

# Website should be registered as business unit (3/2/18)

The State Revenue Service (SRS) has drawn up guidelines to explain how traders doing business over the Internet should register a website as a business unit. This article explores the main aspects of the registration process.

## The registration requirement

The obligation to register a website as a business unit arises if that site fits the definition given in section 1(24) of the Taxes and Duties Act. In other words, if it is possible to order (book) and/or pay for goods or services on a website, then it should be registered as a business unit using the SRS's Electronic Declaration System (EDS).

## Things to consider

- The website address should be indicated as the name of the business unit, and "website" should be stated as the type of business unit on the EDS.
- The name of the business unit should follow the format `www.domain.lv` (.eu, .com etc) or `www.subdomain.domain.lv` (.eu, .com etc). It is important to note here that each website should be registered as a separate business unit.
- A taxpayer doing business on a trading platform should register his profile/shop set up on that platform, e.g. `www.ebay.com/sch/name`, where "name" is the name of the taxpayer's profile.

If another person owns the right to use a domain, the taxpayer should hold a document allowing him to use the domain name in order to register his website as a business unit.

## The identification requirement

It is important to remember that a trader offering goods or services on the Internet is required to identify himself.

## Entities are required to give –

- their company name;
- registration number;
- the actual address or place of business, such as a website or a mobile app;
- contact details; and
- licensing details if necessary.

## Individuals that carry on business are required to give –

- their first name, last name, and the second part of their personal identity number (the first part may be omitted);
- the actual address or place of business, such as a website or a mobile app (the declared place of residence may be omitted);
- contact details; and
- details of documentary evidence of professional qualifications if necessary.

## Common mistakes

Here are the most common mistakes in registering a business unit, according to the SRS:

- Multiple websites are registered as a single business unit;
- The name “online shop” is stated in addition to the website address;
- The name contains only the words “online shop” etc without a website address;
- A trading platform, not a link to the trader’s website, is registered as a business unit.