

Commercial Activity Income Account (SDI)

Published: 20.10.2022.

What is a Commercial Activity Income (SDI) account?

A Commercial Activity Income (SDI) account is a special bank account that micro-enterprises can use to automate tax payment.


All income from economic activity is deposited to this account, and the bank, in cooperation with SRS, carries out further activities automatically:

- Submits the micro-enterprise tax return

- Calculates and pays tax

Do I need an SDI account?

An SDI is not mandatory for micro-enterprise taxpayers. However, if you wish to open one, follow these steps:

1. Open a current account with a bank that provides SDI account services 

Banks that provide SDI account services:

[AS Industra Bank](#)

You may choose the SDI account and the bank where it is opened. You can also choose to stop using your SDI account

2. Submit an application to SRS 

Submit the form in the Electronic Declaration System (EDS) – Documents – From the form – Other – Application for simplified tax payment (SDI) account. Include the account number and the bank where it was opened.

When should I submit the application?

- when registering as a micro-enterprise taxpayer

- already registered micro-enterprise taxpayers submit the application no later than 5 business days before the beginning of the next quarter – the account is activated in that quarter

3. All commercial activity income must be deposited into the SDI account



All commercial income, including cash payments must be deposited into the SDI account
DO NOT deposit personal funds because tax is calculated and paid from all funds deposited into the account

When should I start transferring income to the SDI account?

When registering a new micro-enterprise regime, the SDI account can be used from the day of registration. It may take several days from the moment the registration application is submitted to its approval – the income earned during these days must also be credited to the SDI account. This must be done within 10 days from the date of this income.

An already registered micro-enterprise taxpayer starts using the SDI account in the quarter after submitting the application to the SRS. So, from January 1, April 1, July 1, or October 1

How does automated tax payment work?

The micro-enterprise tax rate for income is:

up to 25 000 EUR per year – 25%

over 25 000 EUR per year — 40%

The bank reserves 40% (the maximum rate) of each deposit into the SDI account. SRS verifies that income has not exceeded 25 000 EUR per year. If it has not, the reserved amount is released to the account within two business days, and 25% is paid into the state budget. If income exceeds 25 000, 40% of the amount exceeding 25 000 EUR for the year is paid into the state budget.

Complete information on automatically paid tax can be found in the EDS section Reports → Reports on tax calculations and advance payments → Report on micro-enterprise tax return data.

How can I cancel my SDI account?

To stop using an SDI account:

submit an application through EDS no later than 3 business days before you plan to stop using the account The application form is located in EDS section Documents - From the form - Other - Application for a simplified tax payment solution (SDI account).

SRS will inform the bank and the taxpayer within 1 business day after receiving the application on the termination of simplified tax payment, indicating the termination date. Taxes are calculated and paid automatically for deposits made up to and including this date.

If you terminate economic activity, the SDI account is closed on the date SRS approves the notice of termination of economic activity. Additionally, SRS informs the bank.

Who may not use an SDI account?

! SDI accounts may be used by micro-enterprises only.

The SDI account will be terminated automatically if:

you cease to operate as a micro-enterprise and start using another tax payment regime or

use of the SDI account is not approved or suspended by the bank for one of the following reasons:

- the account is deemed a basic account within the meaning of the [*Law on Payment Services and Electronic Money*](#)
- the account has been closed or is being closed
- the supervisory authority of commercial banks has limited making payments from the account

<https://www.vid.gov.lv/en/commercial-activity-income-account-sdi>