

Financial Sector Development Plan

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On 28 February 2017, the Cabinet of Ministers' consider [Financial Sector Development Plan for 2017 to 2019](#) (hereinafter - the Plan) and approved by the Cabinet of Minister order No.126 on 21st March 2017. Plan includes financial market policy objectives, tasks, responsible institutions, deadlines and procedures for monitoring implementation of the plan, as well as give possible to adjust the plan in this format, depending on the future economic situation and challenges. The objective of the implementation of the Plan's measures aim to developing stable, safe and internationally competitive financial sector with access to innovative financial services designed to ensure sustainable growth of the Latvian economy, and to strengthen the position of Latvia as a regional financial services centre.

The Plan defines specific courses of action and measures in four sub-sectors of the financial industries:

the banking sector (strategic direction of action - lending activation; access to finance, increasing the pace of lending growth in line with the GDP growth, to increase domestic clients' household and corporate loan portfolio by at least 10% over three years),

the capital market sector (strategic direction of action - increasing the number of companies using capital market instruments funding; developing capital instruments to increase opportunities for access of funding and investment; increasing activity of institutional and private investors in the domestic capital market and increasing total equity market capitalization volume by 2,2% of GDP over three years),

the alternative financial service providers industry (strategic direction of action - adoption of national regulation on crowdfunding; explore ways to develop opportunities for credit unions to lend to legal persons; development of innovative financial services and risk management, access to finance for small and medium-sized enterprises by increasing the funding available by 5,25% of GDP over three years),

the insurance and reinsurance industry (strategic direction of action - expanding the use of insurance services; effective exchange of information risk in assessment and obligations; extension of services for more complete response to insurance needs).

The central theme of the future course is set by three horizontal priorities, reflecting financial market developments, the most important aspects of the next programming period:

digitalization and innovation;

the financial sector's safety and reputation;

international competitiveness.

The measures contained in the Plan attributable to financial and capital market participants, including Exchange Riga Stock Exchange, venture capital corporations, insurance companies, credit institutions and other financial service providers and consumers as well as industry representative non-governmental organizations.

<https://www.fm.gov.lv/en/financial-sector-development-plan>