



**A case initiated with respect to a norm that establishes the amount of payment by
a credit institution for financing the operations of the Financial and Capital
Market Commission**

On 9 May 2019, the 1st Panel of the Constitutional Court initiated the case “On Compliance of Para 2.11. of the Regulation of 2 December 2018 of the Financial and Capital Market Commission No. 198 “Regulation on Determining the Amount of Payments by the Financial and Capital Market Participants for Financing the Financial and Capital Market Commission in 2019 and for Submitting Reports” with the First Sentence of Article 91 of the *Satversme* of the Republic of Latvia”.

The Contested Norm

Para 2.11. of the Regulation of 2 December 2018 of the Financial and Capital Market Commission (hereinafter – the Commission) No. 198 “Regulation on Determining the Amount of Payments by the Financial and Capital Market Participants for Financing the Financial and Capital Market Commission in 2019 and for Submitting Reports” provides that in 2019 the amount of payment by each credit institution for financing the operations of the Commission is 0.0106 per cent of the average quarterly assets of the credit institution.

The Norm of Higher Legal Force

The first sentence of Article 91 of the Satversme of the Republic of Latvia (hereinafter – the *Satversme*): “All human beings in Latvia shall be equal before the law and the courts.”

The Facts

The case was initiated with regard to an application by a credit institution AS “PNB Banka”, registered in Latvia. It is noted in the application that, in accordance with the contested norm, it must make payments for financing the operations of the

Commission. However, it is alleged that, in determining the amount of this payment, the principle of equality, derived from the first sentence of Article 91 of the *Satversme*, has not been complied with. Compared to other participants of the Financial and Capital Market, the amount of payment had been increased only for credit institutions, explaining this by the inability of other market participants to cover the supervision costs. The applicant holds that this treatment lacks a legitimate aim and that it is not proportional to the legitimate aim.

The Legal Proceedings

The Constitutional Court has requested the Financial and Capital Market Commission to submit a written reply on the facts of the case and the legal reasoning by 9 July 2019.

The term for preparing the case is **9 October 2019**. The Court will decide on the type of procedure and the date for hearing the case after it has been prepared.

The press release was prepared with the aim to facilitate understanding of cases heard by the Constitutional Court. It shall not be regarded as part of the judgement and is not binding to the Constitutional Court. The judgements, decisions and other information regarding the Constitutional Court are available at the homepage of the Constitutional Court www.satv.tiesa.gov.lv.

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