

NJORD Latvia: Joint Stock Company Reform

As of July 1, 2023, amendments to the Commercial Law came into force, initiating a reform of joint stock companies aimed at ensuring transparency and a secure business environment, by providing access to information about shareholders. Until now, the Commercial Law required joint stock companies to maintain a shareholder register and record information about registered shares and their holders. This meant that this data was only available within the company itself and did not need to be submitted to the Commercial Register. According to the current regulations, joint stock companies are now subject to a new procedure for the registration and keeping of shares, while specifying that a joint stock company may only have one type of shares (either registered or dematerialized), and the company can no longer issue both types of shares.

We would like to draw attention to the fact that joint stock companies must submit the current section of the shareholder register to the Commercial Register by June 30, 2024, and those joint stock companies that have issued both types of shares must choose one type of share and incorporate it into their articles of association. After the end of this term, joint stock companies that have not disclosed their owners may be subject to simplified liquidation.

At the same time, we note that the obligation to inform registered shareholders also applies to any future changes in the shareholder register.

If you have any questions or require additional consultation regarding the above, please contact the NJORD law firm.



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