

## **Cabinet Regulation No. 378**

Riga, 29 May 2012 (Minutes No. 30, § 38)

### **By-Laws of the Freeport of Riga Authority**

Issued in accordance with Article 7(1) of the [Law on Ports](#)

#### I. General Provisions

1. The Freeport of Riga Authority (hereinafter referred to as the Freeport Authority) is a derived legal body which manages the Freeport of Riga and operates in the field of public and private law and which is subject to the Cabinet's supervision implemented through intermediary of the Minister for Transport.
2. The full name of the Freeport Authority is Rīgas brīvostas pārvalde in Latvian and the Freeport of Riga Authority in English.
3. The registered address of the Freeport Authority is at Kalpaka bulvāris 12, Riga, Republic of Latvia, LV-1010.
4. The Freeport Authority shall have a seal bearing the Supplemented Lesser State Coat of Arms of the Republic of Latvia and the name of the port in Latvian or English.
5. The Freeport Authority is the legal successor to the rights and obligations of the Riga Port Authority.
6. The Board members and officers of the Executive Body of the Freeport Authority shall have the right to be present at the sites relevant to the Freeport operations when fulfilling their professional responsibilities.

#### II. The Freeport Authority

7. The Freeport Authority is composed of the Freeport Board, which is the highest decision-making body, and the Executive Body subordinate to it, which is managed by the Chief Executive Officer of the Freeport.
8. The Functions of the Freeport Authority are defined in the [Law on Ports](#), [Law on the Freeport of Riga](#) and other regulations.
9. The Freeport Authority shall:
  - 9.1. make recommendations on the demarcation of the borders of the Freeport and changes thereof;
  - 9.2. make suggestions for the alienation of the immovable property for public needs;
  - 9.3. establish and maintain port infrastructure, as well as construct and maintain buildings and structures to ensure operations of the port, in compliance with the local government spatial planning;
  - 9.4. cooperate with the local government in creating and developing the external infrastructure of the Freeport;
  - 9.5. cooperate with educational institutions and organizations engaged in training of specialists in the field of seafaring and port management, as well as youth development;

9.6. cooperate with the local government in maintaining and developing the city infrastructural facilities important for the Freeport (such as access roads to port terminals and industrial areas);

9.7. promote the Freeport;

9.8. cooperate with organizations, institutions and merchants related to maritime affairs and the Freeport;

9.9. administer the movable and immovable property in compliance with its competence;

9.10. carry out other activities according to the law.

10. In the event of a threat to the national security, the Freeport Authority in cooperation with the Ministry of Defence and the Ministry of Transport shall have the right to decide on determining the priority service for the cargoes that are transported through the port for national defence purposes.

11. The financial resources at the disposal of the Freeport Authority shall be used only for the performance of the functions assigned to the Freeport Authority, management and development of the port and its infrastructure and attraction of investors and customers.

12. The Freeport Authority shall publish its annual report on its Internet website no later than two weeks after the approval of the said report.

### III. The Freeport Board

13. The Freeport Board members shall be appointed and removed from their positions by a relevant decree of the Cabinet or a decision of the Riga City Council.

14. The Freeport Board members shall elect from among the Freeport Board members the Chairman of the Freeport Board and the Deputy Chairman by open vote.

15. The remuneration of the Freeport Board members for their work in the Freeport Board shall be determined in accordance with the [Law on Remuneration of Officials and Employees of State and Local Government Authorities](#).

16. Should a member of the Freeport Board resign from his/her position in the Freeport Board, he/she shall give written notice thereof to the Freeport Board Chairman and the institution that has nominated the said member for this position.

17. The Freeport Board member who has given notice of resigning shall perform the duties of the Freeport Board member until another Board member is appointed for his/her position, but no longer than for one month.

18. If the Freeport Board Chairman is absent, the office of the Chairman shall be exercised by the Deputy Chairman of the Freeport Board.

19. During the period when the office of the Freeport Board Chairman is exercised by the Deputy Chairman of the Freeport Board, the decisions relating to the Deputy Chairman of the Freeport Board shall be made by the Freeport Board.

20. Meetings of the Freeport Board shall be held at least once every three months. The Freeport Board meetings shall be closed, unless decided otherwise by the Freeport Board.

21. The Chief Executive Officer of the Freeport shall send the notification of the meeting of the Freeport Board to all Freeport Board members no later than five

working days before the relevant meeting. The notification shall indicate the place and time of the meeting, the type of the meeting (ordinary or extraordinary) and the agenda.

22. Prior to the Freeport Board meeting, the Ministry of Transport shall organize the harmonization of views of the representatives approved by the Cabinet regarding the questions to be addressed at the Freeport Board meeting.

23. A merchant shall have the right to present his/her question before the examination of the submitted question on site at the Freeport Board meeting.

24. During the Freeport Board meeting, the Minutes of the previous Freeport Board meeting and the agenda of the Freeport Board meeting shall be approved.

25. The materials of an ordinary Freeport Board meeting shall be delivered to the Freeport Board members in person or sent by post to the address specified by the Freeport Board members. The Freeport Board members shall receive the materials of the Freeport Board meeting no later than five working days before the relevant meeting.

26. An extraordinary Freeport Board meeting shall be convened upon a proposal of the Chairman of the Freeport Board or if so requested by at least three Freeport Board members or the Chief Executive Officer. The Chairman of the Freeport Board shall convene the extraordinary Freeport Board meeting no later than five working days after the receipt of the request. The Freeport Board members shall receive the materials of the Freeport Board meeting no later than five working days before the relevant meeting.

27. If the Chairman of the Freeport Board does not convene the extraordinary meeting referred to in [Paragraph 26](#) above, this shall be done by the persons who proposed the meeting: three Freeport Board members or the Chief Executive Officer.

28. If the convened Freeport Board meeting is not held or it does not have capacity to act due to lack of a quorum, the Chairman of the Freeport Board shall re-convene the Freeport Board meeting with the same agenda.

29. Copies (extracts) of the decisions taken by the Freeport Board shall, within 15 days after the Freeport Board meeting, be delivered to all Freeport Board members and the persons responsible for implementation of the decisions taken, as well as sent to the institutions and persons covered by the relevant decision.

30. Minutes shall be kept during the Freeport Board meetings. The Minutes of a Freeport Board meeting and its decisions shall be signed by the President of the relevant meeting.

31. The Minutes of the Freeport Board meetings and originals of the decisions shall be stored at the Freeport Authority. The Freeport Board members shall have the right to add their individual opinions to the Minutes of the meeting.

32. The information on the decisions taken at a Freeport Board meeting shall be published on the Internet website of the Freeport no later than three working days after the relevant meeting.

#### IV. Competence of the Freeport Board

33. Based on its competence, the Freeport Board shall:

33.1. examine and make a decision on the draft of the Freeport Regulations;

33.2. examine and make a decision on the draft of the Freeport borders;

- 33.3. approve the port development programme;
- 33.4. approve the port marketing strategy for three years;
- 33.5. approve the Freeport Authority budget for each financial year;
- 33.6. make amendments to the budget of the current year and approve and update the investment programme for the next years;
- 33.7. approve the draft estimates of the use of the Freeport Authority financial resources for the following calendar year and the next five years and make amendments thereto;
- 33.8. decide on matters regarding the leasing of land and buildings, as well as set the amount of rental fee for the land and buildings;
- 33.9. review the applications of merchants in regards of their activities at the Freeport;
- 33.10. decide on the authorization to start planned activities within the port area according to the Law on [Environmental Impact Assessment](#);
- 33.11. issue authorizations for licensed commercial activities at the Freeport;
- 33.12. issue authorizations for the right to apply direct tax reliefs and special procedures for making state social insurance payments;
- 33.13. decide on entering into contracts referred to in Subparagraphs 33.8, 33.9, 33.11, 33.12, 33.17 and 33.21 herein, as well as into contracts with the amount exceeding LVL 50,000 or with the contract duration exceeding five years;
- 33.14. review information about the Chief Executive Officer's actions and transactions regarding matters within his competence arising from [Subparagraph 33.13](#) herein;
- 33.15. approve the structure and staff of the Freeport Authority;
- 33.16. submit proposals to the Latvian Port, Transit and Logistics Council regarding the attracting of state investments for the Freeport;
- 33.17. decide on matters regarding taking loans which exceed the amount referred to in [Subparagraph 33.13](#) herein;
- 33.18. prepare and submit proposals to the Latvian Port, Transit and Logistics Council regarding the alienation of the immovable property for public needs;
- 33.19. make advisory decisions on alienation of the immovable property in the possession of the Freeport Authority, acquisition of the immovable property into ownership of the State or the local government and construction of communications and other facilities at the Freeport, which may affect the operations of the port;

33.20. decide on acquisition of the immovable property into ownership of the Freeport Authority and alienation of the immovable property owned by the Freeport Authority;

33.21. hire out or lease easements established for the benefit of the Freeport on the immovable property owned by other natural and legal persons;

33.22. revoke orders of the Chief Executive Officer of the Freeport;

33.23. submit proposals to the Ministry of Transport regarding the necessary amendments to the By-Laws of the Freeport of Riga Authority;

33.24. approve the emblem, other attributes and letterhead specimens of the Freeport Authority;

33.25. decide on other matters related to the operations of the Freeport.

34. The Freeport Board shall, at least two times a year, hear and evaluate a report of the Chief Executive Officer on the following:

34.1. the progress of collection of the Freeport charges, service fees and lease (rental) payments;

34.2. the progress of implementation of the approved budget;

34.3. results of the economic activities.

#### V. The Rights and Obligations of the Chief Executive Officer of the Freeport

35. The Chief Executive Officer of the Freeport shall ensure the implementation of the Freeport Authority functions and manage the operations of the Executive Body of the Freeport Authority.

36. In accordance with the decision of the Freeport Board, the Chairman of the Freeport Board shall conclude the employment contract with the Chief Executive Officer of the Freeport.

37. If the Chief Executive Officer of the Freeport is absent (for example, due to travel on official duty or vacation), his office shall be exercised by the Deputy Chief Executive Officer of the Freeport.

38. The Chief Executive Officer of the Freeport shall have the obligation to:

38.1. ensure implementation of the decisions of the Freeport Board;

38.2. ensure implementation of the budget approved by the Freeport Board;

38.3. arrange the preparation and delivery of materials of the Freeport Board meetings;

38.4. participate in the Freeport Board meetings;

38.5. organize management of the property owned by, and management of the State and local government property transferred to the possession of the Freeport Authority in compliance with the requirements of navigation safety, the Freeport Development Plan and environment protection requirements;

38.6. ensure the collection of the Freeport charges, service fees and lease (rental) payments;

38.7. ensure winter navigation at the Freeport;

38.8. control, based on his/her competence, the compliance of the activities of the merchants with the contracts concluded;

38.9. manage the operations of the Executive Body;

38.10. hire and dismiss the employees of the Executive Body, set their rights and obligations and determine their salaries in the staff list approved by the Freeport Board within the set amount of the staff members and the funds allocated in the budget;

38.11. open and close accounts in credit institutions;

38.12. represent the Freeport Authority in State and local government institutions and public organizations without obtaining specific authorization;

38.13. in implementing the decisions of the Board referred to in Subparagraphs 33.8, 33.9, 33.10, 33.11, 33.12, 33.13, 33.17, 33.20, 33.21 and 33.25 herein, enter into contracts with merchants regarding the leasing of the property owned by the Freeport Authority and the immovable property owned by the State or the local government or transferred to the possession of the Freeport Authority and regarding the activities of the merchants at the Freeport, make amendments to the contracts concluded and enter into lease contracts.

39. The Chief Executive Officer of the Freeport shall have the right to:

39.1. request and receive from the merchants information related to the port charges, service fees and cargo volumes and classification, in the amount and within the time limit specified by the Freeport Board;

39.2. in compliance with his/her competence, enter into contracts and issue authorizations in accordance with the decision of the Board regarding the contract price amount;

39.3. within the scope of authority conferred by the By-Laws of the Freeport Authority and by the Freeport Board, administer financial resources of the Freeport Authority and the property in the possession and owned by the Freeport Authority;

39.4. administer the current assets of the Freeport Authority and other financial resources in accordance with the use of the financial resources approved by the Freeport Board;

39.5. alienate the movable property of the Freeport Authority if its value does not exceed the amount referred to in [Subparagraph 33.13](#) herein and write off the movable property;

39.6. determine the guarding and pass control regime at the Freeport;

39.7. request the extraordinary meeting of the Freeport Board to be convened;

39.8. take decisions in compliance with his/her competence.

#### VI. Establishment of Rule of Law Regarding the Freeport Authority Operations

40. The rule of law regarding the Freeport Authority operations shall be established by the Chief Executive Officer of the Freeport Authority

41. The decisions taken by the Chief Executive Officer of the Freeport Authority and his/her actual action in public law, as well as public law contracts may be disputed before the Freeport Board in the manner set forth under the laws and regulations.

42. The administrative acts issued by the Freeport Board and its actual action in public law, as well as public law contracts may be disputed before the court.

43. In the event of an unlawful failure to act on the part of the Freeport Board, the Minister of Transport shall have the right to order the Board to take a decision.

44. If the order referred to in [Paragraph 43](#) above is not implemented, the Minister of Transport shall have the right to propose the dismissal of the Freeport Board.

Prime Minister                      V.Dombrovskis

Minister of Transport      A.Ronis