

Latvia

This guide is for e-commerce companies that sell online via web stores or at marketplaces to Latvian consumers.

VAT Standard rate

The standard VAT rate in Latvia in 2023 is 21%.

VAT Reduced rate

12%

Certain products and services are eligible for the special reduced rate, including:

- Medicine and medical equipment;
- Specialized baby food;
- Regular transportation services for passengers and their luggage are provided in the domestic territory;
- Educational literature and original literature;
- Newspapers, magazines, and other periodicals;
- Accommodation services in tourist homes;
- Supplies of heating wood to people for consumption in households;
- Supplies of thermal energy to people for consumption in households.

5%

- Some kind of foodstuffs.

See the summary of the [EU VAT rates](#)

Thresholds

From the 1st of July 2021, the distance selling thresholds were withdrawn and replaced by a unified threshold of €10,000 for all EU members.

In other words, VAT should be charged at the VAT rate of the customer's country of residence by companies whose annual taxable cross-border turnover is over €10,000.

Deductible VAT

If goods or services were used to make taxable supplies in Latvia, VAT in input invoices might be credited. Examples include:

- VAT paid at custom clearance with your EORI number;
- VAT paid to Latvian suppliers.

Registration procedure

When a company has the obligation to register, the owners will be required to complete and submit a VAT registration form, along with supporting documentation:

- Certificate of incorporation;
- Trade register extract;
- VAT certificate;
- Articles of Associations;
- An explanation of the economic activities of the company in Latvia/ Estonia;
- A bank identification document;
- If the company is appointing a local tax agent or Fiscal Representative, then a Letter of Authority or Power of Attorney is.

All the docs should be translated to Latvian language.

The Intra-community VAT number should be received under a separate application.

Tax representative

There is no need to appoint fiscal representative in order to handle all formalities related to VAT registration and filling.

Keeping records

Records about performed transactions must be kept in order to check the correctness of tax returns and payments. The retention period for the records is 10 years.

VAT payment date

The VAT due must be paid before the 20th day of the month following the period.

Filing VAT returns

VAT return should be submitted on the following taxation period:

- One calendar month:

To a registered taxpayer who has been registered in the SRS VAT payer Register during the taxation year and it shall be preserved for six calendar months;

If the value of taxable transactions in the pre-taxation year or in the taxation year exceeds €50,000;

If supplies of goods are carried out in the territory of the European Union (including the participation in supplies of goods referred to in Section 4, Art 16 of the VAT law) or if services are rendered to taxpayers of other Member States the place of supply of which is determined by Section 1, Art 19 of the VAT law;
VAT group and fiscal representative.

One calendar quarter:

To a registered taxpayer who has been registered in the SRS VAT payer Register during the taxation year if its value of taxable transactions does not exceed €50,000 during the taxation year and if the taxpayer does not supply goods in the territory of the European Union and does not provide services to taxpayers of other Member States the place of supply of which is determined by Section 1, Art 19 of the VAT law;

To a registered taxpayer whose value of taxable transactions in the pre-taxation year exceeds €14 228,72 but does not exceed €50,000, and who does not carry out supplies of goods in the territory of the European Union or does not render services to taxpayers of other Member States the place of supply of which is determined by Section 1, Art 19 of the VAT law.



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