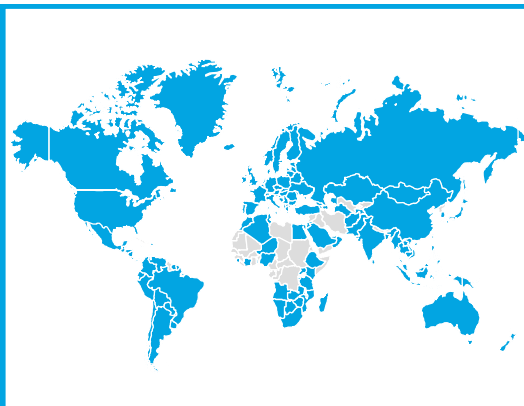


EXPATRIATES

Latvia

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE

According to the general provisions, a tax resident of Latvia means any person who, under the laws of Latvia, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any other criterion of a similar nature. Thus, the tax resident is subject to the income taxes from the income obtained worldwide, although performing duties abroad.

INCOME TAX RATES

Tax rate	
20/23/31.4%	Personal income tax*, self-employed
20%	Income from capital, including capital gains(interest, alienation of personal real estate, capital shares etc.)

*Since 2018 dividends are exempt from PIT or capital gains tax if they have been taxed at the company level or in another country

SOCIAL TAX RATES

Employers deduct employees' contributions of 11% from their gross salary payments. A threshold for registration as socially insured person for self-employed is 430 EUR.

Employer Contributions in Standard Situations

The employer's rate is 24.09%. This contribution is allocated to the following funds:

- Old-age pension fund - 24.50%
- Unemployment fund - 1.84%
- National insurance fund for industrial accidents and occupational diseases - 0.53%
- Disability fund - 2.23%
- Maternity and sickness fund - 3.65%
- Parental insurance fund - 1.34%
- Health insurance - 1.00%

Please note that rates may differ if, e.g., the person is a disabled person.

BREAKING RESIDENCY - EXIT PROCEDURES

By breaking residency individual is no longer considered to be taxpayer in the respective state. In Latvia, individual shall notify State Service Revenue that the person is no longer considered to be resident in Latvia and shall indicate the grounding, e.g., has moved to another country, the center of vital interests is in another country, etc.

For further information and to register for future updates contact expat@bdo.global

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