



Restructuring and Insolvency

in 57 jurisdictions worldwide

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1 Legislation

What legislation is applicable to bankruptcies and reorganisations?

The following statutes are applicable: the Commercial Law, Law on Insolvency, Credit Institution Law, Law on Insurance Companies and Supervision Thereof, Law on Private Pension Funds, and Law on Protection of Employees in case of Insolvency of Employer.

2 Excluded entities

What entities are excluded from bankruptcy proceedings and what legislation applies to them?

There are no commercial entities that are excluded from bankruptcy proceedings. Only states, municipalities, NGOs in the form of a foundation, public society or fraternity, and other legal persons governed by public law are excluded from bankruptcy proceedings.

3 Secured lending and credit (immovables)

What are the principal types of security devices that are taken on immovable (real) property?

A mortgage is the most typical type of security devices that is taken on immovable property. According to the Land Register Law, entry of a mortgage that is corroborated in Land Register is available to everyone and therefore is reliable.

4 Secured lending and credit (moveables)

What are the principal types of security devices that are taken on moveable (personal) property?

The most popular types of devices to secure credit are commercial pledges, liens and pledges. A commercial pledge is a pledge that is registered in the Commercial Pledge Register and is regulated according to the Law on Commercial Pledges. To date, there are 138,875 commercial pledges registered (with a total value of 66.4 billion lats; approximately €94.5 billion) in the Commercial Pledge Register.

Pledges may be registered in different registers, for example, the Road Transport and Vehicle Safety Authorities Database, Database of the State Technical Control Agency or the state agency's Agricultural Data Centre.

5 Unsecured credit

What remedies are available to unsecured creditors? Are the processes difficult or time-consuming? Are pre-judgment attachments available? Do any special procedures apply to foreign creditors?

One remedy available to unsecured creditors is undisputed compulsory execution of obligations. This remedy is permitted pursuant to:

- notarially certified term agreements regarding monetary payments or return of moveable property; and

- term lease or rental of property agreements, which are notarially certified or entered in Land Register, and which provide that the lessee or tenant has a duty to pay the lease or rental payments.

An application is examined within seven days from the day of submission of the application. The decision is executed in accordance with provisions regarding the execution of judgments. State-owned property may not be subject to undisputed compulsory execution.

Another remedy is compulsory execution of obligations in accordance with warning procedures, which is permitted for payment obligations that are justified by a document and for which the term for execution is due. Compulsory execution of obligations in accordance with warning procedures is initiated pursuant to an application of a creditor. A petition to the court must also be submitted to issue a warning to the debtor. A warning together with the application is issued to the debtor and the debtor signs for the receipt of documents. If it is not possible to issue a warning to the debtor, the judge leaves the application unadjudicated. If the debtor has failed to submit objections within the period specified in the warning, the judge takes a decision regarding compulsory execution of the payment obligation within seven days from the date that the period for objections has finished. The decision is executed in accordance with provisions regarding the execution of judgments.

The most typical remedy is securing of a claim. If there is reason to believe that the execution of court a judgment may become problematic or impossible, following reasoned application by the plaintiff, the relevant court takes a decision regarding securing of a claim. The securing of a claim is allowed at any stage of the proceedings, as well as prior to the bringing of court action. The most typical means of securing a claim are attachment of moveable property, including monetary funds, entering a prohibitory mark in any public register or entering a mark regarding securing of a claim in the Land Register or Ship Register.

All remedies cease effect upon declaring the company insolvent. There is no special procedure to apply to foreign creditors.

6 Courts

What courts are involved in the bankruptcy process? Are there restrictions on the matters that the courts may deal with?

Matters regarding bankruptcy processes are examined in district (city) courts. Regional courts according to the Civil Procedure Law examine matters regarding insolvency and liquidation of credit institutions.

7 Voluntary liquidations

What are the requirements for a debtor to commence a voluntary liquidation of its business? What are the effects of the commencement of the liquidation?

A debtor can commence voluntary liquidation at any time unless there are insolvency conditions. If in the beginning or during the liquidation process, the debtor, according to the balance sheet, has not enough assets to settle all the claims, an application of insolvency must be submitted.

8 Involuntary liquidations

What are the requirements for creditors to place a debtor in involuntary liquidation? What are the effects of the commencement of the liquidation?

Creditors can submit an application of insolvency in one of these circumstances:

- it was not possible to execute judgement on debt collection by using compulsory execution means;
- the debtor has not settled one or more debt obligations of 1,000 lats (approximately €1,420), the creditor has sent a warning of the intention to submit an application of insolvency and the debtor has not paid the debt or raised objections regarding the claim within three weeks; or
- the debtor has not paid salary or social security payments for two months.

The debtor has an obligation to submit an application of insolvency if:

- it has not paid salary or social contributions for two months;
- it cannot settle all the debt obligations that have reached the execution term and its debt obligations exceeds its assets; or
- in the beginning or during the liquidation process the debtor, according to the balance sheet, does not have enough assets to settle all the claims.

If it is not possible to reorganise a debtor, creditors consider a bankruptcy procedure. At the end of a bankruptcy procedure the debtor is liquidated.

After declaration of insolvency proceedings:

- a debtor shall forfeit the rights to handle all its property, as well as the property in its possession or holding belonging to third persons and these rights shall be obtained by the administrator;
- the operation of the debtor's administrative institutions shall be suspended and management of the debtor shall be performed by the administrator; and
- accumulation of the interest of the usage of a loan (credit) is suspended, as well as accumulation of the interest set by law, accumulation of demurrage (including the accumulation of the percent demurrage), accumulation of delay amount (also, if it is set as demurrage, the calculation of that delay amount for tax claims is suspended, which is set as an interest payment for the delay of the term of payments of taxes, duties and penalties).

The court judgment by which insolvency proceedings are declared is the basis for suspension of legal proceedings regarding any civil cases initiated against a debtor, as well as for termination of the record keeping of the implementation of judgments regarding the cases on recovery of any imposed, but uncollected sums from the debtor. Any announced auctions of the debtor's property shall be postponed, but, if the auction has taken place, the obtained funds are transferred to the debtor's account with the credit institution specified by the administrator.

9 Voluntary reorganisations

What are the requirements for a debtor to commence a financial reorganisation? What are the effects of the commencement of the reorganisation?

A commercial company may be reorganised voluntarily by way of merging, division or restructuring.

Within 15 days from the day when a decision regarding reorganisation is taken, each of the companies involved in the reorganisation process shall inform in writing all of its known creditors that have had claim rights against the company up to the taking of the decision regarding reorganisation.

The acquired or dividing company shall secure claims of creditors if so requested and submitted by them within time period set in the announcement in the official newspaper *Latvijas Vēstnesis* (the period may not be less than one month). Creditors of the acquiring company may request to have their claims secured only if they can prove that the reorganisation threatens the satisfaction of their claims. Secured creditors may request security only for the amount of the unsecured part of a debt.

10 Involuntary reorganisations

What are the requirements for creditors to commence an involuntary reorganisation? What are the effects of the commencement of the reorganisation?

Involuntary reorganisation can be commenced during the insolvency process. The beginning of the insolvency process is described in question 8.

Reorganisation during the insolvency process is possible only if it is provided in reorganisation plan that is registered in the Insolvency Register.

There are certain differences if the reorganisation is carried during the insolvency process:

- there is no possibility of reversing the agreement or decision of reorganisation;
- there must be provisions regarding the employees of the debtor included in the agreement or decision of reorganisation; and
- the debtor must not take defensive measures regarding creditors.

11 Mandatory commencement of insolvency proceedings

Are companies required to commence insolvency proceedings in particular circumstances (to avoid personal liability to directors and officers or otherwise)? In what circumstances must companies do so? If proceedings are not commenced, what liabilities can result?

A company is required to commence insolvency proceedings if:

- a debtor has not fully disbursed the work remuneration, compensation of damage to an employee due to an accident at work or occupational disease or has not performed mandatory social insurance payments within two months from the day settled for disbursement. If the day of disbursement of work remuneration is not specified in the employment contract, it shall be considered that the day of disbursement of work remuneration is the first working day of the next month;
- a debtor is not able to clear a debt commitment for which the due date has arrived, and its debt commitment exceeds its assets; or
- pursuant to the financial statement of the beginning of liquidation, a debtor lacks the assets to satisfy all the justified creditors' claims, or such circumstances are revealed during the process of liquidation.

If insolvency proceedings are not commenced, there are provisions for criminal liability according to the Criminal Law.

12 Doing business in reorganisations

Under what conditions can the debtor carry on business during a reorganisation? What conditions apply to the use of assets and to creditors who supply goods or services after the filing? What are the roles of the creditors and the court in supervising the debtor's business activities?

After the commencement of the insolvency process, the administrative body of the debtor is not allowed to carry on business. Such rights transfer to the administrator. The administrator decides whether to continue business activities in full or part if it is economically justified, or to stop doing business. The administrator also has all rights and obligations that the administrative body of the debtor had.

If an agreement is in force on the day the insolvency process is commenced, the administrator may claim the execution or unilaterally terminate such agreement. If the administrator unilaterally terminates the agreement, the creditor may submit the claim.

The administrator carries on business although the creditors' meeting may express objections to the administrator or institute an obligation that the administrator must receive the consent of the creditors' meeting before concluding particular deals.

13 Rejection and disclaimer of contracts in reorganisations

Can a debtor in a reorganisation reject or disclaim an unfavourable contract? Are there contracts that may not be rejected? What procedure is followed to reject a contract and what is the effect of rejection on the other party?

If an agreement is in force on the day the insolvency process is commenced, the administrator may claim its execution or unilaterally terminate such agreement. The administrator continues filling enforcing if this does not reduce the assets of debtor. If the administrator unilaterally terminates the agreement, the creditor is right to submit the claim.

If the debtor is an insurance company, the administrator has to take into consideration the interests of the insured parties when evaluating the possibility of continuing the contract.

14 Sale of assets

In reorganisations and liquidations, what provisions apply to the sale of specific assets out of the ordinary course of business and to the sale of the entire business of the debtor? Does the purchaser acquire the assets 'free and clear' of claims or do some liabilities pass with the assets?

Assets of the debtor are sold at public auctions. The creditors' meeting decides whether to sell assets separately or as one unit. Subject to the decision of the creditors' meeting, different procedures may apply.

After the public auction the purchaser acquires the assets without liabilities. The exception is if the purchaser has undertaken definite liabilities.

15 Stays of proceedings and moratoria

What prohibitions against the continuation of legal proceedings or the enforcement of claims by secured and unsecured creditors are imposed by legislation or court order in liquidations and reorganisations? In what circumstances may secured or unsecured creditors obtain relief from such prohibitions?

The insolvency process can last for an indefinite period and there are no special prohibitions against it. Secured creditors may apply to the court and obtain relief for the restriction of rights regarding the secured property that is included in the reorganisation plan. Relief is

not less than 6 per cent a year based on the secured claim. Unsecured creditors may not obtain relief.

16 Arbitration processes in bankruptcy

How frequently are arbitration procedures used in insolvency proceedings? What limitations are there on the availability of arbitration procedures in insolvency cases? In insolvency proceedings, will the court allow arbitration proceedings to continue after an insolvency case is opened?

Arbitration processes in insolvency proceedings are prohibited by the Civil Procedure Law.

17 Set-off and netting

To what extent are creditors able to exercise rights of set-off or netting in a liquidation or in a reorganisation? Can creditors be deprived of the right of set-off either temporarily or permanently?

There is a general rule that claims may not be set off in insolvency proceedings. There is an exception that set-off is possible if the insolvency is solved by a settlement between the debtor and creditors.

18 Intellectual property assets in insolvencies

May the licensor or owner of the IP terminate the debtor's right to use it when an insolvency case is opened? To what extent may an insolvency administrator continue to use IP rights granted under an agreement with the debtor? May an insolvency representative terminate a debtor's agreement with an IP licensor or owner to continue to use the IP for the benefit of the estate?

The licensor or owner of the IP may not terminate the debtor's right to use the licence when an insolvency case is opened. The administrator continues filling contracts if this does not reduce the assets of the debtor. The administrator is allowed to terminate the debtor's agreement with an IP licensor or owner.

19 Post-filing credit

Does your country's insolvency system allow a debtor in a liquidation or reorganisation to obtain secured or unsecured loans or credit? What priority is given to such loans or credit?

The administrator has the right to make a decision that the company may still continue its commercial activity; however, all activities shall be provided by the recovery plan.

20 Successful reorganisations

What features are mandatory in a reorganisation plan? How are creditors classified for purposes of a plan and how is the plan approved? Can a reorganisation plan create releases in favour of third parties, and, if so, in what circumstances?

The mandatory features of a reorganisation plan are:

- concrete lawful measures to renew the solvency of the debtor and their execution terms;
- resources and terms for fulfilling the reorganisation plan;
- list of the pledged property that is necessary to fulfil the reorganisation plan;
- remuneration for the restriction of rights of secured creditors;
- terms and extent for covering insolvency costs; and
- terms and procedures for covering creditors' claims.

Creditors are classified as secured or unsecured creditors. The reorganisation plan is approved by the creditors' meeting. The votes in the creditors' meeting shall be assigned to the unsecured creditor,

whose claim is submitted within the term of submission of creditors' claims stipulated by the court and whose claim is approved by the administrator. The plan is accepted if two-thirds of the attendees have voted for it. After the creditors' meeting, the plan must be approved by the court.

Only proportional covering of claims can be provided in the reorganisation plan.

21 Expedited reorganisations

Do procedures exist for expedited reorganisations?

There is no procedure for expedited reorganisations in Latvia.

22 Unsuccessful reorganisations

How is a proposed reorganisation defeated and what is the effect of the plan not being approved? What happens if there is default by the debtor in performing an approved plan?

Creditors vote for commencing bankruptcy proceedings if the reorganisation plan is not approved. If there is default by the debtor in performing an approved plan, the creditors' meeting can annul the reorganisation plan and vote for another insolvency solution (for example, bankruptcy).

23 Bankruptcy processes

During a bankruptcy case, what notices are given to creditors? What meetings are held? What committees are or can be formed? What powers or responsibilities do these committees have? May creditors initiate proceedings to pursue remedies against third parties?

Bankruptcy is one of the solutions to insolvency and the bankruptcy process is commenced by the creditors' meeting. The decision to commence the bankruptcy process is accepted if more than half of the attendees have voted for it.

Creditors take decisions in creditors' meeting and they have the following principal responsibilities:

- setting down the insolvency process solution;
- approving the reorganisation plan or settlement;
- amending the reorganisation or bankruptcy procedure;
- annulling the insolvency process solution;
- approving the execution of the insolvency process solution; and
- setting down the debt recovery procedure.

Creditors may not initiate proceedings to pursue remedies against third parties, because such actions fall under the competence of the administrator. The creditors' meeting can, however, express its objections to the administrator.

24 Insolvency of corporate groups

In insolvency proceedings involving a corporate group, are the proceedings by the parent and its subsidiaries combined for administrative purposes? May the assets and liabilities of the companies be combined into one pool for distribution purposes?

Latvian regulation relates to insolvency of separate entities. Combined insolvency proceedings involving a corporate group are not regulated. The assets and liabilities of several separate companies may not be combined into one pool for distribution purposes, except in the cases regulated by the EU Regulation on Insolvency Proceedings.

25 Modifying creditors' rights

May the court change the rank (priority) of a creditor's claim? If so, what are the grounds for doing so and how frequently does this occur?

The rank of a creditor's claim is set in the Insolvency Law and the court may not to modify this rank.

26 Enforcement of estate's rights

If the insolvency administrator is without assets to pursue a claim that is available to the estate, are there procedures by which the creditors can pursue the estate's remedies? If so, to whom do the fruits of the remedies belong?

If the insolvency administrator is without assets to pursue a claim, the meeting of creditors can vote for recovering costs by creditors. Remedies are disposed according to the law, taking into consideration that insolvency administration costs are the priority in the case of bankruptcy.

27 Claims and appeals

How is a creditor's claim submitted and what are the applicable time limits? How are claims disallowed and how does a creditor appeal a disallowance? Are there any provisions that deal with the purchase, sale or transfer of claims against the debtor?

Claims are submitted to the administrator in the period set by the court, which must be between one month and three months, starting from the day when the commencement of insolvency is registered in the Insolvency Register.

If a creditor has exceeded the claim submission period set by the court, it can submit the claim in a period not longer than one year starting from the day when the commencement of insolvency is registered in the Insolvency Register but not later than when the creditors' meeting has taken the decision of completion of the bankruptcy procedure.

The administrator may disallow the claim if there is a dispute between the debtor and creditor regarding the particular claim. The creditor may appeal a disallowance within two weeks from the reception of the decision.

28 Priority claims

What are the major governmental and non-governmental privileged and priority claims in liquidations and reorganisations? Which priority and privileged claims have priority over secured creditors?

There are no claims that have priority over secured creditors.

Unsecured creditors are ranked as follows:

- insolvency process costs;
- employees' claims according to special law;
- tax administration claims; and
- other unsecured creditor claims. These have a special order that depends on the type of the debt and on the time when the claim was submitted.

29 Liabilities that survive insolvency proceedings

Do any liabilities of a debtor survive insolvency so that they are enforceable against the debtor after it has reorganised?

There are no liabilities that survive insolvency so that they are enforceable against the debtor after the insolvency process. If the company is reorganised, all liabilities must be properly structured within the reorganisation plan.

30 Distributions

How and when are distributions made to creditors in liquidations and reorganisations?

In the case of bankruptcy, an administrator shall draw up the list of the costs of insolvency proceedings and state the procedure for compensation of creditors' claims, as well as convene the creditors' meeting for review. The creditors' meeting shall decide on the costs of insolvency proceedings and the procedure for compensation of creditors' claims. First, the funds allocated by the insolvency administration for compensation of the costs of insolvency proceedings are fully repaid from the debtor's funds, as well as the resources obtained as a result of alienation of a debtor's property or from other sources of financing insolvency proceedings. After the repayment of the above-mentioned funds, the other costs of insolvency proceedings are paid. After those, employees' claims shall be fully satisfied, satisfaction of which is regulated by the Law on Protection of Employees in case of Insolvency of Employer, if the proceedings concern the insolvency of an employer. After the satisfaction of the above-mentioned costs any tax claims shall be compensated. Finally, all unsecured creditors' claims shall be paid.

In the case of reorganisations, distributions will be made in accordance with the terms of the plan agreed with creditors.

31 Transactions that may be annulled

What types of transactions can be annulled or set aside in bankruptcies and what are the grounds? What is the result of a transaction being annulled?

Any type of transaction can be annulled if it is concluded:

- after the day of the setting in of insolvency proceedings and, thus, losses are caused to a debtor irrespective of that, if a person, with whom or for the benefit of whom the deal is concluded, has or has not known about causing losses to creditors; and
- within five years before the day of the setting in of insolvency proceedings and, thus, losses are caused to a debtor, in addition the person, with whom or for the benefit of whom the deal is concluded, knew or should have known about causing such losses.

A pledge agreement is to be considered null and void, if the pledge right is established after an entry is made in the insolvency register concerning initiation of insolvency proceedings of a debtor.

The result of a transaction being annulled is that the property is returned to the company.

32 Proceedings to annul transactions

Does your country use the concept of a 'suspect period' in determining whether a transaction by an insolvent debtor can be annulled? May voidable transactions be attacked by secured creditors or by unsecured creditors or only by a liquidator or trustee? May they be attacked in a reorganisation or suspension of payments or only in a liquidation?

In accordance with the Law on Insolvency, the administrator has the obligation to examine all transactions of the company concluded within five years before the day of insolvency proceedings. The voidable transactions may be attacked by an administrator.

The secured creditor may require having the administrator's concluded deal declared null and void, if this deal refers to the property mortgaged for securing the claim and the interests of the secured creditor are affected.

Transactions may be attacked in reorganisation as well as in bankruptcy.

33 Directors and officers

Are corporate officers and directors liable for or can they be made to pay obligations owed by their corporations?

The administrator must evaluate and bring actions against members of management institutions and shareholders in court regarding indemnification of losses caused by them, as well as against the personally responsible members of a partnership, due to their obligation to be responsible for the commitments of the partnership..

34 Duties of directors to creditors prior to bankruptcy

Do corporate directors and officers have any liability for pre-bankruptcy actions by their companies? Can they be made subject to sanctions or penalties for other reasons?

The directors of the company can be personally liable for pre-insolvency actions in accordance with the Criminal Law (for example for driving a legal person into insolvency due to negligence).

35 Creditors' enforcement

Are there processes by which some or all of the assets of a business may be seized outside of court proceedings? How are these processes carried out?

After the declaration of the insolvency proceedings of a debtor, the management rights of a debtor's property shall be obtained by the administrator. All of the assets shall be managed in accordance with the Insolvency Law.

36 Corporate procedures

Are there corporate procedures for the liquidation or dissolution of a corporation? How do such processes contrast with bankruptcy proceedings?

The Commercial Law provides certain grounds on which the operations of company can be terminated: by a decision of the shareholders, by an adjudication of a court, with the commencement of bankruptcy procedures, with the termination of the time period specified in the articles of the company (if the company was founded for a definite period), having achieved the purposes specified in the articles of company (if the company was founded to achieve specified purposes) or in other cases as specified by law or the articles of association.

37 Conclusion of case

How are liquidation and reorganisation cases formally concluded?

Completion of bankruptcy procedure and termination of insolvency proceedings

The closing creditors' meeting shall make a decision on completion of the bankruptcy procedure not later than a month after implementation of the measures of the bankruptcy procedure.

An administrator shall immediately submit the decision of the creditors' meeting on completion of the bankruptcy procedure for approval to the court.

The court does not approve the decision of the creditors' meeting on completion of the bankruptcy procedure, if:

- violations are made in the notification or procedure of that creditors' meeting, in which a decision has been made on completion of the bankruptcy procedure;
- the provisions of the Insolvency Law are violated by implementing the measures of the bankruptcy procedure; or
- the provisions of the Insolvency Law are violated by making a decision on completion of the bankruptcy procedure.

By approving the decision of the creditors' meeting on completion of the bankruptcy procedure, the court makes a decision on termination of the insolvency proceedings.

Completion of recovery

The decision concerning completion of recovery is made by the creditors' meeting, but in cases when all creditors' claims are satisfied or none of the creditors has arrived to the creditors' meeting, such a decision is made by the administrator. The decision regarding completion of recovery is made not later than one month after that, when the term of implementation of the recovery plan stipulated thereof has expired. After implementation of the recovery plan, the administrator shall prepare a report concerning the process and results of recovery and submit it for review to the creditors' meeting and court. An administrator shall submit the decision on completion of recovery for approval to the court, by attaching the report regarding the process and results of the recovery.

By approving the decision on completion of the recovery, the court shall terminate the insolvency proceedings at the same time.

38 UNCITRAL Model Law

Is the adoption of the UNCITRAL Model Law on Cross-Border Insolvency under consideration in your country? If so, what is the present status of this consideration?

Adoption of the UNCITRAL Model Law on Cross-Border Insolvency is not under consideration in Latvia.

39 International cases

What recognition or relief is available concerning an insolvency proceeding in another country? How are foreign creditors dealt with in liquidations and reorganisations? Are foreign judgments or orders recognised and in what circumstances? Is your country a signatory to a treaty on international insolvency or on the recognition of foreign judgments?

The EU Regulation on Insolvency Proceedings, which came into force on 31 May 2002, is directly applicable to Latvia after 1 May 2004.

40 Cross-border insolvency protocols and joint court hearings

In cross-border cases, have the courts in your country entered into cross-border insolvency protocols or other arrangements to coordinate proceedings with courts in other countries? Have courts in your country communicated or held joint hearings with courts in other countries in cross-border cases? If so, with which other countries?

Since the EU Regulation on Insolvency Proceedings came into force, the Latvian courts have not yet entered into cross-border insolvency protocols or other arrangements to coordinate proceedings with courts in other countries.

41 Pending legislation

Is there any new or pending legislation affecting domestic bankruptcy procedures, international bankruptcy cooperation or recognition of foreign judgments and orders?

There is no new or pending legislation in Latvia affecting domestic bankruptcy procedures, international bankruptcy cooperation or recognition of foreign judgments and orders.



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QUICK REFERENCE TABLES

Latvia	Applicable bankruptcy law, reorganisations: liquidations
	<ul style="list-style-type: none"> • The Commercial Law • Law On Insolvency • Credit Institution Law • Law On Insurance Companies and Supervision Thereof • Law On Private Pension Funds
	Customary kinds of security devices on immoveables
	Mortgage.
	Customary kinds of security devices on moveables
	<ul style="list-style-type: none"> • Leasing agreements • Earnest money • Ownership transfer • Liens • Pledge • Commercial pledge
	Stays of proceedings in reorganisations/liquidations
	<p>Insolvency process can last for indeterminate period and there are no special prohibitions against it. Secured creditors may apply to the court and obtain relief for the restriction of rights regarding the secured property that is included in the reorganisation plan. Relief is not less than 6% in a year calculating from the secured claim.</p> <p>Unsecured creditors may not obtain relief.</p>
	Duties of the insolvency administrator
	<ul style="list-style-type: none"> • Accept, register and verify creditors' claims • Take all the debtor's property in his/her possession, • Recover debtors' debts and perform legal actions for retrieving other debtor's property
	Set-off and post-filing credit
	Set-off is possible if insolvency is solved by settlement between debtor and creditors. Debtor and administrator are not allowed to obtain loans or credit.
	Filing claims and appeals
	<p>Claims are submitted to the administrator.</p> <p>Appeals against administrator's decisions shall be considered in the court.</p>
	Priority claims
	<ul style="list-style-type: none"> • Insolvency process costs; • Employees claims according to special law; • Tax administration claims; • Other unsecured creditor claims that have special order that depends on the type of the debt and on the time when the claim is submitted
	Major kinds of voidable transactions
All kinds.	
Operating and financing during reorganisations	
In accordance with the plan agreed with creditors.	
Requirements for approval of reorganisations	
A debtor's reorganisation shall take place in accordance with requirements of the laws regulating a debtor's activity.	
Liabilities of directors and officers	
Civil (compensation for creditors' losses) and criminal.	
Pending legislation	
None.	

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