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**LATVIJAS REPUBLIKAS FISKĀLĀS DISCIPLĪNAS PADOME**


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**Council meeting minutes No 7 (39)**  
*draft*

Rīga

17 December 2019

**Chairman:**

Chairman of Fiscal Discipline Council – J.Platais

**Participants of the meeting:**

Deputy Chairman of Fiscal Discipline Council	I.Eriņš
Member of Fiscal Discipline Council	I.Šteinbuka
Member of Fiscal Discipline Council (teleconference mode)	A.Ūbelis
<i>Secretariat –</i>	
Fiscal Discipline Council secretary	I.Golsts
Fiscal Discipline Council macroeconomic expert	V.Zaremba

**Invited persons:**

Deputy State Secretary for Taxation, Customs and Accounting	I.Šņucins
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**Taking minutes:**

Fiscal Discipline Council macroeconomic expert

V.Zaremba

Meeting starts at 15:00

**J.Platais opens the meeting**

Fiscal Discipline Council (Council) chairman J.Platais opens the meeting and announces the agenda (annexed, incl. meeting presentation).

**1 Approval of the minutes of the previous meeting****Reporter:** J.Platais**Decision:**

1.1 Approve 14 November 2019 Council meeting minutes.

I.Eriņš for;

I.Šteinbuka for;

J.Platais for;

A.Ūbelis for.

**2 Administrative technical provision issues****Reporter:** I.Golsts

## 2.1. Extension of employment contracts.

I.Golsts informs that on December 31, 2019 the employment contracts concluded with the Fiscal Discipline Council macroeconomic expert, fiscal risk expert and economist have expired and proposes to extend the employment contracts for an indefinite period.

### **Decision:**

2.1.1. To instruct the Secretary of the Council to extend the employment contracts concluded with macroeconomic expert Viktoriju Zarembu, fiscal risk expert Normundu Malnaču and economist Ingu Jansoni, with indefinite duration.

I.Eriņš for;  
I.Šteinbuka for;  
J.Platais for;  
A.Ūbelis for.

## 2.2. On the Council's financing plan for 2020 and the December payout.

I.Golsts reports that the Council's financing plan for 2020 has been prepared and informs the Council that in December 2019 it would be necessary to complete the financial year, incl. regarding the December payout.

### **Decision:**

2.2.1. Take note of the Council's financing plan for 2020.  
2.2.2. Pay the December 2019 remunerations by the end of the financial year 2019.

I.Eriņš for;  
I.Šteinbuka for;  
J.Platais for;  
A.Ūbelis for.

## **3 Election of the Chairman and Vice-Chairman of the Fiscal Discipline Board**

**Reporter:** J.Platais

J.Platais announces that, in accordance with Section 23 of the Fiscal Discipline Law, the terms of office of Jānis Plats, Ingars Eriņš and Ūlo Kaasik in the Council expire on 31 December 2019.

In view of the above, as well as the fact that three representatives of the Council have not been nominated for approval by the Saeima to date, according to the norms of the Fiscal Discipline Law, the situation will not exist on January 1, 2020. The Council may hold meetings and make decisions only if it has at least four members. It should also be borne in mind that I, as Chairman of the Council and Ingars Eriņš, Vice-Chairman of the Council, will not be able to ensure the legitimacy of the Council, as our term of office will expire on 31 December 2019 and the members of the Council shall elect a Chairman and a Vice-Chairman of the Council from among themselves by a simple majority for a three-year term, in order to ensure the continuity of the Council.

On the basis of the above, I propose that Mr Steinbuck be elected President of the Council and Morten Hansen Vice-President of the Council.

Presentation of the discussion on the proposal.

**Decision:**

3.1. To elect Innu Šteinbuku as Chairman of the Council.

I.Eriņš for;

I.Šteinbuka for;

J.Platais for;

A.Ūbelis for.

3.2. To elect Morten Hansen as Vice-Chairman of the Council.

I.Eriņš for;

I.Šteinbuka for;

J.Platais for;

A.Ūbelis for.

**4 Tax policy issues**


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**Reporter:** J.Platais, I.Šņucins

J.Platais informs that one of the research priorities of the Fiscal Discipline Council in 2020 is the research of the goal of next tax reform.

In view of the above, the Deputy State Secretary on Tax Policy Issues of the MoF informs the Council that there is a steady trend in tax revenue and that the overall revenue plan for 2019 will be met, although there will be some underperformance in the state basic budget. MoF representatives confirm that the corporate income tax revenue plan has not been met, while noting a number of factors that were difficult to assess in the process of tax reforms preparing.

There is a discussion on tax policy issues and the future prospects for tax base development.

**Decision:**

4.1. Take note of the information provided by the Deputy State Secretary on Tax, Customs and Accounting of the MoF.

I.Eriņš for;

I.Šteinbuka for;

J.Platais for;

Ūlo Kaasik for;

A.Ūbelis for.

**5 Verification of compliance with Article 11 of the Fiscal Discipline Law**


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**Reporter:** J.Platais

J.Platais reports on updated information received from the Ministry of Finance regarding fulfillment of the provisions of Article 11 of the Fiscal Discipline Law. The Ministry of Finance has commented that gross domestic product GDP (at current prices) after the Central Statistical Bureau data revisions in September 2019 and the nominal general government budget balance, according to the October 2019 notification, were used to calculate the general government structural balance. In turn, the cyclical component was calculated taking into account information on potential GDP and GDP at constant prices before the revision of the data by the Central Statistical Bureau. Taking into account the revision of the GDP data by the Central Statistical Bureau in the Ministry of Finance, the potential GDP is also recalculated, the results of which will influence the assessment of the implementation of Article 11.

Discussion of the participants on the evaluation of the implementation of Article 11 of the FDL.

**Decision:**

5.1. Take note of the information provided by the Ministry of Finance on fulfillment of the provisions of Article 11 of the Fiscal Discipline Law and see this issue in detail after the Ministry of Finance has completed its potential GDP calculations in February 2020.

I.Eriņš for;  
I.Šteinbuka for;  
J.Platais for;  
A.Ūbelis for.

The meeting closed on December 17, 2019. 17:00.

Council Chairman

J.Platais

Meeting Secretary

V.Zaremba

Approval: Council Secretary

I.Golsts

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