

Obtaining Latvian tax residency certificate electronically via EDS (3/51/20)

The State Revenue Service ("SRS") has come up with a new procedure for taking out a Latvian tax residency certificate to ease the administrative burden on organisations and individuals. The new procedure means a considerable time saving and is covered by amendments to the Cabinet of Ministers' [Rule No. 178, Procedures for Claiming Tax Relief under Double Tax Treaties](#), effective from 4 November 2020.

If a Latvian-resident person gains income abroad that is treated as exempt under a double tax treaty ("DTT") or if the DTT offers a more generous tax treatment than the foreign country's national law, the person can file a Latvian tax residency certificate with the foreign tax authority and apply DTT provisions. On filing the certificate the person's income will be taxed abroad according to DTT provisions.

The old procedure

Latvian tax residents wishing to take out a certificate have so far been required to apply to the SRS in writing. The applicant would complete a form prescribed by [Appendix 4 to Rule 178](#) and file it with the SRS in person or by post. The general procedure gave the SRS 30 days for examining the application and making a decision to issue or refuse a certificate. If the SRS decided to issue a certificate they would send it to the person in hard copy signed and stamped. So obtaining a certificate took a long time for someone needing to satisfy the foreign tax authority that they were a Latvian tax resident.

Obtaining a certificate electronically

The amendments allow the person to take out a certificate electronically through the SRS's Electronic Declaration System ("[EDS](#)"). After entering the required details (e.g. the tax period the certificate is to cover) in appropriate sections of the form and naming the relevant DTT the person will automatically generate a downloadable certificate in PDF. This procedure takes about ten minutes.

To enable authenticity verification each certificate is assigned a unique QR code/link to the EDS page and a reference code. Using the QR code or the link appearing in the reference will take the user to the EDS page where they should enter the code appearing in the reference and the entity's registration number (or the individual's personal identity number). If giving these details indicates that the certificate is authentic, the user can download a copy. Note that the person need not be a registered EDS user to verify the authenticity of an electronic certificate. [The site for authenticity verification](#) is available in Latvian, Russian, and English.

The certificate is valid without a secure electronic signature. If a foreign tax authority rejects this sort of document, the person can ask the SRS to issue it in hard copy signed and stamped according to [paragraph 17.2 of Rule 178](#).