

Annual Financial Statements

Published: 18.10.2022.

Who has a duty to file annual financial statements?

Commercial companies, cooperative companies registered in the Republic of Latvia, European Economic Interest Groupings registered in the Republic of Latvia, European cooperative companies and European commercial companies;

individual enterprises, farming and fishing enterprises whose turnover (income) from the economic transactions during the previous accounting year does not exceed 300,000 euro.

The contents, the procedure of verification and the deadlines for filing of the annual financial statements of the credit institutions, credit unions, insurance companies, reinsurance companies, private pension funds, investment broker companies, investment management companies, alternative investment funds established as commercial companies, associations, religious organisations, and political parties are determined by the [Regulations of the Financial Instruments and Capital Market Commission](#) and in accordance with the Cabinet Regulations adopted on the basis of the Law On Accounting.

The annual financial statement of a company - the subject of the Law On the Annual Financial Statements and Consolidated Financial Statements - as a unified whole, shall consist of a financial statement and a management report.

If in accordance with the criteria provided by the Law On the Annual Financial Statements and Consolidated Financial Statements, the company is a medium-sized or a large company, its financial statement shall consist of a balance sheet, a profit or loss account, a cash flow statement, a statement of changes in equity, and an annex to the financial statement

If in accordance with the criteria provided by the Law On the Annual Financial Statements and Consolidated Financial Statements, the company is a small-sized company, its financial statement shall consist of a balance sheet, a profit or loss account, and an annex to the financial statement

The annual financial statement and the consolidated financial statement shall be drawn up in Latvian. The structure of the annual statements, the amount of information to be disclosed in the annual statement, and the contents thereof, as well as the procedures for preparation and submission thereof is prescribed by the Law On the Annual Financial Statements and Consolidated Financial Statements.

Individual enterprises, farming and fishing enterprises may prepare their annual statement in accordance with the Law On the Annual Financial Statements and Consolidated Financial Statements, also in the case their turnover (income) from the economic transactions during the previous accounting year does not exceed 300,000 euro.

The Law On the Annual Financial Statements and Consolidated Financial Statements does not apply to credit institutions, credit unions, insurance companies, reinsurance companies, private pension funds, investment broker companies, investment management companies, alternative investment funds established as commercial companies.

A developing financial institution and a commercial company, in accordance with the Financial Instrument Market Law, shall prepare the annual statement and the consolidated annual statement in accordance with the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The annual statement shall be submitted to the State Revenue Service in one of the following ways:

in hard copy at any SRS Customer Service Centre;

by post, having addressed it to the State Revenue Service at Talejas iela 1, Riga, LV-1987;

in an electronic form, using the SRS Electronic Declaration System (EDS)*.

(!) The SRS, not later than within five working dates, shall forward the received annual statement electronically to the Register of Enterprises of the Republic of Latvia.

Information on the mandatory elements of an annual statement, the documents to be submitted along with the annual statement, as well as information on the person/body performing the examination of the relevant company's annual statement and on the deadlines for submitting the annual statement, is provided by the following regulatory enactments relating to taxes as well as by the informative and methodology materials.

Latvian Code of Administrative Violations, Section 159⁸ "Failure to Comply with the Deadline for the Submission of Tax and Informative Declarations" provides for administrative liability for failure to comply with the deadline for the submission of the annual statement or for failure to attach the elements thereto as prescribed by law.

All the documents to be submitted along with the annual statement are available under the section [Forms and Submissions](#)^[1].

Frequently asked questions about the annual statement and answers thereto are available under the section [Questions and Answers](#)^[2].

* EDS contains structured forms of the elements of the annual statement which ensure the precision of the date, because the verification of correctness of the documents is performed on an automatic basis which, where necessary, allows the correction of possible calculation errors.

[1] Information available in Latvian

[2] Information available in Latvian

<https://www.vid.gov.lv/en/annual-financial-statements>