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New Amendments Implement, Exceed E.U. Shareholders' Rights Requirements

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As of January 1, 2010, amendments to the Financial Instrument Market Law came into force as required by E.U. Directive 2007/36/EC of July 11, 2007, on the exercise of certain rights of shareholders in listed companies.

Under the amendments, further rights to participate at a shareholders' meeting are granted to those shareholders who have been recorded as shareholders of a joint stock company six days before the shareholders' meeting. The Central Latvian Depository sets a procedure for joint stock companies to identify shareholders owning shares for preparing a list of shareholders.

To ensure the exercise of shareholders' rights, espe-

cially in cases when shareholders are residents of another state, notifications of public joint stock companies on convening a meeting must be published on a specified Internet webpage, including information on convening the meeting and draft decisions to be reviewed that have been submitted prior to the meeting.

Likewise, the new wording of the law provides joint stock companies with an option to ensure shareholders' rights to participate at a shareholders' meeting, vote for issues included in the meeting agenda, elect or recall shareholder representatives by electronic means, and mailing services.

Additionally to the terms of the Directive, the Financial Instrument Market Law sets a procedure for resolving disputes between a joint stock company and shareholders regarding distribution of notice convening a shareholders' meeting, submitting draft decisions, electing a shareholder's representative, participation by shareholders or their representatives at a meeting, and voting.