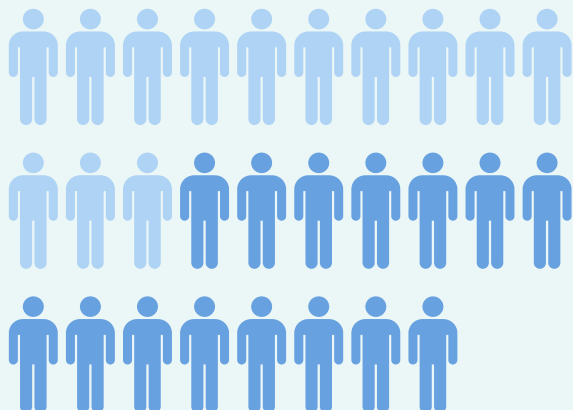


ASSOCIATION'S REPORT

First half of 2020

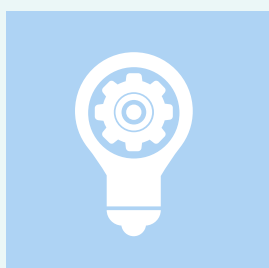
FINANCE 
LATVIA 
ASSOCIATION 



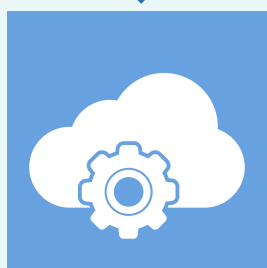
28 members

and **13** associate members

STRATEGIC LINES OF ACTION



DEVELOPMENT



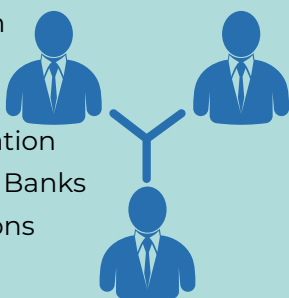
TECHNOLOGY



COMPLIANCE

Expanded Partnership

- Employers' Confederation of Latvia
- Riga Business School
- Estonian Banking Association
- Association of Lithuanian Banks
- Nordic Finance Associations
- ACAMS Baltics Chapter
- European Banking Federation



Ombudsman



- **22** customer complaints filed



- Initiated **10** review cases, **8** reviewed



- Explanations provided regarding the remaining complaints

Training

- Over **500** representatives of Association's members have taken part in training sessions and workshops on AML/CFT and Sustainable finance topics.



PROPOSALS AND ACTIONS



DEVELOPMENT

Overcoming the COVID 19 crisis

- Moratoria on the deferral of payments of the principal of the loan:
 - for legal entities up to 6 months;
 - for private individuals up to 12 months for mortgage loans and up to 6 months for lease arrangements and consumer credits.
- Legislative proposals for the draft law “Measures for Preventing and Overcoming the National Threat and the Consequences thereof related to the Spread of COVID-19”.
- Recommendations to the Ministry of Finance, Ministry of Economics and other state institutions on the continuation of economic growth and development.
- Recommendations for the improvement of state aid schemes taking into account experience of Estonia and Lithuania.
- The Association in cooperation with the FCMC, has drafted explanations for continued compliance with AML/CFT requirements during the COVID-19 crisis.

Balanced and responsible lending

- Proposals for Crisis 2008 Debt Relief Draft Law.
- Developed position regarding necessary changes in consumer credit advertising.

Capital market development and improvement of pension system

- Proposals for the Covered Bond Draft Law and accompanying laws (10 draft laws altogether).
- The Association held a discussion, bringing together representatives of the FCMC, the Ministry of Finance, the Bank of Latvia and pension plan managers on amendments to the Law on State Funded Pensions for more successful further investments in non-traded financial instruments.
- Association has published its position on Sustainable Finance.

Improvement of business environment

- Developed position on amendments to the regulatory framework of legal protection proceedings.
- Participation in the reform of collective property legal regulation aimed at the protection of good faith owners/creditors.

Training

- Organized state-wide quiz for school children “European Money Quiz” - 7000 pupils have played the quiz 3500 times.



TECHNOLOGY

- Raising of public awareness on security issues.
- Cooperation with the Financial and Capital Market Commission, The Office of Citizenship and Migration Affairs, the State Revenue Service and other state institutions on the improvement, expansion and safety of public sector and private sector information sharing platforms.
- Introduction of contactless payment limit of 50 EUR.
- Introduction of electronic stamp for banking services at legislative level.
- Support to banks for the introduction of cross-border payments regulation.

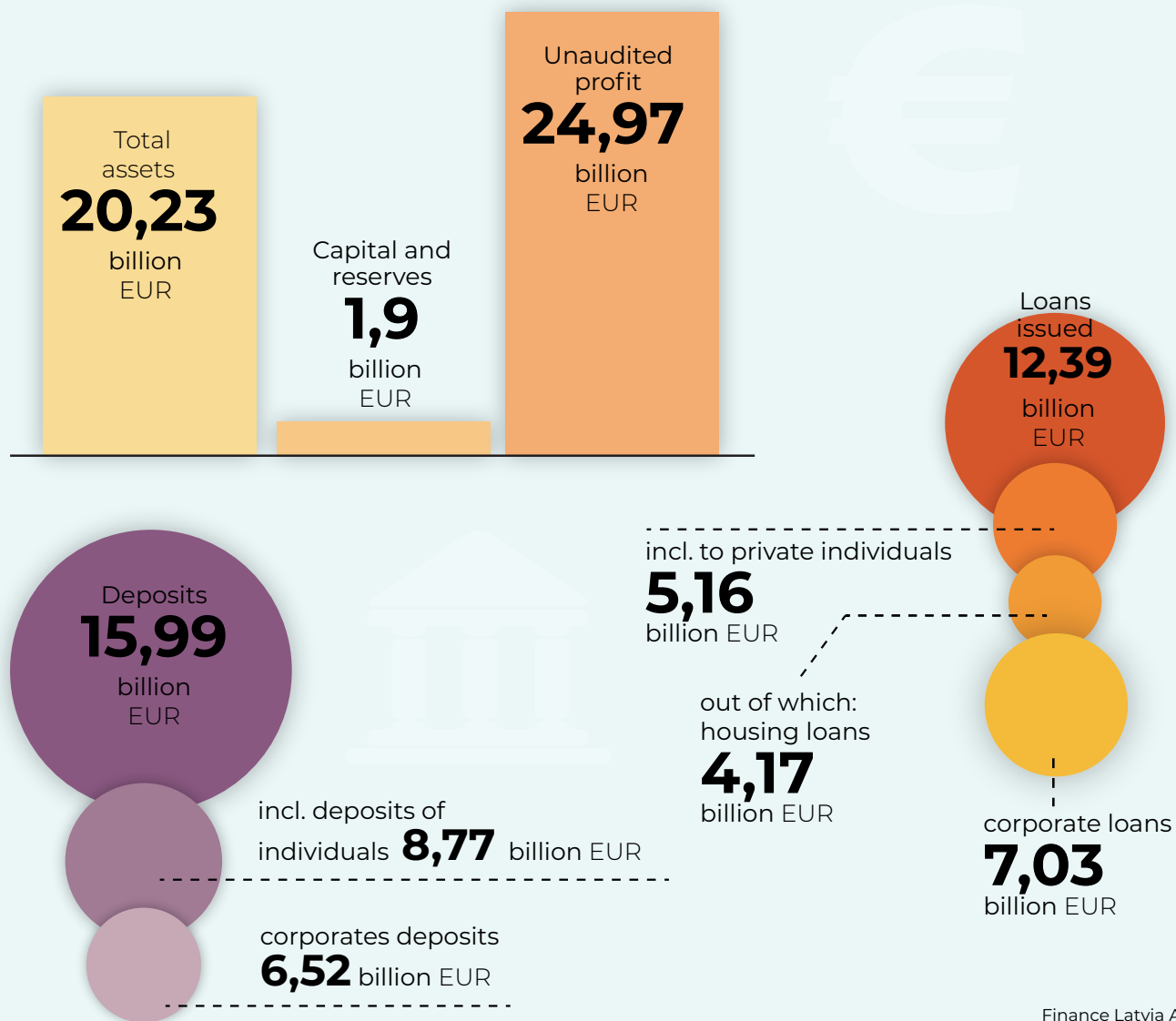


COMPLIANCE

- Drafting of amendments to AML/CFT guidance.
- Amendments proposed to the law to enable Shared KYC Utilities and for legal regulation of professional real estate intermediaries (agents).
- Proposals for the further risk-based reduction of the administrative burden for KYC purposes – improved / simplified receipt of information from The Office of Citizenship and Migration Affairs and merger of currently operational double suspicious transaction reporting channels (FIU/SRS) into one.
- Proposals for improvement of the regulatory framework for AML/CFT measures in public procurement and publication of info materials on customers due diligence performed by banks and governmental institutions in EU funded projects.

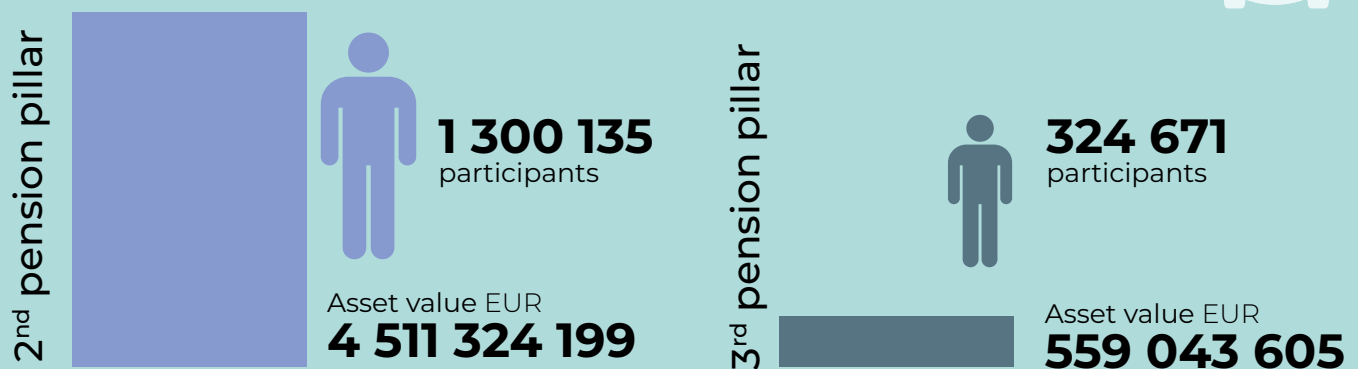
FINANCE LATVIA ASSOCIATION

MEMBERS' DATA /31.03.2020/



Source:
Finance Latvia Association
www.financelatvia.eu

PENSION PLAN DATA SUMMARY /31.12.2019/



Source:
Finance Latvia Association
www.financelatvia.eu

PAYMENT CARDS STATISTICS /31.03.2020/



Total number of payment cards

2 120 381

Business cards

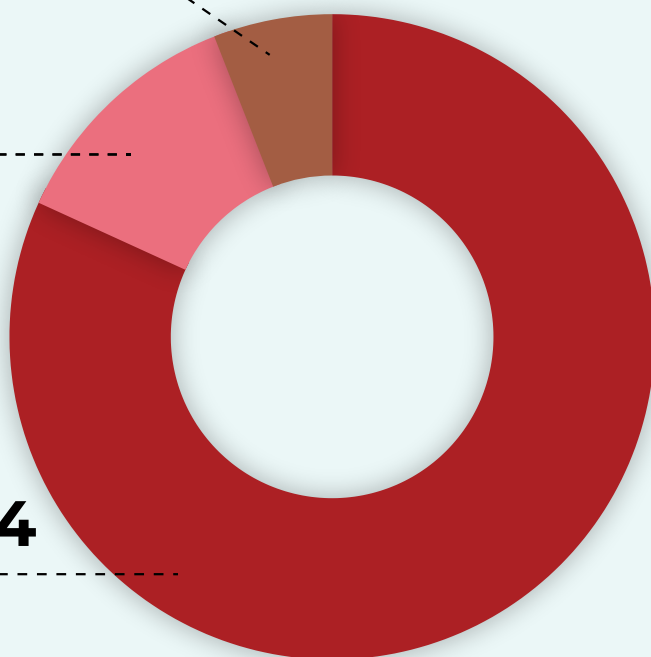
126 219

Credit cards

259 258

Debit cards

1 734 904



presplit by the
following
international
payment cards
organizations

MasterCard

1 671 461

VISA

448 920

Number of contactless cards

1 619 762



NUMBER OF TRANSACTIONS



TOTAL TRANSACTIONS

2 677 378 722

Cash withdrawal

EUR **1 244 018 660**

Purchases

EUR **1 431 816 562**

Cash withdrawal using
point of sale terminals

EUR **1 543 500**