

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY	
Tax rate	23%
Tax period	Calendar year
Tax residency / Domicile according to domestic law	Person shall be treated as Latvian tax resident if: 1. Permanent place of living is in Latvia or 2. the person is present in Latvia for 183 days or more
Tax registration	Within one month from commencement of activities in Latvia in case no local employer exists. In case of local employer – upon commencement of work
Employment income definition	Any type of income (both cash and in kind) received within employment relationships
Examples of tax exemption	Allowance for dependants, non-taxable minimum, daily allowances in case of business trips etc.
Specific expatriate concession	Not applicable
Income of board members	Taxed similarly to employment income
Tax returns	In case of local employment, the employer is liable for filing of tax returns. In case of foreign employer, the tax return has to be filed by the employee.
Tax payments	Generally the tax is payable on a monthly basis
TAX TREATIES	
Employment income / income from board members	Art 15/16 Model OECD Tax Convention
INTERNATIONAL SOCIAL SECURITY	
Cross border employments	EU Regulation No 883/2004 and EU regulation No. 1408 / 71
Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71	Generally applicable
Social Security Cost as % from gross salary and absolute amounts	34,09%, which is payable by employer (rate 23,59%) and employee (rate 10,50%)
IMMIGRATION	
Work permit	Nationals of EU, EEA and Switzerland do not need a work permit to work in Latvia. Nationals of other countries need to obtain a work permit to work in Latvia.
Visa	EU and EEA citizens do not need a visa to enter Latvia. Third country nationals are required to receive visa.
Residency permits / registration certificate	EU and EEA citizens are required to apply for the registration certificate, if the presence in Latvia exceeds 3 months. Third country citizens need to apply for a residence permit, if the stay in Latvian exceeds 90 days.
Driving license	Driving licence, issued by another EU or EFTA member state, can be used in Latvia without any limitations. Driving licences, issued by other countries can be used in Latvia only for driving a B category vehicle (passenger car). If the driving license contains data in non-Latin letters, a notarial translation should be presented. Third country citizens shall receive a Latvian driving license, if the presence in Latvia exceeds 1 year.
STOCK OPTION PLAN	Certain tax exemptions are applicable in case the provisions of stock option plan provided by the law are fulfilled.

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