

VAT Refund to Legal Persons registered in Third Countries

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VAT refund in Latvia to foreign legal entities which are not VAT payers in Latvia. Procedure of VAT refund in Latvia to taxpayers registered in third countries and third territories.

The new law on [Value Added](#) has entered into force on 1st of January 2013.

Starting 1st of January 2014 the procedure of VAT refund to persons established outside EU territory is determined in accordance with the Cabinet Regulations No 1507 of 17th of December 2013 „Procedure for Refund of Value Added Tax to Taxpayers Registered in Third Countries or in Third Territories”.

Persons eligible to claiming VAT refund in Latvia [↗](#)



Taxpayers established in third countries or third territories who are not carrying out commercial activities in Latvia, are eligible to claim VAT refund in Latvia under the principle of parity on the VAT charged on goods and services acquired in Latvia and on imports of goods to carry out their own taxable transactions outside the EU territory. At present refund is made to taxpayers registered in Norway, Switzerland, Island and Monaco and the United Kingdom (for period starting January 1, 2021).

Authorised representatives



The application for VAT refund can be submitted by taxpayers registered in a third country and third territory personally or by mail and it also can be submitted of behalf of the taxpayer by a legal or natural person authorised by the taxpayer and acting in accordance with power of attorney.

VAT is refunded if the person in the refund period meets the following requirements [↗](#)



Has registered business activities outside EU territory;

Corresponds to the status of a taxpayer registered outside EU territory;

Has not been registered at the VAT Payer Register of the State Revenue Service (SRS);

Has not made in domestic territory taxable transactions due to which the taxpayer should have been registered at the SRS VAT Payer Register;

Has not engaged in the Republic of Latvia in commercial activities which should be registered in conformity with existing legislation, with the exception of services related to transportation of goods if no tax on these services was payable into the state budget in accordance with the existing Latvian VAT legislative acts, and on supplies of goods or services to persons obliged to pay the tax into the state budget in accordance with Latvian VAT legislative acts.

the information included in the application and additional information must be in English or Latvian;

if the application relates to a period of one calendar year, the refund application shall be submitted to the State Revenue Service not later than by 30 September of the calendar year following the refund period or in three months after the end of refunding period indicated in the application if the refund period is shorter than one calendar year but not shorter than three last months of the calendar year;

the application must be submitted in three months after the end of refund period indicated in the application if the refund period is less than three calendar months and these are the last months of calendar year;

if the indicated term has been exceeded, the application is not considered and the tax is not refunded;

the refund period indicated in the application should not exceed one calendar year and should not be less than three calendar months;

the refund period indicated in the application can be less than three calendar months if it relates to the last months of the calendar year;

the total amount of tax claimed in the refund application must be indicated in the national currency of the Republic of Latvia EUR (2014);

the tax amount claimed in application must not be less than EUR 400, if the refund period is less than one calendar year but not less than three calendar months;

the tax amount claimed in application must not be less than EUR 50, if the refund period is one calendar year or three last months of calendar year;

the application must contain information relating to every invoice issued in domestic territory or relating to every document proving importation of goods made in the domestic territory;

along with the refund application of the third country or territory the original copy of the tax invoice or document proving importation of goods must be submitted as well as the documents confirming payment (check, payment order);

a statement (original copy) issued by the tax authority of the relevant country which certifies that in the refund period indicated in the application the person purchasing goods or receiving services and importing goods in the domestic territory had been a registered taxpayer outside the EU territory (the statement is valid 12 months from the date of issue);

if submitted by representative authorised by taxpayer of a third country or territory, the application must be accompanied by the original copy of the power of attorney;

a representative authorised by the taxpayer registered in a third country or territory and acting in accordance with power of attorney can be a legal or natural person.

Forms of VAT refund application



[Form of VAT refund application](#)

To receive a VAT refund, you must submit a VAT refund application form.

The application shall be accompanied by:

Originals of invoices (for goods purchased domestically in the repayment period and received services for which tax refund is requested);

Originals of import documents (documents certifying the importation of domestic goods for which repayment is requested during the repayment period);

payment documents (documents evidencing payment of the amount of tax claimed (cashier's check, bank payment order));

a VAT certificate (a certificate issued by the tax administration of the country concerned (original) valid for 12 months from the date of issue and certifying that, during the repayment period specified in the application, the person who has purchased the goods or services or imported the goods has been registered as domestic taxable person outside the territory of the European Union);

the original of the authorization (if the application is submitted by the authorized person, the authorization must comply with the conditions referred to in Paragraph 9 of these Regulations).

The VAT refund application together with the documents shall be submitted to the SRS Tax Administration Non-Resident Tax Data Reliability Assessment Part of Talejas Street 1, Riga, LV-1978 Latvia

When VAT is not refunded?



for tax amount indicated in tax invoice which does not satisfy the requirements of VAT law;

for transaction which did not take place;

for acquisition of unused real estate inland and services received in relation to construction, reconstruction, renovation, restoration or repair of real estate;

for goods purchased and services received in the domestic territory with the purpose of own consumption (for example, rent, maintenance and repairs of a car, purchase of fuel, lubricants and spare parts for the car, costs of recreation, catering, (including restaurants), medical care, entertainment);

to taxpayers established in third countries or territories acting in accordance with the special procedure of application of the tax to travel operators and using supplies of goods and services to provide traveling services in the domestic territory;

if the refund application made by taxpayers established in third countries or territories does not comply with any one of the requirements of applying for VAT refund by taxpayers established in third countries or territories.

When document is regarded as tax invoice?



Date of issuance of the invoice;

Consecutive numbering of one or several series of the invoice identifying the tax invoice;

Name of the supplier of goods or services (name and family name of a natural person) and legal address (declared residence for a natural person);

Registration number at the SRS VAT Payer Register of the supplier of goods or services;

Registration number of the recipient of goods or services at the SRS VAT Payer Register or in taxpayer register of another Member State if the taxpayer has been given a registration number in the SRS VAT Payer Register or in a taxpayer register of another Member State;

Date of supply of goods or services if it differs from the date of issuing invoice or the date of receiving advance payment if this date is known and differs from the date of issuing invoice.;

Name, amount and measurement unit of goods or services;

Price of goods or services (value of one item not including the tax);

Applied discount if not deducted from the value of one item;

Tax rate applied;

Amount of calculated tax;

Total value of the transaction without tax (amount to which tax or exemption is applied);

Indication "self-assessment" if tax invoice is issued by recipient of goods or services as provided in Art 130 of the VAT law;

If zero tax rate is applied to goods or services supplied or if exemption from tax is applicable to the supplies – reference to the article of VAT law in accordance with which zero rate or exemption can be applied or a reference to the respective article of the Council Directive 2006/112/EC of 28 November 2006 on common VAT system or any other reference indicating the legal justification for applying of zero rate or exemption;

If tax has to be paid by the recipient of goods or services – indication "reverse payment of tax";

If unused transport vehicle is supplied – a respective indication and information proving that an unused transport vehicle has been supplied in accordance with paragraph 9, Art 1 of the VAT law;

If the special procedure of paying the tax and deduction of input tax is applied – indication "registration of money resources";

If the special regime for tax application provided by Art 136 of the VAT law is applied, - indication "partial profit regime for travel agencies";


If the special regime for tax application provided by Art 138 of the VAT law is applied – indications "partial profit regime for used goods", "partial profit regime for art work" or "partial profit regime for collection items or antiquities" are included;

If to the supplies of goods or services special rules are applied provided by articles 135, 139, 140¹, 144 and 145 of the VAT law – a reference to the article of this law in accordance with which the tax was imposed, or a reference to the respective article of the Council Directive 2006/112/EC of 28 November 2006 on common VAT system;

If the authorised representative is responsible for making the tax payment – the registration number of the representative in the SRS VAT Payer Register, a name of legal person (name and family name of a natural person) and legal address (declared residence for a natural person);


If the fiscal agent is responsible for making of the tax payment - the registration number of the representative in the SRS VAT Payer Register or in a taxpayer register of another Member State, a name of legal person (name and family name of a natural person) and legal address (declared residence for a natural person);

SRS Tax Department (1 Talejas Street, Riga, LV-1978, Latvia).

Contact persons 



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About the additional information requests 



If the information provided in the application for VAT refund made by a taxpayer registered in third country of territory is insufficient for making the decision of a complete or partial refund of tax amount or of turning down the refund claim, the State Revenue Service can within four months after receiving of VAT refund application from a taxpayer registered in third country of territory, request from the applicant additional information which must be submitted within one month after the date of requesting by sending it to the applicant or a person authorised by the applicant to the address indicated in the application.

About the decision [🔗](#)



The State Revenue Service makes the decision of a complete or partial refund of tax amount or of turning down the refund claim made by a taxpayer registered in third country of territory within four months after receiving of VAT refund application from a taxpayer registered in third country of territory.

The State Revenue Service informs the applicant about the decision made by sending to the address indicated in the application the following documents:

- the decision;
- a copy of the application;
- tax invoice and original copies of the documents proving importation of goods;
- documents confirming the tax payment.

If the decision was made to deny the refunding due to failing to observe the rules of applying, a taxpayer registered in third country of territory or the person authorised by him can repeatedly file the application within one month after receiving the decision.

Reapplication [🔗](#)



If the decision was made by the SRS to deny the refunding due to failing to make the application in English or in Latvian, if the application has been signed by unauthorised person, no information has been included in the application on each invoice issued in the domestic territory or on every document confirming domestic importation of goods or if not all the necessary documents have not been attached to the application, a taxpayer registered in third country of territory or the person authorised by him can repeatedly file the application within one month after receiving the decision.

Filing a renewed application a taxpayer registered in third country of territory or the person authorised by him must indicate in section V the following:

- number and date of the decision made by the SRS;
- date of receiving of the decision;
- repeatedly submitted documents.

Refund [🔗](#)



The amount approved for the refund is paid into the bank account indicated in the application made by a taxpayer registered in third country of territory. The costs related to the bank transfer are deducted from the amount of tax refund.

The applicant has the right to appeal the decision made by the SRS to Director General of the SRS within a time period of a month from the receipt of the decision by sending the appeal to the following address:

Non-resident Tax Data Credibility Assessment Division
Tax Board
State Revenue Service
1 Talejas Street
Riga, LV-1978
Latvia

<https://www.vid.gov.lv/en/vat-refund-legal-persons-registered-third-countries>