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The *Saeima* has adopted
and the President has proclaimed the following Law:

Labour Dispute Law

Chapter I General Provisions

Section 1. Purpose of this Law

The purpose of this Law is to ensure the fair and rapid settlement of labour disputes, determine labour dispute settlement bodies and the procedures for settlement of labour disputes.

Section 2. Labour Dispute

(1) A labour dispute shall be any differences of opinions arising from employment legal relations or related to employment legal relations between an employee, employees (a group of employees) or representatives of employees and an employer, employers (a group of employers), an organisation of employers or an association of such organisations, or the administrative authority of the sector.

(2) Depending on the object of a dispute and persons involved, labour disputes shall be divided into individual disputes regarding rights, collective disputes regarding rights and collective disputes regarding interests.

Section 3. Scope of Application of this Law

(1) This Law shall also apply to apprentices and trainees unless otherwise prescribed by another law.

(2) In settling individual and collective disputes regarding rights, the Labour Law and the Civil Procedure Law shall be applied unless otherwise prescribed by this Law.

(3) In settling collective disputes regarding interests, the Labour Law and the Strike Law shall be applied unless provided otherwise by this Law.

¹ The Parliament of the Republic of Latvia

Chapter II

Individual Disputes Regarding Rights and Settlement Thereof

Section 4. Individual Dispute Regarding Rights

An individual dispute regarding rights shall be such differences of opinion between an employee or employees (a group of employees) and an employer that arise by concluding, altering, terminating or fulfilling an employment contract, as well as by applying or interpreting the provisions of regulatory enactments, the provisions of a collective labour contract or working procedure regulations.

Section 5. Settlement of an Individual Dispute Regarding Rights in an Undertaking

- (1) Individual disputes regarding rights in an undertaking shall be settled as far as possible in negotiations between an employee and an employer.
- (2) The employer and the representatives of employees may agree regarding the establishment of a labour dispute commission in the undertaking for the settlement of individual disputes regarding rights in relation to which an agreement between the employee and the employer has not been reached in negotiations. The employer and the representatives of employees may also agree regarding other procedures according to which individual disputes regarding rights shall be settled in the undertaking.

Section 6. Labour Dispute Commission

- (1) The employer and the representatives of employees shall conclude a written agreement regarding the establishment of the labour dispute commission in the undertaking in which the numerical composition of the labour dispute commission, the procedures for election, the competence of members of the labour dispute commission, the procedures and time periods for the settlement of individual disputes regarding rights, as well as other issues related to operation of the labour dispute commission shall be determined. The agreement regarding the establishment of the labour dispute commission may be included in the collective labour contract. Costs related to the establishment and operation of the labour dispute commission shall be covered by the employer unless otherwise provided for in the agreement.
- (2) The labour dispute commission shall consist of an equal number of the representatives of employees and employer, as well as of a chairperson of the labour dispute commission elected by the members of the labour dispute commission. Matters shall be examined by the labour dispute commission consisting of not less than three members including the chairperson. In any matter the number of members of the labour dispute commission shall be an odd number. The chairperson of the labour dispute commission shall assign the members of the labour dispute commission for examination of a particular matter in compliance with a condition that an equal number of representatives of employees and employer are involved in the examination of the matter.
- (3) A member of the labour dispute commission is not entitled to participate in the examination of a matter if he or she is personally, directly or indirectly, interested in the outcome of the particular matter, or if other circumstances exist which cause doubt as to his or her impartiality. The parties of an individual dispute regarding rights or representatives thereof may apply for the

removal of a member of the labour dispute commission. A decision regarding the applied for removal shall be taken by the members of the labour dispute commission who have been assigned for examination of the relevant matter.

(4) Members of the labour dispute commission performing their duties shall be independent. Interference in the work of the labour dispute commission, as well as influencing of members of the labour dispute commission is not permitted.

(5) The labour dispute commission shall examine the matter within a time period of 10 days from the day when the submission of the party of an individual dispute regarding rights has been submitted to the labour dispute commission. The labour dispute commission shall notify the parties regarding the time and place for examination of the matter not later than three days before the commencement of examination of the matter. Non-appearance of the parties in a meeting of the labour dispute commission shall not be an impediment to the examination of the matter and taking of the decision.

(6) The labour dispute commission shall take decisions by a simple majority. None of members of the labour dispute commission is entitled to abstain from voting.

(7) The decision of the labour dispute commission shall include:

- 1) the name and composition of the labour dispute commission;
- 2) the time when and the location where the decision was adopted;
- 3) the participants in the matter;
- 4) the subject of the dispute;
- 5) the explanations and evidence submitted by the participants of the matter;
- 6) the reasons for the decision;
- 7) the adjudication of the labour dispute commission; and
- 8) the rights of participants in the matter to apply to the court.

(8) The decision of the labour dispute commission shall come into force within a time period of 10 days of the day when participants in a matter have received a true copy of the decision, if during such time period none of the parties has brought an action in court.

(9) The decision in force taken by the labour dispute commission shall be mandatory to the parties and executed voluntarily within a time period of 10 days if another execution period has not been determined in the decision of the labour dispute commission.

(10) If the decision of the labour dispute commission is not executed voluntarily, the interested party is entitled to apply to the court according to the location of the employer with an application regarding the issue of a writ of execution for compulsory execution of the decision of the labour dispute commission.

(11) The labour dispute commission shall not settle individual disputes regarding rights the examination of which is directly subject to the court in accordance with Section 7, Paragraph three of this Law.

Section 7. Settlement of an Individual Dispute Regarding Rights in Court

(1) Any party to an individual dispute regarding rights has the right to apply to the court if the individual dispute regarding rights has not been settled in negotiations between an employee and an employer or any of the parties is not satisfied with the decision of the labour dispute commission.

(2) The fact that parties have not tried to settle an individual dispute regarding rights in mutual negotiations may not serve as a basis for refusal to accept an application and examination of the matter on its merits.

(3) The following individual disputes regarding rights shall be settled directly in court not applying to the labour dispute commission:

1) regarding the declaration of employer's notice of termination invalid, as well as reinstatement of the employee to the previous employment;

2) following an application from the employer if the employee trade union does not agree to the notice of termination of the employment contract concluded with a member of the employee trade union;

3) regarding the recovery of work remuneration not paid in a timely manner;

4) regarding violation of the prohibition of differential treatment;

5) following an application from an employee or employer if the undertaking does not have a labour dispute commission; and

6) upon an application of an employee or employer if a third person requests to terminate the employment contract.

(4) An individual dispute regarding rights shall not be settled in an arbitration court.

Section 8. Rights of Trade Unions to represent Members Thereof

Trade unions have the right to represent their members without special authorisation in the settlement of individual disputes regarding rights, as well as to bring an action in court in the interests of their members.

Chapter III Collective Disputes Regarding Rights and Settlement Thereof

Section 9. Collective Dispute regarding Rights

A collective dispute regarding rights shall be such differences of opinions between employees (a group of employees) or representatives of employees and an employer, employers (a group of employers), an organisation of employers or an association of such organisations, or an administrative authority of the sector that arise in concluding, altering, terminating or fulfilling an employment contract, as well as in applying or interpreting provisions of regulatory enactments, provisions of a collective labour contract or working procedure regulations.

Section 10. Submission of Claim in Matter of Collective Dispute Regarding Rights

(1) If there is a basis for a collective dispute regarding rights, the party to the collective dispute regarding rights shall submit a submission in writing to the other party in which its requirements shall be specified.

(2) The other party to the collective dispute regarding rights which has received a submission shall examine it immediately and shall within a time period of three days following receipt of the submission provide its reply in writing to the submitter of the submission. If the reply to the submission is negative or is not provided, a collective dispute regarding rights shall be settled in accordance with the procedures prescribed by Section 11 of this Law.

Section 11. Settlement of a Collective Dispute regarding Rights in a Conciliation Commission

(1) Collective disputes regarding rights shall be settled in a conciliation commission. Parties to the collective dispute regarding rights shall establish a conciliation commission not later than within a time period of three days following the time period referred to in Section 10, Paragraph two of this Law by authorising an equal number of representatives.

(2) In matter of a collective dispute regarding rights, the parties shall write a report regarding the differences of opinions and submit it to the conciliation commission not later than within a time period of three days after the time period referred to in Section 10, Paragraph two of this Law. The conciliation commission shall examine the referred to report and take a decision within a time period of seven days following receipt of the report. Minutes shall be taken of conciliation commission meetings. If parties to a collective dispute regarding rights so agree, the conciliation commission may settle the collective dispute regarding rights and also take a decision following the expiry of the time period referred to in this Paragraph.

(3) The conciliation commission shall take a decision by agreement of the commission members. The decision shall be binding on both parties to the collective dispute regarding rights and it shall have the validity of a collective labour contract.

Section 12. Settlement of Collective Disputes Regarding Rights in Court or Arbitration Court

(1) Any party to a collective dispute regarding rights has the right to apply to the court within a time period of a month if the collective dispute regarding rights is not settled in the conciliation commission. Any party to a collective dispute regarding rights has the right to apply to the court if a conciliation commission is not established or the settlement of the collective dispute regarding rights is not commenced in a conciliation commission within a time period of a month from the day of submission of the submission referred to in Section 10, Paragraph one of this Law.

(2) If parties so agree in writing, a collective dispute regarding rights may be transferred to an arbitration court for settlement.

Chapter IV

Collective Disputes Regarding Interests and Settlement Thereof

Section 13. Collective Dispute Regarding Interests

A collective dispute regarding interests shall be such differences of opinions between employees (a group of employees) or representatives of employees and an employer, employers (a group of employers), an organisation of employers or an association of such organisations, or an administrative authority of the sector that arise in relation to collective negotiation procedures determining new working conditions or employment provisions.

Section 14. Submission of Claim in Matter of Collective Dispute Regarding Interests

(1) If there is a basis for a collective dispute regarding interests, the party to the collective dispute regarding interests shall submit a submission in writing to the other party in which requirements thereof shall be specified.

(2) The other party of the collective dispute regarding interests which has received a submission shall examine it immediately and shall within a time period of three days after receipt of the submission provide its reply in writing to the submitter of the submission. If the reply to the submission is negative or is not provided, the collective dispute regarding interests shall be settled in accordance with the procedures prescribed by Section 15 of this Law.

Section 15. Settlement of a Collective Dispute regarding Interests in a Conciliation Commission

(1) Collective disputes regarding interests shall be settled in a conciliation commission. Parties to the collective dispute regarding interests shall establish a conciliation commission not later than within a time period of three days after the time period referred to in Section 14, Paragraph two of this Law by authorising an equal number of representatives.

(2) In the matter of a collective dispute regarding interests, the parties shall write a report regarding the differences of opinions and submit it to the conciliation commission not later than within a time period of three days after the time period referred to in Section 14, Paragraph two of this Law. The conciliation commission shall examine the referred to report and take a decision within a time period of seven days following receipt of the report. Minutes shall be taken of conciliation commission meetings. If parties to a collective dispute regarding interests so agree, the conciliation commission may settle the collective dispute regarding interests and also take a decision following the expiry of the time period referred to in this Paragraph.

(3) The conciliation commission shall take a decision by agreement of the commission members. The decision shall be binding on both parties to the collective dispute regarding interests and it shall have the validity of a collective labour contract.

(4) If a conciliation commission does not reach agreement, the collective dispute regarding interests shall be settled in accordance with the procedures prescribed by the collective labour contract. If such procedures have not been prescribed, a collective dispute regarding interests shall be settled by a conciliation method or in the arbitration court.

(5) If a collective dispute regarding interests is not settled in a conciliation commission and parties thereto do not agree on settlement of the collective dispute regarding interests by a

conciliation method, parties have the right to protect their interests by a collective action. Parties to a collective dispute regarding interests have also such rights when they do not agree on transferring the collective dispute regarding interests for settlement to an arbitration court in accordance with Section 20 of this Law. Rights to a collective action shall also arise if within a time period of 10 days from the day of submission of the submission referred to in Section 14, Paragraph one of this Law a conciliation commission is not established or settlement of the collective dispute regarding interests is not commenced in an arbitration court, in a conciliation commission or utilising a conciliation method.

Section 16. Mediation

(1) Within the meaning of this Law, mediation is a settlement of a collective dispute regarding interests by inviting a third person as an independent and impartial mediator who shall help the parties to the collective dispute regarding interests to settle differences of opinions and to reach agreement.

(2) Settlement of a collective dispute regarding interests by a mediation method shall be commenced following a mutual agreement of parties to the collective dispute regarding interests.

(3) During the time period when a collective dispute regarding interests is settled utilising a mediation method the parties to the collective dispute regarding interests must refrain from exercising the right to a collective action (including a strike and lockout).

Section 17. Mediator

(1) A mediator may be one person or a collegium of mediators consisting of at least three persons. In any matter the number of persons in a collegium of mediators shall be an odd number. A chairperson of a collegium of mediators, upon mutual agreement, shall be selected by the representatives of the parties to the collective dispute regarding interests nominated for participation in the collegium of mediators.

(2) A mediator may be any person with the capacity to act if he or she has agreed in writing to be a mediator.

(3) A mediator may be private or public. Within the meaning of this Law, a public mediator is a person (persons) included in the list approved by the National Trilateral Co-operation Council once every two years. Each of the social partners shall nominate at least 10 candidates for inclusion in the referred to list. Within the meaning of this Law a private mediator is a person nominated as a mediator by the parties to a collective dispute regarding interests, but not included in the referred to list.

(4) If the parties to a collective dispute regarding interests cannot agree on a mutually acceptable mediator, each of them shall nominate their preferred private or public mediator and notify the Minister for Welfare thereof. The Minister for Welfare shall select a public mediator for settlement of the relevant dispute who concurrently shall be the chairperson of the relevant collegium of mediators.

Section 18. Duties and Rights of Mediators

(1) A Mediator has a duty to perform necessary activities (including the proposal of recommendations for dispute settlement) to conciliate the parties to the collective dispute

regarding interests and to reach agreement. Such agreement shall be expressed in writing and it shall have the validity of a collective labour contract.

(2) A mediator shall perform his or her duties in good faith, without being subject to any influence, he or she shall be objective and independent.

(3) A mediator has the right to request the parties to a collective dispute regarding interests to provide the necessary information related to the relevant collective dispute regarding interests.

Section 19. Mediation Costs

(1) mediation in which a public mediator participates shall be free of charge to the parties to a collective dispute regarding interests.

(2) The primary workplace and average earnings shall be retained by public mediators during the performance of their duties, but the total period of time in which the person performs the duties of a mediator in accordance with this Law may not exceed three months within a period of one calendar year.

Section 20. Settlement of a Collective Dispute regarding Interests in the Arbitration Court

(1) The settlement of a collective dispute regarding interests is a method for dispute settlement which provides for that the third neutral party has been authorised to take a decision and to settle a collective dispute regarding interests by trying to achieve a fair solution and balancing the economic interests of employees or representatives of employees and employers and interests related thereto.

The provisions prescribed by Sections 486, 490, 492, 493, 497, 498, 499, 500, 501, 502, 503 and 504 of the Civil Procedure Law shall apply to establishment of an arbitration court for the settlement of a collective dispute regarding interests.

(3) The provisions prescribed by Sections 505, 506, 507, 508, 509, 510, 511, 512, 519, 526 and 527 of the Civil Procedure Law shall apply to the settlement of a collective dispute regarding interests in the arbitration court.

(4) An adjudication of the arbitration court shall be made by a simple majority if the arbitration court consists of more than one arbitrator. The execution of an adjudication of the arbitration court shall be voluntary. In the event it is not executed, the party has the right to utilise a collective action to reach settlement of the dispute. If the parties reach a written agreement regarding execution of such adjudication, it shall have the validity of a collective labour contract.

(5) During the time period when a collective dispute regarding interests is settled in the arbitration court the parties to the collective dispute regarding interests must refrain from exercising the right to a collective action (including a strike and a lockout).

Section 21. Lockout

(1) If for the settlement of a collective dispute regarding interests the representatives of employees or the employees (a group of employees) utilise a strike as a final means for the settlement of the dispute, the employer, employers (a group of employers) or an organisation of

employers, or an association of such organisations have the right to a response action for the protection of their economic interests – to a lockout.

(2) Within the meaning of this Law a lockout is a refusal by the employer, employers (a group of employers) or an organisation of employers, or an association of such organisations to employ employees and to pay work remuneration if a strike significantly affects the economic activity of the undertaking. The number of employees against whom the lockout has been directed may not exceed the number of employees on strike.

(3) The employer, employers (a group of employers) or an organisation of employers, or an association of such organisations shall take a decision regarding the application of a lockout in a general meeting which has been convened in accordance with procedures specified in the articles of association of the relevant organisation of employers or association of such organisations and in which at least three quarters of the members of the relevant organisation of employers or association of such organisations participate. The decision of an organisation of employers or an association of such organisations shall be taken if the three-quarters of the members of the relevant organisation of employers or association of such organisations present vote for it.

(4) Not later than 10 days prior to the commencement of a lockout the employer shall submit in writing to the relevant representatives of employees or to employees against whom the lockout has been directed, as well as to the State Labour Inspection and a secretary of the National Trilateral Co-operation Council:

1) an application for a lockout including:

- a) the date, time of commencement of the lockout and the place of the lockout,
- b) reasons for the lockout, and
- c) the number of such employees against whom the lockout is directed;

2) the decision of the general meeting regarding the application of the lockout and a report in which number of votes has been recorded by which the referred to decision has been taken if the decision on declaration of the lockout has been taken by employers (a group of employers) or an organisation of employers, or an association of such organisations.

(5) A lockout is prohibited in State administration and local government institutions, as well as in undertakings that shall be regarded as services necessary to public in accordance with the Strike Law.

(6) Conformity of the lockout procedures to this Law and other regulatory enactments shall be supervised by the State Labour Inspection. The State Labour Inspection has the right to suspend or terminate a lockout for a time period not exceeding three months if it is necessary to take measures for the prevention or elimination of consequences of a natural disaster, large-scale accident or epidemic.

(7) A lockout or an application for a lockout shall be unlawful if:

- 1) provisions of this Section have been violated; and
- 2) it is directed against rights to freely unite in organisations.

(8) Only the court may acknowledge a lockout or the application for a lockout to be unlawful. An application regarding adjudication of the lockout as unlawful shall be submitted to the court within a time period of five days from the day of application for the lockout. If an application regarding adjudication of the application for the lockout as unlawful has been submitted to the court by the date of lockout initiation specified in the application for the lockout, the lockout may not be commenced until the judgment of the court comes into force.

(9) A lockout acknowledged as unlawful shall be terminated immediately. If a lockout has not yet been commenced and the court has adjudged the application for a lockout to be unlawful, it is prohibited to commence the lockout.

(10) The employer has an obligation to compensate losses caused during the lockout if it has been acknowledged as unlawful.

Transitional Provision

With the coming into force of this Law, the 2 April 1992 decision of the Supreme Council of the Republic of Latvia, On Approval of By-laws On Labour Dispute Commission (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, 1992, No. 17) is repealed.

This Law shall come into force on 1 January 2003.

This Law has been adopted by the *Saeima* on 26 September 2002.

President
Rīga, 16 October 2002

V. Vīķe-Freiberga