

Special economic zones and free ports

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There are three special economic zones (Liepaja, Latgale, Rezekne) and two free ports (Riga and Ventspils) operating in Latvia. The Law On Taxation in Free Ports and Special Economic Zones (www.likumi.lv) stipulates the procedure, according to which indirect taxes and direct tax rebates are to be applied in Riga Free Port, Ventspils Free Port, Latgale Special Economic Zone, Liepaja Special Economic Zone and Rezekne Economic Zone.

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Benefits:

Direct tax rebates



A capital company or licensed capital company of the zone shall apply discounts during the taxation period, if the accrued amount of direct tax discounts and discounts calculated during the taxation period in total is not exceeding the interest from the accrued amount of investments to be applied for the relevant capital company:

for a capital company or licensed capital company of the zone, failing to comply with the criteria set forth in Annex 1 to the Commission Regulation No. 651/2014 - 35 percent from the accrued amount of investments;

for a capital company or licensed capital company of the zone that complies with the status of a medium capital company determined in Annex I to the Commission Regulation No. 651/2014 - 45 percent from the accrued amount of investments;

for a capital company or licensed capital company of the zone that complies with the status of a small capital company determined in Annex I to the Commission Regulation No. 651/2014 - 55 percent from the accrued amount of investments;

Application of the determined support percentage (35 %, 45 % or 55 %) is used for corporate tax rebates and total amount of immovable property tax rebates.

The planned investment project of a capital company or licensed capital company of the zone, the amount of which exceeds 50 million euro, shall be considered as a large investment project. Special conditions shall be applied for such investment projects.

Zones or a licensed capital company for the immovable property being in the property, legal possession thereof or granted for use, which is located in the territory of the zone or free port, shall be entitled to apply the immovable property tax rebate in the amount of 80 percent from the calculated amount of tax (without application of other discounts).

A capital company or licensed capital company of the zone shall be entitled to apply the corporate income tax relief in the amount of 80 percent from the calculated amount of tax.

Indirect tax rebates



The following indirect tax rebates shall be applied to capital companies or licensed capital companies of the zone:

0% value added tax rate;

exemption from excise duty for oil products.

More detailed information about special economic zones and free port administrations is available:

Liepaja SEZ

[View more](#)

Rezekne SEZ

[View more](#)

Riga Free port

[View more](#)

Ventspils Free port

[View more](#)

Latgale SEZ

[View more](#)

This is a general description, provided for an informative purpose, and does not have any legal force. In case of application you shall act in accordance with the regulatory enactment. In case of any questions, please, contact with the State Revenue Service of Latvia.

<https://www.vid.gov.lv/en/special-economic-zones-and-free-ports>