

Organising of accounting

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An enterprise has a duty to maintain the accounting. The accounting shall clearly reflect all economic transactions of the enterprise, as well as each fact or event which causes changes in the state of the property of the enterprise.

Accounting registers shall be maintained using a double entry accounting system. The following persons may organise their accounting by the simple entry system in accordance with the procedures laid down in the Cabinet:

individual merchants, individual enterprises, farming and fishing enterprises whose turnover (income) from the economic transactions during the previous accounting year does not exceed 300,000 euro, other natural persons who perform economic activities;

associations, foundations, trade unions and religious organisations whose turnover (income) from the economic transactions during both the current and previous accounting year does not exceed 40,000 euro.

Accounting shall be conducted so that a third person qualified in the area of accounting may obtain a true and clear representation of the financial position of the enterprise at the date of the balance sheet, the results of the activities thereof, the cash flow for a specific time period, as well as be able to determine the beginning of each economic transaction and trace its course.

The accounting information provided shall be truthful, comparable, timely, significant, understandable and complete. The accounting shall ensure allocation of income and expenditure by accounting periods.

The head of the enterprise shall be liable for the maintaining of the accounting and the preservation of all the originals, copies or representation of data of all documents substantiating economic transactions.

Organising of accounting in the Republic of Latvia is governed by the [Law On Accounting](#) as well as the [Cabinet Regulations](#)^[1].

Frequently asked questions regarding the organising of accounting and answers thereto are available under section [Questions and Answers](#)^[1] as well as "[Informative and Methodology Materials](#)"^[1].

Free of charge accounting software

In order to simplify the maintenance of accounting for micro-enterprises, the Ministry of Economics, in cooperation with representatives of non-governmental organisations and related institutions, has concluded an agreement on cooperation with several providers of accounting software services who have undertaken to provide the payers of micro-enterprise tax with freely available free of charge accounting software containing the most necessary systematic registers. For detailed information on the contents of the free of charge accounting software, see the [website of the Ministry of Finance](#)

^[1] Information available in Latvian

Annual Financial Statements

<https://www.vid.gov.lv/en/organising-accounting>