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The Saeima¹ has adopted
and the President has proclaimed the following Law:

On the Declaration of Supplies of Agricultural Stocks and the Application of a Levy to Surplus Stocks in Relation to the Accession of Latvia to the European Union

Section 1. Terms Used in this Law

The following terms are used in this Law:

- 1) products subject to declaration – products which are specified in Article 4, Paragraph 5 of the European Commission Regulation No. 1972/2003 in relation to Latvia; and
- 2) stock of products subject to declaration – the amount of products subject to declaration which are owned by the submitter of the declaration and are in free circulation.

Section 2. Purpose of this Law

The purpose of this Law is to note the stocks of products which are in free circulation in Latvia, specifying normal and surplus stocks as of 1 May 2004, and to avoid the risk of market distortion, specifying the procedures by which the levy for surplus stocks is to be applied.

Section 3. Submitter of a Declaration

- (1) The submitter of a declaration shall be a person who owns as of 1 May 2004 a stock of products which exceeds 10 tons for cereals (Combined Nomenclature Codes: 1001; 1002; 1003; 1004; 1005; 1007) and 500 kilograms – for other products.
- (2) A person who has as of 1 May 2004 produced and sold only self-produced grain and purchased grains only for the purposes of seed and feed rather than for further sale need not submit a declaration.

Section 4. Normal and Surplus Stock of Products Subject to Declaration

- (1) A normal stock of products subject to declaration is deemed to be the arithmetic mean of the stock of products recorded on 1 May 2002 and 1 May 2003 or the amount of the stock of products recorded on 1 May 2003 (where economic activities have been commenced after 1 May 2002) to which such amount of the stock of products has been added which has occurred as a result of the objective conditions of stockpiling.
- (2) Surplus stock of products subject to declaration is formed from the amount of the stock of products owned by the submitter of the declaration as of 1 May 2004 which exceeds the amount of normal stocks of products subject to declaration.

¹ The Parliament of the Republic of Latvia

Section 5. Objective Conditions of Stockpiling

The objective conditions of stockpiling are such conditions to be taken into account in the calculation of normal stocks of products subject to declaration in relation to which the submitter of the declaration may prove in writing that they have been built up as a result of the increase in such planned production or trade capacities the aim of which is not to abuse differences in the rate of the import duty between Latvia and the European Union or European Union export subsidies applicable to the products subject to declaration.

Section 6. Declaration of Stocks of Products

The sample form for the declaration of product stocks (hereinafter – declaration), the objective conditions of stockpiling and the sample form for calculations of payments shall be determined by the Cabinet.

Section 7. Duties of the Submitter of a Declaration

(1) The submitter of a declaration shall:

1) complete the declaration regarding each relevant product or group of products in compliance with what is specified in Article 4, Paragraph 5 of the European Commission Regulation No. 1972/2003, provided that the same rate of import duty is applied to all products included in the group;

2) calculate the charges for the surplus stocks of products subject to declaration in accordance with what is specified in the European Commission Regulation No. 1972/2003;

3) in a case where different rates of import duty are applied to the products included in a product group, be entitled at his or her discretion to complete the declaration regarding the product group in compliance with what is specified in Article 4, Paragraph 5 of the European Commission Regulation No. 1972/2003 and, if surplus stocks have been ascertained, the levy shall be calculated on the basis of the highest rate of import duty; and

4) make payment to the State budget for the surplus stocks of the products subject to declaration and shall submit the declaration to the territorial office of the State Revenue Service according to his or her registered office or declared residence by 1 July 2004.

(2) If the amount of the levy is expressed in euros, it shall be recalculated in lats according to the euro rate set by the Bank of Latvia on 1 May 2004.

Section 8. Liability

(1) If the submitter of the declaration fails to present the item upon which the levy is to be applied or provides false statements, the State Revenue Service shall, in accordance with the Law On the State Revenue Service and other regulatory enactments, recover on an uncontested basis the entire amount of the charges to be included in the State basic budget calculated for the relevant item, as well as any default interest calculated from such sum in a double amount.

(2) If the submitter of the declaration has failed to observe the payment period, the fine for late payment shall be calculated for each late day in the amount of 1 per cent of the amount not paid in time.

(3) If the submitter of the declaration fails to comply with the term for the submission of the declaration, default interest shall be calculated for him or her in the following amount:

1) 15 lats – for a delay up to 15 days;

2) 30 lats – for a delay up to 30 days; and

- 3) 250 lats – for a delay exceeding 30 days.
- (4) The payment of the default interest specified in Paragraph three of this Section does not release one from the duty to submit a declaration.

Section 9. Submission of Information

The State Revenue Service shall summarise information regarding the records made in the declarations and shall transfer such to the Ministry of Agriculture by 1 October 2004.

This Law shall come into force on 1 May 2004.

This Law has been adopted by the *Saeima* on 7 April 2004.

President V. Vīķe-Freiberga

Rīga, 20 April 2004