



LATVIJAS REPUBLIKAS FINANŠU MINISTRIJA  
MINISTRY OF FINANCE OF THE REPUBLIC OF LATVIA

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European Commission  
Secretariat-General  
B-1049 Brussels  
BELGIUM

Riga, January 23, 2013  
Our ref. No.17-2-01/ 1118

***Notification on the competent authority regarding the Regulation (EU) No.236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps, Regulation (EU) No.648/2012 of the European Parliament and of the Council of 4 July 2012 and Regulation (EU) No.260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No.924/2009***

Article 32 of the Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps (hereinafter – SSR), Article 22 of the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 (hereinafter – EMIR) and Article 10 of Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 (hereinafter – SEPA) require Member States of the European Union to inform the European Commission on their competent authorities.

Herewith Latvia informs the European Commission that the competent authority in Latvia regarding the SSR, the EMIR and the SEPA is the Financial and Capital Market Commission. The provision of supervision of the SSR and the EMIR requirements now is stipulated in the paragraph 5 and 6 of section (1<sup>1</sup>) of Article 3 of the Law on the Financial Instruments Market. These amendments were adopted by our Parliament on November 8, 2012 and entered into force on December 1, 2012.

Additionally, Article 41 of the SSR and Article 12 of the EMIR require Member States to inform the European Commission on the sanctions and penalties introduced into national law regarding the breach of the SSR and the EMIR requirements. The sanction and penalty regime was adopted with the same Law amendments mentioned above (section (14) of Article 148). The Law prescribes that, where the financial instruments market participant or any other person who is subject to the requirements of directly applicable laws and regulations issued by the European Union authorities,

fails to comply with them, the Financial and Capital Market Commission shall be entitled to warn the person or impose a penalty. A fine up to 100 000 lats shall be imposed on legal persons, up to 40 000 lats on natural persons. This sanction regime applies for both regulations – the SSR and the EMIR.

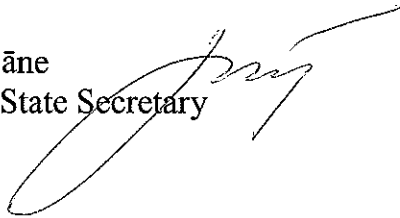
Regarding the SEPA please be informed that necessary amendments to the national law are in the drafting stage for the enforcement of the regulation. We are fully committed to meet the deadline of August 1, 2013 prescribed in paragraph 1 of Article 11 to notify the European Commission of the laid down rules on the penalties and measures applicable to infringements of the SEPA requirements.

Please find attached the form electronically sent to the ESMA by our competent authority regarding the notification on supervision of the SSR requirements. The sanction and penalty regime mentioned in this form relates to both regulations – to the SSR and the EMIR.

Attachment: Electronic notification form of the ESMA relating the SSR “Administrative measures and sanctions applicable in Member States” on three pages.

Sincerely,

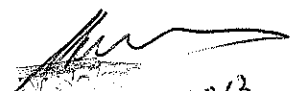
Baiba Bāne  
Deputy State Secretary



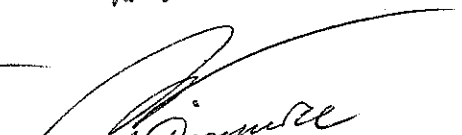
(B. SKARA) 22.01.2013.



D. Ispolcina  
22.01.2013.



22.01.2013.



K. Džanuse  
22.01.2013.