

Regulation

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Rules of Procedure of the Ministry of Finance

Issued pursuant to

Section 75, Part one
of the State Administration Structure Law

I. General Issues

1. The rules of procedure of the Ministry of Finance (hereinafter - the rules of procedure) prescribe the structure, work organisation of the Ministry of Finance (hereinafter - the Ministry), competence of the officials and employees of the Ministry (hereinafter - the employees), the structural units of the Ministry and the institutions subordinate to the Ministry (hereinafter - the subordinated institutions).
2. The Ministry shall carry out the functions and tasks prescribed by the *State Administration Structure Law*, *State Civil Service Law*, the 29 April 2003 Cabinet Regulation No. 239 *By-law of the Ministry of Finance* (hereinafter - the By-law), as well as by other legal frameworks and the rules of procedure.

II. Structure of the Ministry

3. The structure of the Ministry shall be set in the rules of procedure, rules of procedure of the structural units and the list of offices.
4. The work of the Ministry shall be managed by the minister (hereinafter - the Minister), who shall be the chief official of the ministry.
5. The operation of the Minister shall be ensured by the employees of the Minister's Bureau and the structural units of the Ministry.
6. The Minister's Bureau shall be managed by the head of the Minister's Bureau. The Minister shall set the competence of the head of the Minister's Bureau and the advisors to the Minister in the employment contract and separate orders.
7. The Parliamentary Secretary of the Ministry, ensuring the link between the Minister and the Saeima (Parliament), shall be directly subordinate to the Minister.
8. The State Secretary, being the Head of Administration of the Ministry, shall be directly subordinate to the Minister.
9. The Director of the European Union Funds Audit Department as the Head of the Audit Authority of the European Union Funds and Foreign Financial Assistance (hereinafter - the Audit Authority) shall be subordinate to the Minister. The civil servants and employees of the European Union Funds Audit Department shall be functionally subordinate to the Director of the Department.
10. The list of the offices of the Ministry shall specify the number of office positions in the structural unit, job titles, codes of occupations under the Occupation Classification, office statuses (employee or civil servant office), family and level of offices, and the monthly salary planned for the office.
11. The structural units of the Ministry shall be departments and divisions.

12. Divisions may be formed within a department. The number of divisions in a department, the competence and the name thereof shall be prescribed by the rules of procedure and list of positions of the relevant structural unit.

13. Employees not included in the structural units shall be directly subordinate to the State Secretary in accordance with the list of the offices of the Ministry, except for the employees directly subordinate to the Deputy State Secretaries and the Head of the Administration.

14. There are the following structural units in the Ministry (Annex):

14.1. under the direct subordination of the State Secretary:

14.1.1. European Union Funds Audit Department (administratively), except for the Director of the Department;

14.1.2. Internal Audit Department and the divisions subordinate thereto:

14.1.2.1. Internal Audit Policy Planning Division;

14.1.2.2. Internal Audit Division;

14.1.2.3. Head of the Commercial Companies Audit Policy and Supervision Division of the Accounting and Audit Policy Department with respect to the process of verification (inspection) of the observance of quality control requirements set for the audit services provided to the structures of public importance by the sworn auditors and commercial companies of sworn auditors and the course of performance thereof.

14.1.3. Communication Department.

14.2. under the direct supervision of the Deputy State Secretary on Budget Issues:

14.2.1. Budget Department and the divisions subordinate thereto:

14.2.1.1. State Budget Summary Division;

14.2.1.2. Power, Governmental Services and National Economy Financing Division;

14.2.1.3. Regional Development, Environmental, Agriculture and Traffic Financing Division;

14.2.1.4. Defence and Law Enforcement Authorities Financing Division;

14.2.1.5. Welfare Sector Financing Division;

14.2.1.6. Education, Science, Culture, Sports Financing Division;

14.2.2. Budget Policy Development Department and the divisions subordinate thereto:

14.2.2.1. Budget Methodology Division;

14.2.2.2. Budget Development Division;

14.2.3. Local Government Financial Operations Supervision and Financing Department and the division subordinate thereto:

14.2.3.1. Local Government Financial Operations Supervision and Analysis Division;

14.2.3.2. Local Government Financing Division.

14.3. under the direct subordination of the Deputy State Secretary on Tax, Customs and Accounting Issues:

14.3.1. Indirect Tax Department and the divisions subordinate thereto:

14.3.1.1. Customs and Excise Duty Division;

14.3.1.2. Value Added Tax Division.

14.3.2. Accounting and Audit Policy Department and the divisions subordinate thereto:

14.3.2.1. Accounting Policy and Methodology Division;

14.3.2.2. Commercial Companies Audit Policy and Supervision Division.

14.3.3. Tax Analysis Department and the divisions subordinate thereto:

14.3.3.1. Tax Policy Strategy Division;

14.3.3.2. Revenue Analysis and Forecasting Division.

14.3.4. Direct Tax Department and the divisions subordinate thereto:

14.3.4.1. Property and Personal Income Tax Division;

14.3.4.2. Corporate Tax and International Tax Affairs Division.

14.4. under the direct subordination of the Deputy State Secretary on Tax Administration and Shadow Economy Restriction Issues;

14.4.1. Shadow Economy Restriction Coordination Department

14.4.2. Tax Administration and Society Interests Policy Department and the divisions subordinate thereto:

14.4.2.1. Tax Administration and International Administrative Cooperation Policy Division;

14.4.2.2. Society Interests Policy Division.

14.5. Under the direct supervision of the Deputy State Secretary on Financial Policy Issues:

14.5.1. National Economy Analysis Department and the divisions subordinate thereto:

14.5.1.1. Macroeconomics Division;

14.5.1.2. Fiscal Analysis and Forecasting Division.

14.5.2. Fiscal Policy Department and the divisions subordinate thereto:

14.5.2.1. Fiscal Governance Division;

14.5.2.2. International Economic and Financial Affairs Division;

14.5.2.3. European Union Budget and Financing Division;

14.5.2.4. Economic and Financial Affairs Division in the Permanent Representation of the Republic of Latvia to the European Union.

14.5.3. Financial Market Policy Department and the divisions subordinate thereto:

14.5.3.1. Credit Institutions and Payment Services Policy Division;

14.5.3.2. Capital Market and Insurance Policy Division;

14.5.3.3. International Financial Institutions Division.

14.6. under direct subordination of the Deputy State Secretary on the European Union Structural Funds and Cohesion Fund Issues/head of the national focal point:

14.6.1. European Union Funds Affairs Department;

14.6.2. European Union Funds Strategy Department and the divisions subordinate thereto:

14.6.2.1. Public Investment Development Division;

14.6.2.2. Entrepreneurship and Innovation Development Division;

14.6.2.3. Assessment Division.

14.6.2.4. Human Capital Development Division

14.6.3. European Union Funds Investment Management Department and the divisions subordinate thereto:

14.6.3.1. European Union Funds Investment Financial Analysis Division;

14.6.3.2. European Union Funds Investment Reporting Division;

14.6.3.3. European Economic Area (hereinafter - the EEA), Norwegian and Swiss Investments Division.

14.6.4. European Union Funds System Management Department and the divisions subordinate thereto:

14.6.4.1. European Union Funds Implementation Management Division;

14.6.4.2. European Union Funds Legal Maintenance Division;

14.6.4.3. European Union Funds Control Division;

14.6.5. State Aid Control Department.

14.7. under the direct subordination of the Head of Administration:

14.7.1. Document Management Department;

14.7.2. Finance and Maintenance Department and the divisions subordinate thereto:

14.7.2.1. Accounting Division;

14.7.2.2. Finance Division;

14.7.2.3. Project Management and Maintenance Division;

14.7.2.4. Information Technology Division.

14.7.3. Legal Department and the divisions subordinate thereto:

14.7.3.1. Procurement Policy and State Real Estate Administration Policy Division;

14.7.3.2. Legal Support Division;

14.7.3.3. Legal Acts Division.

14.7.4. Human Resources Management Department.

15. Heads of structural units may have their deputies, the competence whereof shall be prescribed by the rules of procedure of the structural unit and job description.

III. Work Organisation of the Ministry

16. Procedure for work organisation in the Ministry shall be prescribed by the internal legal framework.

17. The Minister shall assign the tasks to the Parliamentary Secretary and the State Secretary. The Minister may assign direct tasks to any employee of the Ministry and, in line with the competence, may assign direct tasks to the head of the subordinated institution.

18. The Parliamentary Secretary, in line with the competence, shall assign the tasks to the State Secretary. The Parliamentary Secretary, in line with the competence, may assign direct tasks to any employee of the Ministry and the head of the subordinated institution, except for the civil servants and employees of the European Union Funds Audit Department.

19. The State Secretary shall assign the tasks to the Deputy State Secretaries, Head of Administration and Directors of the Departments, who shall ensure the fulfilment of the task. The State Secretary may assign direct tasks to any employee of the Ministry, except for the employees of the European Union Funds Audit Department.

20. The State Secretary, in line with the competence, may assign the tasks to the heads of the subordinated institutions of the Ministry.

21. The Deputy State Secretary and the Head of Administration shall assign the tasks to the Directors of the subordinated Departments and may assign direct tasks to the officials (employees) of the subordinated structural units, who shall ensure the fulfilment of their orders.

22. The Deputy State Secretary and the Head of Administration, in line with the competence, observing the structure and subordination of the Ministry, may assign the tasks to the head of the structural units subordinate to another Deputy State Secretary.

23. The Director of the European Union Funds Audit Department as the Head of the Audit Authority shall be entitled to report directly to the Minister and the Cabinet of Ministers.

24. The Director of the Department shall manage the work of the Department and shall assign the tasks to the employees of the Department.

25. The Head of the Division shall manage the work of the Division and shall assign the tasks to the employees of the Division.

26. If the employee receives direct tasks from the Minister or the Parliamentary Secretary, they shall inform their line supervisor to this effect in accordance with the subordination order. The line supervisor of the employee shall inform the Director of the Department about the received task, whereas the Director of the Department shall inform the relevant Deputy State Secretary or the Head of Administration, whom they are subordinate to. The Deputy State Secretary and the Head of Administration shall inform the State Secretary to this effect.

27. If the employee receives a direct task from the State Secretary, the Deputy State Secretary, the Head of Administration or

another higher official, other than the line supervisor thereof, the employee shall inform their line supervisor to this effect, whereas the line supervisor shall inform the Director of the Department.

IV. Competence of the Officials of the Ministry

28. The competence of the Minister, the Parliamentary Secretary and the State Secretary shall be prescribed by the *State Administration Structure Law*, the By-laws and other legal frameworks and separate orders.

29. During the absence of the State Secretary (temporary incapacity, business trip, leave of absence, etc.), the duties of the State Secretary shall be fulfilled by the Deputy State Secretary appointed by the Minister, *inter alia*, the Deputy State Secretary on European Union Structural Funds and Cohesion Fund Issues (except for issues related to the Audit Authority, the Ministry of Finance as the beneficiary in the projects of European Union structural funds, Cohesion Fund, EEA Financial Mechanism, Norwegian Financial Mechanism and Latvian -Swiss Cooperation Programme, as well as the duties of the national official in charge of the European Union Financial Mechanisms PHARE Programme and Transition Facility) or the Head of the Administration.

30. The Deputy State Secretary shall:

30.1. make the policy (implement the set priorities in the particular policy area, aggregate the problem, set objectives, select and introduce the solutions for the achievement of policy objectives, assess the impact of policy on the achievement of the objectives) in their field of competence;

30.2. coordinate the implementation of political decisions, development and implementation of the strategy in accordance with the government guidelines, within the scope of their competence;

30.3. plan, manage, organise and coordinate the work of the structural units directly subordinate thereto, as well as assign tasks and give instructions to the heads thereof;

30.4. ensure the fulfilment of the legal framework and the tasks of the Minister, the Parliamentary Secretary and the State Secretary, in line with the competence;

30.5. in line with the competence, represent the Ministry in relations with other public administration institutions, international institutions, as well as legal entities and natural persons;

30.6. submit to the State Secretary, proposals on the structure and work organisation of the directly subordinated structural units, appointment for office or hiring of employees and dismissing them from office or work, scope of duties of the employees, performance results, material and moral incentives, as well as holding employees disciplinarily liable;

30.7. establish the duties and responsibilities of the heads of the directly subordinated structural units and submit the job descriptions of the heads of the structural units to the State Secretary for approval;

30.8. perform the supervision of the subordinated institution within the field of their competence:

30.8.1. provide an opinion on the operational and development strategy developed by the institution;

30.8.2. provide an opinion on the annual operational plan, annual statement developed by the institution, as well as the operation, performance indicators of the institution;

30.8.3. provide an opinion on the allocation of funds and budgetary request of the institution;

30.8.4. review the complaints of private individuals and public administration institutions regarding the operation of the subordinated institution;

30.8.5. on assignment of the State Secretary, request and assess information from the head of the subordinated institution

about issues on the operation of the institution and assess it.

31. The Deputy State Secretary on Budget Issues shall:

31.1. make the policy in the State budget field and in the field of financing and financial supervision of local governments;

31.2. ensure the development of the State budget expenditure policy;

31.3. ensure the review of the annual State budget expenditure and the incorporation of the results thereof into the budgetary process;

31.4. ensure the preparation of the draft annual State budget law and amendments thereto (package of draft law), and the preparation of explanations to the draft annual State budget law and amendments thereto (package of draft law);

31.5. ensure the coordination and improvement of the State financial management and budget planning methodology;

31.6. ensure the supervision of the financial operation of local governments, analyses of financial indicators of local governments, development of the draft State budget law and the explanations thereto pertaining to local governments;

31.7. ensure participation in the preparation of the draft medium-term budget framework law;

31.8. coordinate the solving of issues pertaining to the fulfilment of the annual State budget law;

31.9. ensure operational supervision in the institution subordinate to the Ministry - the Treasury.

32. The Deputy State Secretary on Tax, Customs and Accounting Issues shall:

32.1. make policy in the tax field; customs field; accounting field; field of auditing commercial companies;

32.2. in cooperation with the State Revenue Service, ensure the implementation of the customs and tax policy;

32.3. ensure the tax impact and revenue analysis and forecasting;

32.4. ensure the fully-fledged representation of Latvia in the European Union and in the international institutions in issues under the competence of the office;

32.5. ensure the functions of the Ministry as the competent authority prescribed by the Law on Audit Services, except for the issues pertaining to the process of verifications (inspections) of the observance of quality control requirements set for the audit services provided to the structures of public importance by the sworn auditors and commercial companies of sworn auditors and the course of performance thereof.

33. The Deputy State Secretary on Tax Administration and Shadow Economy Restriction Issues shall:

33.1. make policy in the field of tax administration; the field of implementation of measures for restricting the shadow economy; the field of fees; the policy for the protection of the interests of the State and consumers in the field of use of precious metals, precious stones and the products thereof; in the field of gambling and lotteries; in the field of the public benefit organisations;

33.2. ensure the governance of the tax administration;

33.3. ensure the analysis of the factors of the shadow economy and development of proposals for restriction of the shadow economy;

33.4. ensure the coordination of the introduction of the accruals principle in the accounts of budget revenue;

33.5. ensure operational supervision in the following institutions subordinate to the Ministry:

33.5.1. State Revenue Service;

33.5.2. Lotteries and Gambling Supervision Inspection.

34. The Deputy State Secretary on Financial Policy Issues shall:

34.1. make policy in the field of the financial market and the field of State fiscal policy;

34.2. ensure systematic and regular analysis of the national economy and public finance condition, as well as develop the forecasts of the macroeconomic and fiscal indices for the substantiation of State fiscal policy;

34.3. ensure the protection of the interests related to the policy framework ensuring the growth of the national economy, fiscal sustainability, and financial stability at the international level;

34.4. ensure the preparation and defence of the standpoint of the Ministry with respect to the European Union multiannual financial framework and the European Union legal framework applicable thereto;

34.5. ensure the determination of the opinion and priorities of the Ministry with respect to European Union issues and the preparation and defence of the positions of the Ministry with respect to general issues of the economic, financial and fiscal policy at the European Union and international level;

34.6. ensure the preparation of the draft medium-term budget framework law.

35. The Deputy State Secretary on European Union Structural Funds and Cohesion Fund Issues/head of the national focal point shall:

35.1. make policy in the field of management of the introduction of the resources of European Union structural funds and the Cohesion Fund (hereinafter - European Union funds), the EEA Financial Mechanism and Norwegian Financial Mechanism (hereinafter - the EEA and Norwegian Financial Mechanisms) and the Latvian-Swiss Cooperation Programme; in the field of national (European Union Member State) State aid control (except for issues on providing aid to activities with agricultural products mentioned in Annex I to the Treaty on the Functioning of the European Union, as well as in the fishery, aquaculture and forestry sector);

35.2. perform the functions of the Ministry as the national focal point of the European Union funds;

35.3. perform the functions of the Ministry as the national focal point of the EEA and Norwegian Financial Mechanism;

35.4. perform the functions of the Ministry as the national focal point of the Latvian-Swiss Cooperation Programme;

35.5. perform the functions of the national coordinator on issues of foreign financial assistance of the European Union pre-accession financial mechanisms PHARE programme and the national coordinator on issues of foreign financial assistance in the programmes of the European Union Financial Mechanism programme "Transition Facility for Administrative Capacity-Building";

35.6. perform the functions of administering the specific objectives of the technical assistance of the European Union funds of the operational programme "Growth and Employment";

35.7. implement the planning, introduction and supervisory functions of the Ministry as the authority in charge of European Union Funds in the 2007-2013 programming period for technical assistance activities and the European Social Fund reforms activity;

35.8. coordinate the work of the Ministry with respect to the formation of the position of the State regarding European Union Cohesion Policy and the European Union financial mechanisms related thereto;

35.9. ensure operational supervision in the institution subordinate to the Ministry - the Central Finance and Contracting Agency;

35.10. fulfil the duties of the national coordinator of Latvia on issues regarding *Twinning* and *Twinning Light* projects.

36. The Head of the Administration shall:

36.1. make policy in the field of State real estate administration; in the field of public procurement; in the field of public and private partnership;

36.2. ensure the development of the draft budget of the central apparatus of the Ministry and the preparation of the budgetary request of the Ministry (unit), as well as control the fulfilment of the budget of the Ministry for the current budgetary year;

36.3. ensure the development of the unified unit accounting policy, ensure the accounting records of the programmes and sub-programmes to be fulfilled by the Ministry, as well as ensure the preparation of the consolidated financial reports of the unit;

36.4. procure the goods and services required for the operation of the Ministry, ensure the implementation of the support processes related thereto;

36.5. ensure the development and implementation of the human resources management policy of the Ministry;

36.6. ensure the implementation and supervision of the document management processes;

36.7. ensure the circulation and protection of classified information of official secret objects, NATO and/or the European Union, arrangement of special record-keeping;

36.8. ensure the supplementary lawfulness check of the development planning documents, newsletters, draft Cabinet orders and legal acts developed by the Ministry and the institutions subordinate thereto, as well as the conformity thereof to the legal technical requirements;

36.9. ensure the preliminary lawfulness supplementary check of the management decisions, contracts and internal legal framework of the Ministry, shall ensure the representation of the Ministry in legal proceedings, except for proceedings related to the competence of the European Union Funds Affairs Department;

36.10. coordinate the review of the appeals of disciplinary cases;

36.11. organise the development of the operational strategy of the Ministry;

36.12. ensure operational supervision in the institution subordinate to the Ministry - the Procurement Monitoring Bureau;

36.13. coordinate the process and risk management of the Ministry of Finance.

V. Competence of the Structural Units of the Ministry

37. The Budget Department shall perform the following tasks:

37.1. develop the draft annual State budget law, explanations thereto and the amendments to the annual State budget law and explanations thereto;

37.2. in line with the competence, take part in the preparation of the draft medium-term budget framework law;

37.3. perform the tasks related to the fulfilment of the annual State budget law and the law *On Budget and Financial Management*;

37.4. perform the enhancement and maintenance of the planning block of the single State budget planning and implementation

information system (hereinafter - SAP);

37.5. provide advisory and methodological assistance to the ministries on the issues of preparation of the draft budget, ensuring the implementation thereof and the implementation of the State budget expenditure policy;

37.6. assess the requests submitted by the ministries for the changes of appropriations in cases prescribed by the State budget law and the law *On Budget and Financial Management* and perform the elaboration of the budget summary data, if, after the coming into force of the annual State budget law, in cases prescribed by the legal framework, the re-allocation of the appropriations among the budgetary units, programmes, sub-programmes and budget expenditure codes in accordance with the economic categories has been performed or the changes of appropriations have been performed;

37.7. prepare analytical calculations and information summary, in order to ensure the adoption of the decisions related to the development of the draft annual budget law;

37.8. prepare the calculations of the total maximum permissible amount of expenditure for the medium term and the maximum permissible amount of expenditure for the ministries;

37.9. assess and aggregate the proposals submitted by the ministries for the second reading of the draft medium-term budget framework law for review at the Cabinet meeting;

37.10. prepare analytical and presentation materials and information about the State budget planning and implementation;

37.11. ensure the introduction, maintenance and enhancement of the information technology systems within the State budget planning process;

37.12. in line with the competence, take part in the process of review of the State budget expenditure.

38. The Document Management Department shall perform the following tasks:

38.1. ensure the registration, circulation and sending of documents;

38.2. ensure uniform task fulfilment control for the fulfilment of all tasks assigned to the Ministry;

38.3. ensure the processing and circulation of documents in the *DAUKS* document electronic circulation and task control system of the State Chancellery;

38.4. ensure the retention, description and destruction of the documents to be retained permanently and temporarily, as well as shall ensure the formation, availability and use of the reference system of the documents accrued in the archives of the institution in accordance with the instructions from the National Archives of Latvia;

38.5. ensure the development of the unified file register of the ministry, preparation of the historical reference and descriptions, as well as prepare and submit the files to be stored permanently and to the National Archives of Latvia for the long term;

38.6. methodically manage and provide advice to the structural units of the Ministry and the institutions subordinate to the Ministry on issues on the drafting, execution, archiving of the documents, as well as on issues on the fulfilment of the assigned tasks;

38.7. ensure the function set by the 6 January 2004 Cabinet Regulation No. 21 *Regulations regarding the Protection of Official Secrets, and North Atlantic Treaty Organisation, European Union and Foreign State Institution Classified Information* for the official carrying out the work with the processing, circulation and retention of official secret objects, NATO or EU classified information.

39. The European Union Funds Affairs Department shall perform the following tasks:

39.1. review the application on the disputed decisions of the cooperation authority and the local governments of the cities of the Republic of Latvia regarding the approval, qualified approval or refusal of the project proposal, or regarding the temporary prohibition to participate in the calls for project proposals, and prepare the draft decision in the case;

39.2. review the applications of the beneficiaries, being direct or indirect public administration institutions, derived public entities or other State institutions, regarding the disputed decisions of the cooperation authority, prepare the decision on the project file, as well as review the applications of natural persons regarding the decisions adopted by the cooperation authority within the scope of the fulfilment of the contract on project implementation;

39.3. represent the interests of the Ministry in the court instances of all levels and enter regular information updates in the database on the court proceedings, if the project promoter is a private individual, regarding the decisions mentioned in Clause 39.1 of the rules of procedure;

39.4. carry out the analysis of reasons for the cancellation of the decisions of the cooperation authority and the local governments of the cities of the Republic of Latvia and, if necessary, provide proposals for enhancement of the work.

40. The European Union Funds Audit Department shall perform the following tasks:

40.1. ensure the functions of the Audit Authority of European Union funds (European Social Fund, European Regional Development Fund, Cohesion Fund) in the 2014-2020 programming period;

40.2. ensure the function of the Audit Authority of the EEA and Norwegian Financial Mechanisms;

40.3. ensure the function of the Audit Authority of the Internal Security Fund and the Asylum, Migration and Integration Fund in 2014-2020;

40.4. ensure the function of the Audit Authority of the Fund for European Aid to the Most Deprived in the 2014-2020 programming period;

40.5. coordinate the cooperation of the ministries and institutions in the issues on the protection of European Union financial interests, perform the functions of the Anti-fraud Coordination Service (AFCOS) and implement the function of the Secretariat of the council for the coordination of the protection of European Union financial interests;

40.6. ensure information exchange with the European Commission with respect to the closure documents submitted to the European Commission regarding the funds of the 2007-2013 programming period - the European Social Fund, the European Regional Development Fund and the Cohesion Fund, as well as the performance of audits, where necessary.

41. The European Union Funds Strategy Department shall perform the following tasks:

41.1. implement the planning function of the national focal point of the European Union funds of the 2014-2020 programming period;

41.2. organise the closure assessment of the programmes of the European Union funds of the 2007-2013 programming period, programme of the 2014-2020 programming period, as well as the EEA and Norwegian Financial Mechanisms of the 2014-2021 period;

41.3. coordinate the implementation of the Partnership Agreement with the European Commission;

41.4. formulate and protect the interests of Latvia with respect to the strategic planning of the European Union cohesion policy, as well as coordinate the preparatory and planning works for the European Union funds investments in Latvia in the 2021-2027 programming period.

42. European Union Funds Investments Governance Department shall perform the following tasks:

42.1. ensure the fulfilment of the governance functions of the national focal point of the European Union funds of the 2007-2013 programming period with respect to solving follow-up functions;

42.2. ensure the fulfilment of the governance functions of the national focal point of the European Union funds of the 2014-2020 programming period (except for the specific support objectives of the technical assistance of the European Union funds);

42.3. ensure the strategic management of the management information system of the Cohesion Policy funds of the 2014-2020 programming period;

42.4. coordinate the fulfilment of the tasks prescribed for the national competent official by the cross-border agreement and other laws and regulations within the scope of administration of the European Union financial mechanisms' PHARE Programme and Transition Programme (hereinafter - PHARE/Transition Programme);

42.5. ensure the fulfilment of the investment management functions of the national focal point of the EEA and Norwegian Financial Mechanisms of 2004-2009 and 2009-2014 and Latvian-Swiss Cooperation Programme of 2007-2017 with respect to solving follow-up issues;

42.6. implement the fulfilment of the introduction and investment management functions of the national focal point of the EEA and Norwegian Financial Mechanisms of 2014-2021;

42.7. perform the planning function of the national focal point of Latvian-Swiss Cooperation Programme with respect to conclusion of the framework agreement for the new period, as well as the fulfilment of the introduction and investment management functions;

42.8. provide updated information, *inter alia*, ensure the preparation of newsletters about the progress of investments of the European Union funds and other foreign financial aid funds under the management of the Ministry, as well as appropriate progress of the newsletters (for the Cabinet, the Saeima, European Commission, as well as for other needs at the request of the management of the Ministry) and take part in the meetings on the issues of introduction of the European Union funds and other foreign financial aid funds under the management of the Ministry, in line with the competence.

43. The European Union Funds System Management Department shall perform the following tasks:

43.1. ensure the fulfilment of the control functions of the national focal point of the European Union funds of the 2007-2013 programming period (hereinafter - the national focal point);

43.2. ensure the fulfilment of the formation, maintenance and control functions of the management and control system of the national focal point of the European Union funds of the 2014-2020 programming period;

43.3. ensure the implementation of the functions of the national focal point and competent authority, *inter alia*, the supervision functions of the competent authority of the supplement of activity 1.6.1.1. "Ensuring Programme Management and Support Functions" of the operational programme "Human Resources and Employment", supplement to activity 2.4.1.1. "Ensuring Programme Management and Support Functions" of the operational programme "Entrepreneurship and Growth", supplement to activity 3.7.1.1. "Ensuring Programme Management and Support Functions" and activity 3.8.1.1. "Ensuring Programme Management and Support Functions" of the operational programme "Infrastructure and Services" of the European Union funds;

43.4. ensure the fulfilment of the planning, introduction and supervision functions of the national focal point in the implementation of the technical assistance of the European Union funds of the operational programme "Growth and Employment";

43.5. perform the supervision of implementation of the recommendations expressed to the national focal point, competent authorities, cooperation authority and certifying authority by the audit authority within the scope of the audits of the European Union funds of 2014-2020;

43.6. prepare the annual summary of controls carried out during the 2014-2020 programming period of the European Union funds, to be submitted to the European Commission jointly with the management declaration;

43.7. maintain and enhance the guidance materials of the national focal point regarding the verification of the projects co-financed by the European Union structural funds and Cohesion fund, eligibility of expenditure, simplified costs, administration of irregularities and application of financial corrections in the 2014-2020 programming period.

44. The Shadow Economy Restriction Coordination Department shall perform the following tasks:

44.1. make the policy for implementation of the shadow economy restriction measures and perform the monitoring thereof;

44.2. develop the proposals, review and supervise the introduction of the proposals in the field of restricting shadow economy, as well as ensure the coordination of the interinstitutional measures;

44.3. take part in the development of the draft legal acts governing the State tax policy and tax administration and the draft policy planning documents and the assessment of the impact of the draft legal framework on the restriction of the shadow economy;

44.4. develop the planning documents and draft legal acts of the shadow economy restriction policy, as well as coordinate the development of legal acts for the restriction of the shadow economy;

44.5. ensure the analysis of the shadow economy factors and the influence thereof, the assessment of the effectiveness of application of the shadow economy restriction measures and norms specified in the legal framework;

44.6. ensure the development of the objectives and operational indicators in the field of restricting the shadow economy;

44.7. ensure the coordination of the measures for restricting the shadow economy with the tax administration.

45. The Financial Market Policy Department shall perform the following tasks:

45.1. develop the policy planning documents and form the standpoint of the Ministry in the field of financial market policy;

45.2. enhance the legal framework governing the financial market;

45.3. in line with the set area of competence, jointly with the Ministry of Justice, make policy in the field of anti-money laundering and counter-terrorism financing;

45.4. coordinate the fulfilment of duties and liabilities of the Republic of Latvia as the holder of capital shares of international financial institutions;

45.5. coordinate the development and enhancement of the State aid programmes implemented in the form of financial instruments.

46. The Finance and Maintenance Department shall perform the following tasks:

46.1. prepare the State budgetary request of the Ministry's unit for the next year and the medium term in accordance with the Cabinet decisions, requirements of the legal framework and guidance notes, and if necessary, prepare the proposals for the amendments of the State budget of the unit;

46.2. prepare the budgetary projects of the programmes and sub-programmes to be fulfilled by the Ministry for the inclusion thereof into the unit's budgetary request;

46.3. ensure regular performance of the analysis of the Ministry unit's State budget implementation, including:

- 46.3.1. ensure the preparation of the proposals of the unit regarding reallocation of financing among the programmes/sub-programmes and among the economic classification codes of expenditure;
- 46.3.2. organise the preparation and adjustment of the financing plans of the programmes, sub-programmes and measures to be fulfilled in the unit in accordance with the requirements set by the guidance notes;
- 46.4. develop the financing plans and estimates of the programmes, sub-programmes and measures to be fulfilled by the Ministry, and ensure the adjustment thereof within the set terms;
- 46.5. prepare the expenditure analysis of the projects implemented by the Ministry and ensure the supervision and control of financial resources in accordance with the activities planned within the scope of the projects and the approved financing;
- 46.6. ensure the acquisition of goods and receipt of services necessary for the operation of the Ministry in accordance with the requirements of the legal framework regulating public procurement;
- 46.7. organise regular ordering of the necessary goods in accordance with the concluded contracts or in the electronic procurement system, acceptance and storage of goods, gather information about the necessary property values to be issued to the structural units, based on the material requests submitted by the heads/persons in charge of the structural units, and ensure the issuance of necessary goods to the structural units;
- 46.8. develop a single unit's accounting policy in accordance with the legal framework in the field of budget accounting, ensure the accounting records of the programmes and sub-programmes to be fulfilled by the Ministry;
- 46.9. ensure the administrative, technical and financial management of the projects financed by foreign states to be fulfilled by the Ministry in accordance with the internal regulations regarding the procedure for the implementation of each project;
- 46.10. govern the change management of information systems, maintain the documentation of information systems, as well as ensure the operation and development of the information technologies infrastructure of the Ministry.
47. The Budget Policy Development Department shall fulfil the following tasks:
- 47.1. ensure the development, coordination of implementation and supervision of the State budget expenditure policy;
- 47.2. organise the process of review of the annual State budget expenditure and ensure the incorporation of the results thereof into the budgetary process;
- 47.3. coordinate and enhance the State financial management and budget planning methodology;
- 47.4. in line with the competence, take part in the preparation of the draft medium-term budget framework law, the draft annual State budget law, explanations thereto and the amendments to the annual State budget law and explanations thereto;
- 47.5. systematically analyse the State budget expenditure and prepare the relevant analytical materials, provide proposals for the changes in the State budget expenditure policy and for ensuring the introduction thereof, as well as provide advisory assistance on the issues of implementation of the State budget expenditure policy;
- 47.6. prepare proposals for the scope of review of the State budget expenditure, as well as materials, guidelines, and provide consultations for the organisation of the process of review of expenditure;
- 47.7. develop draft legal acts on the issues of the State budget planning, inter alia, draft legal acts on the State budget expenditure, revenue and other budgetary classifications and carry out the input of the changes into the single State budget planning and implementation information system regarding classifications of the budgetary revenue, expenditure, financing and institutional sectors;
- 47.8. prepare analytical calculations and information summary, in order to ensure the adoption of the decisions related to the

development of the draft medium-term budget framework law;

47.9. prepare analytical and presentation materials and information about the State budget process and the budget expenditure policy implemented in the State;

47.10. provide consultations on the issues of the State financial management and budget planning methodology, as well as the issues on the application of the budgetary expenditure, revenue and other budget classifications.

48. The Fiscal Policy Department shall perform the following tasks:

48.1. develop the State fiscal policy strategy, manage and organise the development, coordination and approval of the fiscal policy objectives;

48.2. develop the draft legal acts necessary for the formation of fiscal policy, ensure the coordination thereof and carry out the post-approval follow-up of the implementation thereof;

48.3. manage the development of the planning documents of the national economy stabilisation and growth policy planning documents under the competence of the Ministry, including the Stability Programme, and the follow-up of the implementation thereof, as well as ensure the preparation of statements and reports on the fulfilment of the national economy stabilisation and growth policy planning documents;

48.4. methodically manage the general government balance and government debt level calculation supervision in accordance with the European integrated economic accounting system;

48.5. if necessary, organise the development, coordination, management of the international borrowing programmes aimed at stabilising the national economy, and coordinate the cooperation with the creditor institutions and states;

48.6. form and defend the opinion of the Ministry regarding the general issues of economic policy, economic stabilisation and growth in the European Union and at the international level;

48.7. organise the participation of the representatives of the Ministry in the economics and financial affairs committees, working groups and councils of ministers;

48.8. ensure structured information exchange among the responsible structural units of the ministry with respect to the positions and instructions of the Republic of Latvia submitted for coordination to the Ministry, as well as the proposals and policy initiatives of the European Union and other international institutions;

48.9. form, coordinate and defend the standpoint of the Ministry with respect to the European Union annual budget and the European Union multi-annual financial framework, *inter alia*, with respect to the European Union legal framework regulating them;

48.10. ensure the administration of the system of the European Union's own resources, *inter alia*, performance of Latvia's own resource contributions into the European Union budget (development and planning of forecasts in the national budget, development of the legal framework, and control the European Union control visits).

48.11. ensure the development of the draft medium-term budget framework law;

48.12. ensure the development of the budgetary plan;

48.13. develop the position of the Ministry and proposals for the implementation of structural reforms of fiscal importance.

49. The Accounting and Audit Policy Department shall perform the following tasks:

49.1. develop and coordinate the policy of the State in the field of accounting and reporting thereof;

49.2. analyse the accounting methods recommended in the International Accounting (Financial Reporting) Standards and facilitate the introduction thereof into the legal framework;

49.3. assess the proposals of other direct and indirect public administration institutions, non-governmental organisations and natural persons and legal entities for enhancement of the accounting system and, if necessary, prepare the corresponding draft legal framework;

49.4. take part in the working groups and committees organised by the European Commission and the Council of the European Union in the field of accounting and audit of commercial companies, as well as in the international organisations, and ensure the expression of the position of Latvia therein;

49.5. prepare opinions on the draft national positions prepared by other ministries, referring to the field of accounting and audit of commercial companies;

49.6. develop and implement the State policy in the field of audit of commercial companies;

49.7. analyse the International Standards on Auditing issued by the International Federation of Accountants and the drafts thereof, and promote the application thereof;

49.8. ensure the fulfilment of the functions of the Ministry as the competent authority prescribed by the Law on Audit Services, *inter alia*:

49.8.1. carry out the verification (inspection) of the observance of quality control requirements set for the audit services provided to the structures of public importance by the sworn auditors and commercial companies of sworn auditors;

49.8.2. carry out investigations and, in the case of violations, impose sanctions and/or supervisory measures on the sworn auditors and/or commercial companies of sworn auditors providing the audit service to the structures of public importance, as well as, in line with their competence, represent the Ministry in court proceedings;

49.8.3. carry out the off-site monitoring of the market of audit services provided to the structures of public importance and, in cooperation with the Financial and Capital Market Commission - also the monitoring of supervision of operation of the audit committees of the structures of public importance;

49.8.4. assess the registration applications of the auditors and audit companies of the European Union Member States and the third countries and prepare opinions about the conformity of such auditors and audit companies to the requirements of the Law on Audit Services;

49.9. carry out the governmental supervision of the operation of the Latvian Association of Sworn (Certified) Auditors in the tasks delegated thereto by the Law on Audit Services, as well as prepare administrative acts regarding the decisions of the Latvian Association of Sworn (Certified) Auditors disputed to the Ministry.

50. The Internal Audit Department shall perform the following tasks:

50.1. make internal audit policy in public administration, as well as provide proposals to the Cabinet regarding the internal audit priorities for the current planning period;

50.2. carry out the assessment of operation of the internal audit structural units established in the ministries and institutions;

50.3. monitor the raising of the professional qualification of internal auditors and system of certification of internal auditors;

50.4. prepare the annual report for the Cabinet and the Treasury regarding the operation of the internal audit structural units in the ministries and institutions, *inter alia*, the internal control system assessment;

50.5. perform the function of the Secretariat of the Internal Audit Board;

50.6. provide independent, objective evaluation and consultations regarding the operation of the internal control system established in the Ministry, its subordinated institutions and capital companies, where the Ministry is the holder of the capital shares, as well as provide recommendations regarding the necessary improvements and monitor the implementation thereof;

50.7. carry out European Union funds management and control system audits and monitor the implementation of the recommendations expressed as a result of the audits in the institutions involved in the management of European Union funds (cooperation authorities, competent authorities);

50.8. assess the impact of the irregularities identified by the internal audit structural units of the institutions involved in the management of the European Union funds and foreign financial assistance on the operation of the management and control system;

50.9. perform the coordination and methodical management of the work of the internal structural units of the Treasury and the State Revenue Service;

50.10. coordinate the cooperation with external auditors, the process of coordination of the reports of the audits performed by the Treasury and monitor the implementation of the provided recommendations.

51. The Legal Department shall perform the following tasks:

51.1. ensure the supplementary lawfulness check of the development planning documents, newsletters, draft Cabinet orders and legal acts developed by the Ministry and the institutions subordinate thereto and the conformity thereof to the legal technique requirements, as well as the preliminary supplementary lawfulness check of the administrative decisions, agreements and internal legal framework of the Ministry;

51.2. ensure the development of policy in the field of public procurements, public and private partnership, as well as the State real estate administration;

51.3. apply the projects supported by the Management Committee in the DAUKS document electronic circulation and task control system for the announcement thereof at the meeting of the State Secretaries, by filling out the project proposal, and withdraw the projects, the progress whereof has lost its topicality;

51.4. ensure the representation of the Ministry in legal proceedings;

51.5. ensure supervision over the lawfulness of decisions and actions of the institutions subordinate to the Ministry in the application of the legal framework related to the field of the State civil service, perform official inspections on the actions of the employees of the Ministry and prepare the official inspection report, investigate the disciplinary cases initiated in the Ministry regarding the actions of the employees;

51.6. in separate cases, upon the assignment of the State Secretary, carry out the basic lawfulness check of the draft policy planning documents, newsletters, legal acts developed by other structural units of the Ministry, institution subordinate to the Ministry, capital companies where the Ministry is the holder of the State capital shares;

51.7. coordinate the codification, transposition of the legal acts under the competence of the Ministry and the issues on translations or the terminology thereof;

51.8. in cooperation with the competent structural units, develop the standpoints of the Republic of Latvia regarding the infringement procedures initiated by the European Commission against the Latvian State in issues under the competence of the Ministry.

52. The State Aid Control Department shall perform the following tasks:

52.1. carry out the preliminary assessment of the proposals of the planned aid programmes or individual aid projects, as well as of the planned amendments to the existing aid programmes or individual aid projects, except for issues on providing aid to activities with agricultural products mentioned in Annex 1 to the Treaty on the Functioning of the European Union, as well as in the fishery, aquaculture and forestry sector;

52.2. carry out information exchange between the European Commission and the competent Latvian institutions on issues related to aid programmes and individual aid projects applied for by Latvia, as well as the complaints submitted by means of the European Union secure electronic mail system;

52.3. prepare annual reports on aid granted in the Republic of Latvia to the industry and other sectors, except for aid to activities with agricultural products mentioned in Annex 1 to the Treaty on the Functioning of the European Union, as well as in the fishery, aquaculture and forestry sector, in accordance with the requirements of the European Union and notifications on subsidies in accordance with the requirements of the World Trade Organisation;

52.4. prepare the draft legal framework for making State aid control policy in Latvia, as well as the necessary amendments to the legal framework for the introduction of the European Union requirements in the field of State aid control, except for issues related to the planning or granting of aid to activities with agricultural products mentioned in Annex 1 to the Treaty on the Functioning of the European Union, as well as in the fishery, aquaculture and forestry sector;

52.5. inform the structural units of the Ministry, line ministries and other public administration and local government institutions on updates in the field of State aid, *inter alia*, the latest updates in European Union law;

52.6. prepare opinions regarding draft documents developed by European Commission services. Prepare the overall opinion of Latvia for submission to the European Commission and other foreign institutions, as well as prepare the national position regarding the issues to be reviewed at the meetings of the Council of the European Union in the field of State aid control;

52.7. prepare reports, as well as provide methodological assistance to State and local government institutions, other natural persons and legal entities regarding State aid control issues;

52.8. take part in the meetings organised by Latvian institutions, the European Commission, as well as other foreign institutions regarding State aid control issues.

53. The Communication Department shall perform the following tasks:

53.1. ensure the communication and cooperation of the Ministry with mass media;

53.2. timely distribute and precisely explain the official opinion and information of the Ministry to mass media, as well as ensure an operative response to the distribution of false or imprecise information in mass media;

53.3. plan, prepare and implement the public relations and communication projects;

53.4. implement the European Union funds communication strategy for 2015-2023 and ensure the implementation of the informative and publicity measures under the responsibility of the European Union funds national focal point;

53.5. organise the work of mass media representatives in the Ministry, events organised by the Minister and the management of the Ministry;

53.6. consult the employees of the Ministry on communication issues;

53.7. cooperate with other public relations, communication or press agencies in the public administration system, in order to ensure the observance of uniform principles for ensuring the communication of the public administration;

53.8. carry out the functions of the "Reference Service" of the Ministry;

53.9. coordinate the formation and maintenance of the external internet sites of the Ministry and internal internet site of the Ministry, ensure the posting of the latest information therein in Latvian and English, as well as coordinate and ensure the maintenance and content formation of the social platforms of the Ministry;

53.10. plan and organise internal and external communication projects and internal events.

54. The Indirect Tax Department shall perform the following tasks:

54.1. develop the draft development planning documents, draft laws, draft Cabinet regulations, other draft legal acts and draft newsletters regulating the field of value added tax, excise duty, vehicle operation tax, corporate passenger vehicle tax and electricity tax, customs;

54.2. in accordance with the requirements of the Treaty on the Functioning of the European Union, ensure the development of the necessary draft legal acts in the field of harmonisation of value added tax, electricity tax and excise duty;

54.3. assess the draft European Union legal acts regulating value added tax, electricity tax, excise duty and customs field at the initial stage of development thereof and prepare the national position of Latvia with respect to the particular draft legal act or the European Commission proposal;

54.4. take part in the preparation of the instruction to the Ambassador on draft European Union legal acts regulating the field of value added tax, electricity tax, excise duty and customs to be reviewed in the Committee of Permanent Representatives;

54.5. take part in the preparation of the national position of Latvia with respect to the issues to be reviewed by the Council of Ministers of the European Union and the substantiation thereof on the issues of value added tax, excise duty, electricity tax and customs field policy pertaining to the interests of Latvia;

54.6. take part in the working groups and committees organised by the European Commission and the Council of the European Union in the field of value added tax, electricity tax, excise duty and customs, and ensure the expression of the position of Latvia therein;

54.7. prepare the opinions on the draft national positions prepared by other ministries, related to the field of value added tax, electricity tax, corporate passenger vehicle tax, excise duty and customs;

54.8. within the scope of its competence, assess draft international agreements on issues related to the field of value added tax, excise duty, electricity tax, and customs, and, if necessary, prepare the corresponding amendments to the legal framework;

54.9. assess the draft policy planning documents, draft laws and other draft legal framework developed by other institutions and related to value added tax, electricity tax, corporate passenger vehicle tax, excise duty and customs, and prepare opinions in respect thereto;

54.10. review the European Union court rulings and initiated court cases in the European Union in the field of value added tax, electricity tax, excise duty and customs, and provide an opinion in respect thereto, as well as, if necessary, take part in the preparation of the draft standpoint, as well as take part in European Union court sessions as experts;

54.11. assess the proposals of other direct and indirect public administration institutions, non-governmental organisation and natural persons and legal entities for enhancement of the system of value added tax, corporate passenger vehicle tax, electricity tax, excise duty and customs and, if necessary, prepare the corresponding draft tax legal framework.

55. The Tax Administration and Society Interests Policy Department shall perform the following tasks:

55.1. make the tax administration and intentional administrative cooperation policy, carry out the monitoring thereof, *inter alia*, provision of the In-Depth Cooperation Programme;

55.2. make the State policy in the field of gambling and lotteries, including, goods and services lotteries;

55.3. in the field of the prevention of conflict of interests in activities of public officials, prescribe the regulation for declaring the property status of public officials and the process of review of the declarations of public officials;

55.4. ensure the involvement of the Minister for Finance in the process of donation (charitable donation) of financial resources or property of the State capital companies and develop the proposals for enhancement of the referred to process;

55.5. make policy on the protection of interests of the State and consumers in the field of precious metals, precious stones and the products thereof, and shall implement the supervision in the introduction of the referred to policy;

55.6. develop the core principles of the policy on the determination and administration of the State fees and monitor the State fee system;

55.7. make policy in the field of public benefit.

56. The Tax Analysis Department shall perform the following tasks:

56.1. draft the State tax policy development strategy courses;

56.2. develop and coordinate the draft development planning documents governing the State tax system;

56.3. perform the tax policy impact assessment on tax revenue, economy, enterprises and households;

56.4. carry out systematic research, analysis and provide the evaluation regarding the fulfilment of tax revenue and the economic factors affecting it;

56.5. ensure the development, enhancement and supplementing of the tax impact and revenue analysis and forecasting methods and tools;

56.6. prepare tax revenue short-term and medium-term forecasts;

56.7. organise the preparation of State basic budget non-tax revenue short-term and medium-term forecasts;

56.8. carry out the impact assessment of the draft tax and non-tax regulatory legal framework on the budget revenue and economics in accordance with the competence of the Department;

56.9. take part in the calculation of the value added tax resource base for making the contributions of the value added tax resource into the European Union budget;

56.10. on the basis of the collected data, the analysis and calculations carried out in the Department, take part in the preparation of information and statements on the tax policy impact and tax revenue.

57. The Local Government Financial Operations Supervision and Financing Department shall perform the following tasks:

57.1. analyse the adequacy of the local government resources, develop proposals for State budget aid to local governments, and proposals for the policy of supervision of the financial operation of the local governments, and ensure the implementation thereof, in line with the competence;

57.2. on the basis of the monthly reports submitted by local governments into the budget reporting information system of central State budget institutions and local governments, develop and update the analytical materials on the financial situation of the local governments and ensure the supervision of conformity of the financial operation of local governments to the requirements of the legal framework;

57.3. prepare letters to local governments and the relevant State institutions on issues detected as a result of the analysis of the local government financial indicators and supervision of conformity of the financial operation of local governments to the requirements of the legal framework;

57.4. assess and prepare information on the audit results submitted by the Treasury and implementation of recommendations under the competence of the Department;

57.5. develop proposals for the policy of assuming local government borrowings, guarantees and other long-term liabilities, perform the forecasting of the annual limit of local government borrowings and guarantees, prepare the part of the draft annual State budget law and the draft medium-term law on local government borrowings, guarantees and long-term liabilities, form the analytical databases on the authorisations issued to the local government to take borrowings and issue guarantees;

57.6. during the process of development of the draft medium-term budget framework law, develop the draft agreement and statement of disagreement between the Latvian Association of Local and Regional Governments and the Cabinet, prepare the part of the draft medium-term budget framework law on State budget units 62 "Earmarked Grants to Local Governments" and 64 "Grants to Local Governments";

57.7. during the development of the draft annual State budget law, carry out the local government financial equalisation calculation, develop the draft agreement and statement of disagreement between the Latvian Association of Local and Regional Governments and the Cabinet, prepare the part of the draft State budget law, explanation on the State budget units 62 "Earmarked Grants to Local Governments" and 64 "Grants to Local Governments", in line with the competence, ensure the preparation of Annexes to the draft annual State budget law;

57.8. in line with the competence, develop the draft development planning documents and legal framework related to the policy of the formation of local government budget and financial operation of local governments;

57.9. assess and prepare opinions on the draft legal acts submitted by the ministries, by assessing the financial impact thereof on the local government budgets, *inter alia*, the requests submitted by the Ministry of Environmental Protection and Regional Development on granting funds to local governments from the State budget programme "Funds for Unforeseen Events";

57.10. prepare analytical and presentation materials and information on the requirements for local governments and financial situation of local governments set by the legal framework under the competence of the Department;

57.11. provide advisory and methodological assistance to local governments and other institutions on issues of the financial operation of local governments;

57.12. organise and ensure current negotiations of the Latvian Association of Local and Regional Governments and the Ministry, the work of the Local Government Financial Equalisation Fund Council, the Standing Committee for Coordination of the Local Government Financial Stabilisation Projects and the Local Government Borrowing and Guarantee Control and Supervision Council.

58. The Human Resources Management Department shall perform the following tasks:

58.1. develop and implement the human resources management policy and strategy;

58.2. execute the documents regarding the appointment to and dismissal from office, posting to another position, granting of the status of a civil servant, granting of leave, performance of additional duties, replacement, on-job training, awarding of civil servants and employees of the Ministry, as well as the heads of the institutions subordinate to the Ministry;

58.3. coordinate personnel recruitment of the Ministry, induction of new civil servants and employees and the performance and the process of appraisal of the performance results of civil servants and employees of the Ministry and the heads of the subordinated institutions;

58.4. methodically manage and coordinate the preparation of the descriptions of the office duties of civil servants and the job

duties of employees of the Ministry and regular updates thereof;

58.5. carry out job classification and coordination, and organise the coordination of such classification with the State Chancellery;

58.6. prepare proposals on the employee category and submit them for approval;

58.7. provide advisory support on human resources management issues to the heads of structural units, employees of the Ministry, as well as the human resources management specialists of the institutions subordinate to the Ministry;

58.8. perform the accounting of job vacancies of the Ministry and organise recruitment tenders for the vacancies of civil servants and employees, as well as national expert job vacancies;

58.9. arrange and regularly supplement the personal files of personnel, as well as perform personal data accounting in the database, provide information, on a regular basis, on personnel under the procedure prescribed by the legal framework;

58.10. coordinate the process of raising the qualification of civil servants and employees of the Ministry.

59. The National Economy Analysis Department shall perform the following tasks:

59.1. carry out national economy and public finance analysis, by preparing regular analytical materials (reports, insights, press releases, etc.) on the development of the national economy and public finance;

59.2. take part in the preparation of strategic fiscal policy documents (State Budget Law for the current year, draft Medium-Term Budget Framework Law, Stability Programme, Budget Plan);

59.3. on a regular basis, develop the forecasts of macroeconomic indices (national accounts, labour market, inflation, balance of payments indices, potential gross domestic products, national gross revenue and other macroeconomic indices) and the macroeconomic development scenarios;

59.4. via the European Union funds model, ensure the European Union funds impact assessment on the Latvian national economy during the process of the preparation of forecasts of macroeconomic indices;

59.5. perform regular benchmark analysis of national economy development with neighbouring countries and other countries, by ensuring the evaluation of the condition of the State in the international context;

59.6. perform regular consultations with national and international cooperation partners regarding the forecasts of macroeconomic indices;

59.7. in cooperation with other structural units and institutions of the Ministry of Finance, carry out general government budget balance assessment in accordance with the European System of Accounts methodology;

59.8. develop, on a regular basis, the short-term and medium-term forecasts of the public finance indices (general government budget total budget revenue, expenditure, balance);

59.9. perform structural budget balance calculations and the assessment of sustainability of public finance;

59.10. maintain and develop the models of forecasting macroeconomic and fiscal indices, *inter alia*, ensure the development of methodology, documentation thereof, as well as the collection of statistical data necessary for the operation of the models, formation and maintenance of databases.

60. The Direct Tax Department shall perform the following tasks:

60.1. develop the draft development planning documents, draft laws, draft Cabinet regulations, other draft legal acts and draft newsletters regulating the field of personal income tax, microenterprise tax, solidarity tax (hereinafter - direct taxes) and lotteries

and gambling tax;

60.2. in accordance with the requirements of the Treaty on the Functioning of the European Union, ensure the development of the necessary draft legal acts in the field of the harmonisation of direct taxes;

60.3. assess the draft European Union legal acts regulating the direct tax field at the initial stage of development thereof and prepare the national position of Latvia with respect to the particular draft legal act or the European Commission proposal;

60.4. take part in the preparation of the instruction to the Ambassador on the draft European Union legal acts regulating the direct tax field to be reviewed in the Committee of Permanent Representatives;

60.5. take part in the preparation of the national position of Latvia with respect to the issues to be reviewed by the Council of Ministers of the European Union and the substantiation thereof in the direct tax policy issues pertaining to the interests of Latvia and prepare the opinions on the draft national positions prepared by other ministries, related to the field of direct taxes;

60.6. take part in the working groups and committees of the European Commission and the Council of the European Union and ensure the expression of the position of Latvia therein regarding the issues of direct taxes;

60.7. develop draft cross-border (inter-governmental) agreements on tax issues, shall coordinate them by way of cross-border negotiations and submit them to the government for approval and, within the scope of its competence, assess other draft cross-border agreements on issues related to the field of direct taxes and issues of the field of lotteries and gambling fee and tax;

60.8. assess the draft development planning documents, draft laws and other draft legal framework related to the direct taxes and lotteries and gambling fee and tax developed by other institutions, and prepare opinions in respect thereto;

60.9. review European Union court rulings and initiated court cases in the European Union in the field of direct taxes and provide an opinion in respect thereto, as well as, if necessary, take part in the preparation of the draft standpoint;

60.10. assess the proposals of other direct and indirect public administration institutions, non-governmental organisation and natural persons and legal entities for enhancement of the system of taxes and fees and, if necessary, prepare the corresponding draft tax legal framework.

VI. Working Groups, Committees, Councils

61. The Minister or the State Secretary may, by their order, establish working groups, committees and councils (hereinafter - the working group) for the fulfilment of separate tasks.

62. The working groups, where it is intended to involve representatives of other institutions (other than subordinated institutions) and private individuals, shall be established by the Minister. The working groups, where it is intended to involve representatives of other institutions or private individuals, may also be established by the State Secretary, if the working group is being established for the purposes of solving the issue under the competence of the Ministry of Finance or if other institutions or private individuals are invited for participation in the working group as experts of the relevant branch or field.

VII. Verification of the Management Decision

63. The preliminary basic verification of the feasibility and lawfulness of the management decision of the Ministry shall be carried out by the project promoter and the relevant higher official, by initialling the projects, as well as the adopter of the decision, by signing the decision.

64. The procedure for the supplementary verification and follow-up verification of the management decisions of the officials of the Ministry shall be prescribed by the internal regulatory enactment issued by the State Secretary.

VIII. Final Provisions

65. To recognise as null and void the 18 September 2017 rules of procedure of the Ministry of Finance No. 12-16/6*Rules of Procedure of the Ministry of Finance.*

66. The rules of procedure took effect on 1 December 2018.

Minister for Finance D. Reizniece-Ozola

State Secretary B.Bāne

<https://www.fm.gov.lv/en/regulation>