

AMENDMENTS TO PHARMACEUTICAL LAW

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On 20 August 2010, amendments to the Pharmaceutical Law adopted by the Saeima on 9 August came into force setting a new procedure for operating pharmacies.

On 14 June 2001, the Saeima amended the Pharmaceutical Law so that only a pharmacist or a municipality can own pharmacies. Thus pharmacies whose shareholders were not certified pharmacists or municipalities had to rearrange their operations by 31 December 2010 so that they would be owned by certified pharmacists as required by law.

However, the regulation deterred investment in the pharmaceuticals market, leading to a proposal by the Association of Pharmacy Owners (Aptieku īpašnieku asociācija) which in turn resulted in further amendments to the Pharmaceutical Law. Thus from now on a pharmacy can operate in the form of a company if at least 50% of the shares belong to a pharmacist or if not less than half the members of the company's management body are certified pharmacists.

A pharmacy in the form of a company will also be allowed to operate if not less than 50% of the shares belong to an assistant pharmacist. However, in this case a special licence will be issued to the pharmacy for five years. This licence can be obtained on a repeat basis.

The new regulation comes into force on 1 January 2011.

Pharmacies established in the form of a company as of 1 January 2011 will have to comply with these new legal requirements.

Exceptionally, pharmacies whose operating licence expires on 31 December 2010 and whose activities do not comply with the new legal requirements can obtain a licence extension until 31 December 2011.

However, after 31 December 2011, all pharmacies must comply with the new requirements to obtain an operating licence.

Most so-called big pharmacies are expected to opt for appointing certified pharmacists to their management boards in order to fulfil the requirements. Regulating legal relations with these new management board members requires serious attention and consideration so as to protect the interests of the company and its shareholders to the maximum extent. As most pharmacists are unlikely to have working experience on the management board of a company, they will require training in management board functions and responsibilities. Specialists from SORAINEN Latvia office will be happy to assist on these issues.

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