



FINANCIAL MARKET DEVELOPMENT IN LATVIA

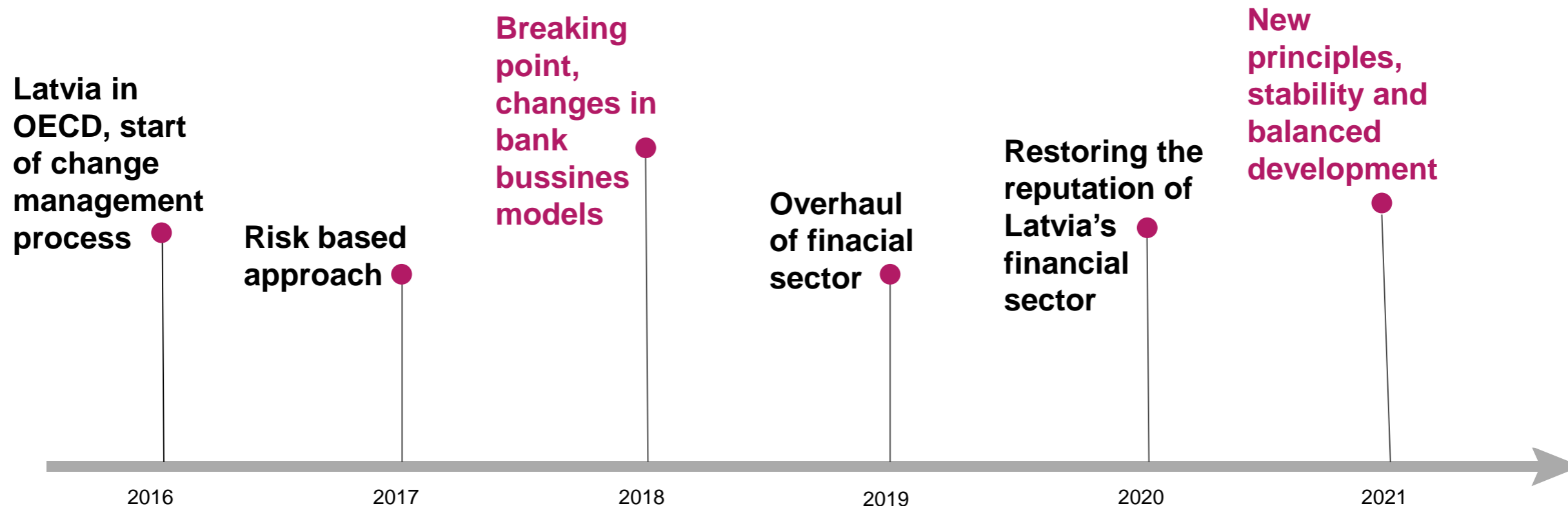
Santa Purgaile,
FCMC Chairwoman
07.02.2020



**Changes in compliance
culture**

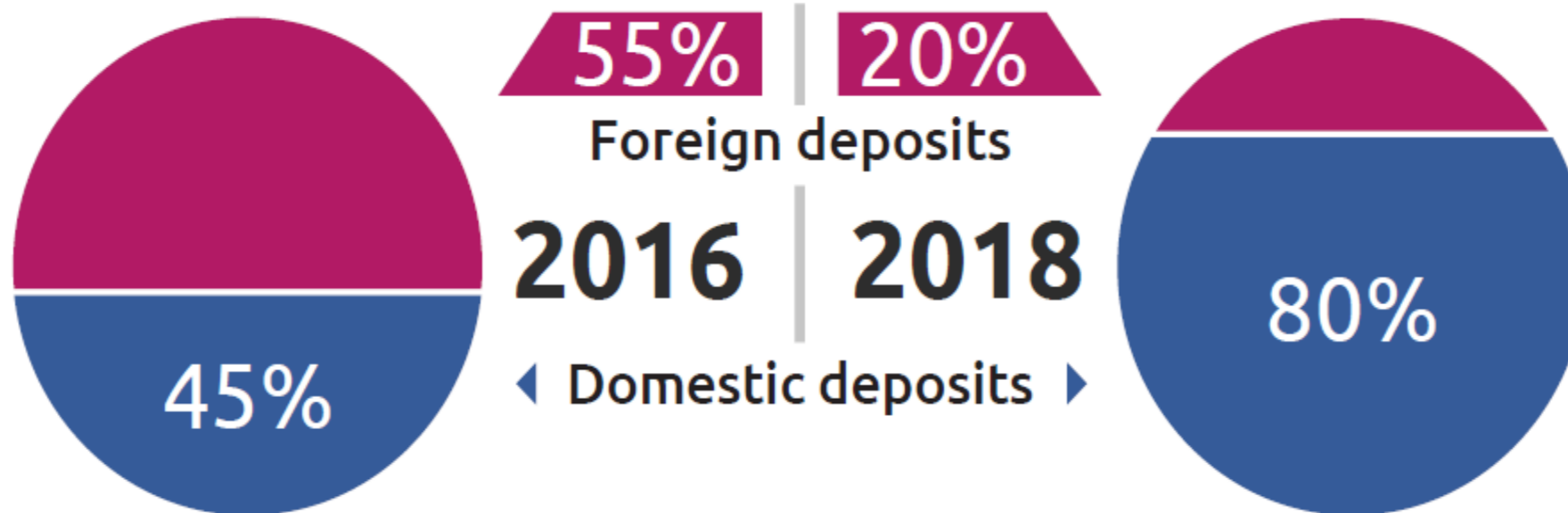


Financial sector transformation timeline





Changes in customer structure





**Future perspectives and
challenges**

Essential criteria for future bank activities

- ▶ **Viability**
- ▶ **Sustainability**
- ▶ **Compliance with regulatory requirements**
- ▶ **Change of target market and target customers**
- ▶ **Revised financing structure**
- ▶ **Alternative business lines and services**



Challenges



“Serious money laundering scandals involving a number of banks have highlighted that **Europe needs to do more.”**

EU Finance Commissioner **Valdis Dombrovskis** 11.12.2019

Directions of further transformation



FCMC

- **Improve the cooperation between Latvian institutions**
- **Improve cooperation and exchange of information between supervisors within the European Union**
- **Further implementation of Moneyval recommendations**



Directions of further transformation

**Financial
market
participants**

- **Transparency of business environment – new normal of compliance culture**
- **Understanding based on the FCMC dialogue with the industry**
- **“Consulting first” principle in bank and customer cooperation**

Summary



“Geographically and geopolitically, Latvia was among the first countries to carry out radical changes, but this will serve as a competitive advantage in the future. When other countries will need to deal with above changes, we will have already done this.”



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THANK YOU

**FINANŠU UN KAPITĀLA
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