# MEMORANDUM OF UNDERSTANDING

# BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF LATVIA

AND

THE GOVERNMENT OF CANADA

AS REPRESENTED BY THE DEPARTMENT OF NATIONAL DEFENCE OF CANADA

AND THE CANADIAN ARMED FORCES

ON

ENHANCED DEFENCE PARTNERSHIP

AND SECURITY COOPERATION

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**INTRODUCTION**

The Government of the Republic of Latvia ("Latvian Government") and the Government of Canada as represented by the Department of National Defence of Canada and the Canadian Armed Forces (the "DND/CAF"), hereinafter referred to collectively as "the Participants" and individually as a "Participant";

Considering that the CAF, their dependants, and Government of Canada (GC) contractors may be present in the territory of the Republic of Latvia and that the purpose of such presence of the CAF is to further the efforts of the Participants to promote peace and security in the areas of mutual interest and benefit, including to take part in common defence efforts;

Acknowledging that the presence of the CAF contributes to strengthening the security and stability of Latvia and the region through NATO, multilateral or bilateral relationships and activities;

Desiring to share in the responsibility of supporting the CAF that may be present in the territory of Latvia;

Considering the provisions of the North Atlantic Treaty, dated 4 April 1949;

Considering the applicability of the Agreement between the Parties to the North Atlantic Treaty Regarding the Status of their Forces, dated 19 June 1951 hereinafter referred to as the "NATO SOFA";

Considering the need to enhance their common security, to contribute to international peace and stability, and to deepen cooperation in the areas of defence and security; and

Desiring to conclude an MOU on the enhanced defence partnership and security cooperation between the Participants;

Have reached the following understanding:

**SECTION I**

**SCOPE AND PURPOSE**

This MOU sets forth the framework for enhanced defence partnership and security cooperation between the Participants and supplements the terms and conditions set forth in the NATO SOFA that govern the presence of the CAF and their dependants in the territory of Latvia and, in specific situations indicated herein, the presence and activities of GC contractors in Latvia.

**SECTION II**

**DEFINITIONS**

For purposes of this MOU, the following terms are defined:

1. "CAF" means the entity comprising the force and the civilian component, and all property, equipment, and materiel (including vehicles, vessels, and aircraft operated by or for the CAF) of the CAF present in the territory of Latvia.
2. "Force" has the meaning set forth in Article I, paragraph 1(a) of the NATO SOFA.
3. Except as otherwise provided in Sections XII, XIII, and XV of this MOU, "civilian component" has the meaning set forth in Article I, paragraph I (b), of the NATO SOFA, and also includes: a) employees of non­Latvian, non-commercial organizations who are nationals of, or ordinarily resident in, Canada and who are not ordinarily resident in Latvia, and who, solely for the purpose of contributing to the welfare, morale, or education of the CAF, are accompanying those forces in the territory of Latvia; and, b) dependants employed by the CAF, including for the purposes of the military service activities contemplated in this MOU, and by the non-commercial organizations referred to in this paragraph.
4. "GC contractors" means non-Latvian individuals, legal entities, and their employees who are not nationals of Latvia that are under contract or subcontract to the GC.
5. "Dependant" has the meaning set forth in Article I, paragraph l (c) of the NATO SOFA, and also includes a family member of a member of the force or the civilian component who:

(a) is financially, legally, or for reasons of health dependent upon and supported by such member;

(b) shares the quarters occupied by such member; and

(c) is present in the territory of Latvia with the consent of the authorities of the CAF.

1. "Granted Facilities and Areas" means the facilities and areas in the territory of Latvia as may be provided by Latvian Government and mutually determined between the authorized representatives of the Participants, to which CAF, GC contractors, dependants, and others as mutually determined will have the right to access and use pursuant to this MOU.

**SECTION III**

**ACCESS TO AND USE OF GRANTED FACILITIES AND AREAS**

1. The CAF, their dependants, GC contractors, and vehicles, vessels, and aircraft operated by or for the CAF are authorized unimpeded access to and use of Granted Facilities and Areas for: visits; morale and welfare activities; training; exercises; maneuvers; transit; support and related activities; refueling of aircraft; bunkering of vessels; landing and recovery of aircraft; temporary maintenance of vehicles, vessels, and aircraft; accommodation of personnel; communications; staging and deploying of forces and materiel; pre-positioning of equipment, supplies, and materiel; security assistance and cooperation activities; joint and combined training activities; humanitarian and disaster relief activities; operations; construction in support of mutually determined activities; and such other purposes as the Participants or their authorized representatives may determine, including those undertaken in the framework of the North Atlantic Treaty. Such Granted Facilities and Areas provided by the Latvian Government, or portions thereof, may be designated as either for exclusive use by the CAF or for joint use by the CAF and Latvian National Armed Forces.
2. In support of such activities and purposes, Latvia authorizes the CAF to control entry to Granted Facilities and Areas, or portions thereof that have been provided for exclusive use by the CAF, and to coordinate entry with Latvian authorities at Granted Facilities and Areas jointly used by the CAF and Latvian National Armed Forces, for purposes of safety and security.
3. When requested, the Latvian Government authorized representative will facilitate, in accordance with local law, temporary access by the CAF, their dependants and GC contractors to public land and facilities (including roads, ports, and airfields) that are not a part of a Granted Facility and Area, including those owned or controlled by the Latvian Government or by local governments, and to private land and facilities (including roads, ports, and airfields) for use in support of the CAF.
4. In making Granted Facilities and Areas available, the Latvian Government will give due regard to the operational and security concerns of the CAF.
5. The Latvian Government will furnish, without rental or similar costs to the CAF, all Granted Facilities and Areas, including those jointly used by the CAF and Latvian National Armed Forces.
6. The CAF may undertake construction activities on, and make alterations and improvements to, Granted Facilities and Areas. The CAF will consult with the authorized representatives of the Latvian Government on issues including but not limited to, design, planning and implementation of such construction, alterations, and improvements, to ensure the requirements and standards, including language requirements, of both Participants are met. The Latvian Government will accept the assurances of the CAF for certification that the technical requirements of any such construction, alteration or improvements meet or exceed the required Latvian standards.  The Participants concur that Latvia’s authorized representative will have the right to conduct inspections to verify these standards have been met, except in cases concerning Canadian classified standards. The CAF may carry out such construction, alterations, and improvements, to include but not limited to, design, planning and implementation, by the CAF and GC contractors.
7. The CAF will be responsible for the construction and development costs for Granted Facilities and Areas provided for the exclusive use of the CAF, and for the operations and maintenance costs thereof, unless otherwise mutually determined.
8. The Participants will be responsible on the basis of proportionate use for the operations and maintenance costs of Granted Facilities and Areas provided for joint use, or otherwise used jointly by the CAF and Latvian National Armed Forces, unless otherwise mutually determined.
9. Funding of construction projects undertaken by the CAF will be in accordance with Canadian laws and regulations pertaining to the expenditure of funds.
10. The Latvian Government authorized representative will facilitate the efforts of the CAF in these undertakings by obtaining the necessary Latvian authorizations and permits for such construction, alterations, and improvements, performed by or on behalf of the CAF.
11. The Participants will cooperate regarding the use and development around and adjacent to Granted Facilities and Areas.

## **SECTION IV**

## **PRE-POSITIONING OF DEFENCE EQUIPMENT,**

## **SUPPLIES, AND MATERIEL**

1. The CAF may transport, pre-position, and store defence equipment, supplies, and materiel ("pre-positioned materiel") at Granted Facilities and Areas, portions thereof, and at other locations as mutually determined between the authorized representatives. The CAF will notify, in advance, Latvian National Armed Forces regarding the types, quantities, and delivery schedules of such pre-positioned materiel that the CAF intend to transport or pre-position in the territory of Latvia, as well as regarding the GC contractors who will make such deliveries.
2. The pre-positioned materiel of the CAF and the facilities or portions thereof designated for storage of such pre-positioned materiel will be for the exclusive use of the CAF. The CAF will have exclusive control over the access to, use of, and disposition of such pre-positioned materiel and will have the unencumbered right to remove such pre-positioned materiel at any time from the territory of Latvia.
3. The CAF and GC contractors will have unimpeded access to and use of storage facilities for all matters related to the pre-positioning and storage of pre-positioned materiel, including delivery, management, inspection, use, maintenance, and removal of such pre-positioned materiel, regardless of whether these storage facilities are Granted Facilities and Areas. Aircraft, vehicles, and vessels operated by or for the CAF will have access to aerial ports and seaports of Latvia and other locations, as predetermined, for the delivery to, storage and maintenance in**,** and removal from the territory of Latvia of the CAF's pre-positioned materiel.

**SECTION V**

**PROPERTY OWNERSHIP**

1. All buildings, non-relocatable structures, and assemblies affixed to the land in Granted Facilities and Areas, including those altered or improved by the CAF, remain the property of the Latvian Government. All such buildings, structures, and assemblies constructed by the CAF become the property of the Latvian Government, once constructed, but will be used by the CAF until no longer needed by the CAF.
2. The CAF will return as the sole and unencumbered property of the Latvian Government any Granted Facility or Area, or any portion thereof, including buildings, non­relocatable structures, and assemblies constructed by the CAF once no longer used by the CAF, provided that the CAF will incur no expense to do so. The Participants or their authorized representatives will consult regarding the provisions of return of any Granted Facility or Area, including compensation for the residual value of improvements or construction made by the CAF.
3. The CAF and GC contractors will retain title to all equipment, materiel, supplies, relocatable structures, and other movable property they have imported into or acquired within the territory of Latvia.
4. The Participants or their designees may consult regarding the possible transfer or purchase of the CAF’s equipment determined to be excess to the needs of the CAF, as may be authorized by Canadian law and regulations.

## **SECTION VI**

## **SECURITY**

1. The Latvian Government will take such measures as are necessary to ensure the protection, safety, and security of the CAF, its dependants, GC contractors, pre-positioned materiel, and information. In furtherance of this responsibility, Latvian and CAF authorities will cooperate closely to ensure that security and protection is provided.
2. The Latvian Government hereby authorizes the CAF to exercise all rights and authorities necessary for the CAF’s use, operation, defence, or control of Granted Facilities and Areas, including taking appropriate measures to maintain or restore order and to protect the CAF, their dependants and GC contractors. The CAF will coordinate such measures with the appropriate authorities of the Latvian Government.
3. The Latvian Government retains primary responsibility for security outside of the Granted Facilities and Areas.
4. Security of information will be in accordance with applicable existing or subsequent arrangements.

**SECTION VII**

**ENTRY AND EXIT**

1. The Latvian Government will not require countersignature of movement orders under Article III, paragraph 2(b) of the NATO SOFA.
2. In accordance with the NATO SOFA, the Latvian Government will not require passports or visas for entry into and departures from Latvia for members of the force presenting upon request of Latvian authorities the required personal identity card and a valid movement order. Further, the Latvian Government will not require visas for entry into and departures from Latvia for members of the civilian component, dependants, and GC contractors presenting upon request of Latvian authorities a valid passport with status annotation, or a valid passport and a DND or other GC departmental identification card, movement order, or letter of authority issued by the CAF.
3. The CAF, its dependants and GC contractors will be exempt from regulations governing the registration and control of aliens.
4. Should a member of the CAF die or leave the territory of Latvia on transfer, the dependants of such member will continue to be accorded the status of dependants under this MOU for a period of ninety (90) days after such death or transfer. In cases where dependant children are enrolled in education facilities in the territory of Latvia prior to the member's death or transfer, the dependants will continue to be accorded the status of dependants for a period of not less than thirty (30) calendar days after the end of the school year or termination of enrolment.

**SECTION VIII**

**LOGISTICS SUPPORT**

1. The Latvian Government will use its best efforts, considering its internal national requirements and available capabilities, to provide to the CAF, upon request, logistics support to conduct activities under this MOU.
2. As appropriate, such logistics support will be provided and reimbursed in accordance with applicable arrangements.
3. For any logistics support not addressed by paragraph 2 of this Section, the CAF and GC contractors will pay reasonable costs for logistics support requested and received. In this regard, the Latvian Government will accord to the CAF treatment no less favourable than is accorded to the Latvian National Armed Forces, including charging the CAF and GC contractors rates no less favourable than those paid by the Latvian National Armed Forces for similar logistics support, less taxes, fees, or similar charges.

**SECTION IX**

**MOTOR VEHICLES**

1. Latvian authorities will honour the registration documents and licensing by CAF military and civilian authorities of motor vehicles and trailers of the CAF, its dependants and GC contractors. Upon the request of the CAF authorities, Latvian authorities will register, without modification to motor vehicles and trailers, and issue without charge military license plates for the CAF's official, non-tactical vehicles in accordance with procedures established for the Latvian National Armed Forces, and license plates that are the same as those issued to the Latvian population, at large, for private motor vehicles of the members of the CAF, its dependants and GC contractors.
2. CAF authorities will take adequate safety measures with respect to motor vehicles and trailers registered and licensed by them or used by the CAF in the territory of Latvia.
3. It is the duty of members of the CAF, its dependants and GC contractors to respect the laws and regulations of Latvia regarding automobile liability insurance coverage for their private motor vehicles while in Latvia.

**SECTION X**

**LICENSES**

1. A license or other permit issued by Canadian authorities to a member of the CAF or a GC contractor, empowering the holder to operate vehicles, vessels, or aircraft of the CAF will be valid for such operation within the territory of Latvia.
2. Latvian authorities will accept as valid, without a driving test or fee, driving licenses issued by Canada, its Provinces, Territories or political subdivisions for the operation of private motor vehicles by members of the CAF, their dependants and GC contractors. International drivers' licenses will not be required.
3. The Latvian Government will not require members of the CAF or GC contractors to obtain professional licenses issued by the Latvian Government in relation to the provision of services provided as part of their official or contractual duties to the CAF and their dependants or GC contractors, as well as to other persons as mutually determined. Unless mutually determined, Canadian professional licenses are not valid in all other cases.

**SECTION XI**

**MOVEMENT OF AIRCRAFT, VESSELS, AND VEHICLES**

1. Aircraft, vessels, and vehicles operated by or exclusively for the CAF may enter, exit, and move freely within the territory of Latvia and will respect the relevant rules of air, maritime, and land safety, and movement. GC aircraft operating in support of the CAF and civil aircraft that are at the time operating under contract to the CAF/GC are authorized to over-fly, conduct aerial refueling, land, and take off within the territory of Latvia and will respect the relevant rules of air safety and navigation. GC aircraft, vessels, and vehicles will be free from boarding and inspection unless the consent of Canadian authorities is provided.
2. GC aircraft operating in support of the CAF and civil aircraft that are at the time operating exclusively under contract to the CAF/GC will not be subject to payment of air navigation fees, dues, or other charges (such as overflight, on route, or terminal navigation fees), and such aircraft will not be subject to payment of landing or parking fees at government-owned and operated airfields in Latvia. Vessels owned or operated by or exclusively for the CAF will not be subject to payment of pilotage or port fees, lighterage charges, harbour dues, or similar charges at government-owned and operated ports in Latvia. The CAF and GC contractors operating on behalf of the CAF will pay reasonable charges for services requested and received, at rates no less favourable than those paid by the Latvian National Armed Forces less taxes and similar charges.
3. The CAF’s official motor vehicles and trailers, regardless of their type will be afforded the same exemptions from traffic laws and regulations of Republic of Latvia as are afforded to the Latvian National Armed Forces.

**SECTION XII**

**CRIMINAL JURISDICTION**

1. The Latvian Government recognizes the particular importance of the CAF authorities' disciplinary control over members of the CAF and the effect that such control has on operational readiness. Therefore, at the request of the CAF and in furtherance of its commitment to mutual defence, the Latvian Government hereby exercises its sovereign discretion to waive its primary right to exercise criminal jurisdiction as provided by NATO SOFA Article VII, paragraph 3(c). In specific cases of particular importance to Latvia, the Prosecutor General’s Office of the Republic of Latvia may withdraw the waiver by providing a statement in writing to the competent CAF authorities at any time, but not later than twenty-one (21) days after receipt of the notification described in paragraph 2 of this Section.
2. The Prosecutor General’s Office of the Republic of Latvia will notify the CAF of the initiation of criminal proceedings against a member of the force or civilian component, or a dependant, and the CAF will notify the Prosecutor General’s Office of the Republic of Latvia of each case falling under the provisions of paragraph 1 of this Section. In cases where the Latvian Government elects not to withdraw its waiver described in paragraph 1 of this Section, and criminal proceedings have been initiated, the Prosecutor General’s Office of the Republic of Latvia will send the materials of the case directly to the Canadian authority. Translation of the case materials will not be provided.
3. For purposes of this Section, the term "civilian component" will exclude dependants who are nationals of or ordinarily resident in Latvia.
4. Whenever a member of the force or civilian component, or a dependant, is prosecuted by Latvian authorities, jurisdiction will be exercised by Latvian civilian courts of ordinary jurisdiction.
5. Members of the force or civilian component, and dependants, will not be tried *in absentia,* unless they have wrongfully avoided appearance before the court after properly receiving notice of the date of trial and they have improperly absented themselves from CAF authority.
6. For the purposes of determining whether an alleged criminal offence has arisen out of any act or omission done in the performance of official duty by a member of the CAF under NATO SOFA Article VII, paragraph 3(a)(ii), certification by the appropriate military authority of the CAF in Latvia that such act or omission was done in the performance of official duty will constitute a conclusive determination of the fact.

**SECTION XIII**

**CUSTODY AND ACCESS**

1. Latvian authorities will notify the CAF authorities immediately when a member of the force or civilian component, or a dependant, is arrested or detained by Latvian authorities. The CAF authorities will have prompt access to any such individual whenever requested, and will be permitted to be present during all proceedings, including interrogations of such member or dependant by Latvian authorities.
2. For purposes of this Section, the term "civilian component" will exclude dependants who are nationals of or ordinarily resident in Latvia.
3. A member of the force or civilian component, or a dependant, under investigation or pending trial by Latvian authorities will remain under the control of the CAF authorities, if such authorities so request, until the conclusion of all related judicial proceedings (including appellate proceedings). In such cases, CAF authorities will make best efforts to ensure the appearance of the member of the force or civilian component, or dependant, before Latvian authorities in any proceedings that may require the presence of such person. In the event Latvian judicial proceedings are not completed within one (1) year of their commencement, the CAF authorities will be relieved of any obligations under this paragraph. This period of time may be extended in exceptional circumstances as determined by the CAF authorities and appropriate Latvian authorities.
4. Any period of time spent in custody exercised by Latvian or CAF authorities will be credited against any sentence to confinement eventually adjudged in the same case.
5. Except as otherwise concurred by the Participants, confinement imposed by a Latvian court upon a member of the force or civilian component, or a dependant, will be served in one or more Latvian penal institutions designated for such purposes by the Participants. The CAF authorities and family members will be permitted to visit such persons in accordance with regular visiting hours. In coordination with appropriate authorities of the Republic of Latvia, the CAF authorities will be permitted to visit such persons outside regular visiting hours. In coordination with appropriate authorities of the Republic of Latvia, the CAF authorities and family members will be permitted to provide such persons with assistance, including for their health, welfare, and morale, such as clothing, bedding, medical and dental care, and religious counselling.

**SECTION XIV**

**DISCIPLINE**

The CAF authorities will be responsible for the maintenance of discipline over the CAF and may establish military police units in the Granted Facilities and Areas where the CAF are located. The CAF authorities may also authorize the use of such units in communities near facilities and areas where the CAF are located, in coordination with Latvian officials.

**SECTION XV**

**CLAIMS**

1. Members of the force and the civilian component will not be subject to any proceedings for civil claims or administrative penalties arising out of acts or omissions attributable to such persons done in the performance of their official duties. Such claims may be presented to the appropriate Latvian authorities and processed according to the provisions contained in NATO SOFA, Article VIII.
2. For purposes of this Section, the term "civilian component" will include all persons, regardless of their nationality or place of residence, who are GC employees acting in the performance of official duty as assigned by the CAF, but will not include GC contractors, other contractors and employees of contractors, or non-commercial organizations, regardless of their nationality or place of residence.
3. Members of the force and the civilian component will not suffer default judgments or actions prejudicial to their interests when official duties or duly authorized absences temporarily prevent their attendance at non-criminal proceedings.
4. For purposes of determining whether potential civil liability has arisen out of any act or omission done in the performance of official duty by a member of the force or the civilian component, certification by the appropriate CAF authority in Latvia that such act or omission was done in the performance of official duty will constitute a conclusive determination of the fact.

**SECTION XVI**

**OFFICIAL TAX EXEMPTIONS**

1. Acquisition of materiel, supplies, services, equipment, and other property by or for the CAF:

(a) acquired for the use by the CAF;

(b) to be consumed in the performance of a contract with or on behalf of the CAF; or

(c) to be incorporated into articles or facilities used by the CAF,

will be exempt from value added taxes ("VAT"), sales taxes, use taxes, excise taxes, or similar or successor taxes. The CAF will provide to competent Latvian authorities certification, in a format to be mutually determined, that such materiel, supplies, services, equipment, and other property are for the CAF.

1. The exemption will be applied at the point of purchase, if the transaction is accompanied by the appropriate certification referred to in paragraph 1 of this Section. In the case of goods subject to excise tax, the excise exemption will be applied at the point of purchase only if the goods are acquired from a tax warehouse and the transaction is accompanied by the appropriate certification referred to in paragraph 1 of this Section. In all other cases, exemptions will be promptly granted by reimbursement or as mutually determined.

**SECTION XVII**

**PERSONAL TAX EXEMPTIONS**

1. Members of the CAF and their dependants, except dependants who are nationals of or ordinarily resident in the Republic of Latvia, will not be liable to pay any tax, fee, license charge, or similar charges, including VAT, in the territory of Latvia on the ownership, possession, use, transfer between themselves, or transfer in connection with death, of their tangible movable property imported into Latvia or acquired there for their own personal use. The exemption will be applied in accordance with procedures to be mutually determined and in accordance with the applicable laws and regulations as provided by the Latvian Government. Members of the CAF and dependants who possess or use sound and television broadcast receiving apparatus and internet-capable devices in the territory of Latvia will be exempt from taxes, fees, license charges, or similar charges related to such use or possession. Motor vehicles owned by members of the CAF and dependants will be exempt from Latvian road taxes, registration or license fees, and similar charges, but not from the payment of tolls for the use of roads, bridges, and tunnels paid by members of the general public.
2. Reimbursement upon exportation is not precluded under this Section.
3. The exemption from taxes on income provided by NATO SOFA, Article X, will also apply to income received by members of the CAF, dependants, and GC contractors from employment with the organizations referred to in Section II, paragraph 3, and activities addressed in Sections XXI and XXII of this MOU, and from sources outside Latvia.
4. The provisions of Latvian laws and regulations pertaining to the obligation of an employer or self-employed individual to withhold or pre-pay income taxes and social security contributions will not be applicable to income exempt from taxation in Latvia.

**SECTION XVIII**

**OFFICIAL IMPORTATION AND EXPORTATION**

1. With reference to NATO SOFA, Article XI, materiel, supplies, equipment, and other property:

(a) imported by the CAF;

(b) which are for the use by or for the CAF, including to support military service activities provided for in Sections XXI and XXII of this MOU;

(c) are to be used or consumed in the performance of a contract with or on behalf of the CAF; or

(d) are to be incorporated into articles or facilities used by the CAF,

will be permitted entry into Latvia. Such entry will be free from duties, import or registration fees, and other similar charges, including but not limited to use taxes, excise taxes, and VAT. The Participants will cooperate as necessary to ensure that the quantities of materiel, supplies, equipment, and other property imported are reasonable. The CAF will provide the Latvian authorities an appropriate certificate that such materiel, supplies, equipment, and other property qualify for the exemption under the provisions of this paragraph. Deposit of the certificate (as provided for in NATO SOFA, Article XI, paragraph 4) will be accepted by Latvian customs authorities instead of a customs declaration of the items. When materiel, supplies, equipment, and other property are imported by contractors under the provisions of this paragraph, the CAF will require the contractors to use the items exclusively for the execution of the CAF's contracts.

1. The materiel, supplies, equipment, and other property referred to in paragraph 1 of this Section will be exempt from any tax or other charge that would otherwise be assessed upon such property after its importation or acquisition.
2. The exportation from Latvia of the materiel, supplies, equipment, and other property referred to in paragraph 1 of this Section will be exempt from Latvian export duties.

**SECTION XIX**

**PERSONAL IMPORTATION AND EXPORTATION**

1. The CAF, dependants, and GC contractors may import their personal effects, furniture, up to two (2) private motor vehicles (to include motor cycles, caravans, or other vehicles) per person over eighteen (18) years of age, and other goods intended for their personal or domestic use or consumption free of customs duty and taxes during their assignment in the territory of Latvia. This privilege will apply not only to goods that are the property of such persons but also to goods sent to them by way of gift or delivered to them in fulfilment of contracts concluded with a person or persons not domiciled in the territory of the Republic of Latvia, in accordance with mutually determined procedures. Such imports may not exceed reasonable amounts for personal use and must not indicate, by their nature or quantity, that the goods are being imported for commercial reasons. Alcohol products, tobacco, and tobacco products will not be imported through the military post office.
2. The goods referred to in paragraph 1 of this Section and other goods acquired free of taxes and/or duties may not be sold or otherwise transferred to persons in Latvia who are not entitled to import such goods duty free, unless such transfer is approved by the appropriate Latvian authorities. Such approval will not be required for gifts to charity. Payment of any taxes due as the result of transactions with persons not entitled to import such goods will be the responsibility of the recipient of such goods. Members of the CAF, dependants, and GC contractors may freely transfer property referred to in paragraph 1 of this Section between themselves and to other entitled persons, and such transfers will be free of tax and/or duty. Latvian authorities will accept duly filed police reports as conclusive determinations that duty and tax free goods of members of the CAF, dependants, and GC contractors have been stolen, which will relieve the individuals of any liability for payment of the tax or duty. The CAF will be responsible for maintaining records of the theft or loss of tax or duty-free goods and also records of transfer of such goods. Such records will be accepted by the authorities of the Republic of Latvia as proof of these transfers.

**SECTION XX**

**CUSTOMS PROCEDURES**

1. The Latvian Government will take all appropriate measures to ensure the smooth and rapid clearance of imports and exports contemplated under this MOU. Any customs inspection will take place expeditiously. Customs inspections under this MOU will be carried out in accordance with procedures mutually determined between the appropriate Latvian authorities and the CAF.

1. Any customs inspection by Latvian customs authorities of incoming or outgoing personal property of members of the CAF or dependants will be conducted when the property is delivered to or picked up from the individual's residence or in accordance with mutually determined procedures.
2. The CAF’s classified information as clearly identified and marked by the CAF may be imported into and exported from Latvia without being subjected to a customs inspection.
3. The CAF authorities will establish the necessary measures at facilities where the CAF are located to prevent abuses of the rights granted under the customs provisions of the NATO SOFA and this MOU. The CAF and Latvian authorities will cooperate in the investigation of any alleged customs violations.

**SECTION XXI**

**MILITARY SERVICE ACTIVITIES**

1. The CAF may establish military service exchanges, commissaries, other sales outlets, open messes, social and educational centres, and recreational service areas in Latvia at mutually determined locations for use by members of the CAF, dependants, and other authorized personnel. The CAF may operate and maintain the foregoing military service activities directly or through contract with other organizations. No license, permit, inspection, or other regulatory control will be required by the Latvian Government for these military service activities.

1. The CAF, its dependants and GC contractors may enter into contracts with financial institutions to operate banking and other financial activities in Latvia for the exclusive use of the CAF, its dependants, and GC contractors.
2. The activities and organizations referred to in this Section will be accorded the same fiscal and customs exemptions granted to the CAF. Such activities and organizations will be maintained and operated in accordance with applicable Canadian regulations. Such activities and organizations will not be required to collect or pay taxes or other fees for activities related to their operations.
3. The CAF will adopt appropriate measures to prevent the sale of goods and property imported into or acquired in the territory of Latvia by the activities and organizations referred to in paragraphs 1 and 2 of this Section to persons who are not authorized to patronize such activities or organizations.

**SECTION XXII**

**MILITARY POST OFFICES**

* 1. The CAF may establish, maintain, and operate military post offices for use by the CAF, its dependants, and GC contractors.
  2. Mail posted at such post offices may bear Canadian stamps.
  3. The CAF's official mail will be exempt from inspection, search, or seizure.
  4. The CAF will establish appropriate and necessary measures at military post offices to prevent the improper importation of goods into the territory of Latvia by members of the CAF, its dependants, and GC contractors.
  5. Customs inspections will be carried out in accordance with procedures mutually determined between the appropriate Latvian authorities and the CAF.

**SECTION XXIII**

**CURRENCY AND EXCHANGE**

1. The CAF have the right to import, export, and use currency or instruments expressed in the currency of Canada and other countries in any amount.
2. The CAF authorities may distribute to or exchange for members of the CAF, and their dependants currency of, and instruments denominated in the currency valid in:
   * 1. Canada;
     2. the Republic of Latvia;
     3. the Euro zone; and
     4. any other country, to the extent required for the purpose of authorized travel, including travel on leave.
3. Members of the CAF and their dependants may:
   1. Import and export Canadian currency and instruments denominated in the currency of Canada; and
   2. Export from Latvia any currency, and instruments denominated in any such currency, provided that such CAF personnel or their dependants have either imported such currency or instruments into Latvia, or received such currency or instruments from the CAF.
4. The CAF authorities will, in consultation with the authorities of the Latvian Government, take appropriate measures in order to prevent any abuse of the rights granted under this Section and to safeguard the system of foreign exchange regulations of Latvia insofar as they apply to personnel covered by this MOU. It is the duty of members of the CAF and their dependants to respect the foreign exchange laws of each of the Participants.

**SECTION XXIV**

**LABOUR**

1. The CAF and organizations conducting those military service activities described in Sections XXI and XXII of this MOU may recruit and employ dependants, as well as persons authorized to be employed in the territory of Latvia, and may administer those employees in accordance with this Section. Dependants will not need to acquire right to employment under Latvian law for the activities specified in Sections XXI and XXII of this MOU.
2. Terms and conditions of employment will be set by the CAF and such organizations in accordance with applicable Canadian law and regulations, taking into consideration prevailing wages and the provisions of labour legislation of Latvia. Wages and salaries, benefits, supplementary payments, and increases in such payments will be in accordance with Canadian law and regulations.
3. Upon request, for dependants seeking employment beyond military service activities described in Sections XXI and XXII of this MOU, the appropriate Latvian authority may grant the right to employment without restrictions. Such employment will be subject to laws and regulations applicable in Latvia.

**SECTION XXV**

**CONTRACTING PROCEDURES**

1. The CAF may contract for any materiel, supplies, equipment, and services (including construction) to be furnished or undertaken in Latvia without restriction as to choice of contractor, supplier, or person who provides such materiel, supplies, equipment, or services. Such contracts will be solicited, awarded, and administered in accordance with Canadian laws and regulations. The CAF will give due consideration to information provided by Latvian authorities regarding contractors.
2. The Latvian Government will accord to the CAF treatment in the matter of procurement of goods, services, and utilities no less favourable than is accorded to the Latvian National Armed Forces.
3. Nothing in this MOU is intended to preclude Latvian nationals and legal entities from undertaking activities under this MOU as contractors, subcontractors, or employees.

**SECTION XXVI**

**STATUS OF CONTRACTORS**

GC contractors will be exempt from Latvian laws and regulations with respect to the terms and conditions of their employment to perform work under contracts with the CAF, and with respect to the licensing and registration of businesses and corporations solely with regard to the provision of goods and services to the CAF in Latvia. Such contractors also will be exempt from all corporate and excise taxes arising solely from the delivery to the CAF of goods or services, or from construction of facilities for the CAF. Such contractors also will not be subject to any form of income or profits tax by the Latvian Government or its political subdivisions on that portion of its income or profits derived from a contract or subcontract with the CAF.

**SECTION XXVII**

**PROTECTION OF THE ENVIRONMENT**

The Participants intend to implement this MOU in a manner consistent with the protection of the natural environment and human health and safety. The CAF confirms its intent to respect relevant Latvian environmental, health, and safety laws, regulations, and standards in the execution of its policies. The Latvian Government confirms its policy to implement environmental, health, and safety laws, regulations, and standards with due regard for the health and safety of the CAF, their dependants, and GC contractors. The Participants will meet as mutually determined to discuss any risks or hazards that may affect the environment in the Granted Facilities and Areas or their adjoining areas arising from the activities contemplated by this MOU. The Latvian Government confirms its intent to supply the CAF with copies in English of these laws, regulations, and standards.

**SECTION XXVIII**

**UTILITIES AND COMMUNICATIONS**

1. The CAF and GC contractors will be allowed to use water, electricity, and other public utilities under the same provisions, including rates or charges, no less favourable than those available to Latvian National Armed Forces or the Latvian Government in like circumstances, free from taxes or other government fees or charges. The CAF's costs will be equal to their pro-rata share of the use of such utilities.

2. The Participants recognize that it may be necessary for the CAF to use the radio spectrum. The CAF will be allowed to operate their own telecommunication systems (as ''telecommunication" is defined in the 1992 Constitution and Convention of the International Telecommunication Union). This will include the right to utilize such means and services as required to ensure full ability to operate telecommunication systems, and the right to use, free of cost to the CAF, all necessary radio spectrum for this purpose. The CAF, in the interest of avoiding mutually disruptive interference, will coordinate concerning the use of frequencies with the Latvian Government authorized representative. In case urgent operational requirements do not permit such coordination, such use will be notified to the Latvian Government authorized representative as soon as possible.

**SECTION XXIX**

**EVACUATION OF THE CAF AND DEPENDANTS**

In case of emergency, the CAF will be granted prompt access to the territory of the Republic of Latvia for the purpose of evacuating the CAF, their dependants and GC contractors. The Participants will coordinate procedures to ensure the prompt evacuation.

**SECTION XXX**

**MILITARY CLUBS, TRAVEL CONCESSIONS, SPORTS FACILITIES**

**AND OTHER MORALE AND WELFARE ACTIVITIES**

The Latvian Government will grant the CAF and their dependants access and discounts to military amenities and clubs, travel concessions, sports facilities and other morale and welfare activities at costs and rates no less favourable than those available to members of the Latvian National Armed Forces and their dependants.

**SECTION XXXI**

**MEDICAL AND DENTAL SERVICES**

1. In accordance with Article IX, paragraph 5 of the NATO SOFA, the Latvian Government will permit the CAF and their dependants to receive medical and dental care, including hospitalization, under the same conditions as comparable personnel of the Republic of Latvia. The Latvian Government will work with the CAF to ensure that procedural provisions exist to prevent delay or denial of such care by reason of lack of personal or identification number of the Republic of Latvia, registration or other proof of status normally used by the nationals of the Republic of Latvia.

2. The above details in Paragraph 1 of this Section do not preclude the Latvian Government from assisting the CAF in the establishment of additional bilateral medical and dental care arrangements with medical and dental care providers located in the territory of the Republic of Latvia. All costs incurred by the CAF and their dependants associated with receipt of medical and dental care from such providers will be borne, as appropriate, by the CAF, their dependants or insurance providers.

**SECTION XXXII**

**EDUCATION SERVICES**

The CAF and their dependants will be granted access to education and kindergartens, including Latvian language instruction, provided by the authorities of the Republic of Latvia (including the regional, municipal authorities and the like), under the same conditions and fees no less favourable than those available to comparable nationals of the Republic of Latvia.

**SECTION XXXIII**

**FINANCIAL ARRANGEMENTS**

Each Participant will be responsible for funding the costs it incurs in its own interests related to support of this MOU unless mutually decided otherwise.

**SECTION XXXIV**

**AMENDMENTS, SUPPLEMENTS AND IMPLEMENTATION**

1. This MOU may be amended or supplemented at any time with the mutual written consent of the Participants and will become effective according to Section XXXVI.
2. As appropriate, the Participants or their authorized representatives may enter into other arrangements to carry out the provisions of this MOU.

**SECTION XXXV**

**DIFFERENCES IN INTERPRETATION OR APPLICATION**

Any differences regarding the interpretation or application of this MOU will be resolved only by consultation between the Participants at the lowest appropriate level and will not be referred to a national or international tribunal, or any other third party for resolution.

**SECTION XXXVI**

**DURATION AND TERMINATION**

1. This MOU will come into effect upon the later date of notification between the Participants indicating that each Participant has completed its internal procedures to bring this MOU into effect. It will remain in effect unless terminated by either Participant giving sixty (60) days prior notice, in writing, to the other Participant.
2. In the case that this MOU is terminated, the relevant provisions will continue to be applied in respect of any matters not resolved at the time of termination.
3. Either Participant may unilaterally terminate this MOU effective immediately (e.g., due to operational requirements resulting from national military obligations arising at any time after this MOU takes effect) by notifying the other Participant in writing. Financial costs incurred as a result of a unilateral termination will be presented to the terminating Participant for reimbursement no later than three (3) months from the date of unilateral termination notification.
4. This MOU is signed in \_\_\_\_\_\_\_\_ (*place*) on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (*date*), in two (2) originals in the English language, one for each Participant.

On Behalf of the Government of the Republic of Latvia,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**NAME**

On Behalf of the Government of Canada as represented by the Department of National Defence of Canada and the Canadian Armed Forces,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**S. J. BOWES**

Lieutenant-General

COMMANDER CANADIAN JOINT OPERATIONS COMMAND

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