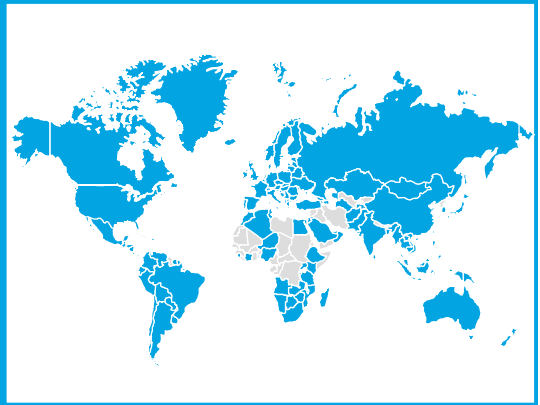


INPATRIATES

Latvia

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

Inpatriates might be liable for the payment of tax in Latvia depending on:

- Conditions of the assignment
- Length of assignment
- Type of work performed, duties.

Furthermore, provisions of double tax treaty (if applicable) shall be analyzed in order to determine the place of taxation. Depending on the type of income, either the private individual or the legal entity shall be liable for the payment of tax. Please note that liability for the payment of taxes depends on the criteria analyzed.

REGISTRATION/FORMALITIES

Registration of Employment Relationship

According to the Latvian laws the company must, at least one hour before the employee starts his/her work duties, inform the State Revenue Service via Electronic Declaration System (EDS) about the fact that a new employee is employed.

Please note that employees shall be registered with the State Revenue Service at the moment when work is started based on the assignment.

Termination of Employment Relationship

According to the Latvian laws the company must register the termination of employment relationship not later than within 3 working days since the day when the employment relationship has been terminated.

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

Employee contributions

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

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.

Moreover, payments of social security contributions depend on the conditions of assignment, namely:

- Whether the person remains employed in two countries;
- Possession of A1 certificate;
- Duration of assignment and conditions of assignment;
- Whether assignee performs work duties for the benefit of one or more employers;
- Etc.

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

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