

FREQUENTLY ASKED QUESTIONS: DOCUMENT SUBMISSION TO THE LATVIAN COMPANY REGISTER

VILGERTS provides daily legal assistance across a spectrum of corporate matters including, but not limited to, management board changes, company establishment and the liquidation of companies.

In this document, we have compiled the most frequently asked questions on procedure, necessary documents and their required formatting.

The Latvian Company Register (the “Company Register”) is a legal person that acts under the supervision of the Ministry of Justice and its activity is regulated under the law on The Register of Enterprises of the Republic of Latvia (*Latvijas Republikas likums Par Latvijas Republikas Uzņēmumu reģistru*) and other regulative enactments.

The Company Register registers companies, traders, their branches and representative offices and changes in their founding documents and carries out other activities provided for in the applicable legal instruments. The Company Register also registers mass media, associations and foundations, commercial pledges, controlling interests, public-private partnership agreements and matrimonial property agreements, political parties, arbitration bodies, trade unions, religious organisations and religious institutions, and insolvency proceedings.

1. Is there a particular signature format required by the Company Register for submitting relevant documents?

According to the procedural rules of the Company Register, there are *three* available options:

- (1) a simple signature by hand;
- (2) a simple signature in front of the notary public by hand; or
- (3) using a valid electronic signature.

All three available options are equally valid and accepted by the Company Register, however, there are specific documents which require a specific

signature format. The following documents must be signed in front of the notary public or signed *via* an electronic signature:

- (1) resolution of the sole shareholder;
- (2) minutes of the shareholders' meeting;
- (3) consent for the appointment of a member of the management board (as well as, a member of the council and liquidator);
- (4) the shareholders' register;
- (5) new wording of the articles of association; and
- (6) the application form for the Company Register (in a few instances).

2. Are there any special requirements associated with the signing of relevant documents to be accepted by the Company Register?

For all the relevant documents to be accepted by the Company Register, the following specific formalities apply:

- (1) if signed by *several signatories*, all signatures should be included on the same document;
- (2) all signatures on the same document should be signed using the same format; and
- (3) if there are several documents to be signed electronically, the documents should be signed separately.

3. Is an apostille or legalisation required by the Company Register for any relevant documents?

If the country of origin, where the document is executed, is a party to *The Convention of 5 October 1961 Abolishing the Requirement of Legalisation for Foreign Public Documents* (the "HCCH 1961 Apostille Convention"), an apostille is required.

If, however, the document is executed in a country which is not a party to the Convention, legalisation of the document at the Consular Department of the Ministry of Foreign Affairs of Latvia or at the diplomatic or consular mission of Latvia in the relevant foreign country is also required.

If the document is issued in the European Union or European Economic Area, the Swiss Confederation, the United Kingdom or Northern Ireland (except for overseas territories), legalisation or apostille is not necessary.

4. What does the Company Register consider to be a valid electronic signature?

The Company Register will only accept documents signed using a valid electronic signature.

For an electronic signature to be considered valid, it should consist of the following:

- (1) identification of the signatory (*i.e.*, the full name of the signatory should be visible);

- (2) a time stamp (*i.e.*, the date and time of the signature must be clearly visible); and
- (3) the exact place of signing.

A list of trusted service providers for the issuance of valid electronic signatures in the European Union is available [here](#).

To the best of the author's knowledge, the Company Register accepts documents signed in ASICE, eDOC, or some PDF formats. So long as the aforementioned criteria is met (please see above), the document format is not necessarily a hard defined criterion.

In order to make sure the document is signed in accordance with the aforementioned requirements, it should be verified either on the Latvian webpage or European Union webpage.

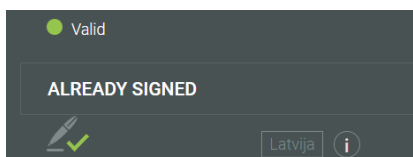
The author recommends checking the validity of signatures before sending the documents for submission, not only to save time, but to also make sure the Company Register will not refuse to accept the documents due to the invalidity of signature.

4.1. How the validity of signatures can be checked?

Latvian electronic signature webpage:

https://www.eparaksts.lv/en/help/faq/Opening_and_checking_eDocuments/How_to_check_documents_that_are_electronically_signed_in_different_countries

Press “*Validate or sign*” and choose a file. If the electronic signature is valid, the green mark on the right side will be visible:



EU electronic signature webpage: <https://ec.europa.eu/cefdigital/DSS/webapp-demo/validation>

Press “*Choose a file*” and “*Submit*”. If the signature is valid, the following text will be visible:

Indication:

TOTAL_PASSED ✓

Signatures status:

1 valid signatures, out of 1

5. Is the Company Register able to check or validate information concerning foreign companies?

The simple answer is, no. Information about the Ultimate Beneficial Owner (“UBO”) ownership chain, as well as information concerning representation rights should be provided by the applicant.

The extract from the foreign Commercial Register is required to prove the rights of representation when signing a shareholders' register, the decision of sole shareholder, minutes of the shareholders' meeting, *etc.*

In this particular instance, the legal representatives and their authorisation should be mentioned in the extract. The extract must comply with the requirements set out below (please see below the response to question no. 10).

The Company Register can request the submission of documents regarding the UBO ownership chain. In this instance, an extract(s) consisting of the information about each company in the UBO chain should be submitted. It is also important to underline the shareholders of the company should be mentioned in the extract(s). The extract(s) must comply with the requirements set out below (please see below the response to question no. 10).

6. Are there any important or specific considerations to be aware of concerning the registration of the UBO(s)?

Due to various amendments introduced through the Law on the Prevention of Money Laundering and Terrorism Financing (*Noziedzīgi iegūtu līdzekļu legalizācijas un terorisma un proliferācijas finansēšanas novēršanas likums*) (the "AML Law"), which entered into force on 9 November 2017, most of the legal entities (including private limited liability companies (*i.e.*, SIA) and public limited liability companies (*i.e.*, AS)) as of 1 December 2017, were required to start filing information regarding their UBOs to the Company Register.

As of 1 April 2018, information regarding the UBOs of a company is publicly available.

The AML Law defines the UBO as an individual who is the owner of a legal entity or who controls the legal entity, or in whose name and interest business relationships are established, or occasional transactions are conducted.

In more detail, in the instance of legal persons, the UBO is a natural person who owns, in the form of direct or indirect shareholding, more than 25% of the capital shares or voting stock of the legal person or who directly or indirectly controls it.

When registering changes of the information already provided about the UBO(s) to the Company Register, specific documents are required to show a valid change in control. In particular, the documentary evidence required by the Company Register, includes:

- (1) a copy of the UBO(s) government-issued identification document (*e.g.*, a valid passport or ID card);
- (2) an extract from the foreign Commercial Register; and
- (3) any documents substantiating confirmation the UBO cannot be ascertained, for example, if the UBO is a stockholder in such joint stock company the stock whereof is listed on a regulated market, and the manner of exercising control over the legal person stems only from the status of the stockholder, it is possible to add the link to the website of the regulated market.

7. Specific requirements regarding the format of the documents apply when submitting the aforementioned documents to the Company Register.

7.1. How should a copy of a government-issued identification document be validly submitted to the Company Register, are there any formal requirements?

When submitting a copy of a government-issued identification document to the Company Register, in order to confirm the validity of the UBO(s) identification information, the copy should be properly notarised electronically or as a hard copy.

7.2. What if it is not possible to obtain a notarised copy of a government-issued identification document?

To the best of the author's knowledge, there are *two* more options to certify the correctness of the UBO(s) identification information:

- (1) the UBO(s) signs the application form in front of the notary public or with a valid electronic signature; or
- (2) considering the applicable rules on the execution of copies of documents, the UBO(s) itself certifies the copy of the government-issued identification document with a valid electronic signature.

7.3. For which companies should an extract(s) be provided?

The extracts should be provided regarding each entity which is involved in the UBO(s) chain. Information on the number of shares owned by a legal or natural person should be provided in the extract(s).

7.4. What is required for the extract(s) to be validly executed and accepted by the Company Register?

The Company Register will accept extracts that are either signed by the notary representing the foreign Commercial Register (electronically or by hand) or verified by a foreign notary (electronically or by hand).

Please kindly note, if the extract is on several pages, one of the following actions should be taken:

- (1) each page should be signed, and transcription of the signature should be indicated; or
- (2) all pages should be sewn through with a sewing thread or bound with a string.

After receiving the official extract, it is necessary to prepare a notarised translation into Latvian, which in most cases will be done in Latvia.

7.5. If the extract(s) cannot be obtained or the extract(s) issued by the foreign Company Register does not contain information about UBO(s), are there any alternative options available?

It is possible to compile an explanation about the UBO(s) in cases when:

- (1) it is not possible to receive an extract according to requirements provided above; or
- (2) the official extract issued by the foreign Company Register does not contain any information about the UBO(s).

Each company should issue a confirmation, listing all of the company's shareholders.

If a shareholder of the entity is a natural person, who does not own more than 25% of the shares but corresponds to other requirements of the UBO(s), then the entity should provide an explanation about the UBO(s), including the identification information of the UBO(s).

The confirmation should be signed by the legal representative of entity with a valid electronic signature or with a simple signature.