

# Changes in filing credentials with SRS (1/23/17)

To prevent board signatures being forged for the purpose of gaining access to company data, the SRS has put enhanced security procedures in place with effect from 10 April 2017 and plans to amend the legislation relating to data protection.

## Current arrangements

To become a user of the Electronic Declaration System (EDS), it is currently possible to authenticate through an online bank, [www.latvija.lv](http://www.latvija.lv) or a secure electronic signature (eSignature). At the time of registration the person is granted the right to represent themselves as an individual and as any entity in which the user is an officer or authorised person according to SRS information.

If the individual is neither an officer nor authorised person according to SRS information, then three steps can be taken to obtain EDS user rights.

## How do I become a user of EDS?

### 1. Complete an EDS user application giving the following details:

- EDS client – an entity for which documents will be filed;
- manager of rights – a user permitted to use the system independently and edit their own and other users' rights and settings (it is possible to appoint more than one manager of rights);
- EDS user – an individual using the system within the scope authorised by the manager of rights;
- IP address – an optional field to state an IP address or IP address mask when it is necessary to restrict a user's EDS access to a single computer or to computers of a single network.

### 2. Documents can be filed with the local tax office.

3. When filing an application in hard copy and confirming the person's identity (by showing a passport or ID card) as an authorised signatory, the SRS will register the EDS user and send a username and an initial password to the user's email address stated in the application within five working days. The new user can begin to use the system after receiving the username and the initial password.

We have seen in practice that in order to obtain company EDS user rights, it was possible to file a power of attorney as part of the three steps above and even agree with an SRS officer that the documents will be processed at once to obtain all access rights within less than an hour. Seeing that this arrangement is not secure and makes it possible for dishonest persons unrelated to the company to become EDS users, the SRS has decided to change the existing arrangements in order to increase the level of security. This is important because the individual as a user of EDS may have access to confidential and sensitive data relating to the company and its performance indicators, clients and suppliers as well as its employees and their salaries.

## Arrangements going forward

To obtain EDS rights, the system will now send a request for the company officer to confirm these rights. An exception will be made when a company officer who is alone authorised to act for the company arrives

in person. New EDS user rights will not be granted until the company officer accepts them via EDS.

The SRS and the Ministry of Justice are also planning to supplement the legislation with other new legal solutions aimed at avoiding cases where persons gain unauthorised access to confidential company data. It is proposed that entities should use the electronic environment (such as EDS) for communicating with the government or sign documents with a secure electronic signature or visit a tax office in person with paper documents to allow their submission by a company officer only.