



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Indirect Taxation and Tax administration
VAT and other turnover taxes

VAT in the European Community

**APPLICATION IN THE MEMBER STATES,
FACTS FOR USE BY
ADMINISTRATIONS/TRADERS
INFORMATION NETWORKS ETC.**

Note

This document collates a range of basic information on the application of VAT arrangements in the Member States which has been obtained from the tax authorities concerned.

The sole purpose of distributing details of national provisions is to create a work tool. In no way does this document reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.

LATVIA

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GENERAL INFORMATION

1. IF A FOREIGN TRADER WANTS TO OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM, WHOM SHOULD HE CONTACT? (ADDRESS, TELEPHONE, FAX, EMAIL)

The authority where foreign traders can obtain information is as follows:

State Revenue Service
National Tax Board
Smilšu iela 1
Riga, LV-1978
Latvia

Fax: (+371) 7028814

Number for information on tax administration matters: (+371) 67211011

This information is also available on the Latvian State Revenue Service website <http://www.vid.gov.lv>.

2. WHAT IS THE ADDRESS OF THE NATIONAL TAX ADMINISTRATION WEBSITE? WHICH CATEGORIES OF INFORMATION ON VAT IS AVAILABLE ON THAT WEBSITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? AND IN WHICH LANGUAGE(S)?

The address of the Latvian tax authority website is <http://www.vid.gov.lv>.

It contains information about the following subjects:

- legislative acts,
- explanatory information about VAT,
- bookkeeping,
- taxpayer registration,
- forms,
- information brochures for taxpayers,
- electronic declaration,
- international agreements,
- contact points etc.

The information is available in Latvian and partially in English.

3. WHERE IS IT POSSIBLE TO FIND NATIONAL VAT LEGISLATION AND REGULATIONS? IN WHICH LANGUAGE(S) ARE THEY AVAILABLE?

This information can be obtained at regional offices of the State Revenue Service (the addresses and phone numbers of regional offices can be found in the answer to question 6).

State legislative acts concerning VAT and the information brochure "What do I have to know about value added tax (VAT)?" are available on the Latvian tax authority website <http://www.vid.gov.lv>. An information brochure about VAT is available by clicking on "Useful information/ Publications, booklets, brochures". The brochure gives a general overview of the VAT system in Latvia. It contains instructions about registration, calculating and payment of VAT. The brochure is available in Latvian and English.

Translations of national legislative acts into English and EU legislative acts into Latvian can be found on the website of the Translation and Terminology Centre <http://www.ttc.lv>.

REGISTRATION OF FOREIGN TRADERS IN THE VAT TAXPAYERS' REGISTER

4. WHAT ARE THE CIRCUMSTANCES GOVERNING THE NEED TO BE REGISTERED FOR VAT?

Upon commencing transactions liable for VAT in Latvia, foreign traders must register with the State Revenue Service in the VAT Taxpayers' Register.

5. WHAT ARE THE SITUATIONS WHERE REGISTRATION IS UNNECESSARY BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE FOR THE TAX? IN SUCH SITUATION, IS IT POSSIBLE TO REGISTER ON A VOLUNTARY BASIS?

If VAT is paid by a client in Latvia in line with the reverse order being applied to payment of tax on the purchase of goods or services, it is not mandatory for the supplier to register in Latvia. However, the supplier may register voluntarily if he so wishes.

In the event that a person from another Member State supplies goods to a person liable for tax, and these are assembled or installed within the country, this person from another Member State does not have to register with the State Revenue Service on the VAT Taxpayers' Register before the transaction takes place, irrespective of the value of the assembled or installed goods.

The regulations set out henceforth apply to services to which the reverse taxpaying arrangements apply. Persons liable for tax, legal persons exempt from tax and natural persons exempt from tax performing entrepreneurial activities pay taxes to the state budget for the following received services:

- 1) The granting or transfer to another person of patent rights, copyright, licenses, trademarks or other rights;
- 2) Services connected with advertising or public relations, as well as services relating to advertising agents and the activities of advertising agencies;

- 3) Legal (including advocacy, public notary), accounting, auditing, consultancy, translation, expert advice, engineering, market research and management services as well as activities connected with the patents office;
- 4) Data processing;
- 5) Provision of information and exchange of experience;
- 6) Services connected with recruitment except for employee training and education;
- 7) Rental services except for real estate and motor vehicle rental;
- 8) Telecommunications services;
- 9) Intermediary services;
- 10) Provision of connections to the electricity and natural gas distribution systems, as well as transmission and distribution services and other directly related services.

**6. WHOM SHOULD A FOREIGN TRADER CONTACT TO GET REGISTERED FOR VAT?
(DETAILS ABOUT THE DEPARTMENT, INCLUDING ADDRESS, TELEPHONE AND FAX
E-MAIL...)**

SRS RIGA REGIONAL OFFICE

address: Skanstes iela 13, Riga, LV-1013
phone: +371 67097419
fax:
e-mail: konsultacija_vreg@vreg.vid.gov.lv

SRS VIDZEME REGIONAL OFFICE

address: Beātes iela 49, Valmiera, LV-4201
phone: +371 64207738,
fax: +371 64207750
e-mail: konsultacija_vreg@vreg.vid.gov.lv

SRS LATGALE REGIONAL OFFICE

address: Rīgas iela 4/6, Daugavpils, LV-5401
phone: +371 65406200, +371 65406224; +371 65406334
fax: +371 65406216; +371 65406224
e-mail: konsultacija_lreg@lre.vid.gov.lv

SRS ZEMGALE REGIONAL OFFICE

address: Mātera iela 57, Jelgava, LV-3008
phone: +371 63007376
fax: +371 63024787
e-mail: konsultacija_zreg@jelg.vid.gov.lv

SRS KURZEME REGIONAL OFFICE

address: Liepājas iela 48, Kuldīga, LV-3301
phone: +371 63350517
fax: +371 63350540
e-mail: lietvediba@kreg.vid.gov.lv or
konsultacija_kreg@kreg.vid.gov.lv

7. PLEASE DESCRIBE THE DETAILED PROCEDURES (INCLUDING NECESSARY DOCUMENTS) FOR ISSUING VAT IDENTIFICATION NUMBERS, SPECIFICALLY TO FOREIGN TRADERS

In order for persons from Member States and persons not registered within the territory of the EU to become registered in the VAT Taxpayers' Register, they must submit (present) the following documents at a regional office of the State Revenue Service:

1. Submit Annex 4 "Application by persons from Member States and persons not registered in the territory of the European Union for registration in the VAT Taxpayers' Register" of Cabinet Regulation No 933 of 14 November 2006 "Procedures for applying the provisions of the Law on value added tax"; <http://www.vid.gov.lv/default.aspx?tabid=8&id=1400&hl=2>
2. Present a personal identification document or driving licence for the applicant. If a registration application is submitted by an authorised representative, he must also present the relevant power of attorney.

The regional office of the State Revenue Service shall consider the registration application and register the person in the VAT Taxpayers' Register within 15 working days following receipt of the application.

A person shall be considered as registered in the VAT Taxpayers' Register from the day on which he is issued with a certificate of registration as a VAT Taxpayer. With the receipt of the certificate of registration as a VAT Taxpayer, the taxpayer becomes a person liable for tax and must charge VAT on the goods he supplies or services he provides.

In the event of changes to the information stated in the registration application, the person shall submit a registration application to a regional office of the State Revenue Service containing information about the changes to the registration data of the person liable for value added tax.

More information about the registration procedures can be found on the Latvian tax authority website <http://www.vid.gov.lv>.

THRESHOLDS

8. WHICH THRESHOLD DO YOU OPERATE AS REGARDS INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 28B(B)(2) OF THE SIXTH VAT DIRECTIVE?

The transaction value threshold is LVL 24 000 (EUR 36 952).

9. WHICH THRESHOLD DO YOU OPERATE AS REGARDS ACQUISITIONS BY NON-TAXABLE LEGAL PERSONS OR EXEMPT PERSONS UNDER THE SECOND SUBPARAGRAPH OF ARTICLE 28a(1)(A) OF THE SIXTH VAT DIRECTIVE?

The transaction value threshold is LVL 7000 (EUR 10 778).

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN (NON-EU) TRADERS

10. WHAT ARE THE SITUATIONS IN WHICH THE APPOINTMENT OF A TAX REPRESENTATIVE IS OBLIGATORY?

It is not mandatory to appoint a tax representative. A foreign trader may elect to register his authorised representative in Latvia in the VAT Taxpayers' Register.

11. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

In the event that a person from another Member State, or a person not registered in the territory of the European Union, performs one or more transactions liable for tax, he may register his authorised representative in Latvia in the VAT Taxpayers' Register in accordance with this person's legal address or declared place of residence.

In order for an authorised representative (taxpayer in Latvia) to be registered in the VAT Taxpayers' Register, he must submit (present) the following documents at a regional office of the State Revenue Service:

- 1) Submit Annex 1 "Application for registration in the VAT Taxpayers' Register" of Cabinet Regulation No 933 of 14 November 2006 "Procedures for applying the provisions of the Law on value added tax";
- 2) Present a personal identification document or driving licence for the applicant. (<http://www.vid.gov.lv/default.aspx?tabid=8&id=1400&hl=2>)

The regional office of the State Revenue Service shall consider the registration application and register the person in the VAT Taxpayers' Register within 15 working days following receipt of the application.

A person shall be considered as registered in the VAT Taxpayers' Register from the day on which he is issued with a certificate of registration as a VAT Taxpayer. With the receipt of the certificate of registration as a VAT Taxpayer, the taxpayer becomes a person liable for tax and must charge VAT on the goods he supplies or services he provides.

12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?

A tax representative has the same rights and obligations as any taxpayer in the territory of Latvia.

General obligations of tax representatives:

- To calculate payable tax amounts;
- To pay taxes and duties within prescribed time-limits and in full;
- To submit declarations, reports or tax calculations (hereinafter referred to as declarations) stipulated in specific tax laws to the tax administration, either in writing or electronic format;
- To keep documents verifying income and expenditure from financial and entrepreneurial activities for at least five years for the purpose of proving the accuracy of tax calculations, and in those cases where the taxpayer is liable for a period exceeding five years for a special tax regime as provided for by law, for the entire period for which the special tax regime applies;
- To report all income, and to ensure conformity of tax, duty and other mandatory amounts payable to the budget with laws and regulations on procedures for the calculation and payment of amounts owed to state and local governments, by presenting or submitting documents requested by tax administration officials (employees);
- To permit tax administration officials (employees) to inspect premises used for entrepreneurial activities in accordance with the procedures laid down by law;
- To withhold payable tax amounts laid down in specific tax laws;
- To use consignment notes with numbers allocated by the State Revenue Service, for tax calculation and bookkeeping purposes, in accordance with the procedures laid down in this Law and in Cabinet Regulations;
- To register tax and other payments laid down in this Law and in Cabinet Regulations using electronic devices and equipment;
- In the event that the taxpayer keeps accounting registers using electronic computing machines (computers), to submit, at the request of the tax administration, justifying documents and accounts register data prepared for conducting tax reviews (audits) in electronic format;
- To submit documents requested by the tax administration for use in defining the tax base.

General rights of taxpayers:

- To utilise concessions from taxes and duties as laid down by law;
- To utilise tax allowances laid down by law;

- To study regulatory documents governing the calculation and procedures for payment of taxes and duties at the tax administration free of charge;
- To study tax and duty calculation certificates and reports applying to a particular taxpayer;
- To appeal against decisions by the tax administration;
- To submit to the tax administration an application for the review of duty payments, corrections to a declaration or clarification of tax (an object liable for tax) payments within three years of the payment deadline laid down in the specific tax law, if a review (audit) of the specific taxes and respective taxation periods has not been commenced or conducted during this time. In regard to tax payments transferred to the state budget, the expiry of the deadlines stipulated in this paragraph may be reinstated by the Director General of the State Revenue Service, if the taxpayer submits an application for payment of taxes that have not been paid by the deadline;
- To receive refunds of overpaid tax amounts in accordance with specific tax laws;
- To receive refunds of amounts wrongly collected by the tax administration;
- To request refunding of overpaid tax amounts within three years of the payment deadline laid down in the specific tax law.
<http://www.vid.gov.lv/default.aspx?tabid=8&id=1401&hl=2>

13. WHAT ACTION CAN YOU TAKE IN THE EVENT OF FAILURE BY A TRADER IN ANOTHER COUNTRY TO DESIGNATE A TAX REPRESENTATIVE IN YOUR TERRITORY?

In the event that a foreign trader does not register his authorised representative in Latvia as a person liable for value added tax, the foreign trader must himself be registered as a person liable for value added tax at one of the sites where the transaction is performed in Latvia.

See question 7 for the registration procedures.

14. IS IT NECESSARY TO SET UP A BANK GUARANTEE?

No

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS ESTABLISHED IN THE EU

15. IS IT POSSIBLE TO APPOINT A TAX REPRESENTATIVE OR A TAX AGENT?

The same regulations that govern the appointment of representatives for foreign (non-EU) traders apply to foreign traders established in Latvia and the EU.

16. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

See the answer to question 11.

17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF A TAX REPRESENTATIVE?

See the answer to question 12.

18. ARE THERE SITUATIONS WHERE IT IS OBLIGATORY TO SET UP A BANK GUARANTEE?

See the answer to question 14.

INVOICING

RULES ABOUT INVOICING

19. WHERE CAN THE RELEVANT RULES (LAWS, REGULATIONS, INSTRUCTIONS, GUIDELINES...) BE FOUND?

- Information about tax invoicing can be found on the Latvian tax authority website <http://www.vid.gov.lv> - legislative acts – the Law on value added tax .

ISSUANCE OF INVOICES

20. CASES WHERE AN INVOICE NEEDS TO BE ISSUED

In accordance with Section 8(4) of the Law on value added tax, persons liable for tax shall issue tax invoices for the supply of any taxable goods or services within 15 days of the day of the transaction, unless otherwise provided for in this Section. A person liable for tax may not issue a tax invoice if the recipient of the goods or services is not liable for tax.

21. WHAT ARE THE RULES ON CORRECTIVE INVOICES (CREDIT / DEBIT NOTES)?

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22. WHAT IS THE TIME LIMIT FOR ISSUING INVOICES?

- Fifteen days from the day of the transaction.

23. WHAT ARE THE RULES FOR SUMMARY INVOICING?

If a transaction is conducted for an indefinite period, the tax invoice must be issued for a period not exceeding six months.

24. WHAT ARE THE CONDITIONS IMPOSED ON SELF-BILLING?

-

25. IS THERE ANY SPECIFIC RULE IN RELATION TO OUTSOURCING OF INVOICES TO A PERSON WHO IS ESTABLISHED OUTSIDE THE EU?

- No. Only a person liable for tax (a person registered in the SRS VAT Taxpayers' Register) may issue a tax invoice.

CONTENT OF INVOICES

26. UNDER WHAT CONDITIONS MUST THE VAT NUMBER OF THE CUSTOMER BE ON THE TAX INVOICE?

The customer's VAT taxpayer number must be indicated in the tax invoice issued by the person liable for tax when conducting any transaction liable for tax.

27. ANY OTHER SPECIFIC RULE IN RELATION TO THE CONTENT OF THE INVOICE

Pursuant to the Law on value added tax a document containing the following information shall be considered to be a tax invoice:

- 1) The invoice issuance date;
- 2) The invoice number;
- 3) The name of the person supplying the goods or providing the services (for natural persons - their first name, surname and identity number) and their legal address (for natural persons – their declared place of residence);
- 4) The State Revenue Service VAT Taxpayers' Register registration number of the person supplying the goods or providing the services;
- 5) The name of the person receiving the goods or services (for natural persons - their first name, surname and identity number) and their legal address (for natural persons - their declared place of residence);
- 6) The State Revenue Service VAT Taxpayers' Register or VAT Taxpayer's Register in another Member State, if any, registration number of the person receiving the goods or services;
- 7) The date the goods were supplied or the services were provided, if this differs from the invoice issuance date or the date on which advance payment was received, if this date is known and differs from the invoice issuance date;
- 8) The name, quantity (volume) and unit of measurement of the goods supplied or the services provided;
- 9) The price of the goods supplied or the services provided (value per unit excluding tax);
- 10) Applied deductions if these are not deducted from the value per unit;

- 11) The tax rate charged;
- 12) The calculated tax amount;
- 13) The total amount of the transaction excluding tax;
- 14) If a tax rate of 0% is applied the goods supplied or the services provided, or if the recipient of the goods or services is responsible for paying tax, a reference to the Section of the Law pursuant to which the tax is applied;
- 15) If new motor vehicles are being supplied, a reference to information proving that the aforementioned goods are new motor vehicles pursuant to Section 1(30) and (31) of this Law;
- 16) If the special provisions of this Law (Section 2(15), Sections 13, 13¹, 13², 13³, 32 and 34) are applied to the goods supplied or the services provided, a reference to the Section of the Law pursuant to which the tax is applied;
- 17) If an authorised person is responsible for paying tax, the authorised person's VAT Taxpayers' Register registration number, name (for natural persons - their first name, surname and identity number) and their legal address (for natural persons - their declared place of residence).

ELECTRONIC INVOICING

28. AS REGARDS INVOICES SENT WITH ADVANCED ELECTRONIC SIGNATURES, IS IT OBLIGATORY TO USE QUALIFIED CERTIFICATED AND SECURE-SIGNATURE-CREATION DEVICES? IF SO, PLEASE GIVE DETAILS.

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29. AS REGARDS INVOICES SENT BY ELECTRONIC DATA INTERCHANGE, IS AN ADDITIONAL SUMMARY DOCUMENT ON PAPER OBLIGATORY? IF SO, PLEASE GIVE DETAILS ABOUT ITS CONTENT AND PROCEDURE.

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30. DO YOU ALLOW INVOICES ISSUED PURSUANT TO ARTICLE 22 PARAGRAPH 3 POINT C) 3RD SUBPARAGRAPH ("BY USING ANY OTHER ELECTRONIC MEANS")? IF SO, UNDER WHICH CONDITIONS AND FORMALITIES?

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31. ANY OTHER SPECIFIC RULE IN RELATION TO ELECTRONIC INVOICING

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STORAGE OF INVOICES

32. WHAT ARE THE RULES ON THE PLACE OF STORAGE OF INVOICES?

Accounts registers together with justifying documents, including invoices, must be stored within the territory of Latvia.

Each enterprise must systematically organise all justifying documents, accounts registers, inventory lists, annual reports and their annexes, as well as all bookkeeping organisation documents (account plans, codificators etc.) and store them in the enterprise's archives.

The director of the enterprise is responsible for organising bookkeeping and storing originals, copies or data images of all documents verifying business transactions.

33. IS PRIOR NOTIFICATION OF INVOICES STORED IN ANOTHER COUNTRY AN OBLIGATION? IF SO, PLEASE SPECIFY.

See the answer to question 32.

34. WHAT IS THE OBLIGATORY STORAGE PERIOD FOR INVOICES?

The storage period for both justifying documents and invoices is five years.

35. WHAT ARE THE SPECIFIC RULES ON STORAGE FORM AND POSSIBLE CONVERSIONS?

Justifying documents must be prepared in such a way to enable the information contained therein to be preserved throughout their storage period and that their legal validity is ensured, and to enable copies of these documents to be made. Entries in justifying documents may not be made using a pencil or in another manner that is technically easily changeable or physically impermanent.

Enterprises using accounting software (accounts information system software) must ensure that all accounts information is stored in the enterprise's archives in information carriers or printouts of justifying documents, and that accounts registers are systematically ordered and stored in the enterprise's archives. The enterprise must also store data enabling the origin of an electronic document or final destination to be determined, as well as the time it was sent or received, together with justifying documents that have been drawn up or received in electronic format.

36. ANY OTHER SPECIFIC RULE IN RELATION TO INVOICE STORAGE.

In the event that an enterprise is wound up or reorganised, the procedures for the further storage of the enterprise's archives are determined by the liquidation committee (liquidator) following alignment with the General Directorate of the State Archives. The liquidation committee (liquidator) organises the documents and submits them for storage to the State Archives or the enterprise's archive established following reorganisation.

Paper copies of justifying documents for the current month, relating to a specific accounts register, are organised in order of the entry numbers and are stored in bound or sewn folders kept in storage sites designated for this purpose.

Justifying documents relating to entries made using accounting software are organised by groups according to the date of the respective entry.

SIMPLIFIED INVOICES

37. WHAT ARE THE SITUATIONS WHERE SIMPLIFIED INVOICING IS ALLOWED PURSUANT TO ARTICLE 22 PARAGRAPH 9 POINT D)? AND WHAT ARE THE SPECIFIC RULES?

Documents containing the following information may be used as tax invoices for domestic transactions, the value of which is below LVL 100 excluding tax:

- 1) Name of the consignor of the goods or service provider (for natural persons – first name and surname), legal address (for natural persons – declared place of residence), as well as the VAT taxpayers' registration number assigned by the State Revenue Service;
- 2) Name of the consignee of the goods or recipient of services (for natural persons – first name and surname), legal address (for natural persons – declared place of residence), as well as the VAT taxpayers' registration number assigned by the State Revenue Service;
- 3) The name and quantity of the goods, or the type and volume of the services;
- 4) The price and value of the goods, or remuneration for the services provided;
- 5) The tax rate and calculated tax;
- 6) Date of issuance of the tax invoice.

PERIODIC VAT RETURNS

38. UNDER WHAT CIRCUMSTANCES IS A TRADER OBLIGED TO SUBMIT A VAT RETURN?

All persons liable for tax must submit VAT declarations to the State Revenue Service. This must also be done if no transactions liable for tax have been made during the taxation period.

39. AT WHAT INTERVALS ARE VAT RETURNS AND ASSOCIATED PAYMENTS TO BE MADE?

Persons liable for tax must submit VAT declarations to the State Revenue Service (with tax calculations for the taxation period) within 15 days following the end of the taxation period, and must pay the calculated tax to the state budget.

Following alignment with the State Revenue Service, those persons paying VAT to the state budget centrally in respect of several enterprises (branches, departments), as well as farms, must submit VAT declarations for the taxation period and pay the calculated tax within 25 days following the end of the taxation period.

Tax relating to domestic imports must be paid pursuant to laws and regulations governing the area of customs.

If the tax paid in the previous year by a person liable for tax does not exceed LVL 10 000 (EUR 15 396), the time-limit for submitting tax declarations and the subsequent taxation period for such a person may be three or six months.

Persons liable for tax must submit statements of pre-tax amounts, included in the tax declaration for the respective taxation period, to the State Revenue Service together with their tax declarations.

40. DOES A SPECIAL REGIME AS REGARDS PERIODIC VAT RETURNS EXIST FOR SMALLER TRADERS AND/OR CERTAIN CATEGORIES OF BUSINESS? IF SO, PLEASE DESCRIBE THEM.

As already mentioned in the answer to question 39, in cases where the tax paid in the previous year by a person liable for tax does not exceed LVL 10 000 (EUR 15 396), the time-limit for submitting tax declarations and the subsequent taxation period for such a person may be three or six months.

Following alignment with the State Revenue Service, those persons paying VAT to the state budget centrally in respect of several enterprises (branches, departments), as well as farms, must submit VAT declarations for the taxation period and pay the calculated tax within 25 days following the end of the taxation period.

41. DO YOU OPERATE SIMPLIFIED CALCULATIONS OF TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THE SIMPLIFICATION?

No.

RECAPITULATIVE STATEMENTS

42. AT WHAT INTERVALS ARE RECAPITULATIVE STATEMENTS TO BE SUBMITTED?

Recapitulative statements on the supply of goods within the territory of the EU are submitted quarterly, within 15 days following the end of the taxation period.

Following alignment with the State Revenue Service, those persons paying VAT to the state budget centrally in respect of several enterprises (branches, departments), as well as farms, must submit recapitulative statements on the supply of goods in the territory of the EU within 25 days following the end of the taxation period.

43. IS ANY ADDITIONAL INFORMATION REQUIRED OTHER THAN THAT SET OUT IN ARTICLE 22(6) OF THE SIXTH VAT DIRECTIVE AS AMENDED BY DIRECTIVE 91/680/EEC?

No.

44. DO YOU OPERATE SIMPLIFIED PROCEDURES AS REGARDS RECAPITULATIVE STATEMENTS AS PROVIDED FOR IN ARTICLE 22(12) OF THE SIXTH VAT DIRECTIVE AS AMENDED BY DIRECTIVE 91/680/EEC? IF SO, WHAT ARE THE RELATED THRESHOLDS FOR APPLYING SUCH PROCEDURES?

No.

ELECTRONIC RETURNS

45. IS IT POSSIBLE TO SUBMIT VAT RETURNS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT RETURNS ELECTRONICALLY?

Taxpayers can submit declarations, reports and tax calculations to the State Revenue Service using the electronic declaration system (EDS) (access via the Internet). Taxpayers wishing to use EDS must first conclude an agreement with the State Revenue Service.

Declarations may be filled out by hand using the forms available on the website or by attaching completed declaration files of a set format.

In order to become an EDS user, an agreement must be concluded with the State Revenue Service for the use of EDS services. Conclusion of the agreement and use of the EDS is a free service.

After concluding the agreement, the EDS can be used and tax declarations, reports and statements can be submitted electronically, however the method of submitting documents can be changed if necessary.

Several technical requirements must be met in order to use EDS:

- Internet access (a DSL connection is not required);
- Microsoft Internet Explorer V.5.0. (or a newer version) which recognises Java Script must be installed;
- An operating system supporting Microsoft Internet Explorer V.5.0. (or a newer version) must be installed on the work station;
- Access to electronic mail.

More information about the registration procedures can be found on the Latvian tax authority website <http://www.vid.gov.lv>.

The EDS is only available in Latvian.

46. IS IT POSSIBLE TO SUBMIT SUMMARY REPORTS ON GOODS DELIVERIES WITHIN EU TERRITORY BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT STATEMENTS ELECTRONICALLY

See the answer to question 45.

ADMINISTRATIVE REQUIREMENTS

47. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, TO WHOM DOES THE SCHEME APPLY?

No.

48. DO YOU OPERATE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE GIVE A DESCRIPTION.

No.

49. IN WHICH LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED INTO?

The forms are available in Latvian.

Application forms for registration as a person liable for value added tax are available in English and Russian.

RIGHT TO DEDUCTION

50. FOR WHICH CATEGORIES OF GOODS AND SERVICES IS THERE NO RIGHT OF DEDUCTION?

There is no right of deduction for goods and services not used for entrepreneurial activities.

51. ARE THERE CATEGORIES OF GOODS AND SERVICES IN WHICH THERE IS A PARTIAL RIGHT OF DEDUCTION? IF SO, WHAT IS THE PERCENTAGE?

Of the payable VAT amount, there is no right of deduction for 40% of the tax paid on goods purchased for representational purposes or services relating to the organisation of public conferences, receptions and meals, or for the production of goods intended for representational purposes for persons liable for tax.

ANNEX 1: THRESHOLDS

http://europa.eu.int/comm/taxation_customs/taxation/vat/traders/vat_community/index_en.htm#annexI

ANNEX 2: VAT IDENTIFICATION NUMBERS

http://europa.eu.int/comm/taxation_customs/taxation/vat/traders/vat_community/index_en.htm#annexII

ANNEX 3: ABBREVIATIONS

http://europa.eu.int/comm/taxation_customs/taxation/vat/traders/vat_community/index_en.htm#annexIII