

To register a joint-stock company the founders must provide the *Latvian Enterprise Registry* with various documents. Once a registration certificate has been issued, the company is established as a legal entity and can commence business activity.

### **Advantages**

- Fully knowledgeable about the industry.
- Able to identify emerging opportunities
- Control image, reputation, and sales of the company's products
- Control of the quality and distribution of the proprietary product. This is especially important if the products are technically sophisticated or if incorrect manufacture can result in serious consequences.
- Control financial matters such as price, profit.

### **Disadvantages**

- Drain on financial, technical and personnel resources of the investor
- Business and financial risk
- Lengthy approval process

### **Local Management**

Local management expertise is necessary (see "Human Resources"). The foreign company can contribute expertise, technology, and capital but nevertheless will require collaboration with individuals knowledgeable about Latvia and how the economy here works. Canadian executives can manage all technical aspects of the business, but local managers must be competent to take responsibility for the labour and time intensive aspects of this business such as dealing with bureaucratic matters.

All aspects of business relating to technical competence should be maintained in the hands of the foreign company's expatriate employees to ensure that the product quality is guaranteed.

### **Repatriation of Profits**

After meeting all obligations to creditors and paying local taxes, etc., a foreign investor may freely repatriate profits in convertible currency without restriction.

Latvia has some of the most liberal repatriation legislation in Eastern Europe.