

## Immigration Law in Latvia

On May 8th 2014, Saeima in the third final reading has been adopted the amendments in Immigration Law. The amendments shall come into force on September 1st, 2014.

The significant changes relate to the issuance of the residence permit based on the acquisition of immovable property and investments in the credit institutions of the Republic of Latvia.

In accordance with the accepted amendments, the requirements for requesting the residence permit in relation to the value of acquired immovable property were significantly changed.

Regardless the location of the immovable property in the Republic of Latvia, its value shall meet the following criteria:

-it should be one functionally associated built immovable property, with value on the moment of acquisition at least 250 000 euro, and it should not be agricultural or forest land. The current effective law provides, that it could be one or several immovable properties with the total value at least 142 300 euro in the planning region of Riga or cities, or at least 80 000 euro outside the planning region of Riga or cities.

If the cadastral value of acquired immovable property is less than 80 000 euro, the market value of the immovable property shall be at least 250 000 euro specified by a certified assessor of an immovable property.

In addition, there would be a single payment into the State budget in amount of 5% from the acquired property, which must be paid by requesting the temporary residence permit for the first time. Such single payment shall be transferred to the special account of the State budget in the State Treasury, which is non-refundable, and shall be paid in addition to all other state duties related to the acquisition of the immovable property (including, duty in amount of 2% for recording the ownership in Land register).

The version of the law, which was effective on the moment of acquisition of the immovable property or on the moment of requesting residence permit for the first time, shall apply to foreigners, whose ownership rights were recorded in Land register before August 31<sup>st</sup>, 2014, and who are requesting the residence permit for the first time or repeatedly, or who perform annual registration of residence permit.

The amendments relies also to point 30, paragraph 1 of Section 30 of Immigration law, provided the obtainment of temporary residence permit for the period of time not exceeding 5 years, if the foreigner has made financial investments in the credit institution of the Republic of Latvia. The new version of law provides, that a foreigner is entitled to request a temporary residence permit, if he/she has made financial investments in the credit institution of the Republic of Latvia in the amount of at least 280 000 euro in the form of subordinated capital (subordinated loan or subordinated bonds) of the credit institution, if the term of such transaction is not less than 5 years and it may not be terminated prior to the term of repayment of the deposit. By requesting the temporary residence permit for the first time, a foreigner shall pay single and non-refundable payment into the State budget in amount of 25 000 euro.

The adopted amendments did not apply to the request of residence permit based on investments to the equity capital of a company. Such requirements remained unchanged: temporary residence permit may be requested for the period of time not exceeding 5 years, if the foreigner has made investments:

-in amount of 35 000 euro, and it has been performed in a capital company, which employs no more than 50 employees, the annual turnover or annual balance of which does not exceed 10 million euro and which during the economic year pays not less than 40 000 euro in taxes into both the State budget and local government budget;

- in amount of 150 000 euro, and it has been performed in a capital company, which employs more than 50 employees, the annual turnover or annual balance of which exceeds 10 million euro.