



Ministry of Finance
Republic of Latvia

Financial Sector Development Plan 2021-2023

Adopted by Cabinet of Ministers on 18 March 2021



Goals and priorities of Financial sector development plan 2021-2023

Government declaration – We will implement a financial market policy that promotes the competitiveness and digital development of the financial sector supporting economic growth.

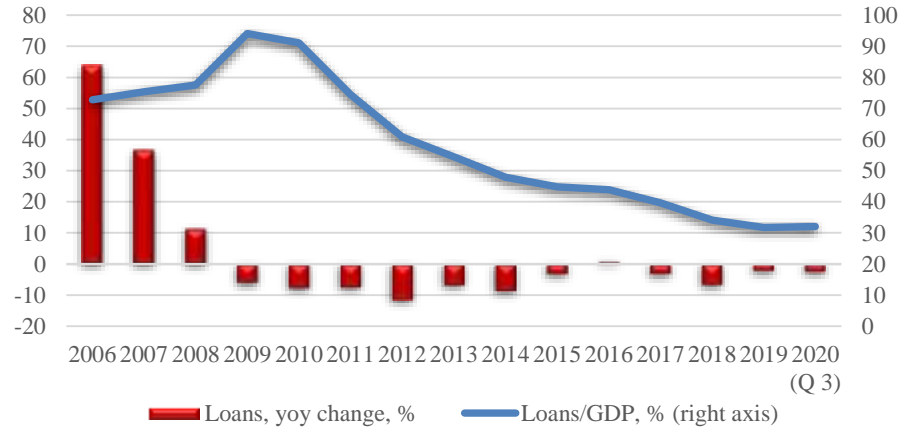
- ❑ **The plan offers evaluation of financial sector, identifies priorities and institutions responsible for specific actions.**
- ❑ **Goal of the actions included in the plan** – continue to develop innovative and accessible financial sector, that promotes and supports sustainable economic growth.
- ❑ **Priority areas:**
 - Improve access to financing and investment opportunities
 - Digitalization and availability of innovative financial services
 - Sustainable finance



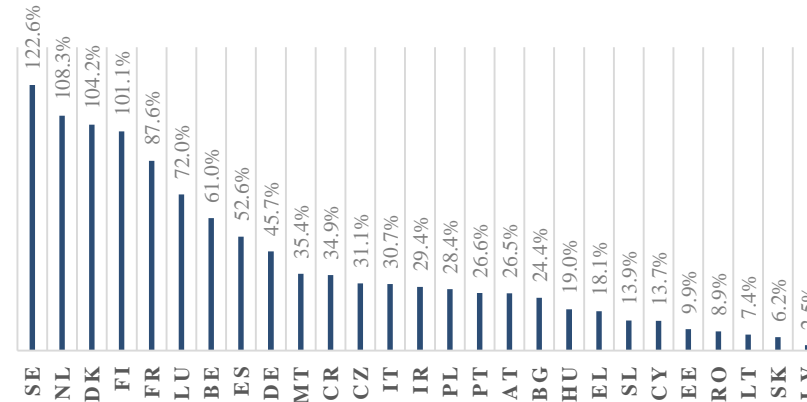
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Financial sector, important numbers

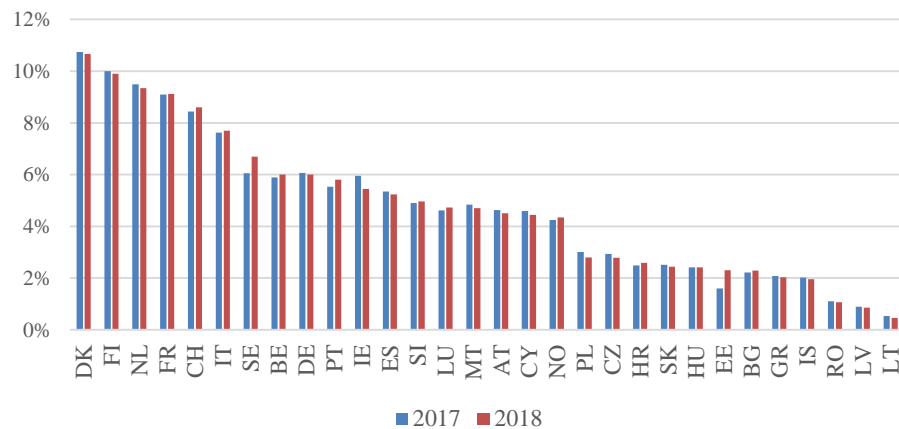
Outstanding bank loans to GDP
(FCMC)



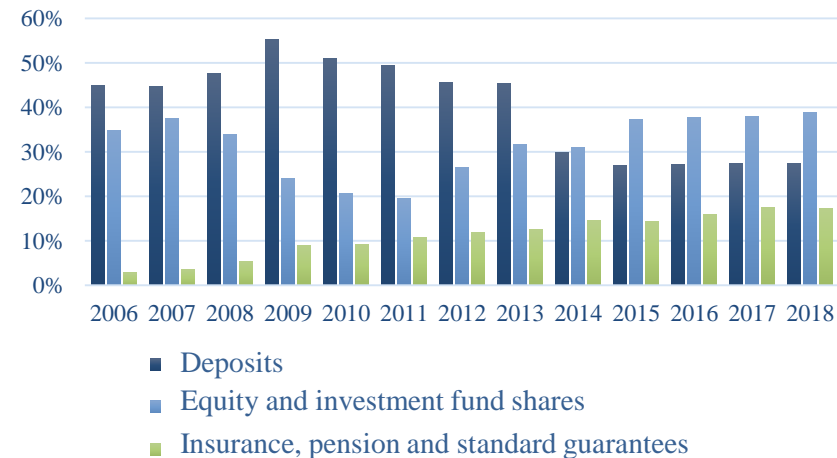
Stock market cap in EU, % of GDP
2018



Insurance premiums in domestic market, % of GDP
(Insurance Europe)



Main financial assets of households, %
(Bank of Latvia)





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Access to financing and investment opportunities

Sustainable lending

- Regular assessment of barriers for lending
- Simplify the process of registering changes in Land Register related to refinancing
- Better access to information for credit risk assessment
- Improved state support programs (guarantees and loans)
- Promoting use of financing and technical support from international financial institutions

Capital markets and promoting culture of saving and investing

- Baltic IPO fund for SMEs
- Implementation of Financial and Capital Market Commission's 10 step program for development of capital market
- More active participation of state owned enterprises in capital markets
- Continuation of support program for SME's entry into capital markets
- Further improvement of pensions regulation to facilitate investments in Latvian economy

Financial literacy

- Implementation of the Financial literacy strategy with objective to promote culture of saving and investing
- Make information on accumulated pension savings more accessible



Digitalization and availability of innovative services

Innovation friendly ecosystem

- Cooperation framework for supporting innovation in financial services
- Elaboration of national *Fintech* strategy
- Promoting cooperation with universities in the field of financial innovation

Access to payment and digital infrastructure

- More credit institutions in instant payments scheme
- State Treasury to join instant payments and related services infrastructure
- Improvements in e-invoice and e-receipt infrastructure

Information on risks and opportunities of financial technology

- Improve literacy in digital safety
- Improve cyber risk management culture within *fintech* companies



Sustainable finance

Strategic and institutional framework for reaching sustainable finance goals

- Creation of inter institutional cooperation framework
- Transposition of EU sustainable finance regulation in national regulation, avoiding applying stricter requirements in national level
- Develop and implement **National sustainable finance strategy**
- Promote clear definition of policy goals and roadmap for specific sectors in the economy

Availability of ESG data

- Improve availability of ESG data
- Creation of *Ecolabel* for financial products

Improve understanding of sustainable finance

- Promote understanding of sustainable finance within financial sector and among consumers, businesses



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THANK YOU!