

First Steps for Entrepreneurs


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! In 2021/2022 a number of significant changes in tax administration took effect.

Information is currently being updated in English. Up-to-date information is available on the Latvian version of our website.

We apologise for any inconvenience!

If you have decided to start your own business, you should assess your wishes and possibilities because the type of the economic activity you choose and the expected turnover you plan will determine the form of registering your economic activity as well as the types, amount and the procedure of administration of the taxes to be paid to the state. Please note that the requirements of the Law on Accounting apply to everyone who performs any type of business. Commercial companies must delegate the maintenance of their accounting to a person competent in accounting issues.

STEP ONE – registration of the type of business 		▼
To be registered at the SRS	To be registered in the Register of Enterprises of the Republic of Latvia [1]	
Performer of economic activities	1. Individual merchant	
	2. Partnership (general partnership and limited partnership)	
	3. Capital company (private limited company (Ltd.) and public limited company (Plc.))	
<p>(!) When starting economic activities, you must provide information on the type of the principal activity NACE2^[1] to the SRS</p>		
<p>[1] Form in Latvian</p>		

STEP TWO – choosing the mode of paying taxes 		▼
Performer of business activities (private individuals)	Company (legal entity)	

Performer of business activities (private individuals)	Company (legal entity)
<p>Performers of business activities must choose one of the following methods to pay personal income tax (PIT):</p> <ul style="list-style-type: none"> Tax on income from business activities Licence fee for performance of specific types of business activities Reduced licence fee for performance of specific types of business activities Micro-enterprise tax Payment of tax for non-registered business activities 	<p>Entrepreneurs must pay the following:</p> <ul style="list-style-type: none"> Corporate income tax (CIT) Personal income tax (PIT) Mandatory state social insurance contributions (MSSIC)

Depending on the type of activity chosen and the form of registration, you may have an obligation to pay also other taxes:

[Vehicle operation tax](#)

[Company car tax](#)

[Electricity tax](#)

[Subsidised electricity tax](#)

[Immovable property tax](#)

[Labour resource tax](#)

[Excise duty](#)

[Lottery and Gambling Tax](#)

[Value added tax](#)

Regardless of the fact, whether you are a natural person - performer of economic activities - or a legal person - enterprise, if your revenues exceed 40,000 euro a year or you perform transactions with taxpayers of the European Union Member States, you have an obligation to register in the SRS [Register of Value Added Tax \(VAT\) Payers](#)^[1]. It is possible to become registered in the Register of VAT Payers also upon starting the business and having not reached the threshold of 40,000 euro.

[1]Form in Latvian

STEP THREE – registration of employees, workplace and working tools



If you employ employees, then you are [an employer](#)^[1], and the employees must be registered with the SRS (see "Methodological material" below)^[1] even before entering into employment relationship.

 [Methodological material](#) 

If you wish to perform activities beyond the address registered with the SRS or in the Register of Enterprises of the Republic of Latvia, you must register also the structural unit - a place (address) where you perform business, a website where you plan to perform the economic activities.

If you plan to receive the payment for your products or services in cash or via bank card transactions, you must register an electronic cash register.

Only in individual cases it is allowed to issue a receipt registered (see "Methodological material" below)^[1] with the SRS for cash transactions.

 [Methodological material](#) 

^[1]Form in Latvian

STEP FOUR – everyone must perform his/her cooperation with the SRS via the SRS EDS



Every entrepreneur, regardless of the chosen form of business, must perform his/her cooperation with the SRS via the SRS [Electronic Declaration System \(EDS\)](#). This is the system where tax declarations and statements are submitted in compliance with the deadline determined by the law on the relevant tax (see attached below)^[1]. When sending us the questions arisen, submissions and requests, please do it electronically via the EDS. It is possible to sign in into the EDS using the authentication options provided by www.latvija.lv - internetbank or electronic identification card (eID).

 [Tax deadline](#) 

^[1]Form in Latvian

STEP FIVE – use the SRS databases of public data!



Honest attitude towards the transaction partners and the observation of tax discipline are the basis for fair competition, therefore, use the information available in the SRS [databases of public data](#)^[1], to be confident with regard to your business. Consult the SRS recommendations on the assessment of the transaction partners and transaction risks!^[1]

 [SRS recommendations on the assessment of the transaction partners and transaction risks](#) 

^[1]Form in Latvian

Where is it possible to obtain information?

At any SRS Client Service Centre all over
Latvia

[View more](#)

Call the SRS helpline - see section: Contacts of the
Authority

SRS helpline phone number: +371 67120000

[View more](#)

By applying for an in-depth consultation[1] in
person

Feedback on quality

[View more](#)

<https://www.vid.gov.lv/en/first-steps-entrepreneurs>