

Riga

April 26th, 2018

Memorandum of Cooperation for the development of Global Business Service Centres

Considering the increasing role of Global Business Service Centres (hereinafter “GBSC”) in the economic growth of the Central European and Baltic regions, as well as the untapped job creation potential for the city of Riga, **the Ministry of Economics of the Republic of Latvia, the Riga City Council** and the **Investment and Development Agency of Latvia**, all of which represent the public sector, and **The National Alliance of Real Estate Developers, the Association of Latvian Commercial Banks** and the **Foreign Investors’ Council in Latvia**, all of which represent the private sector (hereinafter called “the Parties”), by signing this memorandum (hereinafter “Memorandum”) agree to undertake deliberate cooperation aimed at the development, growth and new job creation in the GBSC sector.

In cities with a competitive business environment and good workforce availability, GBSCs are used to provide a wide range of business support functions including data processing, accountancy and book-keeping, as well as finance, human resources and client service support to large international companies. Around 50 companies are already operating successfully in Riga in the GBSC sector, including Circle K, Tele2, Accenture, Cabot, Evry, Tieto, Visma, Atea, SEB, DNB, Swedbank and If.

The Parties undertake to create at least 10,000 new high-value jobs in GBSCs, including programming and business analytics, over the course of the next 5 years. These will be jobs in well-known and respected companies with salaries well above the national average and with additional job security guarantees. These companies should also help motivate local students to remain in Latvia after graduation and facilitate the implementation of the state’s re-emigration policy.

I. Aim of the Memorandum and principles of cooperation

1. To fulfil the potential defined in the preface to the Memorandum and to ensure that international companies create at least 10,000 jobs in Riga, the Parties agree to do the following:

- 1.1. to identify the factors, problems and company visions that will define the GBSC environment of Riga, and to formulate the advantages already in existence;
- 1.2. to develop solutions to problems identified by the companies in the sector and by the Parties;
- 1.3. to maintain an open dialogue with representatives of the GBSC sector to jointly pursue further development of the business environment;

- 1.4. to actively approach international companies looking to fill existing gaps in the market with globally-recognized enterprises capable of developing high value-added GBSC businesses with cutting-edge technology.
 - 1.5. to promote international recognition for and acclaim of Latvia and Riga in terms of the GBSC sector.
2. To achieve the aims defined in Article 1 of the Memorandum, relevant tasks have been included in the attached “Action plan” (which will be regularly reviewed and updated), and the Parties will, both separately and jointly, perform these in purposeful cooperation as long as it will be possible and as conforming to the interests of the state.
3. The basic principles of the Parties’ cooperation are:
- 3.1. observation of the interests of the state and society;
 - 3.2. just fulfilment and proportionate distribution of duties.
 - 3.3. timely exchange of information and knowledge;
 - 3.4. expression and evaluation of opinions and proposals;
 - 3.5. initiation of issues to be solved and proposals for solutions;
 - 3.6. openness and transparency.

I. Concluding remarks

4. This Memorandum is executed in six copies, one copy for each Party.
5. The holder of the main copy is the Ministry of Economics of the Republic of Latvia.
6. The attached “Action plan” is an inalienable part of the Memorandum.
7. The Parties will solve all questions and disagreements connected to the implementation of this Memorandum by means of mutual discussion.
7. Amendments to the Memorandum or its Attachment can be made only if they are substantiated and have gained the acceptance of the majority of the signatories. The Parties agree on amendments in spoken form and they acquire binding force immediately.
8. Other state authorities, municipalities and non-governmental organizations can join the Memorandum at any time, provided the Parties express univocal agreement. Only the signature sheet of the main copy is signed when the number of signatories is extended. Each new signature sheet is added to the Memorandum, continuing the sheet numeration, and becomes an inalienable part of this Memorandum.
9. New copies of the Memorandum will not be issued.
10. The Memorandum enters into force as soon as it is signed.

Signatures of the Parties:

Minister of Economics of the Republic of Latvia

Arvils Ašeradens

Chairman of the Riga City Council

Nils Ušakovs

Director General of the Investment and Development Agency of Latvia

Andris Ozols

Chairman of the Board of the National Alliance of Real Estate Developers

Mārtiņš Vanags

Chairman of the Association of Latvian Commercial Banks

Sanda Liepiņa

Chairman of the Foreign Investors' Council in Latvia

Zlata Elksniņa-Zaščirinska