

Amendments to Rule 969 on business trip expenses (2/2/20)

We have informed our MindLink.lv subscribers about proposals for amending the Cabinet of Ministers' Rule No. 969, *How to reimburse expenses associated with business trips*. The amendments came into force on 19 November 2019. In this article we have put together what we see as key changes.

The rationale and the result

As stated earlier, the need for these amendments arose from how the rate of inflation and the cost of goods and services had changed since Rule 969 was adopted back in 2002. Accordingly, the daily allowances and other compensation mechanisms for business trips and on-the-job travel were revised within Latvia and abroad. Some of the amendments aim to ease the administrative burden on businesses.

Considering these tasks and aims, it was decided to make the following changes:

- The Latvian daily allowance of €6 for business trips and on-the-job travel within Latvia is raised to €8 (the initially proposed increase to €16 was dropped);
- Public transport and taxi fares within Latvia must be reimbursed in full if supporting documents have been filed;
- The maximum hotel expense reimbursement rate for the staff of state-funded institutions is raised from €57 to €120 in Riga and from €43 to €60 elsewhere;
- Paragraph 13 of Rule 969, which specifies cases where a daily allowance may be reduced, was applicable to business trips only. To ensure a uniform approach, this paragraph now covers on-the-job travel as well. And free accommodation and food may be provided in accordance with EU legislation (e.g. aviation employment law). So when it comes to providing an employee with the conditions of paragraph 13, institutions are allowed not to pay a daily allowance (compensation for any extra expenses) unless that employee incurs any other expenses;
- An order on paper may be replaced with an e-document, assuming that a duly authorised signatory or the head of the organisation has duly confirmed the document with an e-signature.

Annex 1 to Rule 969 has also been recast.