LEGISLATION NEWSLETTER
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Content

News on Sanctions

AMENDMENTS TO THE CIVIL PROCEDURE LAW

Available here:

- On 21 May 2026, Amendments to the Civil Procedure Law were adopted, which entered into force on 1 July 2026. The amendments concern two matters.
- First, the compulsory enforcement of obligations under warning procedure is being fully digitalised and automated, including the submission of the application through the online system. Under the amendments to Section $406.^{3}$, the State fee is payable in the online system. The State fee paid is set off if an action is subsequently brought by way of action proceedings. However, where an application is submitted repeatedly, the fee paid the second time is not set off. The application must also contain a confirmation that no decision terminating the proceedings due to the debtor's objections has previously been taken in respect of the same claim. Under Sections $406.^{5}$ and $406.^{7}$, the warning and the debtor's reply are henceforth to be drawn up using the online form, and the time limit for the debtor to submit objections has been extended from 14 to 30 days. Pursuant to Sections $406.^{8}$ and $406.^{9}$, the decision is taken on the basis of automated data processing and certified with a qualified electronic seal, being binding without a judge's signature. Applications submitted by 30 June 2026 remain subject to the previous framework.
- Second, in view of the liquidation of the Insolvency Control Service, its functions have been redistributed under the Law: the supervision of administrators and of legal protection proceedings is taken over by the Ministry of Justice, while the disbursement of the insolvency proceedings deposit is taken over by the Court Administration. Section $363.^{19}$ has been revised accordingly, and the Law has been supplemented with a new Section $363.^{19A}$ on the procedure for examining complaints. These amendments will enter into force on 1 October 2026.
- Here are listed the most significant amendments from the perspective of BDO Law, which do not reflect the full scope of the amendments.

AMENDMENTS TO THE TOURISM LAW

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- On 11 June 2026, Amendments to the Tourism Law were adopted, which entered into force on 10 July 2026.
- The amendments to Section 1(1)(17) broaden the definition of tourist accommodation and, according to the annotation to the amendments, it henceforth also covers short-term rental accommodation, including apartments, holiday cottages and summer houses offered through online booking platforms.
- Consequently, providers of short-term rental accommodation must also comply with the requirements applicable to tourist accommodation, including the obligation under Section 11(7) to ensure that foreigners personally complete and sign the declaration form and prove their identity with a valid travel document.
- In addition, Section 1 introduces the concept of business tourism, while the newly worded Section 6.^{1} simplifies the determination of resort status. These amendments will enter into force on 1 January 2027.
- Here are listed the most significant amendments from the perspective of BDO Law, which do not reflect the full scope of the amendments.

LAW ON THE SAFETY OF SERVICES

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- On 11 June 2026, the new Law on the Safety of Services was adopted, which entered into force on 10 July 2026. At the same time, the former Law on the Safety of Goods and Services ceased to be in force, as the safety of goods is henceforth governed by the directly applicable Regulation (EU) 2023/988, while the supervisory provisions have been transferred to the Law on Conformity Assessment.
- The purpose of the Law is to ensure that consumers are provided with services that are safe and not harmful to human life, health, personal property or the environment.
- Section 2 brings within the scope of the Law services that result in the manufacture, improvement or alteration of a tangible object, as well as services that have a direct or indirect effect on human life or health.
- Section 5(5) imposes a new obligation on service providers: to draw up and regularly update a service safety description containing a risk assessment and, upon request, to present it to the market surveillance authority. Under Section 5(4), the authority must be notified of a serious risk without delay.
- Section 7 broadens the powers of the surveillance authorities, including the right to visit places where services are provided without prior warning, to carry out control purchases, including without disclosing the fact of the inspection, and to suspend the provision of a service. Where non-compliance is established, the costs of the expert examination and of the control purchase are reimbursed by the service provider pursuant to Section 10, while Section 9 provides that an appeal against the decision does not suspend its operation.
- Here are listed the most significant provisions of the new Law from the perspective of BDO Law, which do not reflect the full content of the Law.

AMENDMENTS TO THE LAW ON THE PROTECTION OF THE CHILDREN'S RIGHTS

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- On 18 June 2026, Amendments to the Law on the Protection of the Children's Rights were adopted, which entered into force on 14 July 2026.
- The purpose of the amendments is to prohibit the unethical exploitation of relationships of authority, dependence or subordination involving a child, and to strengthen employment restrictions and liability for violence against children.
- Under the new Section 51.^{1}, an adult who is in a relationship of authority with a child, such as a teacher, coach, mentor, camp leader or employer, is prohibited from entering into an intimate relationship with the child. The prohibition covers not only acts of a sexual nature but also romantic or emotional closeness that exceeds the boundaries of a professional relationship, and it applies irrespective of the child having reached the age of 16, of the duration of the relationship or of any consent expressed by the child.
- A breach of the prohibition is contrary to good morals and constitutes an independent ground for terminating the employment relationship. At the same time, educational institutions, sports organisations, employers and other institutions providing care, education, supervision or employment of children are required to establish a procedure for reporting and preventing such breaches.
- The amendments to Section 72 broaden the scope of the employment restrictions to also cover event organisers, persons performing voluntary work and service providers, and introduce an indefinite prohibition on working with children for persons punished for human trafficking.
- Section 81, in turn, extends administrative liability to the neglect of a child, and, in addition to the basic penalty, a prohibition of up to two years may be imposed on holding a position, performing voluntary work or providing services that may involve direct and continuous or regular contact with a child. A person whose work involves regular contact with a child and to whom the additional penalty has not been applied must inform the employer within 10 days and complete a violent behaviour reduction service within six months. If the service is not completed, the employment relationship must be terminated.
- Here are listed the most significant amendments from the perspective of BDO Law, which do not reflect the full scope of the amendments.

AMENDMENTS TO THE WASTE MANAGEMENT LAW

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- On 18 June 2026, Amendments to the Waste Management Law were adopted, which entered into force on 15 July 2026.
- The purpose of the amendments is to introduce a deposit system for electronic smoking devices, i.e. e-cigarettes, and to align the framework governing electrical and electronic equipment and batteries with European Union requirements. The Ministry of Climate and Energy has stated on its website that Latvia will be the first country in Europe to introduce a nationwide deposit system for e-cigarettes.
- The system applies to devices whose battery is not rechargeable. Under the new Section 29.[1], a producer placing deposit devices on the market must display on the packaging an indication that the deposit system applies, must display a machine-readable identifier on the device itself, and must transfer the deposit fee to the system operator. The seller must indicate the deposit fee separately on the price tag, register the purchase in the deposit accounting system and either accept used devices at its point of sale or display information on the nearest return point.
- The deposit system will start operating on 1 February 2027. The Cabinet of Ministers must issue the relevant regulations, including on the amount of the deposit fee, by 15 December 2026.
- The remaining changes have been in force since 15 July 2026. Directive (EU) 2024/884 has been transposed, specifying which producers of electrical and electronic equipment bear the waste management costs depending on when the equipment was placed on the market, and the Law has been aligned with the Batteries Regulation (EU) 2023/1542, designating the State Environmental Service as the competent authority.
- In addition, the recording of waste flows in the State information system has been broadened, and the appeal route has been changed: a decision of the State Environmental Service concerning a waste management permit is contested before its Director General, and neither the contestation nor an application to the court suspends the operation of the permit.
- Here are listed the most significant amendments from the perspective of BDO Law, which do not reflect the full scope of the amendments.

NEWS ON SANCTIONS

CHINA SLAPS EXPORT CONTROLS ON 14 EU ENTITIES FOR RUSSIA-RELATED SANCTIONS

Press release:

- On 24 July 2026, China added 14 European entities to its export control list, barring Chinese companies from exporting dual-use items (goods with both civilian and military applications) to them, and barring foreign firms from transferring Chinese-origin dual-use items, including rare earths, to them. The move was direct retaliation for the EU adding 14 Chinese and Hong Kong enterprises to its latest sanctions package against Russia the previous day, on 23 July. That package, the EU's 21st against Russia over the war in Ukraine, targeted banks, cryptocurrency firms, and military equipment manufacturers, and included entities from China, India, and Türkiye accused of supplying Russia with dual-use goods.

SANCTIONING OVER 50 TARGETS LINKED TO CÁRTEL DE JALISCO NUEVA GENERACIÓN

Press Statement:

- On 23 July 2026, the United States sanctioned over 50 Mexican individuals and entities linked to Cártel de Jalisco Nueva Generación (CJNG), targeting the leadership of one of the hemisphere's most violent narco-terrorist organizations. Among those targeted is Juan Carlos González, known as "Pelón", a dual U.S.-Mexican national and CJNG's new leader, who carries a reward of up to $5 million for information leading to his arrest or conviction. The action follows the Trump Administration's February 2025 designation of CJNG as a Foreign Terrorist Organization and Specially Designated Global Terrorist, and serves as a warning to the cartel's leaders, financiers, and business associates.

EU ADOPTS 21ST PACKAGE OF SANCTIONS AGAINST RUSSIA

Press release:

- On 23 July 2026, the European Commission welcomed EU Member States' adoption of the 21st package of sanctions against Russia, aimed at further restricting Russia's ability to fund its war in Ukraine, with the measures concentrated on energy, financial services (including crypto), trade, and Russia's military-industrial complex. On energy, the package suspends the oil price cap adaptation until July 2027, expands the transaction ban to cover Russian ports, airports, and refineries processing Russian oil, and adds 41 more shadow fleet vessels to the 632 already sanctioned. Financial measures substantially strengthen the framework, bringing more than 100 Russian banks under transaction bans (including a prohibition on financial messaging services) and introducing new crypto restrictions targeting third-country platforms and Russian nationals on crypto company boards.
- The package also lays the groundwork for a comprehensive visa ban on Russian combatants and ex-combatants and adds new legal protections for EU operators against abusive retaliatory lawsuits. Trade measures introduce new export bans (such as metal powders and alloys used in aerospace and drone production) and import bans on goods like metal ores, while anti-circumvention measures add 51 entities, 27 of them outside Russia, including 14 in China and Hong Kong, 4 in Türkiye, and others in Kyrgyzstan, India, Kazakhstan, and the UAE. In total, the package contains 218 new listings (48 individuals and 170 entities), the highest since the war began, spanning banks, the military-industrial complex, shadow fleet enablers, the energy, gold, and diamond sectors, war propagandists, and a war criminal. Parallel trade-related provisions and crypto restrictions are also mirrored in the Belarus sanctions regime, with 4 additional Belarusian entities added to the list.

SUDAN: COUNCIL STRENGTHENS EU SANCTIONS REGIME BY TARGETING GOLD TRADE

Press release:

- The EU Council has strengthened its restrictive measures on Sudan by introducing new sectoral sanctions targeting the war economy, including a ban on purchasing, importing, or transferring gold originating in Sudan, and a ban on supplying mercury and cyanide (chemicals used in gold mining) to Sudan. Both measures are accompanied by prohibitions on related services such as technical assistance, brokering, and financial assistance, though targeted exceptions apply. For instance, the chemical restrictions do not cover goods intended for humanitarian purposes, public health emergencies, or disaster response. Since gold has become a key source of revenue sustaining the conflict, the EU aims to reduce the resources available to those perpetuating the violence between the Sudanese Armed Forces and the Rapid Support Forces. The decision builds on the EU's sanctions framework first adopted in October 2023 and follows the High Representative's April 2026 pledge to use all available tools, including additional sanctions, to press for peace in a conflict that has caused an unprecedented humanitarian crisis.

USTR TAKES ACTION IN FORCED LABOR SECTION 301 INVESTIGATIONS

Press release:

- On 23 July 2026, USTR Ambassador Jamieson Greer, acting under President Trump's direction, imposed tariffs on 60 economies under Section 301 of the Trade Act of 1974 for failing to adopt and enforce bans on imported goods made with forced labor, following investigations launched in March 2026. Economies that already have a forced labor import ban, committed to one via a reciprocal trade agreement, or have a partial ban, such as Canada, India, Mexico, and the UK, face a 10% duty rate. The EU and Taiwan face up to 10%, and Japan, Korea, and Switzerland up to 12.5%, in both cases net of the MFN rate, while all other investigated economies face 12.5%. USTR also granted product exemptions for cases such as raw materials, goods that could cause economy-wide disruption, products unavailable domestically or from other sources, and items unlikely to meaningfully advance the tariffs' purpose.

ESTONIAN COURTS PUBLISH DETAILS OF FIVE SANCTIONS-BREACH CONVICTIONS LINKED TO EU RESTRICTIONS

Press release:

- Three recently published Estonian court rulings, covering five convicted parties, show how criminal enforcement of EU sanctions against Russia is developing, in particular how courts interpret making economic resources available, control for asset-freeze purposes, and the use of front entities.
- In October 2025, the conviction of Mati-Dmitri Terestal was upheld on appeal for supporting a designated Russian state-owned media outlet through a front entity, technical equipment, and staffing, with the appellate court debating whether providing staff alone amounts to making economic resources available. In January 2026, a sham trade network using front companies in Kazakhstan and Hong Kong to disguise the Russian origin of imported bitumen led to a €250,000 fine for Keystone Shipping OÜ, confiscation of the goods, and a separate fine for its director. In March 2026, the District Court upheld the conviction of two men for attempting to export a BMW to Russia, turning on whether the car exceeded the €50,000 luxury goods threshold then applicable. Exports of passenger cars to Russia have been banned regardless of value since June 2023.
- For companies and directors, the cases reinforce the need for compliance that goes beyond basic screening to cover beneficial ownership, goods origin and destination, and intermediaries used to conceal prohibited dealings.

To find out how we can help your business, we invite you to contact our team of experts, who will develop the most suitable and effective solution for your business needs.

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