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If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*¹ has adopted
and the President has proclaimed the following Law:

Construction Law

Chapter I General Provisions

Section 1.

The following terms are used in this Law:

- 1) **group of constructions** — an aggregate of structures located within a specific territory;
- 2) **construction permit** — a document issued in accordance with the procedures provided for by the General Construction Regulations certifying the right to carry out construction work of an object;
- 3) **structure** — a formation connected to the ground, which has emerged during the construction process that has a specific function;
- 4) **construction expert-examination** — a professional inspection, the aim of which is to provide a substantiated opinion regarding the technical state of a structure, conformity of the building design or the technical solutions of the construction work carried out with the requirements of regulatory enactments and technical regulations;
- 5) **construction expert** — a certified natural person who on the assignment of the State, local government or person participating in construction performs a construction expert-examination;
- 6) **construction work** — part of the construction process, work carried out on a construction site or in a structure, including demolition;

¹ The Parliament of the Republic of Latvia

- 7) **builder** — a natural or legal person (owner, lessee or user of immovable property) who carries out construction with his or her own effort;
- 8) [7 March 2002];
- 9) [7 March 2002];
- 10) **building inspector** — a State or local government official who has been granted the right of construction work control;
- 11) **construction product** — any material, component or industrially produced construction that is intended to be incorporated into a structure;
- 12) **construction** — designing of all types of structures, and construction work;
- 13) **persons participating in construction** — natural or legal persons who participate in the construction process with property, financial resources, work or services;
- 14) **construction norms** — an aggregate of norms and regulations binding on all persons participating in construction that regulate construction and the operation of structures, as well as explain construction terminology;
- 15) **builder's or architect's practice certificate** — a document certifying the professional qualifications of a natural person in the relevant field of construction;
- 16) **building design** — an aggregate of documents, drawings and textual materials necessary for the implementation of a construction intention;
- 17) **building contractor** — a natural or legal person who carries out construction work on the basis of a contract entered into with a client;
- 18) **building supervisor** — a natural or legal person who supervises the construction work in the interests of the client;
- 19) **engineering communications** — a device, equipment or an aggregate of devices and equipment intended to supply a structure with raw materials, communications, energy resources and other resources;
- 20) [10 March 2005]
- 21) **unauthorised construction** — construction work that is carried out without a construction permit or does not comply with the accepted building design, except for the cases provided for by the General Construction Regulations;
- 22) [7 March 2002];
- 23) **General Construction Regulations** — regulations issued by the Cabinet regulating the basic conditions of construction in so far as such is not specified by this Law;
- 24) **client** — owner, lessee, user of immovable property or an authorised person thereof on whose assignment, construction is carried out on the basis of the contract entered into;
- 25) **technical regulations** — technical requirements specified for a specific structure, group of constructions, construction product or construction work process;
- 26) **building authority** — a local government institution that oversees, as well as controls construction in the relevant administrative territory;
- 27) **accessibility of the environment** — a possibility for people with movement, visual or hearing impairments to move in the environment in conformity with the planned function of a structure;
- 28) **building trade activities** — construction work carried out by a natural or legal person in conformity with the Law on Trade Activities;
- 29) **architect's practice** — independent professional activity of a certified architect; 30) **builder's practice** — independent professional activity of a certified building engineer; and

31) **third person building contractor and builder civil legal liability insurance** – any natural or legal person, except policy holders, insured persons, insured employees or a person who on the basis of another contract performs construction work on behalf of the insured person, insurer and other participants in construction.

[27 February 1997; 7 March 2002; 27 February 2003; 10 March 2005]

Section 2.

(1) This Law determines the mutual relations of persons participating in construction, as well as the rights and obligations thereof during the construction process and liability for the conformity of the structure which has emerged as a result of construction with the task thereof, economic viability, the intended lifetime and the relevant regulatory enactments, as well as the competence of State administrative and local government institutions in the relevant field of construction.

(2) This Law shall apply to all types of structures.

(3) Construction shall be regulated by this Law, the Civil Law, other laws and regulatory enactments, as well as international agreements binding on Latvia.

(4) For the implementation of this Law, the Cabinet shall issue the General Construction Regulations, construction norms and other regulatory enactments.

Section 3.

(1) A parcel of land may be built on if the building thereof is in accordance with the territorial local government spatial plan, detailed plan and the building regulations contained within these plans and, upon entering into a contract it is co-ordinated with the owner of the parcel of land (if the building is not carried out by the owner of the parcel of land).

(2) Construction restrictions on certain parcels of land shall be regulated by laws, Cabinet regulations, the territorial local government spatial plan and detailed plan. Construction restrictions may be recorded in the Land Register as restrictions on the right to use property.

(3) A structure shall be designed and constructed so as to ensure the architectonic quality of the environment, accessibility of the environment, rational utilisation of natural resources, as well as the:

- 1) solidity and stability;
- 2) fire safety;
- 3) safety in use;
- 4) hygienics and harmlessness to human health and the environment;
- 5) energy efficiency; and
- 6) acoustic requirements of the structure in general and separate parts thereof.

[7 March 2002; 31 March 2004]

Chapter II

Competence of State Administrative and Local Government Institutions in the Field of Construction

Section 4.

(1) The general supervision and co-ordination of construction in the State shall be performed by the Ministry of Economics. The Ministry shall develop a uniform State policy in construction and ensure implementation of this policy. In order to perform this task, the Ministry shall:

- 1) develop a construction development strategy and programme;
- 2) develop proposals for the improvement of the system of regulatory enactments regulating construction;
- 3) develop, compile and submit construction norms to the Cabinet for approval;
- 4) verify the conformity of the binding building regulations approved by local governments with laws and other regulatory enactments;
- 5) within the scope of its competence, examine complaints regarding activities by State administrative and local government institutions and the officials of these institutions in the field of construction;
- 6) maintain the construction merchant register;
- 7) ensure State control in construction;
- 8) monitor and control compliance with the requirements for the accessibility of the environment in public buildings and structures; and
- 9) maintain the information base to ensure the supervision and control of construction.

(2) The competence of the Ministry may also include other duties in the field of construction provided for by regulatory enactments.

[7 March 2002; 27 February 2003; 10 March 2005]

Section 5.

(1) The Cabinet shall establish a Construction Council of Latvia and approve the by-law of the Construction Council of Latvia.

(2) The main tasks of the Construction Council of Latvia shall be to:

- 1) develop proposals regarding a construction development concept and strategy;
- 2) evaluate a sustainable development programme for construction, as well as co-ordination of legislative enactments and conformity thereof with the construction development concept;
- 3) examine proposals regarding improvement of the system of regulatory enactments in construction;
- 4) develop proposals regarding a strategy for the professional training of qualified specialists (architects, planners, engineers, technicians and workers) necessary for the sector; and
- 5) examine proposals regarding nationally significant structures and to provide opinions regarding the design, construction and financing thereof.

[27 February 2003]

Section 6.

(1) The Cabinet shall, if necessary, specify special procedures for the construction process of the following structures:

- 1) national defence structures;
- 2) diplomatic representations and the consular authorities thereof;
- 3) transport and telecommunication structures and main pipelines;
- 4) water supply, wastewater collection and treatment structures, structures for municipal and hazardous waste management, quarries for extraction of mineral resources;
- 5) structures related to radiation safety;
- 6) hydrotechnical and land amelioration structures; and
- 7) energy production and transmission structures.

(2) The construction norms for the structures referred to in this Section shall be developed, compiled and submitted by the relevant ministry to the Cabinet for approval.

[7 March 2002; 31 March 2004]

Section 7.

(1) The following shall be within the competence of territorial local governments:

- 1) to develop and approve the spatial plan, detailed plans of the administrative territory thereof and building regulations contained therein that are mandatory for all persons participating in construction and refer to all types of structures within the administrative territory of the territorial local government, as well as control and ensure performance thereof;
- 2) to examine building designs and take decisions regarding them;
- 3) to issue and register construction permits (including construction permits issued by other institutions); and
- 4) to control how persons participating in construction comply with the requirements of this Law and other regulatory enactments regulating construction.

(2) To oversee and control construction territorial local governments shall set up building authorities within the administrative territory thereof.

(3) Construction within the administrative territory of the territorial local government shall be overseen by the officials of the building authority, who shall have a higher education in construction.

(4) Construction within the administrative territory of the territorial local government shall be controlled by officials on whom construction control rights have been conferred in accordance with the procedures specified in Section 29, Paragraph three of this Law.

(5) Territorial local governments may, in accordance with the procedures specified in Chapter V of the State Administration Structure Law, delegate to other local governments with the functions associated with the supervision of construction in the relevant administrative territory, separate tasks or establish joint control services for the implementation of such tasks, preserving liability for the implementation of the functions as a whole.

[7 March 2002; 10 March 2005]

Chapter III

Regulation of Construction Services

[10 March 2005]

Section 8.

(1) If natural persons have received a relevant builder's practice or architects practice certificate, they shall have the right to independent practice in the following fields of construction:

- 1) engineering research;
- 2) design;
- 3) construction expert-examination;
- 4) construction works management; and
- 5) construction supervision.

(2) Builder's practice or architect's practice certificates shall be granted, registered and cancelled in accordance with the procedures specified by the Cabinet.

(3) Builder's practice or architect's practice certificates shall be granted for a period not exceeding five years.

(4) *[7 March 2002]*

(5) If a person has acquired the relevant education and professional qualifications in a foreign state and such education and professional qualification is recognised according to the procedures specified in the Law On Recognition of Regulated Professions and Professional Qualifications, such person shall have the same rights as the persons referred to in Paragraph one of this Section.

[27 February 1997; 7 March 2002; 31 March 2004]

Section 9.

[7 March 2002]

Section 10.

(1) In order to perform commercial activities in one or several fields of construction in which a natural person for independent work in accordance with Section 8, Paragraph one of this Law a builder's practice or architects practice certificate is necessary, a merchant shall register in the construction merchant register.

(2) A merchant is not entitled to implement works in the field of construction in which he or she does not the relevant specialist.

(3) The construction merchant register shall include information regarding the merchant, the personnel employed in construction, including regarding persons who have permanent practice rights in accordance with Section 8 of this Law, data characterising the merchant, information regarding violations in construction and information regarding violations of the regulations of the register.

(4) The construction merchant register is publicly accessible, except for data the accessibility of which is restricted in accordance with regulatory enactments regarding commercial secrets and data protection.

(5) The procedures by which merchants shall be registered and re-registered in the construction merchant register and excluded therefrom, as well as the content of the register data and the procedures for utilisation shall be determined by the Cabinet.

[7 March 2002; 31 March 2004; 10 March 2005]

Section 10.¹

(1) A builder's practice or architect's practice certificate shall not be necessary for persons who in accordance with an approved building design and construction permit construct family houses, farmhouses, household buildings, or summer cottages for their own needs in accordance with the procedures specified in the General Construction Regulations.

(2) Natural persons shall not require a builder's practice or architect's practice certificate if the implementation of construction works in conformity with the General Construction Regulations and other regulatory enactments, an accepted building design and construction permit are not necessary.

(3) For master craftsmen no certificate shall be necessary if they carry out or manage appropriate building trade works within the meaning of the Law on Trade Activities.

(4) *[10 March 2005]*

[7 March 2002; 31 March 2004; 10 March 2005]

Chapter IV Basic Rules of Construction

Section 11.

(1) A parcel of land may be built on by the owner thereof or another person who has entered into a contract with the owner of the relevant land parcel.

(2) A parcel of land may be built on if the building thereof is not in conflict with the territorial spatial plan and detailed plan.

(3) A local government may prohibit building or suggest adjustments thereof, substantiating the decision thereof with the legal provisions that do not allow such construction, as well as taking into account the results of the public discussion of the territorial spatial plan (detailed plan) and construction.

(4) The decision of the local government may be appealed in court.

[7 March 2002]

Section 12.

(1) A local government shall, prior to taking a decision regarding construction, ensure public discussion regarding the intended construction if:

- 1) a structure of public importance is built;

2) the cost of a newly erected building or reconstruction for State or local government funds exceeds 50 000 lats;

3) construction significantly affects the state of the environment, living conditions of the population or the value of immovable property; or

4) the building is intended in an existing public-use territory.

(2) The Cabinet shall determine the procedures pursuant to which public discussion of construction shall be ensured.

[7 March 2002]

Section 13.

(1) Prior to commencement of construction work the client or the builder shall receive a construction permit in accordance with the procedures specified in the General Construction Regulations.

(2) If the client or the builder, or the owner of the parcel of land changes, the construction permit shall be re-registered.

(3) If construction work is suspended for a period, which exceeds one year, the suspension of work, motivating it, shall be registered with the local government.

(4) A construction permit may be cancelled if the client or the builder fails to comply with the construction procedures provided for by law, fails to commence construction work within a year from the day of receipt of the construction permit or fails to register a construction suspension which exceeds one year at the local government.

(5) Commencement of construction without a construction permit shall be qualified as unauthorised construction and liability therefor shall be provided for in the relevant legislative enactments.

[27 February 1997]

Section 14.

(1) The owner of engineering communications may not prevent or hinder connection thereto if, in the decision of the relevant local government regarding construction, these engineering communications are intended for public use, the capacity thereof prior to receipt of a request for connection is sufficient and the connection takes place in conformity with the operational and technical regulations of engineering communications.

(2) All losses which the land owners and owners of engineering communications have incurred due to connection to the relevant engineering communications shall be compensated.

(3) Procedures by which permits for connection to roads, streets and engineering communications, water supply, drainage, heat energy, electric energy, gas and communications systems shall be received from the owners and regulations for such connection (including connection fees) shall be specified by the General Construction Regulations.

(4) Procedures for the receipt of regulations for the installation, relocation or reconstruction of structures and engineering communications in reclaimed lands or places where it may affect the operation of amelioration systems shall be determined by the Law on Amelioration.

[31 March 2004]

Section 15.

Procedures by which engineering research work (topographic, geological, hydrological, etc) for the needs of construction shall be carried out and registered, as well as the right to perform such and liability for this work shall be set out in the construction norms of Latvia and other regulatory enactments.

Section 16.

(1) Construction work may only be carried out in accordance with a building design approved by the local government, except for the cases provided for in the General Construction Regulations.

(2) Procedures for the design of a structure, co-ordination and acceptance of a building design shall be prescribed by the General Construction Regulations.

(3) If a building design provides for derogation from construction standards and regulations, such derogation shall be co-ordinated with the relevant State and local government institutions that supervise construction.

Section 17.

(1) A structure may be only used in conformity with the designed functions and only subsequent to the acceptance for operation thereof.

(2) Procedures by which a structure shall be accepted for operation shall be prescribed by the construction norms of Latvia.

Section 18.

If construction work is suspended for a period which exceeds one year, the builder shall preserve the structure in accordance with the procedures provided for in the General Construction Regulations and without delay notify the relevant local government thereof in writing.

Section 19.

Construction for State or local government funds shall be regulated by regulatory enactments regarding construction and regulatory enactments regarding procurement for State or local government needs.

[7 March 2002]

Section 20.

Expert-examination of a construction shall be organised if a dispute issue between the participants in construction work is to be resolved, as well as on the basis of a proposal by a commissioning party or building authority and in other cases, which are specified in the General Construction Regulations.

[7 March 2002; 31 March 2004]

Section 21.

Persons participating in construction may invite a construction expert for the evaluation of construction proposals, building designs, construction products and the quality of construction works, as well as the provision of an opinion regarding other issues related to construction.

Chapter V

Construction Norms, Standards and Certification of Construction Products

Section 22.

(1) All persons participating in construction shall comply with the construction norms of Latvia that prescribe permissible technical parameters, criteria and restrictions. The construction norms of Latvia shall be approved by the Cabinet.

(2) In respect of the objects and parameters not regulated by the construction norms of Latvia or which do not have applicable European Organisation for Standardisation standards, it is permitted to apply European technical approvals or technical requirements and standards of the construction norms of the European Union Member States, procedures for the application of which shall be specified by the Cabinet.

[7 March 2002]

Section 23.

(1) All persons participating in construction shall comply with the requirements of the Latvian national standards and European technical approvals if such is provided for by laws or Cabinet regulations.

(2) The Latvian national standards in the field of construction shall be approved by the technical committees for the standardisation of the sector and registered by the Latvian national standardisation institution.

[7 March 2002]

Section 24.

- (1) A construction product manufacturer has the right to specify for the products thereof undertaking standards. They shall specify the minimum quality requirements for raw materials and the permissible variations thereof, as well as technical regulations for manufacturing, storage, transportation and installation of construction products and manufacturer's guarantees corresponding to them.
- (2) A construction product manufacturer shall develop undertaking standards and register them at the Standardisation Centre in accordance with the regulatory enactments in the field of standardisation.
- (3) The undertaking standards may not be in conflict with the Latvian national standards and other regulatory enactments.

Section 25.

- (1) A construction product manufacturer (distributor) has a duty to attach to each concurrently sold batch of construction products, the technical passport of the product, instruction or any other type of written information in which the date of manufacturing and delivery of the relevant construction product and the guaranteed technical and physical properties of the indicators specified in the relevant regulatory technical documents shall be specified, as well as a conformity certifying document in accordance with the Law on Conformity Assessment if the construction product is subject to the requirements of the regulated sphere.
- (2) Procedures for conformity assessment of construction products in the regulated sphere shall be prescribed by the regulatory enactments issued by the Cabinet.
- (3) For the marketing of construction products without the technical passport of the product, instruction or any other type of written information, as well as without a conformity certifying document or with an invalid conformity certifying document (for construction products subject to the requirements of the regulated sphere), the construction product manufacturer (distributor) and trader shall be held liable in accordance with the procedures prescribed by laws and other regulatory enactments.

[1 October 1997]

Chapter VI Construction Supervision

Section 26.

- (1) The client or the builder has the right, but in the cases provided for by the General Construction Regulations the duty, to invite during construction the author (authors) of the building design to follow the course of the building design implementation — to perform supervision by the author.

(2) The client or the builder has a duty to co-ordinate all changes to the building design with the building design author (authors) prior to the performance of the relevant construction work, irrespective of the fact of whether or not supervision by the author is performed. Changes to a building design may only be introduced with the acceptance of its author (authors). Changes may be accepted in accordance with the procedures specified in the General Construction Regulations. Failure to co-ordinate changes may serve as grounds for suspension of the construction works.

(3) The author (authors) of the building design have a duty to perform supervision by the author in the cases specified by law or to appoint their authorised representative for the performance of the supervision by the author.

(4) Regulations for the supervision by the author shall be approved by the Cabinet.

[7 March 2002]

Section 27.

(1) If construction is carried out for State or local government funds, the relevant builder shall invite a building supervisor for supervision of the quality of construction work and construction products.

(2) Other builders and building contractors have the right, but in the cases provided for by the General Construction Regulations – a duty, to invite a building supervisor for supervision of the quality of construction works and construction products.

(3) A building supervisor does not have the right to make changes in the building design.

(4) Supervision of construction, if it is provided for by the contract between the persons participating in the construction, may be performed by a representative of the credit bank or insurance company who has received a builder's practice or architect's practice certificate.

(5) Regulations for supervision of construction shall be approved by the Cabinet.

[7 March 2002; 31 March 2004]

Section 28.

[7 March 2002]

Chapter VII Construction Control

Section 29.

(1) State control of construction shall be performed by the State Construction Inspection, which is a part of the Ministry of Economics system.

(2) The State Construction Inspection has a duty to verify how officials and State administrative and local government institutions comply with the requirements of laws and other regulatory enactments in the field of construction, as well as control compliance with the requirements of laws and other regulatory enactments in respect of the quality of construction products.

(3) The Ministry of Economics shall grant, register and withdraw the right to control construction, including accessibility of the environment, to State and local government building inspectors.

[27 February 1997; 7 March 2002; 27 February 2003]

Section 30.

(1) A building inspector has the right to inspect and examine structures, to enter them, survey them, request explanations and documents provided for by the General Construction Regulations, as well as request the vacation of premises at the expense of the building contractor or builder, making them accessible and to uncover parts of structures to be able to examine the built construction if signs of unsafety have been determined.

(2) In respect of each examination the building inspector shall provide an opinion and, if necessary, also instructions regarding how the violations shall be eliminated.

(3) The building inspector has the right to suspend construction until the instructions given in the opinion are fulfilled.

(4) If construction takes place without a construction permit or does not comply with the accepted building design, the building inspector shall order immediate suspension of the construction work until the relevant local government takes a decision regarding the demolition of the structure or part thereof in accordance with the procedures provided for by the General Construction Regulations or regarding a possibility of continuing construction.

(5) The decision of the local government may be appealed to a court within a period of one month from the day of the notification thereof.

(6) If the local government has taken a decision regarding the demolition of an unlawfully constructed structure or part thereof, but the client or the builder has not carried it out within the time period specified, the relevant local government shall organise the demolition of this structure or part thereof. The costs related to the demolition shall be covered by the client or the builder.

[27 February 1997; 7 March 2002]

Section 30.¹

(1) Administrative acts issued in the construction process according to the procedures specified by law may be disputed by submitting a relevant submission to an institution, or appealed by submitting an application to a court.

(2) A submission regarding dispute of a construction permit to the State Construction Inspection shall not suspend the operation of such construction permit.

(3) A dispute or appeal of a decision regarding the cancellation, recognition of loss of validity or invalidity of a construction permit shall not suspend the operation of such decision.

(4) An institution, which has received a submission in which a construction permit or a decision regarding the cancellation, recognition of loss of validity or invalidity of a construction permit is disputed, or a court, which has received an application in which an a decision of an institution regarding the cancellation, recognition of loss of validity or invalidity of a construction permit is appealed shall send a notification to the issuer of the

construction permit and the recipient of the construction permit regarding the fact that the submission or application regarding the dispute or appeal of the construction permit is at the disposal of such institution or court.

(5) A local government building authority, which has received the notification referred to in Paragraph four of this Section shall not issue a statement in which it is indicated the legal justification of the construction of the newly erected building and a characterisation of the newly erected building, and shall not take the building into service until the moment, when the decision of the institution has become indisputable or a court judgment has come into effect.

[10 March 2005]

Chapter VIII

Putting in Order or Demolition of Dilapidated Structures and Structures in the List of Cultural Monuments

Section 31.

(1) If a structure is fully or partially dilapidated or is in a condition that the use thereof is dangerous or it spoils the landscape, the owner in accordance with a decision of the relevant local government shall put it in order or demolish it in accordance with the provisions of Section 1084 of the Civil Law.

(2) The decision of the local government may be appealed to a court within a period of one month from the day of notification thereof.

(3) If the owner of the structure has failed to fulfil the decision of the local government within the time period specified, the local government shall organise the putting in order or demolition of such structure. The costs related to the putting in order or demolition shall be covered by the owner of the structure.

(4) The decision regarding demolition of a structure shall be co-ordinated with the State Inspection for Heritage Protection if the structure has been included in the list of State protected cultural monuments or is older than 50 years.

(5) Demolition of a structure shall be carried out according to the procedures specified in the General Construction Regulations in accordance with the accepted building design.

[7 March 2002]

Section 32.

Modification of State protected cultural monuments and structures within their protection zone shall be performed by the owners or users thereof in accordance with the Law on Protection of Cultural Monuments.

[7 March 2002]

Chapter IX

Liability and Insurance in Construction

Section 33.

(1) Persons participating in construction have a duty according to the procedures specified in this Law and the Civil Law to compensate those losses of other persons participating in construction or third persons, which he or she has committed with his or her action or failure to act.

(2) If one of the persons participating in construction has entered into contract with another person participating in construction who in accordance with Section 8 or 10 of this law does not have the right to perform the works provided for in the contract, and due to the incompetence of such other participant in construction losses have been caused to third persons, the first person participating in construction shall be financially liable for the losses referred to.

(3) Each person participating in construction and each manufacturer of construction products used in the structure within the scope of their participation in accordance with this Law and the Civil Law shall be liable for the losses incurred during the guarantee period specified in the General Construction Regulations unless it is otherwise provided for in the mutually entered into contracts.

[27 February 1997; 10 March 2005]

Section 34.

(1) A building contractor and builder have a duty to insure their civil legal liability regarding the harm caused as a result of his or her action or failure to act to the life and health of third persons and the losses caused to the property of third persons.

(2) If for the performance of construction work a construction permit is necessary, a building contractor and builder shall be civil legal liability insured, moreover for the time period while construction work is being performed.

[27 February 1997; 10 March 2005]

Section 35.

A civil legal liability insurance contract shall be entered into for one year for all construction objects, renewing or entering into such anew each year, or also separately for each construction object.

[27 February 1997; 7 March 2002; 31 March 2004; 10 March 2005]

Section 36.

(1) Insurance liability limits are the maximum cash amount to be paid for the compensation of actual losses, which shall be specified correspondingly, for one insurable event and all of the period of operation of the contract (policy).

(2) The insurance liability limit in respect of one insurable event and for the insurance period of operation of the insurance contract (policy) together shall be indicated in the insurance contract (policy).

[10 March 2005]

Section 37.

In the case of the occurrence of an insurable event, the insurer who has insured civil legal liability losses or harm caused by the insured shall pay out insurance compensation in monetary terms, not exceeding the insurance liability limit specified in the insurance contract in relation to any one event and retaining the own risk indicated in the policy, which may not exceed 20 per cent of the liability limit.

[10 March 2005]

Section 38.

(1) Losses caused to the property of third persons shall be assessed taking into account the compensation principle in conformity with the Law On Insurance Contracts. The amount of insurance compensation shall be specified by mutual agreement between the parties.

(2) In the case of a dispute between the parties, the amount of insurance compensation shall be determined according to the procedures provided for in regulatory enactments.

[10 March 2005]

Section 39.

If, in the case of the occurrence of an insurable event, the losses are caused to several persons and the amount of losses exceeds the liability limit specified in the insurance contract (policy), the insurance compensation shall be calculated for each claimant in proportion to the losses caused to him or her in such an amount as the total compensation to be paid out does not exceed one insurable event liability limit indicated in the insurance contract (policy).

Section 40.

The issuer of the construction permit shall supervise the existence of civil legal liability mandatory insurance for a building contractor or builder.

[10 March 2005]

Section 41.

The Cabinet shall determine the procedures for the insurance of civil legal liability and minimum liability limits of civil legal liability insurance.

[10 March 2005]

Chapter X

International Agreements

Section 42.

(1) If an international agreement, which has been ratified by the Saeima, sets out construction provisions that differ from those contained in this Law, the provisions of the international agreement shall be applied.

(2) If an international agreement, which has been ratified by the Saeima, sets out construction provisions that differ from those contained in Latvian laws, the provisions of the Latvian laws shall be applied.

[10 March 2005]

Transitional Provisions

1. Until the issuance of the General Construction Regulations, building shall be co-ordinated with those State administrative institutions, which have been specified in the Spatial Planning Regulations issued by the Cabinet and commencement thereof shall be permissible subsequent to public discussion.

2. [10 March 2005]

3. Up to 1 March 1998 the provisions of Section 31, Paragraphs one, two and three shall not be applicable to structures which have been nationalised or otherwise illegally alienated and which spoil the landscape if the cause for such technical state of structures has arisen in the period when they were not in the possession of the legal owner.

4. The licence which up to now has been issued by the Latvian Union of Architects, the Latvian Union of Building Engineers or the Association of Heat, Gas and Water Technology Engineers of Latvia in accordance with Section 32 of the Law on Entrepreneurial Activities shall be equivalent to the builder's practice or architect's practice certificate referred to in Section 8 of this Law, with the term of validity specified in the licence remaining in force.

[7 March 2002]

5. Until approval of appropriate construction norms of Latvia the present construction norms shall be applicable.

6. The Cabinet shall develop draft amendments to the Law on the State Budget for 1995, foreseeing 10 staff positions of building inspectors in the regional environmental protection committees.

7. [7 March 2002]

8. With the coming into force of this Law, Cabinet Regulation No. 17, Construction Regulations, issued in accordance with Article 81 of the Constitution (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1995, No. 4), is repealed.

9. [10 March 2005]

[7 March 2002; 10 march 2005]

10. If the relevant local government does not have a territorial spatial plan (if necessary – also a detailed plan) developed and approved in accordance with the procedures specified in regulatory enactments, up to 31 December 2003 the local government is entitled to take a decision regarding permission to carry out construction on a specific land parcel in accordance with the procedures provided for by the General Construction Regulations, except for the protective coastal zone of the Baltic Sea and the Gulf of Riga. The decision referred to shall specify the restrictions on rights of alienation and use of the specific land property to be observed by the owner during the entire period of construction and existence of the structure.

[13 March 2003]

11. After 31 December 2003 in local governments which do not have an existing territorial spatial plan (also detailed plan) any construction intentions shall be given over for public discussion.

[7 March 2002]

12. By 1 April 2002 the Cabinet shall develop relevant amendments to regulatory enactments to ensure compliance with the requirements for the accessibility of the environment.

[7 March 2002]

13. The amended version of Section 6 of this Law shall come into force on 1 July 2002.

[7 March 2002]

14. By 31 December 2004 the provisions of Section 10.¹ of this Law shall also be applicable to partnerships and individual and family undertakings of craftsmen.

[7 March 2002]

15. Up to 30 June 2006, a merchant who has a licence that is in effect, which has been issued by the Ministry of Environmental Protection and Regional Development or the Ministry of Economics for entrepreneurial activities in construction and who operates in conformity to the conditions of the licence need not register in the construction merchant register.

[27 February 2003; 10 March 2005]

16. The Cabinet shall, by 1 July 2006, issue the relevant regulatory enactments in order to ensure the implementation of Section 4, Paragraph one, Clause 9 of the Construction Law.

[10 march 2005]

17. The norms of this Law, which regulate the registration of construction merchants and civil liability insurance (amendments to Section 1, Clause 20; Section 10.1, Paragraph four and Section 37, as well as Section 1, Clause 31; Section 4, Paragraph one, Clause 6; Section 10.1,

Paragraph four and the new text of Chapter IX of this Law), shall come into force on 1 July 2005.

[10 march 2005]

This Law has been adopted by the *Saeima* on 10 August 1995.

President

G. Ulmanis

Rīga, 30 August 1995