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**Working Party on the
Accession of Latvia**

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ACCESSION OF LATVIA

Communication from Latvia

The Ministry of Foreign Affairs of the Republic of Latvia has submitted the following information on bringing the national legislation of Latvia into conformity with the obligations of the WTO.

Progress Report on Bringing the National Legislation of Latvia into Conformity
With the Obligations of the WTO
(September 1997-May 1998)

Substance of the amendment or the new legislation	Legislation	Time of implementation
<u>Trading rights</u>		
Business activity licensing for importation. Provides for automatic business activity licensing. Licence has to be issued in 10 working days, licence fee constitutes the cost of services rendered. <u>Note.</u> Latvia does not apply import licensing of products, but licensing of business activity. Nevertheless, the provisions of the WTO Agreement on Import Licensing Procedures were extended to the area of business activity licensing of importation.	Regulation of the Cabinet of Ministers No. 348 of 7 October 1997 "On Licensing of Separate Forms of Entrepreneurial Activity", Regulation of the Cabinet of Ministers No. 351 of 7 October 1997 "Regulations on Circulation of Tobacco Products"	Effective
<u>Application of Internal Taxes</u>		
National treatment in application of VAT for foreign publications and mass media goods	Law on Amendments to the Law "On Value Added Tax" of 13 November 1997	Effective
<u>Customs Valuation</u>		
Implementation of the Agreement on Implementation of Article VII of the GATT 1994 including its provisions on methods of appraisal and Annex I (Interpretative Notes) and Article 13 of the Agreement, as well as the provisions for the Valuation of Carrier Media Bearing Software for Data Processing Equipment (Decision 4.1.).	Regulation of the Cabinet of Ministers No. 428 of 17 December 1997 "Procedure for Calculating the Customs Value of Goods"	Effective
<u>Technical Barriers to Trade, Sanitary and Phytosanitary Measures*</u>		
SPS Agreement	Law "On Supervision of Food Circulation" of 16 February 1998	Effective

* More information on the SPS/TBT legislation and practice is contained in Annex 2.

Substance of the amendment or the new legislation	Legislation	Time of implementation
SPS Agreement and TBT Agreement, establishing of Enquiry Point	The Regulation "On the Order of Coordination of the Exchange of Information on Technical Barriers to Trade and Sanitary and Phytosanitary Measures by the Ministry of Economy" was accepted by the Cabinet of Ministers of 28 October 1997	Effective
SPS Agreement	Regulation "On Standing Order for Food Additives" of 6 May 1997	Effective
<u>TRIPS</u>		
Part II, Section 3	Draft Law on Amendments to the Law on Competition, Section on Unfair Competition Draft new Trademark Law	English text of the draft laws to be presented by August 1998 **
Part II, Section 6	Law on Protection of Topographies of Semiconductor Products of 31 March 1998	Effective
Part II, Section 7	Law on Competition of 18 June 1997 Chapter V Civil Code	Effective
Part III, Section 4	Draft secondary legislation under Section C, Customs Law of 11 June 1997	English text of the draft Regulation of the Cabinet of Ministers to be presented by June 1998*
Part III, Section 5	Draft Criminal Code	English text of the respective sections of the draft law to be presented by August 1998*

Latvia acceded in 1997 to the Rome Convention (1961) for the Protection of Performers, Producers of Phonogrammes and Broadcasting Organizations.

At present, the competent authorities are examining also the proposals concerning the accession of Latvia to the Protocol relating to the Madrid Agreement and Trademark Law Treaty (TLT).

** Legislation has to be adopted at the time of accession at the latest.

The group of experts, established last year by the Cabinet of Ministers, prepared amendments to the Copyright Law of 1993. The main amendments refer to computer programs and rental and lending rights.

Other legislative acts relevant to the trade policy and required to be drafted in accordance with WTO obligations

Pricing policies

Latvia is planning to decontrol the profit margin with respect to pharmaceutical products that are not covered by the health insurance system by the Autumn of 1998.

Anti-dumping, Countervailing Duties and Safeguard Regimes

The decision to develop national anti-dumping legislation has been taken.

The Concept on the draft anti-dumping law would be submitted to the Cabinet of Ministers for approval by May 1998.

According to the existing timetable, WTO-consistent draft anti-dumping law would be presented to the Cabinet of Ministers by the end of 1998.

The draft law on safeguards has been developed in full conformity with provisions of GATT Article XIX and WTO Agreement on Safeguards.

The draft law on safeguards would be submitted to the Cabinet of Ministers during May 1998.

Annex 1

Table 1 - Information on the Progress of the Privatization of Process of State Enterprises
(1 May 1994 - 10 January 1998)

Activity	Total	Small objects (less than 50 employees)	Medium-sized objects (50-500 empl.)	Large objects (more than 500 empl.)
Enterprises transferred for privatization	855	561	257	37
(Transferred from the Ministry of Agriculture)	40	39	1	0
Enterprises transferred for liquidation	75	75	0	0
Repeated privatization	15	13	2	0
Privatization objects after split of enterprises	1577	1257	283	37
Privatization cancelled or enterprises merged with other companies	187	182	5	1
Privatization temporarily stopped	6	4	2	0
Restitution process initiated	62	53	5	0
Liquidation or insolvency procedure initiated	187	140	41	6
Privatization Regulations approved	879	661	194	24
Transactions concluded:				
- purchase agreements signed	813	600	192	21
- invested into private companies	4	2	2	0
- privatized without majority owner	4	0	2	2
- privatized by the Ministry of Agriculture	36	36	0	0
Privatization objects, where privatization Regulations are not approved	256	217	28	7
Proportion of all objects	16.23%	17.26%	9.89%	18.92%
Objects, where privatization process is not completed	278	240	30	8
Proportion of all objects	17.63%	19.09%	10.60%	21.62%
Proceeds of sale in LVL million:				
- cash	46.2			
- privatization vouchers	60.6			

Annex 2

Technical Barriers to Trade, Sanitary and Phytosanitary Measures

Legislation

- New draft law "On Veterinary Medicine";
- new draft law "On Standardization";
- new draft law "On plant protection";
- new draft law Regulation "On Pesticide Residues in Plant Products".

Accreditation

Latvian National Accreditation Office has accredited:

- 72 testing laboratories, which are operating in different areas such as testing of food, perfumery and cosmetics, toys, agricultural equipment, wood, as well as clinical and veterinary laboratories; and,
- 1 personnel certification body, which certifies quality systems' managers.

Two double accreditations are made in co-operation with German accreditation body DAP: Certification Centre for Foodstuffs, Cosmetics and Toys "LATSERT" and Testing Laboratory in the area of wood products testing.

Accredited bodies are located in 18 different cities of Latvia.

In the process of accreditation are the following:

- 94 testing laboratories;
- 1 calibration laboratory;
- 6 certification bodies;
- 8 inspection bodies.

The accreditation based on the EN 45000 series standards, guaranteeing that all competence and impartiality rules have been observed.

Latvian National Accreditation Office (LATAK) is organizing training courses for accreditation assessors and there are more than 140 accreditation assessors trained and available for accreditation activities in different sectors.

On 16 August 1997, LATAK was accepted as an affiliated member in the EAL organization (European Co-operation for Accreditation of Laboratories) and is getting ready for accession procedures into the EAC organization (European Accreditation of Certification).

Standardization

The new draft law "On Standardization" is under elaboration now. The objective of the draft law is to define tasks of the standardization, main principles and organization of the standardization work.

The main principles of the standardization such as transparency of the standardization process, involving all interested parties, and voluntary principles of using the standards are incorporated in the draft law.

The standardization process is carried out by national standardization institutions, standardization institutions on branches, standardization technical committees, other institutions, organizations and enterprises.

The main tasks of the national standardization institution such as organization of standardization processes (work out of national standards, adoption of international standards in the status of national standards), to organize publication of national standards, etc. are also incorporated in the draft law.

Twenty-seven technical committees are working towards the implementation of standards in different branches of the Latvian economy.

TBT/SPS Enquiry Point

The Regulation "On the Order of Co-ordination of the Exchange of Information on Technical Barriers to Trade and Sanitary and Phytosanitary Measures by the Ministry of Economy" was accepted by the Cabinet of Ministers on 28 October 1997.

The Regulation establishes the obligations of other ministries and organizations to submit information on technical barriers to trade and sanitary and phytosanitary measures to the Ministry of Economy in the early stage as possible. It also contains provisions for possibility for other countries to make comments on draft technical regulations, proposed conformity assessment procedures and sanitary and phytosanitary measures. It contains the obligation for the Latvian National Standardization and Metrology Centre to accept the Code of Good Practice for Preparation, Adoption and Application of Standards.

The responsible organization for operation of the enquiry point is the Ministry of Economy. The enquiry point has been established since 1 January 1998 as part of the Ministry of Economy.

The practical work has been started to establish necessary data bases, collecting of information, which has to be notified.

The main task of enquiry point will be the providing of information on:

- technical regulations which are proposed or adopted;
- standards which are proposed or adopted;
- participation in the international organizations;
- bilateral and multilateral agreements which Latvia has concluded with the countries.

All information will be accessible for both Latvian and foreign applicants.

The practical work has started to establish data bases on legislation of Latvia, European and other countries, as well as on the standards and drafts of standards of different countries.

At the present time, the information on the European Communities' directives and regulations is already available.

Currently, the transparency of adopted technical regulations and sanitary and phytosanitary measures is ensured by publishing of the texts of regulations and laws accepted by the Cabinet of

Ministers or Parliament in the Official newspaper "Latvijas Vestnesis". Also, "Veterinary newspaper" publishes specific regulations adopted by the Ministry of Agriculture, State Veterinary Service and other related institutions.
