

Application for refund of Latvian VAT

Under the European Union (EU) 8th and 13th Directives, entrepreneurs may reclaim value added tax (VAT) incurred on the purchase of goods and services in an EU Member State. The 8th VAT Directive applies to VAT refund procedures initiated by entrepreneurs located in a Member State other than the State in which the VAT is incurred and the 13th Directive applies to non-EU entrepreneurs.

In Latvia claims for VAT refund may be submitted to the tax authorities for a period ranging from three months to one year. The application must be submitted before **30 June** following the calendar year in which the VAT was incurred, or the application will be refused. In addition to meeting the deadlines, the documents, such as a certificate that the entrepreneur is a VAT taxable person in his State as well as the original invoices, must be submitted along with the application.

Entrepreneurs who lodge such claims in Latvia must take into account the following main conditions for a VAT refund:

- 1) expenses relate to the company's business activities (VAT taxable or VAT exempt with credit);
- 2) the undertaking does not have a place of business or residence in Latvia;
- 3) the undertaking is registered in another country as a VAT payer, and goods and services bought are not used for ensuring VAT taxable transactions in Latvia; and
- 4) the undertaking holds a valid VAT invoice complying with the requirements of the Latvian VAT Law.

Accordingly, we would like to encourage you to consider what have been your expenses in Latvia in 2005 and if Latvian VAT was charged on these invoices.

Please, inform us if you are interested to find out more about the requirements to qualify for a VAT refund in Latvia and we will send you some further information.

If the company has incurred VAT in other countries, Deloitte can assist in obtaining a refund using its offices in other EU Member States and non-EU countries.

CONTACTS

For further information, please, contact Janis Cupans Senior Manager of Deloitte Latvia Tax department, phone number: + 371 7 814 160, e- mail: jcupans@deloitteCE.com.

Office address:

SIA Deloitte Latvia
Biskapa gāte 2
Rīga, LV 1050
Latvia

Tel.: +371 7814160
Fax: +371 7223007
<http://www.deloitte.lv>

© 2006 Deloitte Latvia SIA. All rights reserved.

The name Deloitte refers to Deloitte Touche Tohmatsu, Swiss Verein, its member firms as well as respective subsidiaries and associated companies As a Swiss Verein (association), neither Deloitte Touche Tohmatsu nor any of its member firms has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the names "Deloitte," "Deloitte & Touche," "Deloitte Touche Tohmatsu," or other related names. The services described herein are provided by the member firms, their respective subsidiaries and associated companies, and not by the Deloitte Touche Tohmatsu Verein.