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CABINET OF MINISTERS OF THE REPUBLIC OF LATVIA

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Regulations No. 401

Riga

Procedure of Registering Representative offices and Representatives of Foreign Merchants and Organizations

(Prot. No.37 § 22)

Published pursuant to Article 2.8
of the law on
«The Register of Enterprises of the
Republic of Latvia»

I. General Provisions

1. These Regulations determine the procedure of registering Representative offices of foreign merchants and Representative offices and representatives of public and non-profit organizations (hereinafter referred to as – Organization) incorporated abroad.

2. Register of Representative offices – the information (entries) totally compiled in electronic manner regarding Representative offices and representatives (natural persons representing a foreign merchant or organization by proxy) of foreign merchants and organizations (hereinafter referred to as – Representative office).

3. The register of Representative offices is kept by the Register of Enterprises of the Republic of Latvia (hereinafter referred to as – the Register of Enterprises).

4. A Representative office is entitled to start operation and be deemed open only after the relevant Representative office is registered with the register of Representative offices.

5. The following information of each Representative office is specified in the register of Representative offices:

5.1. number and date of registration;

5.2. firm name, legal address (registered office) and registration number (if any) of a foreign merchant or an organization;

5.3. the state, where a foreign merchant or organization have the status of resident;

5.4. basic spheres of activity of a foreign merchant or organization;

5.5. given name, surname, residential address, identity number (if no any identity number, a personal identification number is specified), citizenship of the representative of this foreign merchant or the country of organization origin, as well as data of the document that proves identity of a person:

5.5.1. type of document;

5.5.2. date of issue;

5.5.3. number;

- 5.5.4. issuing institution;
- 5.6. legal address (registered office) of a Representative office;
- 5.7. period of operation (if determined);
- 5.8. information of registered amendments;
- 5.9. information of Representative office activity completion;
- 5.10. information of any banning marks;
- 5.11. first name, surname, residential address, identity number (if no any identity number, a personal identification number is specified), citizenship of a person submitting an application, as well as data of the document that proves identity of a person:
 - 5.11.1. type of document;
 - 5.11.2. date of issue;
 - 5.11.3. number;
 - 5.11.4. issuing institution;

II. Documents Submitted for Registration of a Representative Office and the Procedure of Documents Formalities Execution

6. To register a Representative office in the Register of Representative offices an application (Appendix No.1) is submitted to the Register of Enterprises. The application is signed by the authorized representative of a foreign merchant or an organization. The following to be attached to the application:

6.1. document, that proves registration of a foreign merchant in a relevant country, if the appropriate country laws envisage registration, and if such a registration is not envisaged by law, as well as if Representative office of a foreign organization is opened – any other document that proves a legal status of a foreign merchant or an organization in the relevant country.

6.2.. Document of a foreign merchant or organization that includes:

- 6.2..1. decision to open Representative office in Latvia;
- 6.2..2. representative's authority.

6.3. Articles of Association of a foreign merchant or organization, regulations or any other equated document.

6.4. A document confirming payment of the registration fee to the state.

7. Filling in an application it is required to take into account the following terms and conditions:

- 7.1. if an application is filled in computer-aided, it is not allowed to change disposition of the form;
- 7.2. if an application is filled in hand information to be written legible in block letters;
- 7.3. if there is no enough space in the application form additional application forms are used and attached to the application;
- 7.4. the information fields not filled in the application should be crossed over;
- 7.5. if there are more than one page in an application an applicant will sew and certify its number;
- 7.6. at places where an option or several variants are provided for or possible, mark “?” be made at the relevant field.

8. Any public documents issued in foreign countries and to be submitted to the Register of Enterprises shall be duly notarized and legalized in the order established by the International Treaties binding upon the Republic of Latvia.

9. If pursuant to the Regulations No.401 of the Cabinet of Ministers it is required to submit the Certificate of Incorporation of a Representative office, Representative's Certificate or a permit to open Representative office in the Republic of Latvia issued in accordance with the Resolution of the Cabinet of Ministers No.107 dated April 19, 1991 "The Procedure of Foreign Companies Representative Offices Opening and Operation in the Republic of Latvia", however, an appropriate document was stolen, destroyed or lost, a Representative office statement specifying the reason why it is impossible to submit the necessary documents is to be attached to the application.

III. Applications Consideration and Registration

10. An application with a period of 15 days after its receipt (unless a shorter term of documents consideration is envisaged in any other regulative enactments) shall be considered by state notary of the Register of Enterprises and makes one of the following decisions:

- 10.1. to register Representative office;
- 10.2. to refuse in registration.

11. Considering an application state notary of the Register of Enterprises makes certain that:

- 11.1. all the documents provided for hereunder have been presented;
- 11.2. the documents submitted meet the requirements determined by these regulations and other regulative enactments;
- 11.3. no any legal obstacle has been fixed in the Register of Enterprises to register Representative office.

12. If no legal obstacles whatsoever have been revealed state notary of the Register of Enterprises:

- 12.1. takes a decision to make an entry in the Register of Representative offices, as well as specifies in the decision the information entered in the register of Representative offices;
- 12.2. makes an entry in the register of Representative offices;
- 12.3. issues a Certificate of Incorporation (Registration Certificate).

13. The Certificate of Incorporation specifies:

- 13.1. registration number of the Representative office;
- 13.2. date of Representative office registration;
- 13.3. firm name of a foreign merchant or organization;
- 13.4. legal address of the Representative office;
- 13.5. term of operation (if determined);
- 13.6. first name, surname and identity number (if no any identity number, a personal identification number is specified) of a foreign merchant or organization representative;
- 13.7. information that pursuant to the laws of Latvian Republic a Representative office has no right to carry out business activity.

14. Decision of making entries to the Register of Enterprises comes into effect from the moment of signing thereof, when state notary of the Register of Enterprises in electronic manner certifies (authorizes) completeness and adequacy of the entry,

unless the later term of validation is envisaged in the decision. In this case a relevant note is made in the Register of Representative offices. It is not admitted to postpone a period of validation for more than a month.

15. State notary of the Register of Enterprises makes a motivated decision to refuse in registration, if it has been revealed that:

15.1. not all documents specified in these regulations have been submitted;

15.2. the documents submitted do not meet the requirements set by these regulations and other regulative enactments;

15.3. the Register of Enterprises fixed another legal barrier for registering a Representative office.

16. It is possible to appeal against a resolution of the state notary of the Register of Enterprises submitting an appeal to the Chief State Notary of the Register of Enterprises. It is possible to appeal against a resolution of the state notary of the Register of Enterprises submitting an appeal to the court.

17. A separate case is kept for each Representative office where documents are filed, these documents are the basis for making entries in the Register of Representative offices, as well as other documents envisaged in regulative enactments.

IV. Amendments Made to the Register of Representative Offices and Elimination of Misspelling Errors

18. To make amendments to the Register of Representative offices manager of a Representative office within a period of one month after making amendments applies to the Register of Enterprises (Appendix 2). The application comprises the information subject to amendments, as well as the following documents are attached to the application:

18.1. Documents that certify amendments;

18.2. Certificate of Incorporation of a Representative office, if necessary to amend anything;

18.3. Document confirming the registration fee was paid to the state.

19. The documents submitted are executed, considered and registered in the order determined by sections II and III of the present regulations.

20. A new Certificate of Incorporation is issued if any information specified in the Certificate of Incorporation is subject to amendments. In this case an additional inscription is made on the Certificate that the Certificate of Incorporation has been revised, specifying the date when a decision was made to issue the Certificate.

21. If a misspelling error is detected in the Register of Representative offices, state notary of the Register of Enterprises sends notice at the legal address of an appropriate Representative office having pointed out the specific error, the procedure of entry correction and a period within which to raise an objection. If the Representative office within a period set does not raise any objections, state notary of the Register of Enterprises makes a decision to correct entry and respectively marks it in the Register of Representative offices. If any misspelling error is detected by a Representative office, the foregoing terms regarding notice and any objections do not apply.

V. Registration of Representative Office Activity Completion

22. Decision of making entries in the register of Representative offices, if related to completion of the Representative office activity, is made by the state notary in the following cases in the order prescribed by these regulations:

22.1. a foreign merchant or organization made a decision to complete activity of Representative office;

22.2. a foreign merchant or organization, that has Representative office in Latvia has been dissolved;

22.3. Representative office to be re-registered into a branch;

22.4. Representative office violated the regulative enactments that determine the procedure of opening and operation of any Representative office.

23. If Representative office terminates its activity based on the decision of a foreign merchant or organization, a representative submits an application to the Register of Enterprises (Appendix 3) and the following documents attached to the application:

23.1. a document comprising the decision of a foreign merchant or organization to complete activity of the Representative office;

23.2. Certificate of incorporation of this Representative office;

23.3. a document confirming the fee was paid to the state.

24. If a foreign merchant or organization is liquidated, a representative submits an application to the Register of Enterprises (Appendix 3) and the following documents attached to the application:

24.1. a document that proves liquidation of a foreign merchant or organization;

24.2. Certificate of Incorporation of a Representative office;

24.3. a document confirming the fee was paid to the state.

25. If Representative office is transformed into a branch office, a representative submits an application to the Register of Enterprises (Appendix 3) and the following documents attached to the application:

25.1. a document comprising the decision of a foreign merchant or organization to reorganize Representative office into a branch office;

25.2. the documents envisaged by the Commercial Law to enter a branch into a Commercial Register, if not submitted yet to the Register of Enterprises;

25.3. Certificate of Incorporation of a Representative office;

25.4. a document confirming the fee was paid to the state.

26. If a Representative office infringed the regulative enactments that determine the procedure of opening and operation of any Representative office, state notary of the Register of Enterprises based on court judgment regarding the Representative office activity termination, takes a decision to make the relevant entry in the Register of Representative offices.

27. In the case specified therein above in clause 26 of the present regulations the Register of Enterprises places an announcement in the official gazette «Latvijas Vēstnesis» regarding termination of the Representative office activity and nullification of the Certificate of Incorporation, and state notary of the Register of Enterprises makes the relevant entry in the Register of Representative offices.

28. Activity of a Representative office shall be deemed completed the date, when resolution of the state notary of the Register of Enterprises to make entry in the Register of Representative offices came into effect.

VI. Final Provisions

29. Applications submitted prior to the date of these regulations validation shall be processed in the order established by the Resolution No.107 of the Council of Ministers dated April 19, 1991 "The Procedure of Opening and Operation of Foreign Companies Representative Office in the Republic of Latvia". If a new Representative office is established it shall be registered with the Register of Representative offices in accordance with the requirements of these Regulations, without specifying the term of the Representative office operation (unless only the Representative office itself prefers to specify this term), as well as issue the Certificate of Incorporation of the Representative office.

30. If the period of operation of a Representative office or a representative (who acts without opening any Representative office), specified in a permit for opening such a Representative office expired prior to the date of these regulations validation, state notary of the Register of Enterprises makes a decision to terminate activity of the Representative office or representative. Information of the relevant Representative offices and representatives will be placed in the official gazette «Latvijas Vēstnesis».

31. Representative office or representative who acts without opening a Representative office, and registered prior to the date of these regulations validation, as well as if the period of operation specified in the permit to open such a Representative office has not expired, it shall be entitled to continue activity till the period stipulated in the permit. To continue its activity after the period specified in the permit, a representative applies for issuing the Certificate of Incorporation of the Representative office (Appendix 4). The following to be attached to the application:

31.1. permit to open Representative office;

31.2. representative's certificate (if issued);

31.3. the documents specified in sub-items 6.1, 6.2 and 6.3. of the present regulations (if not submitted to the Register of Enterprises).

32. If the application specified in clause 31 of the present regulations is not submitted within a period set, state notary of the Register of Enterprises decides to make the relevant entry in the Register of Representative offices to terminate activity of this Representative office or representative. Applications presented after the term set shall not be considered by the Register of Enterprises.

33. If any Representative office (or representative acting without opening a Representative office) established prior to the date of these regulations validation, that has not received the Certificate of Incorporation yet, terminates its activity or applies for registering amendments, it has to submit a permit to open Representative office and any certificates issued to the representatives.

34. The information regarding Representative offices of foreign merchants' and organizations, compiled prior to these regulations validation in electronic manner, before December 31, 2002 shall be registered with the Register of Representative office in accordance with clauses 14 and 15. After any Representative office is incorporated in the register of Representative offices it is allowed to correct an entry only in the order established in clause 21 of the present Regulations.

35. If applications are submitted to the Register of Enterprises to register amendments prior to December 31, 2002 and a Representative office has not been registered yet with the Register of Representative offices in the order duly established by clause 34 of the present regulations, this procedure shall be carried out at the time of making decision with respect to amendments registration.

36. To admit the Resolution No.107 of the Council of Ministers dated April 19, 1991 on "The Procedure of Opening and Operation of Foreign Companies Representative offices in the Republic of Latvia" has lost its force. (Bulletin of the Supreme Council and Government of the Republic of Latvia, 1992, No.18/19; 1993, No. ¾).

37. The regulations come into effect from October 1, 2002.

Prime Minister

A.Berzinsh

Minister of Justice

I.Labucka