

Latvia and the Rome Convention

Martins Aljens (Lejins Torgans & Partners) has posted a summary on how the entry into force of the Rome Convention in Latvia has altered the Latvian conflict of laws rules. The Rome Convention came into force in Latvia on 1st March 2006. The provisions of the Rome Convention override the conflict of laws provisions relating to contractual obligations embodied in the introductory part of the much less-detailed Latvian Civil Law.

Perhaps the biggest area in which the difference will be felt is the identification of the applicable law *in the absence of choice* (Article 4). Aljens argues:

The Rome Convention sets a somewhat different mechanism to determine the applicable law in the absence of choice by the parties. While, in such case, the Civil Law always directs to the law of the country where the obligation is to be performed, the Rome Convention is more general in providing that the applicable law is that of the country with which the contract is most closely connected. In help of determination of the applicable law in the absence of choice, the Rome Convention provides several presumptions as to the country with which the contract is most closely connected. Although the application of such presumptions may lead to the same result as the Civil Law, it is likely that the applicable law under the Rome Convention will be different in most cases.

Latvia has also, fortunately, lost the doctrine of *renvoi* (which was applicable in contractual matters under their national conflict of laws rules). Interestingly, Latvia entered a reservation on Article 7(1) (as the UK, Germany, Ireland and Luxembourg did originally, through fear of uncertainty [see the Giuliano-Lagarde Report, OJ 1980 C282/28]), which gives effect to the overriding rules of a closely connected country's law (that is not the applicable law).

For the full summary, see Latvia: Rome Convention on the law applicable to contractual obligations comes into force in Latvia.