

The Parliament of the Republic of Latvia has adopted  
and the President has proclaimed the following Law:

## Amendments to Tourism Law

The Tourism Law (Official bulletin of the Parliament and the Cabinet of the Republic of Latvia, 1998, No 21; 1999, No 22; 2002, No 4; 2003, No 6; 2006, No 7; 2009, No 14; the Official Gazette (*Latvijas Vēstnesis*), 2009, No 97, No 205; 2012, No 105; 2015, No 251) shall be amended as follows:

### 1. Section 1:

Paragraph 4 shall be repealed;

Paragraph 5 shall read as follows:

"5) **package (travel service)** – a combination of at least two different types of travel services for the purpose of the same trip, which meets either of the following requirements:

- a) those services are combined by one trader, including at the request of or in accordance with the selection of the traveller, before a single contract on all services is concluded; or
- b) irrespective of whether separate contracts are concluded with individual travel service providers, those services are: purchased from a single point of sale and those services have been selected by the traveller before he agrees to pay; offered, sold or charged at an inclusive or total price; advertised or sold under the term 'package' or under a similar term; combined after the conclusion of a contract by which a trader entitles the traveller to choose among a selection of different types of travel services; purchased from separate traders through linked online booking processes where the traveller's name, payment details and e-mail address are transmitted from the trader with whom the first contract is concluded to another trader or traders and a contract with the latter trader or traders is concluded at the latest 24 hours after the confirmation of the booking of the first travel service";

Paragraph 14 shall read as follows:

"14) **travel agent** – a person other than a tour operator who offers for sale or sells packages combined by a tour operator acting on behalf of or as instructed by a tour operator;"

Paragraphs 19 and 20 shall read as follows:

"19) **tour operator** – a person who combines and offers for sale or sells packages to travellers directly or through another service provider or together with another service provider, or a person who transmits the traveller's data to other service providers in accordance with Paragraph 5(b);

20) **travel service** – a purposeful activity for the satisfaction of tourists' interests and needs, namely:

- a) carriage of passengers;
- b) accommodation which is not intrinsically part of carriage of passengers and is not for residential purposes;
- c) rental of cars or other motor vehicles;
- d) any other tourist service not intrinsically part of a travel service within the meaning of points (a), (b) or (c)";

Section 1 shall be supplemented with Paragraphs 29, 30, 31, 32 and 33 as follows:

"29) **package travel contract** – a contract on the package as a whole or, if the package is provided under separate contracts, all contracts covering travel services included in the package;

30) **traveller** – any physical person or legal entity that is seeking to conclude a contract for package travel or linked travel arrangements, or is entitled to travel on the basis of a contract concluded for the provision of the aforesaid services;

31) **point of sale (of travel services)** - any retail premises, whether movable or immovable, or a retail website or similar online sales facility, including where retail websites or online sales facilities are presented to travellers as a single facility, including a telephone service;

32) **linked travel arrangements** – at least two different travel services purchased for the purpose of the same trip other than a package travel arrangement, where separate contracts are concluded with individual traders, and the trader ensures that the traveller may separately choose and separately pay for each travel service during one visit to or one contact with a point of sale of travel services, or purposefully ensures the purchase of at least one additional tourist service from another trader if the contract with the aforesaid trader is concluded within 24 hours after the first tourist service booking confirmation;

33) **traveller's repatriation** – the traveller's return to the place of departure or another place the contracting parties agree upon;"

Section 1 shall be supplemented with Parts Two and Three as follows:

"(2) A package within the meaning of this Law shall not include a combination of travel services consisting of more than one of the travel services mentioned in Paragraph 20 (a), (b) or (c) of Part One of this Section and one or more travel services mentioned in Subparagraph (d) unless the travel services mentioned in Subparagraph (d) represent a considerable proportion of the travel service combination value, and unless those services are advertised or otherwise presented as a significant feature of a combination of travel services or chosen and purchased after the commencement of a travel service mentioned in Subparagraph (a), (b) or (c).

(3) Linked travel arrangements within the meaning of this Law shall not be deemed as the purchase of one of the travel services mentioned in Paragraph 20 (a), (b) or (c) of Part One of this Section and an additional purchase of one or several travel services mentioned in Subparagraph (d) unless the travel services mentioned in Subparagraph (d) represent a considerable proportion of the travel service combination value, and unless those services are advertised or otherwise presented as a significant feature of a combination of travel services".

Consequently, the preceding text shall be deemed as Part One.

2. The Law shall be supplemented with Section 8<sup>1</sup> as follows:

**"Section 8<sup>1</sup>. Competence of the Consumer Rights Protection Centre in the field of packages and linked travel arrangements**

(1) The Consumer Rights Protection Centre performs the following functions:

- 1) issues a special permit (licence) to travel agents and tour operators, as well as suspends and renews such special permits (licences) or annuls the same;
- 2) ensures the creation, maintenance and updating of a database of travel agents, tour operators and tourist service providers which support linked travel arrangements;
- 3) performs the tasks of a central contact point within the meaning of Article 18(2) of Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, amending Regulation (EC) No 2006/2004 and Directive 2011/83/EU of the European Parliament and of the Council and repealing Council Directive 90/314/EEC;
- 4) carries out monitoring of tour operators, travel agents and travel service providers facilitating linked travel arrangements as regards their provision of security for non-performance or improper performance of their obligations as a consequence of their liquidity problems.

(2) The procedure, by which the Consumer Rights Protection Centre implements its functions as specified in this Section, the requirements that must be met by travel agents and tour operators to become eligible for a special permit (licence), the cases when a special permit (licence) may be suspended, renewed or annulled, and the procedure, by which travel agents, tour operators and travel service providers facilitating linked travel arrangements, and their suspended operations are registered in the relevant database, shall be established by the Cabinet of Ministers."

3. Parts One, Five, 5<sup>1</sup>, 5<sup>2</sup> and 5<sup>3</sup> of Section 11 shall be repealed.

4. Section 16 shall read as follows:

**"Section 16. Provision of package travel and linked travel arrangements**

(1) A tour operator is entitled to organise and provide package travel services, and a tour operator and a travel agent are entitled to offer for sale or sell the same, if the said traders are registered in the commercial register, the partnerships and institutions register or in the taxpayers register and have obtained a special permit (licence) by such a procedure as provided for in the applicable legislative regulations. Special permits (licences) are issued for an indefinite period. A tour operator and a travel agent shall pay an annual state duty for the special permit (licence).

(2) A tour operator must apply for registration in the database mentioned in Section 8<sup>1</sup>(1)(2) of this Law and must provide security for the refund of all such payments as made by travellers or on behalf of travellers, insofar as the operator cannot fully or partially perform its obligations and render relevant services due to its liquidity problems. In case the traveller's repatriation is needed, the traveller may be offered continuation of the package travel in accordance with the concluded contract.

(3) A travel service provider facilitating linked travel arrangements must apply for registration in the database mentioned in Section 8<sup>1</sup>(1)(2) and must provide security for the refund of all such payments as received from travellers, insofar as the travel service provider facilitating linked travel arrangements cannot fully or partially perform its obligations and render the travel services which constitute the linked travel arrangements as a consequence of its liquidity problems. If such a travel service provider is engaged in carriage of passengers, it must also provide security for travellers' repatriation.

(4) A travel agent must apply for registration in the database mentioned in Section 8<sup>1</sup>(1)(2). They may only offer for sale or sell such package travel products which are secured for cases of non-performance or improper performance as a consequence of tour operators' liquidity problems.

(5) The security provided by a tour operator and a travel service provider facilitating linked travel arrangements shall consist of an insurance policy issued by an insurer or a guarantee issued by a credit-lending institution.

(6) In certain cases, as determined by the Cabinet of Ministers, the traveller's repatriation and any expenses incurred by the traveller as a consequence of the trader's non-performance or improper performance may be refunded from the contingency reserve fund of the State budget. The Cabinet of Ministers shall lay down a procedure, by which any disbursements on the traveller's repatriation and the trader's non-performance or improper performance caused by the trader's insolvency must be recovered from a tour operator, a travel agent or a travel service provider facilitating linked travel arrangements.

(7) Travel service providers facilitating linked travel arrangements, travel agents and tour operators which are not registered in the European Union but offer for sale or sell package travel services or linked travel arrangements in Latvia, or otherwise focus their operations on Latvia, must apply for registration in the database mentioned in Section 8<sup>1</sup>(1)(2) of this Law and provide security for the refund of all such payments as incurred by or on behalf of the traveller, insofar as the trader is unable to perform its obligations fully or partially and render the relevant services. If a package travel service or a linked travel arrangement includes carriage of passengers, the tour operator or the travel service provider facilitating linked travel arrangements shall provide security for the traveller's repatriation.

(8) The requirements of this Section shall not be applicable to:

- 1) providers of packages or linked travel arrangements lasting less than 24 hours, if no accommodation is included;
- 2) providers of packages or linked travel arrangements offering or facilitating the sale of services occasionally, on a non-profit basis and for a limited group of travellers;
- 3) providers of packages or linked travel arrangements, which render services on the basis of a general contract for organising business trips, which is concluded between the service provider and a physical person or a legal entity acting within the scope of its business or professional activities;
- 4) providers of packages or linked travel arrangements registered in another EU Member State if they have a security for non-performance or improper performance of their obligations in compliance with the applicable legislation of the relevant Member State.

(9) The procedure for the preparation and provision of packages and linked travel arrangements, the rights and obligations of the provider of package travel or linked travel arrangements and the traveller, the amount of state duty for the issue of a special permit (licence) and the payment procedure, and the procedure for the calculation, payment and disbursement of travel service providers' security for non-performance or improper performance of their obligations shall be established by the Cabinet of Ministers."

5. The Law shall be supplemented with Section 16<sup>2</sup> as follows:

**"Section 16<sup>2</sup>. Limitations on the provision of package travel and linked travel arrangements**

(1) A tour operator is not allowed to organise, offer for sale or sell package travel services if, in breach of the legislative regulations, they:

- 1) have failed to obtain a special permit (licence);
- 2) have failed to pay the annual state duty for the special permit (licence);

- 3) have failed to provide security for non-performance or improper performance of their obligations as a consequence of their liquidity problems as required by Section 16(2) and Section 16(5)(1).

(2) A travel agent is not allowed to offer for sale or sell package travel services if, in breach of the legislative regulations, they:

- 1) have failed to obtain a special permit (licence);
- 2) have failed to pay the annual state duty for the special permit (licence).

(3) A travel service provider facilitating linked travel arrangements is not allowed to organise, offer for sale or sell linked travel arrangements if, in breach of the legislative regulations, they:

- 1) have not been registered in the database mentioned in 8<sup>1</sup>(1)(2) of this Law;
- 2) have failed to provide security for non-performance or improper performance of their obligations as a consequence of their liquidity problems as required by Section 16(3) and Section 16(5)(3)."

6. Paragraph 4 of Section 17(2) shall be repealed.

7. The Transitional Provisions shall be supplemented with Paragraphs 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 as follows:

"9. The Consumer Rights Protection Centre shall fulfil the functions provided for in Section 8<sup>1</sup>(1) of the Law starting 1 July 2018.

10. Tour operators and travel agents shall implement the requirements provided for in Section 16(1) of the Law starting 1 July 2018.

11. The security requirement on travel service providers facilitating linked travel arrangements as provided for in Section 16(5) of the Law shall come into effect as of 1 July 2018.

12. The traveller's repatriation in accordance with Section 16(6) of the Law shall come into effect as of 1 July 2018.

13. Those tour operators and travel agents that start providing package travel or linked travel arrangements prior to 30 June 2018 shall be entitled to organise or offer for sale the relevant service without the special permit (licence), which is provided for in this Law, until 30 June 2019 at the latest.

14. Tour operators, which start their operations prior to 30 June 2018, are obliged to maintain an effective insurance cover or hold a credit-lending institution's guarantee for the whole period of their operations in compliance with Cabinet Regulation No 353 of 13 April 2010 "Regulations regarding the rights and duties of tourism operators, tourism agents and clients, the procedures for the preparation and implementation of a package tourism service, information to be provided to a client and the procedures for deposition of security guarantee of money". When renewing or extending an insurance contract or guarantee beyond 30 June 2018, tour operators shall ensure compliance with the requirements of Section 16(2) and (5) of this Law.

15. For travel service providers facilitating linked travel arrangements, travel agents and tour operators which are not registered in the EU the requirement for security for non-performance or improper performance of their obligations, which is provided for in Section 16(7) of this Law, shall come into effect as of 1 July 2018.

16. The Cabinet of Ministers shall issue the regulations mentioned in Section 8<sup>1</sup>(2) and Section 16(6) and (9) of the Law not later than 1 July 2018.

17. Cabinet Regulation No 353 of 13 April 2010 "Regulations regarding the rights and duties of tourism operators, tourism agents and clients, the procedures for the preparation and implementation of a package tourism service, information to be provided to a client and the procedures for deposition of security guarantee of money" (*Latvijas Vēstnesis*, 2010, No 61; 2013, No 27, No 148; 2016, No 79) shall remain in effect until 30 June 2018 inasmuch as it is not in conflict with the present Law.

18. The Ministry of Economy shall arrange for the registration of travel agents and tour operators in the database of travel agents and tour operators not later than 30 June 2018. The Ministry of Economy shall maintain the said database until 30 June 2019 inclusively.

19. Travel agents and tour operators which are registered in the database of travel agents and tour operators for the period until 30 June 2018 and have not been reregistered in the database mentioned in Section 8<sup>1</sup>(1)(2) of the Law, shall be entitled to provide travel agent and tour operator services until 30 June 2019 inclusively."

7. The Informative Reference to the EU Directives shall read as follows:

**"Informative Reference to the Directives of the European Union**

This Law includes legal norms, which arise out of Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, amending Regulation (EC) No 2006/2004 and Directive 2011/83/EU of the European Parliament and of the Council and repealing Council Directive 90/314/EEC."

The Law shall come into effect as of 1 January 2018.

The Law was adopted by the Parliament of the Republic of Latvia on 22 November 2017.

President of the Republic of Latvia

*R. Vējonis*

Riga, 1 December 2017