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# Latvian law and practice of mediation

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# Status of Mediation in Latvia



# Status of Mediation in Latvia

- No binding law in force
- Art. 1881 of Civil law – settlement
- Particular laws providing references to settlement:
  - Employment law (art.25 – committee regarding labour disputes)
  - Consumer rights protection law (art.25 – legal consultations)
  - Law of Civil Procedure (settlement)
- Different associations:
  - «Mediation and ADR»
  - «Integrated mediation in Latvia»
- Approximately 200 certified mediators
- Mediation council since May 2011

# Status of Mediation in Latvia

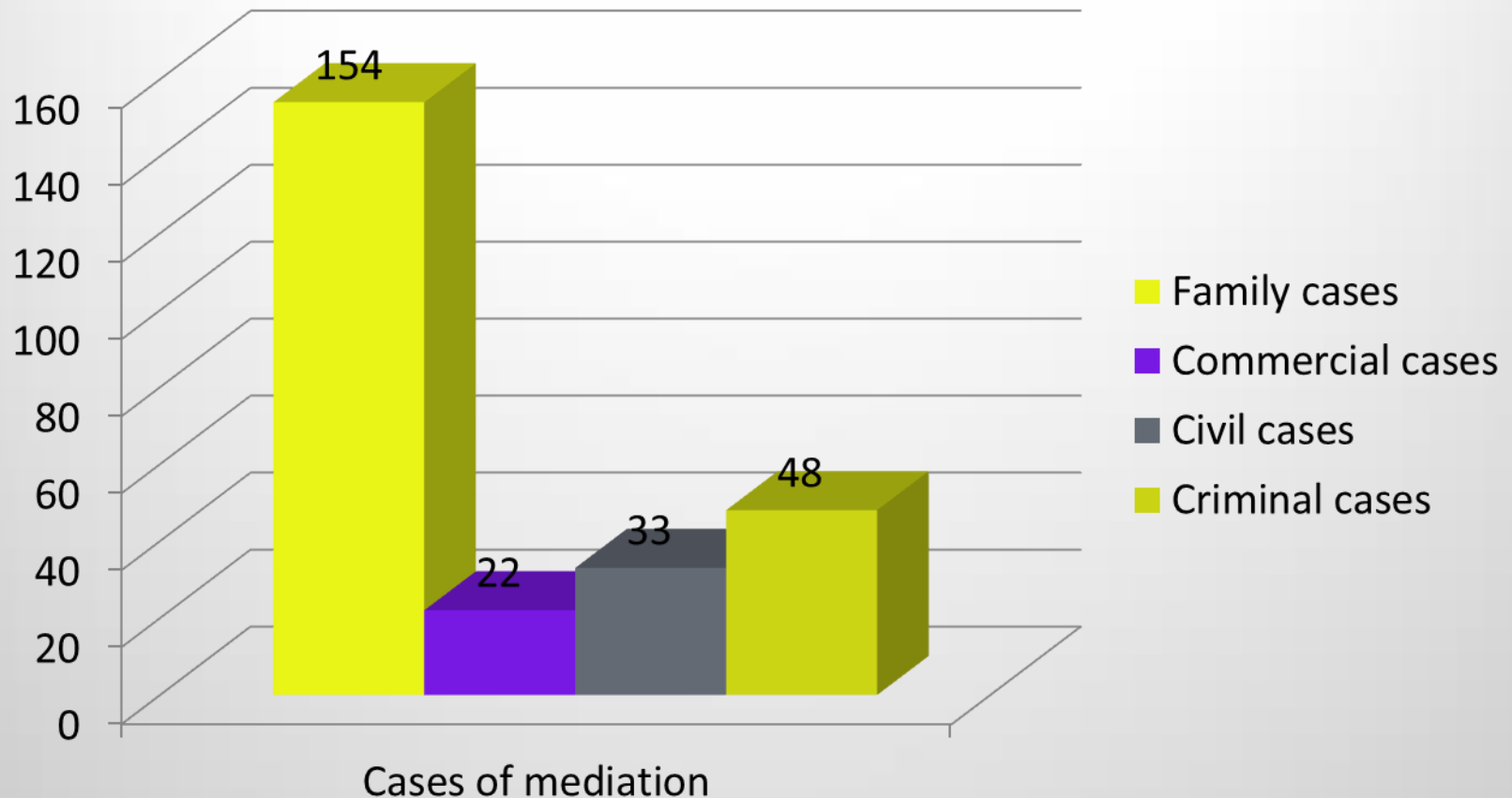
- Directive 2008/52/EC on certain aspects of mediation in civil and commercial matters
  - Cross border disputes
  - Quality mediation
  - Accessibility and use of Mediation
  - Confidentiality
- Cabinet regulation of February 18, 2009 - concept of gradual introduction of mediation in civil and commercial matters in Latvia
- Upcoming law of Mediation
  - Substantial modifications of Civil procedure law of Latvia
  - New legal institution followed with new laws and regulations

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# The aim of Law of Mediation

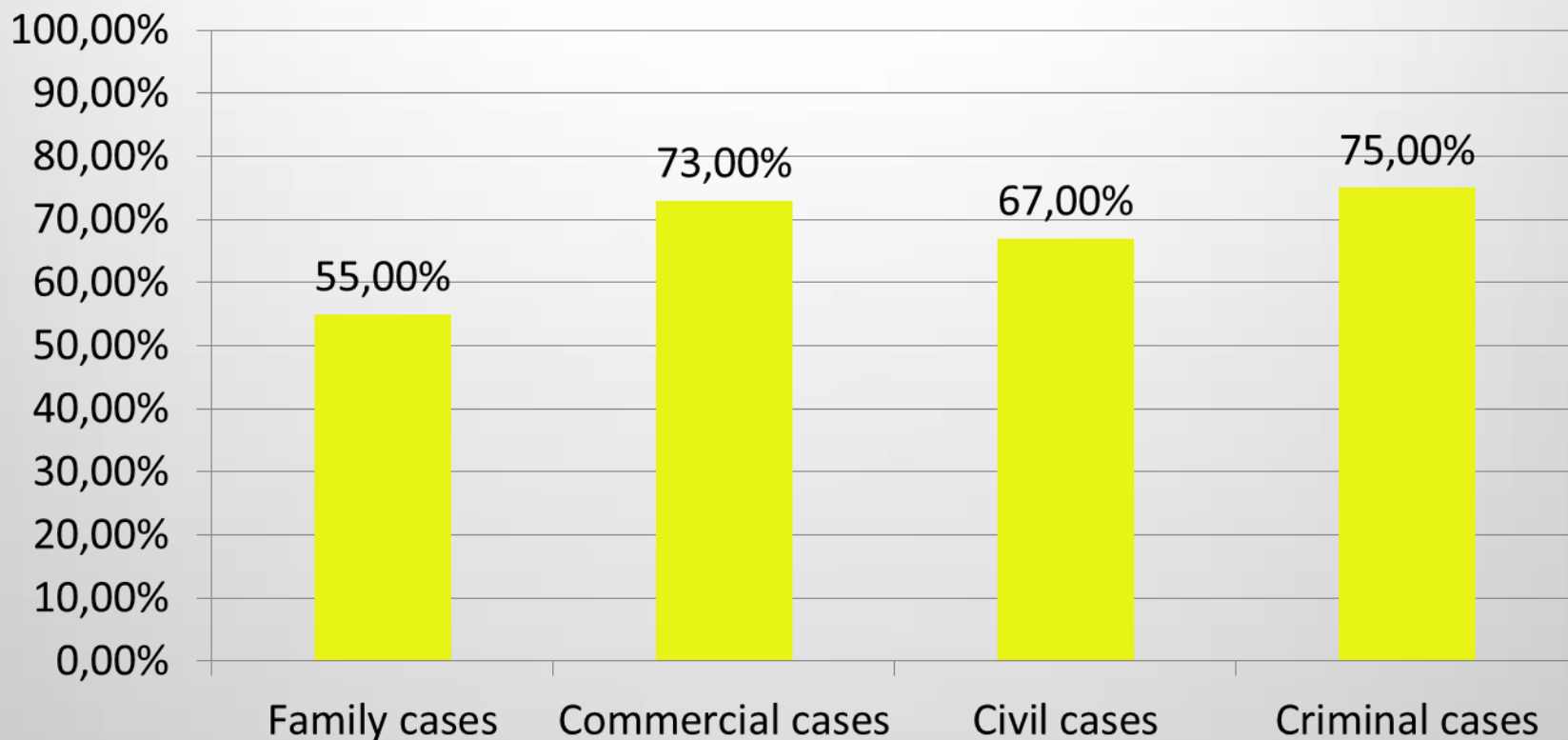


# Mediation statistics 2012



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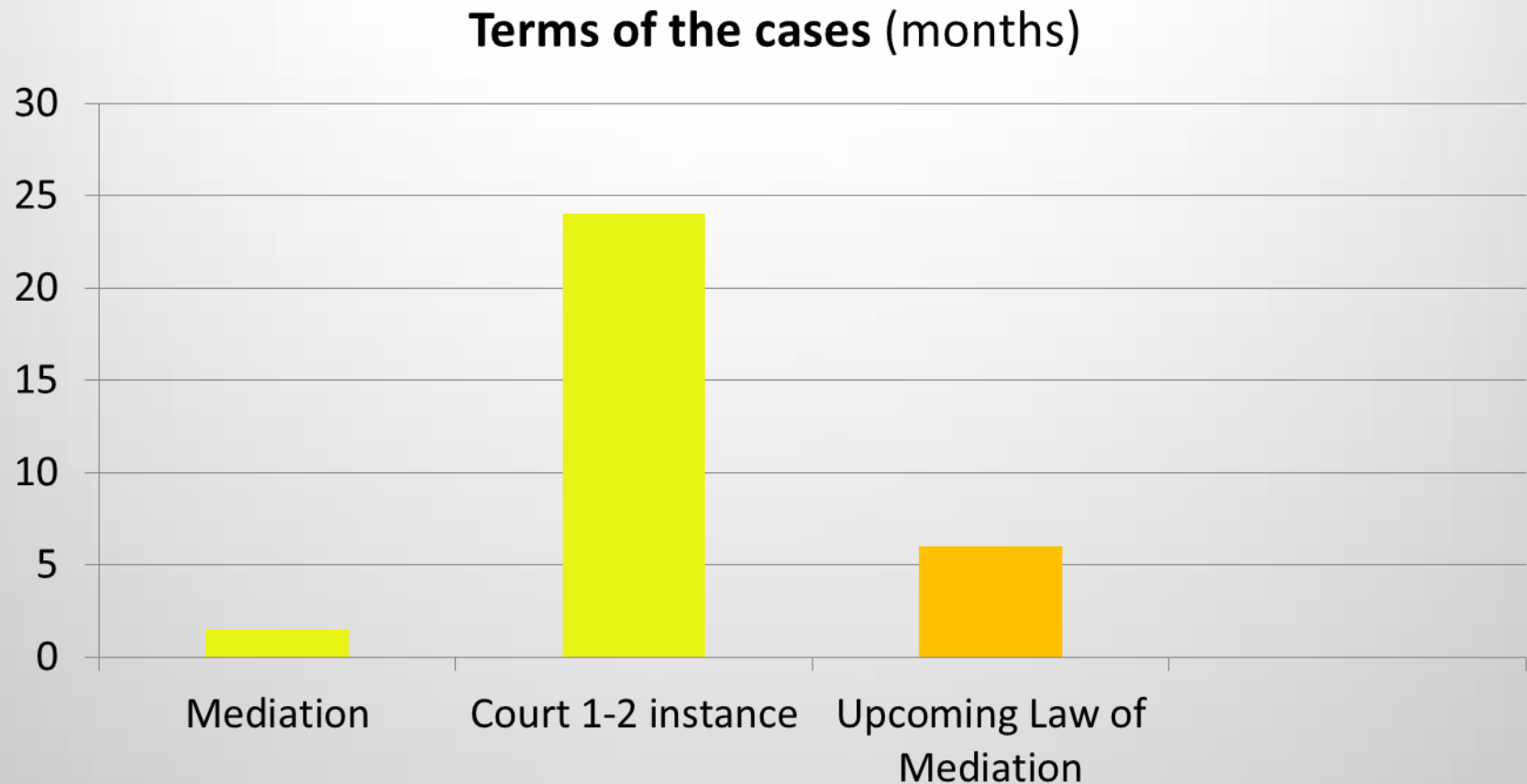
Efficiency (solved cases %)





# Mediation vs litigation

## Duration



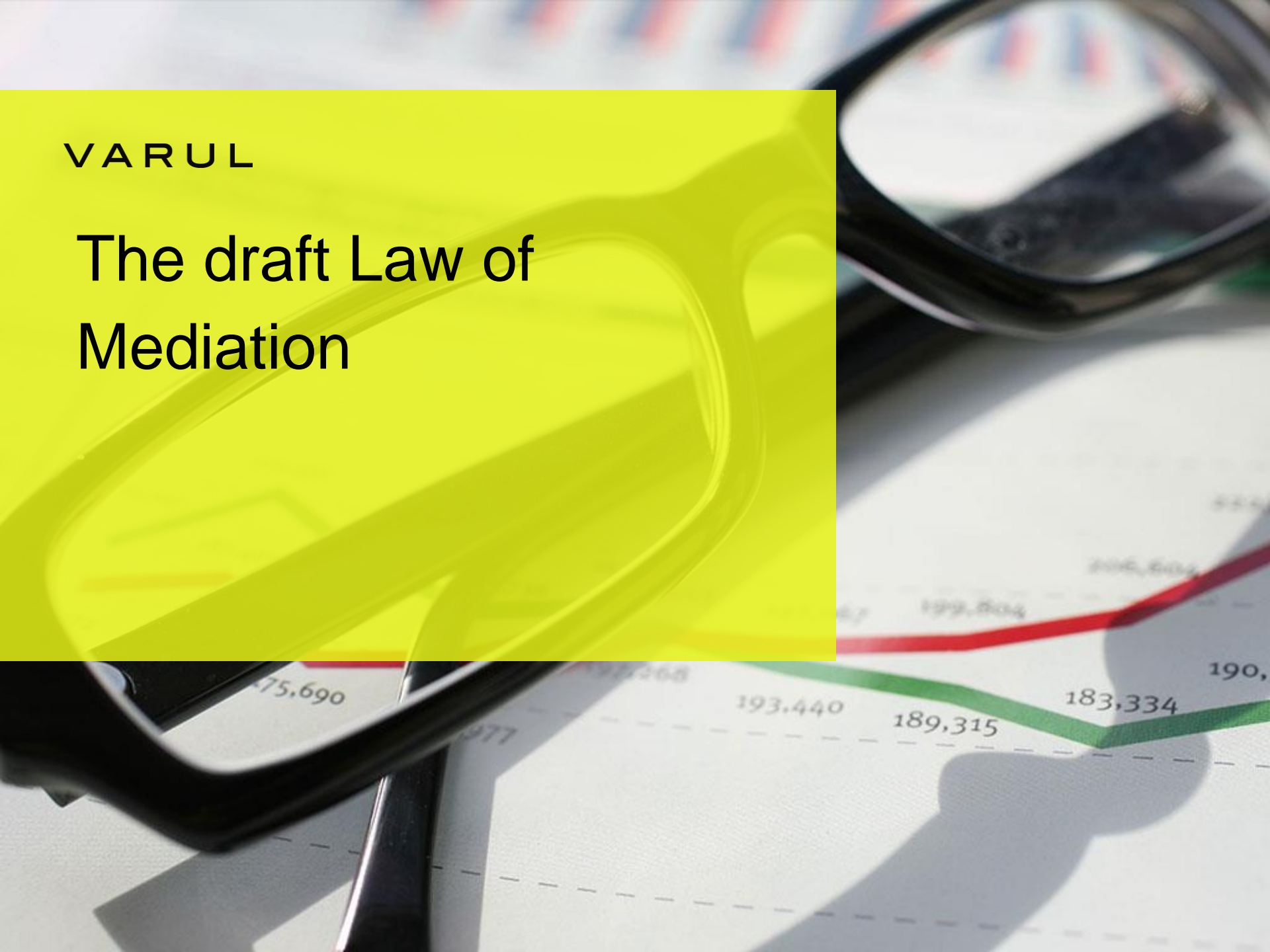
# The aim of the Law of Mediation

- Cost effective
  - Faster (focus on result)
  - Less administrative burdens
  - Easily accesable
- I.e. = efficiency



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# The draft Law of Mediation



175,690

1977

197,368

193,440

189,315

183,334

190,

199,804

206,604

211,

# The draft Law of Mediation

- Accepted in the 1st reading of Parliament
- Proposals submitted in March 2013 (adoption before 2013)
- Two types of mediation:
  - Pure mediation (mediator – parties)
  - Court annexed mediation (court – mediator – parties)
- Definitions
- General principles:
  - Freedom, Confidentiality, Equality, Independency
- Process of mediation:
  - Mediation agreement, Limitation period, Choice of mediator, Contract with the mediator, Mediators obligations and rights, Expenses, Cancellation of mediation, Certification

# Shortcomings

- Necessity of law
- Confidentiality, what about AML
- Court annexed mediation:
  - Appointment of mediator – should be clear and transparent system e.g. online system appointing mediators randomly
  - State funded mediation proceedings (at least for a limited time) providing compulsory court annexed mediation ?
  - Fixed remuneration of the mediators in legislation ?
  - Provisions of conflict of interests (close relatives, business partners, representation of competitors etc.)
- A tool for delay?

# Summary

- Informal process, thus legislation is secondary
- Draft law provides all necessary guidelines pursuant to Directive 2008/52/EC
- Shortcomings:
  - Appointment of mediator
  - Remuneration and expenses of parties
  - Rules regarding conflict of interests
- A successful pilot project
- The highest standards for certification should be implemented

# Contacts

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# About VARUL

VARUL has offices in Tallinn, Tartu, Riga and Vilnius and employs a total of eighty three attorneys and lawyers. The firm is focused on advising both domestic and international clients on all aspects of business law.

The firm's lawyers have strong academic backgrounds as well as thorough sector-specific knowledge in all practice areas. Our open and friendly attitude creates a very special work environment that allows us to recruit top talent, and to take pride in a staff of the best professionals in the business.

VARUL Latvia office has received the following awards and certificates:

