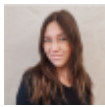


# Postponement of e-invoice implementation in intercompany settlements: How can companies effectively use this time? 1/25/25



Consultant, Tax Reporting, Accounting and Strategy, PwC Latvia  
Annija Avota



Senior Manager, Tax Reporting, Accounting and Strategy, PwC Latvia  
Juris Boiko

On 5 June 2025, the Parliament of the Republic of Latvia (Saeima) adopted amendments to the Accounting Law, which provide for the mandatory use of structured electronic invoices between companies, with the exception of budgetary institutions, to be postponed until 1 January 2028. The Saeima's decision to postpone the date reflects the country's adaptation to the challenges of digital transformation and gives companies, especially small and medium-sized enterprises, additional time to fully prepare for system adaptation and process modernisation.

## What do the changes entail?

The original plan was for all companies in Latvia to issue their invoices to each other in a structured electronic format from 2026. However, this deadline proved to be too optimistic, as many companies still lack the technical solutions and knowledge to fully switch to the electronic invoicing system.

In view of this, the Saeima has decided to give companies more time to adapt and prepare. This means that over the next three years, companies can continue to use the existing invoice formats while they gradually switch to the circulation of structured electronic invoices.

Until the deadline approved by the Saeima, the existing regulations will remain in force — electronic invoices will be mandatory in transactions with state and municipal entities from 2025, but their use in cooperation between companies will be voluntary until 2028, when data transmission to the State Revenue Service will become mandatory for all companies.

## Rationale and objective of the amendments

The decision to postpone the mandatory introduction of structured electronic invoices in inter-company trade was taken in order to ensure a sufficient transition period for technical and organisational preparation. The level of digital preparation of companies is uneven and many companies — especially small and medium-sized enterprises — still lack the resources to fully adapt their systems and processes to the requirements of structured electronic invoices.

The postponed deadline provides companies with additional time to evaluate existing accounting procedures, implement necessary technological solutions and conduct employee training. This approach promotes a thoughtful, gradual and high-quality transition to structured electronic invoicing while minimising the risks associated with a hasty implementation, such as data processing errors or information system instability.

The experience of public sector institutions shows that the introduction of electronic invoicing in transactions with the public sector has significantly increased the demand for technical support for users.

This trend indicates a limited practical understanding of the use of structured invoices and their requirements. In addition, the implementation process revealed a number of technological issues, including ensuring data quality, system compatibility and integration efficiency with existing accounting platforms.

## The importance of strategic action

Although the mandatory use of structured electronic invoices in business transactions will not come into force until 2028, this should not give the false impression that the matter can be postponed. On the contrary, now is the right time to focus strategically on this process in order to avoid risks and hasty implementation.

To make effective use of the transition period granted, organisations need to assess their current accounting and finance systems to understand what improvements or investments are required. Training staff in the basics of issuing and processing electronic invoices is also important, as this will streamline processes and increase the organisation's efficiency. Another crucial aspect is integration planning, i.e. ensuring that the new systems are compatible with existing systems both within the organisation and throughout the supply chain.

There is much to do, and companies that proactively plan future processes will gain an advantage by meeting requirements and optimising document throughput. This is a favourable time for strategic and planned action.