

# The Laws returned to the Saeima for reconsideration

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## Law “Amendments to the Law on the Social Integration Fund”

On 14 June 2019, President of Latvia Raimonds Vējonis handed over the Amendments to the Law on the Social Integration Fund adopted on 6 June 2019 to the Saeima for reconsideration.

While doing so, the President of Latvia calls on the Saeima to assess carefully what improvements one plans to achieve in the activities of the Council of the Social Integration Fund by excluding representatives of programming regions and anticipating that almost a half of the Cabinet of Ministers together with representatives of four non-governmental organisations would work in the Council of Social Integration Fund henceforth.

In the paper on the second review of the Law, the President of Latvia also points to the shortcomings of the Law regarding the regulation of decision-making and subordination of the Social Integration Fund.

The President of Latvia requests the Saeima to reassess carefully what improvements are necessary and appropriate to improve the operation of the Social Integration Fund and to promote social integration.

 [The letter of the President of Latvia to the Madam Speaker of the Saeima](#) 

## Law “Amendments to the Labour Law”

On 9 November 2018, President of Latvia Raimonds Vējonis handed over to the Saeima an amendment to the Labour Law.

When returning the Law “Amendments to the Labour Law” adopted by the Saeima on 1 November 2018, the President of Latvia has emphasised that the state must guarantee fair opportunities for all by law. By combating the shadow economy in one sector, we must not put employers and employees in another sector at a disadvantage.

The President of Latvia appreciates the work done by the Employers’ Confederation of Latvia, the Free Trade Union Confederation of Latvia, the Latvian Construction Contractors Partnership, and the Cabinet of Ministers to reduce the shadow economy and implement the opportunities anticipated in the Labour Law for signing the general agreement in a sector more widely.

However, the amendment to the Labour Law adopted by the Saeima is considered fragmentary and insufficiently developed. When trying to facilitate one or other sector leave the shadow economy for good, the risks associated with the fair application of this regulation in other sectors have not been adequately assessed.

It is not possible to support regulation that puts companies that are potentially out of the shadow economy in a privileged position against companies that are already paying taxes in good faith and are contributing to the financing of common societal needs.

The Ombudsman, the Latvian Chamber of Commerce and Industry, the Foreign Investors’ Council, and the Paediatric Surgeons’ Trade Union of the Children’s Hospital have asked the law to be reconsidered. During the drafting of the law, the Legal Bureau of the Saeima also had substantial objections to the content of the law and compliance with the Constitution.

“Ignoring the objections regarding credible constitutional risks in the legislative process does not reinforce public trust in Latvia and the law, but on the contrary, it weakens the rule of law and the belief that a fair and honest solution is offered to everybody,” indicated the President of Latvia.

When handing over the law for reconsideration, the President of Latvia encourages the Saeima to evaluate the proportionality of

the law “Amendments to the Labour Law” adopted on 1 November 2018 and to find a balanced and constitutional solution.

 [The letter of the President of Latvia to the Madam Speaker of the Saeima](#) 

 [Annexes to the letter of the President of Latvia to the Madam Speaker of the Saeima](#) 

## Law “Amendments to the Public Procurement Law”

On 9 February 2018, President of Latvia Raimonds Vējonis returned the amendments to the Public Procurement Law to the Saeima for reconsideration.

In his letter to the Madam Speaker of the Saeima, the President of Latvia refers to the essential shortcomings in the statutory provisions progressed in the third reading on the exclusion of tenderers from the procurement, which will prevent the achievement of the declared objectives of the law and might lead to additional expenses and losses to the state budget in connection with possible violations of the laws of the European Union.

The President of Latvia also draws attention to the controversial provisions contained in the law, which place companies registered in Latvia at a disadvantage compared to companies registered abroad, whose owners of shares (stock) are registered in low-tax or no tax countries or territories.

Mr Raimonds Vējonis supports the declared objectives of the disputed provisions, but he calls on paying attention to the existing Public Procurement Law. Public funds and public funding may be granted only to entities that have paid taxes and have fulfilled their obligations to the state. It is a self-evident and logical requirement that has been established by law and has been in place for many years.

“Investing the money of the European Union Funds to promote public welfare, economic growth and sustainable development in the programming period 2014-2020, we must not create preconditions for the state budget to suffer losses instead of gaining additional revenue deliberately and purposefully,” stated the President of Latvia in his letter to the Madam Speaker of the Saeima.

 [The letter of the President of Latvia to the Madam Speaker of the Saeima \(Signed electronically\)](#) 

Law adopted by the Saeima: <https://likumi.lv/ta/id/298821-grozijumi-publisko-iepirkumu-likuma>

## Law “Amendments to the Law on Judicial Power”

On 10 November 2017, President of Latvia Raimonds Vējonis returned Amendments to the Law on Judicial Power to the Saeima for reconsideration.

The President of Latvia points out that the decision taken by the Saeima to abolish the restriction to a chairperson of a district (city) court and a chairperson of a regional court to hold that position for more than two consecutive terms is not aimed at the development of the judicial system.

“Strong democratic systems are characterised by a change of officials after a certain period of time to enable other professionals to take on the role of leader rather than the constant retention of good leaders in their positions. Long-term holding of one position can pose risks of stagnation,” emphasised Raimonds Vējonis. The President of Latvia believes that a real rotation in the leading positions of the judiciary would promote professional growth at all levels of the judiciary. This would allow as many judges as possible to acquire new professional and managerial skills, as well as encourage judges to become more involved in addressing issues of fundamental importance regarding the strengthening of the rule of law to the community as a whole.

“The obligation to select another person for a specific post after a reasonable period of time, although the previous manager has performed his or her duties well and duly, contributes to the development of any institution,” stated the President of Latvia. Therefore, Raimonds Vējonis proposes the Saeima to evaluate all the existing regulations in other sectors systematically, where is

no restrictions for officials to claim the same post for more than two consecutive terms.

 [The letter of the President of Latvia to the Madam Speaker of the Saeima](#) 

The law adopted by the Saeima: <https://www.vestnesis.lv/op/2018/20.2>

## Law “Amendments to the Law on Financial Instruments Market”

On 30 June 2017, President of Latvia Raimonds Vējonis returned the amendments to the Law on Financial Instruments to the Saeima for reconsideration

“I appreciate the efforts of the legislator to improve the regulation of financial instruments market to prevent the risk of majority shareholders avoiding the obligation to make a compulsory stock redemption offer dishonestly. Failure to comply with this obligation seriously violates the rights of minority shareholders and has an impact on a price of shares. However, the statutory regulation calls into question the assessment and elimination of all the risks that could emerge given that such a regulation takes effect. The proposed changes may restrict the rights of majority shareholders to the property and the right of establishment disproportionately,” stated Raimonds Vējonis.

In Article 74.1 of the amendments to the Law on the Financial Instruments Market, the chosen solution for the protection of minority shareholders' rights is contrary to the purpose of the mandatory stock redemption offer provided for in this Law. The legislator has not assessed the efficiency and impact of the preventive and punitive mechanisms contained in the regulation currently in force on the participants of the financial market. Providing for a new regulatory framework without such an assessment causes a risk of disturbing the balance between protection of the interests of minority shareholders and of the benefits of majority shareholders.

 [The letter of the President of Latvia](#) 

The law adopted by the Saeima: <https://likumi.lv/ta/id/293944-grozijumi-finansu-instrumentu-tirgus-likuma>

## Amendments to the Law on the State Administration System

On 30 June 2017, President of Latvia Raimonds Vējonis returned the amendments to the Law on the State Administration System to the Saeima for reconsideration because the legislation adopted by the Saeima was contradictory and the Saeima's Rules of Procedure were not respected during their adoption.

“Clear and unambiguous regulation is needed to promote openness and transparency in the use of state and local government budget funds, as well as to not create further uncertainties regarding the publication of remuneration of officials and employees of state and local government institutions. The fact that the legislator creates a different regulation of the same issue in different law is unacceptable,” indicated the President of Latvia in his letter to Madam Speaker of the Saeima Ināra Mūrniece. He pointed out that the adopted regulation contradicted the amendments to the Law on Remuneration of Officials and Employees of the State and Local Government Institutions approved by the Saeima only two months ago.

The amendments to the Law on the State Administration Structure stipulates that the information regarding all the amounts paid out each month for all officials and employees should be made public on the websites of the state authorities on the Internet and kept for ten years in the future. Such information can include sensitive personal data such as the payment of statutory benefits associated with a disabled child or a death of a close relative, harassing a person's privacy in the result. The long-term storage of such extensive information on the Internet prevents individuals from maintaining control over their personal data, restricting their use, requesting them to be changed or deleting them during a ten-year period after a person ceases to work in the public sector and does not receive remuneration from the state budget anymore.

In his letter to the Madam Speaker of the Saeima, the President of Latvia also requested to assess the compliance of the

amendments adopted by the Saeima with the requirements of the protection and circulation of personal data as well as to find a balanced solution for the implementation of the fundamental rights guaranteed in Articles 100 and 96 of the Satversme. Raimonds Vējonis also informed her that he received a letter of the State Data Inspectorate on 30 June 2017, which focused on the non-compliance of the regulation included in the Law with the regulatory requirements regulating data protection of individuals and included a request not to promulgate that Law.

 [The letter of the President of Latvia](#) 

The law adopted by the Saeima: <https://likumi.lv/ta/id/295396-grozijumi-valsts-parvaldes-iekartas-likuma%0D>

## Amendments to the Law on Credit Institutions

President of Latvia Raimonds Vejonis returned the controversial amendments to the Law on Credit Institutions to the Saeima for reconsideration on 16 June 2017. The decision was taken because the process of adopting amendments to the Law raises concerns about the real purpose, necessity, and proportionality of specific provisions.

“I welcome the fact that the regulation and application practice of the insolvency process is being improved. However, the development of certain provisions related to the conflict of interest, the winding-up process of joint stock company “Trasta komercbanka”, and the issue of the appointment of an administrator in the insolvency proceedings of this credit institution that the court is entitled to rule cause suspicions about the desire to influence certain processes,” stated Raimonds Vējonis.

Amendments to the Law on Credit Institutions prohibit a person, who has represented one of the clients of a credit institution in any relations with a credit institution for the last two years, to assume the duties of a liquidator or administrator in winding-up or insolvency proceedings of the credit institution. Such a regulation is considerably more extensive than the one established in the Law on the Prevention of Conflict of Interest in the Activities of Public Officials, narrows a list of potential candidates for liquidators and administrators of credit institutions significantly and restricts the opportunities to find the best candidate.

 [Letter of the President of Latvia](#) 

The law adopted by the Saeima: <https://likumi.lv/ta/id/292586-grozijumi-kreditiestazu-likuma>

## Amendments to the Law of Handling Alcoholic Beverages

On 20 May 2017, President of Latvia Raimonds Vējonis returned the Law on the Amendments to the Law of Handling Alcoholic Beverages adopted on May 11 to the Saeima for reconsideration. The President of Latvia appreciated the restrictions on the sale of alcoholic beverages contained in the Law and the move towards abandoning the sale of large quantities of alcohol in plastic bottles. At the same time, the President of Latvia called for assessing opportunities of waiving the use of plastic packaging in the production and circulation of alcoholic beverages at all.

“Prohibition of the sale of alcoholic beverages in plastic packaging would reduce the availability and consumption of alcohol to a greater extent and would improve the overall public health,” wrote President of Latvia Raimonds Vējonis in his letter to Madam Speaker of the Saeima Ināra Mūrniece. The President of Latvia also stated that a significant increase in the volume of produced plastic packaging would not be appreciated during the implementation of the Law.

The Law also stipulates postponing the date when the amendments would take effect until 1 September 2020. The President of Latvia called on the Saeima to assess whether the suspension of the restrictions on selling alcohol for three years was justified and what time would actually be necessary to get ready for the new regulation properly.

 [The letter of the President of Latvia](#) 

[Law adopted by the Saeima “Amendments to the Law of Handling Alcoholic Beverages”](#)

## Amendments to the Law on Land Privatization in Rural Areas

On 31 March 2017, the President of Latvia returned the Law on Amendments to the Law on Land Privatization in Rural Areas adopted on March 23 to the Saeima for reconsideration, which provides for changes in the conditions for the acquisition of agricultural land by individuals and legal entities. The President of Latvia believes that the adopted regulation is deficient, since the requirements of the law are mutually controversial, as well as contradict other laws. Therefore, there are grounds to doubt the possibilities of practical application of that law.

“We should not create a situation where unclear requirements complicate the opportunities for our farmers to acquire new agricultural land and develop,” wrote the President of Latvia in his letter to Madam Speaker of the Saeima Ināra Mūrniece.

 [The letter of the President of Latvia](#) 

[Law “Amendments to the Law on Land Privatization in Rural Areas” adopted by the Saeima](#)

## Amendments to the Micro-enterprise Tax Law

President of Latvia Raimonds Vējonis returned the Law “Amendments to the Micro-enterprise Tax Law” adopted on 23 November 2016 to the Saeima for reconsideration on 2 December 2016, which provided termination of the micro-enterprise tax regime. The President of Latvia believed that the proposed regulation was deficient and opposite of previously made decisions, on which entrepreneurs and the public relied.

Raimonds Vējonis indicated that decision of the Cabinet of Ministers taken on 22 September 2015 was not implemented to develop a regulation substituting micro-enterprise tax that would determine introduction of a specialised and simplified tax regime for small and micro-enterprises with a low annual turnover by providing for a streamlined accounting, reporting, and payment of taxes.

“Failure to meet previously made decisions undermines the trust of the population in state power as a whole, as well as it reduces security and stability of the business environment,” wrote the President of Latvia in his letter to Madam Speaker of the Saeima Ināra Mūrniece.

 [The letter of the President of Latvia](#) 

[Law “Amendments to the Micro-enterprise Tax Law” adopted by the Saeima](#)

## Amendments to the Maritime Code

On 11 June 2016, the President of Latvia returned the Law “Amendments to the Maritime Code” adopted at the parliamentary session on 2 June 2016 to the Saeima for reconsideration, because the weaknesses found in that Law questioned its quality, clarity, and opportunities to apply the Law.

Having read the text of the Law, one concluded that the Law contained a new type of recreational watercraft, sports sailing yachts, but the Law did not provide any particular feature that would characterise sports sailing yachts and would allow distinguishing them from other watercrafts. At the same time, the Law stipulated a specific certification procedure for sports sailing yachts providing for an exception to the current ship registration policy and powers of an individual to perform it, id est, a sailing sports federation recognised in the Republic of Latvia.

However, the Law prevented the previously mentioned sports federation from fulfilling the regulatory provisions of the administrative procedures, because the Law did not contain any provision that would regulate the certification process. The Law also did not include any provision, which one could see as a legal basis for recognising a sailing yacht be a sports sailing yacht by establishing the base to participate in water transport traffic under different rules than other participants of water transport traffic.

In his letter to the Saeima, the President of Latvia emphasised that he supported initiatives revoking unjustified administrative burden and capable of facilitating the development of sailing in Latvia. However, while reviewing the amendments to the Maritime Code adopted at the parliamentary session on 2 June 2016, one concluded that the shortcomings of the Law prevented any possibility to apply the Law efficiently according to its purpose. Having returned the Law to the Saeima for reconsideration, the President of Latvia urged the Saeima to improve particular Law.

 [The letter of the President of Latvia](#) 

[Law “Amendments to the Maritime Code” adopted by the Saeima](#)

## Amendments to the Immigration Law

“Amendments to the Immigration Law revealed weaknesses in the legislative process, when unthoroughly drafted proposals creating controversies both in the text of the Law and jeopardising law enforcement according to its purpose are hastily proposed in the third reading and supported by the Saeima (Latvian Parliament),” stated President of Latvia Raimonds Vējonis, when he decided to return “Amendments to the Immigration Law” to the Saeima for reconsideration on 29 April 2016. Having read the text of the Law and the materials for drafting the same, the President of Latvia stated that the shortcomings present in the Law were so essential that they should be eliminated before the promulgation of that Law.

While returning the amendments to the Immigration Law for reconsideration, the President of Latvia pointed to at least seven provisions of the Law that should be improved to ensure accurate application of the Law. For example, the Law did not set the base state budget program, where to payments of 5,000 EUR of the foreigners should be made for applying for repeated temporary residence permit, and the right of the Cabinet of Ministers to suspend the issue of repeated temporary residence permits in the interests of public safety or economic development of the country was not set forth.

The President of Latvia did not challenge the parliamentary right to impose additional requirements for applications for repeated temporary residence permits, but he indicated to the necessity to ensure a clear and precise transition to the statutory regulation. “The proposal supported in the third reading on new requirements for applying for repeated temporary residence permit caused a series of contradictions in the text of the adopted amendments to the Immigration Law. Those contradictions must be eliminated to ensure successful application of the Law,” concluded the President of Latvia.

 [The letter of the President of Latvia](#) 

[Law “Amendments to the Immigration Law” adopted by the Saeima](#)

## Amendments to the Electronic Mass Media Law

Concluding that the Law “Amendments to the Electronic Mass Media Law” was adopted in breach of good legislation practice and deciding on a quick solution regarding the issue of high significance for statehood and the public of Latvia, President of Latvia Raimonds Vējonis returned the Law to the Saeima for reconsideration on 7 November 2015. The Law “Amendments to the Electronic Mass Media Law adopted by the Saeima envisaged changes in the requirements for transition to radio broadcasting of the electronic mass media in one language only, that is, the state language or a foreign language.

Having read many petitions not to promulgate the Law adopted by the Saeima, the materials for drafting the Law, and the opinions voiced during the meeting devoted to a reconsideration of the Law, the President of Latvia concluded that the Saeima did not assess the impact of the decision appropriately. The statutory provisions are currently undergoing amending were only adopted on 23 October 2014 with clearly defined objectives to strengthen the constitutional status of the Latvian language and its role in the cultural environment. Justification why such urgent changes were needed in the matter of primary importance for the public and what changed in only a little more than a year after the regulation was adopted, was not found during the meeting devoted to a reconsideration of the Law either.

“The legislative process, in particular on the issues of great importance for the statehood and the public of Latvia may not be hasty and non-transparent,” stressed the President of Latvia. Therefore, R. Vējonis proposed the Saeima to exclude the controversial amendments. If the Saeima still considered that such changes were necessary, the President of Latvia urged them to railroad them as a separate bill for consideration by good legislative practice. “Under Latvian geopolitical situation, the impact of extraneous information space on Latvia should be diminished. It requires a determined and clear national policy on the use of the state language and foreign languages in electronic mass media. The Saeima has a broad discretion for finding the solutions matching the interests of the state and the public interest,” indicated the President of Latvia.

 [The letter of the President of Latvia](#) 

[Laws “Amendments to the Electronic Mass Media Law” and “Amendments to the Electronic Mass Media Law” adopted by the Saeima](#)

<https://www.president.lv/en/laws-returned-saeima-reconsideration>