

# Positive changes for small and medium-sized enterprises (SMEs): impact of amendments to the VAT Law 3/6/25

The obligation to register for VAT purposes depends not only on the registration threshold set in Latvia for domestic transactions (EUR 50,000), but also on the type of services supplied to a VAT payer of another EU Member State, if the place of supply of these services is determined under Section 19, Paragraph One of the VAT Law (the recipient of the service is responsible for the payment of VAT), or on the type of services received, the place of which is determined under the above-mentioned Section. According to the VAT Law, VAT registration is also required if the purchase of goods by a company in the territory of the EU reaches or exceeds EUR 10,000 in the current calendar year (currently, this threshold can be used not only by inland taxpayers but also by taxpayers from another EU Member State). The registration requirement has so far prevented SMEs from “enjoying” their status. Some changes have already come into force from 1 January 2025, others will become effective on 1 July 2025. This article looks at these changes.

## Izlasiet visu īsziņu ne tikai virsrakstu, kļūstot par abonētāju

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