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Third Evaluation Round

Compliance Report on Latvia

"Incriminations (ETS 173 and 191, GPC 2)"

"Transparency of Party Funding"

Adopted by GRECO
at its 48th Plenary Meeting
(Strasbourg, 27 September – 1 October 2010)

I. INTRODUCTION

1. The Compliance Report assesses the measures taken by the authorities of Latvia to implement the 13 recommendations issued in the Third Round Evaluation Report on Latvia (see paragraph 2), covering two distinct themes, namely:
 - **Theme I – Incriminations:** Articles 1a and 1b, 2-12, 15-17, 19 paragraph 1 of the Criminal Law Convention on Corruption ETS 173), Articles 1-6 of its Additional Protocol (ETS 191) and Guiding Principle 2 (criminalisation of corruption).
 - **Theme II – Transparency of party funding:** Articles 8, 11, 12, 13b, 14 and 16 of Recommendation Rec(2003)4 on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns, and - more generally - Guiding Principle 15 (financing of political parties and election campaigns).
2. The Third Round Evaluation Report was adopted at GRECO's 39th Plenary Meeting (10 October 2008) and made public on 23 October 2008, following authorisation by Latvia (Greco Eval III Rep (2008) 1E, [Theme I](#) and [Theme II](#)).
3. As required by GRECO's Rules of Procedure, the Latvian authorities submitted a Situation Report on the measures taken to implement the recommendations. This report was received on 28 April 2010 and served as a basis for the Compliance Report.
4. GRECO selected Denmark and the Czech Republic to appoint rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Flemming DENKER, on behalf of Denmark, and Mr Tomáš HUDEČEK on behalf of the Czech Republic. They were assisted by GRECO's Secretariat in drawing up the Compliance Report.
5. The Compliance Report assesses the implementation of each individual recommendation contained in the Evaluation Report and establishes an overall appraisal of the level of the member's compliance with these recommendations. The implementation of any outstanding recommendations (partially or not implemented) will be assessed on the basis of a further Situation Report to be submitted by the authorities 18 months after the adoption of the present Compliance Report.

II. ANALYSIS

Theme I – Incriminations

6. It is recalled that GRECO in its evaluation report addressed 8 recommendations to Latvia in respect of Theme I. Compliance with these recommendations is dealt with below.
7. From a general standpoint, the Latvian authorities state that a permanent working group, established within the Ministry of Justice and composed of practitioners from various state institutions and academics, prepared amendments to the Criminal Law of Latvia, in line with GRECO recommendations. These amendments were adopted by the *Saeima* (Parliament) on 19 November 2009 and entered into force on 23 December 2009.

Recommendation i.

8. GRECO recommended (i) to clarify in which manner the offering/promising of an undue advantage and the request for an undue advantage as well as the unrequested receipt of such an advantage are covered by the relevant provisions on bribery and attempted bribery in the Latvian Criminal Law, and (ii) to amend Section 198, paragraph 1 and 326.2 of the Criminal Law to ensure that the acceptance of an offer/promise of an undue advantage by private sector employees and employees of state and local government institutions is criminalised.
9. As regards the first part of the recommendation, the authorities of Latvia report that the amendments to the Criminal Law adopted in November 2009 changed almost all of the provisions regarding bribery in the public and private sectors and defined more precisely the request or receipt of a bribe and the acceptance of an offer, in relation to the intended recipient of the bribe, as well as other questions.
10. The authorities furthermore report, as regards the second part of the recommendation, that the amended Sections 198, paragraph 1 and 326² of the Criminal Law¹ now expressly incriminate the acceptance of an offer of an undue advantage.
11. GRECO takes note of the information provided. As regards the first part of the recommendation, it regrets that the amendments made to the relevant sections of the Criminal Law do little to address the clarifications requested by the recommendation. Sections 323 on active bribery in the public sector and 199 on active bribery in the private sector still contain the text “*if the offer is accepted*”, which, as indicated in the Evaluation Report (see paragraph 83), “seems to rule out a mere promise or an unaccepted offer of an undue advantage”. Turning to the unrequested receipt of an advantage, GRECO welcomes the amended Sections 198 and 326² of the Criminal Law which now incriminate the sole “*unlawful receiving*” of a bribe, independently of a request.

¹ Section 198 - Unauthorized Receipt of Benefits

(1) For a person who knowingly accepts illegally material value, property or benefits of another nature or offer, where committed by an employee of an undertaking (company) or organization, or another person who on the basis of the law or a lawful transaction is authorized to conduct the matters of another person or organization, him or herself or through an intermediary, for performing or failing to perform some act, in the interests of the giver of the benefit or any other person, using his or her authority, irrespective of whether the material value, property or benefits of another nature received is intended for this or any other person,....

Section 326² – Demand and acceptance of unlawful benefits

(1) For a person who unlawfully accepts material value, property or benefits of another nature or offer, where committed by an employee of state or municipal institution, who is not in the status of a state official, or such a person who is authorized by state institution, him or herself, for performing or failing to perform some act, in the interests of the giver of the benefit or any other person, using his or her authority, irrespective of whether the material value, property or benefits of another nature received is intended for this or any other person,-

The applicable sentence is deprivation of liberty for a term not exceeding three years, or custodial arrest, or community service, or a fine not exceeding one hundred times the minimum monthly wage, with or without deprivation of the right to engage in specific forms employment or of the right occupy specific positions for a term not exceeding two years.

(2) For a person who commits the same acts, if commission thereof is repeated or on a large scale, or they have been committed by a group of persons pursuant to prior agreement, or they are associated with a demand or extortion for material value, property or benefits of another nature, -

The applicable sentence is deprivation of liberty for a term not exceeding five years, or custodial arrest, or community service, or a fine not exceeding two hundred times the minimum monthly wage, with or without deprivation of the right to engage in specific forms employment or of the right occupy specific positions for a term not exceeding five years.”

12. As regards the second part of the recommendation, GRECO notes with satisfaction that the acceptance of an offer is now specifically incriminated in Sections 198, paragraph 1 and 326² of the Criminal Law.

13. GRECO concludes that recommendation i has been partly implemented.

Recommendation ii.

14. *GRECO recommended to criminalise active bribery of employees in state or local government service who are not public officials in the meaning of the Latvian Criminal Law.*

15. The authorities of Latvia report that this issue was discussed by the working group established within the Ministry of Justice (see paragraph 7) but that no consensus could be reached. Besides, as the authorities' priority was the criminalisation of passive bribery, putting the emphasis on the responsibility of public officials, it was agreed to keep this issue under discussion.

16. GRECO takes note of the information provided and regrets that no concrete steps were taken to implement this recommendation, nor was it considered a priority by the Ministry of Justice working group. It calls upon the authorities to take more determined action in order to address the gap highlighted by the recommendation.

17. GRECO concludes that recommendation ii has not been implemented.

Recommendation iii.

18. *GRECO recommended to consider amending Sections 320 and 323 of the Criminal Law to ensure that instances in which the advantage is not intended for the bribe-taker him/herself but for a third party are explicitly covered by these provisions.*

19. The authorities of Latvia report that the amendments to the Criminal Law adopted in November 2009 introduce the expression "*whenever the accepted or offered bribe is intended for this public official or for any other person*" in Sections 320 and 323.

20. GRECO notes with satisfaction that Sections 320 and 323 of the Criminal Law now expressly include instances in which the advantage is not intended for the bribe-taker him/herself but for a third party.

21. GRECO concludes that recommendation iii has been implemented satisfactorily.

Recommendation iv.

22. *GRECO recommended (i) to amend Section 199 of the Criminal Law, ensuring that the full range of persons who direct or work for, in any capacity, private sector entities as provided for in Article 7 of the Criminal Law Convention on Corruption (ETS 173) are covered and (ii) to ensure that instances in which the act or omission by the bribe-taker in return for the undue advantage is in the interest of someone else than the bribe-giver are also covered by Sections 198 and 199 of the Criminal Law.*

23. As regards the first part of the recommendation, the authorities of Latvia report that the amendments to the Criminal Law have significantly broadened the scope of Section 199, which

now covers “employees of an undertaking (company) or organisation or persons authorised on the basis of law or a legal transaction to conduct the affairs of another person, responsible employees of an undertaking (company) or organisation, or the same persons who are authorised by the undertaking (company) or organisation, or persons who on the basis of law or a legal transaction are authorised to solve a dispute”.

24. The authorities have added, as regards the second part of the recommendation that Sections 198 and 199, Criminal Law, now expressly stipulate that the act or omission by the bribe-taker in exchange for the undue advantage may be in the interest of the bribe-giver or of any other person.
25. GRECO welcomes these changes in the Criminal Law which meet the expectations of the recommendation.
26. GRECO concludes that recommendation iv has been implemented satisfactorily.

Recommendation v.

27. *GRECO recommended to (i) criminalise active bribery of arbitrators, in line with Article 2 of the Additional Protocol to the Criminal Law Convention on Corruption (ETS 191); (ii) criminalise passive bribery of arbitrators, not involving a breach of duty, in line with Article 3 of the Additional Protocol; and (iii) explicitly cover (bribery of) foreign arbitrators, in line with Article 4 of the Additional Protocol.*
28. As regards the first part of the recommendation, the authorities of Latvia report that the above-mentioned amendments of Section 199 of the Criminal Law (see paragraph 23) on active bribery in the private sector criminalise explicitly the active bribery of “persons who on the basis of law or a legal transaction are authorised to solve a dispute”.
29. As regards the second part of the recommendation, the authorities explain that the amended Section 198 of the Criminal Law (see footnote 1), which deals with the passive bribery of (among others) arbitrators, no longer mentions the use of the arbitrator’s authority in bad faith, nor any other restriction involving a breach of duty.
30. Finally, as regards the third part of the recommendation, the authorities state that, as the above-mentioned amended Sections 198 and 199 of the Criminal Law now explicitly cover the active and passive bribery of (domestic) arbitrators, they also apply to foreign arbitrators by way of the application of Section 2 of the Criminal Law, which stipulates that persons committing a criminal offence on the territory of Latvia shall be determined in accordance with the Latvian Criminal Law.
31. GRECO notes with satisfaction that the recommendation is fulfilled by the amendments to Sections 198 and 199 of the Criminal Law.
32. GRECO concludes that recommendation v has been implemented satisfactorily.

Recommendation vi.

33. *GRECO recommended to ensure that foreign jurors are covered by the provisions on bribery in the Criminal Law also in those cases where they do not have the status of public officials in the foreign jurisdiction.*

34. The authorities of Latvia explain that foreign jurors who do not have the status of public officials in the foreign jurisdiction are now covered by the amended Sections 198 and 199 of the Criminal Law, which also apply to bribery of “*persons who on the basis of law or a legal transaction are authorised to solve a dispute.*”
35. GRECO takes note of the information provided. Taking into account the fact that Latvia does not have a jury system as such, it would have welcomed an express mention of foreign jurors in the text of the Criminal Law. However, it accepts that the wording of Sections 198 and 199, read together with the explanatory report of the Law, is clear enough to cover bribery of foreign jurors who do not have the status of public officials.
36. GRECO concludes that recommendation vi has been dealt with in a satisfactory manner.

Recommendation vii.

37. *GRECO recommended to (i) raise the sanctions for trading in influence, ensuring consequently that the statutory limitation period for this offence is increased and (ii) criminalise indirect active trading in influence as well as the request for an undue advantage to exert improper influence over the decision-making of certain third parties, in line with Article 12 of the Criminal Law Convention on Corruption (ETS 173).*
38. As regards the first part of the recommendation, the authorities of Latvia report that Section 326¹ of the Criminal Law on trading in influence was amended and the sanctions raised from maximum one to three years’ imprisonment for active trading in influence and from maximum two to five years’ imprisonment for passive trading in influence, making them comparable to the level of sanctions for other bribery offences. Consequently, the offence of trading in influence is now considered as a “less serious crime”, for which the limitation period is 5 years, instead of 2 years as previously.
39. The authorities have stated, as regards the second part of the recommendation, that the amended Section 326¹, Criminal Law², now covers both direct and indirect active and passive trading in influence, by use of the words “*personally or through intermediary ... to unlawfully*

² Section 326¹ – Trading in influence

(1) For a person who commits offering or giving of material value, property or benefits of another nature to any person, personally or through intermediary, in order that he or she, using his or her official, professional or social position, to unlawfully influence the activities of a public official or to encourage some other person unlawfully influence the activities of a public official in interests of any person, without reference that material value, property or benefits of another nature is intended for this person or any other person, if there are not present the elements of the crime provided for by Section 323,-

The applicable sentence is deprivation of liberty for a term not exceeding three years, or custodial arrest, or community service, or a fine not exceeding one hundred and fifty times the minimum monthly wage, with or without deprivation of the right to engage in specific forms employment or of the right occupy specific positions for a term not exceeding two years.

(2) For a person who commits accepting of material value, property or benefits of another nature or offer, for himself, herself or for any other person, in order that he or she, using his or her official position, professional or social position, to unlawfully influence the activities of a public official, or to encourage any other person to unlawfully influence the activities or taking of decisions of a public official in interests of any other persons, if there are not present the elements of the crime provided for by Sections 198 and 320,-

The applicable sentence is deprivation of liberty for a term not exceeding five years, or custodial arrest, or community service, or a fine not exceeding two hundred times the minimum monthly wage, with or without deprivation of the right to engage in specific forms employment or of the right occupy specific positions for a term not exceeding five years.

influence the activities of a public official or to encourage some other person to unlawfully influence the activities of a public official".

40. Finally, as regards the request of an undue advantage to exert improper influence, the authorities report that it was discussed in the permanent working group at the Ministry of Justice, as well as in Parliament and that the conclusion reached was that a request would be criminalised as attempted trading in influence, according to Section 15, paragraph 4 of the Criminal Law on attempt and the new wording of Section 326¹ on trading in influence. The authorities add that the Corruption Prevention and Combating Bureau (KNAB) is currently preparing amendments to the legislation on lobbying and that more precise legal provisions concerning the criminalisation of trading in influence may ensue.
41. GRECO notes with satisfaction that the amended Section 326¹ of the Criminal Law on trading in influence meets the requirements of the first part of the recommendation. As regards its second part, it welcomes the new incrimination of indirect trading in influence. However, as regards the request of an undue advantage to exert improper influence, GRECO regrets that it is not expressly covered by the amended Section 326¹. It takes the view that covering the request of an advantage to exert improper influence as attempted trading in influence is not satisfactory, since an attempt is punishable only if *"the crime has not been completed for reasons independent of the will of the guilty party"* (Section 15, paragraph 4, Criminal Law). Therefore, if someone requests an advantage, but later withdraws his/her request by his/her own will, it will not be covered by the provisions on attempt. That is why the request of an advantage to exert improper influence needs to be expressly criminalised, in order to clearly stigmatise such acts and avoid possible loopholes in the legal framework.
42. GRECO concludes that recommendation vii has been partly implemented.

Recommendation viii.

43. *GRECO recommended to analyse Section 324 of the Criminal Law and recent cases in which the defence of effective regret has been invoked, with a view to ascertaining the potential for misuse of this defence and, if need be, to take appropriate measures.*
44. The authorities of Latvia report that the KNAB carried out a detailed survey of cases involving the potential application of Section 324 of the Criminal Law between 2006 and 2009. It emerged that the State Police, the Security Police and the State Revenue Service had not applied this provision in the period considered. The General Prosecutor's Office had applied it in three cases, resulting in the cessation of prosecution against nine persons. As to the KNAB itself, it had also applied Section 324 in 15 cases in the period considered and 50 persons had consequently been released from criminal liability. These cases were subsequently analysed by the working group at the Ministry of Justice, which concluded that the defence of effective regret had not been misused and that there was consequently no need to modify Section 324 of the Criminal Law.
45. GRECO takes note of the information provided and accepts that a sufficiently meaningful analysis of the cases of application of Section 324 of the Criminal Law has been carried out. GRECO wishes to stress, however, that more importance could have been given in the analysis to Section 324 of the Criminal Law itself and its possible misuse. The Latvian authorities may therefore wish to keep this issue under review.
46. GRECO concludes that recommendation viii has been implemented satisfactorily.

Theme II – Transparency of Party Funding

47. It was recalled that GRECO in its evaluation report addressed 5 recommendations to Latvia in respect of Theme II. Compliance with these recommendations is dealt with below.

Recommendation i.

48. *GRECO recommended to take measures to ensure that the involvement of entities outside the party structure, related directly or indirectly to political parties/coalitions, in election campaigns is made transparent and does not undermine the requirements of the Law on the Financing of Political Organisations (Parties).*
49. The authorities of Latvia report that a new chapter dealing with “*Campaigns of persons not related to political parties and associations thereof*” was introduced in the Law on Pre-election Campaigning for the *Saeima* and European Parliament Elections by legislative amendments adopted on 15 January 2009 and which entered into force on 31 January 2009, as well as in the Law on Pre-election Campaigning before Municipal Elections which entered into force on 21 January 2009. According to this new chapter, a person engaging in campaigning is to be either considered as linked to a political party – in which case his/her related expenses are considered as party’s expenditure – or as an independent subject in campaigning. In the latter case, this person is subject to the new chapter of the law, which sets out the principle that third parties paying for campaign activities must be identified. The chapter also defines campaigning activities, establishes fixed prices for media advertising and provides for expenditure ceilings amounting to 15 minimum wages (approximately EUR 3,842) . The implementation of these provisions is overseen by the KNAB, which may issue warnings and prohibitions to conduct further campaign activities, which are published on its website. These decisions are subject to appeal before the Administrative District Court following a special, expedited procedure. The authorities further report that amendments to the Code of administrative violations were adopted by the *Saeima* on 3 September 2009 and entered into force on 7 October 2009. These amendments established administrative liability, with sanctions ranging from warnings to fines of LVL 1,000 (approximately EUR 1,423), for breaches of pre-election campaign regulations, which also apply to entities outside party structures.
50. GRECO welcomes the legislative measures adopted to strengthen transparency regarding the involvement of entities outside the parties structures in election campaigns activities for the *Saeima*, European Parliament and municipal elections, which appear to address this issue in an adequate manner.
51. GRECO concludes that recommendation i has been implemented satisfactorily.

Recommendation ii.

52. *GRECO recommended to take measures to strengthen the independence of the KNAB (including as regards the supervision of its activities, the procedure for appointing and dismissing its Director and deciding on its budget), thus ensuring that it can exercise its functions in an independent and impartial manner.*
53. The authorities of Latvia report that a working group, consisting of officials of the KNAB, the Ministries of Finance and Justice, State Chancellery and representatives of NGOs was created in

February 2009 to explore possible solutions to change the status of the KNAB in order to reinforce its independence. In January 2010, the working group submitted two proposals to the Cabinet of Ministers: according to the first, the KNAB would remain subordinated to the Cabinet of Ministers, but the Prime Minister would no longer be able to take over functions which are under the competence of the Director of the KNAB and the Director of the KNAB would be appointed by a Commission consisting of senior public officials (Prosecutor General, Chairman of the Supreme Court, Head of the State Audit Office etc.). According to the second proposal, the KNAB would become fully independent and the Cabinet of Ministers would no longer have any role in its supervision. Once the Cabinet of Ministers chooses one of these proposals, the relevant legislative amendments will be prepared.

54. The authorities also state that a commission was established in November 2007 to analyse the reasons for the dismissal of the Director of the KNAB in the autumn of 2007 (see paragraph 76 of the Evaluation Report). On the basis of its conclusions, a new procedure of appointment of the Director of the KNAB was adopted on 21 October 2008 by the Cabinet of Ministers. According to this procedure, which was applied in 2008-2009, while retaining a deciding role in the choice of applicants, the Cabinet of Ministers has to seek the opinion of the State Chancellery, the Prosecutor General, Director of the Bureau for Protection of the Constitution, the Head of the Supreme Court and the National Security Council.
55. GRECO welcomes the positive measures taken as regards the strengthening of the independence of the KNAB and the procedure for appointing its Director. It trusts that they will be pursued, including as regards budgetary aspects, and the necessary legislative measures taken in order to fully comply with the recommendation.
56. GRECO concludes that recommendation ii has been partly implemented.

Recommendation iii.

57. *GRECO recommended to design and implement rules for the transparent, impartial and competitive recruitment of the KNAB's staff.*
58. The authorities of Latvia state that in January 2010 the KNAB issued an internal regulation on the selection procedure of candidates to vacant KNAB posts, which entered into force in March 2010. This regulation foresees recruitment by either open or closed competition and prescribes the rules for the choice and implementation of each method, including *inter alia* the publication of vacancy notices, establishment of assessment commissions, assessed criteria, time limits for the various steps of the procedure, conditions for taking the final decision and modalities for informing candidates. The final decision on recruitment of staff is taken by the Director of KNAB on the basis of the findings of the relevant assessment commission. If the Director does not act in accordance with these findings, he/she has to give reasons for his/her decision.
59. GRECO notes with satisfaction the changes brought to the selection process of the KNAB's staff, which are conducive to a more transparent, impartial and competitive recruitment.
60. GRECO concludes that recommendation iii has been implemented satisfactorily.

Recommendation iv.

61. *GRECO recommended to take measures to further enhance the liability of natural persons for violations of political finance regulations.*
62. The authorities of Latvia report that amendments to the Administrative Violations Code were adopted on 18 December 2008 by the *Saeima* and entered into force on 21 January 2009. These amendments introduce fines for donors who exceed the ceilings for donations, who make a donation in an indirect manner, through mediation or without transferring the money to the party's bank account (Section 166³⁴, Administrative Violations Code, paragraphs 5 and 6). The natural person who "*commits financing [of political parties] from gifts or loans of other persons*", as well as persons using an intermediary or acting as an intermediary in party financing, are also subject to fines (Section 166³⁴, Administrative Violations Code, paragraphs 7 and 8).
63. The authorities also submit that amendments to the Criminal Law foreseeing criminal liability of natural persons for severe breaches of political financing regulations, drafted by the KNAB, were endorsed by the Cabinet of Ministers in June 2009 and are currently before the *Saeima*. These amendments are meant to criminalise the illegal flow of money which is not registered in the books and accounts of political parties and will cover both the persons responsible within political parties and the donors.
64. GRECO welcomes the adoption of amendments to the Administrative Violations Code introducing sanctions for natural persons violating the political finance regulations, as well as the draft amendments to the Criminal Law, which will further enhance the liability of natural persons.
65. GRECO concludes that recommendation iv has been implemented satisfactorily.

Recommendation v.

66. *GRECO recommended to increase the limitation period for administrative violations of the Law on the Financing of Political Organisations (Parties).*
67. The authorities of Latvia state that the KNAB prepared a report analysing GRECO's recommendations as well as domestic legal regulations and practice regarding the violations of party funding rules and came to the conclusion that the current limitation period for administrative violations did not seem to raise significant problems in the control of political parties' financing. This report has been submitted to the Cabinet of Ministers.
68. This issue was also discussed within a permanent working group set up by the Ministry of Justice, composed of various public officials, judges and academics. This working group stressed that increasing the limitation period for administrative violations of the Law on the Financing of Political Organisations (Parties) would make it longer than the limitation period for certain criminal offences, which is two years in principle, but is reduced to six months if criminal proceedings are initiated after the complaint of the victim or his/her representative. For reasons of coherence, the authorities do not consider it appropriate that a limitation period for administrative violations be the same or longer than for criminal offences. However, the working group also pointed out that the current limitation period for imposing sanctions for administrative violations of the Law on the Financing of Political Organisations (Parties) runs until one year after the violation has been committed. Taking into account GRECO's recommendation, they accepted that the limitation

period could be changed in order to be calculated from the moment when the violation is detected rather than committed. Amendments will be prepared by the Ministry of Justice accordingly.

69. Finally, the authorities recall that the planned amendments to the Criminal Law foreseeing criminal liability for serious breaches of the political financing regulations will broaden significantly the possibilities for imposing criminal sanctions, for which the statute of limitation is longer.
70. GRECO takes note of the information provided, which indicates that some consideration has been given to the recommendation. While understanding the rationale of the authorities' position, GRECO regrets that no significant increase of the limitation period for administrative violations of political finance regulations is foreseen. Even if the planned amendments would improve the situation to some extent, it cannot be excluded that the limitation period may still be too short to investigate complex cases and thus lead to the termination of the relevant proceedings.
71. GRECO concludes that recommendation v has been partly implemented.

III. CONCLUSIONS

72. **In view of the above, GRECO concludes that Latvia has implemented satisfactorily or dealt with in a satisfactory manner eight of the thirteen recommendations contained in the Third Round Evaluation Report.** With respect to Theme I – Incriminations, recommendations iii, iv, v and viii have been implemented satisfactorily, recommendation vi has been dealt with in a satisfactory manner, recommendations i and vii have been partly implemented and recommendation ii has not been implemented. With respect to Theme II – Transparency of Party Funding, recommendations i, iii and iv have been implemented satisfactorily and recommendations ii and v have been partly implemented.
73. In particular, concerning incriminations, Latvia has carried out substantial reforms of the Criminal Law, which meet the concerns of most of GRECO's recommendations. GRECO regrets, however, that the momentum generated by these reforms was not used to address some remaining ambiguities and gaps in the Law, namely the offering/promising and the request of an undue advantage and the criminalisation of active bribery of employees in state or local government who are not public officials. It urges the Latvian authorities to take determined action to comply with its pending recommendations.
74. Insofar as the transparency of political funding is concerned, new legislation is already in place to regulate the involvement of entities outside the party structure in election campaigns, to improve the recruitment procedures of the KNAB's staff and to enhance the liability of natural persons for violations of party funding rules. Other legislation is in preparation to address the pending recommendations and GRECO is confident that the authorities will do their utmost to fully implement these recommendations in due course.
75. In the light of what has been stated in paragraphs 72 to 74, GRECO commends Latvia for the substantial reforms carried out with regard to both themes under evaluation and which show that, already at this stage, Latvia complies with almost two thirds of the recommendations issued in the Third Round Evaluation Report. It encourages Latvia to pursue these reforms in order to implement the pending recommendations within the next 18 months. GRECO invites the Head of the delegation of Latvia to submit additional information regarding the implementation of recommendations i, ii and vii (Theme I – Incriminations) and recommendations ii and v (Theme II – Transparency of Party Funding) by 30 April 2012 at the latest.

76. Finally, GRECO invites the authorities of Latvia to translate the report into the national language and to make this translation public.