

1 Covid-19 impact on civil proceedings

1.1 Time limits in civil proceedings

Written civil procedure if it does not violate rights of parties and court finds it possible. Instead of postponing court hearings Latvia has switched to written court procedure unless it is absolutely necessary to hold a proper court hearing or there is high urgency to examine the case or there is high risk of grave infringement of rights.

Limitation periods (e.g. prescription) are suspended between 12/03 and 01/07.

Enforcement proceedings: the maximum term of voluntary fulfillment of obligations under the judgment concerning the returning of goods, recovery of debt, evictions from premises is prolonged from 10 days to 60 days except the cases when judgment should be enforced immediately.

Commercial pledge. Time limits for taking the decision on delivering the commercial pledge is prolonged from 30 days to 60 days.

1.2 Judicial organization and Judiciary

The Republic of Latvia has issued *Guidelines for the organization of the work of the district (city) and regional courts during the emergency*. Those guidelines recommend that in urgent cases, hearings in the event of an emergency shall, where possible, be organized by means of a video conference

If the hearing is organized in person, the necessary distance shall be provided between the persons at the hearing and other precautions shall be taken (rooms to be ventilated, etc.).

As of 12 May, 2020 courts may resume the court hearings in person, taking into account the requirements set by the Cabinet of Ministers regarding indoor gathering when reviewing cases.

1.3 EU Judicial Cooperation

In the event of emergency all the requests and attached documents are accepted sent electronically (via email) maintaining a moment of credibility. MLA requests are scanned and transformed to PDF form and forwarded to foreign countries from the official e-mail of the Ministry of Justice. The same is accepted from other countries.

Judicial cooperation is still ensured, for example the execution of requests for service of documents or videoconference hearings.

2 Insolvency related measures adopted or planned for adoption in member states after the outbreak of the pandemic

2.1 Substantive insolvency measures and related contracts affecting measure

2.1.1 Insolvency suspension

2.1.1.1 Suspension of duty to file for insolvency (debtors)

-

2.1.1.2 Protection of debtors about insolvency filing from creditors

Creditors are prohibited until 1 March 2021 from submitting an application for insolvency proceedings of a legal person, except in cases that are connected with the debtor's failure to comply with its legal protection proceedings (restructuring proceeding).

Until 30 June 2021 debtor is not obliged to submit an application for insolvency proceedings of a legal person, unless (1) insolvency has been established at the beginning or in the course of liquidation, (2) the debtor is unable to comply with the plan of legal protection proceedings or (3) the debtor has not paid full remuneration to the employee, compensation for damage due to an accident at work or occupational disease or has not performed mandatory social insurance contributions within two months from the day specified for payment of the wage.

2.1.2 Claim enforcement suspension and contract termination suspension

2.1.2.1 General / specific moratoria on claims enforcement / certain types of claims enforcement

The moratorium of debt recovery is not applicable for administrative decisions, which may already be executed on a compulsory basis from the time it comes into effect without waiting until it becomes indisputable. If an order regarding the pledging of funds due to the debtor is given in an enforcement case and the debtor has been found to have Covid-19 or the debtor has been subjected to quarantine, the sworn bailiff may, on the basis of a request from the debtor, cancel the order given to the credit institution or other payment service provider regarding the pledging of the money. After a sick leave certificate has been closed to the debtor, in such case the sworn bailiff shall continue to draw the recovery to the debtor's cash funds to the credit institution or to another payment service provider in preparing and sending to the credit institution or other payment service provider a new order regarding the pledging of the money, if it is determined by the circumstances of the specific enforcement case.

In enforcement cases regarding entry into the possession of immovable property and in cases regarding eviction of persons and property from premises in the notice specified in the Civil Procedure Law to the debtor regarding the obligation to execute a court ruling and release the premises bailiff shall determine a time period not less than 30 days. If, within the time period specified by the sworn bailiff, the premises are not released or the debtor has not arrived at the time specified in the possession, the sworn bailiff shall determine the date, not earlier than the thirtieth day from the date of transmission of the notification of the sworn bailiff.

2.1.2.2 Suspension of contract termination (general / specific contracts)

-

2.2 Civil, including insolvency courts suspension and procedural suspensions

Instead of postponing court hearings Latvia has switched to written court procedure unless it is absolutely necessary to hold a proper court hearing. The court decides on organization of the court hearing primarily by video-conference especially when participates legal person, as well as in cases when the case leads through a lawyer.

Also – as long as there are threats to the epidemiological safety in relation to the spread of COVID-19 infection applications for legal protection proceedings, insolvency proceedings of a legal person and insolvency proceedings of a natural person can be submitted electronically.

2.3 Other insolvency measures (those relating to avoidance actions, reorganization plans, informal agreements, and others if appropriate)

Until 30 June 2021 the **execution of a debt repayment plan** (part of an insolvency proceeding of a natural person) can be suspended; plans' implementation period is extended by the suspended period.

Creditor committee's meetings can be held remotely (still applies, however has been introduced in the Insolvency Law as a permanent provision).

Until 30 June 2021 the **time period for the implementation of a plan of Measures of Legal Protection Proceedings** can be set for up to four years (for new plans and those, that have not yet been extended), if the majority of creditors specified in the Insolvency Law agree. Until 30 June 2021 plans of Measures of Legal Protection Proceedings, that have already been extended once or initially been set for four years, can be extended by another year, if the majority of creditors specified in the Insolvency Law agree.

Also – restriction for creditors to file for insolvency will be taken into account, when deciding to satisfy **employee claims** ensured by the State.

2.4 Related non-insolvency measures (payment deferrals, bank loans, social security, health insurance, business subsidies)

The taxpayers to whom delay of the term for the payment of taxes has occurred due to the spread of COVID-19 has the right to apply to the State Revenue Service for tax deferral (for a period for up to three years) by 30 June 2021. The late payment charge is not calculated in this case.

Local governments have the right to determine other deadlines for the payment of the immovable property tax in 2020 and 2021 which are different from the deadlines determined in the law On Immovable Property Tax, postponing them to a later period within the scope of the respective taxation year. The local governments do not apply the late payment charges in this case.

Program for reduction of administrative and financial burden to companies due to slow refund of overpaid VAT, increasing companies available working capital.

Extension of real estate tax payment term (available in 2020, 2021)

Several aid programs are available for Covid-19 affected enterprises and their employees to ensure recovery and growth:

Grants for idle time for taxpayers to continue their activities in the context of the Covid-19 crisis (available till 30 June, 2021)

Grants for taxpayers to continue their operations in the context of the Covid-19 crisis (available till 30 June, 2021)

Grants to companies affected by the Covid-19 crisis to ensure the flow of working capital available till 30 June, 2021)

Guarantees for large companies affected by the proliferation of Covid-19 (available till 30 June, 2021)

Loans and their interest rate subsidies to businesses to promote competitiveness.

Microloans and start-up loans Program are provided for capital flow and investments for the SMEs (available till 31 December, 2023);

Guarantees for tourism operators is provided (available till 31 December, 2023);

Loans Holidays Guarantees (available till 30 June, 2021);

Working capital loans (available till 30 June, 2021);

Export credit guarantees (available till 30 June, 2021);

Capital fund for large companies (available till 30 June, 2021);

Support Program to Promote Employment in Covid-19 Crises Affected Exporting Companies (available till 31 November, 2020);

Support Program to Promote Employment in Covid-19 Crises Affected Tourism Sector Companies;

Support for operating costs for hotels (available till 18 December, 2020);

Downtime Allowance due to Covid19 Penetration and Government Restrictions ((available till 30 June, 2020);

Program for promoting international competitiveness and exports (available till 31 December, 2023);

Training to improve the skills of employees (available till 31 December, 2023).

Last update: 27/04/2023

The national language version of this page is maintained by the respective EJM contact point. The translations have been done by the European Commission service. Possible changes introduced in the original by the competent national authority may not be yet reflected in the translations. Neither the EJM nor the European Commission accept responsibility or liability whatsoever with regard to any information or data contained or referred to in this document. Please refer to the legal notice to see copyright rules for the Member State responsible for this page.