

LEGISLATION NEWSLETTER

(01/02/2026 - 28/02/2026)

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AMENDMENTS TO THE OMBUDSMAN LAW

Available [here](#):

- ▶ On 15 January 2026, Amendments to the Ombudsman Law were adopted, which entered into force on 11 February 2026.
- ▶ The amendments expand the powers and responsibilities of the Ombudsman. Pursuant to the EU Artificial Intelligence Act, the Ombudsman acts as a fundamental rights protection authority. In order to implement the measures provided for in the EU Artificial Intelligence Act, the Ombudsman is henceforth entitled to:
 - (1) *Request and access documentation of artificial intelligence systems necessary for the examination of a case;*
 - (2) *Submit a reasoned request to the market surveillance authority, in accordance with its competence, to organise technical testing of an artificial intelligence system where the documentation necessary for the examination of a case is insufficient.*
- ▶ If, in exercising these powers, the Ombudsman concludes in its opinion that a violation of fundamental rights has occurred in breach of the regulatory framework governing artificial intelligence, this may serve as a basis for market surveillance authorities to initiate administrative or administrative offence proceedings. The applicable sanctions are provided for in the EU Artificial Intelligence Act and may include both fines and other types of penalties.
- ▶ Given the rapid development of artificial intelligence and its increasing use in recruitment processes, the Ombudsman, as a fundamental rights protection authority, is responsible for supervising the use of artificial intelligence systems in this field and is entitled to impose sanctions on employers for violations related to the use of artificial intelligence systems.
- ▶ Here are listed the most significant amendments from the perspective of BDO Law, which do not reflect the full scope of the amendments.



AMENDMENTS TO THE CONSTITUTIONAL COURT LAW

Available [here](#):

- ▶ On 22 January 2026, Amendments to the Constitutional Court Law were adopted, which entered into force on 18 February 2026.
- ▶ The amendments provide that judges of the Constitutional Court who have previously held the office of prosecutor shall, upon the expiry of their term as a Constitutional Court judge, have the right to return to an equivalent prosecutorial position and to receive a prosecutor's length-of-service pension. The amendments were introduced because, until now, the legislation did not ensure that prosecutors appointed as Constitutional Court judges retained the right to return to their previous prosecutorial position. Consequently, prosecutors risked interruption of their career continuity and loss of accrued social guarantees associated with the prosecutorial office.
- ▶ Here are listed the most significant amendments from the perspective of BDO Law, which do not reflect the full scope of the amendments.



AMENDMENTS TO THE LAW “ON AVIATION”

Available [here](#):

- ▶ On 22 January 2026, Amendments to the Law “On Aviation” were adopted, which entered into force on 18 February 2026.
- ▶ The amendments significantly strengthen the regulation of unmanned aircraft and increase liability for violations in civil aviation. The purpose of the amendments is to enhance flight safety, including improving the oversight system for unmanned aircraft and ensuring more effective control over the use of airspace.
- ▶ The law introduces the concept of “geographical zones for unmanned aircraft systems” - designated areas where unmanned aircraft flights may be prohibited or restricted (for example, near airports, military facilities, or other critical infrastructure). Administrative liability applies for non-compliance with these requirements.
- ▶ Penalties for violations have been substantially increased - in some cases, fines for legal entities may reach up to 10 percent of the previous year’s turnover. Responsibility has also been clarified regarding flights without proper qualifications, under the influence of alcohol or other intoxicating substances, non-compliance with requirements in geographical zones, and transportation or spraying of hazardous substances without authorization. At the same time, the law more clearly defines institutional competence - depending on the violation, cases are handled by the Civil Aviation Agency, the State Police, the Military Police, the State Border Guard, or municipal police.
- ▶ The amendments also establish the Unmanned Aircraft Information System - a state information system through which all communication and document processing in the unmanned aircraft sector will take place. The system will also maintain the sector registry, and communication will primarily be conducted digitally.
- ▶ Overall, the amendments introduce a stricter and, at the same time, clearer regulatory framework for unmanned aircraft, strengthening both flight safety and the protection of state and public interests.
- ▶ Here are listed the most significant amendments from the perspective of BDO Law, which do not reflect the full scope of the amendments.



AMENDMENTS TO THE LAW ON SOCIAL SERVICES AND SOCIAL ASSISTANCE

Available [here](#):

- ▶ On 26 February 2026, amendments to the Law on Social Services and Social Assistance were adopted, which entered into force on 28 February 2026.
- ▶ The amendments increase the coefficients used for calculating the housing benefit for the period from 1 January 2026 to 30 April 2026.
- ▶ The increased coefficients have been introduced in response to the rise in fixed housing maintenance costs during the winter period. The aim of the amendments is to provide additional support to low-income households.
- ▶ The amendments not only raise the coefficients, thereby increasing the potential amount of the benefit, but also broaden the scope of eligible recipients. As a result, certain households that previously did not qualify for the housing benefit will be eligible to receive it during this period.
- ▶ The coefficients for calculating the housing benefit from 1 January 2026 to 30 April 2026 are as follows:
 - *Single pension-age person or single person with a disability - 2.5 (standard coefficient - 2.1);*
 - *Household consisting solely of pension-age persons or persons with disabilities - 2 (standard coefficient - 1.7);*
 - *Households with children under 18 years of age or adults under 24 years of age who are in education or studies - 2 (not previously applied);*
 - *Other households - 1.7 (standard coefficient - 1.3).*
- ▶ Furthermore, as of 1 November 2026, households with children under 18 years of age or adults under 24 years of age who are pursuing general, vocational, or higher education will be eligible to apply for the housing benefit on a permanent basis (and not only during the specified period).
- ▶ Here are listed the most significant amendments from the perspective of BDO Law, which do not reflect the full scope of the amendments.



NEWS ON SANCTIONS

UK ANNOUNCES BIGGEST SANCTIONS PACKAGE AGAINST RUSSIA FOUR YEARS ON FROM FULL-SCALE INVASION OF UKRAINE

Press release:

- ▶ Four years after the Russian full-scale invasion of Ukraine, the UK has unveiled nearly 300 new sanctions in its largest package since 2022. The measures target key Russian energy revenues, including oil exports, and suppliers of military equipment. With oil revenues now at their lowest since 2020, international sanctions have reportedly deprived the Kremlin of more than \$450 billion, increasing pressure on Russia's struggling war economy.
- ▶ The package sanctions major energy and financial actors, including PJSC Transneft, which transports over 80% of Russian oil exports, as well as 175 firms in the "2Rivers" shadow fleet network and 48 oil tankers. Additional targets include weapons suppliers, LNG operators, civil nuclear firms, and nine Russian banks facilitating cross-border payments.
- ▶ During a visit to Kyiv, Foreign Secretary Yvette Cooper announced £30 million in new support to strengthen Ukraine's energy resilience and recovery, bringing total UK assistance to £21.8 billion. She said the UK will continue standing with Ukraine and defending European security.

US ISSUES NEW IRAN-RELATED SANCTIONS TARGETING 12 VESSELS, FOCUSES ON LPG TRADE

Publication:

- ▶ The US has imposed new sanctions on a dozen Iranian-linked vessels, targeting networks that support the IRGC and Iran's defense ministry in weapons production and UAV exports. Treasury Secretary Scott Bessent said the measures aim to block illicit oil sales and funding for Iran's military and terrorist activities.
- ▶ The sanctioned vessels transported hundreds of millions of dollars' worth of Iranian petroleum and petrochemical products to destinations in Asia and beyond. The measures target LPG and crude oil shipments, as well as smaller product tankers, aiming to disrupt networks that support Iran's strategic exports and military programs.



CHINA ADDS 20 MORE JAPANESE GROUPS TO EXPORT CONTROL LIST

Publication:

- ▶ China has imposed new export bans on dual use goods—items with both civilian and military applications—targeting 20 Japanese companies and institutions, including Mitsubishi Heavy Industries, Kawasaki Heavy Industries, IHI, the National Defense Academy, and JAXA. Beijing claims these entities support the strengthening of Japan’s military capabilities and says the measures are intended to curb Japan’s “remilitarization” and alleged nuclear ambitions. Another 20 Japanese firms, such as Subaru and ENEOS, were placed under tighter export control scrutiny. The restrictions may include rare earth minerals, though China has not confirmed this.
- ▶ Japan strongly protested the move, calling it “unacceptable” and demanding the withdrawal of the measures. Japanese companies affected—such as Mitsubishi Heavy Industries, IHI, Subaru, and others—are rushing to confirm details and assess potential impact. The move is widely viewed as part of China’s increasing economic pressure on Japan following political tensions over Taiwan and Japan’s expanded defense posture.

SAUDI-BACKED MIDAD ENERGY HAS SIGNED A TERM SHEET TO ACQUIRE LUKOIL'S SANCTIONED ASSETS, PENDING APPROVALS

Publication:

- ▶ Saudi owned Midad Energy has reached a preliminary agreement to purchase Lukoil’s assets currently under sanctions, though the transaction still requires approval from U.S. regulators. The proposed acquisition—structured as a full cash payment held in escrow—forms part of Midad’s broader push to snap up undervalued energy holdings worldwide as geopolitical tensions persist. The company is competing against firms like Carlyle Group, highlighting the rising appetite among Middle Eastern investors for Russian oil interests, despite the legal and political complications tied to sanctions. Whether U.S. authorities will sign off on the deal remains unclear, particularly given the ongoing repercussions of the Russia Ukraine war.



INDIA'S OIL SHAKE-UP: CAN VENEZUELA REALLY REPLACE RUSSIA?

Publication:

- ▶ India is signalling a shift in its oil strategy after pressure from the United States, with Washington claiming New Delhi will begin phasing out Russian crude in favour of larger U.S. energy purchases as part of a broader tariff cut deal. While Modi confirmed tariff reductions, he did not publicly acknowledge an oil pledge, though officials say U.S. petroleum is included. India has already sharply increased U.S. crude imports in response to U.S. sanctions threats and previous tariff penalties.
- ▶ Fully replacing Russian oil will be challenging. Russian supplies make up about a quarter of India's imports, and switching to more expensive U.S. crude could raise annual costs by up to \$11 billion. Longer shipping routes, limited U.S. export capacity, and refinery adjustments—since Indian plants are configured for heavier Russian crude—add further hurdles, especially as Europe is also locking in major U.S. energy purchases.

NEW ZEALAND IMPOSES TRAVEL BANS ON 40 IRANIAN OFFICIALS OVER PROTEST CRACKDOWN

Publication:

- ▶ New Zealand issued travel bans on 40 Iranian officials over their involvement in violently suppressing protests, targeting senior ministers and members of the Islamic Revolutionary Guard Corps. The move aligns New Zealand with partners such as Australia, the UK, the EU, Canada, and the United States, strengthening coordinated international pressure on Iran.



US VOWS TOUGHER EXPORT CONTROL ENFORCEMENT

Publication:

- ▶ The United States signalled a major escalation in export control enforcement, with BIS Assistant Secretary David Peters warning Congress that risks to U.S. dual use technologies are at unprecedented levels. He said the administration is expanding enforcement under President Trump and Commerce Secretary Howard Lutnick, including a proposed 123% budget increase to strengthen staffing, analytics, training, and international cooperation. Peters highlighted recent criminal cases involving smuggling of AI chips, as well as major civil penalties against companies like Cadence Design Systems, Exyte Management, and Applied Materials, stressing that offenders must “be prepared for the consequences”.
- ▶ Peters also argued that current financial penalties under the Export Control Reform Act are too weak to deter violations, calling for stronger sanctions similar to those applied to military exports. Despite limited resources, he noted that enforcement efforts in 2025 generated far more in penalties and forfeitures than the agency’s budget. His testimony comes amid increasingly strict U.S. controls on advanced semiconductor and AI related technologies, driven by concerns about transfers to strategic competitors.



FINTECH INDUSTRY NEWS

AMENDMENTS TO THE LAW ON OUT-OF-COURT CONSUMER DISPUTE RESOLUTION BODIES HAVE ENTERED INTO FORCE

Available [here](#):

- ▶ On 11 February 2026, amendments to the Law on Out-of-Court Consumer Dispute Resolution Bodies entered into force. The amendments concern the resolution of cross-border disputes and introduce changes to Article 5(2) of the Law, while repealing Article 8(2) and Article 15(3) and (4).
- ▶ Pursuant to the definition set out in Article 1(3) of the Law on Out-of-Court Consumer Dispute Resolution Bodies, a cross-border dispute is a dispute arising between a consumer whose habitual residence at the time of concluding a contract for the purchase of goods or the provision of services is in another Member State of the European Union, and a seller or service provider carrying out economic or professional activity in the Republic of Latvia.
- ▶ The amendments were adopted in order to align the provisions of the Law with Regulation (EU) 2024/3228 of the European Parliament and of the Council of 19 December 2024, which repeals Regulation (EU) No 524/2013 and amends Regulations (EU) 2017/2394 and (EU) 2018/1724 in relation to the closure of the European Online Dispute Resolution platform.
- ▶ In accordance with the above-mentioned Regulation, the possibility for consumers to submit complaints via the European Online Dispute Resolution platform (the so-called ODR platform) was discontinued on 20 March 2025. Consequently, it was necessary to delete references in the Law to the resolution of cross-border disputes through the ODR platform.
- ▶ Disputes related to services provided by fintech sector companies are examined out of court by the Ombudsman of the Finance Latvia Association, which is included in the database of dispute resolution bodies maintained by the Consumer Rights Protection Centre. Its competence includes, inter alia, disputes concerning non-compliance with the Payment Services and Electronic Money Law. Meanwhile, the Consumer Dispute Resolution Commission examines disputes related to services provided by non-bank lenders.
- ▶ Here are listed the most significant amendments from the perspective of BDO Law, which do not reflect the full scope of the amendments.



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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