

Law on the Completion of Privatisation of State and Municipal Asset Units and the Use of Privatisation Vouchers

Part I

General Provisions

Article 1. Terms used in the Law

(1) The terms in the provisions herein regulating the privatisation of state or municipal asset units and the privatisation of land plots with buildings and vacant land plots owned by the state or municipality or land plots with buildings and vacant land plots the state or municipality is entitled to, have been used within the meaning of the Law on Privatisation of State and Municipal Asset Units.

(2) The terms in the provisions herein regulating the alienation of state or municipal asset units have been used within the meaning of the Law on Alienation of State and Municipal Asset Units.

(3) The terms in the provisions herein regulating the allotment of privatisation vouchers, transactions with privatisation vouchers, as well as the utilisation of privatisation vouchers, have been used within the meaning of the Law on Privatisation Vouchers.

(4) The terms in the provisions herein regulating the completion of urban and rural land reform have been used within the meaning of the Law on Urban Land Reform in the Republic of Latvia, the Law on Completion of Urban Land Reform, the Law on Rural Land Privatisation and the Law on Completion of Rural Land Reform.

Article 2. Purpose of the Law

The purpose of the present Law is to ensure the completion of privatisation of state or municipal asset units, as well as the completion of allotment and utilisation of privatisation vouchers in the privatisation, alienation and buy-out of state or municipal asset units.

Article 3. The scope of the application of the Law

(1) In the area of privatisation of state or municipal asset units, land plots with buildings and vacant land plots, the Law stipulates:

- 1) the date by which a person may file a privatisation proposal;
- 2) the procedure of privatisation proposal filing and registration;
- 3) the procedure in which the decision regarding the designation of state or municipal asset units, land plots with buildings and vacant land plots for privatisation shall be passed;
- 4) the procedure of privatisation of a land plot with buildings and a vacant land plot and the privatisation conditions;
- 5) the procedure in which a land plot with buildings shall be privatised, if following the receipt of the privatisation proposal the owner of the building (construction) has changed, a joint ownership of buildings (constructions) has been established or buildings (constructions) have been split into individual asset units;
- 6) the payment procedure;
- 7) the procedure in which the decision regarding the completion of privatisation shall be passed;
- 8) further action with state or municipal equity holdings and capital companies;
- 9) further action with state or municipal asset units, land plots with buildings and vacant land plots;

10) action with objects of national importance.

(2) In the area of alienation of a state or municipal land plot the Law stipulates:

1) the date by which a person may file an alienation proposal for the purpose of utilising property compensation vouchers as payment means for the land plot with buildings to be alienated;

2) the procedure of alienation proposal filing and registration;

3) the procedure in which the decision regarding the designation of a land plot with buildings for alienation shall be passed;

4) the procedure of alienation of a land plot with buildings and the alienation conditions;

5) the payment procedure;

6) action with vacant land plots.

(3) In the area of completion of land reform the Law stipulates:

1) the date by which a person may file a buy-out proposal for a rural land plot allocated for permanent use;

2) the procedure of establishing a register of urban and rural land buy-out;

3) further action with urban and rural land not entered in the respective register or urban and rural land entered in the register but not bought out.

(4) In the area of allotment and utilisation of privatisation vouchers the Law stipulates:

1) the procedure in which the allotment and discharge of privatisation vouchers shall be terminated;

2) the conditions of utilisation of privatisation vouchers.

Article 4. Legal regulation

(1) The state or municipal asset unit and the state or municipal land plot with buildings and a vacant land plot or a land plot with buildings and a vacant land plot the state or municipality is entitled to shall be designated for privatisation and privatised pursuant to the Law on Privatisation of State and Municipal Asset Units, unless stipulated otherwise herein.

(2) The state or municipal land plot with buildings shall be designated for alienation and alienated pursuant to the Law on Alienation of State and Municipal Asset Units, unless stipulated otherwise herein.

(3) The buy-out of urban and rural land allocated for utilisation shall take place in the procedure stipulated by the Law on Completion of Urban Land Reform, the Law on Urban Land Reform in the Republic of Latvia, the Law on Completion of Rural Land Reform and the Law on Rural Land Privatisation, unless stipulated otherwise herein.

(4) The allotment and utilisation of privatisation vouchers shall take place in the procedure stipulated by the Law on Privatisation Vouchers, unless stipulated otherwise herein.

Part II

Completion of Privatisation of State or Municipal Asset Units and Land Plots with Buildings and Vacant Land Plots

Article 5. Filing and registration of privatisation proposals

(1) A person shall be entitled to file, by 31 August 2006 (herein- the completion date), a privatisation proposal for the state or municipal asset unit in the procedure stipulated by Item One and Two of Article 12 or Item One and Two of Article 31 of the Law on Privatisation of State and

Municipal Asset Units and the privatisation proposal for a land plot with buildings and a vacant land plot owned by the state or municipality or a land plot with buildings and a vacant land plot the state or municipality is entitled to in the procedure stipulated by Article 65 of the Law on Privatisation of State and Municipal Asset Units.

(2) Pursuant to Item One of Article 65 of the Law on Privatisation of State and Municipal Asset Units, the following entities shall be entitled to file the privatisation proposal for a land plot with buildings:

1) a person whose title to buildings (constructions) located on this land plot has been registered with the Landbooks;

2) a person whose title to buildings (constructions) located on this land plot has not been registered with the Landbooks due to the restrictions stipulated in the laws but who has acquired title to these buildings (constructions) as a result of privatisation.

(3) All privatisation proposals for state or municipal asset units and land plots with buildings and vacant land plots shall be registered with the Privatisation Proposals Register (hereinafter - Privatisation Register).

(4) The Privatisation Register shall be established and maintained by institutions performing privatisation.

(5) Privatisation proposals shall be registered with the Privatisation Register in the sequence of filing thereof on the day these proposals have been received.

(6) Privatisation Register shall register also, in the sequence of filing thereof, all those privatisation proposals for state or municipal asset units and land plots with buildings and vacant land plots which have been received by the institution performing privatisation prior to the validity of the present Law and regarding the asset units or land plots mentioned therein of which no purchase agreement has been entered into.

(7) Municipalities, following the completion date, shall file with the Ministry of Economy, once a quarter, data regarding the received privatisation proposals for municipal asset units and land plots with buildings and vacant land plots, decisions regarding the designation of these asset units and land plots for privatisation, the sale price and the amount of privatisation vouchers to be used for payment.

(8) Data to be entered in the Privatisation Register shall be open to public, save those data which, pursuant to the Law on Protection of Data of Natural Entities, shall not be disclosed to a third person.

(9) Data to be entered in the Privatisation Register and the procedure of maintaining the Register shall be stipulated by the Cabinet of Ministers.

Article 6. Decision on designation of state or municipal asset unit or land plot for privatisation

(1) The State Joint Stock Company "Latvian Privatisation Agency" (hereinafter - Latvian Privatisation Agency) shall draft and file with the Ministry of Economy, within two months time from the day of receipt of privatisation proposal, the draft decree of the Cabinet of Ministers stipulated in Item Three of Article 12 and Item One of Article 66 of the Law on Privatisation of State and Municipal Asset Units regarding the designation for privatisation of a state asset unit, land plot with buildings mentioned in Item 2 of Item Two of Article 5 herein as well as a vacant land plot.

(2) The Cabinet of Ministers or the Municipal Council shall pass the decision mentioned in Item Four of Article 12, Item Three of Article 31 and Article 66 regarding the designation for

privatisation of a state or municipal asset unit, as well as a land plot with buildings and a vacant land plot or a substantiation regarding the rejection of a privatisation proposal, within four months from the day of receipt of privatisation proposal.

(3) The Cabinet of Ministers or Municipal Council, upon deciding on the designation for privatisation of a state or municipal asset unit, as well as a land plot with buildings and a vacant land plot, shall assess whether the respective asset unit or land plot is required for the performance of the state administrative functions or the state or municipal business activities pursuant to the State Administration Structure Law.

(4) The Cabinet of Ministers shall determine those state capital companies or equity holdings (shares) in the privatisation of which no privatisation vouchers shall be applied.

(5) Only the Cabinet of Ministers may pass the decision regarding the refusal to designate for privatisation a state asset unit, a land plot with buildings mentioned in Sub-item 2 of Item Two of Article 5 herein, as well as a vacant land plot. Objections by the ministry or another institution regarding the designation for privatisation of the particular state asset unit shall form no grounds for the Cabinet of Ministers not to review the substance of the privatisation proposal for a state asset. The decision regarding the refusal to designate the state asset unit, a land plot with buildings mentioned in Sub-item 2 of Item 2 of Article 5 herein, as well as a vacant land plot for privatisation shall stipulate for the performance of which state administrative functions or business activity the said asset unit or land plot is required.

(6) Only the Municipal Council may pass the decision on the refusal to designate a municipal asset unit, as well as a municipal land plot with buildings and a vacant land plot for privatisation. Objections by a municipal structural unit, committee or another institution regarding the designation of the particular municipal asset unit and municipal land plot with buildings and a vacant land plot for privatisation shall form no grounds for not reviewing the substance of the privatisation proposal. The decision regarding the refusal to designate the municipal asset unit, as well as a land plot with buildings and a vacant land plot for privatisation shall stipulate for the performance of which state administrative functions or business activity the said asset unit or land plot is required.

(7) Should the privatisation proposal be filed by the completion date and the privatisation subject, pursuant to Item One of Article 17 or Item One of Article 35 of the Law on Privatisation of State and Municipal Asset Units have the pre-emption rights, the Cabinet of Ministers or the Municipal Council shall not be entitled to designate the respective state or municipal asset unit for alienation pursuant to the Law on Alienation of State and Municipal Asset Units.

(8) The Cabinet of Ministers or Municipal Council shall be entitled, by 28 February 2007, to designate itself for privatisation a state or municipal asset unit, as well as such vacant land plot that is being privatised through the investment method (Item Two of Article 12 herein).

(9) The Cabinet of Ministers or Municipal Council shall not be entitled to designate for privatisation a land plot with buildings and a vacant land plot (Item One of Article 12 herein), regarding which no privatisation proposal has been received by the completion date.

Article 7. Decision on designating a land plot with buildings for privatisation

(1) The decision on designating a state owned land plot with buildings for privatisation, should the title of the owner of a building (construction) located on the given land plot be registered with the Landbooks, shall be passed by the Latvian Privatisation Agency no later than within two months from the day of receipt of the privatisation proposal and all documents required for privatisation certifying the person's pre-emption rights.

(2) The Latvian Privatisation Agency shall not designate for privatisation a land plot with buildings, regarding which the Cabinet of Ministers has passed the decision stating that the land plot shall be retained under state ownership as it is required for the performance of the state

administrative functions pursuant to the State Administration Structure Law. The Cabinet of Ministers decision shall stipulate for the performance of which state administrative functions the land plot is required.

(3) Following the receipt of the Latvian Privatisation Agency's decision on the commencement of privatisation of a land plot with buildings, the state institution, which governs the respective land plot, shall transfer it to the Latvian Privatisation Agency within the term and in the procedure stipulated by Article 67 of the Law on Privatisation of State and Municipal Asset Units.

(4) The decision regarding the designation of a land plot with buildings owned by municipality or a land plot with buildings the municipality is entitled to for privatisation shall be taken by the Municipal Council no later than within two months after the day the privatisation proposal and all documents necessary for privatisation certifying the pre-emption rights of a person have been received.

(5) The Cabinet of Ministers shall, in the procedure stipulated in Article 6 herein, pass a decision regarding:

1) designation of a land plot with buildings mentioned in Sub-item 2 of Item Two of Article 5 herein for privatisation;

2) designation of a land plot with buildings governed by a municipality to which the state is entitled to for privatisation.

Article 8. Price of a land plot with buildings

(1) The price for a land plot with buildings shall be set by institution performing privatisation and it shall be equal to the value of the particular land plot with buildings for the privatisation needs set by the State Land Service, save the case mentioned in Item Three of this Article.

(2) The State Land Service shall determine the value of a land plot with buildings for the privatisation needs pursuant to the Cabinet of Ministers regulations regarding the valuation of land plot for privatisation needs, taking into account the data registered in the State Real Estate Cadastre Register information system regarding the area, encumbrances of the land plot, the purchase price, the lease payment and other information related to the real estate market (which has been updated in line with the past 6 months accounting period) in the respective administrative territory, as well as the purpose of use of the land plot for privatisation.

(3) Should the value of the land plot with buildings for privatisation needs determined by the State Land Service be lower than the cadastral value of the land plot, the price for the land plot with buildings set by the institution performing privatisation shall be equal to the land plot cadastral value.

Article 9. Procedure of privatisation of a land plot with buildings

(1) Institution performing privatisation shall not draft privatisation regulations for a land plot with buildings, the title to the building (construction) located thereon of which has been registered with the Landbooks (Sub-item 1 of Item Two of Article 5).

(2) Institution performing privatisation shall deliver to the person having pre-emption rights to the land plot with buildings a privatisation announcement specifying:

1) address and cadastral number of the land plot;

2) total area of land plot;

3) land plot price;

4) payment means and the proportion thereof;

5) filed claims regarding the land plot in privatisation;

6) terms and conditions of payment of the land plot purchase price;

7) transferable rights and obligations;

8) documents and data to be filed with the institution performing privatisation for the purpose of concluding a land plot purchase agreement.

(3) In the privatisation announcement the institution performing privatisation shall require a person having pre-emption rights to perform the following in writing:

1) to respond whether it is willing to privatise the land plot in line with the mentioned conditions;

2) to indicate the preferable payment term for the land plot should the said person fail to indicate the payment term earlier.

(4) Should the person having pre-emption rights, within two months following the receipt of a privatisation announcement, fail to file with the institution performing privatisation a response to the matters indicated in Item Three of this Article, the institution performing privatisation shall develop a draft land plot purchase agreement regarding the credit sale in five years.

(5) No later than within two weeks after the person having pre-emption rights has confirmed its willingness to privatise the land plot or after the expiry of the term mentioned in Item Four of this Article, the institution performing privatisation shall propose the person having pre-emption rights to conclude a land plot purchase agreement, mailing this person, in a registered letter, a draft agreement or delivering it for signature.

(6) The person having pre-emption rights shall respond within a month time following the receipt of the draft purchase agreement, filing with the institution performing privatisation the required documents and data.

(7) Should the person be unable or fail to apply its pre-emption rights to the land plot with buildings, it shall have the right of lease to the same land plot to which it has the pre-emption rights, and this land plot shall not be privatised or alienated to other persons. The Cabinet of Ministers shall stipulate the procedure of calculation of the lease payment for a land plot with buildings. Upon setting the lease payment for the land plot with buildings, the value of land plot determined in the procedure stipulated by Article 8 herein shall be used as a basis for calculation.

Article 10. Privatisation of a land plot with buildings should, following the receipt of a privatisation proposal, the owner of a building (construction) be changed, a joint ownership of buildings (constructions) be established or the buildings (constructions) be split into independent asset units

(1) Should, following the receipt of a privatisation proposal for a land plot with buildings, the owner of a building (construction) located on the land plot be changed, the institution performing privatisation shall be entitled to pass the decision on designation of the land plot with buildings for privatisation only if the new owner of the building (construction) files a request to proceed with the privatisation of the land plot with buildings.

(2) Should, following the receipt of the privatisation proposal for a land plot with buildings the building (construction) located on the land plot become a joint property, the undivided share of the joint property the owner is entitled to shall be privatised if the joint property owner files a request to proceed with the privatisation of the land plot. The decision on the continuation of privatisation of the land plot corresponding the undivided share of building (construction) owned by the joint property owner shall be passed by the institution performing privatisation.

(3) Should following the receipt of the privatisation proposal for a land plot with buildings, the buildings (constructions) be split into independent asset units, the institution performing

privatisation shall pass the decision on splitting the land plot into independent asset units, if it is possible to split the given land plot.

(4) In the event mentioned in Item Three of this Article, the persons requesting the splitting of the land plot shall cover the land plot splitting costs proportionally to the area of the split land plot. The persons requesting the splitting of the land plot shall be held jointly and severally liable for the settlement of costs, which have arisen as a result of the land plot splitting.

(5) Institution performing privatisation may pass a decision regarding the privatisation of the newly established land plot mentioned in Item Three of this Article only if:

1) the owner of the building (construction) which is located on the newly established land plot files a request to proceed with the privatisation of the land plot to which the said owner has pre-emption rights;

2) the land plot splitting costs mentioned in Item Four of this Article have been covered.

Article 11. Investing a land plot with buildings in the share capital of a capital company during the privatisation process

(1) A land plot with buildings may only be invested in the share capital of a capital company, which owns the buildings (constructions) located thereon.

(2) Decision on investing a state land plot with buildings in the capital company share capital shall be passed by the Cabinet of Ministers.

(3) Decision on investing a municipal land plot with buildings in the capital company share capital shall be passed by the respective Municipal Council.

Article 12. Privatisation conditions for vacant land plots

(1) Should a vacant land plot be privatised with the sales method, the privatisation means - sale in an auction shall be applied, avoiding the bidder selection, and the initial auction price of the land plot shall be its common value (pursuant to Article 871 of the Civil Law), which shall be set by a certified real estate valuation expert.

(2) Should a vacant land plot be privatised with the investment method, this land plot shall be invested in the share capital of the capital company for its usual value pursuant to Item Three of Article 154 of the Commercial Law.

(3) Decision on investing a vacant land plot in the capital company share capital shall be passed by the Cabinet of Ministers.

(4) Decision on investing a vacant municipal land plot in the capital company share capital shall be passed by the respective Municipal Council.

Article 13. Payment for the state or municipal asset unit, a land plot with buildings and a vacant land plot

(1) The maximum term for settlement for a state or municipal asset unit, as well as a land plot with buildings and a vacant land plot shall be five years from the day of signing the purchase agreement.

(2) Upon concluding the purchase agreement, wherein the deferred (credit) payment has been applied, the payment for the deferred payment shall be 12 per cent per annum out of the outstanding share of privatisation vouchers and Lats, performing the payment in Lats.

Article 14. Decision on termination of privatisation

(1) The Cabinet of Ministers, following the proposal of the Minister of Economy, may pass a decision on the termination of privatisation of a state asset unit, as well as a land plot with buildings (Sub-item 2 of Item Two of Article 5 herein) and a vacant land plot, if:

1) the privatisation regulations for the state asset unit have been approved twice and no bidder has applied to privatise the given asset unit and nobody has been approved the purchaser;

2) the state vacant land plot auction has been announced twice and no bidder has applied to purchase the given land plot or nobody has been approved the purchaser;

3) the approved purchaser of the state asset unit, as well as the purchaser of the land plot with buildings mentioned in Sub-item 2 of Item Two of Article 5 herein or a vacant land plot, has failed to conclude a purchase agreement within two months after the receipt of an invitation to do so or within the extended term for the conclusion of the purchase agreement.

(2) The Municipal Council may pass a decision on the termination of privatisation of the municipal asset unit, as well as the land plot with buildings and a vacant land plot if:

1) the municipal asset unit privatisation project has been approved twice and no bidder has applied to privatise the said asset unit or nobody has been approved the purchaser;

2) the auction of the municipal vacant land plot has been announced twice and no bidder has applied to purchase this land plot or nobody has been approved the purchaser;

3) the approved purchaser of the municipal asset unit, as well as the purchaser of the land plot with buildings or a vacant land plot, has failed to conclude a purchase agreement within two months after the receipt of an invitation to do so or within the extended term for the conclusion of the purchase agreement.

(3) The Latvian Privatisation Agency may pass a decision on the termination of privatisation of a land plot with buildings (Sub-item 1 of Item Two of Article 5 herein), if the person having pre-emption right to the said land plot, has failed to conclude a purchase agreement within two months after the receipt of an invitation to do so or within the extended term for the conclusion of the purchase agreement.

Article 15. Further Action with state or municipal equity holdings or capital companies

(1) The state or municipal equity holdings regarding which no privatisation proposal has been received by the completion date or which have not been designated for privatisation by the Cabinet of Ministers or the Municipal Council pursuant to Item Eight of Article 6 herein, may be alienated henceforth in the procedure stipulated by the Law on State and Municipal Equity Holdings and Capital Companies.

(2) The state or municipal capital companies regarding which no privatisation proposal has been received by the completion date or which have not been designated for privatisation by the Cabinet of Ministers or the Municipal Council pursuant to Item Eight of Article 6 herein, may become fully private capital companies or capital private companies with a state or municipal equity holding only in the procedure stipulated by the Law on State and Municipal Equity Holdings and Companies.

(3) The state or municipal equity holdings and capital companies regarding which a privatisation proposal has been received by the completion date, however the Cabinet of Ministers or the Municipal Council, pursuant to Item Three of Article 6 herein, has passed an informed decision regarding the rejection of the privatisation proposal, shall not be privatised henceforth pursuant to the Law on Privatisation of State and Municipal Asset Units, however these may be alienated in the procedure stipulated by the Law on State and Municipal Equity Holdings and Capital Companies.

Article 16. Further action with other state or municipal asset units, land plots with buildings and vacant land plots

(1) The state or municipal asset units, save those mentioned in Article 15 herein, as well as land plots with buildings and vacant land plots regarding which a privatisation proposal has been received by the completion date, however the Cabinet of Ministers or the Municipal Council, pursuant to Item Three of Article 6 herein, has passed a justified decision on rejection of the privatisation proposal, shall not be privatised henceforth pursuant to the Law on Privatisation of State and Municipal Asset Units, however these may be designated for alienation pursuant to the Law on Alienation of State and Municipal Asset Units no earlier than three years after the decision on rejecting the privatisation proposal has been passed.

(2) The state or municipal asset units, save those mentioned in Article 15 herein, as well as land plots with buildings and vacant land plots regarding which no privatisation proposal has been received by the completion date or following the completion date, pursuant to Article 14 herein, the privatisation has been terminated, or which have not been designated for privatisation by the Cabinet of Ministers or the Municipal Council pursuant to Item Eight of Article 6 herein, may be alienated henceforth in the procedure stipulated by the Law on Alienation of State and Municipal Asset Units.

Article 17. Action with asset units of national importance

(1) The State Joint Stock Company "Latvenergo", the State Joint Stock Company "Latvijas pasts", the State Joint Stock Company "International Airport "Rīga"", the State Joint Stock Company "Latvijas dzelzceļš", the State Joint Stock Company "Latvijas gaisa satiksme" and the State Joint Stock Company "Latvijas valsts meži" and the shares of these companies must not be privatised or alienated.

(2) Should a state joint stock company mentioned in Item One of this Article own 100% equity holdings in another capital company, the decision that the state joint stock company mentioned in Item One of this Article will cease to own 100% equity holdings in another capital company shall be passed by the Cabinet of Ministers.

(3) The decision on the termination of the decisive influence (under the Group of Companies Law) of the state joint stock company mentioned in Item One of this Article in other companies shall be passed by the Cabinet of Ministers.

Part III

Termination of utilisation of property compensation vouchers as payment means in the alienation of land plots with buildings and action with vacant land plots

Article 18. Filing and registration of the alienation proposal for a land plot with buildings

(1) The alienation proposal for the state or municipal land plot, the title to building (construction) located thereon owned by another person of which has been registered with the Landbooks, pursuant to Article 28 of the Law on Urban Land Reform in the Republic of Latvia and Item Four of Article 4 of the Law on Alienation of State and Municipal Asset Units, shall be filed with the State Joint Stock Company "Valsts nekustamie īpašumi" and municipality (hereinafter - institution performing alienation) by the owner of the building (construction) which is located on this land plot (hereinafter - land plot with buildings to be alienated).

(2) The alienation proposal filed by the completion date shall be registered by the institution performing alienation in the alienation proposals register of this institution (hereinafter -- Alienation Register).

(3) The alienation proposals, in the sequence of filing thereof with the Alienation Register, shall be registered on the day of receipt of these proposals.

(4) The Alienation Register, in the sequence of proposal filing, shall also register alienation proposals for all those state or municipal land plots with buildings which have been received by the institution performing alienation prior to the validity date of this Law and regarding the land plots mentioned therein no purchase agreement has been entered into.

(5) Municipalities, following the completion date, shall file with the Ministry of Economy, once a quarter, data about municipal land plots with buildings to be alienated, the received alienation proposals, decisions regarding the designation of these land plots for alienation, the sale price and the amount of property compensation vouchers to be used for payment.

(6) Data to be entered in the Alienation Register shall be open to public, save those data which, pursuant to the Law on Protection of Data of Natural Entities shall not be disclosed to a third person.

(7) Data to be entered in the Alienation Register and the procedure of maintaining the Register shall be stipulated by the Cabinet of Ministers.

Article 19. Decision on designating a land plot with buildings for alienation

(1) The decision on designating the state land plot with buildings for alienation shall be passed by the State Joint Stock Company "Valsts nekustamie īpašumi" no later than within two months after the receipt of the alienation proposal and all documents necessary for alienation certifying the person's pre-emption rights, or no later than within two months from the day the land plot to be alienated has been registered with the Landbooks on behalf of the State.

(2) The State Joint Stock Company "Valsts nekustamie īpašumi" must not designate for alienation a land plot with buildings regarding which the Cabinet of Ministers has passed the decision stating that the land plot shall be retained under state ownership as it is required for the performance of the state administrative functions pursuant to the State Administration Structure Law. The Cabinet of Ministers decision shall stipulate for the performance of which state administrative functions the land plot is required.

(3) The decision on the designation of municipal land plot for alienation shall be passed by the Municipal Council no later than within two months after the receipt of the alienation proposal and all documents necessary for alienation certifying the person's pre-emption rights, or no later than within two months from the day the land plot to be alienated has been registered with the Landbooks on behalf of the Municipality.

(4) The Municipal Council must not designate for alienation a land plot with buildings regarding which it has passed the decision stating that the land plot shall be retained under municipal ownership as it is required for the performance of the state administrative functions pursuant to the State Administration Structure Law. The Municipal Council decision shall stipulate for the performance of which state administrative functions the land plot is required.

Article 20. Basic terms of alienation of a land plot with buildings

(1) A land plot with buildings shall be sold for the price, which has been set pursuant to Article 8 herein.

(2) Institution performing alienation shall not draft the alienation regulations for a land plot with buildings.

(3) Institution performing alienation shall mail to the person having the pre-emption rights to the land plot with buildings an alienation announcement specifying therein:

- 1) address and cadastral number of the land plot;
- 2) total area of land plot;
- 3) land plot price;

- 4) payment means and the proportion thereof;
- 5) filed claims regarding the land plot in alienation;
- 6) conditions of payment of the land plot purchase price;
- 7) transferable rights and obligations;
- 8) documents and data to be filed with the institution performing alienation for the purpose of concluding a land plot purchase agreement.

(4) Institution performing alienation shall require in the alienation announcement the person having pre-emption rights to perform the following in writing:

- 1) to respond whether it is willing to purchase the land plot in line with the mentioned conditions;

- 2) to indicate the preferable payment term for the land plot.

(5) Should the person having pre-emption rights, within two months following the receipt of the alienation announcement, fail to file with the institution performing alienation a response to the matters indicated in Item Four of this Article, the institution performing alienation shall develop a draft land plot purchase agreement regarding the credit sale in five years

(6) No later than within two weeks after the person having pre-emption rights has confirmed its willingness to purchase the land plot or after the expiry of the term mentioned in Item Five of this Article, the institution performing alienation shall propose the person having pre-emption rights to conclude a land plot purchase agreement, mailing this person, in a registered letter, a draft agreement or delivering it for signature.

(7) Person having pre-emption rights shall respond within a month time following the receipt of the draft purchase agreement, filing with the institution performing alienation the required documents and data.

(8) Upon concluding the purchase agreement for the land plot to be alienated, wherein the deferred (credit payment) has been applied, the payment for the deferred payment shall be 12 per cent per annum out of the outstanding share of property compensation vouchers and Lats, performing the payment in Lats

(9) Should the person be unable or fail to apply its pre-emption rights to the land plot with buildings, it shall have the right of lease to the same land plot to which it has the pre-emption rights, and this land plot shall not be alienated to other persons. The Cabinet of Ministers shall stipulate the procedure of the lease payment calculation for a land plot with buildings. Upon determining the lease payment for the land plot, the value of a land plot determined in the procedure stipulated by Article 8 herein shall be used as a basis for calculation.

(10) Institution performing alienation shall pass the decision stating that the alienation of the land plot with buildings has been terminated applying property compensation vouchers as the payment mean and that a further alienation may take place in the procedure stipulated by the Law on Alienation of State and Municipal Asset Units in cases if:

- 1) a person having pre-emption rights has responded, following the receipt of the alienation announcement, that it is not willing to acquire into ownership the respective state or municipal land plot on which the buildings (constructions) owned by it are located based on the offered conditions;

- 2) a person having pre-emption rights has failed to conclude a purchase agreement within two months after the receipt of an invitation to do so or within the extended term for the conclusion of the purchase agreement.

Article 21. Investing the land plot with buildings in the share capital of a capital company during the alienation process

(1) A land plot with buildings may only be invested in the share capital of a capital company, which owns the buildings (constructions) located thereon.

(2) Decision on investing a state land plot with buildings in the capital company share capital shall be passed by the Cabinet of Ministers.

(3) Decision on investing a municipal land plot with buildings in the capital company share capital shall be passed by the respective Municipal Council.

Article 22. Action with vacant land plots

(1) The state or municipal vacant land plots may be alienated in the procedure stipulated by the Law on Alienation of State and Municipal Asset Units or leased with the right to build in line with the provisions of this Article.

(2) Decision on leasing a state or municipal vacant land plot with the right to build shall be passed by the Cabinet of Ministers or Municipal Council respectively. Should a state or municipal vacant land plot with the right to build be leased, the owner of the building (construction) shall not be entitled to require the designation of the respective land plot for privatisation or alienation. The lease agreement for the land plot shall have the validity date of no more than 12 years.

(3) A vacant land plot with the right to build may be leased out by the municipality only if the title of the municipality to the respective land plot has been registered with the Landbooks.

(4) The procedure of calculation of lease payment for a state or municipal vacant land plot (without the right to build or with the right to build) shall be regulated by the regulations of the Cabinet of Ministers.

Part IV

Procedure of the rural and urban land buy-out, registers and action with land not bought out

Article 23. Procedure of rural land buy-out and the Register

(1) Permanent users of rural land shall file with the regional department of the State Land Service, until the completion date, the land buy-out requests. The regional department of the State Land Service shall examine the right of the applicant to acquire ownership to the land and shall notify him, within two weeks, of the right to buy-out the land or of the rejection to acquire ownership to the land. Should the applicant to the land be entitled to buy-out the land, the State Land Service shall include this land buy-out request in the established Rural Land Buy-Out Register. Land applicants registered with this Register shall file with the respective regional department of the State Land Service, by 1 September 2008, a land border plan registered with the State Real Estate Cadastre Register or, in the procedure stipulated by the Cabinet of Ministers, a confirmation regarding the payment for the land buy-out in privatisation vouchers prior to the conclusion of the land buy-out agreement (Article 32).

(2) Data to be entered in the Rural Land Buy-Out Register shall be open to public, save those data which, pursuant to the Law on Protection of Data of Natural Entities shall not be disclosed to a third person.

(3) Data to be entered in the Rural Land Register and the procedure of maintaining the Register shall be stipulated by the Cabinet of Ministers.

Article 24. Procedure of urban land buy-out and the Register

(1) Municipality, by the completion date, shall establish an Urban Land Buy-Out Register, wherein it shall incorporate all opinions regarding the right to acquire ownership to the land for charge issued by the urban land commission. The Urban Land Buy-Out Register shall not incorporate land commission opinions regarding the land, which has already been acquired into ownership for charge. Owners of an apartment house or users of orchards to whom the land has been allocated for the arrangement of an orchard with the right to build (based on the urban land commission opinion regarding the right to acquire the land into ownership for charge) registered with the Urban Land Buy-out Register shall file with the regional department of the State Land Service, by 1 September 2008, a land border plan registered with the State Real Estate Cadastre Register or, in the procedure stipulated by the Cabinet of Ministers, a confirmation regarding the payment for the land buy-out in privatisation vouchers prior to the conclusion of the land buy-out agreement (Article 32).

(2) Data to be entered in the Urban Land Buy-Out Register shall be open to public, save those data which, pursuant to the Law on Protection of Data of Natural Entities shall not be disclosed to a third person.

(3) Data to be entered in the Urban Land Buy-Out Register and the procedure of maintaining the Register shall be stipulated by the Cabinet of Ministers.

Article 25. Action with rural land not bought out

(1) Legal entities who have been allocated land for permanent use or natural entities who have been allocated land for permanent use with the conveyance of the right to use to other entities, the right of permanent use of land ceases, if:

1) the permanent user of land has failed to file, by the completion date, the land buy-out request or it has not been included in the Rural Land Buy-Out Register;

2) the land applicant has failed to file with the respective regional department of the State Land Service, by 1 September 2008, a land border plan registered with the State Real Estate Cadastre Register or, in the procedure stipulated by the Cabinet of Ministers, a confirmation regarding the payment for the land buy-out in privatisation vouchers prior to the conclusion of the land buy-out agreement (Article 32).

(2) The permanent user of land, whose right of permanent use of land terminates in cases stipulated by Item One of this Article, shall acquire the land lease pre-emptive right to the land formerly used by him which is under the state or municipal ownership, but in the event the state or municipal title has not been registered with the Landbooks- under the legal governance of the respective state institution or municipality. The land lease agreement shall have the validity period of no less than 10 years, unless the lease holder is willing to conclude the lease agreement for a shorter period. The land lease agreement shall be extended for the forthcoming period should the lease holder have the willingness to do so. The lease holder of land shall be entitled to register the land lease agreement with the Landbooks.

(3) If the permanent user of land does not have the willingness to enter into the land lease agreement for the entirety of the land plot formerly used by him or a share of this land plot, the land plot owner shall have the right to lease this land plot or alienate it in line with the provisions of Article 22 herein, except:

1) if the former owner of the land plot or his heir who has not received compensation for this land or equivalent land plot in another location, who has applied within the term stipulated by the Law, and who has, by the completion date, expressed in writing that it is claiming the restitution of its title to the respective land;

2) the provisions in Item Four of this Article.

(4) A land lease agreement shall be entered into regarding the land which is necessary to the land user for the maintenance of buildings (constructions) owned by him, and the owner of buildings (constructions) can alienate it henceforth in the procedure stipulated by the Law on Alienation of State and Municipal Asset Units, but it shall not be alienated or leased to another person.

(5) The lease payment for the land shall be payable from the day the user of the land plot has acquired the land lease pre-emptive right.

(6) The land user shall pay the lease payment for all land allocated for the utilisation, if, by the date of termination of the right of the land permanent use:

1) he has not entered into land lease agreement regarding the right of lease to a share of land formerly used by him;

2) he has not refused, in writing, the right of the land use.

(7) The Cabinet of Ministers shall approve a standard lease agreement for rural land and stipulate the procedure of conclusion of land lease agreement, the material provisions of the agreement and the procedure for the lease payment calculation, taking the cadastral value of the rural land plot as the basis.

Article 26. Action with urban land not bought out

(1) The right of land use of owners of an apartment house or users of orchards who have been allocated land with the right to build, terminates if:

1) the opinion of the urban land commission regarding the right of the respective land user to acquire the land in ownership for charge has not been included in the Urban Land Buy-Out Register;

2) the owner of an apartment house or user of an orchard who has been allocated land with the right to build has failed to file with the respective regional department of the State Land Service, by 1 September 2008, a land border plan registered with the State Real Estate Cadastre Register or, in the procedure stipulated by the Cabinet of Ministers, a confirmation regarding payment for the land buy-out in privatisation vouchers prior to the conclusion of the land buy-out agreement (Article 32).

(2) The user of land, whose right of the land use terminates in cases stipulated by Item One of this Article, shall acquire the right of lease to the land formerly used by him which is under the state or municipal ownership, but in the event the state or municipal title is not registered with the Landbooks- under the legal governance of the respective state institution or municipality. A land lease agreement shall be entered into regarding this land, and the owner of an apartment house or the user of an orchard who has been allocated land with the right to build may henceforth alienate it in the procedure stipulated by the Law on Alienation of State and Municipal Asset Units but shall not be alienated or leased to another entity. The lease holder of land shall be entitled to register the land lease agreement with the Landbooks.

(3) The payment for the land lease shall be payable from the day the land user has acquired the right to the land lease.

(4) The Cabinet of Ministers shall approve the standard lease agreement for an urban land and stipulate the procedure of conclusion of the land lease agreement, the material provisions of the agreement and the procedure for the lease payment calculation, taking the procedure for determining the value for the land in Article 8 herein as the basis.

Part V

Procedure in which the allotment and discharge of privatisation vouchers shall be ceased

Article 27. Ceasing the allotment of privatisation vouchers

(1) A person may file application regarding the allotment of privatisation vouchers pursuant to the Law on Privatisation Vouchers, as well as the respective documents certifying the title and hereditary right with the respective state or municipal institutions by 28 April 2006, save those persons who have acquired the status of a politically repressed person after this date.

(2) The term mentioned in Item One of this Article does not refer to the allotment of privatisation vouchers for the period resided in Latvia and activities, whose term pursuant to other laws has lapsed prior to 28 April 2006.

(3) The state or municipal institutions shall review all applications regarding the allotment of privatisation vouchers pursuant to the Law on Privatisation Vouchers and pass the respective decisions within two months but no later than by 30 June 2006.

(4) A person may, pursuant to Article 9¹ of the Law On Restitution of Title to Companies and Other Asset Units, file with the court a claim, by 28 February 2006, regarding the compensation, unless the claim has lapsed as stipulated by the Civil Law.

(5) The privatisation vouchers allotted by 30 September 2005 shall be transferred to the privatisation vouchers account in the procedure stipulated by the Law on Privatisation Vouchers, if the documents necessary for opening the account or transfer of additionally allotted privatisation vouchers have been filed with the respective credit institution by 31 March 2006. Privatisation vouchers allotted after 30 September 2005 shall be transferred to the privatisation vouchers account, if the recipient of these vouchers, within six months after the decision on the allotment of privatisation vouchers, has filed with the respective credit institution documents necessary for opening the account or transfer of additionally allotted privatisation vouchers.

Article 28. Discharge of privatisation vouchers receiving the payment in cash

(1) The right to discharge privatisation vouchers in cases stipulated by laws, receiving their value in cash shall lapse if:

1) the person has acquired the right to discharge privatisation vouchers by 30 September 2005, but has failed to perform the activities with privatisation vouchers stipulated by the Cabinet of Ministers regulations and has failed to notify of the bank account where the money shall be transferred;

2) the person has acquired the right to discharge privatisation vouchers after 30 September 2005, but thereafter, within 12 months time, has failed to perform the activities with privatisation vouchers stipulated by the Cabinet of Ministers regulations and has failed to notify of the bank account where the money shall be transferred.

(2) Item One of this Article shall not be applicable in the performance of the Law On Restoring the Compensation Payment to Persons who have been Deported without Administrative Justification and the Discharge of Property Compensation Vouchers Allotted to these Persons, as well as with respect to the politically repressed persons mentioned in Article 12 of the Law On Rural Land Privatisation.

Article 29. Ceasing the back- transfer of privatisation vouchers

After the decision regarding the completion of privatisation of the state or municipal asset unit has been passed, the institution performing privatisation shall not be entitled to perform activities as a result of which the privatisation vouchers are transferred back to the owner of the state or

municipal asset unit. In case of alienation, the property compensation vouchers shall not be transferred back after the performance of obligations stipulated in the purchase agreement.

Part VI

Conditions of utilisation of privatisation vouchers

Article 30. Share of payment in property compensation vouchers for the land plot in privatisation

(1) Upon privatising the state or municipal separate land plot with buildings or a separate land plot with buildings the state or municipality is entitled to or land forming a part of the real estate, the privatisation proposal with respect to which has been filed and registered in the stipulated procedure with the institution undertaking privatisation by 31 December 2003, the share of payment to be settled in property compensation vouchers shall be no less than 80 per cent, whereas for a land plot located in a particularly protected territories - no less than 90 percent of the land plot sale price.

(2) Upon privatising the state or municipal separate land plot with buildings or separate land plot with buildings the state or municipality is entitled, the privatisation proposal with respect to which has been filed and registered in the stipulated procedure with the institution undertaking privatisation from 1 January 2004 until the completion date, the share of payment to be settled in property compensation vouchers out of the land plot sale price shall be as follows:

- 1) in Riga and Jurmala - 40 per cent;
- 2) in Daugavpils, Liepaja, Jelgava, Rezekne, Ventspils and Riga regional towns - 50 per cent;
- 3) in other towns and rural areas- 80 per cent.

(3) The land plot purchaser shall be entitled to settle the share to be paid in property compensation vouchers in Lats, whereas in cases stipulated by Item Seven and Eight of Article 31 of the Law on Urban Land Reform in the Republic of Latvia and Item Six of Article 63 of the Law on Privatisation of State and Municipal Asset Units - to settle the share payable in Lats in property compensation vouchers.

Article 31. Share to be paid in property compensation vouchers for the land plot to be alienated

(1) Upon alienating the state or municipal land plot with buildings or land forming a part of the real estate, the alienation proposal with respect to which has been filed and registered in the stipulated procedure with the institution undertaking alienation by 31 December 2003, the share of payment to be settled in property compensation vouchers shall be 80 per cent of the land plot sale price.

(2) Upon alienating the state or municipal land plot with buildings, the alienation proposal with respect to which has been filed and registered in the stipulated procedure with the institution undertaking alienation from 1 January 2004 until the completion date, the share of payment to be settled in property compensation vouchers out of the land plot sale price shall be as follows:

- 1) in Riga and Jurmala - 40 per cent;
- 2) in Daugavpils, Liepaja, Jelgava, Rezekne, Ventspils and Riga regional towns - 50 per cent;
- 3) in other towns and rural areas- 80 per cent.

(3) The land plot purchaser shall be entitled to settle the share to be paid in property compensation vouchers in Lats, whereas in cases stipulated by Item Seven and Eight of Article 31 of the Law on Urban Land Reform in the Republic of Latvia - to settle the share payable in Lats in property compensation vouchers.

Article 32. Payment for land subject to buy-out

(1) A person who, pursuant to this Law, the Law on Rural Land Privatisation, the Law on Completion of Rural Land Reform, the Law on Urban Land Reform in the Republic of Latvia and the Law on Completion of Urban Land Reform, shall be entitled to acquire land in ownership, shall be entitled to use privatisation vouchers as payment mean in the procedure stipulated in the present Law and the laws on land reform.

(2) The person mentioned in Item One of this Article, upon buying-out a rural land or urban land, shall be entitled, prior to the conclusion of the land plot buy-out agreement, to perform an advance payment in privatisation vouchers in line with the cadastral value of land (hereinafter - advance payment).

(3) Should on the day the decision regarding the transfer of land under ownership for charge has been passed, the cadastral value of the land plot for which an advance payment has been made, has changed in the procedure stipulated in the legislative documents regulating mass cadastral valuation of land and the newly set cadastral value of the land plot is less than the cadastral value for which an advance payment has been made, the value difference in privatisation vouchers shall be transferred back.

(4) Should on the day the decision regarding the transfer of land under ownership for charge has been passed, the cadastral value of the land plot for which an advance payment has been made, has changed in the procedure stipulated in the legislative documents regulating mass cadastral valuation and the newly set cadastral value of the land plot is larger than the cadastral value for which an advance payment has been made, the value difference in privatisation vouchers or cash shall be paid to the person.

(5) Following the request in writing by a person having the buy-out right the respective city (district) council issues a note regarding the urban land or the State Land Service issues a note regarding the rural land indicating:

- 1) data regarding the land plot with respect to which the person has the buy-out right;
- 2) the land plot cadastral value;
- 3) account number to which the privatisation vouchers shall be transferred.

(6) Upon making an advance payment, the privatisation vouchers' transfer order shall include an indication of an advance payment.

(7) The procedure of advance payment shall be stipulated by the Cabinet of Ministers.

Article 33. Opening the privatisation vouchers account

Should the privatisation proposal for a land plot with buildings be registered with the Privatisation Register or the alienation proposal- the Alienation Register, or the buy-out request of land allotted for permanent use -the Rural Land Buy-Out Register, or the urban land commission opinion regarding the right to acquire the land into ownership for charge -the Urban Land Buy-Out Register, the land purchaser who has not been allotted privatisation vouchers shall have the right, in the procedure stipulated by the Cabinet of Ministers, to open the privatisation vouchers account.

Article 34. Privatisation vouchers as payment means instead of property compensation vouchers

(1) For the purpose of facilitating the utilisation of privatisation vouchers as payment means in the privatisation of state or municipal asset units, the alienation and the realisation of the land reform, pursuant to the legislative documents and the concluded purchase agreements, the person shall have the rights to perform the payments to be made in the property compensation vouchers for

land, except for land in Riga and Jurmala, in the privatisation vouchers in cases and in the procedure stipulated in this Article.

(2) Should the amount of the unutilised property compensation vouchers for the period exceeding three consecutive months be less than 3 per cent of the total number of the allotted property compensation vouchers, the Cabinet of Ministers shall pass the decision stipulating the date by when the person acquires the right to use privatisation vouchers as payment means instead of the property compensation vouchers.

(3) The Cabinet of Ministers, once a quarter, shall stipulate the proportion in which privatisation vouchers can be used as payment means instead of property compensation vouchers and the time period when payments can be performed in line with this proportion. The proportion in which privatisation vouchers can be used as payment means instead of the property compensation vouchers shall be stipulated in line with the ratio of the average price of property compensation vouchers and privatisation vouchers for the last 12 months which has been determined pursuant to data provided by licensed intermediation companies regarding the sale of privatisation vouchers, including property compensation vouchers, save the sale to another intermediation company.

(4) Upon performing a transaction wherein privatisation vouchers are used as payment means instead of property compensation vouchers, the payment order shall indicate the number of property compensation vouchers for which the privatisation vouchers are being transferred.

Transition Regulations

1. Provisions of Article 8 herein regarding the procedure of setting the price and provisions of Item Two of Article 13 herein regarding the application of an interest in the event of a deferred (credit) payment shall not be applicable if:

1) the privatisation regulations for a state asset unit, by the validity date of the present Law, have been delivered to a person having pre-emption right and this person, within the term stipulated by the privatisation regulations, files with the Latvian Privatisation Agency a confirmation that it agrees to privatise the state asset unit pursuant to these privatisation regulations;

2) the announcement regarding the approval of the privatisation regulations for the state asset unit, until the validity date of this Law, has been published in the procedure stipulated by the law and the privatisation subject, within the term stipulated by the privatisation regulations, files with the Latvian Privatisation Agency a confirmation that it is willing to privatise the asset unit pursuant to these privatisation regulations;

3) proposal to enter into the purchase agreement for the municipal asset unit in privatisation has been delivered to the person having a pre-emption right, by the validity date of this Law, and this person files, within the term stipulated by the law, with the municipality a confirmation that it agrees to enter into this agreement based on the conditions that are provided for in the approved municipal asset unit privatisation project;

4) by the validity date of this law and in the procedure stipulated by the law an announcement regarding the approval of the municipal asset unit privatisation project has been published;

5) by the validity date of this law and in the procedure stipulated by the law an announcement regarding the approval of the privatisation regulations for the state or municipal vacant land plot has been published and the privatisation subject, within the term stipulated in this announcement, files with the Latvian Privatisation Agency or municipality a confirmation that it is willing to privatise the land plot pursuant to these privatisation regulations;

6) the privatisation regulations for the state or municipal land plot with buildings in privatisation, by the validity date of this law, have been delivered to a person having pre-emption right and this

person, within the term stipulated in the law, files with the Latvian Privatisation Agency or municipality documents and data required in the privatisation regulations.

2. Provisions of Article 8 herein regarding the procedure of price setting and provisions of Item Eight of Article 20 regarding the application of an interest in the event of a deferred (credit) payment shall not be applicable if the alienation regulations for a land plot with buildings, by the validity date of this law, have been delivered to a person having pre-emption right and this person, within the term stipulated by the alienation regulations, files with the institution performing alienation a confirmation that it agrees to purchase the land plot with buildings in line with these alienation regulations.

3. Until the completion date, the lease holder shall be entitled, in the procedure stipulated by this law, to file with the institution performing privatisation or alienation respectively the privatisation proposal or the alienation proposal for a vacant land plot which has been leased until the day of passing this law and whose:

1) term is at least 10 years;

2) the lease agreement has been registered with the Landbooks;

3) the lease agreement provides for the right of the lease holder to construct on the leased land plot buildings (constructions) as independent asset units.

4. The land plot mentioned in Item 3 of the Transition Regulations shall be privatised or alienated pursuant to the provisions herein regarding the privatisation or alienation of land plot with buildings if, no later than by 1 September 2007, the lease holder's right to the buildings (constructions) located on this land plot have been registered with the Landbooks.

5. The Cabinet of Ministers, no later than by 1 September 2005, shall issue regulations stipulating:

1) the procedure of organising the Privatisation Register mentioned in Item Nine of Article 5 herein and data to be entered therein;

2) the procedure of organising the Alienation Register mentioned in Item Seven of Article 18 and data to be entered therein;

3) the procedure of organising the Rural Land Buy-Out Register mentioned in Item Three of Article 23 herein and data to be entered therein;

4) the procedure of organising the Urban Land Buy-Out Register mentioned in Item Three of Article 24 herein and data to be entered therein.

6. The Cabinet of Ministers, no later than by 1 September 2005, shall issue regulations regulating the procedure of advance payment mentioned in Item Seven of Article 32, as well as the procedure in which, pursuant to Item One of Article 23 and Item One of Article 24, a confirmation regarding the land plot buy-out payment in privatisation vouchers prior to the conclusion of the land buy-out agreement shall be filed.

7. The Cabinet of Ministers shall, by 1 September 2007, analyse the situation with the utilisation of the privatisation vouchers and the situation regarding land transferred for permanent use, which has not been measured and draft a report to the Saeima thereon.

8. The Cabinet of Ministers, no later than by 1 September 2005, shall issue the regulations mentioned in Item Two of Article 8 herein regarding the valuation of land for privatisation needs.

9. The Cabinet of Ministers, no later than by 1 September 2005, shall issue regulations stipulating:

1) the procedure of calculation of lease payment for a land plot with buildings mentioned in Item Seven of Article 9 and Item Nine of Article 20 herein;

2) the procedure of calculation of lease payment for a vacant land plot mentioned in Item Four of Article 22 herein;

3) the procedure of concluding a lease agreement for rural land not bought out mentioned in Item Seven of Article 25 herein, the material regulations of the lease agreement, and the procedure of calculation of lease payment, as well as approves the standard lease agreement for rural land;

4) the procedure of concluding a lease agreement for urban land not bought out mentioned in Item Four of Article 26 herein, the material regulations of the lease agreement, and the procedure of calculation of lease payment, as well as approves the standard lease agreement for urban land.

10. The term for passing the decision stipulated in Item One and Two of Article 6 herein and Item One and Four of Article 7 herein regarding those privatisation proposals which have been received by the validity date of this law shall be considered not from the day of filing the proposal but the day when the respective privatisation proposal has been registered with the Privatisation Register.

11. The term for passing the decision stipulated in Item One and Three of Article 19 herein regarding those alienation proposals which have been received by the validity date of this law shall be considered not from the day of filing the proposal but the day when the respective alienation proposal has been registered with the Alienation Register.

The Law comes into force on 1 September 2005.

The Law has been passed by the Saeima on 16 June 2005.

V. Vīķe - Freiberga, the State President

Riga, 6 July 2005