authorities shall issue special permits (licenses) regarding to:

- 5.1. services of shooting-ranges and shooting-galleries (upon obtaining of a special permit issued by the State Police Authority);
- 5.2. cremation services;
- 5.3. commercial transportation of passengers within the territory of the respective municipality.

6. Ministry of Finance and the state institutions subordinate to and supervised by this Ministry according to the statutory acts, shall issue special permits (licenses) regarding to:

- 6.1. performance of insurance activity;
- 6.2. insurance intermediary services;
- 6.3. purchasing, processing, treatment, manufacturing and sale of precious metals, precious stones and articles thereof;
- 6.4. organization and maintenance of lotteries and games of chance;
- 6.5. activity of investment companies
- 6.6. activity in the market of securities:
 - 6.6.1. brokerage companies (for intermediary deals with securities and maintenance of securities accounts);
 - 6.6.2. banks (for intermediary deals with securities and maintenance of securities accounts);
 - 6.6.3. stock exchanges;.
- 6.7. manufacturing, import and wholesale of tobacco and tobacco goods;.
- 6.8. manufacturing, import, wholesale and retail trade of alcohol;
- 6.9 manufacturing, import wholesale and retail trade and commercial storage of fuel.

7. Ministry of Welfare and the state institutions subordinate to and supervised by this Ministry according to the statutory acts, shall issue special permits (licenses) regarding to:

- 7.1. opening (operation) of drugstores;
- 7.2. opening (operation) of wholesale drugstores;
- 7.3. opening (operation) of medicine manufacturing enterprises;
- 7.4. drugstore activity including sale of narcotic medicines;
- 7.5. wholesale drugstore activity including narcotic and psychotropic, or psychotropic medicines;
- 7.6. manufacturing of narcotic and psychotropic, or psychotropic medicines (upon obtaining of a special permit issued by the State Police Authority);
- 7.7. training of employees in the field of labor protection, re-qualification and raise of professional skills of labor protection specialists;
- 7.8. projecting, manufacturing, installation, repair, technical maintenance and updating of dangerous equipment;
- 7.9. blasting operations, pyrotechnic works, manufacturing and storage of explosives, items and articles (ADR, Class 1) being used in blasting operations or pyrotechnic works except cases specified in Sub-Paragraph 8.2 hereof (upon obtaining of a special permit issued by the State Police Authority);
- 7.10. establishing (activity) of social help institutions;
- 7.11. storing, sale and use of dangerous substances for disinfection purposes;
- 7.12. employment services (except for agencies engaged in employment of seamen on ships);
- 7.13. activity connected with radioactive substances and other ionizing radiation sources in the medicine.

8. Ministry of Defense shall issue special permits (licenses) regarding to:

- 8.1. import to, export to, transit of weapons, ammunition, military equipment, explosives and components thereof (armament) through the territory of Latvia, and manufacturing and sale thereof for the needs of the Ministry of Defense in the enterprises specified by the Ministry;

8.2. blasting operations, storage places of explosives, pyrotechnic substances, means of blasting operations and pyrotechnic means located at the state institutions subordinate to and supervised by the Ministry of Defense, and enterprises surveyed by the Ministry.

9. The armament manufactured by the enterprises licensed by the Ministry of Defense may be sold only to enterprises (entrepreneurial! companies) which have obtained special permits (licenses) in accordance with 10.3 hereof.

10. Ministry of Internal Affairs shall issue special permits (licenses) regarding to:

10.1. detective activity;

10.2. security activity;

10.3. import, export, manufacturing, sales and repair of hunting, sports, self-defense arms (also fire-arms, cold steel, compressed-air arms), ammunition, explosives and special means - gas pistols (revolvers), cartridges thereto, gas containers filled with irritants and electric shock devices (except for repair of gas pistols (revolvers) and gas containers filled with irritants);

10.4. import, export and sales of pyrotechnic substances and devices.

11. Ministry of Transport and the state institutions subordinate to and supervised by this Ministry according to the statutory acts, shall issue special permits (licenses) for:

11.1. projecting and construction of railway lines, access lines, bridges and other railway communications;

11.2. air carriage;

11.3. special aviation works;

11.4. commercial! transportation of passengers by bus within the territory of Latvia and international commercial! transportation of passengers by bus;

11.5. commercial freightage by trucks within the territory of Latvia and international commercial freightage by trucks;

11.6. maintenance of transport constructions;

11.7. retail trade of mechanical transport vehicles, numbered units thereof and trailers;

11.8. freightage and passenger transportation by sea transport;

11.9. performance of underwater works related to operation of ports and ships;

11.10. postal! services;

11.11. intermediary services for employment of seamen on ships;

11.12. wireless communication services.

12. Ministry of Environmental Protection and Regional Development and the state institutions subordinate to and supervised by this Ministry according to the statutory acts, shall issue special permits (licenses) regarding to:

12.1. entrepreneurial activity in the field of construction (management, projecting, consulting and performance of construction works);

12.2. activity connected with radioactive substances and other ionizing radiation sources (including export and import);

12.3. reception and utilization of ships' waste in ports;

12.4. elimination of pollution consequences in waters.

13. Ministry of Agriculture and the state institutions subordinate to and supervised by this Ministry according to the statutory acts, shall issue special permits (licenses) regarding to:

13.1. import and export of grain;

13.2. activity in the field of veterinary pharmacy;

13.3. trade of plant protection means;

13.4. fishing and aquaculture;

13.5. import of sugar;

13.6. performance of forestation works.

14. State Land Service shall issue special permits (licenses) regarding to:

14.1. geodetic, topographic, land surveyor and land management works;

14.2. photogrammetric and cartographic works;

14.3. assessment and evaluation of real estate.

15. Ministry of Economy shall issue special permits (licenses) regarding to:

15.1. intermediary deals with the privatization certificates (joint investment companies, investment consulting companies, trade intermediaries, banks opening and servicing certificate accounts of legal persons);

15.2. purchasing of ferrous and non-ferrous metal scrap in Latvia and export thereof;

15.3. activity with pre-cursors of 1st and 2nd category;

15.4. heat energy supply, electric power supply, natural gas supply and liquid gas supply if the entrepreneurial activity is performed in compliance with the provisions of the Law "On Regulation of Entrepreneurial Activity in the Field of Power Industry".

16. Ministry of Education and Science shall issue special permits (licenses) regarding to opening (operation) of educational institutions.

17. Latvian Electrotechnical Commission shall issue special permits (licenses) regarding to projecting, manufacturing, installation, and inspection of electric equipment.

18. Export, import and transit of goods, products, services and technologies of strategic importance shall be carried out only according to special permits (licenses) issued by an authorized representative of the Strategic Importance Export and Import Control Board in accordance with the statutory acts.

III. Order of Issuance of Special Permits (Licenses)

19. Unless the laws specify otherwise, the authorities specified in Section II hereof shall form Licensing Boards (hereinafter referred to as "Issuing Institution") consisting of at least five persons, which are to be formed of qualified specialists in respective fields, the said authorities shall specify criteria and order of issue of special permits (licenses) in accordance with the statutory acts.

20. A special permit (license) shall be issued for a period of time not less than one year and maximum for five years, or in accordance with the law provisions if the law specifies otherwise. A special permit (license) may be issued for performance of one transaction.

21. The Issuing Institution shall make a sample of the application form for obtaining of a special permit (license). The license application form shall be drawn up and filled in according to the principle of answers proposed.

22. A list of all the documents to be submitted in order to receive a special permit (license) in accordance with the appropriate statutory acts shall be included in the application form. The Issuing Institution shall not be entitled to require any additional documents.

23. The applicant shall submit an application for obtaining of a special permit (license) and the respective documents only to the respective Issuing Institution specified in the present Regulations:

24. Should the documents submitted contain an incomplete or incorrect information, the Issuing Institution shall be entitled to require an additional information.

25. A special permit (license) or a motivated rejection of performance of an entrepreneurial activity shall be issued by the Issuing Institution within 30 days as of the date of reception of the respective application. The rejection may be appealed at a court.

27. The Issuing Institution shall guarantee security of any confidential information required and received. An entrepreneur may not be required to submit any confidential information disclosure of which could cause any damage of commercial interests of specific enterprises.

28. Special permit (license) shall be issued to the recipient as well as reregistered upon the payment of the state duty specified by the law or the Regulations of the Cabinet of Ministers. The state duty for issuance of a special permit (license) shall be transferred to the state budget. If the special permit (license) is issued by a municipality, the state duty for issuance of a special permit (license) shall be transferred to the municipal budget.

29. The authority which has issued a special permit (license) shall be entitled to cancel it if this authority establishes that the information submitted is not true, or that the recipient of the special permit (license) has violated any normative acts as well as any conditions specified in the special permit (license). The resolution on cancellation of the special permit (license) may be appealed at a court.

30. The authority which has issued a special permit (license) shall be entitled to extend the validity of it re-registering the special permit (license) for a period of time not exceeding five years.

31. The recipient of the special permit (license) shall be responsible for proper use of it. The recipient of the special permit (license) shall not be entitled to transfer it to any other persons.

32. Persons who without a special permit (license) have commenced any entrepreneurial activity, if the law states that a special permit (license) is necessary, or any persons who have continued the entrepreneurial activity after recall, cancellation or expiration of the special permit (license), shall be made answerable for according to the law.

33. Should a special permit (license) be lost, the Issuing Institution, upon reception of a written request, shall issue a duplicate of the special permit (license) with a not "Duplicate" thereon.

34. Under issuance of a special permit (license) in the field of import of goods or services, the provisions of Section IV of the present Regulations shall be taken into consideration additionally.

IV. Order of Issue of a Special Permit (License) to Import

35. Licensing of import is defined as an administrative procedure applied to the import licensing regime functioning requesting a submission of an application or any other documents (except those requested for the need of customs authorities) to the respective institution as a pre-condition to imports to the customs territory of Latvia.

36. A matter relating to an issue of a special imports permit (license) shall be examined at least within 10 working days as of the date of reception of the application.

37. Licensing of import shall not be applied in order to determine any quantitative limitation.

38. Licensing of import shall be applied while the circumstances having caused the necessity of implementation of licensing, exist and while the administrative purposes of the licensing can not be reached by any other means.

39. Licensing of import of goods, products and services of strategic importance and double use shall be carried out in compliance with the general exceptions related to the national security and specified in Clauses XX and XXI of GATT 1994. This order shall be set forth by the Cabinet of Ministers Regulations of exports, imports and transit of goods, products, services and technologies of strategic importance.

IV. Final Provisions

40. The special permits (licenses) having been issued to natural persons shall be valid until the expiration term thereof specified therein but no longer than until December 31, 2002.

41. To recognize as invalid:

41.1. Regulations of the Cabinet of Ministers No. 434 of November 19, 1996 "Regulations of Licensing of Special Types of Entrepreneurial Activity (Bulletin of Latvia,1996, No.199/200, 228/229/230;1997, No. 79,138);

41.2. Regulations of the Cabinet of Ministers No. 470 of December 24, 1996 "Amendments of the Regulations of the Cabinet of Ministers No. 434 of November 19, 1996 "Regulations of Licensing of Special Types of Entrepreneurial Activity"" (Bulletin of Latvia,1996, No. 228/229/230);

41.3. Regulations of the Cabinet of Ministers No. 104 of March 18, 1997 "Amendments of the Regulations of the Cabinet of Ministers No. 434 of November 19, 1996 "Regulations of Licensing of Special Types of Entrepreneurial Activity"" (Bulletin of Latvia,1997, No. 79);

41.4. Regulations of the Cabinet of Ministers No. 204 of June 3, 1997 "Amendments of the Regulations of the Cabinet of Ministers No. 434 of November 19, 1995 "Regulations of Licensing of Special Types of Entrepreneurial Activity"" (Bulletin of Latvia,1997, No.138).

42. The Regulations shall come into effect on January 1,1998.

Prime Minister
Minister of Economy

G. Krasts
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