

# LEGISLATION NEWSLETTER

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- ▶ The amendments to the Credit Institution Law provide for the possibility of establishing a specialised credit institution with an initial capital of EUR 1 million



## AMENDMENTS TO THE CONSTRUCTION LAW

Available [here](#):

- ▶ On 13 November 2025, amendments to the Construction Law were adopted, which entered into force on 6 January 2026.
- ▶ The purpose of the amendments is to establish a single construction application by combining three separate applications into one. Specifically, the construction application shall also serve as the basis for further registration of the building in the State Real Estate Cadastre Information System, as well as for its entry in the Land Register.
- ▶ Section 14, Paragraph 14 of the Construction Law now states: *"An application of construction intention (including a notification regarding construction) regarding the construction of a new structure on land owned by the initiator of construction, as well as regarding changes in an existing structure located on land owned by the initiator of construction shall be considered as:*
  - 1) *a submission to the State Land Service for the registration or updating of the building's cadastre data based on information and documents in the Construction Information System, if in accordance with cadastre regulations the building is registered or its data updated in the State Real Estate Cadastre Information System;*
  - 2) *a request to the district (city) court for the registration of the newly constructed building in the Land Register."*
- ▶ The application shall be submitted through the Construction Information System using the service *"Unified Building Registration Process (Unified Process)"*.
- ▶ The amendments significantly reduce the administrative burden by ensuring that the process is carried out within a single digital environment, where its progress can be monitored.
- ▶ Alongside these amendments, changes have also been made to the Land Register Law and the Law on Recording of Immovable Property in Land Registers, as well as to several Cabinet regulations. For example, Cabinet Regulation No. 263 "Regulations on the registration of cadastral objects and updating of cadastral data" has been amended, and in the future, prior to commissioning a building, the cadastral survey file and the State Land Service inspection of the object will no longer be mandatory. However, the cadastral survey process may still be used in exceptional cases when the data required for cadastre registration cannot be obtained from the Construction Information System.
- ▶ Here were listed the most significant amendments in the view of BDO Law, which do not reflect the full extent of the Amendments.



## AMENDMENTS TO THE LAW ON RESIDENTIAL PROPERTIES

Available [here](#):

- ▶ On 13 November 2025, amendments to the Law on Residential Properties were adopted, which entered into force on 5 January 2026.
- ▶ The amendments stipulate that, in transactions with credit institutions, a community of apartment owners is treated as a legal entity. This provides an opportunity for communities of apartment owners to fully participate in civil circulation, including to receive loans issued by credit institutions.
- ▶ The amendments provide for the registration of communities of apartment owners, assigning them an identifier, indicating the representative of the community, and establishing the procedure for disclosing their beneficial owners. For this purpose, the Register of Communities of Apartment Owners has been created, allowing anyone to electronically access information about the communities free of charge.
- ▶ At the same time, an obligation to disclose the true beneficial owner of a community of apartment owners has been introduced. In this regard, the community is treated as a legal entity, and information about its true beneficial owner is registered in the Register of Beneficial Owners of Legal Entities maintained by the Enterprise Register.
- ▶ If a residential building is managed and the community of apartment owners is represented by a manager in dealings with third parties, and it is not possible to identify any natural person as the true beneficial owner, the manager shall be considered the true beneficial owner of the community. In such cases, the manager is not required to register in the Enterprise Register as a beneficial owner.
- ▶ Communities of apartment owners must submit information on their beneficial owner to the Enterprise Register no later than 1 October 2026.
- ▶ The amendments also explicitly strengthen the manager's rights in dealings with a credit institution where the community has an account, allowing the manager to operate the account without restrictions on representation authority.
- ▶ The most significant amendments to BDO Law were listed here, which do not reflect the amendments made in full.



## AMENDMENTS TO THE LAW ON EXECUTION OF CONFISCATION OF CRIMINALLY ACQUIRED PROPERTY

Available [here](#):

- ▶ On 18 December 2025, amendments to the Law on the Execution of Confiscation of Criminal Property were adopted, which entered into force on 20 January 2026.
- ▶ The amendments provide that a sworn bailiff shall, in accordance with the procedures laid down by law, also execute a court judgment or a decision or order of the prosecutor regarding the confiscation of property in the amount of criminally acquired assets, if the criminally acquired property is mixed with legally obtained funds, thereby expanding the mechanism for the confiscation of property.
- ▶ The scope of parties to the enforcement proceedings is expanded, stipulating that parties may include the victim, the debtor, the creditor, the owner of the property affected in the criminal proceedings, and the secured creditor. It is also clarified that the debtor and the victim have the right to receive information and access the documents of the enforcement case, and in the case of confiscation of property in the amount of criminally acquired assets, also the creditor.
- ▶ The amendments clarify the procedure for the auction and sale of property, including the consequences of the auction that did not take place and the procedure for the second auction.
- ▶ It is stipulated that from the funds obtained through the sale of confiscated property, the sworn bailiff first allocates the amount corresponding to the criminally acquired assets indicated in the enforcement document. This amount is distributed in accordance with the procedures laid down by law, while the remainder is distributed according to the procedures set out in the Civil Procedure Law.
- ▶ The most significant amendments to BDO Law were listed here, which do not reflect the amendments made in full.



## AMENDMENTS TO THE CONSTRUCTION LAW

Available [here](#):

- ▶ On 18 December 2025, amendments to the Construction Law were adopted, which entered into force on 7 January 2026.
- ▶ From 1 November 2025, an individual was required to provide information in the Construction Information System regarding the source of funding for planned construction works. With the amendments, this requirement has been removed, and the law no longer obliges a builder - a natural person - to indicate the source of funding when submitting an application for the fulfilment of conditions for commencing construction work.
- ▶ From now on, a natural person may independently construct a residential building up to 400 square meters without engaging a construction contractor, while a natural or legal person engaged in agricultural or fishing activities may construct non-residential agricultural buildings up to 800 square meters. Likewise, engaging a construction contractor is not mandatory for military facilities.
- ▶ The most significant amendments to BDO Law were listed here, which do not reflect the amendments made in full.



## NEWS ON SANCTIONS

### RUSSIAN GAS IMPORTS: COUNCIL GIVES FINAL GREENLIGHT TO A STEPWISE BAN

#### Press release:

- ▶ EU member states agreed on 26 January 2026 to a new regulation that will gradually eliminate all imports of Russian natural gas—both pipeline deliveries and LNG—into the European Union. The prohibition will come into force six weeks after the regulation becomes legally effective.
- ▶ To avoid sudden market shocks, current supply contracts will be phased out over a transitional period. This staggered approach is intended to cushion energy markets and prevent abrupt price spikes.
- ▶ Under the timeline, Russian LNG will be fully barred at the start of 2027, while the complete phase-out of pipeline gas is scheduled for autumn 2027. As part of the new rules, national authorities will also be required to confirm the origin of any gas entering the EU before granting import approval.

### U.S. IMPOSES SANCTIONS ON CRYPTO EXCHANGES TIED TO IRAN FOR THE FIRST TIME

#### Publication:

- ▶ The U.S. Treasury has sanctioned two cryptocurrency exchanges — Zedcex and Zedxion — marking the first time Washington has applied Iran-specific financial sanctions to crypto platforms. Officials say the exchanges processed transactions for Iran’s Islamic Revolutionary Guard Corps and are tied to Babak Morteza Zanjani, an Iranian businessman convicted of large-scale embezzlement.
- ▶ The sanctions freeze any U.S.-linked assets and bar American individuals or companies from dealing with the platforms, signalling a tougher approach to crypto-enabled sanctions evasion. This move comes shortly after revelations that Iran’s central bank purchased over \$500 million of Tether’s USDT stablecoin, allegedly to manipulate currency markets as the rial continued to fall.



## TRUMP ADMINISTRATION EASES SANCTIONS ON VENEZUELAN OIL INDUSTRY AFTER MADURO'S CAPTURE

### Publication:

- ▶ The Trump administration announced on Thursday, 29 January 2026, that it is relaxing sanctions on Venezuela's oil sector, aiming to boost production in the country following the recent capture of Nicolás Maduro. The U.S. Treasury has authorized U.S. companies to engage in a wide range of oil-related transactions with the Venezuelan government and PdVSA, including activities related to the extraction, export, sale, transport, and refining of Venezuelan oil.
- ▶ However, key restrictions remain in place, including full sanctions on individuals and entities connected to Russia, Iran, North Korea, and Cuba. The authorization also excludes dealings involving blocked vessels, Chinese-controlled entities in Venezuela or the U.S., and any transactions involving debt swaps, gold, or cryptocurrency.

## EU PREPARING 20TH RUSSIA SANCTIONS PACKAGE TARGETING OIL, BANKS, SHADOW FLEET

### Publication:

- ▶ The EU is reportedly assembling its 20th sanctions package against Russia, aiming to further squeeze Moscow's oil income and curb sanctions-evasion networks. Bloomberg says the plan could bar European firms from offering services like insurance and transport for Russian oil shipments at any price, tightening current rules. The package is also expected to add new restrictions on Russian banks, oil companies, crypto services, and third-country institutions that help Russia bypass sanctions, along with expanding the list of shadow-fleet tankers.



## IRAN: COUNCIL ADOPTS NEW SANCTIONS OVER SERIOUS HUMAN RIGHTS VIOLATIONS AND IRAN'S CONTINUED SUPPORT TO RUSSIA'S WAR OF AGGRESSION AGAINST UKRAINE

### Press release:

- ▶ The EU has expanded its sanctions regime by adding 15 more individuals and six additional entities for their involvement in serious human rights abuses in Iran, particularly connected to the violent crackdown on peaceful demonstrators. The newly listed individuals include high-level Iranian officials such as Eskandar Momeni, Prosecutor General Mohammad Movahedi-Azad, Judge Iman Afshari, as well as IRGC commanders and senior officers from the police and the Law Enforcement Force. Organizations placed under sanctions include SATRA, the Seraj Cyberspace Organization, the WGDICC, and several software firms, all of which played roles in censorship, online harassment, disinformation efforts, or the development of surveillance and repression technologies.
- ▶ In total, EU human-rights-related sanctions now apply to 247 people and 50 entities, covering asset freezes, EU travel bans, and prohibitions on providing financial or economic support. Restrictions on exporting equipment that could facilitate internal repression also remain in force. The EU reiterated its solidarity with the people of Iran and their legitimate demands for freedom, dignity, and the protection of fundamental rights.
- ▶ Iran's continued military support for Russia's war is viewed by the EU as a direct threat to European security, prompting new sanctions on four individuals and six entities involved in Iran's state-sponsored UAV development program. The EU also broadened its export ban to cover additional materials, components, and technologies used in producing and testing drones and missiles.



## TRUMP RAISES U.S. TARIFFS ON SOUTH KOREA IMPORTS TO 25%

### Publication:

- ▶ U.S. President Donald Trump announced a tariff increase on South Korean imports to 25%, saying Seoul has not upheld a trade agreement made last year. The higher duties will apply to products such as cars, lumber, and pharmaceuticals; South Korea exported about \$123 billion to the US last year, including \$30 billion in automobiles.
- ▶ The trade deal is still under review in South Korea's National Assembly and is expected to be approved in February. Since tariffs are paid by importers, US companies will now face a 25% tax on goods purchased from South Korea.

## TRUMP PAUSES GREENLAND-LINKED TARIFFS ON 8 EUROPEAN COUNTRIES

### Publication:

- ▶ U.S. President Donald Trump said he would delay planned tariffs on eight European nations, which were set to begin on February 1, unless they agreed to let the United States assume control of Greenland. Earlier, he warned that Denmark, the UK, and other NATO participants would face a 10% tariff—rising to 25% by June—if they did not meet his demands, noting after talks with NATO Secretary General Mark Rutte that a preliminary framework for a future agreement on Greenland and the wider Arctic region had been established



## FINTECH INDUSTRY NEWS

### THE AMENDMENTS TO THE CREDIT INSTITUTION LAW PROVIDE FOR THE POSSIBILITY OF ESTABLISHING A SPECIALISED CREDIT INSTITUTION WITH AN INITIAL CAPITAL OF EUR 1 MILLION

Available [here](#):

- ▶ On 6 January 2026, amendments to the Credit Institution Law came into force, which provide for the possibility of granting a license to specialized or small credit institutions with an initial capital of one million euros.
- ▶ The abovementioned amendments are justified by Article 12(4) of Directive 2013/36/EU<sup>1</sup> of the European Union, which states that Member States may grant licenses to special categories of credit institutions with an initial capital of less than EUR 5 million, subject to the conditions set out in subparagraphs "a)" and "b)". These conditions stipulate that the initial capital of such a credit institution must be at least EUR 1 million, and that the Member State notifies the European Commission and the European Banking Authority (EBA) explaining why this option is being applied.
- ▶ The amendments aim to ensure access to the European Union financial markets for non-bank financial institutions, such as fintech companies, which are often financed solely by shareholders' funds or by capital market instruments. By becoming a licensed specialized credit institution, a market participant can accept deposits in Latvia and other Member States, thereby gaining an additional source of funding to develop and expand operations.
- ▶ Section 1, Paragraph one, Clause 73 of the Credit Institution Law stipulates that a specialized credit institution must meet one of the following criteria:
  - a limited range of clients determined by the territorial principle, the principle of employment, or the principle of common interests under the Credit Union Act;
  - provision of financial services exclusively in digital form;
  - a business model offering innovative services that are new or significantly improved at the Latvian market level.

<sup>1</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC Text with EEA relevance.



## THE AMENDMENTS TO THE CREDIT INSTITUTION LAW PROVIDE FOR THE POSSIBILITY OF ESTABLISHING A SPECIALISED CREDIT INSTITUTION WITH AN INITIAL CAPITAL OF EUR 1 MILLION

- ▶ Specialized credit institutions may provide all financial services listed in Section 1, Paragraph 1, Clause 4 of the Credit Institution Law, namely:
  - attraction of deposits and other repayable funds;
  - crediting;
  - financial leasing;
  - payment services;
  - issuance and handling of non-cash means of payment not related to the provision of payment services;
  - trade on own account or on behalf of a customer in currency or financial instruments;
  - fiduciary operations (trust);
  - provision of investment services and non-core investment services;
  - issuance of electronic money, including electronic money tokens;
  - issuance of asset-referenced tokens;
  - crypto-asset services;
  - issuance of guarantees and other obligation acts which create the obligation to be liable before the creditor for the debt of a third person;
  - safekeeping of valuables;
  - advice to customers on financial issues;
  - provision of such information which is related to the settlement of debt obligations of a customer;
  - other transactions which are similar in nature to the abovementioned financial services.



To find out how we can help your business, we invite you to contact our team of experts, who will develop the most suitable and effective solution for your business needs.

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