### Licensing of outsourced accountants

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! Reminder: To extend an outsourced accountant's licence, the service provider must submit a renewed civil liability insurance policy[i] to the State Revenue Service every year through the Electronic Declaration System <a href="https://eds.vid.gov.lv/login/">https://eds.vid.gov.lv/login/</a> – Documents – From the form – Information to the State Revenue Service).

On 11 February 2021, Parliament adopted amendments to the Accounting Law, which provide for licensing of outsourced accountants. Licensing began on 1 July 2021; licences are issued by the State Revenue Service (SRS).

A public register of outsourced accounting service providers has been created, maintained in the SRS public database, allowing users to verify the right of a person to provide outsourced accountant services.

An outsourced accountant's licence can be obtained by individuals or enterprises registered with SRS.

An enterprise needs only one licence for the company, not for each individual accountant employed by the company. To receive such a licence, one person in the company must be the responsible accountant who meets the statutory experience (minimum three years accounting experience) and relevant education (minimum first-level professional higher education or academic bachelor's degree in accounting, economics, management, or finance) requirements. The responsible accountant may also be a board member.

The law provides for exceptions for old-age pension recipients or those who have six years or less left until retirement as well as students. Pensioners and almost pensioners who have relevant experience as an accountant can receive a license that is valid until 1 July 2027.

If a person has accounting experience but not the required education, they can pursue their education and apply for a licence that will be valid until 1 July 2025. However, proof of continued education must be submitted to SRS every year by October 15.

[i] Accounting Law Section 39(4)

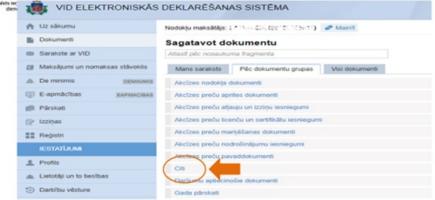
How to receive a licence  $\mathscr{S}$ 

The application and documents for obtaining an outsourced accountant license are submitted through the Electronic Declaration System (EDS):



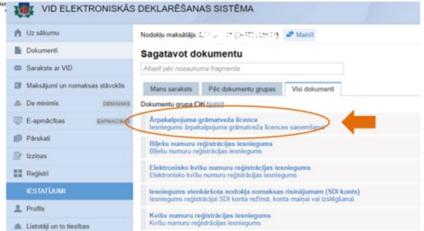


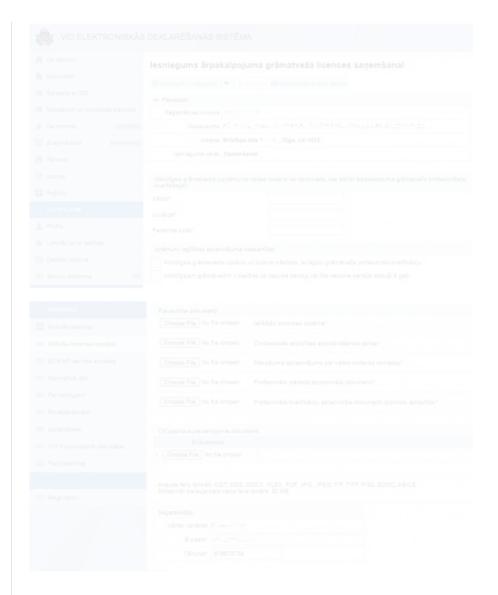
## Iesniegums ārpakalpojuma grāmatveža licences sanemšanai





# Iesniegums ārpakalpojuma grāmatveža licences saņemšanai





The application must indicate the responsible accountant (or board member) and include documents certifying professional experience (diplomas, certificates), employment contract or job description, proof of an Internal Control System[i], and proof of civil liability insurance.

The application must indicate if the responsible accountant is subject to any of the exceptions previously mentioned (pensioner, almost pensioner, student).

[i] In accordance with Article 6 of the Law on the Prevention of Money Laundering and Financing of Terrorism and Proliferation

### Licence terms and payment ${\mathscr O}$

The licence is issued for five years after which it can be renewed. A state fee of 100 EUR is set for obtaining or renewing a licence.

The state fee must be paid to the State Treasury (budget payments), reg. No. 90000050138, account: LV33TREL1060130929900. The taxpayer's registration code must be specified in the payment order.

#### Other important conditions $\,\mathscr{O}\,$

An outsourced accountant cannot be a person who has been punished for crimes against the national economy or any state institution or for a crime related to terrorism and who has not been rehabilitated or whose criminal record has not been expunged. The licence may also to be revoked if SRS detects significant violations in legalisation of proceeds of crime and prevention of terrorism and proliferation financing.

https://www.vid.gov.lv/en/licensing-outsourced-accountants

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