



## Amendment No 1 of the Memorandum of Understanding<sup>1</sup>

Riga

29 July 2016

The Fiscal Discipline Council and the Ministry of Finance agree on the following amendments to the Memorandum of Understanding signed on 8 February 2016:

1. Replace the words "numerical fiscal rules" with "numerical fiscal rules included in the FDL" throughout the entire MoU.

2. Supplement Article 5 of the MoU with Subsections 5.15 and 5.16 as follows:

"5.15 Fiscal policy assessment mentioned in the Article 5.1 includes the assessment of:

5.15.1 whether the general government structural budget balance adjustment, in case it must be applied in accordance with Article 11 of the FDL, meets the provisions of this Article, especially with regard to the necessity of the activation, amount and timing of the correction;

5.15.2 whether the draft MTBF is prepared in accordance with numerical fiscal rules included in the FDL, especially in the event that revised fiscal forecasts indicate that the general government structural balance objective set forth in the MTBL for the previous year might not be met;

5.15.3 whether deviations from the balance rule, if these are introduced in accordance with Paragraph 4 of Article 5, Part 1 of the FDL, or these are planned in the draft MTBF, in accordance with Article 12 of the FDL, meet the provisions of the above articles, especially with regard to the fulfilment of the activation criteria, and the amount and timing of the deviation.

5.16 After receiving the fiscal policy assessment mentioned in Article 5.1, the MoF corrects the non-compliance or prepares and advances a legislative proposal that corrects the non-compliance, or submits its opinion on the Council's findings and an explanation as to why the MoF does not intend to act in this matter, no later than within 20 working days. The Council's fiscal policy assessment and the MoF's opinion and explanation are published on the Council's and MoF's websites within five working days."

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Minister of Finance  
Dana Reizniece-Ozola

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Council Deputy Chairman  
Ingars Eriņš

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<sup>1</sup> In the sense of Chapter 7 of the State Administration Structure Law.