



Taxation of international executives: Latvia



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Contents

1	Overview and Introduction	4
2	Income Tax	6
3	Special considerations for short-term assignments	15
4	Other taxes and levies	17
5	Immigration	20

01

Overview and Introduction

1 Overview and Introduction

The extent of the liability to Latvian tax on earnings depends upon residence status in Latvia. In turn, residence depends mainly on the length of time an individual spends (or intends to spend) in Latvia and do they have a registered address in Latvia. The domicile status of the individual can also affect the liability.

There are a number of different employment arrangements for expatriates working in Latvia, however, the most common are the following:

- An individual is seconded to work in Latvia while maintaining employment relations with their foreign employer;
- An individual is seconded to Latvia and changed to Latvian payroll.

Latvia imposes progressive tax rates (20 percent, 23 percent and 31 percent) on personal income and on income derived by self-employed individual's commercial activities (in 2023).

The official currency of Latvia is the Euro (EUR).

For the purposes of this publication, the host country/jurisdiction refers to the country/jurisdiction to which the employee is assigned. The home country/jurisdiction refers to the country/jurisdiction where the assignee lives when they are not on assignment.

02

Income tax

2 Income Tax

2.1 Tax Returns and Compliance

When are tax returns due? That is, what is the tax return due date?

Annual income tax return has to be filed between 1 March and 1 June of the year following the taxation year. If income exceeds EUR 78,100, the annual income tax return has to be filed between 1 April and 1 July of the year following the taxation year.

What is the tax year-end?

Tax year-end is the same as calendar year-end i.e. 31 December.

What are the compliance requirements for tax returns in Latvia?

Residents

If Latvian residents work under an employment contract with a Latvian company and the work is performed in the territory of Latvia, the employer withholds income tax from the employee's income applying progressive tax rates and pays the tax to the Latvian State budget on a monthly basis. At the year-end tax for other types of income is calculated and paid.

Latvian residents are required to report their worldwide income in Latvia. Worldwide income includes Latvian and foreign employment income and personal income, such as income from investments, rent, capital gains, business activity, non-taxable income and other types of income.

Annual tax returns have to be filed if:

- Latvian resident has performed business activity in Latvia;
- Foreign income is received;
- Income tax has not been paid by the income payer;
- Additional income tax has to be paid in connection with progressive tax rates;
- Additional income tax has to be paid in connection with applied non-taxable minimum.

It is possible to obtain data about the information included in the Tax Authority's databases in the taxpayer's Electronic Declaration System account (login with a Latvian bank's ID data).

Income tax has to be paid until 23 June of the year following the taxation year (if total taxable income does not exceed EUR 78,100). If the tax due is more than EUR 640, it can be paid in three instalments – by 23 June, 23 July and 23 August.

Income tax has to be paid until 23 July of the year following the taxation year (if total taxable income exceeds EUR 78,100). If the tax due is more than EUR 640, it can be paid in three instalments – by 23 July and 23 August and 23 September.

Non-Residents

Latvian non-residents do not have to file annual tax returns unless they have gained taxable income in Latvia. If that is the case, the same filing and tax payment provisions as for a Latvian residents apply.

2.2 Tax Rates

What are the current personal income tax rates in Latvia?

Latvia imposes progressive tax rates on personal income and on income derived by self-employed individual's commercial activities, at the following rates:

- 20 percent rate on income up to EUR 20,004 per year;
- 23 percent rate on income from EUR 20,004.01 to EUR 78,100 per year;
- 31 percent rate on income exceeding EUR 78,100.

20 percent and 23 percent tax rates are applicable by the employer only if salary tax book is filed with the employer. If no salary tax book is filed, the employer has to apply 23 percent tax rate and the tax must be adjusted in annual tax return.

There are special rates applied to particular types of income:

- Capital gains (including real estate) – 20 percent;
- Dividends – 0 percent if received from income taxed with CIT, or on which PIT was applied. 20 percent in other cases;
- Interest and similar income from capital – 20 percent;
- Profit element of income from private pension funds and life insurance agreements with accumulation of funds – 20 percent.

Non-residents are taxed at the same rates as residents.

2.3 Residence Rules

For the purposes of taxation, how is an individual defined as a resident of Latvia?

An individual is regarded as a Latvian resident if:

- the individual's declared place of residence is in Latvia or
- the individual is present in Latvia for 183 days or more in any 12-month period which starts or ends in the taxation year, or
- the individual is a Latvian citizen employed abroad by the government of the Republic of Latvia.

In order to recognize the individual as a Latvian resident, at least one of the conditions mentioned above has to be met. When a foreign individual receives a residency permit in Latvia, they become a Latvian resident from the moment the residency permit is issued.

Double tax treaty provisions are also considered when defining an individual a resident of Latvia.

Is there a de minimus number of days rule when it comes to residency start and end dates? For example, taxpayers can't come back to the host country/jurisdiction for more than 10 days after their assignments end and they repatriate

An individual is considered a Latvian resident from the first day of arrival in Latvia after they have spent more than 183 days in Latvia in any 12-month period, so visits after assignment may extend residency.

In order to determine the 183-day period, the OECD Presence test is used when the days of arrival and departure, weekends, vacations spent in Latvia etc. are counted.

What if the assignee enters the country/jurisdiction before their assignment begins?

The same rules as mentioned above apply i.e. the assignee is considered a Latvian resident from the first day of arrival after 183 days have passed.

2.4 Termination of Residence

Are there any tax compliance requirements when leaving Latvia?

The foreign taxpayer has to file a departure tax return before leaving Latvia if all the below criteria are met:

- the individual is employed by a foreign employer in Latvia or an employer that does not have a permanent establishment in Latvia;
- the individual has stopped receiving income from this employer, and
- they leave the country/jurisdiction and does not anticipate returning before the end of the taxation year.

If the foreign taxpayer earns income in Latvia that is taxable at the year-end but stops receiving such income during the taxation year and terminates any economic relations with Latvia, they have to file a tax return.

What if the assignee comes back for a trip after residency has terminated?

This depends on the particular circumstances. According to the OECD Presence test used in Latvia it could prolong the period of Latvian residence since vacation and workdays spent in Latvia are counted. Even if Latvian residency is not prolonged, if the trip relates to business, the associated earnings could give rise to a Latvian tax liability. However, there are no mechanisms to closely monitor such situations.

Communication between Immigration and Taxation Authorities

Do the immigration authorities in Latvia provide information to the local taxation authorities regarding when a person enters or leaves Latvia?

No, however, immigration and taxation authorities have some shared databases which means that if some information is registered in the database of the Office of Citizenship and Migration, for instance, about receipt of a residency permit and declared address, the Tax Authority can see it.

Filing Requirements

Will an assignee have a filing requirement in the host country/jurisdiction after they leave the country/jurisdiction and repatriates?

After departure tax return is filed – no.

Generally, the income received for the work performed in Latvia, but paid to the assignee after leaving Latvia and filing the departure tax return, would be taxable in Latvia and a tax return would have to be filed.

2.5 Economic Employer Approach

Do the taxation authorities in Latvia adopt the economic employer approach to interpreting the Income from Employment article (Article 15) of the xxx treaty? If no, are the taxation authorities in Latvia considering the adoption of this interpretation of economic employer in the future?

A similar approach has been adopted – personnel lease.

De Minimus Number of Days

Is there a de minimus number of days before the local taxation authorities will apply the economic employer?

Not applicable.

2.6 Types of Taxable Compensation

What categories are subject to income tax in general situations?

The following categories of income are subject to income tax.

- Employment income, incl. bonuses, awards, fringe benefits, benefits in kind.
- Income from self-employment.
- Business income.
- Capital income.
- Capital gains.
- Rental income.

Employment income is taxable when received. Employment income is subject to Latvian tax to the extent it was earned during a period of Latvian residence or, in the case of income earned while non-resident, to the extent it was earned in respect of duties performed in Latvia (subject to treaty relief) or for the benefit of the Latvian employer.

Generally, all types of remuneration and benefits received by an employee for services rendered constitute taxable income, regardless of where paid (if the amount relates to work performed outside Latvia, it would be measured if the amount which is taxed is attributable to Latvia). Typical items of an expatriate compensation package set out below are, in most circumstances, fully taxable unless otherwise indicated.

- Reimbursements of foreign and/or home country/jurisdiction taxes.
- School and kindergarten tuition reimbursements.
- Home-leave reimbursements for the employee.
- Cost-of-living allowances.
- Expatriation premiums for working in Latvia.
- Housing allowances.
- Benefits-in-kind generally form part of taxable compensation. Where a company car is provided wholly or partly for personal use, special “car taxes” are generally paid by the employer.
- Medical insurance premiums (subject to exceptions) and medical care expenses.
- Flights home paid by the employer.
- Provided certain conditions are met and subject to limitations, the employer’s contributions to a private pension plan or insurance premiums are not taxable.

Intra-group statutory directors

Will a non-resident of Latvia who, as part of their employment within a group company, is also appointed as a statutory director (i.e. member of the Board of Directors in a group company situated in Latvia trigger a personal tax liability in Latvia, even though no separate director's fee/remuneration is paid for their duties as a board member?

Yes.

- a. Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Latvia?

Yes.

- b. Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Latvia (i.e. as a general management fee where the duties rendered as a board member is

included)?

Yes.

- c. In the case that a tax liability is triggered, how will the taxable income be determined?

Double tax treaty will need to be considered.

2.7 Tax-Exempt Income

Are there any areas of income that are exempt from taxation in Latvia? If so, please provide a general definition of these areas.

Contributions to Private Pension Plans

Contributions made to private pension funds can be deducted from the annual taxable income if those do not exceed 10 percent from the individual's gross employment income but not more than EUR 4,000 in the taxation year. Such payments can also be made by the employer for the benefit of the employee, the same limitations apply.

Accident and Health Insurance Premiums

Insurance premiums are not included in the taxable income up to a limit of EUR 426.86 per year provided that:

1. The term of the life insurance agreement (with accumulation of funds) is not shorter than 10 years;
2. The term of the life, health and accident insurance agreement (without accumulation of funds) is not shorter than 1 year;
3. The provisions of the life, health and accident insurance agreement state that insurance award for the insurance case is paid to the insured person or their beneficiary.

The excess amount of premium payments is not considered as justified expenses and should be included in the taxable income.

Meals, Lodging and Transport

If expenses are incurred during business trip, costs are fully non-taxable if there are justifying documents in place such as tickets and cash receipts.

Moving Expenses

If expenses have been incurred due to the employee's work, they are non-taxable.

Per diems

Per diems are tax exempt if the amount does not exceed the limits set for different countries/jurisdictions in the Latvian tax legislation. If the limit is exceeded, then the excess amount is subject to payroll taxes.

Compensation for business use of private car

Compensations up to EUR 57 per month are tax exempt.

Sale of personal real estate

The proceeds are subject to tax (some exceptions apply).

2.8 Expatriate Concessions

Are there any concessions made for assignees in Latvia?

There are no concessions for expatriates in Latvia.

2.9 Salary Earned from Working Abroad

Is salary earned from working abroad taxed in Latvia? If so, how?

The taxation of salary earned from working abroad depends on an individual's residency status and source of income.

As a rule, worldwide income of Latvian residents is taxable in Latvia.

If the individual has worked abroad they have to file annual income return and report in it the income earned abroad. If income tax has been paid abroad and it can be proved with a certificate on income and taxes paid, issued by the foreign tax authority, a credit or exemption method of double tax treaties can be applied.

2.10 Taxation of Investment Income and Capital Gains

Are investment income and capital gains taxed in Latvia? If so, how?

Capital gains are taxed in Latvia at 20 percent.

Rental income is regarded as the individual's business income and taxed at the progressive income tax rate. It is possible to apply 10 percent tax rate to rental income if business activity is not registered and the individual does not wish to deduct justified expenses from the income (a separate application should be submitted with the Latvian tax authorities in such case).

Gains from Stock Option Exercises

Residency Status	Taxable at:		
	Grant	Vest	Exercise
Resident	N	Y	Y
Non-resident	N	Y	Y

Capital Losses

Loss carry-back or carry-forward is not possible for personal income tax purposes, except for the persons engaged in business activity.

Gifts

Gifts are non-taxable:

- If received from spouse or close relative such as siblings, parents;
- If received from an individual (regardless if they are a family member) and used to cover medical services (except cosmetic surgeries);
- If received from an individual (regardless if they are a family member) and used to cover higher education and all levels of vocational education, expenditure for the acquisition of a specialty (occupation, profession, trade) in State accredited education institutions of Latvia, or in training institutions of the EU Member States and EEA States upon acquiring State accredited education programs.

Gifts up to EUR 1,425 per year from an individual (not a family member) are non-taxable. Several gifts up to total of EUR 1,425 per year can be received from each individual.

2.11 Additional Capital Gains Tax (CGT) Issues and Exceptions

Are there additional capital gains tax (CGT) issues in Latvia? If so, please discuss?

No.

Are there capital gains tax exceptions in Latvia? If so, please discuss?

The proceeds are tax exempt, if the real estate:

- it is owned by the individual for at least 60 months and it has been their declared residence for at least 12 months prior the alienation of real estate;
- it is owned by the individual for more than 60 months and the last 60 months it is the only real estate the individual owns prior the alienation of real estate;
- the income from real estate alienation is invested in functionally similar real estate within 12 months before or after the alienation of the real estate.
- Other very specific exceptions apply.

2.12 General Deductions from Income

What are the general deductions from income allowed in Latvia?

A differentiated non-taxable minimum is calculated for each individual individually. Latvian tax authority twice a year (until 1 January and until 1 August) recalculates the forecasted non-taxable minimum. The non-taxable minimum can be applied in the calculation of wages if employee has submitted salary tax book. Individuals are entitled to non-taxable minimum if their taxable income do not exceed EUR 21,600 per year.

The allowance for dependents is EUR 250 per month for each dependent.

The above-mentioned rules do not apply to Latvian non-residents, except citizens of another EU or EEA country/jurisdiction who have earned more than 75 percent of their worldwide income in Latvia.

Social security contributions (employee part) are deductible for income tax purposes at 20 percent rate.

Expenses for education and medical costs up to a limit of EUR 600 per year per each family member are considered as eligible.

Payments to private pension funds and life insurance (with accumulation) up to 10 percent from annual gross income, but not more than EUR 4,000 per year, are considered as eligible as well.

2.13 Tax Reimbursement Methods

What are the tax reimbursement methods generally used by employers in Latvia?

Depending on the employer, gross-up is used in the tax year, or a bonus is paid in the following year to cover tax charges that the employer is to bear.

2.14 Calculation of Estimates/Pre-payments/Withholding

How are estimates/pre-payments/withholdings of tax handled in Latvia? For example, Pay-As-You-Earn (PAYE), Pay-As-You-Go (PAYG), etc.

Payroll taxes (personal income tax and social security contributions) are calculated by the employer on a monthly basis. Before the salary payment the employer withholds and pays to the Latvian state budget all

the due tax amounts and transfers a net income to the employee. In this context they are withheld as you earn.

When are estimates/pre-payments/withholdings of tax due in Latvia? For example, monthly, annually, both, etc.

If the employee is on the company's payroll, tax withholding is due every month. For individuals, certain types of income have to be reported and the respective income tax paid quarterly or annually.

2.15 Relief for Foreign Taxes

Is there any relief for foreign taxes in Latvia?

Latvia has a broad network of bilateral tax treaties. Latvian domestic tax regulations also provide methods to avoid double taxation of income taxed outside Latvia.

If the individual is a resident of Latvia for tax treaty purposes, relief in respect of income taxable in the other state is generally given by using foreign tax credit rather than by exemption. A mandatory requirement for tax credit or exemption is a certificate issued by the foreign tax authority on income tax paid.

2.16 General Tax Credits

What are the general tax credits that may be claimed in Latvia? Please list below.

Latvia allows crediting foreign tax against Latvian tax liability arising on the same income or gains.

03

**Special considerations
for short term
assignments**

3 Special considerations for short-term assignments

3.1 Residency rules

Are there special residency considerations for short-term assignments?

There are no special residency considerations for short-term assignments. The same rules as described previously for determining residency are applicable

3.2 Payroll considerations

Are there special payroll considerations for short-term assignments?

No special considerations apply for short-term assignments.

3.3 Taxable income

What income will be taxed during short-term assignments?

All of the income relating to duties performed in Latvia will not be taxable if subject to tax treaty relief.

3.4 Additional considerations

Are there any additional considerations that should be considered before initiating a short-term assignment in Latvia?

It is possible that the tax treaty between the assignee's country/jurisdiction of residence and Latvia will be relevant. Consequently, it should be considered carefully.

Detailed records should be maintained of the time which the assignee spends in Latvia and of their work activities, both in Latvia and elsewhere, during the assignment.

04

Other taxes and levies

4 Other taxes and levies

4.1 Social security tax

Are there social security/social insurance taxes in Latvia? If so, what are the rates for employers and employees?

Employer and Employee

Type of Insurance	Employer part (percent)	Employee part (percent)	Total
Social Security	23.59	10.50	34.09
Total percent	23.59	10.50	34.09

The rate in the table above is standard Social security contributions' rate. There are differentiated rates, unlikely to apply to expatriates, such as for working individuals at pension age, self-employed individuals and some other groups of socially insured individuals.

4.2 Gift, Wealth, Estate, and/or Inheritance Tax

Gifts received from individuals are non-taxable if the gift value in the taxation year does not exceed EUR 1,425. If it does, then progressive personal income tax is payable on the excess amount.

Gifts received from employers are subject to payroll taxes if the value of the gift exceeds EUR 15.

There is no wealth or inheritance tax in Latvia.

4.3 Real Estate Tax

Are there real estate taxes in Latvia?

There are differentiated rates of real estate tax in Latvia:

- 1.5 percent from the cadastral value of the property - for property and land, also used in business activity, and for engineering technical building
- 3 percent from the cadastral value – for land not used in agriculture
- Up to 3 percent for buildings degrading environment and threatening human safety
- 0.2 – 0.6 percent from the cadastral value – for houses and apartments for inhabitants not used in business activity and if used in business activity and rental agreement is registered in the Land book

The minimal tax payment for each taxpayer in the particular municipality is EUR 7.

4.4 Sales/VAT Tax

Are there sales and/or value-added taxes in Latvia?

The standard VAT rate is 21 percent. There is also a reduced rate of 12 and 5 percent. There are several transactions which are subject to VAT rate at 0 percent or are VAT exempt.

4.5 Unemployment Tax

Are there unemployment taxes in Latvia?

There are no separate unemployment taxes in Latvia since such payments form a part of social security contributions.

4.6 Other Taxes

Are there additional taxes in Latvia that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, etc.

There is a real estate transfer duty in Latvia. The rate is 1.5 percent of the value of the property or valuation for mortgage purposes for individuals, 2 percent for real estate transfer for legal persons and 3 percent for expropriation of property on the basis of a gift agreement. The maximum tax payable is EUR 50,000.00. The rate for close relatives is 0.5 percent from the real estate value.

Foreign financial assets

Is there a requirement to declare/report offshore assets (e.g. foreign financial accounts, securities) to the country/jurisdiction's fiscal or banking authorities?

There is no requirement to report the ownership of foreign assets. There is a requirement for residents to report income from foreign assets.

05

Immigration

5 Immigration

Following is an overview of the concept of Latvia's immigration system for skilled labor.

(E.g. which steps are required, authorities involved, in-country/jurisdiction and foreign consular processes, review/draft flow chart illustrating the process)

Entry and residence into Latvia have to be differentiated between nationals of the EU, the EEA and Switzerland, and nationals from other countries/jurisdictions (third country/jurisdiction nationals).

Most third country/jurisdiction nationals who intend to engage in active, productive employment in Latvia will need a residence permit (with a right to work) or a visa (with a right to work). Depending on the length and purpose of travel to Latvia and the nationality of the traveler, a residence permit or different types of visas will apply to the occasion and may vary in their processes and processing times.

Nationals of the EU/EEA have the right to freedom of movement, which means they have unrestricted access to the Latvian labor market. A residence permit or visa won't be required to either enter or work in Latvia. The same rules apply to citizens of Switzerland. If an EU/EEA or Switzerland wish to stay or longer than a 3-month period, counting from the first day of entry, they must register with the Office of Citizenship and Migration Affairs to receive a residence registration certificate.

Latvia distinguishes further between non-visa nationals and visa nationals. Non-visa nationals can enter Latvia for business visitor purposes without the need to apply for an entry visa. However, a non-visa national may not start working until the appropriate residence permit (with a right to work) or a visa (with a right to work) has been issued.

5.1 International Business Travel/Short-Term Assignments

Describe (a) which nationalities may enter Latvia as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.

As non-visa nationals in Latvia may enter nationals of the EU/EEA and Switzerland, nationals listed in Council Regulation (EC) No 539/2001 of 15 March 2001 and other persons who are exempt from the visa requirement. For the full list of non-visa nationals please visit: <https://www.mfa.gov.lv/en/countries-and-territories-whose-citizens-may-enter-latvia-without-visa> Non-visa nationals may enter Latvia without visa and stay in Latvia up to 90 days within a 6-month period. The purpose of stay might be short visit or tourism.

Describe (a) the regulatory framework for business traveler being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.

For a short term stay foreigner must obtain Schengen visa (short-stay visa).

With the Schengen visa the foreigner can transit through or stay in the territory of Latvia (or other Member State) for a duration of no more than 90 days in any 6-month period from the date of first entry in the territory of the Member States.

The Schengen visa can be individual single-entry visa or multiple-entry visa. The Schengen visa can be unified or with limited territorial validity. The unified visa entitles the holder to stay in the territory of all Schengen States. The visa with limited territorial validity entitles the holder to stay only in the territory of the State/states for which it is valid. **Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.**

The Schengen visa shall be obtained prior the entry into Latvia in Latvian consular missions in foreign countries/jurisdictions or at the consulates of other Schengen Member States which is competent to process Schengen visa application for travelling to Latvia.

Indicative step-plan:

- 1 Document gathering (1-2 weeks)
- 2 Book visa appointment at the authority at the place of residence (1 day)
- 3 Prepare Visa application (1-2 days)
- 4 File Visa application with the authority at the place of residence (5-10 business days)
- 5 Obtain Visa and travel to Latvia (1 day)

The required documents:

- A valid travel document
- A visa application form –filled out and signed
- A color photograph 35x45mm in size and not older than 6 months
- A copy of a valid travel medical insurance policy
- Payment or con–formation of the payment of visa application fee
- Documents indicating the purpose of the journey
- Documents in relation to accommodation, or proof of sufficient means to cover an accommodation
- Documents indicating that the applicant possesses sufficient means of subsistence both for the duration of the intended stay and for the return to the country/jurisdiction of origin or residence
- Information enabling an assessment of the applicant's intention to leave the territory of the Member State before the expiry of the visa applied for

Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?

5.2 Long-Term Assignments

What are the main work permit categories for long-term assignments to Latvia? In this context outline whether a local employment contract is required for the specific permit type.

- Intra corporate transfer (local employment contract is not required)
- EU Blue Card (local employment contract is not required if the foreigner can provide a binding job offer)
- Employment with the local employer (local employment contract or service agreement is required)
Business activities as authorized representative of an entity registered in the Commercial Register (local employment contract or service agreement is required)

Provide a general process overview to obtain a work and residence permit for long-term assignments (including processing times and maximum validation of the permit).

- 1 Company registers a vacancy with the State Employment Agency in Latvia (applicable if foreigner will be employed in Latvia on the basis of local employment contract) (1 month)
- 2 Company in Latvia registers invitation with the Migration Office in Latvia (5-10 business days)
- 3 Foreigner submits documents to the Latvian Embassy for obtaining residence permit or if foreigner is a non-visa national, submits the documents, photo and biometrical data to the Migration Office in Latvia (1 business day)

- 4 Latvian Embassy forwards the documents to the Migration Office in Latvia, if foreigner requires visa to enter Latvia (1-2 weeks)
- 5 Migration Office in Latvia reviews the documents, adopts a decision and informs Latvian Embassy, if foreigner requires visa to enter Latvia (30 days)
- 6 Foreigner receives single entry visa and enters Latvia, if foreigner requires visa to enter Latvia (1 business day + time for travel)
- 7 Foreigner visits the Migration Office in Latvia for a photo and submission of biometrical, if foreigner requires visa to enter Latvia (2-10 business days)
- 8 Foreigner visits the Migration Office in Latvia for receipt of residence and work permit, registration of address (1 business day)
- 9 Registration of residence and work permit, if issued for longer period than 1 year (within 1 year)

Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be taken into account for the salary?

In Latvia there are minimum substance requirements, thus also allowances can be taken into account in calculations. The sum changes each year as it is calculated taking into account the average salary of previous year and differs based on the ground of employment.

Is there a fast-track process which could expedite the visa/ work permit?

In general, there is no fast track process in Latvia, however it is possible to fasten the decision making of the Latvian Migration Office by paying higher state fees.

At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?

The employee is permitted to start working, once they have obtained their final residence permit (with a right to work).

Can a short-term permit/ business visa be transferred to a long-term permit in Latvia?

Technically it would be possible to transfer a short-term permit/ business visa to a long-term permit in country/jurisdiction. This needs to be reviewed case by case as it is highly depended on the circumstances. If a transfer would not be possible, the applicant would need to leave Latvia and apply for their place of residence outside of Latvia.

Is it possible to renew work and residence permits?

Yes, it is possible to renew the residence permits.

Is there a quota or system or a labor market test in place?

Latvia does not have a quota system. Labor market test is in place in case the foreigner will be employed on the basis on a local employment contract. However, there might be some exceptions based on the ground of employment.

5.3 General Immigration Related Questions

Would it be possible to bring family members to Latvia?

Dependents are allowed to join the main applicant in Latvia.

Is it possible to obtain a permanent residence permit?

Generally, one would be eligible to apply for a permanent residence permit after holding a residence permit for 5 years and provide sufficient Latvian language knowledge.

What if circumstances change after the Work and Residence application process (e.g. change of employment or personal situation, including job title, job role or salary)?

Any change in the term of the employment or personal situation, including job title, job role or salary may require that a new Residence Permit needs to be secured or an appropriate notification to be made.

How long can a permit holder leave Latvia without their permit becoming invalid?

Any extended absences from Latvia may affect future Long-Term Residency and Citizenship applications.

Must immigration permissions be cancelled by the end of the assignment/employment?

In case of a termination of the employment before the end of the validity of the permit, the immigration authorities should be informed. A de-registration needs to take place when the foreigner leaves Latvia for good.

Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?

Latvia differs between penalties for the individual and the companies. Penalties could be deportation of the employees, restriction on re-entering Latvia or monetary fines. For the companies could be imposes fines.

5.4 Other Important Items

List any other important items to note, or common obstacles faced, in **Latvia** when it comes to the immigration processes.

[Back to top](#)

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