DELOS
dispute resolution

GUIDE TO ARBITRATION PLACES (GAP)

LATVIA

CHAPTER PREPARED BY

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JURISDICTION INDICATIVE TRAFFIC LIGHTS

1. Law
   a. Framework
   b. Adherence to international treaties
   c. Limited court intervention
   d. Arbitrator immunity from civil liability
2. Judiciary
3. Legal expertise
4. Rights of representation
5. Accessibility and safety
6. Ethics

Evolution of above compared to previous year

7. Tech friendliness
8. Compatibility with the Delos Rules

VERSION: 2 MARCH 2026 (v01.00)

There have not been any material changes requiring an update to this chapter (including the traffic lights) since the date of the latest version. Nonetheless, please note that this chapter does not constitute legal advice and its authors, the contributing law firm and Delos Dispute Resolution decline any and all responsibility.

IN-HOUSE AND CORPORATE COUNSEL SUMMARY

Latvia is an arbitration-friendly jurisdiction. Following the recent 2024 amendments to the Latvian arbitration law ("**Arbitration Law**"), Latvia's arbitration framework is in line with the UNCITRAL Model Law. The absolute majority of arbitrations in Latvia are institutional. Latvia is a State party to the most common international arbitration instruments (the New York Convention, the ICSID Convention, European Convention on International Commercial Arbitration).

Key places of arbitration in the jurisdiction?	Riga.
Civil law / Common law environment? (if mixed or other, specify)	Civil law jurisdiction.
Confidentiality of arbitrations?	By default, arbitrations are confidential, hearings are closed, and arbitrators have a statutory duty of non-disclosure. Limited exceptions exist (e.g., disclosures to law enforcement where necessary to perform statutory duties).
Requirement to retain (local) counsel?	There is no requirement to retain local counsel in arbitrations seated in Latvia. Foreign nationals may act as counsel.
Ability to present party employee witness testimony?	There are no restrictions on who may testify, thus, for example, employee witness testimony is allowed. There may, however, be restrictions in specific circumstances (e.g., testimony of doctors, attorneys, etc.)
Ability to hold meetings and/or hearings outside of the seat and/or remotely?	Hearings or meetings may be held outside the seat. The law does not expressly regulate remote hearings, but in practice arbitral tribunals have held hearings remotely.
Availability of interest as a remedy?	The awarding of interest is governed by substantive rather than procedural law. Under Latvian substantive law, punitive or exemplary damages are not allowed, but arbitral tribunals may award delay interest (statutory / contractual) and / or contractual penalties.
Ability to claim for reasonable costs incurred for the arbitration?	Unless otherwise agreed by the parties, arbitral tribunals seated in Latvia have broad discretion to allocate arbitration costs. Awards must include reasoning on arbitration costs and their distribution.
Restrictions regarding contingency fee arrangements and/or third-party funding?	There are no laws or regulations in Latvia governing contingency or alternative fee arrangements or third-party funding.
Party to the New York Convention?	Yes.
Party to the ICSID Convention?	Yes.
Compatibility with the Delos Rules?	Yes.

Default time-limitation period for civil actions (including contractual)?	The general statute of limitation is 10 years. For commercial transactions – 3 years. The limitation period begins from the moment when a claim against the debtor is established.
Other key points to note?	ϕ
World Bank, Enforcing Contracts: *Doing Business* score for 2020, if available?	73.5
World Justice Project, Rule of Law Index: *Civil Justice* score for 2025, if available?	0.71

ARBITRATION PRACTITIONER SUMMARY

Courts assist arbitrations with various generally recognized tasks (incl. securing of claims). Following the recent 2024 amendments to the Arbitration Law, Latvia's arbitration framework is in line with the UNCITRAL Model Law. Although litigation in ordinary jurisdiction courts is still the more prevalent mechanism for dispute resolution in Latvia, arbitration is more and more seen as an effective method of dispute resolution.

Date of arbitration law?	The Latvian Arbitration Law, entered into force on 1 January 2015 (as amended). Certain arbitration-related matters (court assistance, set-aside, recognition and enforcement) are regulated by the Civil Procedure Law, entered into force on 1 March 1999 (as amended).
UNCITRAL Model Law? If so, any key changes thereto? 2006 version?	Formally not; however, following the 2024 amendments to the Arbitration Law, the regime largely reflects Model Law substance.
Availability of specialised courts or judges at the key seat(s) in the jurisdiction for handling arbitration-related matters?	There are no specialized courts or judges in arbitration-related matters. District (city) courts handle court assistance, set-aside and enforcement proceedings.
Availability of *ex parte* pre-arbitration interim measures?	Latvian courts may grant *ex parte* interim measures both before and during arbitration.
Courts' attitude towards the competence-competence principle?	The Arbitration Law codifies the principle of *competence-competence* by providing that an arbitral tribunal has competence to decide on its own jurisdiction and any objections to the existence or validity of the arbitration agreement. Until 2014, the principle was interpreted rather strictly by courts, providing an arbitral tribunal with an exclusive right to rule on its jurisdiction, without the possibility to challenge an arbitral tribunal's decision before ordinary jurisdiction courts. Such approach was ruled unconstitutional and arbitrating parties are now free to challenge the jurisdiction of arbitral tribunals before national courts.
May an arbitral tribunal render a ruling on jurisdiction (or other issues) with reasons to follow in a subsequent award?	Generally, there are no provisions prohibiting such ruling. At the same time, Article 54(4) of the Arbitration Law provides for a list of issues that an arbitral award must contain, incl. reasoning, unless otherwise agreed by the parties. Therefore, if ruling on jurisdiction is in the form of an award, it must provide reasoning (unless otherwise agreed by the parties).
Grounds for annulment of awards additional to those based on the criteria for the recognition and enforcement of awards under the New York Convention?	The grounds for the annulment of arbitral awards in Latvia mirror those of the New York Convention and the UNCITRAL Model Law. There are no additional or broader domestic grounds.
Do annulment proceedings typically suspend enforcement proceedings?	The initiation of annulment (set-aside) proceedings as such does not automatically stay enforcement proceedings.

Courts' attitude towards the recognition and enforcement of foreign awards annulled at the seat of the arbitration?	Latvian courts are expected to apply Article V(1)(e) of the New York Convention and therefore refuse enforcement of an award that has been annulled at the seat, unless exceptional circumstances justify recognition. However, to date, no court practice exists regarding the enforcement of foreign awards annulled at the place of arbitration.
If an arbitral tribunal were to order a hearing to be conducted remotely (in whole or in part) despite a party's objection, would such an order affect the recognition or enforceability of an ensuing award in the jurisdiction?	Remote hearings are not expressly regulated by the Arbitration Law; there is no Latvian case law indicating that a remote-hearing order *per se* would impair recognition/enforcement. In any event, the arbitral tribunal must ensure that arbitrating parties have equal procedural rights, i.e. equal opportunity to present their case and exercise their lawful rights. If this principle is not respected, this could affect the recognition or enforceability of an ensuing award.
Key points to note in relation to arbitration with and enforcement of awards against public bodies at the jurisdiction?	Disputes where a state/municipal body is a party, or where an award may affect such a body's rights, are non-arbitrable in Latvia (Article 5 of the Latvian Arbitration Law).
Is the validity of blockchain-based evidence recognised?	Latvian law does not specifically regulate the validity of blockchain-based evidence. Under the Latvian Arbitration Law, arbitral tribunals have full discretion to determine the admissibility, relevance, and weight of any evidence. There are no restrictions on presenting electronic or digital evidence, including blockchain records.
Where an arbitration agreement and/or award is recorded on a blockchain, is it recognised as valid?	Latvian law does not specifically address blockchain records, but the Arbitration Law recognises arbitration agreements concluded in writing, including those made by electronic means, as long as the content is accessible and reproducible. A blockchain record seemingly satisfies these criteria if it clearly identifies the parties' consent and the agreement's terms. Arbitral awards issued in Latvia must be made in writing (Article 54(2) of the Arbitration Law). It is arguable to what extent a Latvian court would be satisfied that these requirements are met where an arbitration agreement and/or award is recorded on a blockchain. However, to date, there has been no court practice on this.
Would a court consider a blockchain arbitration agreement and/or award as originals for the purposes of recognition and enforcement?	A blockchain-recorded arbitration agreements / awards would be treated as valid if they meet the written form requirement under the Arbitration Law. If blockchain arbitration agreements and awards were recognized as valid, it is assumed that they would also be considered originals for recognition and enforcement purposes. However, to date, there has been no court practice on this.
Other key points to note?	ϕ

JURISDICTION DETAILED ANALYSIS

1. The legal framework of the jurisdiction

Arbitration proceedings with the seat in Latvia are governed by the Arbitration Law. It entered into force on 1 January 2015 and replaced the previously in force Chapter D in the Civil Procedure Law of the Republic of Latvia ("**CPL**") that regulated arbitration proceedings in Latvia. The Arbitration Law has been amended several times, with the most recent amendments adopted in June 2024 ("**2024 amendments**"). The Arbitration Law governs both domestic and international arbitrations.

The setting aside and recognition and enforcement of arbitral awards, as well as the different types of court assistance in arbitration (appointment, challenge, replacement of arbitrators, issuing of interim and provisional measures, summoning of witnesses, evidence production, etc.) are regulated by the CPL.

1.1 Is the arbitration law based on the UNCITRAL Model law? 1985 or 2006 version?

The Arbitration Law, as originally entered into force on 1 January 2015, was not based on the UNCITRAL Model Law. However, following the 2024 amendments, the substance of the Arbitration Law largely reflects the 2006 version of the UNCITRAL Model Law.

1.1.1 If yes, what key modifications if any have been made to it?

Although the main features and elements of the UNCITRAL Model Law are reflected in Arbitration Law, the structure of the Model Law is not followed and the contents of the Arbitration Law and the CPL are more detailed, paying particular attention to the regulation of establishment and operation of arbitral institutions. In relation to conflict of interest rules, the Arbitration Law and the CPL are slightly more detailed and regulate arbitration proceedings to a greater detail than the UNCITRAL Model Law.

1.1.2 If no, what form does the arbitration law take?

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1.2 When was the arbitration law last revised?

The Arbitration Law was last revised on 6 June 2024, and these amendments entered into force on 4 July 2024. Most importantly, the amendments introduced a mechanism for setting aside arbitral awards. They also introduced other improvements that bring the Arbitration Law in line with the UNCITRAL Model Law. Respective amendments to the CPL were also introduced.

2. The arbitration agreement

2.1 How do the courts in the jurisdiction determine the law governing the arbitration agreement?

There is no settled court-practice as to the determining of the law governing the arbitration agreement. The Arbitration Law replaced the previously in force Chapter D in the CPL that regulated arbitration proceedings in Latvia and which provided in its Article 494 that the law governing the arbitration agreement shall be determined pursuant to the law chosen in the arbitration agreement, and if the arbitration agreement did not specify the law governing it, the governing law was to be determined in accordance with conflict of laws provisions in the Latvian Civil Law (Articles 19 and 25).

According to Article 19 of the Latvian Civil Law, if parties have not chosen the applicable law, then it must be assumed that the parties have subjected their obligation, according to its content and consequences, to the law of the country where the obligation must be performed. Article 25 clarifies that this rule is applicable as long as the international treaties and conventions do not provide otherwise. It may be argued that in case of arbitration agreements, the country where the obligation must be performed would be considered the place where arbitration takes place (seat of arbitration).

2.2 In the absence of an express designation of a 'seat' in the arbitration agreement, how do the courts deal with references therein to a 'venue' or 'place' of arbitration?

To date, Latvian courts have not drawn a formal distinction between the legal "seat" and the "venue" of hearings or "place" of arbitration. The place of arbitration would be considered the seat of arbitration. Accordingly, where an arbitration agreement refers to a venue or place but does not expressly designate a seat, Latvian courts would most likely treat that reference as the seat and holding meetings/hearings elsewhere would have no separate legal consequences.

2.3 Is the arbitration agreement considered to be independent from the rest of the contract in which it is set forth?

Yes. Under Article 13(1) of the Arbitration Law, parties that have concluded an arbitration agreement are bound by it, unless it is amended or annulled either by agreement or by a court. If the arbitration clause is included as a separate provision in another contract, in application of the principle of separability it is regarded as an independent agreement. The arbitration agreement is enforceable even if the underlying contract has expired or declared void (Article 13(3) of the Arbitration Law). In practice, Latvian courts have interpreted the principle of separability very strictly.

2.4 What are formal requirements (if any) for an enforceable arbitration agreement?

Article 12(1) of the Arbitration Law provides that an arbitration agreement shall be concluded in writing. It can be included as a separate provision in any contract (in the form of an arbitration clause), considering the applicable limitations as to arbitrability set out in Article 5(1) of the Arbitration Law.

Article 12(2) of the Arbitration Law provides that a simple exchange of electronic communications will be sufficient to prove an arbitration agreement as concluded. Similarly, if one party submits a request for arbitration and the other party does not object to it, this is also considered as a valid agreement to arbitrate under Article 12(2) of the Arbitration Law.

2.5 To what extent, if at all, can a third party to the contract containing the arbitration agreement be bound by said arbitration agreement?

A third party cannot be bound by an arbitration agreement to which it is not a signatory. The Arbitration Law provides that an arbitration agreement is binding only to the parties who have entered into it. The provisions of arbitrability, in particular Article 5(1)(1) of the Arbitration Law, clearly state that disputes infringing the rights of non-signatories are not arbitrable in Latvia.

Notably, the Arbitration Law codifies a long-standing Latvian court practice (Supreme Court decision in Case No. SPC-59, 25 August 2004 and many others) with regard to the effect of arbitration agreement in the case of an assignment. Article 13(4) of the Arbitration Law provides that in the case of an assignment, the assignee is transferred only the right of claim, but, due to the principle of separability, not the arbitration agreement contained in the underlying contract. Therefore, when assigning the right to claim (N/B under Latvian law, only the right to claim is assigned not the underlying rights and obligations per se), the assignee is not bound by the arbitration agreement.

2.6 Are there restrictions to arbitrability?

Yes. Arbitration in Latvia is limited to civil law disputes and cannot extend to certain areas or parties expressly excluded by law.

2.6.1 In the affirmative: Do these restrictions relate to specific domains (such as anti-trust, employment law, etc.)?

Yes. Only disputes of a civil nature may be referred to arbitration, i.e., neither criminal law, nor administrative disputes can be subjected to arbitration.

There is a defined list of non-arbitrable disputes in the Arbitration Law. Pursuant to Article 5 of the Arbitration Law the following disputes are non-arbitrable in Latvia:

- disputes that may infringe upon the rights of non-signatories;
- disputes where one of the parties is the State or a municipal body, or where the arbitral award could infringe upon the rights of the State or a municipal body;
- disputes pertaining to the entries in civil registers;
- disputes regarding rights and obligations of persons under guardianship or trusteeship;
- disputes over the establishment, alteration or termination of rights in rem, provided that a party to the dispute is a person whose rights to acquire ownership, possession or use of an immovable property have been restricted;
- eviction disputes (with respect to natural persons);
- individual employment disputes;
- insolvency disputes; and
- disputes with regard to which the CPL (see, in particular, Article 251 thereof) provides for a special adjudication procedure (adoption, trusteeship, inheritance, insolvency of credit institutions, among others).

2.6.2 Do these restrictions relate to specific persons (*i.e.,* State entities, consumers, etc.)?

Yes. See above. While any natural or legal person (including legal persons governed by public law but acting in a private capacity) may conclude an arbitration agreement, domestic arbitration agreements may not be entered into by State or municipal institutions.

3. Intervention of domestic courts

3.1 Will the courts stay litigation if there is a valid arbitration agreement covering the dispute?

Under Article 132(1)(3) of the CPL, if a party submits a claim to a Latvian court despite an existing arbitration agreement, the court must dismiss the claim, unless the dispute concerns the validity of the arbitration agreement itself. In practice, however, when receiving a statement of claim the court may not be aware of underlying arbitration agreement. Where court proceedings are commenced notwithstanding an existing arbitration agreement, the respondent must raise a jurisdictional objection no later than its first submission on the substantive merits.

In case the court, after initiating the court proceedings, is informed by the respondent that parties have entered into an arbitration agreement, Article 223(6) of the CPL provides the court with an obligation to terminate the court proceedings and refer parties to arbitration.

Participation in court proceedings without invoking the arbitration agreement and without objecting to the court's jurisdiction amounts to a waiver of the right to arbitrate.

3.1.1 If the place of the arbitration is inside of the jurisdiction?

Please see answer below.

3.1.2 If the place of the arbitration is outside of the jurisdiction?

There is no distinction between domestic and foreign-seated arbitrations. The same rules apply regardless of the place of arbitration: once a valid arbitration agreement is established and properly invoked, Latvian courts will decline jurisdiction or terminate proceedings.

3.2 How do courts treat injunctions by arbitrators enjoining parties to refrain from initiating, halt or withdraw litigation proceedings?

There is no established approach in Latvia concerning anti-suit injunctions or injunctions issued by arbitrators preventing parties from commencing litigation proceedings. Whether Latvian courts would honour such injunctions issued by arbitral tribunals remains uncertain. However, where a valid arbitration agreement exists, courts will refer parties to arbitration, either refusing to initiate court proceedings at the outset or, if proceedings have already commenced, terminating them unless the validity of the arbitration agreement itself is challenged.

3.3 On what ground(s) can the courts intervene in arbitrations seated outside of the jurisdiction? (Relates to anti-suit injunctions/anti-arbitration injunctions or orders, but not only)

In Latvia, court intervention in arbitrations seated outside the jurisdiction is limited. There is no established Latvian practice on anti-suit or anti-arbitration injunctions, and Latvian courts are unlikely to honour injunctions issued by arbitral tribunals.

Until the 2024 amendments, Latvian courts provided only limited assistance to arbitration. Court assistance with document disclosure was introduced only through the 2024 amendments to the Arbitration Law. However, courts did assist with applications for interim measures to secure claims (though before the 2024 amendments, this was possible only prior to filing the request for arbitration), and such applications could be made in support of foreign-seated arbitrations.

Courts may grant interim measures both before and during arbitral proceedings, including in support of arbitrations seated abroad. Following the 2024 reform, this covers (a) measures to secure the claim (e.g., bank account arrest, prohibitions to alienate or encumber registered assets) and (b) interim protection orders. Applications are made to the competent district (city) court and can be sought at any stage of the proceedings.

Latvian courts may also preserve evidence at the tribunal's request, including summoning and hearing witnesses on matters identified by the tribunal. This assistance is available regardless of the seat of arbitration, provided there is a territorial connection to Latvia (e.g., witness or evidence located in Latvia).

4. The conduct of the proceedings

4.1 Can parties retain foreign counsel or be self-represented?

Parties may retain foreign-qualified counsel or represent themselves. The Arbitration Law imposes certain restrictions on who can be a party representative and stipulates that any individual may serve as a representative of the parties in arbitration proceedings, with the exception of:

- an individual who has not reached the age of majority, i.e., 18 years;
- an individual who has a guardian;
- an individual who has been prohibited by a court judgment from managing the affairs of others;
- an individual who is related by blood up to the third degree or by marriage up to the second degree to the arbitrator;
- an individual who has provided legal assistance to the opposing party in the dispute or in another related case; and
- an individual who has been involved in mediation in this or related dispute.

Should any of the aforementioned conditions be identified, the arbitral tribunal must disqualify the representative.

Furthermore, the Arbitration Law imposes an additional limitation on party representation: an individual who is, or has been within the last three years, on the list of arbitrators of the respective arbitral institution, is not

permitted to represent a party as counsel in arbitration proceedings conducted by that specific arbitral institution.

4.2 How strictly do courts control arbitrators' independence and impartiality? For example, does an arbitrator's failure to disclose suffice for the court to accept a challenge or do courts require that the undisclosed circumstances justify this outcome?

The Arbitration Law contains detailed rules on arbitrators' independence and conflicts of interest.

Under Article 16(1), an arbitrator is prohibited from accepting appointment or participating in proceedings if he or she:

- has been a party's representative, expert or witness in a case in which the parties participated;
- is related to the third degree or brother-in-law to the second degree with one of the parties to the dispute or their representatives;
- is related to the third degree or sister-in-law to the second degree with one of the arbitrators hearing the case;
- is in employment relationship with any of the participants in the dispute or their representatives or if the arbitrator provides legal assistance to a party; or
- his or her spouse, or a relative up to the third degree, or a business partner, or a commercial company, which is a party to the dispute and of which this arbitrator or his relative up to the third degree is a member, shareholder, member, supervisory, control or executive body member, has a financial interest in the outcome of the dispute.

To a certain degree, these grounds are inspired by the IBA Guidelines on the Conflicts on Interest in International Arbitration and by the local malpractice in the field of arbitration. They have been criticised as providing only a limited number of circumstances in which case an arbitrator is prohibited from accepting appointment. The IBA Guidelines continue to serve as an important guidance for other conflicts of interest not specifically addressed in the Arbitration Law.

Generally, however, if an arbitrator becomes aware of circumstances (beyond the above grounds) that may give rise to reasonable doubts about their objectivity and independence, the arbitrator shall withdraw from the case.

Under Article 14(5) of the Arbitration Law, before accepting appointment, an arbitrator must disclose in writing to the parties, the arbitral institution, other arbitrators (if any), or the competent district (city) court, any facts or circumstances that may cause justified doubts about their objectivity or independence. If such circumstances arise or become known after the arbitration is commenced but before it concludes, the arbitrator must immediately disclose them to the parties.

Latvian court practice provides no guidance on whether an arbitrator's failure to disclose is sufficient grounds for the court to uphold a challenge. It is expected that Latvian courts would require that the undisclosed circumstances themselves to justify upholding the challenge.

4.3 On what grounds do courts intervene to assist in the constitution of the arbitral tribunal (in case of *ad hoc* arbitration)?

Latvian courts provide targeted assistance to constitute and maintain an arbitral tribunal where the agreed appointment mechanism fails or is disputed. The district (city) court may appoint arbitrators, decide challenges and remove arbitrators. This assistance applies to both institutional (if necessary) and also ad hoc arbitrations.

A party may apply to the district (city) court to appoint an arbitrator if the parties, the appointed arbitrators, or the permanent arbitral institution or another person fail to act per the statutory/agreed procedure. The application must identify the proposed arbitrator and include the candidate's signed consent and

confirmation of eligibility. The court will appoint the arbitrator from either: (a) the candidates proposed by the parties; (b) the arbitrator's list of the arbitral institution; or, if that is not possible, (c) a list of arbitrators maintained by the Latvian Bar Association (Article 532.2 of the CPL)

If a challenge to an arbitrator is rejected in the arbitral proceedings, a party may apply to the court within 30 days of receiving the tribunal's decision, whereupon the court will decide the challenge (Article 532.3 of the CPL).

The same court competence extends to the removal of arbitrators and to decisions on whether the dispute is arbitrable. Court decisions on these matters are made under a simplified written procedure (with the option of a hearing) and are not subject to appeal (Article 532.1 of the CPL).

4.4 Do courts have the power to issue interim measures in connection with arbitrations? If so, are they willing to consider *ex parte* requests?

Following the 2024 amendments, the courts have the power not only to granting interim measures in the form of securing the claim (by one of the means of securing a claim under Article 138 of the CPL), but also to issue orders for interim protection (imposing one of the means under Article 138.1 of the CPL).

Article 137(1) of the CPL provides that the securing of a claim may be applied in claims of a financial nature if there are grounds to believe that the enforcement of a judgment may become problematic or impossible. Article 137(2) of the CPL provides that interim measures may be applied in claims of a financial or non-financial nature if there are grounds to believe that the rights of a claimant are infringed or could be infringed until the moment when the ruling comes into effect, and if the application of interim measures is required for preventing a substantial harm. Interim measures may also be applied where it is necessary to settle the disputed relations temporarily until the ruling enters into force, if this is necessary to prevent possible significant damage to the claimant.

Requests for interim measures are usually decided *ex parte*.

4.5 Other than arbitrators' duty to be independent and impartial, does the law regulate the conduct of the arbitration?

4.5.1 Does it provide for the confidentiality of arbitration proceedings?

Unless the parties have agreed otherwise, arbitration proceedings in Latvia are confidential, arbitral hearings are closed and arbitrators are under statutory duty not to disclose any information in relation to arbitration to third parties (Article 23(1) of the Arbitration Law). In exceptional cases, however, information regarding arbitration proceedings may be disclosed to law enforcement authorities where necessary for them to carry out their statutory duties.

4.5.2 Does it regulate the length of arbitration proceedings?

While there is no overall statutory cap on the duration of proceedings, the law requires that an award is rendered within 14 days after the tribunal has considered the case "on the merits". Average arbitral proceedings administered by the Latvian arbitration institutions last four to six months. Some institutional rules provide more strict rules on the duration of the proceedings (e.g. providing strict deadlines for submissions, hearing dates, etc.).

4.5.3 Does it regulate the place where hearings and/or meetings may be held, and can hearings and/or meetings be held remotely, even if a party objects?

The law does not strictly regulate the place where hearings and/or meetings may be held. Latvian practice does not draw a formal distinction between the legal seat and the venue of hearings/meetings. The Arbitration Law provides broadly that where oral proceedings are held, an arbitral tribunal shall conduct a hearing, without specifying whether hearings must be held in person or remotely. In practice, especially

during the Covid-19 pandemic, arbitral tribunals often held remote hearings. If necessary, hearings may still be conducted remotely. If a party objects, the arbitral tribunal nevertheless has discretion to proceed as it considers appropriate.

4.5.4 Does it allow for arbitrators to issue interim measures? In the affirmative, under what conditions?

Arbitrators are entitled to take any procedural decisions they deem appropriate prior the hearing of the matter on merits (Article 52 of the Arbitration Law). There are no prohibitions for an arbitral tribunal to issue interim measures that parties can comply with voluntarily or that can be enforced abroad, but interim measures issued by arbitrators are not enforceable in Latvian courts.

4.5.5 Does it regulate the arbitrators' right to admit/exclude evidence? For example, are there any restrictions to the presentation of testimony by a party employee?

Article 41 of the Arbitration Law regulates evidentiary powers and grants arbitral tribunals discretion to determine the permissibility and admissibility of evidence. The tribunal decides on admissibility and evaluates the evidence accordingly.

Article 43 of the Arbitration Law provides for a general rule that the arbitral tribunal may order any of the parties to submit relevant evidence. This may be done upon a motivated request of a party. The party requesting that the arbitral tribunal request written evidence from the other party must describe this evidence and motivate why it believes that the evidence is with the opposing party. If the party refuses to submit the requested written evidence to the arbitral tribunal within the time limit specified by it, without denying that this evidence is in its possession, the arbitral tribunal may recognize as proven the facts for the confirmation of which the opposing party referred to this written evidence.

The IBA Rules on the Taking of Evidence in International Arbitration are not often used in practice.

There are no specific statutory restrictions on who may testify in arbitration, and there are no mandatory oath or affirmation requirements.

4.5.6 Does it make it mandatory to hold a hearing?

A hearing is not mandatory if both parties agree to written proceedings and neither requests an oral hearing. If any party requests an oral hearing, the tribunal must hold one.

4.5.7 Does it prescribe principles governing the awarding of interest?

Under Latvian law, whether an arbitral tribunal may award interest is not a procedural matter, but question of substantive law.

Latvian substantive law does not permit awarding of punitive or exemplary damages but only delay interest and/or contractual penalty. However, arbitral tribunals generally could award both exemplary interest and compound interest, if parties have contractually agreed on so or it is permitted under the applicable law.

For awards involving monetary sums, the award must specify separately the principal and the interest and the period for which interest is awarded (Article 54(4)(7) of the Arbitration Law).

4.5.8 Does it prescribe principles governing the allocation of arbitration costs?

Unless the parties have agreed on the awarding (distribution) of costs in the arbitration agreement (Article 12(3)(5) of the Arbitration Law), arbitral tribunals seated in Latvia have broad discretion in relation to the allocation of costs.

The Arbitration Law provides that the arbitral award shall contain reasoning on the costs of arbitration and the distribution between the parties thereof (Article 54(4)(11) and (12) of the Arbitration Law). It is therefore

within the discretion of the arbitral tribunal to decide which party bears the costs and in what proportion. In practice, arbitral tribunals often hold that costs are borne by the unsuccessful party, although there have also been cases where arbitral tribunals ordered that each party bears its own costs or applied different considerations to cost allocation.

4.6 Liability

4.6.1 Do arbitrators benefit from immunity from civil liability?

Latvian law provides no guidelines on immunity of arbitrators, experts, translators, interpreters and/or other participants in arbitration proceedings from civil liability in connection with their mandate.

4.6.2 Are there any concerns arising from potential criminal liability for any of the participants in an arbitration proceeding?

Latvian Criminal Law (Article 198(3)) provides criminal liability for arbitrators for the unauthorized receipt of benefits (unlawful acceptance of material goods, pecuniary or other benefits, or offers thereof) for acts or omissions in the exercise of their authority.

5. The award

5.1 Can parties waive the requirement for an award to provide reasons?

Parties may agree that an award need not to include reasons. Reasoning is a required element unless otherwise agreed by the parties (Article 54(4) of the Arbitration Law).

5.2 What atypical mandatory requirements apply to the rendering of a valid award rendered at a seat in the jurisdiction?

The Arbitration Law provides a number of formal requirements that arbitral awards must satisfy.

Article 51(1) of the Arbitration Law provides that all rulings made by an arbitral tribunal (both decisions and arbitral awards) consisting of three or more arbitrators must be made by a majority vote. The only exception is in case the parties or other arbitrators have agreed that procedural decisions are taken solely by the chair of the arbitral tribunal.

Article 54(1) of the Arbitration Law states that an arbitral award must be rendered within 14 days from the date the tribunal concluded to hear the case on merits. Although this may be considered rather atypical, in practice, this term may be extended.

Arbitral awards issued in Latvia must be made in writing (Article 54(2) of the Arbitration Law). An arbitral award must be signed by all arbitrators (Article 54(3) of the Arbitration Law).

In turn, Article 54(4) of the Arbitration Law provides for a list of issues that an arbitral award must contain:

- information on the members of the arbitral tribunal;
- the date of rendering the award and place of arbitration proceedings;
- information regarding the parties;
- the subject matter of the dispute;
- reasoning, unless otherwise agreed by the parties;
- the operative part, indicating whether the claim is satisfied (in full or in part);
- the amount to be recovered, if the judgement is rendered regarding recovery of monetary amounts, indicating separately the principal debt and the interest, the time period for which the interest has been adjudged, the rights of the claimant regarding receipt of interest for the time period prior to the execution of the arbitral award, including also a reference to the extent thereof;

- the specific property and the value thereof, which is to be recovered in the event that the property does not exist, if the arbitral award is rendered regarding recovery of property in kind;
- what actions, by whom, and within what time period are to be fulfilled, if the arbitral award imposes a duty to fulfil certain actions;
- which part of the arbitral award refers to which claimant, if the arbitral award is made for the benefit of more than one claimant, or which part of the arbitral award is to be fulfilled by which respondent, if the arbitral award is made against more than one respondent;
- arbitration costs and the distribution of such costs among the parties;
- legal expenses and the distribution of such expenses among the parties; and
- other information that the arbitral tribunal deems necessary.

5.3 Is it possible to appeal an award (as opposed to seeking its annulment)? If yes, what are the grounds for appeal?

Arbitral awards cannot be appealed. This is expressly provided in Article 51(2) of the Arbitration Law. Arbitral awards can only be challenged.

5.4 What procedures exist for the recognition and enforcement of awards, what time-limits apply and is there a distinction to be made between local and foreign awards?

The New York Convention and the CPL govern the recognition and enforcement of arbitral awards. If the arbitral award is not enforced voluntarily in time set by arbitral tribunal, a party is entitled to apply to a court requesting to enforce the arbitral award and requesting a writ of enforcement (a court document upon which the court bailiff commences enforcement proceedings).

The competent court to hear enforcement requests is the district court where the debtor has its registered address, or where the award should be enforced.

The application for enforcement must be submitted together with the arbitral award; document containing arbitral agreement and document on payment of state fees. The state fee for reviewing the application for the enforcement of arbitral award depends on the amount of the award but in any case, will not exceed EUR 300.

Upon receipt of the application, the court forwards it to other parties inviting them to reply within a period that is not shorten than 20 days. In the response, the party against which the award is enforced must:

- state if it recognizes the award in full or partially;
- state if it has objections and what are these objections;
- submit evidence supporting objections and refer to the law supporting objections;
- express requests to the court on acceptance or collection of evidence; and
- indicate any other circumstances it considers to be important for considering the matter.

The reply is sent by the court to the other parties. Failure to submit reply does not prevent the court from deciding the question on recognizing and enforcing award.

Domestic arbitral awards are enforced under the CPL however, foreign arbitral awards are enforced under the New York Convention.

5.5 Does the introduction of annulment or appeal proceedings automatically suspend the exercise of the right to enforce an award?

Challenge proceedings do not automatically stay the enforcement proceedings.

5.6 When a foreign award has been annulled at its seat, does such annulment preclude the award from being enforced in the jurisdiction?

There is no relevant case law, but Latvian courts are expected to apply Article V(1)(e) of the New York Convention and therefore refuse enforcement of an award that has been set aside at the seat, unless exceptional circumstances justify recognition. However, to date, no court practice exists regarding the enforcement of foreign awards set aside at the place of arbitration.

5.7 Are foreign awards readily enforceable in practice?

Latvian courts are arbitration-friendly and will enforce both domestic and also foreign arbitral awards unless there are grounds for non-enforcement.

6. Funding arrangements

6.1 Are there laws or regulations relating to, or restrictions to the use of contingency or alternative fee arrangements or third-party funding at the jurisdiction? If so, what is the practical and/or legal impact of such laws, regulations or restrictions?

There are no rules governing contingency fees, alternative fee arrangements or third-party funding in Latvia. There is no obligation to disclose the identity of any non-party who has an economic interest in the outcome of the proceedings, including third-party funders. We are not aware of Latvian courts having addressed the issue of third-party funding.

7. Arbitration and technology

7.1 Is the validity of blockchain-based evidence recognised?

Latvian law does not specifically regulate the validity of blockchain-based evidence. Under the Latvian Arbitration Law, arbitral tribunals have full discretion to determine the admissibility, relevance, and weight of any evidence. There are no restrictions on presenting electronic or digital evidence, including blockchain records.

7.2 Where an arbitration agreement and/or award is recorded on a blockchain, is it recognised as valid?

The Arbitration Law contains no express provision governing arbitration agreements or awards recorded on a blockchain technology. Their validity is, therefore, assessed against the ordinary formal requirements.

An arbitration agreement must be in writing. Following the 2024 amendments, written form is satisfied, amongst other things, by an exchange of electronic communications, or where one party files a request for arbitration alleging an arbitration agreement and the other party does not contest its existence. A blockchain record may accordingly constitute evidence of a written arbitration agreement if it reliably reflects mutual consent. Any such agreement remains subject to the general limits on arbitrability set out in Article 5 of the Arbitration Law.

An award must be made in writing, signed by all arbitrators, and contain the statutorily required elements; where a tribunal has three or more arbitrators, awards are adopted by majority. Recording an award on a blockchain does not invalidate it provided these formal requirements are met; conversely, a purely on-chain record that does not satisfy the signature and content requirements would likely not be valid.

7.3 Would a court consider a blockchain arbitration agreement and/or award as originals for the purposes of recognition and enforcement?

For recognition and enforcement, Latvian courts look to the filing formalities under the CPL. In practice, courts require the arbitral award and the document containing the arbitration agreement to be filed as an

original or a duly certified copy; a purely on-chain record, without proper authentication, might not by itself satisfy these requirements. However, to date, there has been no court practice on this.

7.4 Would a court consider an award that has been electronically signed (by inserting the image of a signature) or more securely digitally signed (by using encrypted electronic keys authenticated by a third-party certificate) as an original for the purposes of recognition and enforcement? (Please consider both hypotheses separately.)

Latvian law treats originals of electronic documents by reference to the Electronic Documents Law. An electronic document is deemed hand-signed if it bears a qualified (secure) electronic signature; an electronic document is deemed an original for legal purposes where it meets that standard. Separately, the Arbitration Law requires that an award be in writing and signed by all arbitrators, and the CPL requires filing an original or a duly certified copy at the enforcement stage.

A signature inserted by scanning or pasting an image is not sufficient. A signature image does not constitute an electronic signature and does not meet the Electronic Documents Law's standard for a hand-signed electronic document.

An award digitally signed with a qualified electronic signature (QES) using a trusted certificate is sufficient. An award signed by all arbitrators with a qualified (secure) electronic signature is treated as hand-signed and, as an electronic original, satisfies the signature/form requirement. If submitted electronically, the court can treat it as an original; if submitted on paper, a duly certified copy that allows verification of the QES will be acceptable. This should be coupled with compliance with CPL filing formalities (submission of the award and the document containing the arbitration agreement as originals or duly certified copies).

8. Is there likely to be any significant reform of the arbitration law in the near future?

With the 2024 amendments the Arbitration Law witnessed noticeable changes, in particular in relation to increased court assistance to arbitration and the overall quality and effectiveness of arbitrations seated in Latvia. At present, there are no official plans for further reform of the Arbitration Law.

9. Compatibility of the Delos Rules with local arbitration law

The Delos Rules are compatible with the Arbitration Law.

10. Further Reading

Below is a non-exhaustive list of materials in English that provide an insight of arbitration in Latvia:

- Z.Ūdris, Chapter on Latvia in *Arbitration Law and Practice in Central and Eastern Europe*, C.Liebscher, A.Fremuth-Wolf (eds.), Juris Publishing, 2020.
- I.Kačevska, Latvia: Recognition and Enforcement of Arbitral Awards in *Recognition and Enforcement of Foreign Arbitral Awards in Russia and Former USSR States*, R.Zykov (ed.), Kluwer Law International, 2021.
- G.Žukova, I.Kačevska, Chapter on Latvia in *The World Arbitration Reporter,* Second Edition, L.Mistelis, L.Shore (eds.), 2016, Juris Publishing.
- T.Krūmiņš, *Arbitration and Human Rights: Approaches to Excluding the Annulment of Arbitral Awards and Their Compatibility with the ECHR*, Springer, 2020.
- T.Krūmiņš, Arbitration in Latvia: A Cautionary Tale?, 34(2) *Journal of International Arbitration*, 2017.

ARBITRATION INFRASTRUCTURE AT THE JURISDICTION

Leading national, regional and international arbitral institutions based out of the jurisdiction, *i.e.*, with offices and a case team?	The Court of Arbitration of the Latvian Chamber of Commerce and Industry Baltic International Arbitration Court
Main arbitration hearing facilities for in-person hearings?	Hearings are typically held at the premises of the particular arbitral institution.
Main reprographics facilities in reasonable proximity to the above main arbitration providers with offices in the jurisdiction?	Several full-service reprographics and print providers operate in central Riga all within short distance of the leading arbitral institutions.
Leading local providers of court reporting services, and regional or international providers with offices in the jurisdiction?	There are several regional transcription and reporting providers, such as Skrivanek Baltic.
Leading local interpreters for simultaneous interpretation between English and the local language, if it is not English?	Skrivanek Baltic LMI translations Polyglot
Other leading arbitral bodies with offices in the jurisdiction?	ϕ