

A World Bank Group Flagship Report

16TH EDITION

# DOING BUSINESS 2019

## Training for Reform

Economy Profile

### Latvia



Comparing Business Regulation for Domestic Firms in **190** Economies

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## ***Economy Profile of Latvia***

*Doing Business 2019 Indicators  
(in order of appearance in the document)*

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as post-filing processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Labor market regulation</b>	Flexibility in employment regulation and aspects of job quality

## About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

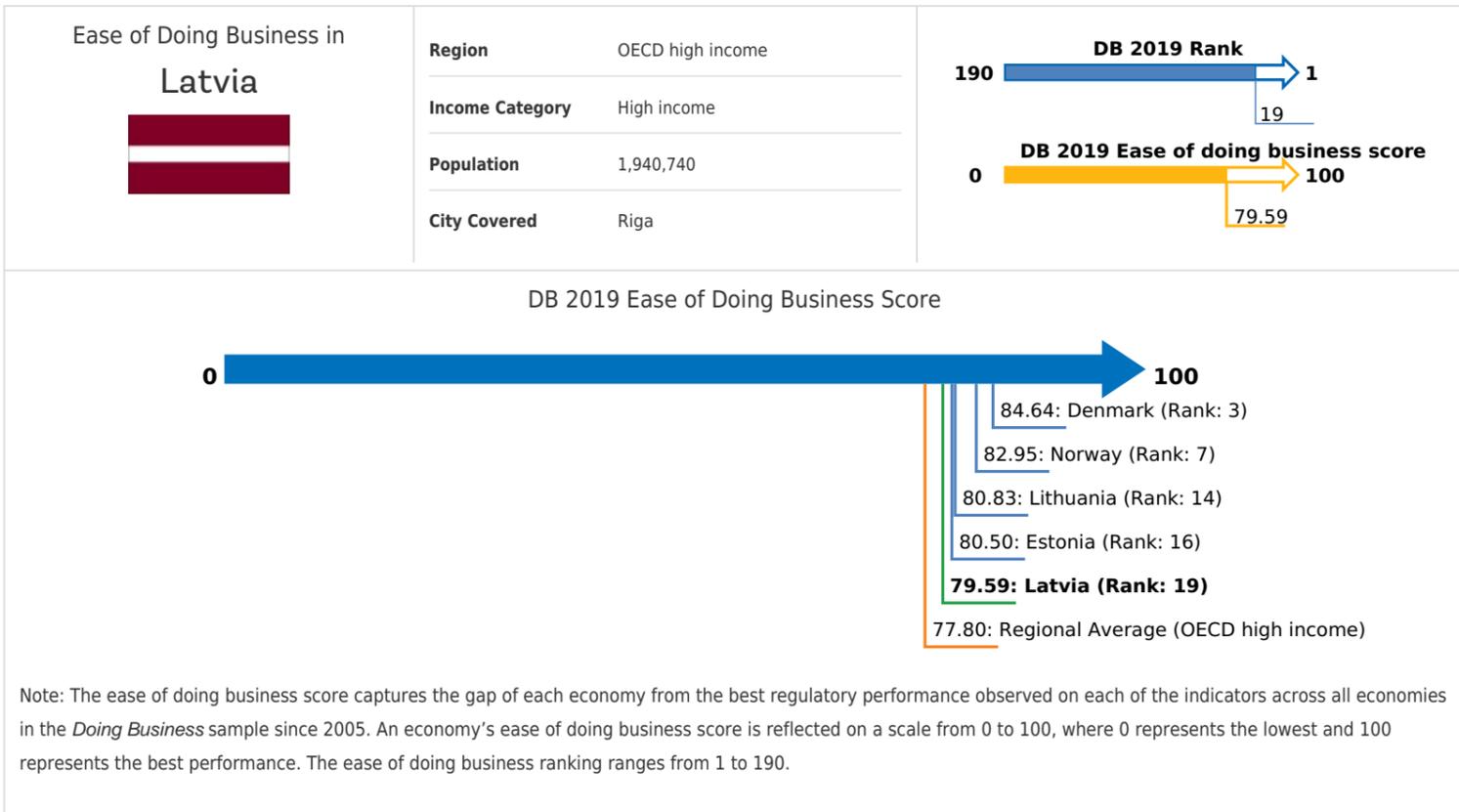
*Doing Business* captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of labor market regulation. Although *Doing Business* does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

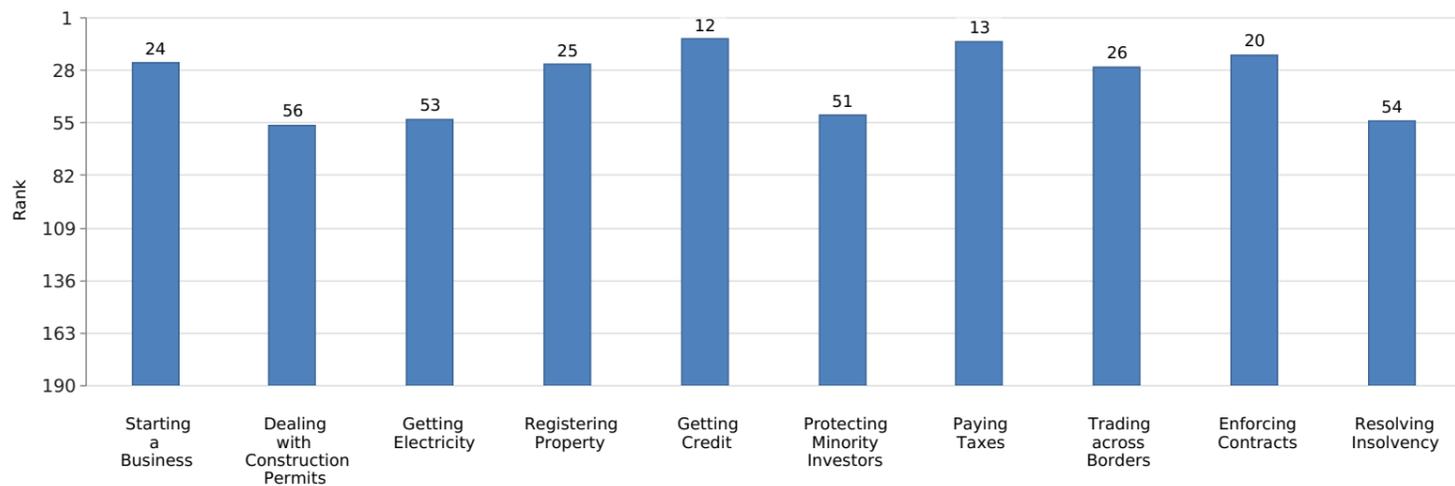
In addition, *Doing Business* offers detailed [subnational reports](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

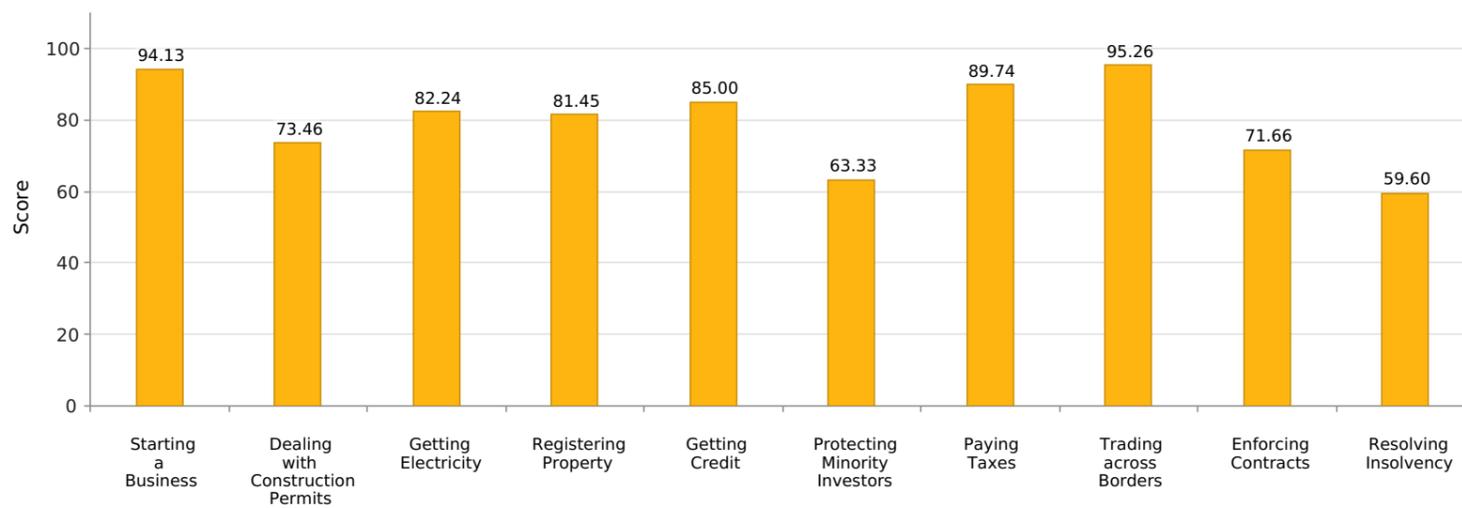
More about [Doing Business](#) (PDF, 5MB)



**Rankings on Doing Business topics - Latvia**



**Ease of Doing Business Score on Doing Business topics - Latvia**



## Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally start and formally operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration in the economy's largest business city
- Postregistration (for example, social security registration, company seal)
- Obtaining approval from spouse to start a business or to leave the home to register the company
- Obtaining any gender specific document for company registration and operation or national identification card

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day (2 procedures cannot start on the same day)
- Procedures fully completed online are recorded as ½ day
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- No professional fees unless services required by law or commonly used in practice

#### Paid-in minimum capital (% of income per capita)

- Funds deposited in a bank or with third party before registration or up to 3 months after incorporation

### Case study assumptions

To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.

#### The business:

- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.
- Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The entire office space is approximately 929 square meters (10,000 square feet).
- Is 100% domestically owned and has five owners, none of whom is a legal entity; has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita.
- Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes.
- Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to the income per capita.
- Does not qualify for investment incentives or any special benefits.
- Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals.
- Has a company deed that is 10 pages long.

#### The owners:

- Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old.
- Are sane, competent, in good health and have no criminal record.
- Are married and the marriage is monogamous and registered with the authorities.
- Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.

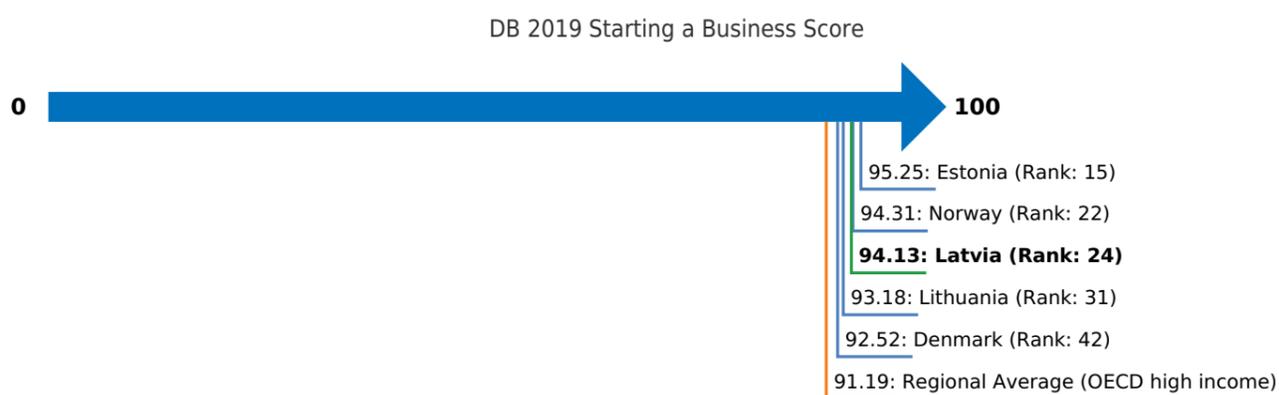
Starting a Business - Latvia

Standardized Company

Legal form	Sabiedriba ar ierobezotu atbildibu (SIA)
Paid-in minimum capital requirement	EUR 1
City Covered	Riga

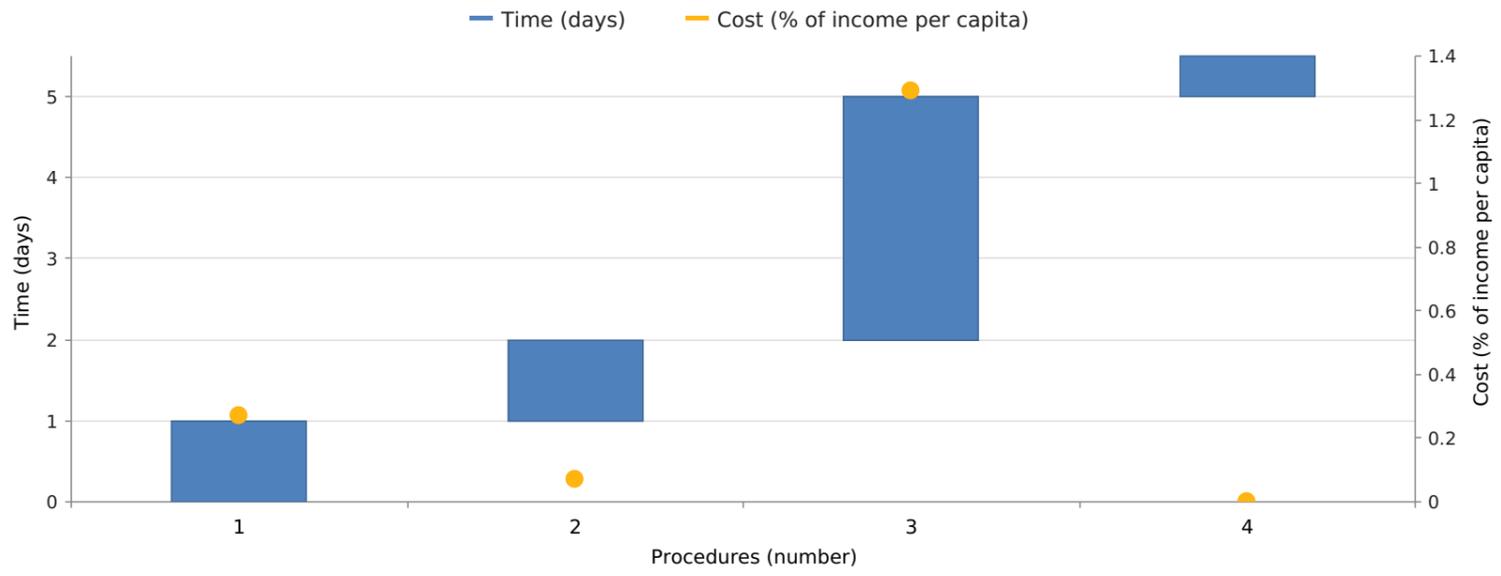
Indicator	Latvia	OECD high income	Best Regulatory Performance
Procedure - Men (number)	4	4.9	1 (New Zealand)
Time - Men (days)	5.5	9.3	0.5 (New Zealand)
Cost - Men (% of income per capita)	1.6	3.1	0.0 (Slovenia)
Procedure - Women (number)	4	4.9	1 (New Zealand)
Time - Women (days)	5.5	9.3	0.5 (New Zealand)
Cost - Women (% of income per capita)	1.6	3.1	0.0 (Slovenia)
Paid-in min. capital (% of income per capita)	0.0	8.6	0.0 (117 Economies)

Figure - Starting a Business in Latvia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Latvia - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

## Details - Starting a Business in Latvia - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Complete signatories' cards and companies deeds, certify cards by a notary</b></p> <p><i>Agency</i> : Public Notary or Register of Enterprises</p> <p>The application to the Commercial Register, the consents for appointment to the Management Board and the register of the shareholders must be notarized by a notary public, by an official of the Commercial Register or signed by secure electronic signature. The fee for the verification of one signature by the notary public is EUR 18.78 for the first signature and EUR 4.70 for each additional signature, by the official of the Commercial Register - EUR 9.00. Costs for using a secure electronic signature depends on the service provider, generally about 0.40 EUR per one signature, 4.13 EUR for 20 signatures, or 9.95 EUR for a subscription for one year with unlimited signatures. The most common option is to use public notaries because it is more convenient when company has five founders.</p>	1 day	EUR 18.78 for the first signature and EUR 4.70 EUR for each subsequent person's signature
2	<p><b>Open a bank account and get a receipt of reference from the bank</b></p> <p><i>Agency</i> : Bank</p> <p>Most banks do not levy a fee for opening a bank account, but a fee needs to be paid to obtain a bank statement on the payment of the share capital. Generally it is about EUR 10, depending on the bank. Most banks increase the fee for issuance of the statement within one business day.</p> <p>If a company has start-up capital below 2,800 EUR, it is not mandated to show proof of depositing capital, and founders can instead certify the payment of share capital.</p>	1 day	EUR 10
3	<p><b>Register at the Commercial Registry and register with State Revenue Service (tax authority) for VAT</b></p> <p><i>Agency</i> : Commercial Registry and State Revenue Service</p> <p>The following company incorporation documents must be submitted to the Company Register:</p> <ul style="list-style-type: none"> <li>• Registration application, on a special form provided by the Registry (includes information on Board members and company share capital) signed in front of a notary public</li> <li>• Company charter</li> <li>• Foundation agreement (Resolution on foundation in case of one founder)</li> <li>• Proof of investment</li> <li>• Consent to the election to the Management Board</li> <li>• Notice of the Management Board on legal address of the Company</li> <li>• Power of Attorney in case any of the founders is signing the Registration application via authorized person</li> </ul> <p>Additionally, the entrepreneurs have to pay the state fee (EUR 150 for companies with capital equal to or exceeding EUR 2,800; EUR 20 for companies with capital below 2,800) and the publication fee (EUR 27.03 for companies with capital equal to or exceeding EUR 2,800; EUR 14.23 for companies with capital below 2,800). These fees can be paid either in advance (in that case, proof of payment must be submitted) or at the moment of submitting the documents for registration.</p> <p>Company can apply for registration as VAT payer at the same time as applying for incorporation.</p> <p>Alternatively, registration procedure can be done online via <a href="https://www.latvija.lv/Epakalpojumi/EP119/Apraksts">https://www.latvija.lv/Epakalpojumi/EP119/Apraksts</a>. The documents submitted in the e-service can be signed with an e-signature issued in the Republic of Latvia - smart card e-signature (e-signature, eID) or virtual e-signature.</p> <p>Consent to election to the position of the Management Board member needs to be signed by secure electronic signature or the signature needs to be approved by the notary public or the official of the Commercial Registry. Alternatively the consent can be inserted in the registration application, however the signature of the Management Board member needs to be approved as described above. Consent of the owner of the real estate regarding registering the registered address of the company to be established also needs to be submitted to the Commercial Registry.</p> <p>Notarized Section of Shareholders Register must also be submitted.</p> <p>According to amendments of the Annual Reports Law, the annual report of the company should be reviewed by the sworn auditor and the appointment of auditor is needed only if two of the following three criteria are exceeded:</p> <ol style="list-style-type: none"> <li>1) the sum of the balance sheet amounts to EUR 400 000;</li> <li>2) the net turnover amounts to EUR 800 000;</li> <li>3) average number of the employees during the financial year amounts to 25.</li> </ol>	3 days	EUR 150 (state fee) + EUR 27.03 (publication fee)

4	<b>Register employees for mandatory state social insurance contribution with the State Revenue Service</b> <i>Agency : State Revenue Service</i> Regulation No 827 On Registration of Persons Performing Mandatory State Social Insurance Contributions and Personal Income Tax of the Cabinet of Ministers of Republic of Latvia (dated 7 September 2010) has been adopted and states that the following persons must register with the territorial agency of the State Revenue Service: employers, self-employed person, domestic employees working for foreign employers, and foreign employees working for foreign employers.  There have been amendments made to the Regulation No 827 dated 09.10.2012 and 19.02.2013 providing that the employer registers the employee with the State Revenue Service no later than one day before the person starts the work if the application has been filed in paper format or not later than one hour before the person starts work if the application has been filed via electronic declaring system. Furthermore, the person can be registered at any customer service center of the State Revenue Service instead of the respective territorial department of the State Revenue Service. Also, as of 01.07.2013 the employee's profession (position in the company, specialty) in accordance with the Profession classification needs to be notified to the State Revenue Service at the registration process.  Employees registration is done using the Electronic Declaration System ( <a href="https://eds.vid.gov.lv">https://eds.vid.gov.lv</a> ) of the State Revenue Service.	Less than one day (online procedure)	no charge
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→ Takes place simultaneously with previous procedure.

## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2018. [See the methodology for more information](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally build a warehouse (number)</b></p> <ul style="list-style-type: none"> <li>• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</li> <li>• Submitting all required notifications and receiving all necessary inspections</li> <li>• Obtaining utility connections for water and sewerage</li> <li>• Registering and selling the warehouse after its completion</li> </ul>	<p>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The construction company (BuildCo):</b></p> <ul style="list-style-type: none"> <li>- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.</li> <li>- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.</li> </ul>
<p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> </ul>	<p><b>The warehouse:</b></p> <ul style="list-style-type: none"> <li>- Will be used for general storage activities, such as storage of books or stationery.</li> <li>- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.</li> <li>- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.</li> <li>- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).</li> </ul>
<p><b>Building quality control index (0-15)</b></p> <ul style="list-style-type: none"> <li>• Quality of building regulations (0-2)</li> <li>• Quality control before construction (0-1)</li> <li>• Quality control during construction (0-3)</li> <li>• Quality control after construction (0-3)</li> <li>• Liability and insurance regimes (0-2)</li> <li>• Professional certifications (0-4)</li> </ul>	<p><b>The water and sewerage connections:</b></p> <ul style="list-style-type: none"> <li>- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.</li> <li>- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.</li> <li>- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.</li> </ul>

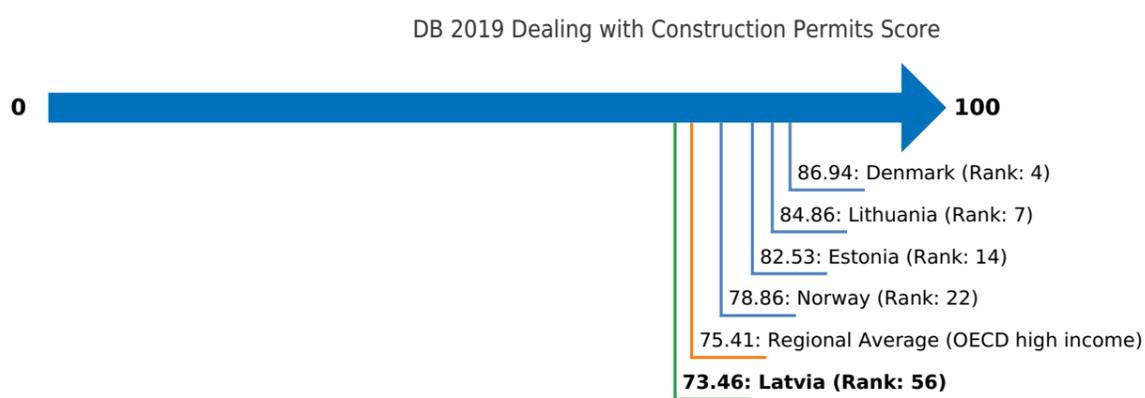
Dealing with Construction Permits - Latvia

Standardized Warehouse

Estimated value of warehouse	EUR 686,979.60
City Covered	Riga

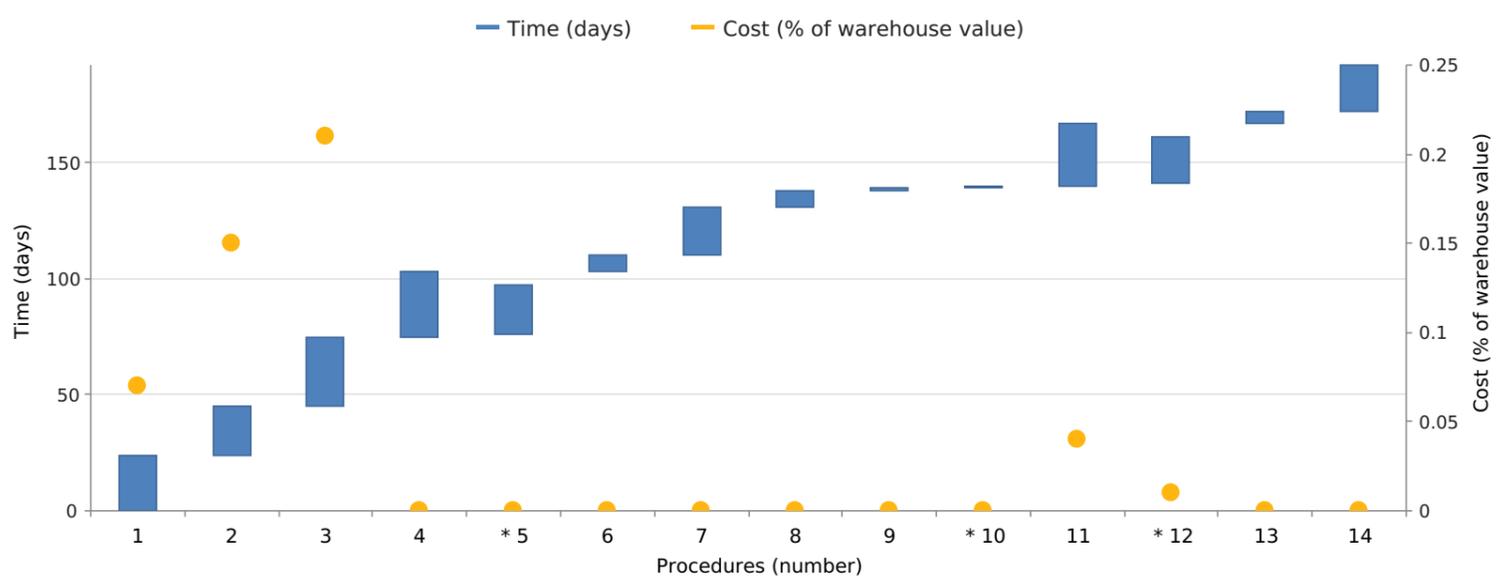
Indicator	Latvia	OECD high income	Best Regulatory Performance
Procedures (number)	14	12.7	None in 2017/18
Time (days)	192	153.1	None in 2017/18
Cost (% of warehouse value)	0.5	1.5	None in 2017/18
Building quality control index (0-15)	12.0	11.5	15.0 (3 Economies)

Figure - Dealing with Construction Permits in Latvia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

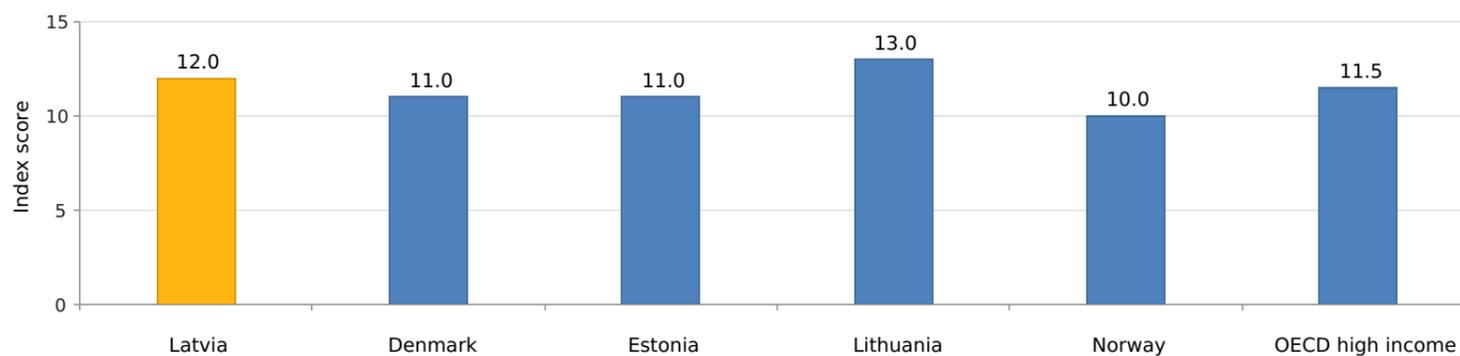
Figure - Dealing with Construction Permits in Latvia - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Latvia and comparator economies - Measure of Quality



## Details - Dealing with Construction Permits in Latvia - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain topographic survey of the land plot</b>  <i>Agency : Private licensed company</i>            The on-site work will usually be done within 1-2 days. The preliminary information will be made available within two weeks, based on which the architect can begin to develop the project. The rest of the time is allocated to allow all the involved institutions to provide their input (depending on which communications might be present at a particular site). Next, the Geodesic Division of the Riga Construction Board approves the topographic survey.</p>	24 days	EUR 475
2	<p><b>Obtain geo-technical study of the land</b>  <i>Agency : Private licensed company</i>            For the warehouse, as described in the case study, the minimum requirement would be approximately 6 points of testing the soil and at least 1 drill of at least 5 meters deep. In addition the company charges for interpreting the results. The geo-technical survey is carried out using the information presented in the topographic survey.</p>	21 days	EUR 1,000
3	<p><b>Request and obtain a building permit</b>  <i>Agency : Municipal Building Board</i>            From October 1st, 2014 a new Construction Law was enforced. According to the new Law, BuildCo applies for a construction permit by submitting only the Outline of the building that shows the exact location of the building, the architecture of facades , building construction volume and the intended usage of the building. After that the Building Board reviews the outline and if it is in accordance with the local planning and zoning rules, issues the Building permit with architectural planning conditions.             According to Construction law, Section 12 , the Building permit should be either issued or declined within 30 days. After obtaining the building permit with architectural conditions specified, BuildCo has to start developing the Technical Project which will require obtaining the mandatory technical conditions from the relevant agencies (environment protection agency, water and sewage company).</p>	30 days	EUR 1,409
4	<p><b>Obtain technical requirements from the Latvian Environment Agency</b>  <i>Agency : Latvian Environment Agency</i>            As of January 2008, the technical requirements from the Latvian Environment Agency are issued free of charge. After obtaining the building permit, BuildCo can begin obtaining all the technical conditions.</p>	28 days	no charge
⇒ 5	<p><b>Obtain technical requirements from water and sewage company</b>  <i>Agency : Riga Water Company (Rīgas Ūdens)</i>            According to the Regulation No 500 of the Cabinet of Ministers the General Construction Regulations from August 19, 2014 (Paragraph 17) the technical requirements should be issued within 20 days. It takes on average 3 weeks in practice.</p>	21 days	no charge
6	<p><b>Obtain design clearance from water and sewage company</b>  <i>Agency : Riga Water Company (Rīgas Ūdens)</i>            The applicant must obtain approval of the project design from the water and sewage company after having first obtained the technical requirements.</p>	7 days	no charge
7	<p><b>Obtain a note in the construction permit regarding execution of the design conditions</b>  <i>Agency : Municipal Building Board</i>            According to the Construction law Section 12, the building authority shall make a note in the construction permit regarding execution of the design conditions included therein within 15 working days from the day when documents certifying execution of all the relevant conditions were submitted to the building authority. This is done after having obtained all the technical requirements and getting the design clearance.</p>	21 days	no charge

8	<p><b>Obtain a note in the construction permit regarding execution of the conditions for commencing construction work</b></p> <p><i>Agency</i> : Municipal Building Board</p> <p>According to the Construction law Section 12, the Building Authority shall make a note in the explanatory memorandum, certification card or construction permit regarding execution of the conditions for commencing construction work within five working days from the day when documents certifying execution of all the relevant conditions were submitted to the building authority. This can be done after having obtained a note in the construction permit regarding execution of the design conditions.</p>	7 days	no charge
9	<p><b>Receive inspection by Latvian Environment Agency</b></p> <p><i>Agency</i> : Latvian Environment Agency</p> <p>A representative from the Latvian Environmental Agency conducts an on-site inspection.</p>	1 day	no charge
⇒ 10	<p><b>Receive inspection by Fire Safety and Rescue Department</b></p> <p><i>Agency</i> : Fire Safety and Rescue Department</p> <p>A representative from the Fire Safety and Rescue department conducts an on-site inspection.</p>	1 day	no charge
11	<p><b>Obtain measurements from State Land Service</b></p> <p><i>Agency</i> : State Land Service</p> <p>Before placing the newly built or renovated building into operation, the State Land Service takes the measurements of the building and draws the plans of each floor. This is done within 27 days; however, in cases with very complicated buildings, this could take longer. The costs are calculated according to the technical parameters of the building.</p>	27 days	EUR 263
⇒ 12	<p><b>Obtain water and sewerage connection</b></p> <p><i>Agency</i> : Riga Water Company (Rīgas Ūdens)</p> <p>According to the Construction Regulations, a written application should be submitted to the relevant water and sewerage company (in Riga, the company is Riga Water Ltd.).</p>	20 days	EUR 37
13	<p><b>Receive on-site inspection and obtain the final handover certificate</b></p> <p><i>Agency</i> : Municipal Building Board</p> <p>Use of the building may begin only after the final handover. Municipal Building Board inspects the completed project and issues the final handover certificate.</p>	5 days	no charge
14	<p><b>Register the building in the land book</b></p> <p><i>Agency</i> : Land Registry</p> <p>After receiving of the handover certificate, the building can be registered in the land book. If the owner of the building is the same as the owner of the land, the building is registered in the same file as the land and is deemed an undivided property.</p> <p>If the owners are different for the building, a separate and independent file is opened and the building is considered a separate object of ownership only while the lease is in force. After that, the building is either removed or becomes the property of the land owner. The cost to complete the procedure is EUR 14.23 for adding the building into the folio + EUR 8.58 for notarized request to register the building.</p>	20 days	EUR 23

⇒ Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in Latvia - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>12.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency; Yes, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>0.0</b>
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	No party is held liable under the law.	0.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
<b>Professional certifications index (0-4)</b>		<b>4.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Passing a certification exam.	2.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; 2.0  
University degree in engineering, construction or construction management;  
Passing a certification exam.

## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

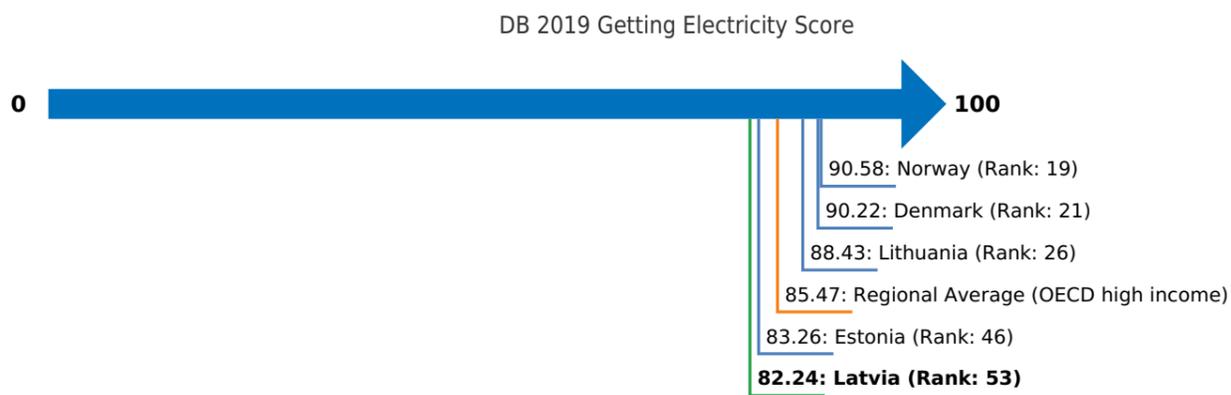
Getting Electricity - Latvia

Standardized Connection

Price of electricity (US cents per kWh)	9.9
Name of utility	Sadales Tīkls
City Covered	Riga

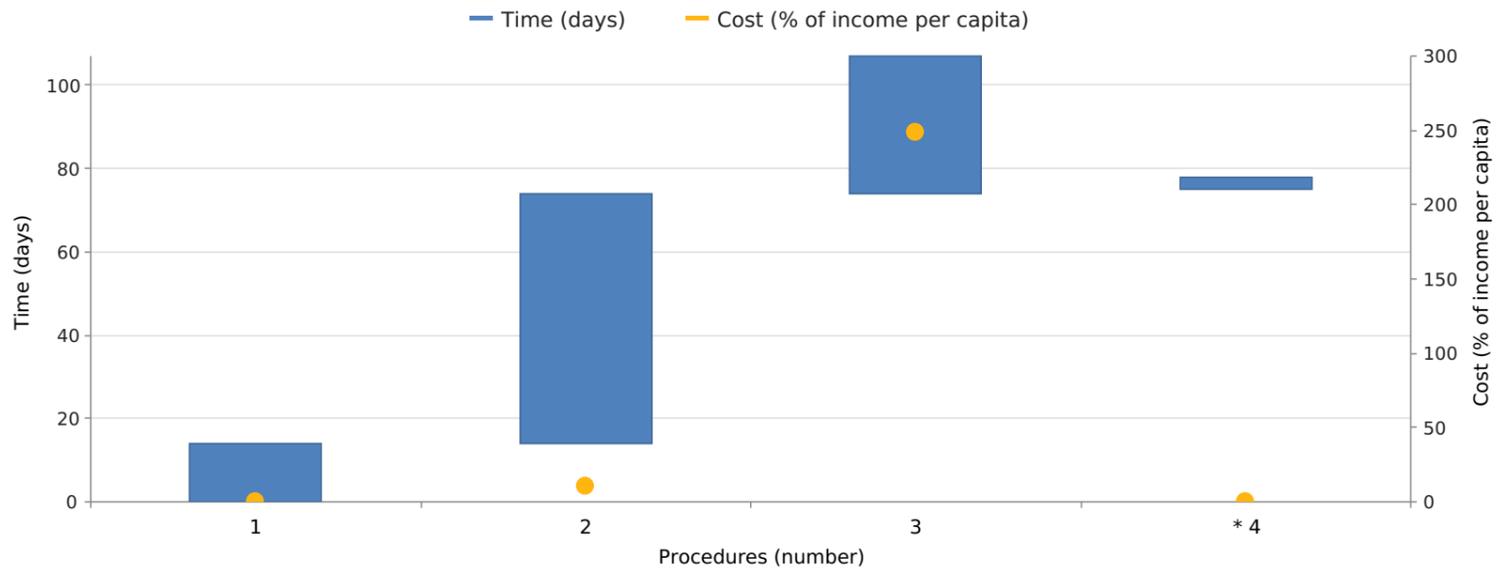
Indicator	Latvia	OECD high income	Best Regulatory Performance
Procedures (number)	4	4.5	3 (25 Economies)
Time (days)	107	77.2	18 (3 Economies)
Cost (% of income per capita)	258.9	64.2	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	7	7.5	8.0 (27 Economies)

Figure - Getting Electricity in Latvia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

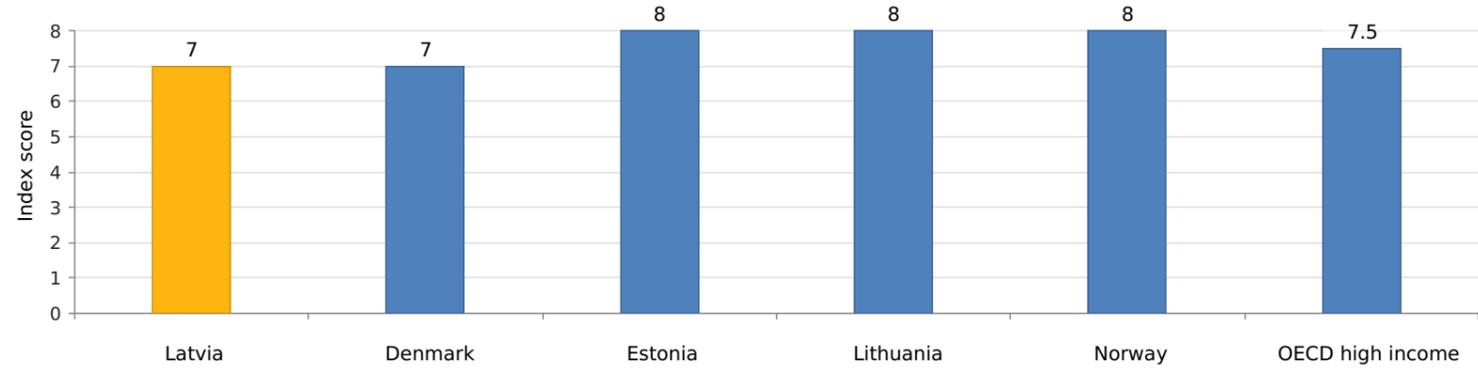
Figure - Getting Electricity in Latvia - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Getting Electricity in Latvia and comparator economies - Measure of Quality



## Details - Getting Electricity in Latvia - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit application to Sadales Tīkls and await estimate and technical conditions</b></p> <p><i>Agency</i> : Sadales tīkls AS</p> <p>A filled in form of "Application for Connection to Electricity Network" has to be submitted at any Sadales tīkls AS Customer Service Centre. Any Customer Service Centre provides detailed information on the procedure of the document submission and getting a new connection. In order to speed up the connection procedure the application may be sent by e-mail or post. The application form and the attached Agreement on the Procedure of Establishing Connection with Electric Facilities and Construction Design are also available electronically on Sadales tīkls AS homepage at <a href="http://www.sadalestikls.lv">www.sadalestikls.lv</a> and can be filled in and if necessary printed out. The application form contains information on the additional documents to be submitted together with the form. A document confirming the right of the person to sign the application; a copy of the Registration Certificate; a copy of the Tax payer Certificate; a copy of location map (land boundary map or location layout); a copy of the document confirming the title to real property or the rights to use the respective property; a copy of construction plan approved by Construction Board; and other documents if needed may be attached to the application. If site inspection by DSO is necessary to prepare an evaluation of connection there usually is no need for the participation of customer. After the application has been registered according to the "Regulations On System Connection for Electricity System Participants", Sadales tīkls AS estimates the potential costs of establishing the connection and informs the customer. Sadales tīkls AS drafts the technical regulations for the connection. There is no additional inspection required, however the customer submits a certificate on the internal wiring to DSO before the final connection of his equipment</p>	14 calendar days	EUR 0
2	<p><b>Hire electrical design firm to obtain topographical assessment, design external connection and get design approved</b></p> <p><i>Agency</i> : Electrical design firm</p> <p>The customer needs to hire an electrical design firm that prepares the design of the external connection works (electrical installation designer, certified expert-electrician). The electrical design firm is getting the design approved by the utility and by other stakeholders, for example the people living in the area of the connection and all other parties that are affected by the connection. This approval process is done entirely by the design firm as it involves technical knowledge. The customer is not involved in the approval process. In order to have the design approved, the customer needs to have a topographic assessment of the area which is obtained by the electrical design firm. The design of the connection and the approval go hand in hand with the utility, it is happening at the same time, as the utility is being consulted during the process of the design.</p>	60 calendar days	EUR 1,422.9
3	<p><b>Await completion of external works by utility's subcontractor</b></p> <p><i>Agency</i> : Sadales tīkls AS</p> <p>After the connection agreement has been concluded and the connection payment made, Sadales tīkls AS organizes the connection construction works up to the borders of the belonging of the customer's electrical installation. The utility hires an electrical contractor. In order to do so, the utility is organizing a public tender to award the external connection works to a private firm. The utility usually has all material on stock and gives the material to the firm that does the connection works. The utility can have material for a better price, as they buy the material in large quantities and keep stock for about a year. The customer is paying the cost for the works and the material directly to the utility. Once the connection works are finished, the electrical contractor makes some tests of the connection and sends the results to the utility for approval.</p> <p>After completing external connection works, Sadales tīkls AS signs an agreement on the use of the distribution network with the customer. The customer confirms that the internal wiring of the warehouse conforms with existing technical standards and, if he agrees with the terms of the contract, signs and sends both documents to the Sadales tīkls AS. After a few days, the controlling engineer/electrician from Sadales tīkls AS inspects the constructed electrical network connection, installs the meter and seals the meter chains and connects the customer's electrical installation to the electrical network.</p>	33 calendar days	EUR 34,149.6
⇒ 4	<p><b>Sign electricity supply contract with electricity retailer</b></p> <p><i>Agency</i> : Electricity Retailer</p> <p>Before the customer's electrical installation is connected to the electrical network, the customer has to sign a contract of electricity supply with any electricity retailer operating in Riga.</p>	3 calendar days	EUR 0

⇒ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Latvia - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	7
<b>Total duration and frequency of outages per customer a year (0-3)</b>	3
System average interruption duration index (SAIDI)	1.0
System average interruption frequency index (SAIFI)	0.5
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	DSO's web page: http:// <a href="https://www.sadalesti.kls.lv/uploads/2018/01/ST_tarifi_ENG.pdf">https://www.sadalesti.kls.lv/uploads/2018/01/ST_tarifi_ENG.pdf</a> The Official publisher of the Republic of Latvia "Latvijas Vestnesis" <a href="https://www.vestnesis.lv/op/2016/88.19">https://www.vestnesis.lv/op/2016/88.19</a> Public utilities commission web page: <a href="https://www.sprk.gov.lv/uploads/doc/Lemu.msN073D05052016.pdf">https://www.sprk.gov.lv/uploads/doc/Lemu.msN073D05052016.pdf</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

## Registering Property

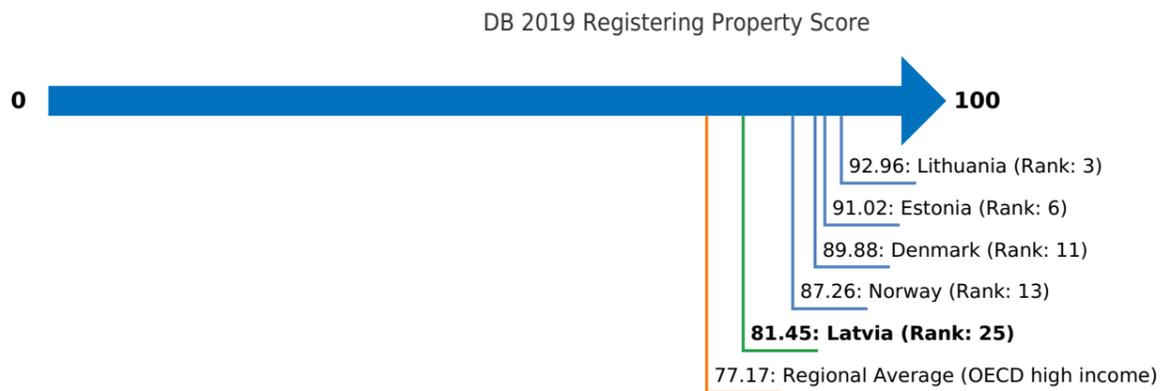
This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally transfer title on immovable property (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)</li> <li>• Registration procedures in the economy's largest business city.</li> <li>• Postregistration procedures (for example, filling title with municipality)</li> </ul>	<p>To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The parties (buyer and seller):</b></p> <ul style="list-style-type: none"> <li>- Are limited liability companies (or the legal equivalent).</li> <li>- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Are 100% domestically and privately owned.</li> <li>- Have 50 employees each, all of whom are nationals.</li> <li>- Perform general commercial activities.</li> </ul>
<p><b>Cost required to complete each procedure (% of property value)</b></p> <ul style="list-style-type: none"> <li>• Official costs only (such as administrative fees, duties and taxes).</li> <li>• Value Added Tax, Capital Gains Tax and illicit payments are excluded</li> </ul>	<p><b>The property (fully owned by the seller):</b></p> <ul style="list-style-type: none"> <li>- Has a value of 50 times income per capita, which equals the sale price.</li> <li>- Is fully owned by the seller.</li> <li>- Has no mortgages attached and has been under the same ownership for the past 10 years.</li> <li>- Is registered in the land registry or cadastre, or both, and is free of title disputes.</li> <li>- Is located in a periurban commercial zone, and no rezoning is required.</li> <li>- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.</li> <li>- Will not be subject to renovations or additional construction following the purchase.</li> <li>- Has no trees, natural water sources, natural reserves or historical monuments of any kind.</li> <li>- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.</li> <li>- Has no occupants, and no other party holds a legal interest in it.</li> </ul>
<p><b>Quality of land administration index (0-30)</b></p> <ul style="list-style-type: none"> <li>• Reliability of infrastructure index (0-8)</li> <li>• Transparency of information index (0-6)</li> <li>• Geographic coverage index (0-8)</li> <li>• Land dispute resolution index (0-8)</li> <li>• Equal access to property rights index (-2-0)</li> </ul>	

Registering Property - Latvia

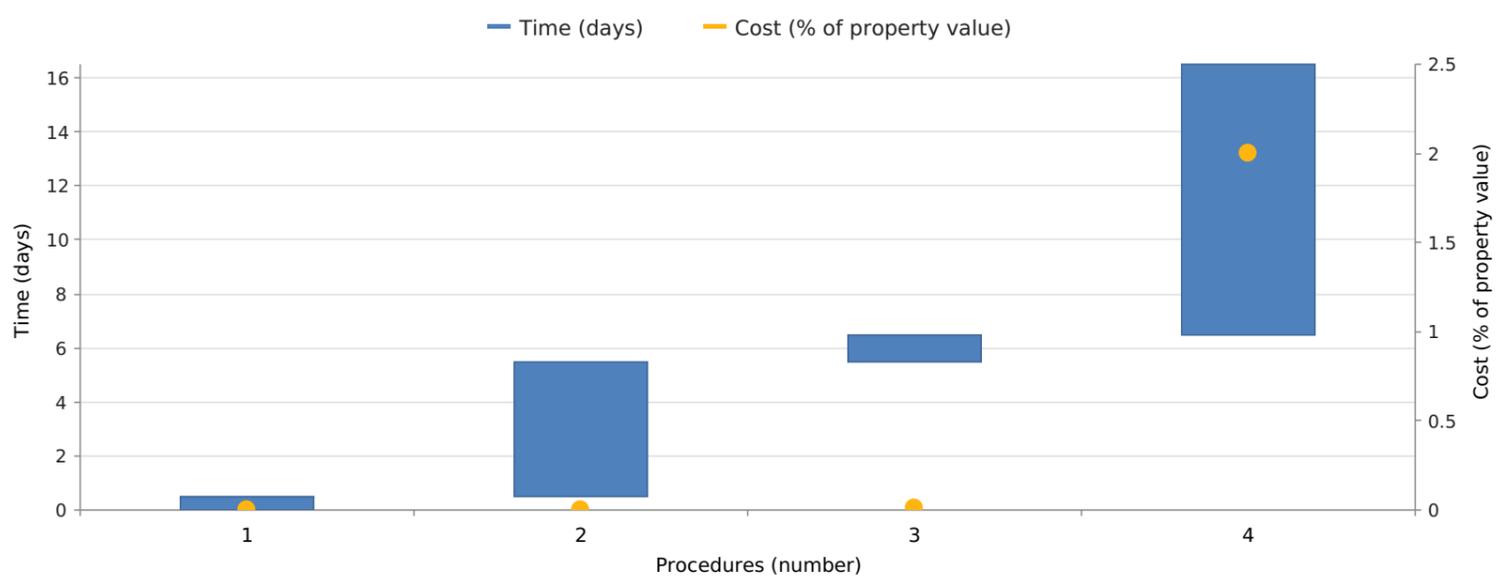
Indicator	Latvia	OECD high income	Best Regulatory Performance
Procedures (number)	4	4.7	1 (4 Economies)
Time (days)	16.5	20.1	1 (New Zealand)
Cost (% of property value)	2.0	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	21.5	23.0	None in 2017/18

Figure - Registering Property in Latvia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

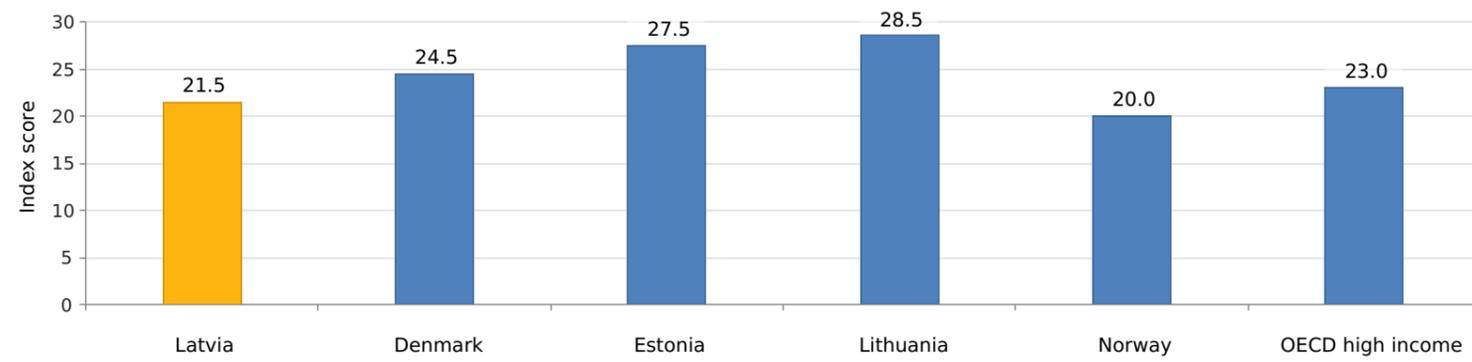
Figure - Registering Property in Latvia - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Latvia and comparator economies - Measure of Quality



## Details - Registering Property in Latvia - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Verification of title</b>  <i>Agency : Land Registry</i>            The buyer should request from the Land Register website an updated extract from the relevant folio of the Land Registry, which allows the buyer to verify the title of the real estate and the legal rights attached to it. Any credit or debit card holder can obtain information on any real estate registered in the Land Register.</p> <p>If the buyer needs to verify the title of the real estate and legal rights attached to it, he/she can request a folio printout from Land Registry website. The cost for acquiring a printout online is 4,00 EUR.</p> <p>The official website of the Land Registry is <a href="http://www.zemesgramata.lv">www.zemesgramata.lv</a></p>	Less than one day, online	EUR 5; (EUR 5.00 for an electronic version EUR 7.00 for paper copy)
2	<p><b>Municipality's first refusal rights</b>  <i>Agency : Municipality</i>            The parties submit the signed real estate sales agreement to the municipality for a decision on its first refusal rights. If the municipality does not need the property for municipal functions set by law, the municipality must issue a statement waiving the right of first refusal within 5 business days from receiving the purchase agreement or a copy. When it is necessary for the municipality to perform its self-government functions on the real estate, it must prepare a statement waiving the right of first refusal within 20 days from receiving the purchase agreement or a copy. The buyer cannot register title to the real estate with the Land Registry without waiting for expiry of the entire term as set out above. However, if the municipality fails to issue a statement waiving the right of first refusal within 20 working days, the buyer can only register title with the Land Registry after 27 days after the municipality received the purchase agreement.</p>	5 days	no charge

3	<p><b>Notarial certification of signatures of both parties on the application</b>  <i>Agency : Notary Office</i>  The parties sign and a notary attests the application for the registration of the buyer's title with the land registry or Land Book. The registration application should contain the authorization to the person that is entitled to perform the registration Procedures. If the authorization is not incorporated in the registration application, the parties can: 1) issue a notarized power of attorney to this effect, or 2) incorporate the authorization in the sales agreement, in which case the sales agreement must be attested by a notary, or 3) authorize a notary to process the registration of title.</p>	1 day	<p>EUR 80.41; (- certification of the signature of both parties (two persons), EUR 18.78 each;  - information about both companies - EUR 7,12 each;  - information from the Citizen's register - EUR 5,41 for each person (2 required)  - information from the Invalid documents' register - EUR 1,42 for each person (2 required);  - information from the Land Book register for both companies - EUR 7,12 for each company.</p> <p>Additionally the state fee - EUR 0,71 is being added.</p> <p>The total sum is being taxed with the VAT of 21% (not included in estimates.)</p>
4	<p><b>Registration of the buyer's title</b>  <i>Agency : Land Registry (Land Book)</i>  The parties submit the documents obtained in the previous Procedures to the Land Registry Unit of the Land Book. After reviewing all submitted documents a Land Book judge adopts a decision on registration of change of ownership rights. A true copy of a decision shall be issued, which a judge and a secretary of a Land Register office shall certify with their signatures. Entry shall be made in a Land Register not later than the next working day after a decision has been taken, and they shall be signed by a judge and a secretary of a Land Register office on the same day.</p> <p>The following documents must be provided together with registration application:</p> <ul style="list-style-type: none"> <li>• Real estate sales agreement signed by parties</li> <li>• Statement of the payment of real estate tax (Obtained in Procedure 1)</li> <li>• Municipality's approval of the transfer (Obtained in Procedure 2)</li> <li>• Notarized application for the registration (obtained in Procedure 4)</li> <li>• Statement on the shareholders of the buyer (obtained in Procedure 3)</li> <li>• Receipt of payment of stamp duty and registration fee.</li> </ul> <p>(The payment for registration and the stamp duty can be paid at POS stations in the Land Registry. Receipt of payment should be submitted before the registration of the title)</p>	10 days	<p>EUR 13,760.93; (EUR 14,23 (processing fee for the registration of title), EUR 7,11 (processing fee for the receipt of the registration certificate), 2% of the highest of either the purchase price of the real estate value with a maximum of EUR 42 686,15 (stamp duty for the registration of title).)</p>

→ Takes place simultaneously with previous procedure.

## Details - Registering Property in Latvia - Measure of Quality

	Answer	Score
<b>Reliability of infrastructure index (0-8)</b>		<b>7.0</b>
What is the institution in charge of immovable property registration?	Land Registry office of Riga city Vidzeme district court	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	State Land Service Riga Regional Division	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Different databases but linked	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>4.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="https://www.zemesgramata.lv/saturs/lv/12-6-6">https://www.zemesgramata.lv/saturs/lv/12-6-6</a>	
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="https://www.zemesgramata.lv/?cid=36">https://www.zemesgramata.lv/?cid=36</a>	
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	<a href="https://www.zemesgramata.lv/saturs/lv/7-6-6">https://www.zemesgramata.lv/saturs/lv/7-6-6</a>	
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2017:	In Riga district land registry department - 15,041 registered transaction in 2017	

Who is able to consult maps of land plots in the largest business city?	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://likumi.lv/ta/id/278870-valsts-zemes-dienestamaksas-pakalpojumu-cenradis-un-samaksas-kartiba">http://likumi.lv/ta/id/278870-valsts-zemes-dienestamaksas-pakalpojumu-cenradis-un-samaksas-kartiba</a>	
Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	<a href="http://www.vzd.gov.lv/lv/pakalpojumi/zemes-ipasniekiem/registracija/zemes-ipasuma-registracija/">http://www.vzd.gov.lv/lv/pakalpojumi/zemes-ipasniekiem/registracija/zemes-ipasuma-registracija/</a>	
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
<b>Geographic coverage index (0-8)</b>		<b>4.0</b>
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy mapped?	Yes	2.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
<b>Land dispute resolution index (0-8)</b>		<b>6.0</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Notary; Interested parties;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Notary;	
Is there a national database to verify the accuracy of identity documents?	Yes	1.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	Riga Regional Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 1 and 2 years	2.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2017:	No data for 2017 is available	

**Equal access to property rights index (-2-0)****0.0**

Do unmarried men and unmarried women have equal ownership rights to property? Yes

Do married men and married women have equal ownership rights to property? Yes 0.0

## Getting Credit

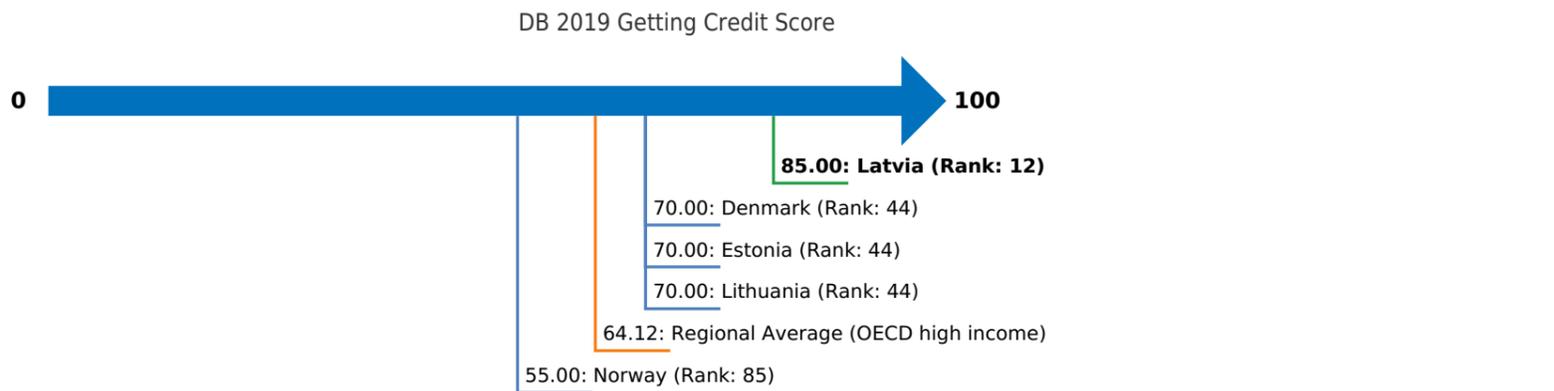
This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Strength of legal rights index (0-12)</b></p> <ul style="list-style-type: none"> <li>• Rights of borrowers and lenders through collateral laws (0-10)</li> <li>• Protection of secured creditors' rights through bankruptcy laws (0-2)</li> </ul> <p><b>Depth of credit information index (0-8)</b></p> <ul style="list-style-type: none"> <li>• Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)</li> </ul> <p><b>Credit bureau coverage (% of adults)</b></p> <ul style="list-style-type: none"> <li>• Number of individuals and firms listed in largest credit bureau as a percentage of adult population</li> </ul> <p><b>Credit registry coverage (% of adults)</b></p> <ul style="list-style-type: none"> <li>• Number of individuals and firms listed in credit registry as a percentage of adult population</li> </ul>	<p><i>Doing Business</i> assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.</p> <p>In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.</p> <p><b>Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:</b></p> <ul style="list-style-type: none"> <li>- ABC is a domestic limited liability company (or its legal equivalent).</li> <li>- ABC has up to 50 employees.</li> <li>- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Both ABC and BizBank are 100% domestically owned.</li> </ul> <p>The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).</p> <p>In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.</p>

Getting Credit - Latvia

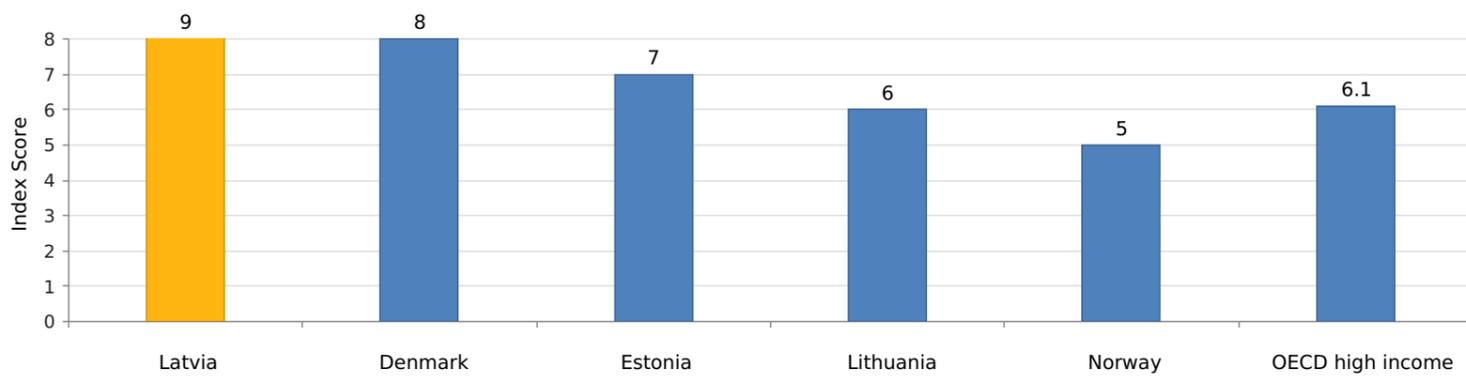
Indicator	Latvia	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	9	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	6.7	8 (42 Economies)
Credit registry coverage (% of adults)	93.3	21.8	100.0 (4 Economies)
Credit bureau coverage (% of adults)	44.6	65.3	100.0 (25 Economies)

Figure - Getting Credit in Latvia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Latvia and comparator economies



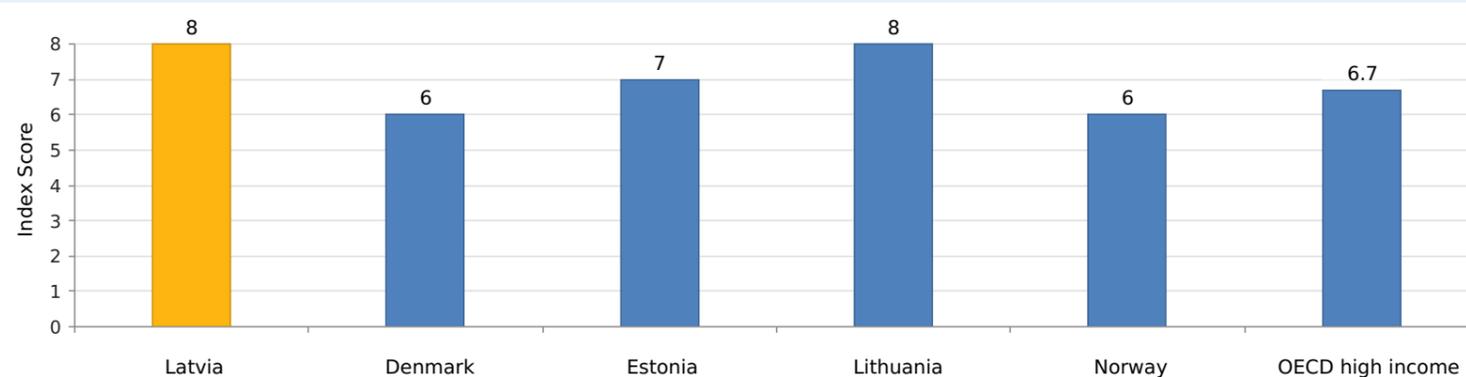
Details - Legal Rights in Latvia

Strength of legal rights index (0-12)

9

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?	No
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	Yes
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	Yes
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	Yes
Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?	Yes
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	Yes
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	Yes
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it?	Yes
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	Yes

Figure - Credit Information in Latvia and comparator economies



## Details - Credit Information in Latvia

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	Yes	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1
<b>Total Score ("yes" to either public bureau or private registry)</b>			<b>8</b>

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	537,900	1,094,448
Number of firms	23,500	79,440
Total	561,400	1,173,888
<b>Percentage of adult population</b>	<b>44.6</b>	<b>93.3</b>

## Protecting Minority Investors

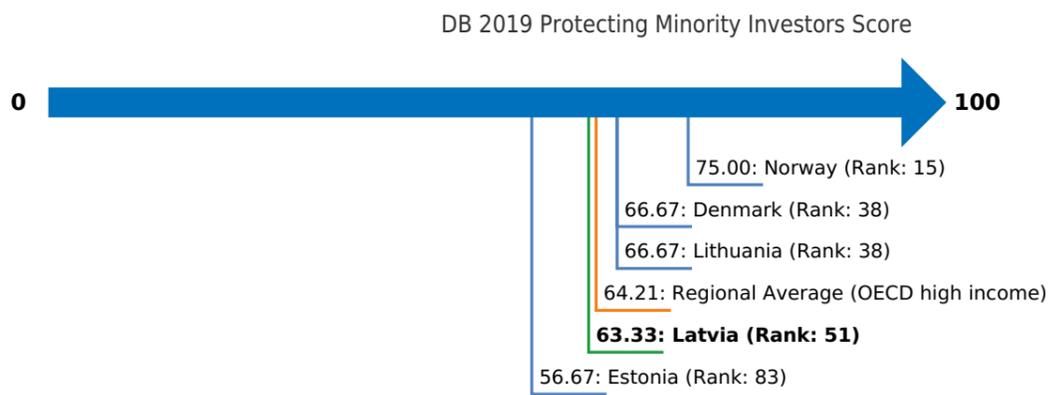
This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<ul style="list-style-type: none"> <li>• <b>Extent of disclosure index (0-10):</b> Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions</li> <li>• <b>Extent of director liability index (0-10):</b> Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)</li> <li>• <b>Ease of shareholder suits index (0-10):</b> Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses</li> <li>• <b>Extent of conflict of interest regulation index (0-10):</b> Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices</li> <li>• <b>Extent of shareholder rights index (0-10):</b> Shareholders' rights and role in major corporate decisions</li> <li>• <b>Extent of ownership and control index (0-10):</b> Governance safeguards protecting shareholders from undue board control and entrenchment</li> <li>• <b>Extent of corporate transparency index (0-10):</b> Corporate transparency on ownership stakes, compensation, audits and financial prospects</li> <li>• <b>Extent of shareholder governance index (0-10):</b> Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices</li> <li>• <b>Strength of minority investor protection index (0-10):</b> Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices</li> </ul>	<p>To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.</p> <p><b>The business (Buyer):</b></p> <ul style="list-style-type: none"> <li>- Is a publicly traded corporation listed on the economy's most important stock exchange. If there are fewer than ten listed companies or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.</li> <li>- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.</li> <li>- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.</li> <li>- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.</li> <li>- Is a manufacturing company with its own distribution network.</li> </ul> <p><b>The transaction involves the following details:</b></p> <ul style="list-style-type: none"> <li>- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.</li> <li>- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.</li> <li>- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.</li> <li>- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.</li> <li>- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.</li> <li>- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.</li> </ul>

Protecting Minority Investors - Latvia

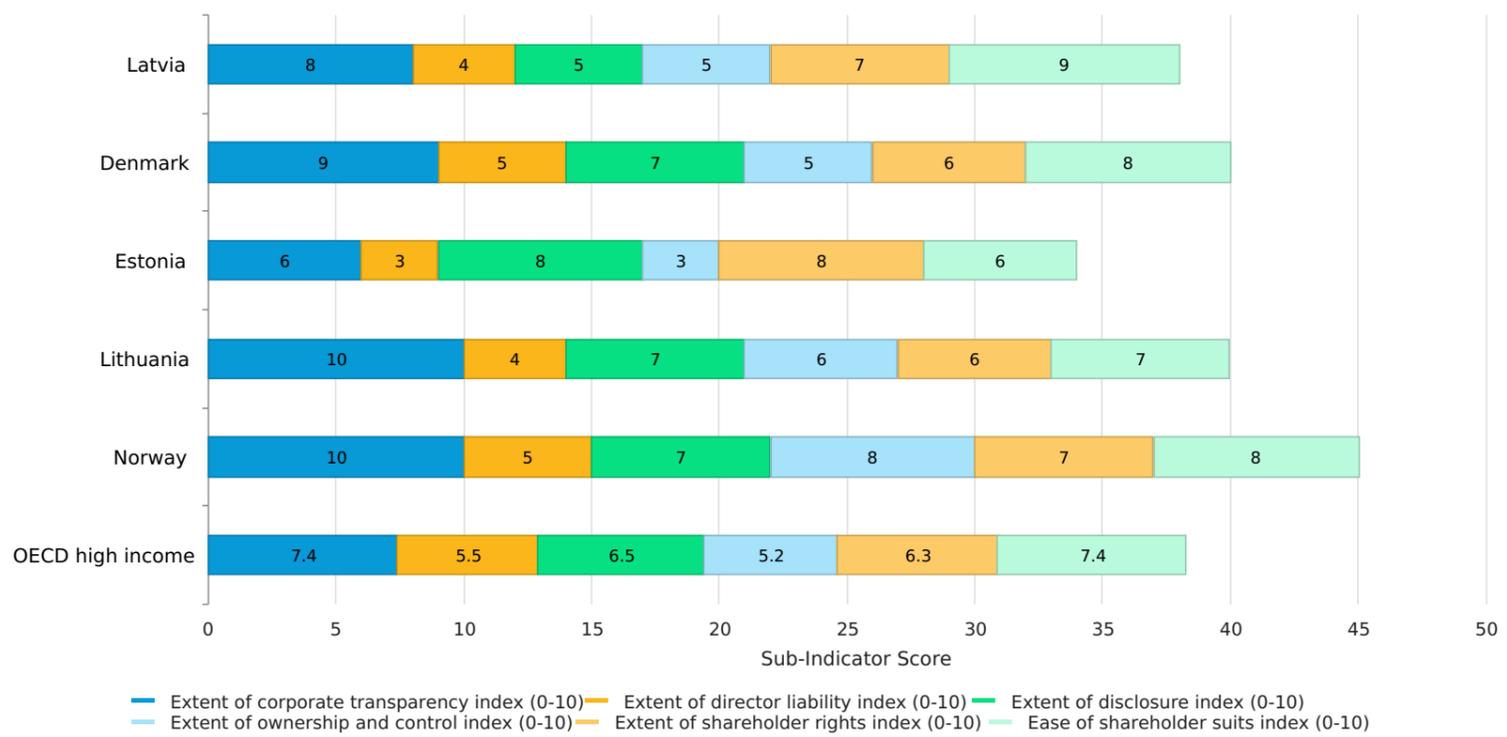
Indicator	Latvia	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	5.0	6.5	10 (13 Economies)
Extent of director liability index (0-10)	4.0	5.3	10 (Cambodia)
Ease of shareholder suits index (0-10)	9.0	7.3	10 (Djibouti)
Extent of shareholder rights index (0-10)	7.0	6.4	10 (Kazakhstan)
Extent of ownership and control index (0-10)	5.0	5.4	None in 2017/18
Extent of corporate transparency index (0-10)	8.0	7.6	10 (6 Economies)

Figure - Protecting Minority Investors in Latvia and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Latvia and comparator economies - Measure of Quality



## Details - Protecting Minority Investors in Latvia - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-10)</b>		<b>6</b>
<b>Extent of disclosure index (0-10)</b>		<b>5.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Existence of a conflict without any specifics	1.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction only	1.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction only	1.0
<b>Extent of director liability index (0-10)</b>		<b>4.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
<b>Ease of shareholder suits index (0-10)</b>		<b>9.0</b>
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
<b>Extent of shareholder governance index (0-10)</b>		<b>6.7</b>
<b>Extent of shareholder rights index (0-10)</b>		<b>7.0</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0

Must shareholders approve the election and dismissal of the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	No	0.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all or almost all members consent to add a new member?	No	0.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	Yes	1.0
<b>Extent of ownership and control index (0-10)</b>		<b>5.0</b>
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	Yes	1.0
Must the board of directors include independent and nonexecutive board members?	No	0.0
Can shareholders remove members of the board of directors without cause before the end of their term?	No	0.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	No	0.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	No	0.0
<b>Extent of corporate transparency index (0-10)</b>		<b>8.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0
Assuming that Buyer is a limited company, must members meet at least once a year?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	No	0.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0

## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2018 covering for the Paying Taxes indicator calendar year 2017 (January 1, 2017 – December 31, 2017). [See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2017 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

#### Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with a VAT refund (hours)
- Time to obtain a VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

### Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2016. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2017). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2017, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2017.

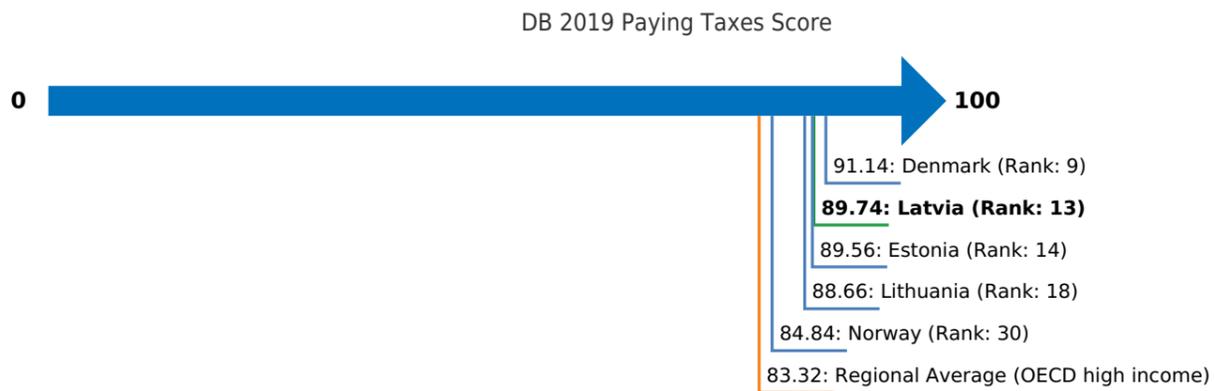
#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

Paying Taxes - Latvia

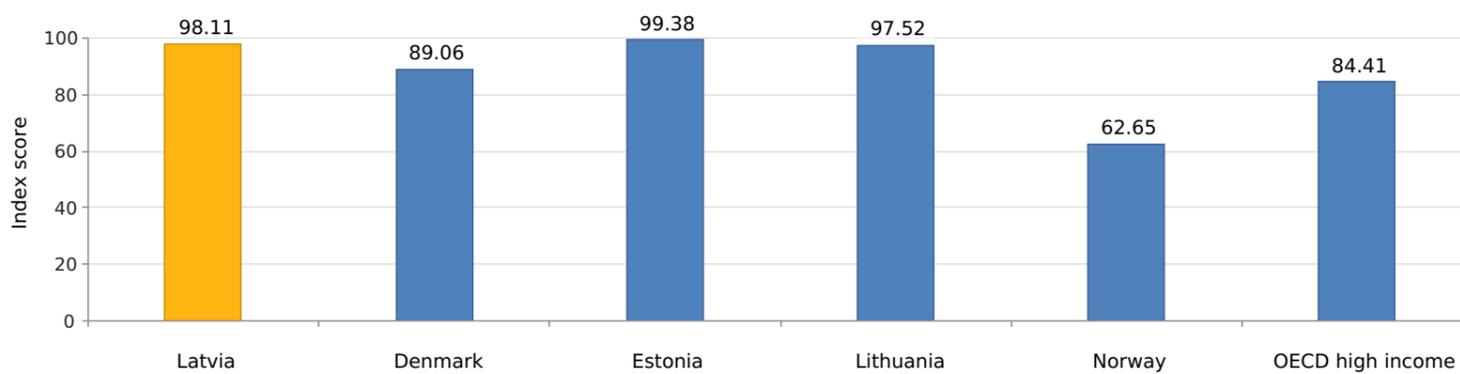
Indicator	Latvia	OECD high income	Best Regulatory Performance
Payments (number per year)	7	11.2	3 (Hong Kong SAR, China)
Time (hours per year)	168.5	159.4	49 (Singapore)
Total tax and contribution rate (% of profit)	36.0	39.8	26.1% (32 Economies)
Postfiling index (0-100)	98.11	84.41	None in 2017/18

Figure - Paying Taxes in Latvia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Latvia and comparator economies - Measure of Quality



## Details - Paying Taxes in Latvia

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Social security contributions	1.0	online	80.0	23.59%	gross salaries	26.61	
Corporate income tax	1.0	online	22.5	15%	taxable profit	6.39	
Real estate tax	1.0	online		1.5%	cadastral value	2.08	
Environmental tax	1.0	online		various rates	per kilo	0.90	
Unemployment insurance contribution	0.0	jointly		EUR 0.36 per employee	number of employees	0.04	
Vehicle tax	1.0			EUR 8.54-277.46	depends on weight	0.03	
Value added tax (VAT)	1.0	online	66.0	21%	taxable value	0.00	not included
Fuel tax	1.0			various rates	included in the price of fuel	0.00	small amount
Employee paid - Social security contributions	0.0	jointly		10.5%	gross salaries	0.00	withheld
Totals	7		168.5			36.0	

## Details - Paying Taxes in Latvia - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	6.4
Labor tax and contributions (% of profit)	26.6
Other taxes (% of profit)	3

## Details - Paying Taxes in Latvia - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>98.11</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	None	
Percentage of cases exposed to a VAT audit (%)	25% - 49%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	0.0	100
Time to obtain a VAT refund (weeks)	6.2	94.27
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	2.5	98.17
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

## Trading across Borders

*Doing Business* records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

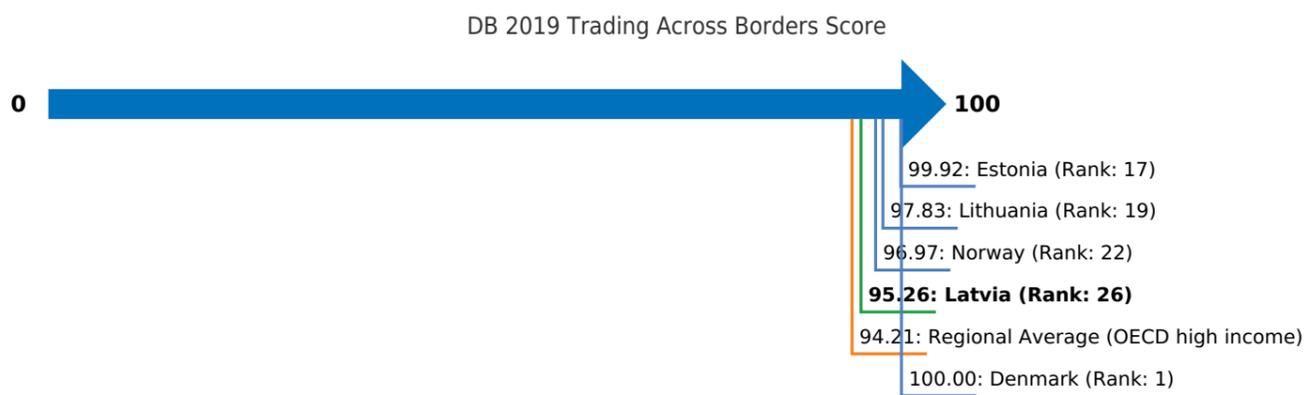
#### Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Latvia

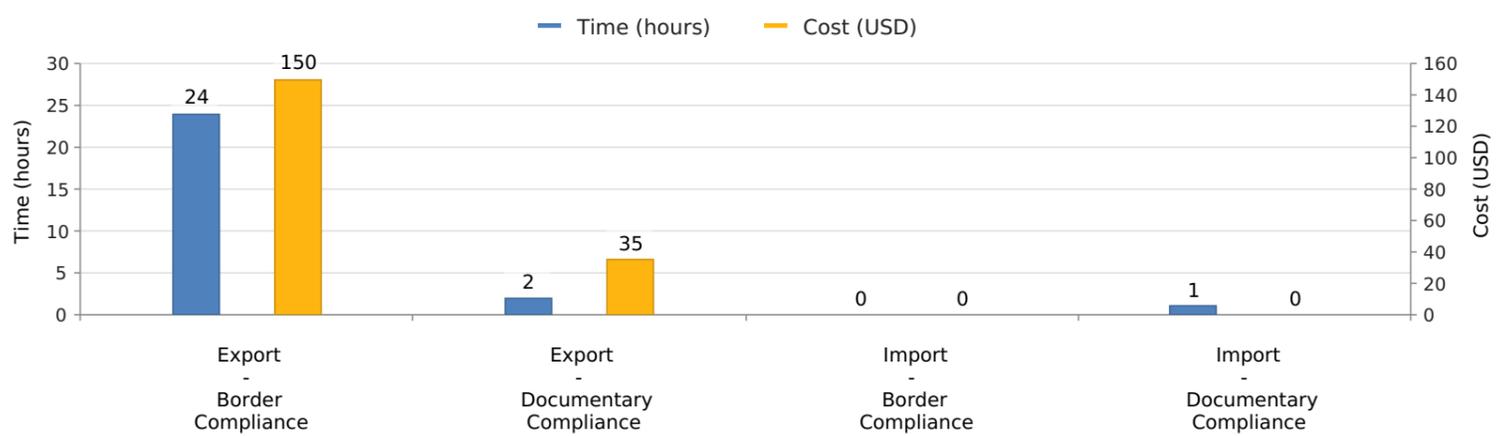
Indicator	Latvia	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	24	12.5	1 (19 Economies)
Cost to export: Border compliance (USD)	150	139.1	0 (19 Economies)
Time to export: Documentary compliance (hours)	2	2.4	1 (26 Economies)
Cost to export: Documentary compliance (USD)	35	35.2	0 (20 Economies)
Time to import: Border compliance (hours)	0	8.5	0 (25 Economies)
Cost to import: Border compliance (USD)	0	100.2	0 (28 Economies)
Time to import: Documentary compliance (hours)	1	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	0	24.9	0 (30 Economies)

Figure - Trading across Borders in Latvia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Latvia - Time and Cost



## Details - Trading across Borders in Latvia

Characteristics	Export	Import
Product	HS 44 : Wood and articles of wood; wood charcoal	HS 8708: Parts and accessories of motor vehicles
Trade partner	Sweden	Germany
Border	Riga port	Latvia- Lithuania border crossing
Distance (km)	7	100
Domestic transport time (hours)	2	4
Domestic transport cost (USD)	150	115

## Details - Trading across Borders in Latvia - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	3.0	0.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	24.0	150.0
Import: Clearance and inspections required by customs authorities	0.0	0.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	0.0	0.0

## Details - Trading across Borders in Latvia - Trade Documents

## Export

## Import

Bill of lading

CMR Waybill

Commercial invoice

Packing list

Packing list

Commercial invoice

Intrastat

Intrastat

SOLAS certificate

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Time required to enforce a contract through the courts (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Time to file and serve the case</li> <li>• Time for trial and to obtain the judgment</li> <li>• Time to enforce the judgment</li> </ul> <p><b>Cost required to enforce a contract through the courts (% of claim)</b></p> <ul style="list-style-type: none"> <li>• Attorney fees</li> <li>• Court fees</li> <li>• Enforcement fees</li> </ul> <p><b>Quality of judicial processes index (0-18)</b></p> <ul style="list-style-type: none"> <li>• Court structure and proceedings (-1-5)</li> <li>• Case management (0-6)</li> <li>• Court automation (0-4)</li> <li>• Alternative dispute resolution (0-3)</li> </ul>	<p>The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</p> <p>To make the data comparable across economies, <i>Doing Business</i> uses several assumptions about the case:</p> <ul style="list-style-type: none"> <li>- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- The buyer orders custom-made goods, then fails to pay alleging that the goods are not of adequate quality.</li> <li>- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.</li> <li>- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000.</li> <li>- The seller requests the pretrial attachment of the defendant's movable assets to secure the claim.</li> <li>- The dispute on the quality of the goods requires an expert opinion.</li> <li>- The judge decides in favor of the seller; there is no appeal.</li> <li>- The seller enforces the judgment through a public sale of the buyer's movable assets.</li> </ul>

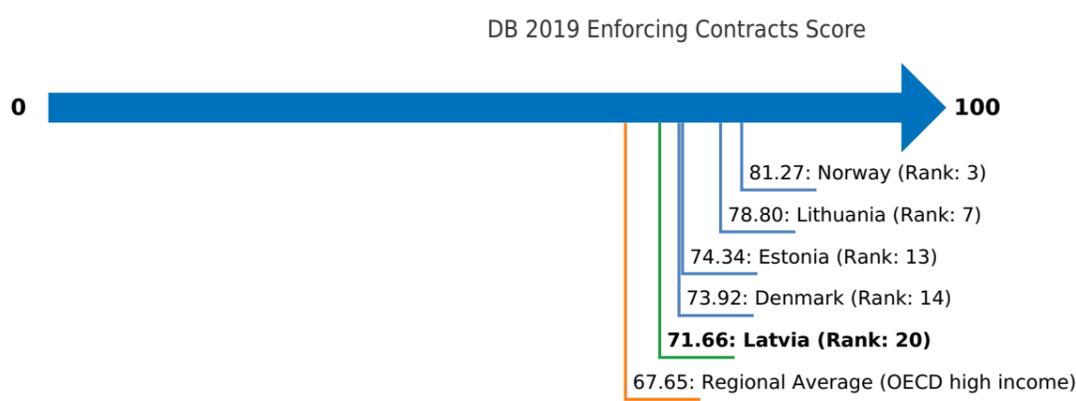
Enforcing Contracts - Latvia

Standardized Case

Claim value	EUR 25,582
Court name	Vidzeme Suburb Court of Riga
City Covered	Riga

Indicator	Latvia	OECD high income	Best Regulatory Performance
Time (days)	469	582.4	None in 2017/18
Cost (% of claim value)	23.1	21.2	None in 2017/18
Quality of judicial processes index (0-18)	12.5	11.5	None in 2017/18

Figure - Enforcing Contracts in Latvia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Latvia - Time and Cost

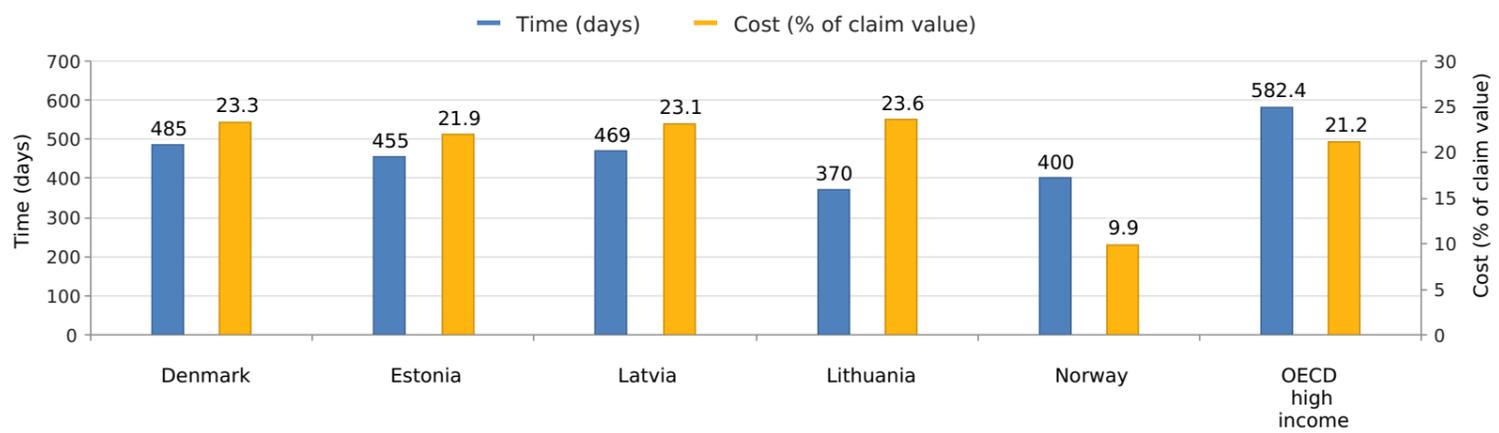
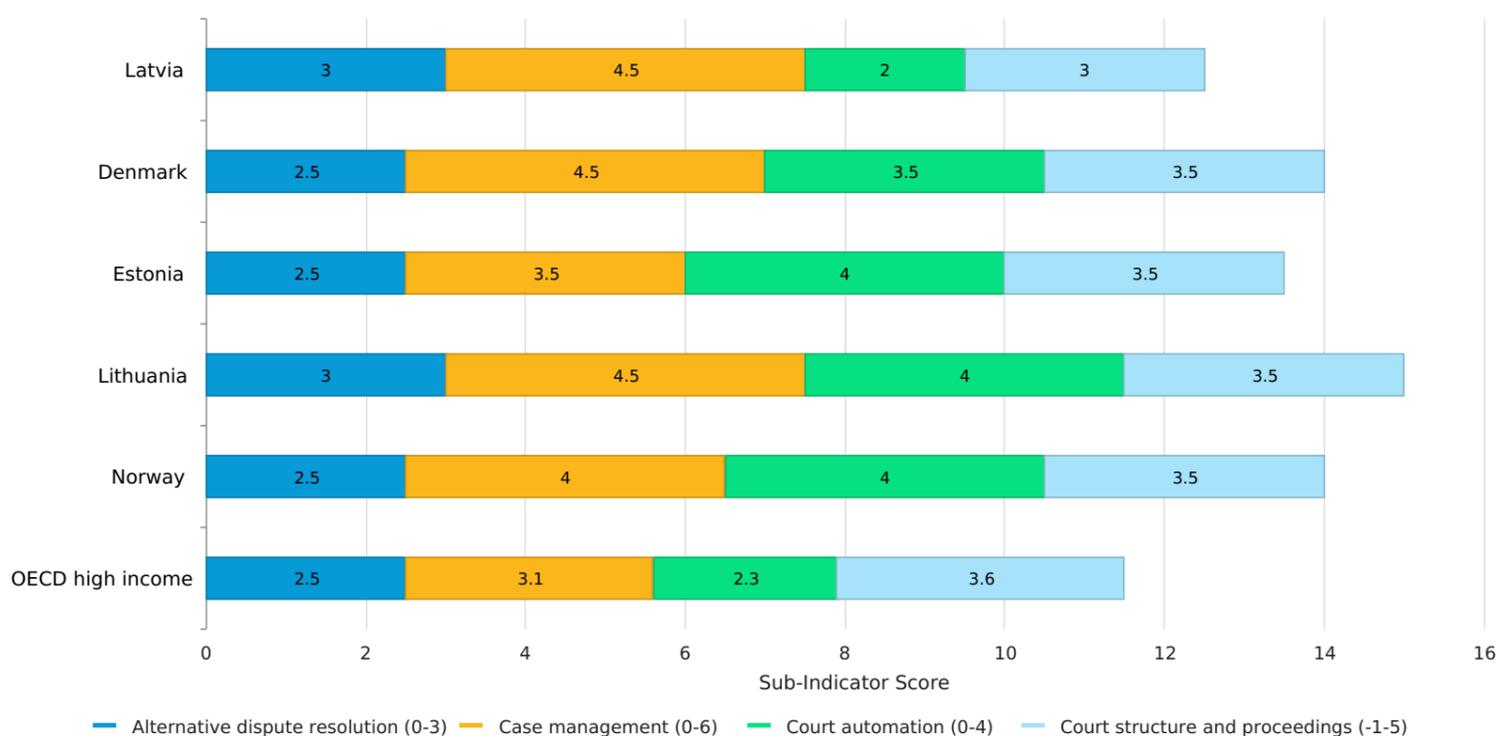


Figure - Enforcing Contracts in Latvia and comparator economies - Measure of Quality



Details - Enforcing Contracts in Latvia

	Indicator
<b>Time (days)</b>	<b>469</b>
Filing and service	49
Trial and judgment	300
Enforcement of judgment	120
<b>Cost (% of claim value)</b>	<b>23.1</b>
Attorney fees	14.3
Court fees	6.4
Enforcement fees	2.4
<b>Quality of judicial processes index (0-18)</b>	<b>12.5</b>
Court structure and proceedings (-1-5)	3.0
Case management (0-6)	4.5
Court automation (0-4)	2.0
Alternative dispute resolution (0-3)	3.0

## Details - Enforcing Contracts in Latvia - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>12.5</b>
<b>Court structure and proceedings (-1-5)</b>		<b>3.0</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>4.5</b>
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.5
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	Yes	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	Yes	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>2.0</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	no	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		1.0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
<b>Alternative dispute resolution (0-3)</b>		<b>3.0</b>
1. Arbitration		1.5

1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes
2. Mediation/Conciliation	1.5
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes

## Resolving Insolvency

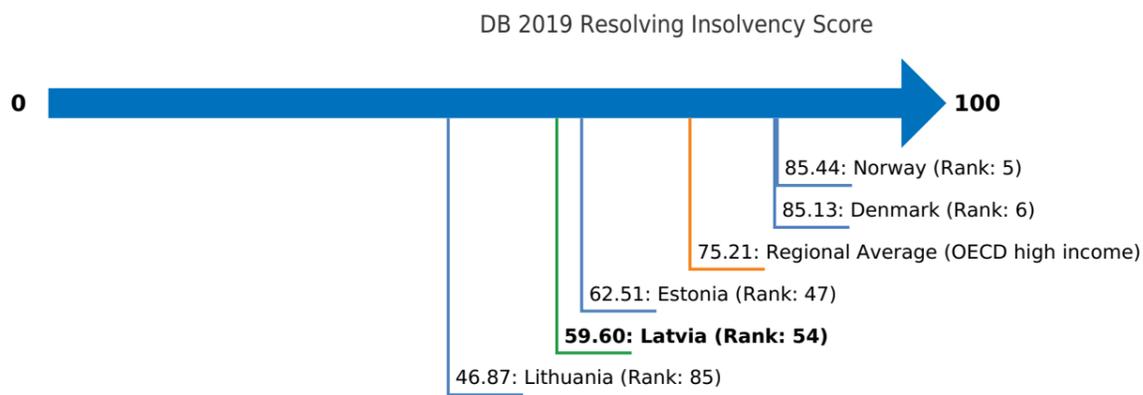
*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Time required to recover debt (years)</b></p> <ul style="list-style-type: none"> <li>• Measured in calendar years</li> <li>• Appeals and requests for extension are included</li> </ul>	<p>To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:</p>
<p><b>Cost required to recover debt (% of debtor's estate)</b></p> <ul style="list-style-type: none"> <li>• Measured as percentage of estate value</li> <li>• Court fees</li> <li>• Fees of insolvency administrators</li> <li>• Lawyers' fees</li> <li>• Assessors' and auctioneers' fees</li> <li>• Other related fees</li> </ul>	<ul style="list-style-type: none"> <li>- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.</li> <li>- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.</li> <li>- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.</li> </ul>
<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>• Whether business continues operating as a going concern or business assets are sold piecemeal</li> </ul>	<p>In addition, <i>Doing Business</i> evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.</p>
<p><b>Recovery rate for creditors</b></p> <ul style="list-style-type: none"> <li>• Measures the cents on the dollar recovered by secured creditors</li> <li>• Outcome for the business (survival or not) determines the maximum value that can be recovered</li> <li>• Official costs of the insolvency proceedings are deducted</li> <li>• Depreciation of furniture is taken into account</li> <li>• Present value of debt recovered</li> </ul>	
<p><b>Strength of insolvency framework index (0- 16)</b></p> <ul style="list-style-type: none"> <li>• Sum of the scores of four component indices:</li> <li>• Commencement of proceedings index (0-3)</li> <li>• Management of debtor's assets index (0-6)</li> <li>• Reorganization proceedings index (0-3)</li> <li>• Creditor participation index (0-4)</li> </ul>	

Resolving Insolvency - Latvia

Indicator	Latvia	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	41.1	70.5	None in 2017/18
Time (years)	1.5	1.7	0.4 (Ireland)
Cost (% of estate)	10.0	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..
Strength of insolvency framework index (0-16)	12.0	11.9	None in 2017/18

Figure - Resolving Insolvency in Latvia and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Latvia - Time and Cost

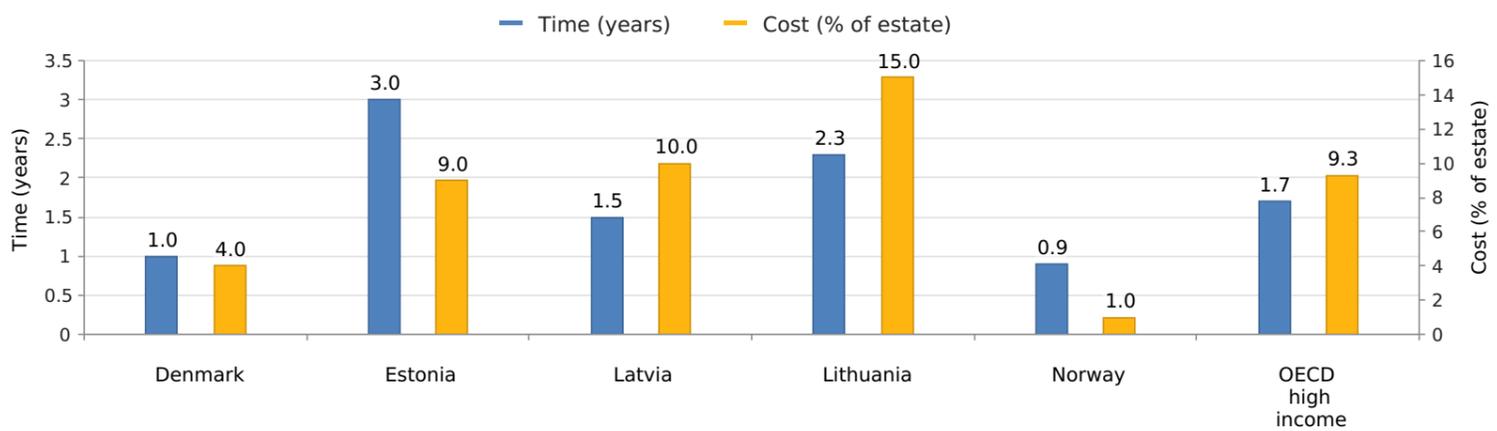
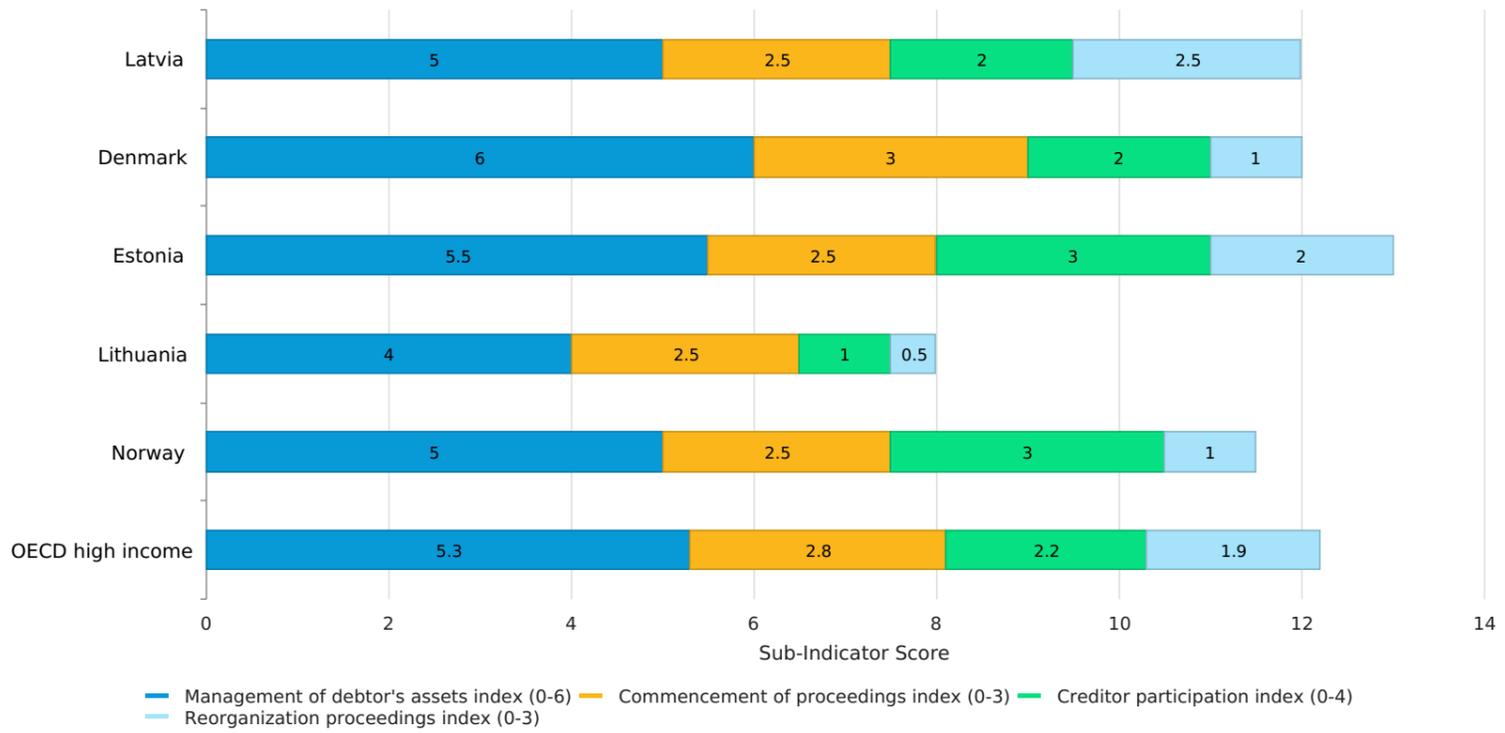
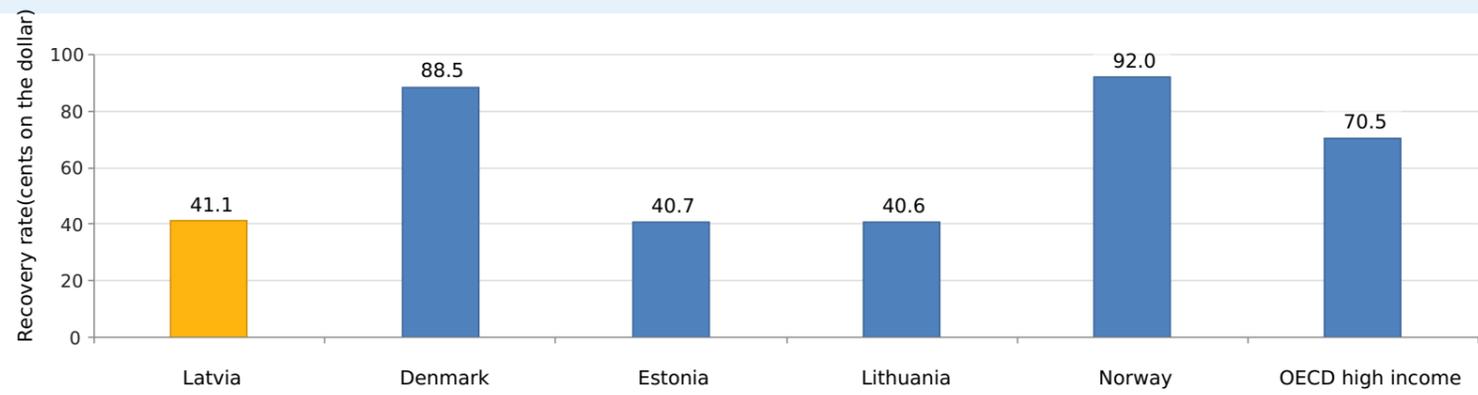


Figure - Resolving Insolvency in Latvia and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Latvia and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Latvia

Indicator	Answer	Score
Proceeding	liquidation (after an attempt at reorganization)	Mirage management is likely to file for reorganization (legal protection) in order to benefit from certain protections, such as stay of enforcement proceedings. However, BizBank is unlikely to approve the reorganization plan, because it would not get paid for 2 years (given the Mirage's current financial state). At that time, the proceedings would be converted into liquidation.
Outcome	piecemeal sale	Reorganization of Mirage does not seem viable, therefore, most likely that liquidation proceeding will commence. Mirage's assets will be sold piecemeal, but could be consolidated by the same buyer to continue operating the hotel. Although Latvian insolvency framework includes provisions on sale of business as a going concern, they are rarely applied in practice. Therefore, the most likely outcome is that the hotel's assets will be sold piecemeal at the end of the liquidation proceedings.
Time (in years)	1.5	The process of reorganization converted into liquidation will take approximately 18 months. It will take 3-4 months for the debtor to file for reorganization and for the court to consider and reject the petition due to lack of support from creditors. After that, the debtor or its creditors will file for insolvency. The court will consider the case and issue a decision within 1-2 months. The insolvency proceedings will take around 10 months (includes submission of claims, creditors' meetings, etc). The sale of assets and other necessary formalities would take a few more months before BizBank receives its payment.
Cost (% of estate)	10.0	The total cost of the proceedings will amount to approximately 10% of the value of the hotel. The main fees will be as follows: administrator costs - 7%, attorney fees - 1%, fees of accountants - 1%, and other fees, including court fees, auctioneer fees and publication costs - around 1.5%.
Recovery rate (cents on the dollar)		41.1

## Details - Resolving Insolvency in Latvia - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>12.0</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.5</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(c) Both (a) and (b) options are available, but only one of them needs to be complied with	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>5.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	No	0.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
<b>Reorganization proceedings index (0-3)</b>		<b>2.5</b>
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	Yes	1.0
<b>Creditor participation index (0-4)</b>		<b>2.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

## Labor Market Regulation

*Doing Business* presents detailed data for the labor market regulation indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The report does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) whether nonpregnant and nonnursing women can work same night hours as men; (v) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.

#### Job quality

(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

## Labor Market Regulation - Latvia

## Details - Labor Market Regulation in Latvia

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	60.0
Maximum length of fixed-term contracts, including renewals (months)	60.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	461.3
Ratio of minimum wage to value added per worker	0.2
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	5.5
Premium for night work (% of hourly pay)	50.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	100.0
Restrictions on night work?	No
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	20.0
Paid annual leave for a worker with 5 years of tenure (working days)	20.0
Paid annual leave for a worker with 10 years of tenure (working days)	20.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	20.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	No
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	Yes
Priority rules for redundancies?	Yes
Priority rules for reemployment?	No
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure	4.3
Notice period for redundancy dismissal for a worker with 5 years of tenure	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	4.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure	4.3

Severance pay for redundancy dismissal for a worker with 5 years of tenure	8.7
Severance pay for redundancy dismissal for a worker with 10 years of tenure	13.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	8.7
<b>Job quality</b>	
Equal remuneration for work of equal value?	Yes
Gender nondiscrimination in hiring?	Yes
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	112.0
Receive 100% of wages on maternity leave?	No
Five fully paid days of sick leave a year?	No
Unemployment protection after one year of employment?	Yes
Minimum contribution period for unemployment protection (months)?	12.0

## Business Reforms in Latvia

In the past year, *Doing Business* observed a peaking of reform activity worldwide. From June 2, 2017, to May 1, 2018, 128 economies implemented a record 314 regulatory reforms improving the business climate. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

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DB2019

✗ **Registering Property:** Latvia made property transfer less transparent by not publishing statistical data on the number of land disputes for 2017.

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DB2018

**Labor Market Regulation:** Latvia amended its legislation to extend the duration of the contribution period that is required before an employee can become eligible for unemployment protection.

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DB2017

✓ **Getting Credit:** Latvia improved access to credit information by launching a private credit bureau.

✓ **Paying Taxes:** Latvia made paying taxes less complicated by improving its online systems for filing corporate income tax return and mandatory labor contributions.

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DB2016

✗ **Dealing with Construction Permits:** Latvia made dealing with construction permits more time-consuming by increasing the time required to obtain a building permit—despite having streamlined the process by having the building permit issued together with the architectural planning conditions.

✓ **Registering Property:** Latvia made transferring property easier by introducing a new application form for transfers.

✓ **Getting Credit:** Latvia improved its credit information system through a new law governing the licensing and functioning of credit bureaus.

✗ **Paying Taxes:** Latvia made paying taxes more complicated for companies by eliminating the possibility of deducting bad debt provisions. On the other hand, Latvia reduced the rate for social security contributions paid by employers.

✓ **Enforcing Contracts:** Latvia made enforcing contracts easier by restructuring its courts and by introducing comprehensive specialized laws regulating domestic arbitration and voluntary mediation.

**Labor Market Regulation:** 1) Latvia increased the maximum duration of a single fixed-term contract from 36 months to 60. 2) Latvia increased its minimum wage

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DB2015

✗ **Starting a Business:** Latvia made starting a business more difficult by increasing registration fees, bank fees and notary fees.

✓ **Paying Taxes:** Latvia made paying taxes easier for companies by simplifying the VAT return, enhancing the electronic system for filing corporate income tax returns and reducing employers' social security contribution rate.

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DB2014

✓ **Starting a Business:** Latvia made starting a business easier by making it possible to file the applications for company registration and value added tax registration simultaneously at the commercial registry.

✓ **Dealing with Construction Permits:** Latvia made dealing with construction permits easier by introducing new time limits for issuing a building permit and by eliminating the Public Health Agency's role in approving building permits and conducting inspections.

✓ **Getting Credit:** Latvia improved its credit information system by adopting a new law regulating the public credit registry.

✓ **Trading across Borders:** Latvia made trading across borders easier by reducing the number of documents required for importing.

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DB2013

**Labor Market Regulation:** Latvia eliminated notification requirements to third parties in cases of redundancy dismissal.

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DB2012

- ✓ **Starting a Business:** Latvia made starting a business easier by reducing the minimum capital requirement and introducing a common application for value added tax and company registration.
- ✓ **Getting Electricity:** Latvia made getting electricity faster by introducing a simplified process for approval of external connection designs.
- ✓ **Registering Property:** Latvia made transferring property easier by allowing electronic access to municipal tax databases that show the tax status of property, eliminating the requirement to obtain this information in paper format.
- ✓ **Resolving Insolvency:** Latvia adopted a new insolvency law that streamlines and expedites the insolvency process and introduces a reorganization option for companies.

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DB2011

- ✓ **Trading across Borders:** Latvia reduced the time to export and import by introducing electronic submission of customs declarations.
- ✓ **Resolving Insolvency:** Latvia introduced a mechanism for out-of-court settlement of insolvencies to alleviate pressure on courts and tightened some procedural deadlines.

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DB2010

- ✓ **Getting Credit:** Latvia's new public credit registry started sharing data on loans, improving access to credit information.

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DB2009

- ✓ **Registering Property:** Latvia made registering property easier by introducing an online database allowing the land registry's employees to verify the cadastral value of real estate.
- ✓ **Resolving Insolvency:** Latvia improved its insolvency system through a new insolvency law that for the first time allows financially distressed companies to continue operating by pursuing reorganization, and through stronger qualification standards for bankruptcy administrators.

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DB2008

**Labor Market Regulation:** Latvia increased the maximum cumulative duration of fixed-term contracts and introduced a requirement for third-party notification for a single redundancy dismissal.

*Doing Business 2019* is the 16th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

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