

# MERGER NOTIFICATION AND PROCEDURES TEMPLATE

## LATVIA

February 2006

**IMPORTANT NOTE:** This template is intended to provide initial background on the jurisdiction's merger notification and review procedures. Reading the template is not a substitute for consulting the referenced statutes and regulations.

### 1. Merger notification and review materials (please provide title(s), popular name(s), and citation(s)/web address)

<b>A. Notification provisions</b>	Competition Law, Section 15. Cabinet Regulation No.897 of 26 October 2004 "Procedure of Submitting and Examination of Market Participant' Merger Notification".
<b>B. Notification forms or information requirements</b>	Cabinet Regulation No.897 of 26 October 2004 "Procedure of Submitting and Examination of Market Participant' Merger Notification".
<b>C. Substantive merger review provisions</b>	Competition Law, Section 15. Cabinet Regulation No.897 of 26 October 2004 "Procedure of Submitting and Examination of Market Participant' Merger Notification".
<b>D. Implementing regulations</b>	Cabinet Regulation No.897 of 26 October 2004 "Procedure of Submitting and Examination of Market Participant' Merger Notification".
<b>E. Interpretive guidelines and notices</b>	

### 2. Authority or authorities responsible for merger enforcement.

<b>A. Name of authority. If there is more than one authority, please describe allocation of</b>	Competition Council.
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<b>responsibilities.</b>	
<b>B. Address, telephone and fax (including country code), e-mail, website address and languages available.</b>	Address: Blaumana iela 5a, Riga, Latvia, LV-1011 Phone: +3717282865 Fax: +3717242141 e-mail: council@competition.lv website address: http://www.competition.lv Languages: Latvian, English
<b>C. Is agency staff available for pre-notification consultation? If yes, please provide contact points for questions on merger filing requirements and/or consultations.</b>	Competition Council is available for pre-notification consultation.

### 3. Covered transactions

<b>A. Definitions of potentially covered transactions (i.e., concentration or merger)</b>	A merger of market participants is: 1) the merging of two or more independent market participants in order to become one market participant (consolidation); 2) the joining of one market participant to another market participant (acquisition); or 3) a situation where one or more natural persons who already have decisive influence over another market participant or other market participants, or one or more market participants acquire part or all of the assets of another market participant or other market participants or the right to utilize such, or a direct or indirect decisive influence over another market participant or other market participants (Competition Law, Section 15, Paragraph 1).
<b>B. If change of control is a determining factor, how is control defined?</b>	Decisive influence – the capability, directly or indirectly, to: a) control (regularly or irregularly) the taking of decisions in market participant supervisory bodies, with or without active participation thereof, and b) appoint such numbers of members in the market participant supervisory body, which ensures for the wielder of the decisive influence can ensure a majority of votes in the relevant body (Competition Law, Sections 1, Paragraph 2).
<b>C. Are partial (less than 100%) stock acquisitions/minority shareholdings covered? At what levels?</b>	See 3.B.
<b>D. Do the notification requirements cover joint ventures? If so, what</b>	In conformity with the Competition Law, a market participant is a natural or legal person or partnership, which performs or is preparing to perform, economic activity in the territory of Latvia, irrespective of the form of such activity

types (e.g., production joint ventures)?	(Competition Law, Sections 1, Paragraph 9).
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#### 4. Thresholds for notification

<b>A. What are the general thresholds for notification?</b>	<p>Market participants who have decided to merge (..) shall, prior to merger, submit a notification of such merger to the Competition Council (..) if one of the following conditions exists:</p> <p>1) the combined turnover of the participants in the merger during the previous financial year was not less than 25 million lati, and</p> <p>2) the combined turnover of the market participants involved in the merger in a concrete market exceeds 40 per cent.</p> <p>(Competition Law, Sections 15, Paragraph 2).</p>
<b>B. To which entities do the merger notification thresholds apply, i.e., which entities are included in determining relevant undertakings/firms for threshold purposes? If based on control, how is control determined?</b>	See 3.B.
<b>C. Are the thresholds subject to adjustment: (e.g. annually for inflation)? If adjusted, state on what basis and how frequently.</b>	The thresholds are not subjected to adjustment.
<b>D. To what period(s) of time do the thresholds relate (e.g., most recent calendar year, fiscal year; for assets-based tests, calendar year-end, fiscal year-end, other)?</b>	The thresholds relate to the previous financial year.
<b>E. Describe the methodology for identifying and calculating any values necessary to determine if notification is required, including the value of the transaction, the relevant sales or turnover, and/or</b>	<p>Calculation of turnover. In accordance with the Cabinet Regulation No.897 of 26 October 2004 "Procedure of Submitting and Examination of Market Participant' Merger Notification".</p> <p>Turnover of the market participant is calculated, by summarizing receipts of the previous financial year of the business activities of the market participant, sales and service supply, and from the amount acquired, by taking away trade's allowances and other allowances, as well as VAT and other taxes, that are closely related to sales.</p>

























