



# Latvia – Europe's Financial Compliance Capital

And future home of the AMLA



Ministry of Finance  
Republic of Latvia

2023



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# Latvia welcomes AMLA

For many decades the European Project has delivered and safeguarded its four freedoms and linked the prosperity of Europeans with their security. The liberalization of capital movements has facilitated an evolutionary process and ensured economic and social convergence of the Member States as well as development and deepening of the Banking and Capital Union of the EU.

We have learned how the integrity and well-functioning of the financial sector depend on its ability to operate within a framework underpinned by strong legal, professional, ethical, and reputational standards. Money laundering and terrorist financing are global threats with high contamination risks to the economy, international security, democracy, and principles of rule of law.

Not too long ago Latvia's financial sector faced challenges that demanded immediate action to reduce the national risks related to money laundering. We set an ambitious target to rebuild our AML/CTF system and stamp out threats to our financial sector reputation. We went above and beyond in meeting these goals, and, in the process, Latvia became the first country in Europe with an AML/CTF regime compliant with all 40 FATF recommendations.

Since money laundering is not constrained by borders, we supported efforts to strengthen the EU's anti-money laundering and countering terrorism financing legal framework and welcomed the broad legislative package presented by the European Commission in 2021. We see it as a timely reflection of the need to ensure higher harmonization of applicable AML/CTF rules across the European Union.

At the heart of the legislative proposal package lies the creation of a new EU authority that will transform AML/CFT supervision in the EU by enhancing cooperation and information sharing among financial intelligence units. We believe that an independent and central authority with a strong legislative and supervisory mandate and a high level of autonomy will ensure the implementation of the highest compliance standards in the riskiest sectors while ensuring close cooperation with national supervisory authorities.

Latvia has always cherished its place in the European Union and shares its common goals and values. It is said that geography determines history – and the history of our capital Riga is rich. Throughout centuries it has been a vibrant hub bringing together those who want to foster international trade, skills, growth, and prosperity. Latvia possesses a perfect combination of financial and risk management expertise strengthened through close financial and economic ties with the whole Baltic and Nordic region. The Latvian government is ready to offer the AMLA the highest level of involvement and support to ensure the agency can perform at its full potential.

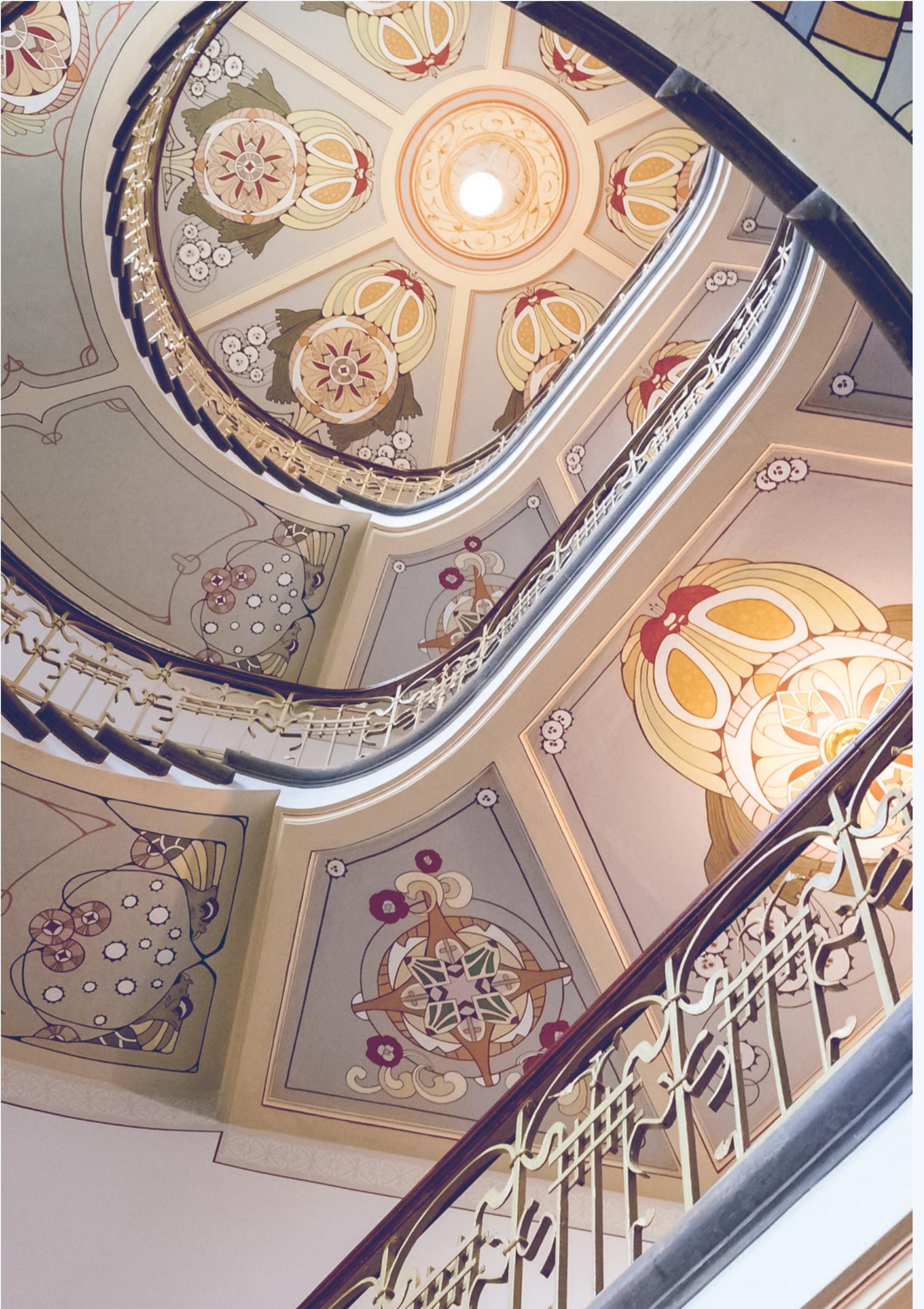
The establishment of the AMLA in Latvia can significantly contribute to the geographical balance and unity of the European Union and its agencies. We see Riga as a home for AMLA with a strong, safe, modern, and efficient environment to serve European citizens, as well as the internal market.

Prime Minister

*Krišjānis Kariņš*

Minister of Finance

*Arvils Ašeradens*



# AMLA in Latvia – leveling up the EU’s approach to tackling financial crime

## **HOUSING THE AMLA IS NO SMALL UNDERTAKING. AND LATVIA IS UP TO THE CHALLENGE.**

The same way Latvia was up to the challenge to completely revamp its AML/CFT processes to become among the most innovative, forward-thinking, and collaborative AML jurisdictions in the EU, extending its services internationally to support our European neighbors.

In Latvia, the AMLA and its employees would find a lifestyle to be envied, a nearness to nature along with the cultural and logistical benefits of a metropolis, and modern premises to carry out their day-to-day work. This work would be highly rewarding, working with professionals with experience in the latest approaches to AML, and solidifying a strong European Union presence in a region where such a message has deep and meaningful significance. It is more important than ever to demonstrate that the Baltics are an integral part of the EU.

The financial system of the EU has to be reshaped to meet the challenges of today and tomorrow. Despite massive strides in recent years, the AML/CFT efforts of member states continue to be suboptimal, in no small part due to the fragmented and inconsistent approach to tackling financial crime.

As such, Latvia welcomes the establishment of the AMLA and expresses its full commitment to supporting the new agency’s core aims.



**“LATVIA HAS MADE  
SIGNIFICANT  
PROGRESS IN  
STRENGTHENING  
ITS AML/CFT  
FRAMEWORK.”**

IMF Report, September 2021

# Latvia's unique experience with AML

Over the past decade, Latvia has worked to completely overhaul the country's financial sector, developing a state-of-the-art AML regime with full buy-in from political and institutional stakeholders.

Latvia has had a unique experience with AML – once having been a hot spot for less-than-savory financial dealings, the system has been entirely reshaped to crack down on financial crime. Because of its geographical location, Latvia is always in a state of vigilance (to a higher degree than other EU member states would have to be).

This unique experience leads to unique advantages for the EU – a freshly-built system bringing together the financial industry's best practices, plus an industry and workforce that has had extensive experience – both at a reform level and at a crime identification and deterrence level.

1

## CHAPTER OUTLINE

Ambitious financial sector reform  
Demonstrated commitment to AML  
Latvia's financial sector growth trajectory

# Ambitious financial sector reform

Latvia has implemented one of the most ambitious financial sector reforms in Europe in recent years and sets an example with its zero-tolerance policy on financial crime.

Having attained the highest MONEYVAL evaluation, Latvia holds a higher technical compliance level than most FATF countries, and has implemented a cutting-edge risk-based approach in AML supervision.

The complete overhaul of the financial sector took less than two years, and resulted in not only MONEYVAL and FATF compliance but also long-lasting, institutional change.

# Demonstrable commitment to AML

Rather than merely putting out fires, Latvia's commitment to AML has been proactive and comprehensive. Between a selection of highly targeted AML regulations, a crackdown on offenders, the implementation of advanced monitoring systems, new cross-border partnerships, and future-oriented technical innovation (AI for AML), the reform has set a new quality standard throughout the entire governmental structure and beyond.

So much so that Latvia has become a leading partner in international financial crime detection. FIU Latvia received the best case award from the Egmont Group in July 2022. Of 160+ member countries and 19 finalists, Latvia took home the top award.

## A MATTER OF NATIONAL PRIORITY

*“The Latvian government and respective authorities considered the reform a matter of national priority and security. For this reason, the measures taken were not just aimed at satisfying MONEYVAL assessors (implementing FATF requirements), but also to establish a sustainable and resilient financial sector that would benefit the country for decades to come. The positive changes already effected are profound and long-lasting.”*

Toms Platacis, Acting Head of the Financial Intelligence Unit of Latvia (FIU)

## 40

**“FULLY COMPLIANT OR LARGELY COMPLIANT WITH 40 FATF RECOMMENDATIONS.”**

MONEYVAL follow-up report on Latvia, December 2019

## BECA 2022

“The Financial Intelligence Unit of Latvia (FIU Latvia) received an international award BECA (Best Egmont Case Award 2022),

**FOR EXCEPTIONAL WORK IN THE FIELD OF FINANCIAL INTELLIGENCE IN THE COMPETITION OF 19 COUNTRIES.”**

Egmont Group, July 2022

# Compliance with 40 FATF recommendations

Latvia became the first country in Europe to successfully implement all FATF recommendations<sup>1</sup>, attaining a higher compliance rate than most FATF countries.

Latvia was re-rated by MONEYVAL in January 2020 to be “compliant” on 7 of 40 FATF recommendations, and “largely compliant” on 33 of 40 of them<sup>2</sup> and was congratulated for this outstanding, first-of-its-kind achievement in the MONEYVAL Committee of Experts 59th Plenary Meeting<sup>3</sup>.



**“LATVIA HAS SET UP A STRONG AND ROBUST FINANCIAL CRIME PREVENTION SYSTEM AND WILL NOT BE SUBJECT TO ‘ENHANCED SURVEILLANCE’ OR ‘GRAY LISTING’.”**

FATF, February 2020

## Institutional reform

Latvia's various supervisory institutions have made significant progress in their commitment to tackling financial crime – strengthening capacity, imposing fines, instituting regulations.

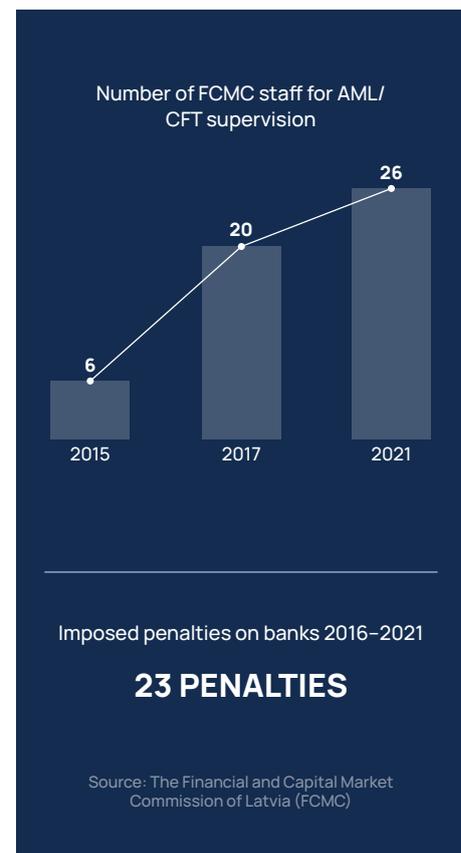
### How the FCMC strengthened supervision and mitigates risk levels:

- Approach to measuring bank risk exposure improved
- Financial sector risk assessment developed
- IT solutions for risk management improved
- On-site inspection methodology developed, based on the assessment of 10 elements
- Strengthened dialogue with market participants (AML guidance developed, training and discussions provided) effectiveness introduced
- Procedures for checking sanctions compliance improved

### As for changes made at a regulatory level, regulatory requirements have been:

- Adopted for carrying out the international sanctions risk assessment and development of ICS
- Adopted for carrying out independent audits
- Improved for enhanced customer due diligence
- Improved for quarterly reporting
- Successfully achieved proficiency in sanctions compliance

On 1 January 2023, the Financial and Capital Market Commission (FCMC) will be integrated into the Bank of Latvia to enable more effective supervision by reducing bureaucracy, accelerating response to market changes, and making more efficient use of resources.



1 Source: <https://www.mk.gov.lv/en/article/karins-overhaul-latvias-financial-sector-supervision-has-been-resounding-success-we-have-re-established-reputation-our-country-and-created-strong-and-robust-anti-money-laundering-system?>

2 Source: <https://www.coe.int/en/web/moneyval/-/moneyval-publishes-follow-up-report-on-latvia>

3 Source: <https://rm.coe.int/committee-of-experts-on-the-evaluation-of-anti-money-laundering-measur/16809cc8482>

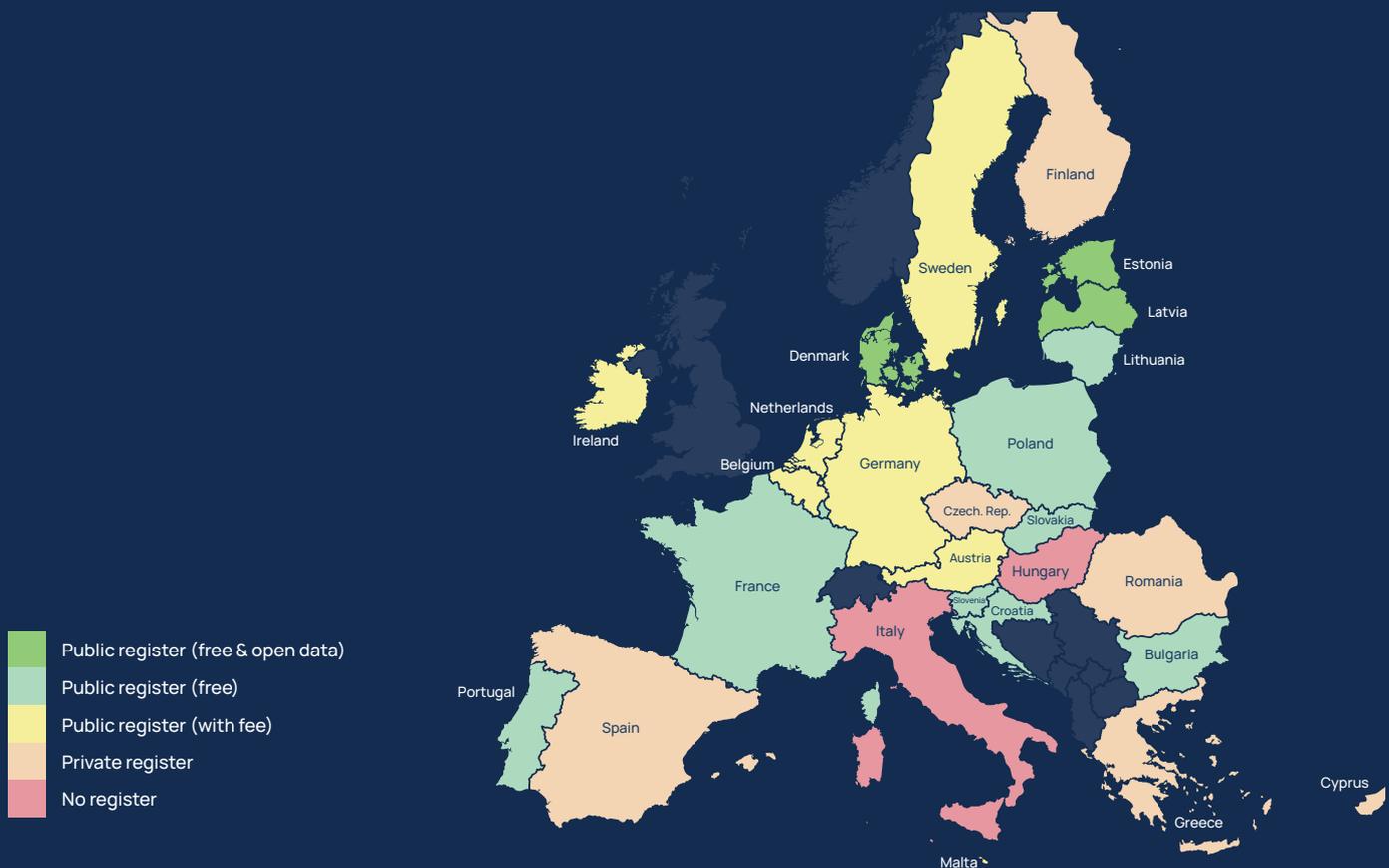
# Full public access to BO and PEP registries

Latvia is one of only three EU countries where the Beneficial Owner registry is publicly accessible and free of charge\*. It has also extended this full public access policy to the Politically Exposed Person registry.

Taking transparency to its ultimate conclusion, information is offered both as structured data, as well as in machine-readable format. This makes it discoverable, usable, and analyzable by virtually anyone or anything, serving as a facilitator for international AML collaboration, as well as a deterrent for potential wrongdoers. Latvia was the first in the EU to have a free and open data public register.

**“MANDATORY REQUIREMENTS ADOPTED TO COMPLY WITH OFAC SANCTIONS.”**

FCCM regulation No 126, adopted August 2020.



Source: Transparency International

\* As of January 2023, Latvia is re-evaluating related regulations in accordance with the November 2022 ruling of The Court of Justice of the European Union that declared invalid the provision of the Fifth European Union Anti-Money Laundering Directive.

# Meaningful risk exposure reduction

Shell arrangements have been banned as a result of the zero-tolerance policy toward financial crime. Since 2017, more than 17,000 shell companies that were previously serviced by Latvian banks have been swiftly eliminated, dropping to 660 total shell establishments in 2021.

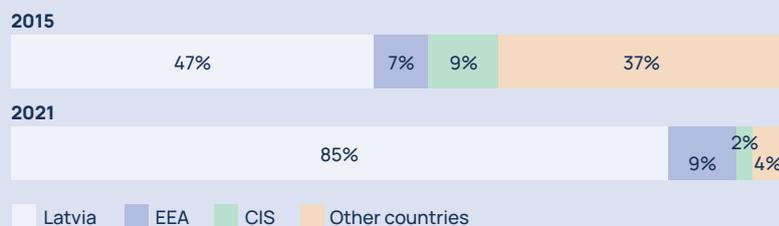
A former divide between resident and non-resident banks was abolished in early 2019, with all foreign deposit banks subject to on-site inspections throughout 2018 and 2019. By 2021, the share of foreign deposits has been reduced from 53% to 15%, thus significantly reducing risk exposure.



**“LATVIA MADE CONSIDERABLE EFFORTS TO ENHANCE ITS PREVENTION AND DETECTION OF MONEY LAUNDERING.”**

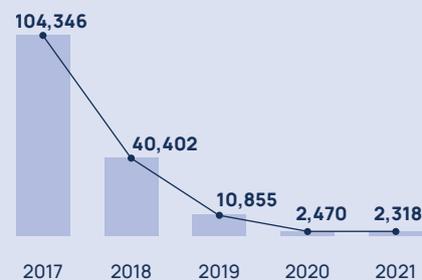
OECD Phase 3 two-year follow-up report, October 2021

Geographical division of deposits in Latvian banks



Source: The Financial and Capital Market Commission of Latvia

Shell arrangement credit turnover dynamics, mln.EUR



# Successful implementation of FIU-led PPP network

With the establishment of FIU-led PPP (public-private partnership) in 2018, a highly effective, secure, and innovative mechanism was introduced in the Latvian AML/CFT/CFP system to enhance cooperation in handling financial intelligence among stakeholders from private and public sectors. This mechanism boosts Latvia's capabilities in operational and strategic analysis, making it the most collaborative country in the Baltics.

PPP operations are based on a precise and efficient legislative framework, and are flexible enough to address a spectrum of challenges in the AML/CFT/CFP ecosystem, as well as leave ample room for innovation.

Prompt communication and co-development offered by the PPP framework has allowed to achieve significant results in both short-term operational cases and permanent task forces, as well as changed the perception of institutions on the importance of proactive communication in tackling financial crime.

*“The overhaul of Latvia’s financial sector supervision has been a resounding success – we have re-established the reputation of our country and created a strong and robust anti money laundering system.”*

Krišjānis Kariņš, Prime Minister of the Republic of Latvia

*“The United States and Latvia cooperate to confront the threats posed by transnational crime, corruption, and money laundering.”*

Antony J. Blinken, United States Secretary of State, December 2021

# Risk-based approach

The supervisory authorities in Latvia have adopted the risk-based approach to tackling financial crime, which was central to Latvia's ability to meet the 40 FATF recommendations, and has resulted in cross-sectoral support and mandated action at various levels of supervisory institutions.

From increased numbers of inspections to perfecting internal mechanisms and rules, the FCMC continues to strengthen its approach to improving AML/CFT processes. For example, in 2021, risk assessments for payment and e-money institutions were developed to plan supervisory activities based on participant risk profiles.

**“TREASURY BENEFITTED IMMENSELY FROM CLOSE COORDINATION WITH OUR PARTNERS**

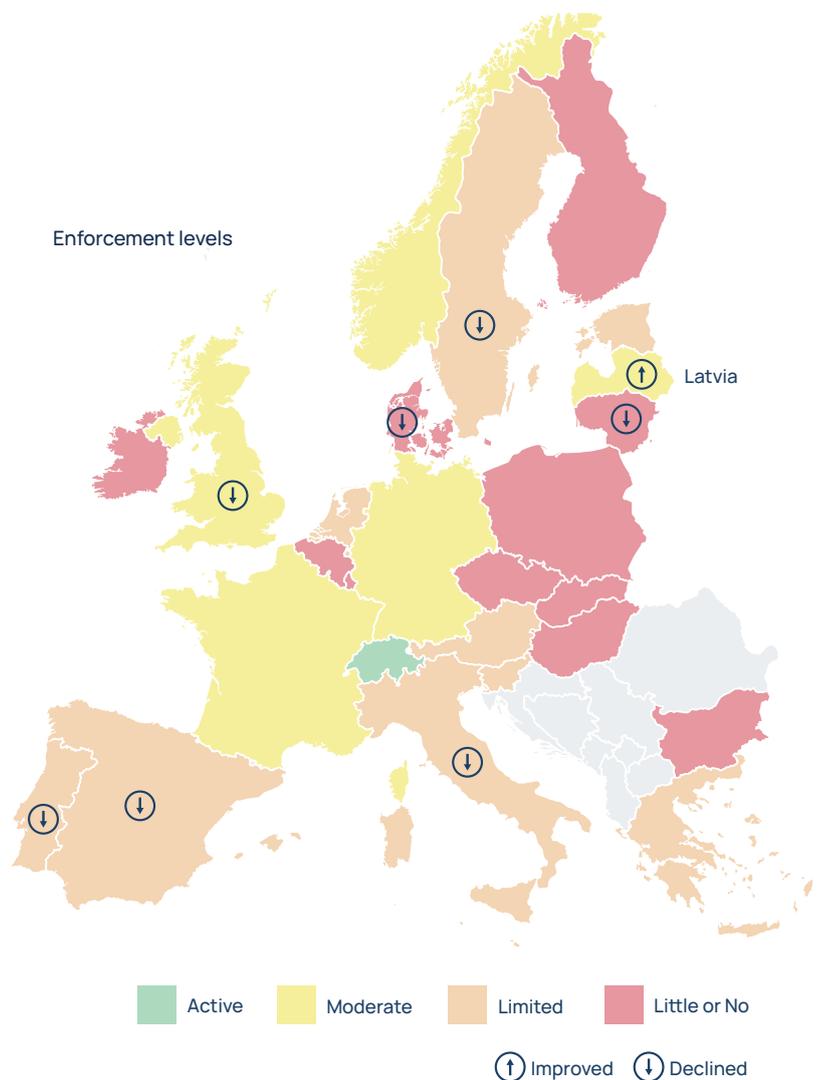
across Latvian and Estonian government agencies, including their information sharing and swift action.”

Treasury press releases, November 2021.

# Demonstrating improvement in combating bribery of foreign public officials

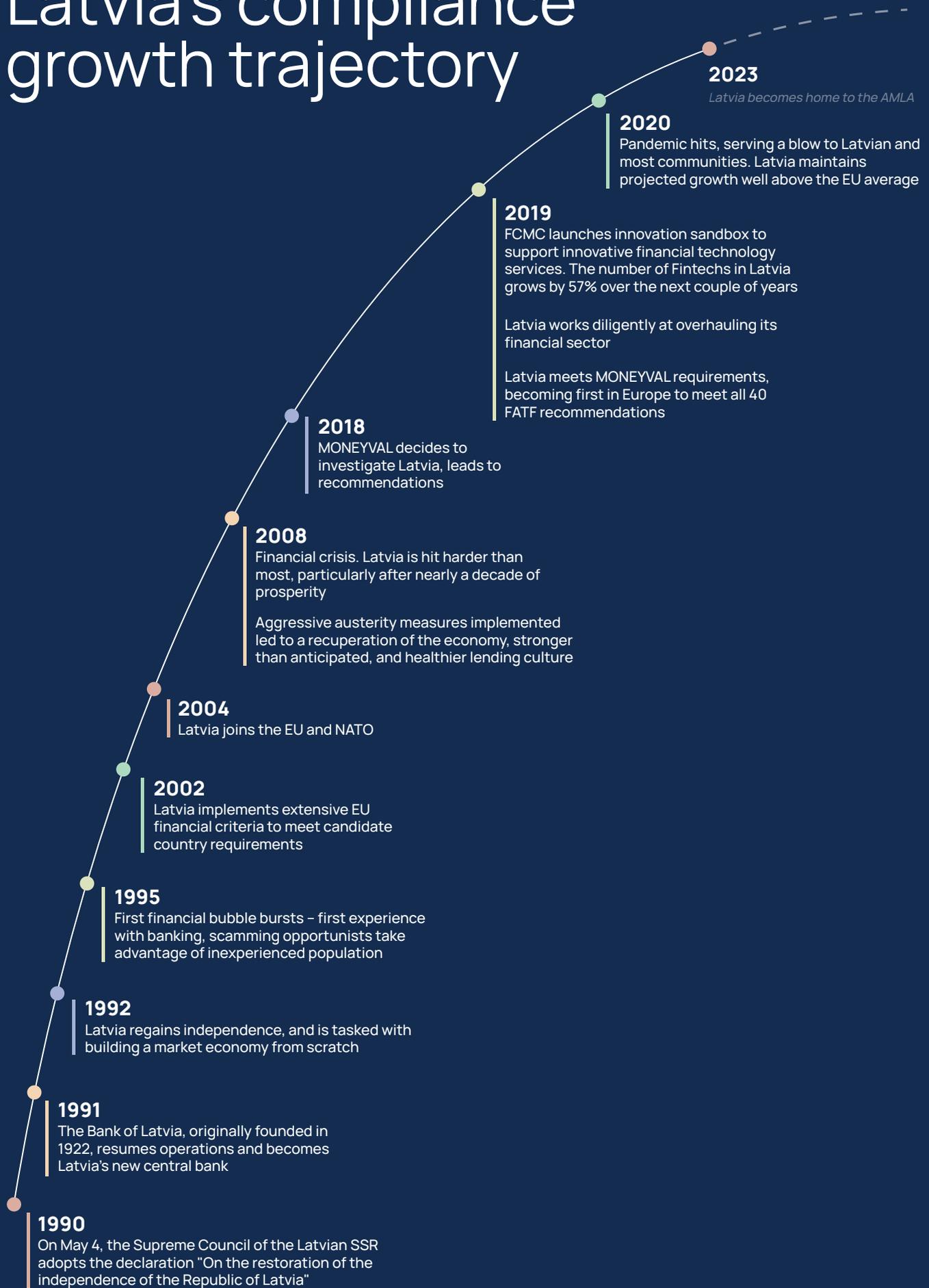
The Exporting Corruption 2022 report by Transparency International named Latvia as the only European Union (EU) Member State to have improved its performance in combating bribery of foreign public officials. The successful pre-trial investigations carried out by the Corruption Prevention and Combating Bureau of Latvia (KNAB) and the measures taken by Latvia to improve this area have been welcomed and placed on a par with the United Kingdom, Germany, France, and Norway.

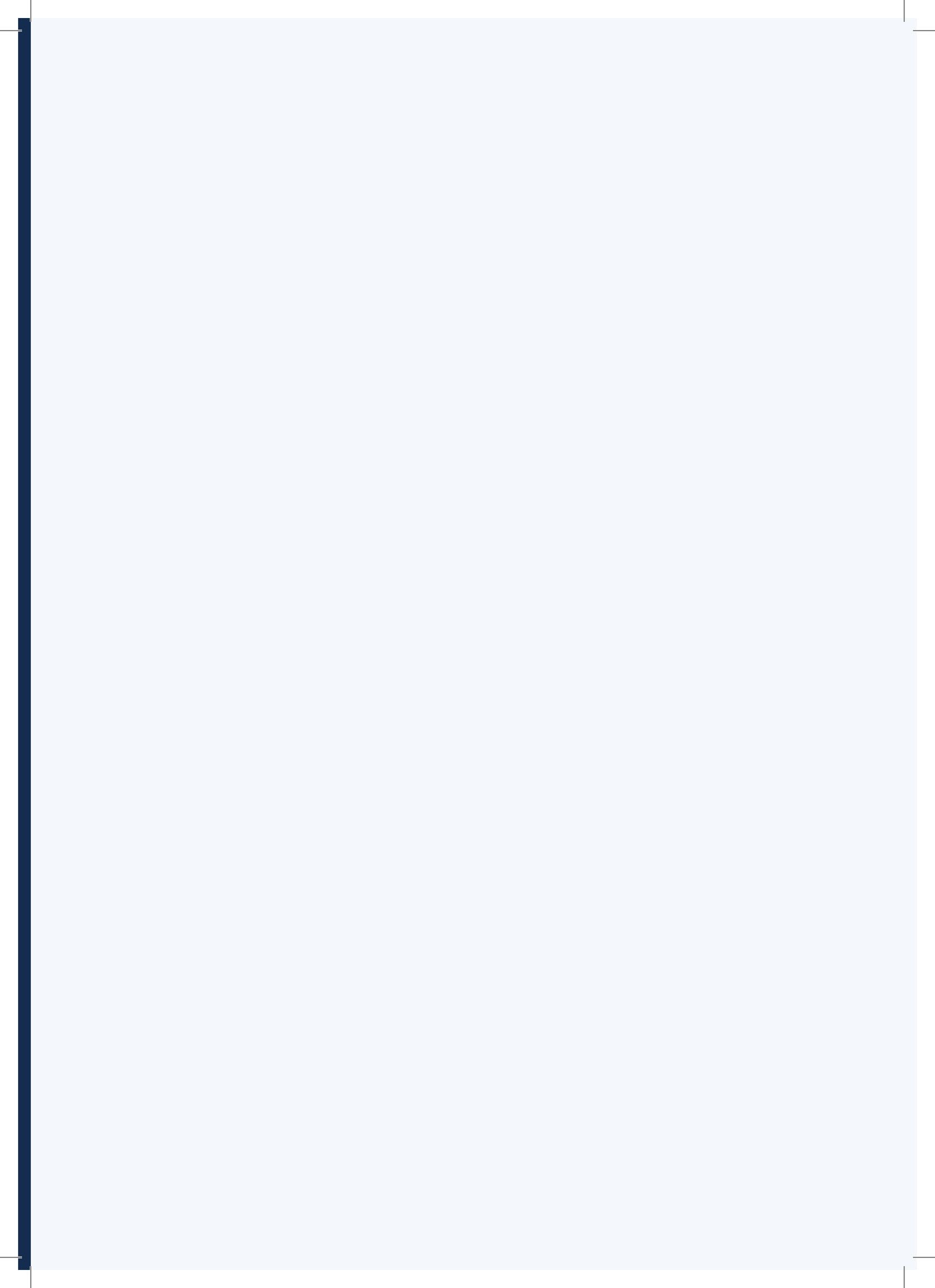
KNAB's proactive approach to combating bribery of foreign public officials, as well as the improved inter-institutional cooperation with the Financial Intelligence Unit are the product of increased allocation of funding and human resources and emblematic of Latvia's broader AML and anti-corruption efforts.



Source: Transparency International

# Latvia's compliance growth trajectory







# An untapped source with a bustling finance industry

While Latvia has no oil, gold, or valuable minerals, what it does have is an abundance of qualified experts and a bustling finance industry – an underrated goldmine ready to be dug into.

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## 2

### CHAPTER OUTLINE

- Local expertise
- Innovative financial ecosystem
- At the forefront of cybersecurity

# Local expertise

In Latvia, there is a high rate of employed individuals in the financial sector – 1.1% of the population.

The workforce has evolved in step with Latvia's financial sector, growing knowledgeable about and sensitive to AML processes and their importance. Having matured in the internet age, the workforce is not just tech-savvy, but also proactive in implementing various innovations to drive the sector forward. It has been trained in a period of intense financial reform, and thus to the latest international standards, and with this unique experience, is able to recognize risky dealings.

The workforce is unique – it is young, experienced, innovative, certified, and available.

## THE LATVIAN FINANCIAL SECTOR WORKFORCE IN NUMBERS

**800**

Most certified in the Baltics – over 800 specialists are ACAMS certified in the Baltics and Latvia leads the charge with 389

**1<sup>st</sup>**

1st-choice Nordic-Baltic compliance evaluators – Latvia's compliance function is outsourced throughout the Nordic-Baltic region as the first-choice compliance evaluators

**18,35**

18,35 euro – the average cost per hour to hire a specialist in the financial industry in Latvia<sup>4</sup>, compared to an average of 29.31 euro per hour in Germany<sup>5</sup>

**10,034**

10,034 – individuals in Latvia working in the financial sector, which is 1.1% of currently employed individuals<sup>6</sup>

# Innovative financial ecosystem

## AML Innovation Hub

Innovation in financial intelligence is an important component providing support in the long-term competition against emerging challenges in the AML/CFT/CFP arena. Latvia has established the AML Innovation Hub (AMLIH), i.e., a permanent FIU platform for coordinated and technology-driven financial intelligence, co-founded with the European Commission's Recovery and Resilience Facility.

AMLIH looks to spur grand digital transformation through the introduction of artificial intelligence solutions and a data fusion center to further enhance both the domestic and international collaboration in combating financial crime. Additionally, the initiative also seeks to enhance efficiency and save resources by providing inter-institutional co-working spaces, joint intelligence and linking of data options, centralized data stream systems, as well as security, trust, and speed.

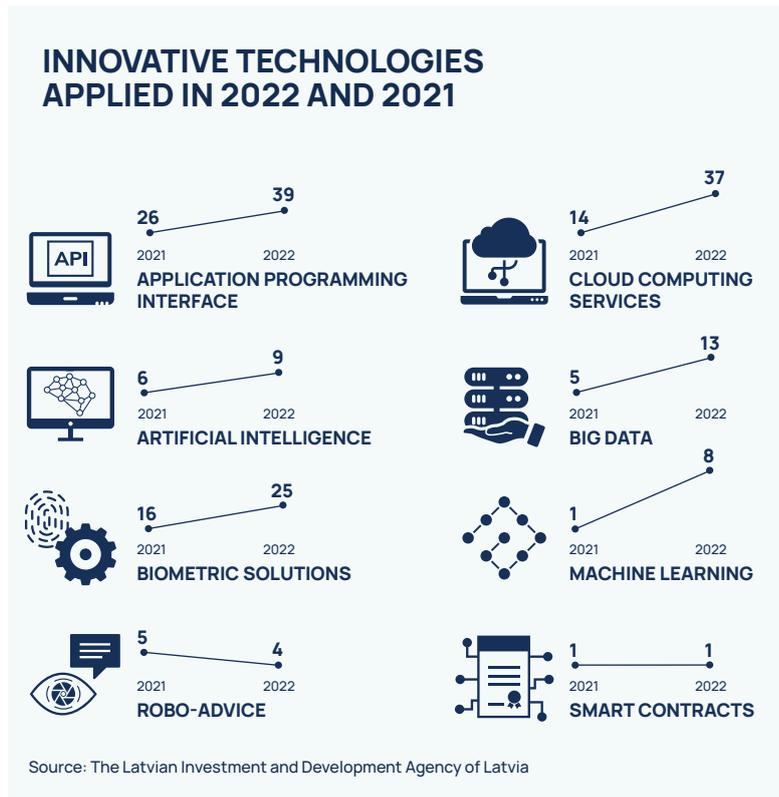
<sup>4</sup> Source: <https://stat.gov.lv/lv/statistikas-temas/darbs/darbaspeka-izmaksas/preses-relizes/7014-darbaspeka-izmaksu-parmainas-2020>

<sup>5</sup> Source: <http://www.salaryexplorer.com/salary-survey.php?loc=81&loctype=1&job=1013&jobtype=3>

<sup>6</sup> Source: Statistics Bureau of Latvia

# FCCM Regulatory Sandbox

Recognized as Europe's most startup-friendly country (Index Ventures, 2021), Latvia is home to a booming fintech scene. Helping entrepreneurs along is the Financial and Capital Market Commission – the pathfinders to legally compliant financial and technical innovation.



Its Regulatory Sandbox initiative, on one hand, serves to test a particular product's compliance with the regulatory framework and, on the other, allows FCCM to be the first to assess the risks of emerging technologies and services that don't slot into current regulation. Additionally, FCCM consultations and seminars on AML, licensing, and supervision are freely available year-round.

## KYC Utility tools

Latvia has developed a legal framework for the operation of shared KYC Utility tools to promote safe and reliable customer due diligence data sharing between various parties, including non-financial sector entities.

Making the information accessible and shareable has greatly bolstered the efficiency of ensuring compliance, which is further complemented by an effective targeted financial sanction system and successful public-private partnership for intelligence sharing.

## CASE STUDY

### TWINO – LATVIA'S FIRST REGULATED P2P LENDING MARKETPLACE

Latvia's FCCM Regulatory Sandbox worked hand in hand with local startup TWINO to identify an opportunity to leave behind the regulatory "gray zone" that P2P lending marketplaces had, until then, lived in.

TWINO is Europe's 3rd largest investment platform with over a billion euros in invested loans.

Through collaborative modeling, the FCCM guided TWINO into becoming a licensed investment brokerage company – the first such in Latvia, establishing a precedent for legally compliant P2P platforms. The regulatory process required the implementation of rigorous AML and KYC systems. This resulted in a higher standing in TWINO's investors' eyes, higher trustworthiness, as well as the ability for TWINO to begin offering additional banking services.

The Innovation Sandbox supported TWINO in not only becoming more compliant, but also in strengthening their business and developing new income streams – a win-win for both parties.

# At the forefront of cybersecurity

Latvia's location and history have necessitated a strong focus on security, and this extends to cyberspace as well. Doubly so given the country's advanced digital infrastructure and a society that rapidly digitalized in the wake of the pandemic. Consequently, Latvia's cyber professionals have heightened sensitivity to disturbances, alongside a unique experience of dealing with threats coming from, among other bad actors, an aggressive neighbor.

CERT, the Information Technology Security Incident Response Institution of Latvia, which operates under the Ministry of Defence, is a full member of FIRST (Forum for Incident Response and Security Teams) and a certified team in the Trusted Introducer European CSIRT database. CERT frequently releases safety analyses and warnings that get featured on national media, fostering public awareness about various cybersecurity incidents and protective measures.

With the growing dependence of the financial sector on IT solutions, the Financial and Capital Market Commission has been tasked with proactively performing IT security monitoring measures, risk regulation, and evaluation. In 2021, FCMC carried out several market participant system security checks, focusing on new technologies, as well as produced contingency plans for critical service continuity in case of a national threat. FCMC is also currently actively collaborating with Europe on the DORA (Digital Operation Resilience Act) project.

Moreover, Latvia's renowned Financial Intelligence Unit, active in the FIU.NET network, collaborates with local and international partners on sharing sensitive and critical information to support the effective identification and persecution of criminals.

Through a heavy emphasis on legal, cooperative, and technical advancement in the field of cybersecurity, Latvia has secured a score of 97.28/100 in 2021's Global Cybersecurity Index, ranking it 15th in the world.



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**LATVIA HAS  
SECURED A SCORE  
OF 97.28/100 IN  
2021'S GLOBAL  
CYBERSECURITY  
INDEX, RANKING IT  
15TH IN THE WORLD.**



Image source: Investment and Development Agency of Latvia, [www.liaa.gov.lv/en](http://www.liaa.gov.lv/en), Shutterstock, [www.shutterstock.com](http://www.shutterstock.com)

# A great place for an organizational base

## Accessibility

With the Baltics' best-connected airport, you can reach virtually any EU capital in under 3 hours. Excellent bus and ferry service connects the region, with ferries to Finland, Sweden, Germany, and others, as well as comfortable and frequent luxury buses to Baltic capitals and beyond. The country has a highly-developed public transit network and various car-sharing, e-vehicle, and e-scooter services for convenient and sustainable urban micro-mobility.

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# 3

## CHAPTER OUTLINE

Accessibility  
Infrastructure  
Connectivity

# Best connected airport in the Baltics

The Riga International Airport (RIX) is the largest in the Baltics, with the most destinations and highest passenger turnover.

With over 100 direct flight destinations to over 35 countries, the Riga International Airport serves all three of the Baltic countries as a key junction and processes over 8M travelers annually.

Frankfurt, Paris, and Brussels, as well as most other major EU cities and capitals, can be reached in less than three hours.



Source: RIX Travel from Riga, <https://flyfromriga.lv>

# Rail Baltica

A high-speed railway connecting the Baltics with continental Europe is under construction and is set to be launched by 2026.

Named “the largest Baltic-region infrastructure project in the last 100 years”, the railway will make it possible to travel at speeds of 249 km/hr and shorten travel from Riga to Tallinn and Vilnius to under 2 hours.

It’s being built in tandem with a digital corridor, imbued with optical fiber and 5G. For the Baltic states, this means better cross-border digital connectivity. For travelers – uninterrupted work and Zoom meetings during the train ride.



Rail Baltica, a high-speed railway connecting the Baltics with continental Europe is set to be launched by 2026



**FRANKFURT, PARIS, AND BRUSSELS, AS WELL AS MOST OTHER MAJOR EU CITIES AND CAPITALS,**

can be reached in less than three hours.

Top 10 destination countries from the Riga International Airport. Jan-May, 2022

United Kingdom	13%
Germany	12.6%
Italy	6.9%
Spain	5.8%
Norway	5%
Finland	4.9%
Sweden	4.7%
Estonia	4.1%
The Netherlands	3.7%
Turkey	3.6%

Two-way traffic, the percentage of total passenger traffic (%)  
Source: Riga International Airport

# Easy access throughout the Baltic states

Travel between the Baltic states is easy and comfortable, with both Tallinn and Vilnius available within 4 hours – maximum. You have several options:

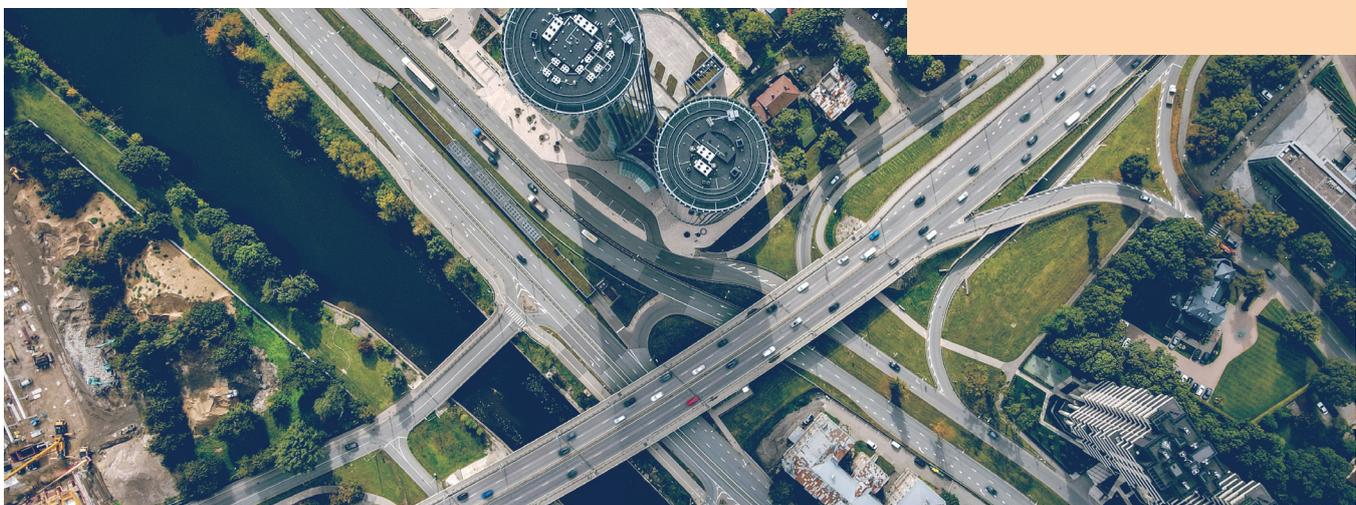
- **Luxury bus** – travel in comfort with Lux Express. Amenities include wifi, movie and TV show selections, coffee and cocoa, and more. Routes: Tallinn, Tartu, Kuressaare, Parnu, Vilnius, Warsaw
- **Car** – hop in a car, whether your own, rented, or car shared, and enjoy the country side at your own pace as you travel.
- **Airplane** – when time is of the essence, you can reach Tallinn and Vilnius by plane with Air Baltic in around 30 minutes.

## Infrastructure

### Connectivity & mobile innovators

Latvians value their connectivity and, just like in the finance sector, we punch well above our weight. Not only is Latvia in the 1st place in the EU for fiber-optic internet coverage at 87.8%<sup>7</sup>, but it also ensures that all alternative connectivity options are available. 5G is available publicly throughout Riga and a growing number of other cities in Latvia. Meanwhile, Starlink satellite internet is planned to be launched in 2023.

Constantly at the forefront of mobile innovations, Latvians are not merely consumers, but shapers, too. Riga is home to 5G Techritory, Europe's largest 5G forum, the city of Ādaži hosts a NATO military 5G testbed, the first in Europe, and Latvia has the most 5G testbeds per capita.



<sup>7</sup> Source: Europe 5G Readiness Index, Incities, 2020



#### LATVIA'S LEADING MOBILE OPERATOR, LMT, WAS AMONG THE FIRST IN EUROPE

to launch unlimited data plans. As a result, Latvians are among the world's biggest mobile internet users, making it a country ideal for testing mobile innovations.



#### MIKROTIK ROUTERS, DEVELOPED AND BUILT IN LATVIA,

are used all over the world. They were even used for a SpaceX rocket launch.

#### 5G

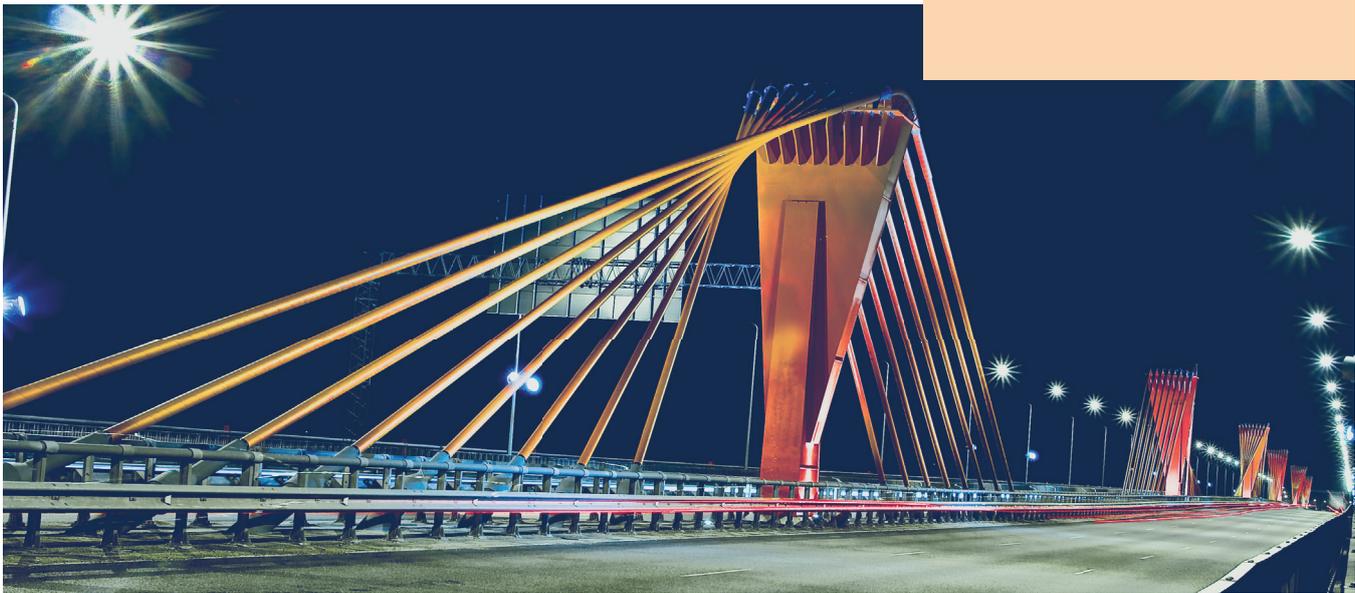
#### LMT WAS NOMINATED FOR THE 5G PIONEER AND MOBILE BREAKTHROUGH AWARDS

at Mobile World Congress – the world's leading mobile conference. LMT was nominated alongside industry giants such as Deutsche Telekom, Ericsson, Telia Company, Huawei, and Vodafone.

# Digitalization

Some say it's because we're innovators, others – because we're introverts. In either case, you'll find that you can access most public and health services online. Latvia ranks #4 in the EU in the eGovernment Benchmark 2020 thanks to digital IT tools to access eHealth, tax, and other governmental services.

As elsewhere, the pandemic significantly accelerated digital transformation in Latvia, with schools, businesses, and services going remote. Having a tech-savvy populace and a robust digital infrastructure in place ensured that this transition was swift and effortless.



## #4

### LATVIA RANKS #4 IN THE EU IN THE EGOVERNMENT BENCHMARK 2020

thanks to digital IT tools to access eHealth, tax, and other governmental services.

*Several intersections have been fitted with locally-developed smart traffic lights.*

These have the ability to catch red light runners, drivers in bus lanes, and other traffic violations. Smart lights have been set up in Riga, Liepāja, and other cities to improve safety on the roads.

# Urban mobility

Getting from A to B is a breeze thanks to a modern public transport system comprised of buses, trams, and trolleybuses, paired with half a dozen micro-mobility options – electric scooters, shared bicycles, e-bikes, and more. Moreover, Latvians are avid users of car-sharing services, so you'll always find a vehicle nearby – likely next to an electric charging station.

Cycle paths criss-cross the city and extend outside of it as well, taking you straight to the beach, among other places. But the reality is that if you live in the city center – everything's within walking distance.

And if it isn't, there are 10 ways of getting there, each faster than the last.



### ANYONE CAN DRIVE A TESLA IN RIGA WITH THE NEWLY-LAUNCHED TESLA CAR SHARING SERVICE –

A service where you can book a car for anywhere from an hour to a month or more.



# An elevated way to live

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# 4

## CHAPTER OUTLINE

Lifestyle & culture  
Education  
Health

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# Lifestyle & culture

The Latvian way of living encompasses the perfect blend of tradition and innovation. While striving to implement novel solutions and digitize industries, Latvians stay aware of their roots at all times.



Image source: Investment and Development Agency of Latvia, [www.liaa.gov.lv/en](http://www.liaa.gov.lv/en), Shutterstock, [www.shutterstock.com](http://www.shutterstock.com)

## Close to nature

One of the most notable characteristics of Latvia is its nature – cherished by locals, adored by visitors.

With 54% of the territory covered in forest, 496km of white sandy beaches, 2,256 lakes, and 12,500 rivers of different sizes, Latvia is a land where proximity to nature is dearly appreciated. Even the capital city, Riga, is located within a 20-minute drive of both forest and seaside.

Almost every Latvian either has or dreams of having a countryside cottage or a small garden to escape from the everyday routine. Those who don't have one are frequent visitors of the local nature trails – there are four national parks, 42 nature parks, and 260 nature reserves in Latvia. As autumn approaches, locals can be found in forests picking berries and mushrooms: a national “sport” loved by every Latvian.

Located in the northeastern part of Europe, Latvia has four pronounced seasons giving its residents and visitors snowy winters, bloomy springs, warm summers, and picturesque autumns.

15<sup>th</sup>

**IN 2022 LATVIA RANKED 15TH IN THE ENVIRONMENTAL PERFORMANCE INDEX**

– an international ranking system measuring the environmental health and sustainability of countries.<sup>8</sup>

*Being one of the last places in Europe to join Christendom,*

Latvia is still deeply connected to its pagan roots, which often highlight the power of nature. Thus, traditional festivities in Latvia up until today are a mix of Christian and pagan traditions.

<sup>8</sup> Source: <https://epi.yale.edu/epi-results/2022/component/epi>

# Culture

Latvia has the second-highest spending on culture in the EU, and it's a core part of our identity<sup>9</sup>. From the unique Art Nouveau architecture in Riga to the Song and Dance Festival, this Baltic country loves culture in any form.

## ART NOUVEAU

Being a part of the UNESCO World Heritage list, Riga has more than 800 Art Nouveau buildings, making it the city with the highest concentration of Art Nouveau architecture anywhere in the world.

The most notable Art Nouveau architects of Riga include Mikhail Eisenstein, Eizens Laube, Janis Alksnis, and Konstantins Peksens – all locals with different ethnic backgrounds. Essential Art Nouveau buildings in Riga can be seen on Alberta street, Elizabetes street, and Strelnieku street.

## THE LATVIAN SONG AND DANCE FESTIVAL

One who finds themselves in Latvia during the Latvian Song and Dance Festival is a lucky person. The Festival is one of the world's largest amateur choral and dancing events and is a part of the UNESCO Masterpieces of the Oral and Intangible Heritage of Humanity list.

Since 1873, when the first Song Festival was held, the country has come together every five years in an event with the participation of approximately 40,000 performers.

The most recent Song and Dance Festival in 2018, marking the 100th anniversary of Latvian independence, encompassed 65 events and an estimated 500,000 visitors.

The next Song and Dance Festival will be held in the summer of 2023 – be sure not to miss it!

## THEATER & OPERA

One of the most popular art forms in Latvia is theater, and there are seven state-funded theaters in the country. While most of the plays are in Latvian, theaters often provide subtitles in English to enable the local theater experience for foreign visitors.

Latvian National Opera and Ballet offers top-class performances maintaining a mix between genre classics and contemporary forms, and is well-known for producing many world-renowned opera music stars. Conductors Andris Nelsons and Mariss Jansons, singers Kristine Opolais, Elina Garanca, Marina Rebeka, and Aleksandrs Antonenko all started their careers on the stage of Latvian Opera.

*To glance into an authentic early 20th-century Art Nouveau apartment in Riga, visit the Riga Art Nouveau Center – the only museum of such kind in the Baltics.*

**67,000+ PEOPLE ATTENDED THIS SONG & DANCE FESTIVAL'S CLOSING CONCERT AND THE SUBSEQUENT SING-ALONG EVENT**

at the Mežaparks Great Bandstand in 2018 – the highest attendance in the festival's history.

Latvian theaters have provided the stage for such *renowned stars as Mikhail Baryshnikov, John Malkovich, and others.*

*Cultural activities are widely accessible too –*

theater and opera tickets are available from as low as 5 EUR.

<sup>9</sup> Source: % of total government expenditure (Eurostat, 2020)

<sup>10</sup> Source: [https://www.km.gov.lv/sites/km/files/lka20zpc\\_kulturas20paterins20un20lidzdaliba2020181.pdf](https://www.km.gov.lv/sites/km/files/lka20zpc_kulturas20paterins20un20lidzdaliba2020181.pdf)



**5%**

**AROUND 5% OF  
LATVIA'S POPULATION**  
are amateur choir participants.<sup>10</sup>





## Cost of living

Latvia has one of the lowest costs of living in the Eurozone. Combined with exciting urban experiences, in Latvia, you can live more for less.

	<b>Riga, Latvia</b>	Vilnius, Lithuania	Stockholm, Sweden	Berlin, Germany	Paris, France	Rome, Italy
<b>Rent, 3 bedroom apartment in the city center (month)</b>	<b>843.10</b>	1244.68	2287.74	2081.56	2747.45	2168.42
<b>Rent, house in the suburbs (month)</b>	<b>1850.00</b>	2100.00	3200.00	2700.00	3600.00	2000.00
<b>Kindergarden (month)</b>	<b>361.47</b>	432.00	128.60	142.35	779.63	442.50
<b>Gym membership (month)</b>	<b>34.90</b>	31.52	37.61	31.80	36.37	48.83
<b>Restaurant meal (for 2)</b>	<b>47.00</b>	50.00	75.28	50.00	60.00	60.00
<b>Cappuccino (1 cup)</b>	<b>2.90</b>	2.50	3.88	3.12	3.83	1.43
<b>Gasoline, 95 (liter)</b>	<b>2.099</b>	2.057	2.207	1.940	2.098	2.031
<b>Opera (1 ticket, price category 3)</b>	<b>25.00</b>	37.00	42.75	67.00	85.00	25.00

Sources: Cargopedia, Numbeo, Eurostat, Opera.It, Opera de Paris, Staatsoper Berlin, Opera.lv, Operan.se, Rome Opera. Collected July 2022

## Linguistic accessibility

Latvia is a multilingual country, and the average Latvian speaks at least 3 languages with Latvian being the most spoken language, Russian coming as the second, and English as the third.

English proficiency has significantly increased, especially among the younger generations - Latvia has the highest level of youth English language fluency in the Baltics with 42% of 15-34 year-olds completely fluent.<sup>11</sup> In 2021 Latvians ranked as highly proficient in English, according to the EF English Proficiency Index.<sup>12</sup>

# 11.28%

**11.28% OF INHABITANTS OF LATVIA SPEAK FLUENT GERMAN**

and 2.08% are fluent in Polish.<sup>13</sup>

<sup>11</sup> Source: <https://languageknowledge.eu/countries/latvia>

<sup>12</sup> Source: <https://www.ef.com/wwen/epi/regions/europe/latvia/>

<sup>13</sup> Source: <https://languageknowledge.eu/countries/latvia>



# Education

Latvia has a free public education system, consisting of pre-school, basic, secondary, and higher education. Nine years of basic education are compulsory as well as pre-school education from ages five to six.

## Preschool education

There are several private international pre-schools available for kids starting from 1.5 years old. The common thread between them all – they focus on experience-based learning and put emphasis on social and emotional development.

- **6 Senses International Preschool (English)**
- **Deutsche Schule Riga Kindergarten (German)**
- **Laumina Residence (English language group)**
- **Maza Rasina (Russian language group)**

International teachers, all kinds of extracurriculars, and a safe environment – these preschools will ensure your kids make their first friends and are well prepared to continue on with primary education.

## International schools

The number of international schools in Riga has doubled over the past 5 years, and thus are able to accommodate an influx of pupils at primary, elementary, and secondary school levels. Some of the best-known international schools include:

- **International School of Riga (Council of International Schools)**
- **St. Exupery (International Baccalaureate Accreditation)**
- **International School of Latvia (International Baccalaureate Accreditation)**

Instruction is in English and the learning process is aligned with international curricula, allowing students to not only gain globally-recognized education, but also have a familiar learning experience if they've already embarked on these types of programs. Additionally, a new international school is set to be created in 2023 by the government.



# Private language schools

In a similar vein, if your child has already started the French, English, or German national curricula and is aiming for their GCSEs, French Baccalauréat, or Abitur – they can continue their progress at one of Latvia's renowned private language schools. Or start their journey here and continue without a hitch when back home.

- **King's College (English)**
- **École Française Jules Verne (French)**
- **Deutsche Schule Riga (German)**

Each school has accredited programs, a diverse student base, as well as a mix of local and international teaching staff.



## 65%

Latvia has one of the highest rates of female graduates in the world –

**65% OF GRADUATES ARE WOMEN.**

## 25%

**RIGA STRADINS UNIVERSITY HAS THE LARGEST NUMBER OF INTERNATIONAL STUDENTS IN LATVIA,**

making up 25% of the University's student population.

# Higher Education

Latvian higher education institutions are part of the Bologna Process, ensuring world-class quality. Thus, it's not uncommon for international students to choose Latvia as their study destination – 13% of all students in Latvia are international.

Popular study fields for expatriates include:

- Medicine
- Dentistry
- Engineering
- Business

There are 29 higher education institutions in Latvia, including state established and private. Universities in Latvia place a strong emphasis on education in STEM and IT.

# Health

With state-of-the-art facilities and newly renovated regular and children's hospitals, healthcare is easily accessible and affordable. Combined with a long history of natural healing – sauna rituals and seaside health resorts – wellness is integral in Latvian healthcare.

Latvia's healthcare system is a mix of private and publicly funded services. Permanent residence permit holders will have access to publicly funded services, though you may encounter a waiting line. Most paid services, however, are available to everyone, with little-to-no waiting time and at an affordable price.

The country's expenditure on healthcare is on the rise. To name a few figures:

- **62% growth** in healthcare expenditure between 2012-2019<sup>14</sup>
- **88 million EUR** in hospital renovations
- **325 million EUR** over three years for top-of-the-line cancer prevention and treatment, psychological support, and palliative care<sup>15</sup>

Latvia's clinics typically offer patients a sensible pricing policy with no hidden charges. Service prices are competitive within the Baltic Sea Region and lower than in Western European and Scandinavian countries, enabling patients to make cost savings of 50-70%. For instance, dentistry is one of the leading areas driving Latvia's medical tourism, as foreign visitors can expect to save on average 70% on dental costs.

## Public health system

Most Latvians are registered with a general practitioner (or what Latvians call "ģimenes ārsts" – a family doctor). This is the first point of contact for everything health-related, and the GPs will then direct their patient to specialists as necessary. These visits are state-subsidized, with patients paying €1-2 per visit.

## 5 million EUR

– the amount spent on medical tourism in Latvia per year.<sup>16</sup>

### THE HISTORY OF MEDICAL TOURISM IN LATVIA

Latvia has long been a popular medical tourism destination. The country has a rich array of natural healing resources including healing mud and mineral water springs, which have been used in medical treatment and preventive healthcare for over 200 years.

An important role in the development of the sector was played by the successful cooperation between doctors and clinics. By the end of the 18th century, an extensive network of health resorts had been established in Latvia, alongside scientific research laboratories.

At the start of the 20th century, the number of medical tourists in Latvia had reached 60,000-70,000 a year. After the Second World War, the number of patients treated at health resort institutions exceeded two million, employing a significant number of medical professionals.

Demand for qualified medics has always been high in Latvia, which explains why the country's medical education has always been at a high level throughout history.<sup>17</sup>

<sup>14</sup> Source: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Healthcare\\_expenditure\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Healthcare_expenditure_statistics)

<sup>15</sup> Source: <https://www.lsm.lv/raksts/zinas/latvija/onkologija-uz-pacientu-centretai-veselibas-aprupes-uzlabosanai-tris-gados-vajadzigi-ap-325-miljoniem-eiro.a464168/>

<sup>16</sup> Source: Baltic Export – <https://balticexport.com/article/medical-tourists-spend-eur-5-million-in-latvia-e3726d80d2>

<sup>17</sup> Source: Health Travel Latvia – <https://healthtravellatvia.lv/en/medical-tourism-latvia2/>

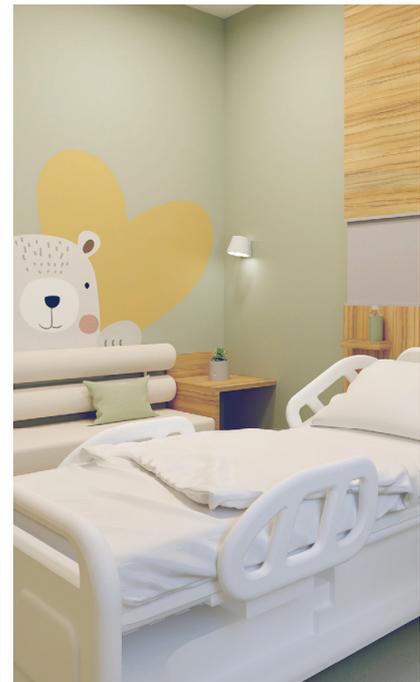
## STATE-OF-THE-ART FACILITIES

There are several major full-service hospitals throughout Riga and other major cities. One of the largest hospitals, the Pauls Stradins Clinical University Hospital, has been undergoing major renovations to develop world-class facilities, pursuing excellence in healthcare.

The A Corpus has been finished and is now working. It houses the gastroenterology, nephrology, endocrinology, urology, otorhinolaryngology, and endoscopy departments, as well as the polyclinic, Diagnostic Radiology Institute, and laboratory. The second phase of construction is underway and to be completed in 2023, and will house emergency healthcare services, operation premises, the surgery department, and other institutions.



The Children's Clinical University Hospital is the most modern children's hospital in the Baltics. With reconstruction underway, the hospital premises are built to be patient-centric, epidemiologically safe, and emotionally supportive during the healthcare process.





# AMLA's future premises

Latvia has identified two office options that would make the AMLA's stay in Latvia a productive and pleasurable one. The office spaces were selected for location, logistics, modernity, safety and security, with flexible expansion opportunities at short notice – meet Preses Nama Kvartāls and Talejas street 1.

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# 5

## CHAPTER OUTLINE

Preses Nama Kvartāls – a new leaf  
Talejas street 1 – a breath of fresh air



# Preses Nama Kvartāls – a new leaf

Rising on the left bank of river Daugava is one of Riga’s most exciting new construction projects – Preses Nama Kvartāls. To be completed in 2023, the exceptionally located, modern, sustainable, A-class Business Center is uniquely suited to host the AMLA.

A little ecosystem in its own right, Preses Nama Kvartāls pairs an inspiring work environment with abundant options for leisure, retail, and recreation. A riverside promenade, the first rooftop football field and fitness club in the Baltics, and a shared terrace with a spectacular panoramic view of river Daugava and Old Town will help you get reenergized throughout the day. As will the numerous local cafes, restaurants, and the sizable food court.

For daily recreation or errands, Old Town is across the bridge, a shopping center is across the street, and a hotel is on the very same block – everything’s within walking distance. There’s also a cycle path nearby that will take you directly into Riga or far outside of it.

Travel is also made easy with the airport a mere 15-minute drive away, whereas the Riga Central Station can be reached in 10 – either by car or any of the numerous public transport options available nearby.

Preses Nama Kvartāls translates to “Press House Block”.

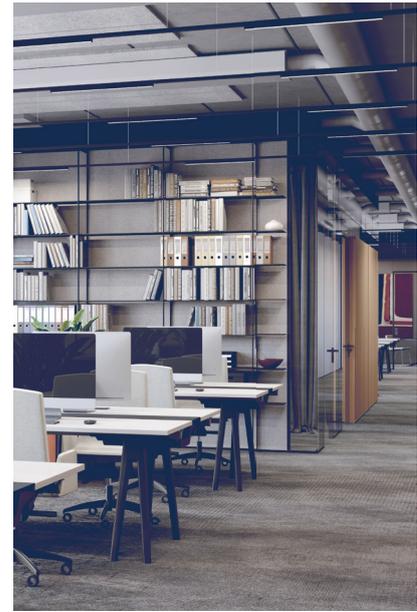
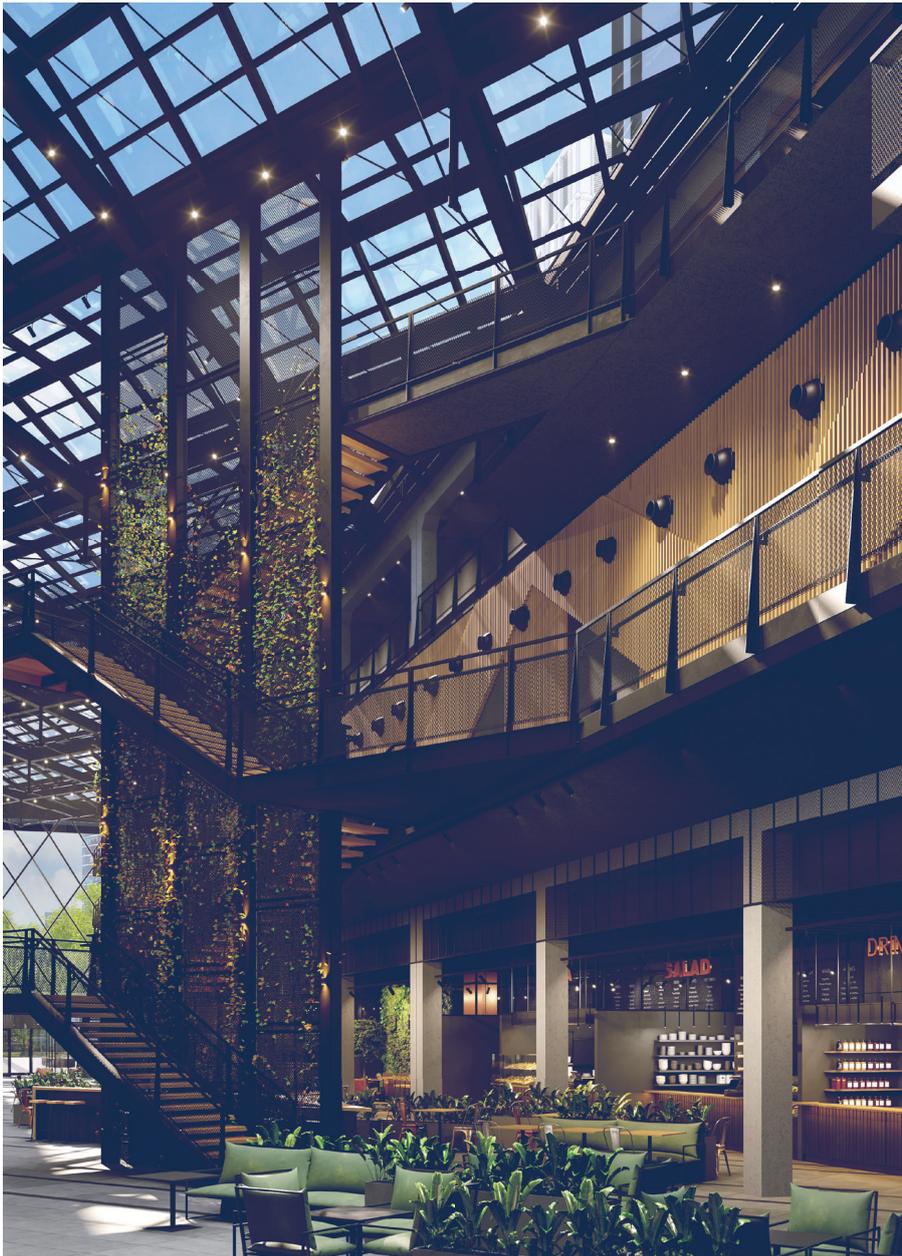
*The iconic Press House, an architectural landmark built in 1978, was home to a variety of publishers and is being reconstructed as part of the Preses Nama Kvartāls project to host a hotel.*

Destination	Distance
<b>Riga International Airport (RIX)</b>	<b>15 min drive</b>
<b>Riga Central Station</b>	<b>10 min bus ride</b>
<b>Daugava beach</b>	<b>5 min walk</b>
<b>Daugava promenade</b>	<b>1 min walk</b>
<b>Old Town</b>	<b>10 min walk</b>
<b>Olympia Shopping Center</b>	<b>5 min walk</b>
<b>Botanical Garden</b>	<b>10 min bus ride</b>
<b>Financial Intelligence Unit’s office</b>	<b>15 min walk</b>



**PRESES NAMA KVARTĀLS WILL BE COMPLEMENTED WITH EXTENSIVE BREEAM-COMPLIANT RAIN GARDENS.**

This will limit the amount of rainwater released into the city’s networks during heavy downpours while also allowing the use of rainwater to sustainably maintain the greenery.



The Business Center itself is a near-zero energy, BREEAM Excellent certified, and visually stunning building. The entire block is a fusion of the best of modern Latvian and Danish architecture. Perimetral load-bearing columns are a unique architectural solution that enables maximum space customizability within the building, making for open, accessible, and easily adaptable offices.

Triple-glazed windows reduce heat loss in winter and heat gain in summer. Room temperature and humidity levels can be set according to personal preferences and CO2 sensors automatically adjust the ventilation rate for comfort and efficiency.

Open 24/7, guarded around the clock, employing top-of-the-line security solutions, featuring more than 1,000 long- and short-term parking spaces for cars and bicycles, electric vehicle charging stations, the proposed office building in Preses Nama Kwartāls is a vibrant, modern option right in the heart of Riga – an ideal place for the new seat of the AMLA.

*The built environment infrastructure in Preses Nama Kwartāls is accessible to everyone, regardless of age, ability, or other demographic.*

The universal design concept ensures the accessibility of a barrier-free environment for the benefit of all visitors.

Preses Nama Kwartāls is located in the immediate vicinity of the Knowledge Mile.

*Neighbors include four of Latvia's top universities, as well as the National Library of Latvia.*

# Talejas street 1 – a breath of fresh air

A state-owned building, populated by a couple of Latvia's most innovative government agencies, Talejas street 1 is a bastion of comfort, flexibility, and convenience located in one of the greenest neighborhoods in Riga. The class B office building is ready-to-use and its highly flexible internal planning allows it to morph to the needs of its tenants, whatever they may be.

On the periphery of the city buzz, Talejas street 1 enjoys not only peace and quiet, but also proximity to nature Latvians hold so dear. Within walking distance, you'll find Mežaparks – one of the biggest urban parks in the Baltics – as well as Ķīšezers – a large, clean lake perfect for a lunchtime swim or an afternoon SUP session. A vibrant area that's rapidly growing in popularity, cafes, restaurants, and shops are abundant, with new ones sprouting by the day.

A tram, a bus, a cycle path, or a green pedestrian path – there are several mobility options if you're looking to get into town or further out of it. There's even a train station nearby ready to whisk you off to must-visit Sigulda.

A mere 8km from Old Town and 16km from the airport, popping out for a meeting or catching a flight is a breeze. And once you've experienced the serenity of Talejas street 1, you'll be anxious to get back to your little oasis.

Built in 2014, the building welcomed the State Revenue Service of Latvia as its first and biggest tenant and they've resided at Talejas Street 1 ever since.

*The SRS credits the building's open design for boosting performance and productivity, with high satisfaction levels among both employees and the government.*



The nearby Mežaparka Estrāde hosts the iconic Latvian Song and Dance Festival.

**RIGHT IN THE MIDDLE OF THE CITY'S GREEN ZONE, IT GATHERS AROUND 40,000 PERFORMERS AND 60,000+ ATTENDEES, EVERY 5 YEARS.**

Destination	Distance
<b>Old Town</b>	<b>20 min drive</b>
<b>Riga International Airport (RIX)</b>	<b>40 min drive</b>
<b>Mežaparks urban park</b>	<b>5 min tram ride</b>
<b>Ķīšezers lake</b>	<b>15 min walk</b>
<b>Ministry of Interior &amp; Migration office</b>	<b>10 min walk</b>
<b>Čiekurkalns train station</b>	<b>20 min walk</b>



It's an activity-based office that finds the perfect balance between dynamic work and privacy. Office spaces grow and shrink depending on the needs of their tenants. The open office design fosters productivity and collaboration, while special attention to acoustics ensures peace and quiet – achieved with acoustic ceiling tiles and sound-dampening furniture material.

The office building is a living and breathing organism. Spectrally selective glazing for windows keeps out UV rays, while automatic external blinds offer shade and coolness throughout the day. A perfect working environment is maintained by the state-of-the-art climate control system.

Being a state-owned building has its advantages, too. There's an on-site data center available, alongside physical lines for optical fiber internet connection. With security of paramount importance, Talejas street 1 features both unified keycard security, as well as a robust video surveillance system. Safe, flexible, ready-to-use, and in a spectacular location – Talejas street 1 would make a wonderful base for the AMLA.



Talejas street 1 is located in the Čiekurkalns neighborhood.

**THE NAME ČIEKURKALNS TRANSLATES TO “PINE CONE HILL”, ORIGINATING FROM THE CONE-RICH PINES THAT GREW ON THE NEARBY DUNE HILLS.**

Buffer tanks are used to optimize the building's energy efficiency.

*They absorb and store cold during night time, when electricity is cheaper, and use the reserves to cool the building the following day.*





# Riga is ready to host the AMLA

Latvia has implemented one of the most ambitious financial sector reforms in Europe in recent years. But that was only the first step. We now find ourselves deeply committed and in the epicenter of Europe's financial crime-fighting initiatives, acutely aware of their local, regional, and geopolitical impact.

For Latvia, it's an existential endeavor. That's why we're leading the charge on collaboration. That's why we're pushing the boundaries of regulatory and technological innovation. And that's why Riga is the perfect place for the AMLA.

*Thank you for your consideration.*



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Ministry of Finance  
Republic of Latvia

Ministry of Finance of the Republic of Latvia  
**Latvia – Europe's Financial Compliance Capital**  
**And future home of the AMLA**

2023