

BACKGROUND INFORMATION ON THE PROTECTION OF STATE-GUARANTEED DEPOSITS IN THE REPUBLIC OF LATVIA

Guarantees on deposits with a credit institution or credit union	<p>Safety of your deposits is guaranteed by the deposit guarantee scheme, which has been established pursuant to the Deposit Guarantee Law. In case of unavailability of deposits at a credit institution or credit union, the Deposit Guarantee Fund shall compensate your deposit for up to EUR 100,000.</p>
The maximum amount of guaranteed compensation and the deposits not eligible for State guaranteed compensation	<p>The maximum amount of guaranteed compensation is EUR 100,000 per depositor per credit institution or credit union. The currency of the guaranteed compensation is EUR. Payment of the guaranteed compensation is not applicable to the following deposits, as laid down in Article 23 of the Deposit Guarantee Law.</p> <ol style="list-style-type: none"> 1. Deposits of credit institutions and deposits of savings and loan associations; 2. Deposits of financial institutions; 3. Deposits of local governments with an annual budget exceeding EUR 500 000, and deposits of direct government institutions; 4. Deposits related to the laundering of proceeds of crime or recognised as proceeds of crime, if a criminal court judgement has entered into force; 5. Deposits, the identification of the depositor-client has not been carried out in accordance with the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing; 6. Deposits which, in accordance with the Law, constitute the own funds of the deposit holder; 7. Deposits of insurance companies; 8. Deposits of investment brokerage companies; 9. Deposits of investment management companies; 10. Deposits of private pension funds; 11. Deposits of alternative investment fund managers; 12. Debt securities issued by a credit institution, as well as liabilities arising from bills of exchange thereof; 13. Deposits with which no transactions have been carried out during the last two years from the date of the non-availability of deposits and the value of which is less than EUR 10.
Maximum amount of additionally guaranteed compensation	<p>In addition to the maximum guaranteed compensation of EUR 100,000, the depositor is entitled to guaranteed compensation of up to EUR 200,000 in accordance with the types of deposits and provisions laid down in Article 4 of the Deposit Guarantee Law.</p>
Calculation of guaranteed compensation for multiple deposits with the same credit institution or credit union	<p>The total of your deposits with that credit institution or credit union are aggregated and the guaranteed compensation cap (EUR 100,000) is applied to the total amount.</p>

Calculation of guaranteed compensation in case of a joint deposit with other person(s)	<p>If more than EUR 100,000 are held on the account, the guaranteed compensation for up to EUR 100,000 is provided to each depositor individually, if the depositor has been identified prior to the date of occurrence of unavailability of deposits.</p> <p>Where the depositor manages the funds due to another person in the depositor's account, the guaranteed compensation is entitled to that person who can demonstrate his or her right of claim on the funds managed by the depositor, if the deposit taker has identified that person before the date of the unavailability of the deposits.</p>
Date of commencement of the payment of guaranteed compensation in the event of unavailability of deposits and payment of the guaranteed compensation to minors	<p>The payment of the guaranteed compensation is made for a period of five years from the date of non-availability of the deposits or from the date on which the conditions justifying the refusal of the guaranteed payment laid down in the first part of Deposit Guarantee Law Article 27 have expired.</p> <p>Guaranteed compensation is paid:</p> <ul style="list-style-type: none"> • Starting from the 16th working day after unavailability of deposits occurs if deposits become unavailable between 1 January 2019 and 31 December 2020. • Starting from the 10th working day after unavailability of deposits occurs if deposits become unavailable between 1 January 2021 and 31 December 2023. • Starting from the 8th working day after unavailability of deposits occurs if deposits become unavailable after 1 January 2024. <p>In the event of unavailability of deposits and in accordance with the property interests of the minor person, legal representatives (parents) of minor savers (account owners) or guardians, appointed in accordance with the procedures specified in the Article Civil Law 222 and Article Family Court Law 26, are entitled to perform all the necessary activities for the receipt of the State guaranteed compensation of the minor in accordance with the procedures specified in regulatory enactments.</p> <p>Individuals are entitled to the guaranteed compensation personally from the time when they reach the age of 18.</p>
Information on the possibility of mutual offset of claims	<p>During the calculation of guaranteed compensation due to a depositor, the depositor's liabilities to the credit institution or may be taken into account and mutually offset.</p>
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