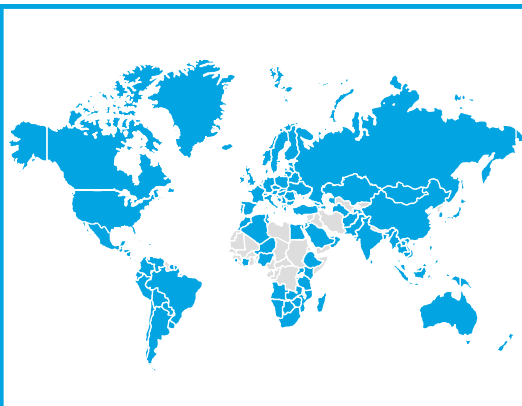


# EXPATRIATES

## Latvia

### Tax facts for International Assignees



#### INCOME TAX: WHO IS LIABLE

According to the general provisions, a tax resident of Latvia means any person who, under the laws of Latvia, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any other criterion of a similar nature. Thus, the tax resident is subject to the income taxes from the income obtained worldwide, even when performing duties abroad.

#### INCOME TAX RATES

Tax rate	
0%	Dividends from Latvian, EU and third countries provided certain conditions are met
20/23/31 %	Personal income tax, employment income, self-employed
20 %	Income from capital, including capital gains (interest, alienation of personal real estate, capital shares etc.)

The effective rate is 34.09% (10.50% + 23.59%).

#### Employee Contributions

Employees' contributions are deducted at a rate of 10.5% from their gross salary payments.

#### Employer Contributions

The employer's rate is 23.59%. This contribution is allocated to the following funds:

- Old-age pension fund - 23.91%
- Unemployment fund - 1.60%
- National insurance fund for industrial accidents and occupational diseases - 0.66%
- Disability fund - 2.29%
- Maternity and sickness fund - 3.47%
- Parental insurance fund - 1.16%
- Health insurance - 1.00%

Please note that rates may differ if, e.g., the person is a disabled person.

#### Self-employed Contributions

The standard social security contribution rate is 31.07%. If a monthly income of self-employed is EUR 500 or more the rate of 31.07% applies + mandatory pension insurance contributions are applied at a rate of 10% to the difference between EUR 500 and actual income.

#### BREAKING RESIDENCY - EXIT PROCEDURES

By breaking residency, an individual is no longer considered to be a taxpayer in the respective state. In Latvia, the individual shall notify State Service Revenue that the person is no longer considered to be a resident in Latvia and shall indicate the grounding, e.g., has moved to another country, the center of vital interests is in another country, etc.

For further information and to register for future updates contact [expat@bdo.global](mailto:expat@bdo.global)

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