The Saeima\(^1\) has adopted and
the President has proclaimed the following Law:

On Excise Duties

Chapter I
General Provisions

Section 1. Terms Used in this Law

(1) Terms used in this Law correspond to the terms used in the Law On Taxes and Fees, unless specified otherwise by this Law.
(2) The following terms are also used in this Law:

1) **excisable goods** — alcoholic beverages, tobacco products, mineral oils, non-alcoholic beverages, coffee and natural gas;

2) **excise duty stamp** — an alcoholic beverage or tobacco product excise duty stamp which is attached to the packaging of alcoholic beverages (a bottle or other packaging) or the packaging of tobacco products (a packet or other packaging), which stamp certifies that the labelled alcoholic beverages or tobacco products are of legal origin and that these products are under State control in conformity with the specified rules for payment of excise duty;

2\(^1\) **damaged excise duty stamp** — an excise duty stamp, which has become unusable in the production, treatment, processing, packing or marking process of alcoholic beverages and tobacco products;

2\(^2\) **invalid excise duty stamp** — an excise duty stamp, in which in the production process thereof defects have appeared and therefore it may not be used for the marking of alcoholic beverages and tobacco products;

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\(^1\) The Parliament of the Republic of Latvia
 unused excise duty stamp — an excise duty stamp, which the payer of duty has received, but has not attached to a packaging unit of an alcoholic beverage or tobacco product;

duty suspension arrangement — deferment of excise duty payment in relation to producing, processing, storing and relocation of excisable goods and other activities in accordance with the law;

Member State — any European Union Member State;

maximum retail selling price — the price of cigarettes (including all taxes) which is indicated on the excise duty stamp and which is determined for particular cigarettes by recipients of excise duty stamps upon ordering of excise duty stamps for these cigarettes;

weighted average retail selling price — the maximum retail selling price of cigarettes specified in a relevant time period, taking into account the total value of cigarettes released for consumption and released into free circulation, and the number of cigarettes;

tax warehouse — a place where an approved warehousekeeper produces, processes, stores, imports, receives, dispatches or performs other activities with excisable goods, applying duty suspension arrangement;

importer — a person who declares excisable goods for the customs procedure – release into free circulation – brought in the Republic of Latvia from a foreign state other than a Member State, or from a territory referred to in Section 2, Paragraph 3. of this Law;

approved warehousekeeper — a person having the right to keep a tax warehouse in the ownership or possession thereof;

registered consignee — a person who does not have the status of an approved warehousekeeper but who has the right to receive alcoholic beverages, tobacco products or mineral oils from another Member State or from a registered consignor and an approved warehousekeeper in the Republic of Latvia, applying suspension of excise duty thereto;

temporarily registered consignee — a person who does not have the status of an approved warehousekeeper and who has the right to perform one specific operation — the single receipt of a specific alcoholic beverage, tobacco product or mineral oils from another Member State or from a registered consignor and an approved warehousekeeper in the Republic of Latvia, applying suspension of excise duty thereto;

distance seller — a person who, in accordance with Sections 10 and 26 of this Law, dispatches excisable goods from one Member State to another Member State to a person who does not have the status of an approved warehousekeeper, a registered consignee or a temporarily registered consignee;

registered consignor — a person who has the right to send only alcoholic beverages, tobacco products or mineral oils, applying suspension of excise duty when releasing them into free circulation in accordance with Article 79 of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (hereinafter – Council Regulation No 2913/92), to a tax warehouse in the Republic of Latvia or in another Member State, to a registered consignee in the Republic of Latvia or in another Member State, or to a temporarily registered consignee in the Republic of Latvia or in another Member State.

Section 2. Scope of Application of this Law

(1) This Law prescribes the procedures by which excise duty (hereinafter – duty) shall be imposed on excisable goods and it applies to excisable goods with which are performed activities specified by law in the Republic of Latvia.

(2) Section 8, Paragraph five, Section 20, Paragraph two, Clause 1, Sub-clause “a”, Section 25, Paragraphs one, two, three, four, five, six, seven, eight, nine and ten, Sections 26, 31 and 32 of this Law shall not apply to activities involving non-alcoholic beverages and coffee. Section 2, Paragraphs six and seven, Section 8, Section 20, Paragraph two, Clause 1, Sub-clause “a”, Sections 25, 26, 31 and 32 of this Law shall not apply to activities involving natural gas. Section 2, Paragraphs six and seven, Sections 8, 20, 25, 26, 27, 31 and 32 of this Law shall not apply to activities with food supplements which contain alcohol and which are registered, distributed, sold, processed and supplied in accordance with the laws and regulations regarding the mandatory safety and labelling requirements for food supplements and the procedures for the registration of food supplements.

(2') The provisions of this Law (including regarding the payment of duty, submission of documents and others) shall not apply to the storage, movement and destruction of such excisable goods, which are real evidence or attached property in a criminal proceeding, removed property in an administrative violation matter or property falling within the jurisdiction of the State.

(3) The provisions of this Law regarding moving of excisable goods from other Member States or to other Member States shall also be applied to the following territories:

1) the Principality of Monaco (transactions with this territory shall be deemed to be transactions, which have been commenced in the French Republic or are intended for it);

2) Jungholz and Mittelberg (Kleines Walsertal) (transactions with this territory shall be deemed to be transactions, which have been commenced in the Federal Republic of Germany or are intended for it);

3) the Isle of Man (transactions with this territory shall be deemed to be transactions, which have been commenced in the United Kingdom of Great Britain and Northern Ireland or are intended for it);

4) San Marino (transactions with this territory shall be deemed to be transactions, which have been commenced in Italian Republic or are intended for it);

5) the United Kingdom territories of the Sovereign Base Areas of Akrotiri and Dhekelia (transactions with these territories shall be deemed to be transactions, which have been commenced in Cyprus or are intended for it).

(3') The provisions of this Law regarding moving of excisable goods from other Member States or to other Member States shall not be applied to the following territories:

1) Federal Republic of Germany – to the Island of Heligoland and the territory of Buesingen;

2) Italian Republic – to Livigno, Campione d'Italia and the Italian territorial waters of Lake Lugano;

3) Kingdom of Spain – to Ceuta, Melilla and the Canary Islands;

4) French Republic – to the overseas departments of the French Republic;

5) Republic of Finland – to the Åland Islands;

6) United Kingdom of Great Britain and Northern Ireland and the French Republic – to the Channel Islands.

(4) The conditions of this Law regarding the storage of excisable goods, suspension of excise duty, relocation, dispatch, receipt, production, processing, treatment, packaging, blending of mineral oils, excise duty stamps, special permits (licences) and the need for security shall not apply to excisable goods which are brought in the customs territory of the Community in
temporary storage, free zones or free warehouses or to which the procedures or regimes referred to in Article 84(1)(a) of Council Regulation No 2913/92 are applied.

(5) [1 December 2009]

(6) A special permit (licence) shall be required for the following specific activities with excisable goods:
   1) activities of an approved warehousekeeper;
   2) activities of a registered consignee with alcoholic beverages, tobacco products or mineral oils;
   3) activities of a registered consignor with alcoholic beverages, tobacco products or mineral oils;
   4) wholesale trade of alcoholic beverages, tobacco products or mineral oils;
   5) retail trade of alcoholic beverages, tobacco products or mineral oils;
   6) [22 April 2010].

(7) The Cabinet shall specify procedures for circulation of excisable goods, including:
   1) procedures for the issue, re-registration, cancellation and use of the licence, as well as the rate of the State fee and the procedures for payment for the issue and re-registration of the special permit (licence);
   2) other requirements for the activities of an approved warehousekeeper, registered consignor and registered consignee;
   3) requirements for the activities of an importer, temporarily registered consignee and distance seller;
   4) other requirements in accordance with this Law.

(7\) The Cabinet shall determine the procedures for the circulation of natural gas.

(8) Disputing or appealing of an unfavourable decision in relation to the re-registration, suspension or cancellation of such licences or certain conditions thereof, permits, attestations, certificates or statements, which are provided for in the laws and regulations issued on the basis of the law, shall not suspend the operation of such decision.


Chapter II

Taxable Objects

Section 3. Taxable Alcoholic Beverages

(1) The following alcoholic beverages shall be taxable:
   1) beer;
   2) wine;
   3) fermented beverages;
   4) intermediate products;
   5) other alcoholic beverages referred to in Paragraph six of this Section.

(2) Beer is a fermented alcoholic beverage produced from malt and water by adding hops with absolute alcohol content exceeding 0.5 per cent by volume which is classified within Annex 1 to Combined Nomenclature that has been determined in Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (hereinafter — Combined Nomenclature) under the code 2203, as well as beer beverages containing a mixture of beer and non-alcoholic beverages or the components thereof with absolute alcohol content exceeding 0.5 per cent by volume which are classified within the Combined Nomenclature under the code 2206.

(3) The following shall be deemed to be wine:
   1) still wine — a product which is classified within the Combined Nomenclature under the codes 2204 and 2205 only if it has been acquired by fermenting natural wine
materials, if the actual alcoholic strength in it exceeds 1.2 per cent by volume but does not exceed 18 per cent by volume and the alcohol contained in the finished product is entirely of fermented origin;

2) sparkling wine — a product which is classified within the Combined Nomenclature under the codes 2204 and 2205 only if it has been acquired by fermenting natural wine materials, if the actual alcoholic strength in it exceeds 1.2 per cent by volume but does not exceed 15 per cent by volume and the alcohol contained in the finished product is entirely of fermented origin. The product has an excess pressure in liquid (three bars or more) due to the presence of carbon dioxide and it is filled in bottles with specially fastened mushroom stoppers or in other packaging.

(4) The following shall be deemed to be fermented beverages:

1) still fermented beverages — products (except wine and beer) which are classified within the Combined Nomenclature under the codes 2204, 2205 and 2206 only if the actual alcoholic strength exceeds 1.2 per cent by volume but does not exceed 15 per cent by volume and the alcohol contained in the finished product is entirely of fermented origin;

2) sparkling fermented beverages — products (except wine and beer) which are classified within the Combined Nomenclature under the codes 2204, 2205 and 2206 only if the actual alcoholic strength exceeds 1.2 per cent by volume but does not exceed 15 per cent by volume and the alcohol contained in the finished product is entirely of fermented origin. The products have an excess pressure in liquid (three bars or more) due to the presence of carbon dioxide and these products are filled in bottles with specially fastened mushroom stoppers or in other packaging.

(5) Intermediate products shall be deemed to be products (except wine and fermented beverages) which are classified within the Combined Nomenclature under the codes 2204, 2205 and 2206 only if the basic raw material thereof is wine or fermented beverages and the actual alcoholic strength exceeds 1.2 per cent by volume but does not exceed 22 per cent by volume. The alcohol contained in the finished intermediate product need not be entirely of fermented origin if at least 30 per cent of the actual alcoholic strength per cent by volume is of fermented origin.

(6) The following shall be deemed to be other alcoholic beverages:

1) alcohol — a product classified within the Combined Nomenclature under the codes 2207, 2208 90 91 0 and 2208 90 99 0;

2) products classified within the Combined Nomenclature under the code 2208 in which the actual alcoholic strength exceeds 1.2 per cent by volume, except for alcohol;

3) products classified within the Combined Nomenclature under the codes 2204, 2205 and 2206 in which the actual alcoholic strength exceeds 1.2 per cent by volume but which do not meet the conditions specified in Paragraphs three, four and five of this Section;

4) any other food products in which the actual alcoholic strength exceeds 1.2 per cent by volume, except for those specified in Paragraphs two, three, four and five of this Section and Clauses 1, 2 and 3 of this Paragraph.

(7) The Cabinet shall determine the procedures by which alcoholic beverages shall be used for production of such food supplements, which are registered, distributed, sold, processed and supplied in accordance with the laws and regulations regarding the mandatory safety and labelling requirements for food supplements and the procedures for the registration of food supplements.

[20 December 2004; 14 November 2008; 14 April 2011]

Section 4. Taxable Tobacco Products

(1) The following tobacco products shall be taxable:

1) cigars and cigarillos;

2) cigarettes;
3) smoking tobacco:
   a) fine-cut tobacco intended for the rolling of cigarettes;
   b) other smoking tobacco.

(2) The following tobacco products shall be deemed to be cigars and cigarillos (if they can only be smoked as they are):
   1) rolls of tobacco with an outer wrapper of natural tobacco;
   2) rolls of tobacco with a filling of fine-cut mixed tobacco and with an outer wrapper of the normal colour of a cigar, which fully covers the product and, where appropriate, also the filter thereof (but not the mouthpiece, if any) of reconstituted tobacco, if the weight of the product, not including filter or mouthpiece, is not less than 2.3 grams and if the outer measurement of the product is not less than 34 millimetres at least for a third of its length.

(2¹) [14 April 2011]

(3) The following tobacco products shall be deemed to be cigarettes:
   1) rolls of tobacco, which may be smoked as they are and which are not cigars or cigarillos;
   2) rolls of tobacco which have not undergone industrial processing and are inserted into cigarette-paper tubes;
   3) rolls of tobacco, which have not undergone industrial processing and are wrapped in cigarette paper.

(4) The following shall be deemed to be smoking tobacco:
   1) cut or otherwise split tobacco which has been twisted or pressed into blocks and which may be smoked without further industrial processing; and
   2) tobacco refuse, which is not referred to in Paragraphs two and three of this Section and which may be smoked. Tobacco leaf refuse and by-products, which have been acquired by processing tobacco and producing tobacco products, shall be considered as tobacco refuse.

(5) Smoking tobacco referred to in Paragraph four of this Section in which at least 25% by weight are cut or otherwise split tobacco leaves or tobacco substitute particles which are narrower than 1.5 millimetres shall be deemed to be fine-cut tobacco for the rolling of cigarettes.

(6) Products only partially consisting of tobacco, but otherwise conforming to the conditions of Paragraph two of this Section shall be deemed to be cigars or cigarillos.

(7) Products consisting in whole or partially of substances other than tobacco, but otherwise conforming to the conditions of Paragraph three or four of this Section shall be deemed to be cigarettes or smoking tobacco respectively.

(8) Products in the composition of which is not tobacco and which are used only for medicinal purposes, which is certified by the State Agency of Medicines, shall not be deemed to be tobacco products.

[19 December 2006; 14 November 2008; 28 October 2010; 14 April 2011]

Section 5. Taxable Mineral Oils

(1) Mineral oils, the substitute products and components thereof, as well as other products consisting in whole or partially of hydrocarbons shall be taxable.

(2) Taxable mineral oils, which are classified within the Combined Nomenclature under the codes 27 and 29, other as well as other Combined Nomenclature groups are specified in the Annex to this Law.

(3) Other products (irrespective of the fact in which Combined Nomenclature group these products have been included), which are not referred to in the Annex to this Law if the products referred to are sold or intended for sale, are used or are intended for dual use or as fuel, heating fuel or the substitute product or component thereof shall also be taxable.
(3) Products shall be dual used, if they are used both as heating fuel and for other purposes that are not use as fuel or heating fuel. The use of products for chemical reduction, in electrolytic or in metallurgical processes shall be considered as dual use.

(4) Paragraph three of this Section shall not apply to biogas and other gaseous hydrocarbons of biological origin, coal, peat or other similar solid products. Paragraph three of this Section shall also not apply to products which are dual used, if they are not referred to in the regulatory enactment issued on the basis of the delegation specified in Paragraph five of this Section.

(5) The products referred to in Paragraph three of this Section, which in accordance with Section 18, Paragraph one, Clause 1 of this Law are supplied and used for other purposes and not for fuel or heating fuel, or are supplied and dual used, in accordance with Section 18, Paragraph one, Clause 6 of this Law, shall be subject to the conditions for movement and control of excisable goods provided for in this Law in the cases and in accordance with the procedures stipulated by the Cabinet.


Section 6. Taxable Non-alcoholic Beverages and Coffee

(1) The taxable object shall be non-alcoholic beverages – water and mineral water with added sugar, other sweetener or flavouring, and other non-alcoholic beverages, as well as other beverages not conforming to the definition of alcoholic beverages referred to in this Law, except fruit and vegetable juice and nectar, natural water and mineral water, artificial mineral water without added sugar or other sweetener or flavouring.

(2) The taxable object shall be coffee – ground or not ground, roasted or not roasted, with caffeine or decaffeinated, which is classified within the Combined Nomenclature under the code 0901, as well as coffee extracts, essences and concentrates and products based on such extracts, essences or concentrates or on coffee, which is classified within the Combined Nomenclature under the codes 210 111 or 210 112.

[14 April 2011; 15 December 2011]

Section 6.1 Taxable Natural Gas

(1) Natural gas which conforms to the Combined Nomenclature Codes 2711 11 00 and 2711 21 00 and is supplied to end users shall be taxable, except in the cases laid down in this Law.

(2) In accordance with the procedures stipulated by the Cabinet, the following natural gas shall not be taxable:
   1) which is used for purposes other than fuel or heating fuel;
   2) which is dual used, in accordance with the conditions referred to in Section 5, Paragraph 3.1 of this Law;
   3) which is used for mineralogical processes which conform to the economic activities referred to in Section C “Manufacturing industry”, Chapter 23 “Manufacture of non-metallic mineral products” of Annex 1 to Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (hereinafter – Regulation No 1893/2006);
   4) which is used for heat supply of covered areas (greenhouses) of agricultural land according to the economic activities referred to in Division 01, Group 01.1, Class 01.13 of Section A “Agriculture, forestry and fishing” of Annex 1 to Regulation No 1893/2006;
5) which is used for heat supply of industrial poultry holdings (poultry house) and incubators according to the economic activities referred to in Division 01, Group 01.1, Class 01.47 of Section A “Agriculture, forestry and fishing” of Annex 1 to Regulation No 1893/2006.

(3) Paragraph two, Clause 1 of this Section shall also apply to natural gas which is used by an operator of a natural gas transmission, storage and distribution system for the technological needs of the natural gas supply system.

[1 December 2009; 22 April 2010; 14 April 2011; 6 November 2013]

Chapter III
Payers of the Duty

Section 7. Types of Payers of the Duty

Payers of the duty shall be:

1) an importer;
2) an approved warehousekeeper in the cases laid down in this Law;
3) a registered consignor, a registered consignee, a temporarily registered consignee or a distance seller in the cases laid down in this Law;
4) a person that brings into the Republic of Latvia or receives from another Member State excisable goods which have already been released into free circulation in another Member State;
5) a person that brings into the Republic of Latvia non-alcoholic beverages, coffee or natural gas;
6) other persons in accordance with this Law.

[1 December 2009]

Section 8. Approved Warehousekeeper

(1) An approved warehousekeeper may operate with excisable goods in the tax warehouse, applying the suspension of excise duty thereto.

(2) The approved warehousekeeper shall record, register and be liable for any activities involving excisable goods in the tax warehouse.

(3) Excisable goods, which are in the tax warehouse, shall be subject to the suspension of excise duty. Until the time when the duty for excisable goods is paid or the goods are exempted from payment of the duty in accordance with this Law, a security shall be submitted. The security shall not be submitted for non-alcoholic beverages and coffee.

(4) The following activities shall only be permitted in the tax warehouse:

1) production, treatment and processing of excisable goods;
2) packing of excisable goods;
3) mixing of mineral oils (including mixing with other substances) and any other activities with mineral oils resulting in a change of the operating, physical or chemical properties thereof and as a result of which the acquired product is a taxable object;
4) storage of excisable goods, applying suspension of excise duty to the excisable goods;
5) other activities not referred to in Clauses 1, 2, 3 and 4 of this Paragraph, applying the duty suspension arrangement to the excisable goods.

(5) In order to establish and hold a tax warehouse, the general security specified in Section 31 of this Law shall be submitted.

Section 9. Registered Consignee and Temporarily Registered Consignee

(1) A registered consignee and a temporarily registered consignee may receive excisable goods from another Member State, a registered consignor in the Republic of Latvia and an approved warehousekeeper in the Republic of Latvia, applying the suspension of excise duty thereto. An approved warehousekeeper of another Member State or a registered consignor of another Member State may authorise a registered consignee or a temporarily registered consignee in the Republic of Latvia to order and receive excise duty stamps, and in this case the authorised registered consignee or the temporarily registered consignee shall be responsible for payment of the duty.

(2) The registered consignee and the temporarily registered consignee shall be responsible for payment of the duty in accordance with this Law.

(3) The registered consignee and the temporarily registered consignee do not have the right to store, dispatch or carry out other activities with excisable goods, applying the suspension of excise duty thereto.

(4) Prior to the commencement of activities of a registered consignee the general security specified in Section 31 of this Law shall be submitted. In order for a temporarily registered consignee to be able to carry out activities with excisable goods, the one-time security specified in Section 31 of this Law shall be submitted in advance.

(5) The registered consignee and the temporarily registered consignee shall record, register and be liable for all excisable goods received thereby.

[1 December 2009]

Section 9.1 Registered Consignor

(1) A registered consignor shall only be permitted to dispatch excisable goods, applying the suspension of excise duty thereto, when the excisable goods are released into free circulation.

(2) The registered consignor shall be responsible for payment of the duty in accordance with this Law.

(3) The registered consignor does not have the right to store or carry out other activities with excisable goods, applying the suspension of excise duty thereto.

(4) Prior to the commencement of activities of a registered consignor the general security specified in Section 31 of this Law shall be submitted.

(5) The registered consignor shall record, register and be liable for all excisable goods which are dispatched.

[1 December 2009]

Section 10. Distance Seller

(1) A person who, in accordance with the requirements laid down in Section 26 of this Law, receives excisable goods in the Republic of Latvia from a distance seller of another Member State shall be responsible for payment of the duty on behalf of the distance seller of relevant other Member State and other requirements laid down in this Law. The distance seller of another Member State shall be responsible for payment of the duty in the Republic of Latvia if the person who receives excisable goods in accordance with Section 26 of this Law fails to pay the duty in accordance with this Law.

(2) The distance seller sending excisable goods from the Republic of Latvia to other Member States shall be liable for the payment of the duty in the relevant Member State.

(3) [14 November 2008]

(4) The distance seller shall keep records of the excisable goods, as well as submit the appropriate documents to the tax authority or inform it regarding other necessary information in accordance with this Law.
Section 12. Duty Rates for Alcoholic Beverages

(1) The duty for alcoholic beverages shall be calculated according to the following rates:
   1) for beer (per 100 litres) — 3.10 euros for each per cent of absolute alcohol by volume which has been expressed with an accuracy up to one tenth, but not less than 5.69 euros per 100 litres of beer;
   2) for wine (per 100 litres) — 64.03 euros;
   3) for fermented beverages (per 100 litres) — 64.03 euros;
   4) for intermediate products (per 100 litres):
      a) with the absolute alcohol content up to 15 per cent by volume (inclusive) — 64.03 euros,
      b) with the absolute alcohol content from 15 per cent by volume (not inclusive) to 22 per cent by volume (inclusive) — 99.60 euros;
   5) for other alcoholic beverages (per 100 litres of absolute alcohol) — 1337.50 euros.

(2) For beer produced by independent small breweries (per 100 litres), the duty shall be calculated for each per cent of absolute alcohol by volume, which is expressed with an accuracy up to one tenth, on the basis of the following rates:
   1) for the first 10 thousand hectolitres beer produced in one calendar year – 50 per cent of the rate laid down in Paragraph one, Clause 1 of this Section, but not less than 5.69 euros per 100 litres of beer;
   2) for remainder of beer produced in one calendar year – the rate laid down in Paragraph one, Clause 1 of this Section, but not less than 5.69 euros per 100 litres of beer.

(3) The Cabinet shall determine the procedures by which independent small brewery status shall be granted, and how the rate of excise duty specified in Paragraph two of this Section shall be applied.

Section 13. Duty Rates for Tobacco Products

(1) The duty for tobacco products shall be calculated according to the following rates:
   1) for cigars and cigarillos (per 1000 cigars or cigarillos) — 45 euros;
   2) for cigarettes:
      a) 60 euros per 1000 cigarettes,
      b) 25 per cent of the maximum retail selling price;
   3) for smoking tobacco (per 1000 grams of tobacco):
      a) for fine-cut tobacco intended for the rolling of cigarettes — 60 euros;
      b) for other smoking tobacco — 60 euros.

(1) When adding up the amounts acquired by applying the tax rates for cigarettes laid down in Paragraph one, Clause 2, Sub-clauses “a” and “b” of this Section, the calculated tax shall not be less than 100 euros for 1000 cigarettes.
(2) A taxable cigarette (with or without a filter) shall be a cigarette the length of which does
not exceed 80 millimetres (not counting the filter or mouthpiece).
(3) For a cigarette the length of which exceeds 80 millimetres (not counting the filter or
mouthpiece), but does not exceed 110 millimetres (not counting the filter or mouthpiece)
double amount of the duty specified in Paragraph one, Clause 2, Sub-clause “a” of this
Section shall be imposed, but the calculated tax shall not be less than double the amount of
the tax specified in Paragraph 1.¹ of this Section. For cigarettes the length of which exceeds
110 millimetres (not counting the filter or mouthpiece) triple the amount of the duty laid down in
Paragraph one, Clause 2, Sub-clause “a” of this Section shall be imposed, but the calculated tax shall not
be less than triple the amount of the tax specified in Paragraph 1.¹ of this Section. For
cigarettes the length of which exceeds 140 millimetres (not counting the filter or mouthpiece)
the amount of the rate and the lowest amount of duty shall be determined on the basis of the
previously referred to principle.

¹ [10 November 2005; 14 November 2008; 1 December 2009; 28 October 2010; 14 April 2011;
19 September 2013; 6 November 2013 / The new wording of Paragraphs one and 1.¹ shall
come into force on 1 January 2014. See Paragraph 70 of Transitional Provisions]

Section 14. Duty Rates for Mineral Oils

(1) For mineral oils, except the cases referred to in Paragraphs two, three, four, five and six of
this Section, the duty shall be calculated according to the following rates:
    1) for unleaded petrol, the substitute products and components thereof (per 1000 litres)
— 411.21 euros;
    2) for leaded petrol, the substitute products and components thereof (per 1000 litres)
— 455.32 euros;
    3) for kerosene, the substitute products and components thereof (per 1000 litres) —
332.95 euros;
    4) for diesel fuel (gas oil), the substitute products and components thereof (per 1000
litres) — 332.95 euros;
    5) for petroleum gases and other gaseous hydrocarbons (per 1000 kilograms) — 161
euros;
    6) for fuel oil, the colorimetric index of which is less than 2.0 and kinematic viscosity
at 50°C is less than 25 mm²/s, the substitute products and components thereof, except the fuel
oils referred to in Clause 7 of this Paragraph (per 1000 litres) – 332.95 euros;
    7) for fuel oil, the colorimetric index of which is equal to 2.0 or larger or kinematic
viscosity at 50°C is equal to 25 mm²/s or larger, the substitute products and components
thereof (per 1000 kilograms) – 15.65 euros.
(2) For mineral oils referred to in Paragraph one, Clauses 3, 4 and 6 of this Section the duty
shall be calculated according to the rate 56.91 euros per 1000 litres, if the relevant mineral
oils are labelled (marked) in accordance with Section 28 of this Law and they are used as
heating fuel for the production of heat for heating, combustion installations or for the
production of heat energy in a production (processing) of products technologial process
(hereinafter – heating fuel). If in such case the rapeseed oil forms at least five per cent of the
total amount of products in the composition of the referred to oil products or biodiesel derived
from rapeseed oil, the duty shall be calculated according to the rate 21.34 euros per 1000
litres.
(2¹) For waste oils, which are classified within the Combined Nomenclature under the code
2710, except the products referred to in Paragraph one, Clause 7 of this Section, in accordance
with the procedures stipulated by the Cabinet, the applicable duty shall be the duty specified in
Paragraph two of this section if they are sold or intended for sale, are used or are intended
for use as heating fuel. In such case, the provision regarding labelling (marking) shall not be applicable for the waste oils.

(3) If for the mineral oils referred to in Paragraph one, Clause 1 of this Section ethyl alcohol which is acquired from agricultural raw materials and which has been dehydrated (with alcohol content of at least 99.5 per cent by volume) is added, and the content of the ethyl alcohol added is from 70 to 85 per cent by volume (inclusive) of the total quantity of products, for the relevant products (for 1000 litres) the duty shall be calculated on the basis of the rate of 123.36 euros, if one of the following requirements is met:

1) ethyl alcohol has been added in a tax warehouse in the Republic of Latvia;

2) the referred to mixture of mineral oils and ethyl alcohol has been imported from a Member State.

(4) If biodiesel fuel acquired from rapeseed oil is added to the mineral oils referred to in Paragraph one, Clause 4 of this Section and the referred to biodiesel fuel constitutes at least 30 per cent by volume of the total volume of the products, the duty for the relevant products shall be calculated on the basis of the rate 233.35 euros per 1000 litres, if one of the following conditions is met:

1) the biodiesel fuel acquired from rapeseed oil has been added in a tax warehouse in the Republic of Latvia;

2) the referred to mixture of mineral oils and biodiesel fuel acquired from rapeseed oil has been imported from a Member State.

(5) For rapeseed oil which is sold or used as heating fuel or fuel, and for biodiesel fuel fully acquired from rapeseed oil the duty shall be calculated on the basis of the rate 0 euros per 1000 litres, if one of the following conditions is met:

1) the rapeseed oil or biodiesel fuel fully acquired from rapeseed oil has been produced in the Republic of Latvia;

2) the rapeseed oil or biodiesel fuel fully acquired from rapeseed oil has been imported from a Member State.

(51) When importing the products referred to in Paragraphs three, four and five of this Section from a Member State, the conformity thereof with the conditions referred to in these paragraphs shall be attested by the documents specified in the laws and regulations regarding the conformity assessment of petrol and biodiesel fuel or quality requirements for biodiesel fuel, which contain information regarding the biological origin of the referred to products.

(6) For the mineral oils referred to in Paragraph one, Clause 5 of this Section the duty shall be calculated according to the rate 0 euros per 1000 kilograms if the relevant mineral oils are supplied to persons who use them as heating fuel or in gas furnaces and other equipment, not as fuel.

(7) The Cabinet shall determine the procedures for circulation of the mineral oils referred to in Paragraphs two, three, four and five of this Section and for the administration of the relevant duty.

(8) If the products are sold or intended for sale, are used or are intended for use as fuel, heating fuel or for the substitute products and components thereof and the duty rate has not been laid down in this Law, a duty corresponding to the use thereof shall be applied on the basis of the equivalent fuel or heating fuel rates, which are specified in Paragraphs one and two of this section. The provision regarding labelling (marking) in accordance with Section 28 of this Law shall be applicable to the heating fuel.


Section 15. Duty Rates for Non-alcoholic Beverages and Coffee
(1) The duty rate for non-alcoholic beverages (per 100 litres) shall be 7.40 euros.
(2) The duty rate for coffee (per 100 kilograms) shall be 142.29 euros.

[12 December 2008; 20 December 2010; 19 September 2013]

Section 15.1 Duty Rates for Natural Gas

(1) Duty for natural gas shall be calculated according to the following rates:
   1) for the use as heating fuel – 17.07 euros per 1000 m³;
   2) for the use as fuel – 99.60 euros per 1000 m³;
   3) for the use as heating fuel in industrial manufacturing processes and other processes related to manufacturing, for the operation of technological equipment for pre-treatment of agricultural raw materials and for the provision of the technologically required climate in industrial manufacturing premises and premises for pre-treatment of agricultural raw materials – 5.65 euros per 1000 m³.

(2) For the purpose of Paragraph one, Clause 3 of this Section such manufacturing processes, which conform to the economic activities referred to in Divisions 10-22 and Divisions 24-33 of Section C “Manufacturing” of Annex I to Regulation No 1893/2006, and raw material pre-treatment processes, which conform to the economic activities referred to in Division 01, Group 01.6, Class 01.63 of Section A “Agriculture, forestry and fishing” of Annex 1 to Regulation No 1893/2006, shall be deemed industrial manufacturing.

(3) Paragraph one, Clause 3 of this Section shall also apply to natural gas, which is used for the purposes referred to in Paragraph one, Clause 3 of this Section in undertakings that are located in a territory allocated for economic activity, which has one manager (in an industrial park).

(4) The Cabinet shall determine the procedures for administration of the duty referred to in Paragraph one, Clause 3 of this Section.

[6 November 2013]

Chapter V
Exemptions and Relief

Section 16. Duty Exemptions for Alcoholic Beverages

(1) The following alcoholic beverages shall be exempt from the duty:
   1) denatured alcohol;
   2) alcoholic beverages, which are utilised for the determination of the quality of alcoholic beverages;
   3) alcohol intended for medical and veterinary medical purposes, which is used in medical and veterinary medical treatment institutions and pharmacies;
       4) alcohol for the production of medicinal products and veterinary medicinal products in accordance with the requirements of the laws and regulations regarding the circulation of medicinal products and veterinary medicinal products;
       4¹) food supplements which contain alcohol and which are registered, distributed, sold, processed and supplied in accordance with the laws and regulations regarding the mandatory safety and labelling requirements for food supplements and the procedures for the registration of food supplements, if the content of absolute alcohol does not exceed 80 millilitres per packaging;
   5) alcohol (if denatured alcohol may not be used in the relevant cases):
       a) that is used for scientific research purposes,
       b) that is used for the determination of the quality of other products or goods (except alcoholic beverages),
c) that is included in devices and mechanisms as an integral component or ensures operation of devices and mechanisms,
d) that is used for the production of cosmetic products,
e) that is used in food industry (except for the use as a raw material for the production of alcoholic beverages and in production of products containing alcohol that fall within the Combined Nomenclature under the codes 2106 and 3302);
f) that is used for the production of such substances, which are used for the production of medicinal products and veterinary medicinal products;
6) wine, fermented beverages or beer produced by a natural person for his or her own consumption, provided that they are not for sale;
7) alcoholic beverages contained in chocolate products or other food products if the conditions specified in Paragraph three of this Section are complied with;
8) alcohol contained in vinegar and other products that fall within the Combined Nomenclature under the code 2209;
9) alcohol contained in products that fall within the Combined Nomenclature under the codes 2106 and 3302 or which are intended for the production of such food products or non-alcoholic beverages in which the actual alcoholic strength does not exceed 1.2 per cent by volume;
10) products that conform to the definition of alcoholic beverages and which are destroyed or it is otherwise ensured that they are not suitable for consumption or usable for the production of alcoholic beverages or other products to be used for consumption.

(2) The Cabinet shall determine the procedures for denaturing of alcohol and circulation of denatured alcohol.

(3) The duty exemption referred to in Paragraph one, Clause 7 of this Section shall be applied to alcoholic beverages if the alcoholic content does not exceed 8.5 litres of absolute alcohol per 100 kilograms of chocolate products or 5 litres of absolute alcohol per 100 kilograms of other food products.

(4) If the conditions specified in Paragraph three of this Section are not complied with, duty on the referred to alcoholic beverages shall be calculated in regard to the entire volume of alcohol used according to the duty rates laid down in Section 12 of this Law.

(5) The Cabinet shall prescribe the procedures by which the duty exemptions laid down in Paragraph one, Clauses 4.¹, 5, 7, 8, 9 and 10 of this Section are applied.

[20 December 2004; 14 April 2005; 14 April 2011; 15 December 2011]

Section 17. Duty Exemptions and Relief for Tobacco Products

(1) In accordance with the procedures stipulated by the Cabinet the following shall be exempt from the duty:
   1) denatured tobacco products and tobacco products, which are destroyed;
   2) tobacco products used for the determination of the quality of tobacco products.
(2) Duty shall be repaid for destroyed or processed tobacco products taking into account the conditions in Section 27 of this Law.

[20 December 2004; 8 November 2007]

Section 18. Duty Exemptions and Relief Applied to Mineral Oils

(1) In accordance with the procedures stipulated by the Cabinet, those mineral oils shall be exempt from the duty, which, in accordance with the conditions of Paragraph three of this Section, are supplied to and used:
   1) for purposes other than fuel or heating fuel;
   2) in aircraft, which are not used for private recreation and entertainment;
   3) in ships, which are not used for private recreation and entertainment;
4) for the generation of energy or in combined equipment generating electricity and heat energy;
5) in the chemical treatment process, adding to coke which is used as heating fuel;
6) dually, except for the case laid down in Section 5, Paragraph four of this Law.

(2) Private recreation and entertainment referred to in Paragraph one, Clauses 2 and 3 of this Section shall be cases where the owner of an aircraft or a ship or another natural person or legal person hiring the aircraft or the ship or using it with another justification, does not use the aircraft or ship for commercial purposes, in particular for the carriage of passengers or goods or provision of services for charge, or for the needs of public institutions.

(3) If in the cases referred to in Paragraph one, Clause 2, 3, 4, 5 or 6 of this Section diesel fuel, kerosene or fuel oil, the colorimetric index of which is less than 2.0 and kinematic viscosity at 50°C is less than 25 cSt, or substitute products and components of these mineral oils are used, the relevant mineral oils shall be exempt from the duty if they have been labelled (marked) in accordance with Section 28 of this Law. If diesel fuel, kerosene or fuel oil, the colorimetric index of which is less than 2.0 and kinematic viscosity at 50°C is less than 25 cSt, or substitute products and components of these mineral oils are used for international carriage (also between Member States) in accordance with Paragraph one, Clauses 2 and 3 of this Section, as well as if jet fuel is used in accordance with Paragraph one, Clause 2 of this Section, the referred to mineral oils may not be labelled (marked).

(4) In accordance with the procedures stipulated by the Cabinet mineral oils (fuel), which ensure operation and maintenance of a vehicle entering the Republic of Latvia from another Member State and the equipment installed therein, shall be exempt from the duty.

(5) In accordance with the procedures stipulated by the Cabinet, diesel fuel (gas oil) and diesel fuel (gas oil) is exempted from the duty, which in accordance with the conditions of this Law has had rapeseed oil or biodiesel fuel acquired from rapeseed oil added to it, and which is used for the production of agricultural products, cultivation of agricultural land, as well as for the cultivation of such forest or marshland where cranberries or blueberries are cultivated and for cultivation of land under fishing ponds, if the minimum revenue from the agricultural production is ensured, while in respect of the fishing ponds – revenue from selling of aquaculture products in the last complete economic year (not including the State and European Union aid) from one hectare declared, and the conditions referred to in Clauses 1, 3, 4, 5 and 6 of this Paragraph have been observed, as well as if at least one of the conditions referred to in Clause 2 of this Paragraph has been met:

1) the producer of agricultural products performs economic activities and is registered as a taxpayer;
2) the producer of agricultural products cultivates accordingly:
   a) land to be used in agriculture which has been declared for the receipt of single area payments in accordance with the laws and regulations regarding granting of State and European Union support for agriculture within the scope of the direct support scheme, except for such land to be used in agriculture where short rotation coppice species such as poplar (Populus spp.), osier (Salix spp.), grey alder (Alnus incana), switchgrass (Panicum virgatum) or reed canarygrass (Phalaris arundinacea L.) are cultivated, and if the producer of agricultural products has registered with the Agricultural Data Centre as the primary producer of animal feedingstuffs, – for permanent meadows, pastures or land used for perennial grasses sown into arable land;
   b) forest or marshland where cranberries or blueberries are cultivated and which is in the ownership or use of the producer of agricultural products; or
   c) land under fishing ponds where fish is cultivated on the area of at least 20 hectares, by applying the growing cycle coefficient for each declared land hectare under fishing ponds, if an undertaking of aquaculture sector has been recognised in accordance with the laws and regulations regarding the veterinary requirements for...
aquaculture animals and the site of aquaculture animals has been registered with the Agricultural Data Centre;
3) in one economic year (from 1 July of the current year until 30 June of the subsequent year) (hereinafter – economic year) up to 100 litres of the fuel referred to in the introduction of this Paragraph is calculated per every hectare of the land to be used in agriculture declared and approved for the support of a producer of agricultural products referred to in Clause 2 of this Paragraph, as well as per hectare of such forest or marshland where cranberries or blueberries are cultivated, or per hectare of land under fishing ponds;
4) the fuel referred to in the introduction of this Paragraph has been purchased in the relevant economic year from a merchant which has:
a) the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the activities of an approved warehousekeeper with mineral oils; or
b) the special permit (licence) referred to in Section 2, Paragraph six, Clause 4 or 5 of this Law for activities with mineral oils – from the specific fuel container declared for this purpose indicated in the relevant special permit (licence);
5) a merchant which has the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 or 4 of this Law for activities with mineral oils, in the source documents drawn up for transactions or activities involving fuel (source documents of fuel) and a merchant which has the special permit (licence) referred to in Section 2, Paragraph six, Clause 5 of this Law for activities with mineral oils, shall indicate the amount for payment in the cash register receipts. The amount for payment shall be calculated from the transaction in monetary terms together with taxes, subtracting the amount of excise duty calculated for the transaction;
6) the fuel referred to in the introduction of this Paragraph has been purchased by using one of the following types of settlement:
a) monetary funds have been transferred from the account of the producer of agricultural products in a credit institution to the account of the fuel trader in a credit institution (non-cash settlement);
b) the producer of agricultural products has used payment cards (credit cards, debit cards and other similar cards), which are considered as means of payment in accordance with the Credit Institution Law and which belong to the producer of agricultural products; or
c) cash has been paid into the account of the fuel trader in a credit institution, if settlements are performed by the producer of agricultural products – a natural person;
d) if the merchant referred to in Clause 4 of this Paragraph ensures that the fuel referred to in the introduction of this Paragraph may be purchased by using one of the types of settlement referred to in Sub-clause “a”, “b” or “c” of this Clause, the producer of agricultural products may also purchase the referred to fuel in case if an advance payment or payment or open account is performed for the purchase thereof, and the monetary funds in this case are transferred by a legal person or performer of economic activity, who has, on contractual basis, acquired the right to request from the relevant producer of agricultural products the monetary funds paid to the fuel trader, from the personal account thereof in a credit institution to the fuel trader’s account in a credit institution.

(6) The fuel referred to in the introduction of Paragraph five of this Section may be supplied or sold by a merchant which has:
1) the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the activities of an approved warehousekeeper with mineral oils – only for the producers of agricultural products referred to in Paragraph five of this Section or a merchant which has the special permit (licence) referred to in Section 2, Paragraph six, Clause 4 or 5 of this Law for activities with mineral oils – to the specific fuel tank declared for this purpose indicated in the relevant special permit (licence); or
2) the special permit (licence) referred to in Section 2, Paragraph six, Clause 4 of this Law for the wholesale trade of mineral oils, if the referred to fuel is purchased from a merchant, which has the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the activities of an approved warehousekeeper with mineral oils, and it is supplied or sold from a specific fuel tank declared for this purpose and indicated in the relevant special permit (licence) only to the producers of agricultural products referred to in Paragraph five of this Section. These rights refer only to a merchant which has had a valid special permit (licence) for the wholesale trade of mineral oils for at least five years and at least in one place of the wholesale trade of mineral oils indicated in such a special permit (licence), where the trade of the fuel referred to in the introduction of Paragraph five of this Section is intended, the mineral oil tanks and pressure equipment complex tanks present are in the ownership of the relevant merchant;

3) the special permit (licence) referred to in Section 2, Paragraph six, Clause 5 of this Law for the retail trade of mineral oils, if the referred to fuel is purchased from a merchant, which has the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the activities of an approved warehousekeeper with mineral oils, and it is supplied or sold from a specific fuel tank declared for this purpose and indicated in the relevant special permit (licence) for the retail trade of mineral oils only to the producers of agricultural products referred to in Paragraph five of this Section.

(61) The duty shall be imposed on the volume of fuel referred to in the introduction of Paragraph five of this Section purchased without justification in accordance with the procedures stipulated by the Cabinet, and in such case the duty shall be paid by the relevant producer of agricultural products, if the Rural Support Service establishes and informs the State Revenue Service that during the relevant economic year the producer of agricultural products has had:

1) the difference between the area declared for support and the area approved for support or, accordingly, the area of forest or marshland declared for exemption or the area where cranberries or blueberries are cultivated, or the area of land under fishing ponds exceeds 10 per cent;

2) the fallow area exceeds 30 per cent of the total area of land to be used in agriculture, regarding which there is the right to receive a single area payment and which has been applied for the receipt of a single area payment in accordance with the laws and regulations regarding granting of State and European Union support for agriculture within the scope of direct support scheme;

3) a decision has been revoked, according to which the volume of fuel referred to in Paragraph five of this Section was allocated in the current economic year.

(63) The Cabinet shall issue regulations regarding the application of exemptions from the excise duty for the fuel referred to in Paragraph five of this Section, determining:

1) the maximum total volume of the fuel referred to in introduction of Paragraph five of this Section, to which exemption from the duty is applied and which is used for the production of agricultural products, cultivation of agricultural land, as well as for the cultivation of such forest or marshland where cranberries or blueberries are cultivated and for cultivation of land under fishing ponds, as well as the procedures by which the calculated volume of fuel exempted from the duty per hectare shall be reduced, if the total volume of fuel, which is referred to in the introduction of Paragraph five of this Section, in the economic year exceeds the maximum volume;

2) the procedures for applying the fish growing cycle coefficient;

3) the conditions for the supply and sale of the fuel referred to in Paragraph five of this Section;

4) the procedures by which the persons referred to in Paragraph five, Clause 4 of this Section shall provide information and ensure the updating thereof in the unified database of the Rural Support Service regarding the fuel referred to in the introduction of Paragraph five.
of this Section issued to a specific producer of agricultural products, to which a duty exemption is applicable, and the quantities thereof;

5) the procedures by which the Rural Support Service shall perform an inspection of the land to be used in agriculture, as well as the inspection of such forest or marshland in which cranberries or blueberries are cultivated, and inspection of land under fishing ponds.

(6) If the fuel referred to in the introduction of Paragraph five of this Section is not used for the intended purposes and the Rural Support Service has in this case revoked a decision according to which the volume of the referred to fuel has been allocated in the current economic year, the Rural Support Service shall not allocate the fuel referred to in the introduction of Paragraph five of this Section in the subsequent economic year.

(7) [12 June 2009]

(8) [20 December 2004]

(9) Mineral oils (fuel), which ensure the operation of such concrete commercial motor vehicle, which enters the territory of the Republic of Latvia from a foreign state, which is not a Member State, from the territories referred to in Section 2, Paragraph 3, of this Law, and from the Åland Islands or the Channel Islands, and which exempt from customs duty in accordance with Council Regulation (EC) No 1186/2009 of 16 November 2009 setting up a Community system of reliefs from customs duty (hereinafter – Regulation No 1186/2009) shall not have duty imposed.


Section 19. Duty Exemptions for Non-alcoholic Beverages and Coffee

(1) Coffee used for the determination of the quality of coffee, as well as the following non-alcoholic beverages shall be exempt from the duty:

1) non-alcoholic beverages which are utilised for determination of the quality of non-alcoholic beverages;

2) non-alcoholic beverages produced by a natural person for his or her own consumption, provided that they are not for sale;

3) non-packaged non-alcoholic beverages which are prepared at a public catering undertaking for consumption at such undertaking.

(2) Non-alcoholic beverages and coffee used for the production of other food commodities (including alcoholic beverages) shall be exempt from the duty.

(3) Non-alcoholic beverages and coffee, which are destroyed in the presence of authorised officials of the State Revenue Service shall be exempt from the duty.

[8 November 2007]

Section 20. Duty Exemptions and Relief for Diplomats and International Organisations

(1) In compliance with the conditions of Paragraphs two and three of this Section the excisable goods which are delivered as follows shall be exempt from the duty:

1) for diplomatic and consular representations and representations of international organisations;

2) for diplomatic and consular agents of diplomatic and consular representations, administrative technical personnel and the family members of the persons referred to in this Section, if these persons are not citizens or permanent residents of Latvia. For employees of administrative technical personnel and their family members, for the goods delivered in the first four months commencing from the day when the Ministry of Foreign Affairs has received a notification regarding the arrival of the relevant person in the Republic of Latvia;
3) for employees of representations of international organisations, who have a diplomatic status in the territory of the Republic of Latvia, if these persons are not citizens or permanent residents of Latvia;

4) for institutions of the European Community in accordance with the Protocol on the Privileges and Immunities of the European Union of 8 April 1965 (Protocol E of the Treaty Establishing the European Community);

5) for the armed forces of the North Atlantic Treaty other than the Member State within which the excise duty is collected – for the consumption of those armed forces, as well as for the civilian staff, which accompany them, or for the needs of messes or canteens of these armed forces;

6) for consumption in accordance with agreements entered into with foreign states other than Member States, or international organisations provided that such an agreement is allowed or authorised with regard to exemption from value added tax;

7) for the armed forces of the United Kingdom deployed in Cyprus in accordance with the Treaty establishing the Republic of Cyprus of 16 August 1960, for the consumption of those armed forces, as well as for the civilian staff, which accompany them, or for the needs of the messes or canteens of those armed forces.

(2) The subjects referred to in Paragraph one of this Section in the Republic of Latvia are permitted to receive excisable goods from:

1) other Member States, applying suspension of excise duty thereto, provided that the consignor of excisable goods uses:

   a) the documents referred to in Section 25, Paragraph nine of this Law, except in the case referred to in Paragraph one, Clause 5 of this Law;

   b) the document specified in Commission Regulation (EC) No 31/96 of 10 January 1996 on the excise duty exemption certificate (hereinafter – Commission Regulation No 31/96) and which certifies that the excisable goods referred to are exempt from the duty. The Cabinet shall determine the procedures by which the document referred to in Commission Regulation No 31/96 is approved and by which the rights to use this document without approval are granted or revoked;

2) tax warehouses in the Republic of Latvia, observing the following conditions:

   a) the consignor of excisable goods uses a document which is specified in Commission Regulation No 31/96 and which certifies that the excisable goods are exempt from duty;

   b) the consignor of excisable goods draws up a source document in accordance with the laws and regulations regarding the circulation of excisable goods;

   c) non-cash settlements are made for the purchase of excisable goods;

   d) the maximum purchase of fuel without duty is 250 litres a month for each vehicle which is registered in the Republic of Latvia on behalf of the subjects referred to in Paragraph one, Clauses 1, 2, 3, 4 and 6 of this Section.

(3) The subjects referred to in Paragraph one of this Section in other Member States are permitted to receive excisable goods from the Republic of Latvia, applying the duty suspension arrangement thereto in accordance with Section 25 of this Law.

(4) If the subjects referred to in Paragraph one of this Section, which are located in the Republic of Latvia, purchase excisable goods in the Republic of Latvia, the excise duty shall be refunded in accordance with the procedures stipulated by the Cabinet. Duty for fuel shall be refunded for the maximum of 250 litres a month for each vehicle which is registered in the Republic of Latvia on behalf of the subjects referred to in Paragraph one, Clauses 1, 2, 3, 4 and 6 of this Section.

(5) Excisable goods, which have been brought in the Republic of Latvia for release into free circulation in accordance with the laws and regulations in the field of customs from a foreign state, which is not a Member State, or from the territories referred to in Section 2, Paragraph 3,1 of this Law, shall be exempt from the excise duty, observing the following conditions:
1) the consignor of excisable goods uses a document which is specified in Commission Regulation No 31/96 and which certifies that the excisable goods referred to are exempt from the duty;
2) non-cash settlements are made for the purchase of excisable goods;
3) the maximum purchase of fuel without the duty is 250 litres a month for each vehicle which is registered in the Republic of Latvia on behalf of the subjects referred to in Paragraph one, Clauses 1, 2, 3, 4 and 6 of this Section.


Section 21. Other exemptions

(1) Excisable goods, which have been lost as a result of force majeure if there is evidence, confirmed by appropriate documents issued by the relevant State supervision and control institutions, attesting that the loss referred to did not occur through the fault of the payer of the duty, shall be exempt from the duty.
(2) Excisable goods, which have been lost during manufacture, treatment, processing, storage, pre-packaging, movement or mixing of mineral oils when the duty suspension arrangement in accordance with the norms approved by the Cabinet was applied, shall be exempt from the duty.
(21) Excisable goods, which have been lost in other Member States (in the carriage of excisable goods to other Member States in accordance with Section 25 of this Law), shall be exempt from the duty, taking into account the presentation of the documents referred to in Section 25, Paragraph eight of this Law and information certified by the competent institution of the relevant Member State regarding the losses. The approved warehousekeeper or registered consignor, who has sent the excise goods, shall pay the excise duty for the losses, taking into account the amount of loss and other conditions of the receiving Member State. The excise duty shall be paid into the budget of such Member State in which the losses have been determined, on the basis of the excise duty rates and other conditions of such Member State. The State Revenue Service shall, on the basis of a request from the tax administration of the relevant Member State, control the collection and transfer of such excise duty to the budget of the Member State in which the loss was determined.
(3) In accordance with the procedures stipulated by the Cabinet excisable goods brought in by a natural person for his or her own consumption in the Republic of Latvia from other Member States shall be exempt from the duty.
(4) Such excisable goods shall be exempted from the duty which are imported by a natural person in his or her own personal luggage, which is considered to be such within the meaning of the Law On Value Added Tax (hereinafter – personal luggage), and which are imported by this person from a foreign state other than the Member State, from territories referred to in Section 2, Paragraph 3 of this Law without exceeding the following amounts and with a condition that such import of goods is not commercial:
   1) tobacco products, if a natural person travels by aircraft:
      a) 200 cigarettes,
      b) 100 cigarillos,
      c) 50 cigars,
      d) 250 g smoking tobacco,
      e) tobacco products referred to in Paragraph four, Clause 1, Sub-clauses “a”, “b”, “c” and “d” of this Section in any combination, if the part of per cent which is used from individually determined amounts, does not exceed 100 per cent in total. Each amount specified in Paragraph four, Clause 1, Sub-clauses “a”, “b”, “c” and “d” of this Section shall separately form 100 per cent of the amount of the tobacco product indicated in the relevant Sub-clause;
(1) Tobacco products, if a natural person does not travel by aircraft:
   a) 40 cigarettes,
   b) 20 cigarillos,
   c) 10 cigars,
   d) 50 g smoking tobacco,
   e) tobacco products referred to in Paragraph four, Clause 1, Sub-clauses “a”, “b”, “c” and “d” of this Section in any combination, if the part of per cent which is used from individually determined amounts, does not exceed 100 per cent in total. Each amount specified in Paragraph four, Clause 1, Sub-clauses “a”, “b”, “c” and “d” of this Section shall separately form 100 per cent of the amount of the tobacco product indicated in the relevant Sub-clause;

2) Alcoholic beverages:
   a) one litre of alcoholic beverage with alcohol content above 22% by volume or undeclared ethyl alcohol with alcohol content of 80% or more,
   b) two litres of alcoholic beverage with alcohol content up to 22% by volume, except for still wine and beer,
   c) alcoholic beverages referred to in Paragraph four, Clause 2, Sub-clauses “a” and “b” of this Section in any combination, if the part of per cent which is used from individually determined amounts, does not exceed 100 per cent in total. Each amount indicated in Paragraph four, Clause 2, Sub-clauses “a” and “b” of this Section shall separately form 100 per cent of the amount of the alcoholic beverage indicated in the relevant Sub-clause,
   d) four litres of still wine and 16 litres of beer;

3) Non-alcoholic beverages and coffee, observing the conditions and restrictions for the value of goods specified in the Law On Value Added Tax;

4) Fuel that is located:
   a) in the standard fuel tank of a vehicle,
   b) portable fuel tanks – not more than 10 litres for one vehicle.

(41) Provisions of Chapter XXVIII of Regulation No 1186/2009 shall be applicable to mineral oil products (fuel) referred to in Paragraph four of this Section.

(42) Duty exemptions provided for in Paragraph four, Clauses 1, 1.1 and 2 of this Section shall apply to a natural person who has reached the age of 18 years.

(43) Import of excisable goods, including by a road motor vehicle other than commercial vehicle, shall not be considered as commercial within the meaning of Paragraph four of this Section, if it conforms to the following conditions:
   1) it does not take place on a regular basis (not more than once per seven days);
   2) excisable goods are provided for personal use or use in the family of the natural person.

(44) Import of excisable goods shall not be considered as commercial within the meaning of Paragraph 4.3 of this Section, if excisable goods are imported in such amount and value that does not imply that they are imported for commercial purposes.

(45) The provision of Paragraph 4.3, Clause 1 of this Section in respect of the fuel referred to in Paragraph four of this Section shall be applicable to a specific natural person and specific road motor vehicle other than commercial vehicle.

(5) Excisable goods, which a natural person from a foreign state other than the Member State, from territories referred to in Section 2, Paragraph 3.1 of this Law, sends by post to a natural person in the Republic of Latvia and which are exempt from the customs duty in accordance with Regulation No 1186/2009, shall be exempt from the duty.

(6) Excisable goods (except for mineral oils), which have been supplied to a ship and an aircraft, which perform international carriage (also between Member States), on the condition that such goods shall be sold (also in cases where the value of the goods is included in the price of the ticket) on the relevant ship or aircraft in retail for consumption on site (except for
sale in retail for off-premises consumption) or are utilised for supply to the crew of the vessel, shall be exempt from the duty. In such case, the specific ship or aircraft captain shall certify in writing to the supplier-payer of the duty that the received excisable goods (indicating the type of product, name, amount and the purpose the excisable goods shall be utilised for) shall not be utilised in any other way.

(7) Excisable goods, which are real evidence or attached property in a criminal proceeding, removed property in an administrative violation matter or property falling within the jurisdiction of the State, shall be exempt from duty if the referred to excisable goods are destroyed, however, the destruction of the referred to excisable goods shall not free from liability the person to whom the liability specified in Chapter XI of this Law applies.


Section 22. Calculation of the Duty

(1) The duty for excisable goods shall be calculated according to the rate laid down in Sections 12, 13, 14, 15 and 15.1 of this Law.

(2) In the calculation of duty, the volume of alcoholic beverages in litres referred to in Section 12, Paragraph one, Clause 5 of this Law in accordance with the procedures stipulated by the Cabinet shall be determined in conformity with the volume thereof at 20°C.

(3) Duty applied to cigarettes shall be calculated by summing up the amounts obtained when applying the duty rates laid down in Section 13, Paragraph one, Clause 2, Sub-clauses “a” and “b” of this Law, by observing the provisions of Section 13 of this Law.

(4) If the weighted average retail selling price of cigarettes is unknown, in cases referred to in Section 32 of this Law or in other cases prescribed by this Law the duty shall be calculated by summing up the amounts obtained when applying the duty rates laid down in Section 13, Paragraph one, Clause 2, Sub-clauses “a” and “b” of this Law, by observing the provisions of Section 13 of this Law, and for the calculation of the duty one of the following prices shall be used:

1) the maximum retail selling price determined most frequently by a recipient of excise duty stamps in the previous calendar month, but not lower than the most popular retail selling price in the previous calendar year, if the duty is paid by the recipient of excise duty stamps;

2) the actual selling price of cigarettes, but not lower than the most popular retail selling price in the previous calendar year if the duty is paid by persons other than the recipient of excise duty stamps; or

3) the weighted average retail selling price in the previous calendar year if the price referred to in Clauses 1 and 2 of this Paragraph cannot be determined or if the person in accordance with Section 26 of this Law brings in the Republic of Latvia from another Member State or receives cigarettes for personal consumption.

(4') Up to the specification of the weighted average retail selling price in accordance with Section 30 of this Law, the previously specified weighted average retail selling price shall be applied in the cases referred to in Paragraph four of this Section.

(5) In calculating the duty, the quantity of mineral oils in litres referred to in Section 14, Paragraph one, Clauses 1, 2, 3, 4 and 6 of this Law in accordance with the procedures stipulated by the Cabinet shall be determined in conformity with their quantity at 15°C.

(6) The duty for natural gas shall be calculated in accordance with the procedures stipulated by the Cabinet.


Section 23. Payment of the Duty
(1) For an approved warehousekeeper and a registered consignee the taxation period of the duty shall be one calendar month.

(2) The importer shall pay the duty calculated for excisable goods declared for a customs procedure – release into free circulation – into the State budget before presenting the excisable goods at a customs authority. A natural person who brings in excisable goods in his or her own personal luggage that exceeds the amount or value specified in Section 21 of this Law shall pay the duty prior to releasing the excisable goods into free circulation.

(3) A registered consignor shall pay the duty calculated for the excisable goods declared for a customs procedure – release into free circulation – and to which the deferred payment of the duty is applicable in accordance with the conditions of Section 25 of this Law, into the State budget in accordance with the conditions of Section 25, Paragraph three of this Law.

(4) An approved warehousekeeper shall pay the duty calculated for the excisable goods, which have been moved from the tax warehouse during the taxation period, into the State budget within 15 days after the end of the taxation period, except for the duty calculated for those excisable goods to which suspension of excise duty is applied in accordance with Section 25 of this Law.

(5) A registered consignee shall pay the duty calculated for the excisable goods, which have been received by him or her during the taxation period, into the State budget within 15 days after the end of the taxation period.

(6) A temporarily registered consignee shall pay the duty calculated for the excisable goods, which have been received by him or her, into the State budget not later than within five working days after receipt of the relevant excisable goods.

(7) A natural person or a legal person bringing in or receiving excisable goods from another Member State in the Republic of Latvia, which have already been released into free circulation or released for consumption in another Member State, shall pay the calculated duty into the State budget not later than within the next five working days after bringing in or receipt of the excisable goods in the Republic of Latvia, or prior to the dispatch of the relevant excisable goods from another Member State, except the case referred to in Section 21, Paragraph three of this Law. If the relevant person pays the duty prior to the dispatch of the relevant excisable goods from another Member State, he or she shall submit a document confirming the payment of the duty to the State Revenue Service.

(8) An approved warehousekeeper shall pay the duty for the shortage of the excisable goods (for example, theft, loss, disappearance, except the shortage referred to in Section 21, Paragraphs one, two and 2.1 of this Law) determined during the taxation period which has occurred in the tax warehouse or while moving the relevant excisable goods in accordance with Section 25 of this Law into the State budget within 15 days after the end of the taxation period.

(9) A registered consignor shall pay the duty for the shortage of excisable goods determined in the Republic of Latvia (for example, theft, loss, disappearance, except the shortage referred to in Section 21, Paragraphs one, two and 2.1 of this Law), which has occurred while moving the relevant excisable goods in accordance with the Section 25 of this Law, into the State budget within the time period specified in Section 25, Paragraph three, Clause 1 of this Law.

(10) An approved warehousekeeper and a registered consignor of another Member State, who brings into the Republic of Latvia excisable goods in accordance with Section 25 of this Law, shall pay the duty for the shortage of excisable goods determined in the Republic of Latvia (for example, theft, loss, disappearance, except for the shortages referred to in Section 21, Paragraphs one, two and 2.1 of this Law), which have occurred while moving the relevant excisable goods to the Republic of Latvia or through the territory of the Republic of Latvia, within four months after commencement of the movement of the relevant excisable goods. The State Revenue Service in co-operation with the competent authorities of other Member
States shall ensure the fact that the excise duty payment is transferred in the State budget of the Republic of Latvia.

(11) An approved warehousekeeper shall pay the duty for the excisable goods, which have been consumed in the tax warehouse during the taxation period (including presentations, exhibitions, tasting, except for the production of excisable goods), into the State budget within 15 days after the end of the taxation period.

(12) A person who is bringing in non-alcoholic beverages or coffee to the Republic of Latvia, except the case referred to in Section 21, Paragraph three and Paragraph four, Clause 3 of this Law, or in the case when the suspension of excise duty is applied in accordance with the conditions of Section 25 of this Law, shall pay the duty into the State budget as follows:

1) in accordance with Paragraph two of this Section, if non-alcoholic beverages or coffee are being brought in the Republic of Latvia from a foreign state, which is not a Member State, or from a territory referred to in Section 2, Paragraph 3.1 of this Law;

2) in accordance with Paragraph seven of this Section if non-alcoholic beverages or coffee are being brought in the Republic of Latvia from a Member State.

(13) A payer of the duty for excisable goods which are stamped with excise duty stamps, shall pay the duty prior to the receipt of the excise duty stamps in accordance with Section 27, Paragraph six of this Law or in accordance with Paragraph two, three, four, five, six, seven, eight, nine, eleven or seventeen of this Section.

(14) If a duty payer does not pay the duty for excisable goods which are stamped with excise duty stamps, in accordance with the conditions of Paragraph thirteen of this Section within 180 days from the day of the receipt of the excise duty stamps, it shall be considered that the excisable goods have been released into free circulation or released for consumption in the Republic of Latvia and the duty for the relevant excisable goods in accordance with the excise duty stamps received shall be paid by the duty payer who has received the excise duty stamps. An importer and a temporarily registered consignee who has received excise duty stamps shall pay the duty not later than within five working days after the day of the coming into effect of the conditions previously referred to. The duty shall not be paid for those excisable goods for which the duty payer returns the excise duty stamps in accordance with Section 27 of this Law.

(15) If the duty has been paid in accordance with the excise duty stamps received in accordance with Paragraph fourteen of this Section, in the case laid down in Paragraph thirteen of this Section the duty payer no longer needs to pay the duty paid in accordance with Paragraph fourteen of this Section.

(16) The duty for waste oils, which are classified within the Combined Nomenclature under the code 2710, shall be paid in accordance with Paragraphs two, three, four, five, six, seven, eight, nine, ten or eleven of this Section.

(17) A person who has been issued a special permit (licence) for the operation of an approved warehousekeeper, registered consignor or registered consignee, which has ceased to be in effect or has been cancelled, shall pay the duty for the remaining relevant excisable goods, using security, into the State budget or shall apply the exemption from the duty within 45 days after the relevant special permit (licence) has ceased to be in effect or, in conformity with the laws and regulations regarding circulation of excisable goods, a decision has come into effect regarding the cancellation of the relevant special permit (licence). A person who has been issued a special permit (licence) for the operation of an approved warehousekeeper, which has ceased to be in effect or has been cancelled, is entitled to not pay the duty within the specified time period if he or she, using security, according to the permit received in accordance with the laws and regulations regarding circulation of excisable goods, moves the relevant remaining excisable goods to another tax warehouse in the Republic of Latvia or sells to another tax warehouse in the Republic of Latvia, or exports to a state, which is not a Member State, or to a territory referred to in Section 2, Paragraph 3.1 of this Law or destroys them.
(18) A person who applies the customs regime or customs procedure to excisable goods (except the release into free circulation) in accordance with the laws and regulations in the field of customs shall pay the duty as soon as a customs or duty debt appears.

(19) An approved warehousekeeper, in the case laid down in Paragraph thirteen of this Section, shall no longer pay the duty for those excisable goods stamped with excise duty stamps, for which he or she has paid the duty in accordance with Paragraph four of this Section, if the specific excisable goods stamped with excise duty stamps have been returned to the relevant tax warehouse and the storage, as well as recording thereof is ensured separately from the storage and recording of those excisable goods to which the suspension of excise duty is applied.

(20) The taxation period for the duty for natural gas shall be one calendar month. The duty for natural gas shall be paid into the State budget within 15 days after the end of the taxation period.

(21) A person shall pay the duty for food supplements with absolute alcohol content exceeding 80 millilitres per packaging, which are registered, distributed, sold, processed and supplied in accordance with the laws and regulations regarding mandatory safety and labelling requirements for food supplements and the procedures for the registration of food supplements, into the State budget:

1) in accordance with Paragraph two of this Section, if the referred to food supplements are imported to the Republic of Latvia from a foreign state other than a Member State, or from a territory referred to in Section 2, Paragraph 3 of this Law;

2) not later than within five working days after import or receipt of the food supplements in the Republic of Latvia or prior to sending the relevant excisable goods from another Member State, except for the case referred to in Section 21, Paragraph three of this Law;

3) within 15 days after the end of the taxation period, if the referred to food supplements are produced in the Republic of Latvia.

Section 24. Duty Declaration

(1) An approved warehousekeeper and a registered consignee shall submit the duty declaration for a taxation period to the State Revenue Service within 15 days after the end of the relevant taxation period. In the case referred to in Section 23, Paragraph seven of this Law, where the duty is paid prior to the sending of the excisable goods from another Member State, the duty declaration shall be submitted not later than within five working days after receipt of the excisable goods in the Republic of Latvia. Payers of the duty shall submit the duty declaration for natural gas to the State Revenue Service within 15 days after the end of the taxation period. Other payers of the duty shall submit the duty declaration not later than five working days after the relevant time period for the duty payment prescribed by this Law. Importers who have paid the duty in accordance with Section 23, Paragraph two of this Law shall not submit a duty declaration.

(1) An approved warehousekeeper of another Member State or a registered consignor of another Member State, who pays the duty in accordance with Section 23, Paragraph 10 of this Law, shall not submit a duty declaration.

(2) An approved warehousekeeper shall submit a duty declaration for each tax warehouse separately.

(3) The Cabinet shall approve the form of the duty declaration and the procedures for the completion thereof.

Section 24. Calculation of Duty and Recovering in Case of Lost Excisable Goods

If, when moving excisable goods under suspension of excise duty from a Member State to the Republic of Latvia or through the territory of the Republic of Latvia, a shortage is established in the Republic of Latvia (for example, theft, loss or disappearance), the State Revenue Service shall take a decision on the calculation of duty. If the calculated duty is not paid within the time period specified in Section 23, Paragraph ten of this Law, the State Revenue Service shall recover it by uncontested procedures.

[15 December 2011]

Chapter VII
Movement of Excisable Goods

Section 25. Movement of Excisable Goods under Duty Suspension Arrangement

(1) A registered consignor shall apply the suspension of excise duty to excisable goods which:
   1) are being moved to a tax warehouse in the Republic of Latvia;
   2) are being moved to a tax warehouse in another Member State;
   3) are being delivered to a registered consignee or a temporarily registered consignee in the Republic of Latvia or in another Member State;
   4) are being delivered to the persons or other organisations in another Member State referred to in Section 20 of this Law; or
   5) are being moved for further export from the Republic of Latvia to a foreign state which is not a Member State or to a territory which is referred to in Section 2, Paragraph 3.1 of this Law.

(2) A registered consignor performing the activities referred to in Paragraph one of this Section shall not pay the duty if, using the electronic administrative documents referred to in Paragraph nine of this Section within the scope of a computerised system, it is certified to the State Revenue Service or evidence submitted that the excisable goods conform to one of the following conditions:
   1) they have been received in a tax warehouse in the Republic of Latvia or in another Member State;
   2) they have been received by a registered consignee or a temporarily registered consignee in the Republic of Latvia or in another Member State;
   3) they have been received by the organisations in other Member States referred to in Section 20 of this Law. In this case, in addition to the electronic administrative document referred to in Paragraph nine of this Section a document shall be used which certifies that the referred to excisable goods are exempt from duty. This document is specified in Commission Regulation No 31/96; or
   4) they have been brought out from the Republic of Latvia to a foreign state which is not a Member State, or to a territory which is referred to in Section 2, Paragraph 3.1 of this Law.

(3) A registered consignor shall pay the duty in accordance with the duty rate laid down in this Law, if the State Revenue Service has not received a certification or evidence about the fulfilment of the conditions referred to in Paragraph two of this Section in the following period of time:
   1) within 15 days from the day of commencement of the movement – for excisable goods which have only been moved in the Republic of Latvia; or
   2) within four calendar months from the day of commencement of the movement – for excisable goods which have been moved to other Member States (including movement through other Member States to a foreign state which is not a Member State, or to the territory referred to in Section 2, Paragraph 3.1 of this Law).
(4) An approved warehousekeeper shall apply the suspension of excise duty to excisable goods which:

1) from a tax warehouse in the Republic of Latvia:
   a) are moved to a tax warehouse in the Republic of Latvia;
   b) are moved to a tax warehouse in another Member State;
   c) are delivered to a registered consignee or a temporarily registered consignee in the Republic of Latvia or in another Member State, or
   d) are delivered to the persons or organisations in another Member State referred to in Section 20 of this Law; or
2) are removed from a tax warehouse for subsequent export from the Republic of Latvia to a foreign state which is not a Member State, or to a territory which is referred to in Section 2, Paragraph 3.

(5) An approved warehousekeeper who performs the activities referred to in Paragraph four of this Section, shall not pay the duty if, using the electronic administrative document referred to in Paragraph nine of this Section within the scope of a computerised system, it is certified to the State Revenue Service or evidence submitted that the excisable goods conform to one of the following conditions:

1) they have been received in a tax warehouse in the Republic of Latvia or in another Member State;
2) they have been received by a registered consignor or a temporarily registered consignor in the Republic of Latvia or in another Member State;
3) they have been received by the organisations in other Member States referred to in Section 20 of this Law. In such case, in addition to the electronic administrative document referred to in Paragraph nine of this Section, a document which certifies that the excisable referred to goods are exempt from duty shall be used. This document is specified in Commission Regulation No 31/96; or
4) they have been exported from the Republic of Latvia to a foreign state which is not a Member State, or to a territory which is referred to in Section 2, Paragraph 3.

(6) An approved warehousekeeper shall pay the duty in accordance with the duty rate laid down in this Law, if the State Revenue Service has not received a certification or evidence about the fulfilment of the conditions referred to in Paragraph five of this Section within the following periods of time:

1) within 15 days after the taxation period – for excisable goods which have only been moved in the Republic of Latvia; or
2) within four calendar months from the day of commencement of the movement – for excisable goods which have been moved to other Member States (including movement through other Member States to a foreign state which is not a Member State, or to the territory referred to in Section 2, Paragraph 3 of this Law).

(7) If the conditions referred to in Paragraphs two and five of this Section are fulfilled after the term specified, but not later than within three years from the commencement of movement, the paid duty shall be transferred to subsequent duty payments or refunded within 30 days after receipt of a written request of the relevant duty payer.

(8) A registered consignee or a temporarily registered consignee shall certify the receipt of excisable goods with a notification on the receipt of the relevant excisable goods, which he or she shall submit to the State Revenue Service, using the computerised system.

(9) In the cases specified in Paragraphs one, two, four, five and eight of this Section, such documents shall be used which are specified in Commission Regulation (EC) No 684/2009 of 24 July 2009 implementing Council Directive 2008/118/EC as regards the computerised procedures for the movement of duty excise goods under suspension of excise duty (hereinafter – Commission Regulation No 684/2009). The conditions for the use of the computerised system, the procedures for the circulation and control of the documents specified in Commission Regulation No 684/2009, including in cases where the computerised
system is not accessible, as well as other conditions for the movement of excisable goods referred to in this Section shall be provided for by the Cabinet.

(10) When applying the suspension of excise duty, outside the computerised system wine may be received from small wine producers in other Member States in accordance with the conditions indicated in Commission Regulation (EC) No 884/2001 of 24 April 2001 laying down detailed rules of application concerning the documents accompanying the carriage of wine products and the records to be kept in the wine sector (hereinafter – Commission Regulation No 884/2001).

(11) An approved warehousekeeper shall be permitted to apply the suspension of excise duty to non-alcoholic beverages and coffee, if these goods:

1) from a tax warehouse in the Republic of Latvia:
   a) are moved to another tax warehouse in the Republic of Latvia;
   b) are moved to a foreign state (including a Member State) or a territory which is referred to in Section 2, Paragraph 3.1 of this Law, or
   c) are delivered to the persons or organisations in another Member State referred to in Section 20 of this Law;

2) are brought in the Republic of Latvia from another foreign state (including a Member State) or from a territory referred to in Section 2, Paragraph 3.1 of this Law, for movement to a tax warehouse in the Republic of Latvia.

(12) An approved warehousekeeper who performs the activities referred to in Paragraph eleven of this Section, shall not pay the duty, if such documents are submitted to the State Revenue Service, or the approved list thereof is appended to the tax declaration, which certify that the non-alcoholic beverages and coffee conform to one of the following conditions:

1) these goods have been received in a tax warehouse in the Republic of Latvia;

2) these goods have been exported from the Republic of Latvia to another Member State;

3) these goods have been exported from the Republic of Latvia to a foreign state which is not a Member State or to a territory referred to in Section 2, Paragraph 3.1 of this Law; or

4) these goods have been received by the organisations referred to in Section 20 of this Law in another Member State.

(13) If the documents referred to in Paragraph twelve of this Section are not submitted to the State Revenue Service for non-alcoholic beverages and coffee, which are moved during the taxation period in accordance with Paragraph eleven of this Section, within 15 days after the end of the taxation period, the approved warehousekeeper shall pay the duty in accordance with the duty rate laid down in this Law. If the relevant documents are submitted after the term specified, but not later than within three years after this term, the duty paid shall be transferred to subsequent duty payments or shall be refunded after receipt of a written request of the relevant duty payer within 30 days after receipt of the request.

(14) An approved warehousekeeper is allowed to apply suspension of excise duty to such excisable goods to which the document specified in Commission Regulation No 684/2009 and provisions for use of the computerised system do not refer, if such goods:

1) from a tax warehouse in the Republic of Latvia:
   a) are moved to another tax warehouse in the Republic of Latvia,
   b) are moved to a foreign country (also a Member State) or the territory referred to in Section 2, Paragraph 3.1 of this Law,
   c) are supplied to the persons referred to in Section 20 of this Law or organisations in another Member State;

2) are imported to the Republic of Latvia from another foreign state (also a Member State) or from the territory referred to in Section 2, Paragraph 3.1 of this Law, for moving them to a tax warehouse in the Republic of Latvia.
(15) An approved warehousekeeper, which performs the activities referred to in Paragraph fourteen of this Section, shall not pay the duty, if such documents are submitted to the State Revenue Service, or the approved list thereof is appended to the tax declaration, which certify that the excisable goods referred to in Paragraph fourteen of this Section conform to one of the following conditions:

1) these goods have been received in a tax warehouse in the Republic of Latvia;
2) these goods have been exported from the Republic of Latvia to another Member State;
3) these goods have been exported from the Republic of Latvia to a foreign state which is not a Member State or to the territory referred to in Section 2, Paragraph 3, of this Law; or
4) these goods have been received by the organisations referred to in Section 20 of this Law in another Member State.

(16) If for the excisable goods referred to in Paragraph fourteen of this Section, which are moved in a taxation period in accordance with Paragraph fourteen of this Section, the documents referred to in Paragraph fifteen of this Section are not submitted to the State Revenue Service within 15 days after the end of the taxation period, an approved warehousekeeper shall pay the duty in accordance with the duty rate laid down in this Law. If the relevant documents are submitted after the term specified, but not later than within three years after this term, the duty paid shall be transferred for the subsequent payments of duty or upon a written request of the relevant taxpayer of the duty it shall be refunded within 30 days after receipt of the request.


Section 26. Conditions for Movement of Excisable Goods already Released for Consumption from Another Member State or to Another Member State [1 December 2009]

(1) A natural person, except the case referred to in Section 21, Paragraph three of this Law, or a legal person who brings in or receives in the Republic of Latvia excisable goods from another Member State which have already been released for consumption in another Member State shall, prior to the sending of the excisable goods from the relevant Member State, submit to the State Revenue Service information and pay the duty or submit an appropriate security. If the distance seller of the Member State has requested a document certifying payment of the duty, the State Revenue Service may issue it to the relevant payer of the duty after the duty for the excisable goods indicated in the information has been paid in the Republic of Latvia.

(13) In the case laid down in Paragraph one of this Section, when bringing in the Republic of Latvia excisable goods to be stamped with excise duty stamps, they should be stamped with excise duty stamps at the time of being brought in, in accordance with the conditions of Section 27 of this Law.

(2) In the case referred to in Paragraph one of this Section the specific persons shall certify the receipt of the excisable goods in the Republic of Latvia by submitting appropriate documents to the State Revenue Service.

(3) In respect of excisable goods which have been released for consumption in the Republic of Latvia and for which the duty has been paid, but which are brought out for commercial purposes by merchants from the Republic of Latvia to another Member State, on the basis of a written request of the relevant person the duty shall be paid over to cover a duty debt, for subsequent duty payments, other tax payments or the duty shall be refunded.

(4) In the cases referred to in this Section the documents specified in Commission Regulation (EEC) No 3649/92 of 17 December 1992 on a simplified accompanying document for the
intra-Community movement of products subject to excise duty which have been released for consumption in the Member State of dispatch shall be used. The procedures for the circulation and control of documents, as well as other conditions regarding the movement of excisable goods referred to in this Section shall be determined by the Cabinet.

(4)** Without using the documents specified in Paragraph four of this Section, wine may be received in the Republic of Latvia from small wine producers in other Member States in accordance with the conditions indicated in Commission Regulation No 884/2001.

(4)** A natural person, except for the case referred to in Section 21, Paragraph three of this Law, and a legal person, which imports to or receives in the Republic of Latvia from another Member State excisable goods not subject to the excise duties in such a Member State, observing the provisions of Paragraphs one and two of this Section, may use other accompanying documents in the movement of goods, if it is impossible to draw up the documents referred to in Paragraph four of this Section.

(5) The Cabinet shall determine the procedures (documents to be submitted, terms for the refund of the duty, requirements for the certification of the duty payment and other conditions) by which the duty shall be paid over to cover a duty debt, for subsequent duty payments, other tax payments or the duty shall be refunded.


Chapter VIII
Labelling of Excisable Goods

Section 27. Labelling of Alcoholic Beverages and Tobacco Products

(1) All alcoholic beverages and tobacco products shall be labelled with excise duty stamps except for cases specified in Paragraph three of this Section.

(2) It is permitted to label alcoholic beverages and tobacco products with excise duty stamps:

1) in the Republic of Latvia — only in tax warehouses or customs warehouses;

2) in foreign states (including Member States) — for importation into the Republic of Latvia.

(3) It is permitted not to label with excise duty stamps:

1) alcoholic beverages:

   a) alcoholic beverages which have been filled into bottles with a volume up to 100 millilitres,

   b) beer,

   c) alcoholic beverages, which are sold in duty-free shops in accordance with the laws and regulations in the field of customs;

2) tobacco products which are sold in duty-free shops in accordance with the laws and regulations in the field of customs;

3) alcoholic beverages and tobacco products which have been exempt from the duty in accordance with Sections 16, 17, 20 and 21 of this Law or are subject to the duty in accordance with Section 16, Paragraph four of this Law;

4) alcoholic beverages and tobacco products that are imported by a natural person in his or her own personal luggage and the amount of which exceeds the amount specified in Section 21, Paragraph four of this Law or which a natural person brings in to the Republic of Latvia or receives for personal consumption from another Member State in accordance with Section 26 of this Law.

(4) Excise duty stamps shall be issued by the State Revenue Service.

(5) Excise duty stamps shall be received by:
1) an importer;  
2) an approved warehousekeeper in the Republic of Latvia;  
3) a person who, in accordance with Section 26 of this Law, brings in the Republic of Latvia or receives from another Member State excisable goods stamped with excise duty stamps;  
4) a registered consignee;  
5) a temporarily registered consignee; or  
6) a registered consignor.

(6) Upon receipt of the excise duty stamps, the relevant payers of the duty in accordance with this Law shall submit a certification of the duty payment, except an approved warehousekeeper, a registered consignor, a registered consignee or a temporarily registered consignee, or security for the amount of the duty, which corresponds to the number of the issued excise duty stamps. An approved warehousekeeper who, in accordance with the provisions of the Handling of Alcoholic Beverages Law produces wine or fermented beverages himself or herself, the total volume of which does not exceed 1000 litres per calendar year, from products acquired in the gardens and hives in the ownership or possession thereof or from plants growing in the wild (without using spirit or other produced alcoholic beverages), shall submit a certification of the duty payment upon receipt of the excise duty stamps.

(7) Alcoholic beverages and tobacco products in respect of which excise duty stamps have been issued, shall be subject to the duty suspension arrangement until the moment when the duty for them is paid or excise duty stamps are returned in accordance with this Law.

(8) If the payer of the duty returns the received but unused, damaged or removed from excise goods released for free circulation or released for consumption excise duty stamps to the State Revenue Service, expenses for the purchase thereof shall be covered by the relevant payer of the duty, except for the case referred to in Paragraph ten of this Section. If the payer of the duty orders excise duty stamps, but fails to claim them within the term specified, the payer of the duty, which ordered the relevant excise duty stamps, shall cover expenses for the purchase thereof. If the excise duty stamps have been destroyed in another Member State, the payer of duty to whom the excise duty stamps are issued shall cover the expenses for the supply of excise duty stamps.

(9) The returned or ordered, but unclaimed excise duty stamps shall be destroyed by the State Revenue Service. Expenses related to the destruction of the returned excise duty stamps shall be covered by the payer of the duty who has returned the excise duty stamps, except for the case referred to in Paragraph ten of this Section. Expenses related with the destruction of the ordered, but the payer of the duty who ordered the relevant excise duty stamps shall cover unclaimed excise duty stamps.

(10) If the State Revenue Service has issued to the payer of the duty invalid excise duty stamps, the expenses referred to in Paragraphs eight and nine of this Section shall not be covered by the relevant payer of the duty. The State Revenue Service shall exchange the invalid excise duty stamps for new excise duty stamps.

(11) If the payer of the duty returns to the State Revenue Service the received, but unused, invalid or damaged excise duty stamps, the relevant payer of the duty need not pay the duty. The duty shall also not be paid in the case if the payer of the duty submits to the State Revenue Service, a document issued by the tax authority of another Member State, which certifies that the duty stamps have been destroyed in another Member State.

(12) If a taxpayer of the duty returns to the State Revenue Service the received, but unused, invalid or damaged excise duty stamps and the duty has been paid in conformity with the returned excise duty stamps, the paid duty shall be transferred for the covering of duty debt, subsequent payments of duty or other tax payments. If the taxpayer of the duty does not have a duty debt, pursuant to a written request by the relevant taxpayer, the paid duty shall be
refunded within 30 days after covering of the expenses referred to in Paragraphs eight and nine of this Section.

(12) If the taxpayer of the duty returns to the State Revenue Service excise duty stamps for excisable goods, which have been released for free circulation or released for consumption, which have been exported to another Member State or to a state, which is not a Member State, destroyed or processed and for which duty has been paid, the paid duty shall be transferred for the covering of duty debt, subsequent payments of duty or other tax payments. If the taxpayer of the duty does not have a duty debt, pursuant to a written request by the relevant taxpayer of the duty, the paid duty shall be refunded within 30 days after covering the expenses referred to in Paragraphs eight and nine of this Section. The Cabinet shall determine the procedures (including taxpayer requirements and the documents to be submitted) by which in accordance with the provisions of this Paragraph the referred to duty is transferred for the covering of duty debt, subsequent payments of duty, other tax payments or the duty shall be refunded and the destruction or processing of alcoholic beverages or tobacco products are performed.

(13) Procedures by which alcoholic beverages and tobacco products shall be labelled with excise duty stamps (including conditions regarding the amount of excise duty stamps to be ordered, the time periods for issuing and conditions for receipt, as well as the requirements regarding provision of information on the stamps used) shall be determined by the Cabinet.


Section 28. Labelling (Marking) of Mineral Oils

(1) The mineral oils referred to in Section 14, Paragraph two and Section 18, Paragraph three shall be labelled (marked).

(2) It is permitted to label (mark) mineral oils:
   1) in the Republic of Latvia — only in tax warehouses;
   2) in foreign states (including Member States) — for importation into the Republic of Latvia.

(3) The labelled (marked) mineral oils are permitted to be:
   1) delivered or transferred to persons who have the right to receive them;
   2) delivered to another tax warehouse in the Republic of Latvia or in another Member State;
   3) brought out from the Republic of Latvia to another Member State;
   4) exported from the Republic of Latvia to a foreign state other than a Member State.

(4) If the mineral oils referred to in Section 14, Paragraph two and Section 18, Paragraph three are not labelled (marked), the duty in respect of them shall be calculated and paid according to the rate laid down in Section 14, Paragraph one.

(5) Procedures for the labelling (marking) of mineral oils and the circulation thereof shall be determined by the Cabinet.

Chapter IX

Requirements in Respect of Tobacco Products

Section 29. Maximum Retail Selling Price

(1) Recipients of excise duty stamps for cigarettes to be sold shall determine the maximum retail selling price and inform the duty administration thereof, when ordering the excise duty stamps. A person who, in accordance with Section 26 of this Law, brings in the Republic of Latvia or receives for personal consumption cigarettes, shall indicate the weighted average retail selling price when ordering excise duty stamps.
(2) The maximum retail selling price shall not be determined for cigarettes which are moved in accordance with Sections 25 of this Law.
(3) Information regarding the maximum retail selling price, as well as the number of cigarettes in one packet of cigarettes shall be indicated on the excise duty stamp.
(4) In the Republic of Latvia it is prohibited to sell cigarettes for a price that is higher than the maximum retail selling price for cigarettes. When selling cigarettes, the number thereof in the packet shall conform to the number indicated on the excise duty stamp.

[14 November 2008; 1 December 2009; 28 October 2010]

Section 30. Weighted Average Retail Selling Price

(1) Each year by 1 March the State Revenue Service shall determine and forward for publication in the newspaper Latvijas Vēstnesis [the official Gazette of the Government of the Republic of Latvia] the weighted average retail selling price in the previous calendar year, using data regarding the number of excise duty stamps for cigarettes which have been released for consumption or released into free circulation and information regarding the maximum retail selling price and number of cigarettes in a packet.
(2) When determining the weighted average retail selling price, such excise duty stamps shall not be taken into account, which in the relevant period of time have been returned to the State Revenue Service or destroyed in accordance with this Law, as well as the excise duty stamps referred to in Section 23, Paragraph fourteen of this Law.
(3) The weighted average retail selling price shall be determined in euros for 1000 cigarettes.
(4) When determining the weighted average retail selling price, all maximum retail selling prices determined by all consignees of excise duty stamps shall be expressed in euros for 1000 cigarettes.

[19 December 2006; 14 November 2008; 1 December 2009; 28 October 2010; 19 September 2013]

Chapter X
Security

Section 31. Types of Security

(1) In order to carry out activities with excisable goods and use duty suspension arrangement, the payer of the duty shall submit a security.
(2) A payer of the duty may submit the following securities:
   1) a one-time security that is intended for a single specified amount of debt of the calculated duty; or
   2) a general security that is intended for a specified time period and a specified amount of debt of the calculated duty.
(3) The following may be used as security:
   1) a security deposit;
   2) an insurance policy for the performance of commitments; or
   3) a guarantee from a credit institution;
   4) [8 November 2007].

[8 November 2007]

Section 32. Application of Security

(1) The amount of security may not be less than the duty that has been calculated for the relevant amount of excisable goods with which activities are to be carried out applying duty suspension arrangement, except in the cases referred to in Paragraph six of this Section.
Security shall be submitted in conformity with the calculated duty according to the duty rates laid down in Section 12, 13 or 14 of this Law.

Security for excisable goods shall be applied until the moment of duty payment therefor or until it is determined that goods are exempt from the payment of the duty in accordance with this Law.

Security shall be submitted:

1) for all excisable goods, which are located in a tax warehouse and to which suspension of excise duty is applied, except for the excisable goods, which are marked with excise duty stamps, regarding which the relevant approved warehousekeeper has submitted a security, receiving for it excise duty stamps in accordance with Section 27, Paragraph six of this Law;

2) for excisable goods which are moved in accordance with Section 25 or 26 of this Law, except for the case where the duty has been paid prior to the sending of the excisable goods from another Member State in accordance with Section 23, Paragraph seven of this Law or when a security is submitted for excisable goods which are stamped with excise duty stamps, upon receipt of excise duty stamps in accordance with Section 27, Paragraph six of this Law;

3) in other cases provided for by this Law.

A security shall be submitted irrespective of whether the referred to excisable goods will be exempted from duty, used for the production of other excisable goods or the duty will not be paid for other reasons. The referred to condition shall also apply to alcohol or to any other alcoholic beverage used as a raw material for the production of alcoholic beverages.

When moving excisable goods in accordance with Section 25 of this Law, a security shall be valid in territories to which the provisions of this Law apply on the movement of excisable goods from other Member States or to other Member States.

If the payer of the duty who in accordance with Section 27 of this Law returns the received but unused or damaged excise duty stamps to the State Revenue Service, prior to the receipt of excise duty stamps has submitted a one-time security which has been calculated according to the issued excise duty stamps, then security conforming to the amount of duty determined according to the excise duty stamps returned shall be cancelled or returned to the submitter after the covering of expenses referred to in Section 27, Paragraphs eight and nine of this Law.

The Cabinet shall:

1) provide for cases when security need not be provided and conditions fulfilling which the amount of the security for the payer of the duty may be reduced;

2) prescribe procedures for the submission, administration, cancellation and return of security.

In order to ensure payment of the duty in the case referred to in Section 23, Paragraph eighteen of this Law, when applying the customs regime or customs procedure (except the release into free circulation) to excisable goods in accordance with the laws and regulations in the field of customs, the Cabinet shall:

1) provide for the cases when a guarantee need not be submitted and the conditions, in the case of the fulfilment of which, by which the amount of the guarantee may be reduced for the duty payer;

2) determine the procedures by which guarantees shall be submitted, administered and cancelled.

Chapter XI
Liability

Section 33. Liability for Violations of this Law in the Republic of Latvia

(1) Liability for violations of this Law shall be determined by this Law and the Law On Taxes and Fees.

(2) In the Republic of Latvia it is prohibited to produce, use, process, store, move and sell excisable goods for which excise duty has not been paid, except for the cases specified in this Law.

(3) In the Republic of Latvia it is prohibited to produce, use, process, store, move and sell alcoholic beverages and tobacco products that have not been labelled with excise duty stamps, except for the cases specified in laws and regulations.

(4) The relevant State supervision and control institutions have the right to confiscate, in accordance with procedures prescribed in laws and regulations, such excisable goods which have been imported into the Republic of Latvia or moved out of a tax warehouse, but for which the duty has not been paid in accordance with this Law or security provided for by this Law has not been submitted for the performance of the activities referred to or which have not been labelled with excise duty stamps if it is provided for by this Law.

(5) Confiscation of excisable goods for violations of this Law or other laws and regulations or application of other laws and regulations in respect of violations in the circulation of excisable goods shall not exempt the specific person from liability to pay duty in accordance with this Law and a fine in accordance with the Law On Taxes and Fees. The State Revenue Service shall not calculate the duty and fee for confiscated excisable goods that do not exceed the following amounts:

1) alcoholic beverages:
   a) intermediate products and other alcoholic beverages – 5 litres,
   b) beer, wine and fermented beverages – 30 litres;
2) tobacco products:
   a) cigarettes – 300 cigarettes,
   b) cigars or cigarillos – 900 cigars or cigarillos,
   c) smoking tobacco – 500 grams;
3) mineral oil products – 40 litres;
4) non-alcoholic beverages – 500 litres;
5) coffee – 20 kilograms.

(6) [8 November 2007]

(7) If a person performs any operation with excisable goods without complying with the provisions of this Law (including undeclared or other importation in the State of excisable goods without complying with the importation procedures specified in laws and regulations or without fulfilling the relevant customs procedures, performs unregistered or other production of excisable goods without complying with the procedures specified in laws and regulations for the production of excisable goods, performs any other activities with excisable goods for which duty has not been paid or security provided for by this Law has not been submitted or which have not been labelled with excise duty stamps in accordance with this Law), the State Revenue Service shall collect by uncontested procedures into the State budget in accordance with the duty rates laid down in this Law, the unpaid amounts of the duty and a fine in accordance with the Law On Taxes and Fees.

(8) If the State Revenue Service upon inspecting the activities of the relevant person with excisable goods determines a surplus of excisable goods which is not specified in the account books of this person and he or she may not prove that the duty for the determined surplus has been paid, it shall be considered that the relevant person has produced, purchased or performed other activities with excisable goods for which the duty has not been paid, and the
amount of the unpaid duty and a fine in accordance with the Law on Taxes and Fees shall be collected from such person.

(9) In the cases referred to in Paragraphs seven and eight of this Section the State Revenue Service shall calculate the duty according to the rates which were in force on the day when the relevant activities were performed. If it may not be determined, the duty shall be calculated according to the rates, which were in force on the day when the activities referred to were determined.

(10) If a State institution other than the State Revenue Service determines within its competence that a person has performed the activities referred to in Paragraph seven or eight of this Section, the relevant State institution shall notify the State Revenue Service in writing thereof (not later than within three working days). The State Revenue Service shall recover the duty and the fine.

(11) In cases referred to in Paragraph seven of this Section the duty and fine shall be recovered from the person who possesses excisable goods with which activities referred to in Paragraph seven of this Section have been performed, or from the person who has performed activities referred to in Paragraph seven of this Section if the possessor of the referred to excisable goods has not been determined.

(12) The payer of the duty and the person referred to in Section 18, Paragraph five, Clause 4 of this Law is prohibited from selling, supplying or handing over excisable goods to which duty exemption or relief is applied in accordance with this Law to such a person which does not have the right to receive them.

(13) If the requirements laid down in Paragraph twelve of this Section are not met, the duty and fine shall be paid for the referred to excisable goods in accordance with the procedures specified in this Section. The duty and fine shall be recovered accordingly from the payer of the duty or the person referred to in Section 18, Paragraph five, Clause 4 of this Law which sells, supplies or hands over excisable goods and has not complied with the procedures provided for in Paragraph twelve of this Section or the relevant Cabinet regulations by which the application of the duty exemption or relief to the referred to excisable goods is allowed in accordance with this Law.

(14) A payer of the duty is prohibited from supplying mineral oils to which the conditions of Section 14, Paragraph two of this Law are applied to a person who does not have the right to receive them.

(15) If the requirements laid down in Paragraph fourteen of this Section are not met, the duty and fine for the referred to excisable goods shall be paid in accordance with the procedures prescribed by this Section. The duty and fine shall be recovered from the payer of the duty who has supplied mineral oils and has not complied with the procedures provided for in Paragraph fourteen of this Section or the relevant Cabinet Regulations by which it is permitted to apply the conditions of Section 14, Paragraph two of this Law to the referred to mineral oils.

(16) Persons who have received excisable goods to which the provision specified in Section 14, Paragraph two or six of this Law is applied or duty exemption or relief in accordance with this Law is applied are prohibited from using them for other purposes (than prescribed for the specified duty exemption or relief or the relevant provision specified in the Law) or transfer them to another person who does not have the right to receive them.

(17) If the requirements laid down in Paragraph sixteen of this Section are not met, the duty and fine for the referred to excisable goods shall be paid in accordance with the procedures specified in this Section. The duty and fine shall be recovered from the person who has received excisable goods and has not complied with the procedures provided for in Paragraph sixteen of this Section or the relevant Cabinet Regulations by which it is permitted to apply to the referred to excisable goods a duty exemption or relief in accordance with this Law or have not complied with that specified in Section 14, Paragraph two and six of this Law. This Paragraph shall not apply to the cases referred to in Section 16, Paragraph four of this Law.
(18) Persons who have received labelled (marked) mineral oils are prohibited from transferring them to another person who has no right to receive them.

(19) If the requirements laid down in Paragraph eighteen of this Section are not met, the duty and fine for the labelled (marked) mineral oils shall be paid in accordance with the procedures specified in this Section. The duty and fine shall be recovered from the person who has received labelled (marked) mineral oils and has violated the procedures provided for in Paragraph eighteen of this Section or the relevant Cabinet regulations by which it is permitted to use labelled (marked) mineral oils.

(20) It is prohibited to utilise labelled (marked) mineral oils as fuel in motor vehicles or for purposes other than prescribed by the Law. A person who utilises the labelled (marked) mineral oils as fuel for motor vehicles or for purposes other than prescribed by this Law, shall be liable for the violation committed in accordance with the Administrative Violations Code of Latvia.

(21) If control institutions establish that a person does not use the fuel referred to in Section 18, Paragraph five for the intended purposes, the Rural Support Service shall revoke a decision according to which the volume of the referred to fuel was allocated for the current economic year.

[19 December 2006; 8 November 2007; 14 November 2008; 22 April 2010; 14 April 2011]

Section 34. Liability for Violations in Moving Excisable Goods from Another Member State or to Another Member State

(1) If it is determined that a natural person or a legal person upon importing or receiving excisable goods in the Republic of Latvia from another Member State has violated the requirements of this Law, he or she shall pay the duty in accordance with Section 33 of this Law.

(2) If in moving excisable goods from the Republic of Latvia to another Member State or from another Member State to the Republic of Latvia a violation has been committed which is related to the payment of the duty, the duty in the Member State where the violation was committed shall be paid by the person moving the excisable goods.

(3) If the excise duty in accordance with Paragraph two of this Section is collected in another Member State, the relevant person does not have to pay the duty in the Republic of Latvia.

(4) In a case when upon movement of excisable goods from the Republic of Latvia to another Member State they do not reach the intended destination and it is not possible to determine where the violation has been committed, the consignor of the excisable goods shall pay the duty in accordance with this Law, if this Law does not provide for otherwise and if within four months from the dispatch of excisable goods the State Revenue Service has not received proof of the legality of the transaction or the place where the violation has been committed, as well as proof that the duty for the referred to excisable goods has been paid in another Member State.

(5) If within three years it is determined that the violation referred to in Paragraph four of this Section has been committed in another Member State and proof is submitted that the duty has been paid in the relevant Member State, the duty paid in the Republic of Latvia shall be refunded to the relevant person.

(6) If it is determined that a violation related with the payment of the duty has been committed in another Member State with excisable goods for which excise duty stamps have been received in the Republic of Latvia, the duty in the Republic of Latvia need not be paid (except for the provisions of Section 23, Paragraphs thirteen, fourteen and fifteen of this Law) if it is paid in the relevant Member State.

[1 December 2009; 20 December 2010]
Transitional Provisions

1. With the coming into force of this Law the following are repealed:

1) Law On Excise Duty for Alcoholic Beverages (Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs, 1998, No. 24; 1999, No. 17, 24; 2003, No. 2);
2) Law On Excise Duty for Beer (Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs, 1999, No. 24);

2. The duty rate for cigarettes specified in Section 13, Paragraph one, Clause 2 of this Law shall come into force on 1 January 2009.
[19 December 2006]

3. Until coming into force of the duty rate for cigarettes specified in Section 13, Paragraph one, Clause 2 of this Law, the duty shall be imposed according to the following rates:

1) until 31 December 2004 — by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):
   a) 6.3 lats for 1000 cigarettes,
   b) 6.1 per cent of the maximum retail selling price;
2) from 1 January 2005 until 31 December 2005 — by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):
   a) 6.9 lats for 1000 cigarettes,
   b) 10.5 per cent of the maximum retail selling price;
3) from 1 January 2006 until 31 December 2006 — by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):
   a) 7.6 lats for 1000 cigarettes,
   b) 14.8 per cent of the maximum retail selling price;
4) from 1 January 2007 until 30 June 2007 — by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):
   a) 8.4 lats for 1000 cigarettes,
   b) 19.2 per cent of the maximum retail selling price;
5) from 1 July 2007 until 31 December 2007 — by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):
   a) 10 lats for 1000 cigarettes,
   b) 25 per cent of the maximum retail selling price;
6) from 1 January 2008 until 31 December 2008 — by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):
   a) 17.8 lats for 1000 cigarettes,
   b) 32.2 per cent of the maximum retail selling price.
[19 December 2006]

4. The duty rate laid down in Section 13, Paragraph one, Clause 3, Sub-clause a) of this Law, for fine-cut tobacco intended for the rolling of cigarettes, shall come into force on 1 July 2004.
5. Until the coming into effect of the duty rate laid down in Section 13, Paragraph one, Clause 3, Sub-clause a) of this Law for fine-cut tobacco intended for the rolling of cigarettes, it shall be levied with a duty — 19 lats for 1000 grams of tobacco.

6. Until 31 December 2004 Section 1, Paragraph two, Clause 2, Section 23, Paragraphs thirteen, fourteen and fifteen, Section 27 and other conditions regarding excise duty stamps shall apply only to cigarettes but shall not apply to other tobacco products.

7. Until 30 June 2005 in the Republic of Latvia it is permitted to market tobacco products (except for cigarettes) also without excise duty stamps.

8. Legal persons carrying out commercial activities with mineral oils according to the situation on the day of coming into force of this Law shall take inventory of the stocks of mineral oils in the ownership thereof and shall pay excise duty for the amount of mineral oils determined as a result of inventory, the amount of which duty shall be calculated as a difference between the excise duty according to the excise duty rate laid down in this Law and excise duty according to the rate laid down in the Law On Excise Duty for Mineral Oils.

9. During the period from 1 April 2004 until 30 April 2004 Section 2, Paragraph six and Paragraph seven, Clause 1, as well as Sections 31 and 32 of this Law shall be applicable in order to implement transition to licences and securities in conformity with the requirements of this Law and ensure the validity thereof from 1 May 2004. [18 March 2004]

10. Requirements of Clause 8 of the Transitional Provisions of this Law regarding calculation and payment of the excise duty difference are not applicable to the following mineral oils:

   1) unleaded petrol, the substitute products and components thereof if ethyl alcohol has been added thereto which has been acquired from agricultural raw materials and which has been dehydrated (with alcohol content of at least 99.5 per cent by volume) and which has been denatured — at least 4.5 per cent by volume of the total amount of mineral oils;

   2) diesel fuel (gas oil), its substitute products and components if biodiesel fuel has been added thereto which has been obtained from rape seed oil and biodiesel fuel constitutes 5 and more per cent by volume of the total amount of mineral oils. [29 April 2004]

11. Clause 10 of the Transitional Provisions of this Law shall be applicable to the relevant amount of specific mineral oils for which excise duty has been paid in compliance with the provisions of Section 6, Paragraphs seven, eight and ten of the Law On Excise Duty for Mineral Oils. It is permitted to modify the relevant amount of the specific mineral oils in a tax warehouse for mineral oils so that these products meet the conditions of Section 14, Paragraph three or four of this Law and to export these products without paying excise duty. [29 April 2004]

12. Up to 30 June 2007, with an increase in the rate of excise duty, merchants, who perform commercial activities with mineral oils shall, on the day when the change in the rate excise duty for mineral oil products occurs, perform an inventory of the stocks of mineral oil products, which are referred to in Section 14, Paragraph one of this Law, and in respect of the amounts of mineral oil products determined by the inventory shall within 15 days (including the day when the change in the rate excise duty occurs) pay into the State budget the excise duty thereof, the amount of which shall be calculated as the difference between the rate of excise duty, which is in effect on the day of the inventory (the day when the new rate of excise duty came into effect), and the rate of excise duty, which was in effect up to the day
when the rate of excise duty changed, as well as in respect of the inventory performed shall submit to the State Revenue Service the inventory list. If the rate of excise duty is reduced, the difference in excise duty shall not be refunded.

[20 December 2004; 19 December 2006]

12. Commencing with 1 January 2008, with an increase in the rate of excise duty for alcoholic beverages, tobacco products or mineral oils in the situation on the day when the change in the rate of excise duty occurs, an inventory shall be performed:

1) an accounting of existing relevant stocks of alcoholic beverages, tobacco products or mineral oils:
   a) by the registered consignee;
   b) by the person who has received a special permit (licence) for the wholesale trade of alcoholic beverages, tobacco products or mineral oils;
   c) by the person who has received a special permit (licence) for the retail trade of alcoholic beverages, tobacco products or mineral oils; and
2) an accounting of existing relevant stocks of alcoholic beverage and tobacco product excise duty stamps if the in respect of the relevant excise goods a duty in conformity received excise duty stamps has been paid in accordance with Section 23, Paragraph fourteen of this Law:
   a) by the approved warehousekeeper,
   b) by the importer and the registered consignor if the excise goods to be marked or marked with the relevant excise duty stamps are not suitable for the customs procedure – release for free circulation,
   c) by the registered consignee and the temporarily registered consignee if the excise goods marked with the relevant excise duty stamps have not been received in the Republic of Latvia;
3) by an approved warehousekeeper of the existing alcoholic beverages and tobacco product stores in the tax warehouse, if the duty has been paid for the relevant excisable goods in accordance with Section 23, Paragraph thirteen of this Law and they have been returned to the relevant tax warehouse, provided that, in observance of Section 23, Paragraph nineteen of this Law, the storage, as well as the accounting thereof, is ensured separately from the storage and accounting of those excisable goods to which the suspension of excise duty is applied.


12. Commencing with 1 January 2008, with an increase in the rate of excise duty for tobacco products in the situation on the first day of the following month after the change in the rate of excise duty occurs, a person who has received a special permit (licence) for retailing of tobacco products shall perform an inventory and account for the existing stocks of tobacco products.

[8 November 2007]

12. The person referred to in Paragraph 12. of these Transitional Provisions:

1) in accordance with the requirements of the laws and regulations governing accounting shall compile inventory lists in at least three copies of which one within 15 days (including the day when the change in the rate of excise duty occurred) shall be submitted to the State Revenue Service and one copy shall be kept at every location of storage and sale of the relevant excise goods. The tobacco product inventory list shall indicate the following additional requisites: unit of measurement (packs – pieces, number of cigarettes in a pack – pieces), maximum retail selling price for one pack, duty for one pack up to the change in the rate, duty for one pack after the change in the rate, the difference in duty for one pack, and the total amount of the duty difference;
2) together with the inventory lists shall submit to the State Revenue Service a duty calculation with the calculated total amount of the duty difference to be paid into the budget. If on the basis of the circumstances on the day when the change in the rate of duty occurs, the referred to excise goods stocks are not in the accounting, they shall be indicated in the duty calculation to be submitted;

3) shall pay into the State budget the calculated total amount of the duty difference within 45 days (including the day when the change in the rate of excise duty occurred). If the rate of duty is reduced, the duty difference shall not be refunded.


12.4 The person referred to in Paragraph 12.2 of these Transitional Provisions:

1) in accordance with the requirements of the laws and regulations governing accounting shall compile inventory lists in at least three copies of which one within 15 days (including the day when the change in the rate of excise duty occurred) shall be submitted to the State Revenue Service and one copy shall be kept at every location of storage and sale of tobacco products. The inventory list of tobacco products (cigarettes) shall indicate the following additional requisites:

a) the maximum retail selling price for one pack of the cigarettes in existing stocks and the relevant unit of measurement (packs – pieces, number of cigarettes in a pack – pieces),

b) the time period between the change in the rate of duty and the day of inventory – the received number of cigarette packs with the relevant maximum retail selling price and number of cigarettes in the relevant pack,

c) the relevant number of cigarette packs with the relevant maximum retail selling price and number of cigarettes in the relevant pack (the number of such packs is acquired by subtracting the number of cigarette packs referred to in Sub-clause “b” from the number cigarettes packs referred to in Sub-clause “a”). If number of cigarette packs referred to in Sub-clause “b” is larger than the number cigarettes packs referred to in Sub-clause “a” or the equal to it, 0 shall be indicated,

d) the duty for one cigarette pack referred to in Sub-clause “c” up to the change in the rate of duty,

e) the duty for one cigarette pack referred to in Sub-clause “c” after the change in the rate of duty,

f) the duty difference for one cigarette pack referred to in Sub-clause “c”,

g) the total amount of the duty difference;

2) together with the inventory lists shall submit to the State Revenue Service a duty calculation with the calculated total amount of the duty difference to be paid into the State budget. If according to the situation when the stocks are inventoried, there no stocks of tobacco products in the accounting, this shall be indicated in duty calculation to be submitted;

3) the amount of duty difference to be paid into the State budget shall be calculated and paid within 15 days (including the day when the inventory was performed) in respect of the amount of such relevant tobacco products, which are acquired by subtracting the amount of tobacco products received between the day of the change in the rate of duty and the day of inventory from the amount accounted for in the inventory list.

[8 November 2007; 12 June 2009; 28 October 2010]

12.5 If the person referred to in Paragraph 12.1 of these Transitional Provisions within one month after the change in the rate of duty has received tobacco products from the tobacco product retail trade, he or she shall perform a duty recalculation for the relevant tobacco products, and pay the amount of the rate of duty difference, as well as submit the necessary documents within 45 days after the change in the rate of duty (including the day when the
change in the rate of duty occurred), taking into account the provisions of Paragraph 12.\textsuperscript{4}, Clauses 1 and 2 of these Transitional Provisions.

[8 November 2007]

13. Amendments to Section 2, Paragraph seven, Clause 1 of this Law in relation to the delegation to the Cabinet to specify the rate of State fee and procedures for payment for the issuance and re-registration of special permits (licences) shall come into force on 1 September 2005.

[20 December 2004]

14. The Cabinet shall, by 1 July 2005, issue the regulations provided for in Section 5, Paragraph five; Section 14, Paragraph seven and Section 18 of this Law. Up to the day of the coming into force of the new Cabinet regulations, but not longer than up to 1 July 2005, the following relevant Cabinet regulations shall be applicable insofar as they not in contradiction with this Law:

1) Cabinet Regulation No. 359 of 20 April 2004, Procedures by which Reduced Rate of Excise Duty or Exemption from Excise Duty shall be Applied to Some Mineral Oils;


[20 December 2004]

15. The Cabinet shall harmonise the regulations provided for in Section 17 and Section 21, Paragraph two of this Law with the amendments to the Law On Excise Duty. Up to the day that the relevant amendments made in such regulations have come into force, but not longer than up to 1 September 2005, the following relevant Cabinet regulations shall be applicable insofar as they not in contradiction with this Law:

1) Cabinet Regulation No. 173 of 25 March 2004, Procedures by which Individual Tobacco Products are Exempted from Excise Duty;


[20 December 2004]

16. Section 1, Paragraph two, Clause 15 and Section 12, Paragraphs two and three of this Law shall come into force on 1 January 2006.

[14 April 2005]

17. Section 14, Paragraph three, Clause 2 of this Law shall come into force on 1 July 2007.

[19 December 2006]

18. The Cabinet shall by 1 July 2007 issue the regulations provided for in Section 5, Paragraph five; Section 14, Paragraphs 2.\textsuperscript{1} and seven and Section 24, Paragraph three of this Law. Up to the day that the new Cabinet regulations have come into force, but not longer than up to 1 July 2007, the following Cabinet regulations shall be applicable appropriately insofar as they are not in contradiction with this Law:

1) Cabinet Regulation No. 485 of 28 June 2005, Procedures by which Reduced Rate of Excise Duty or Exemption from Excise Duty shall be Applied to Some Mineral Oils;


[19 December 2006]
19. The Cabinet shall by 1 July 2008 issue the regulations provided for in Section 26, Paragraph five and Section 27, Paragraph 12 of this Law. Up to the day of the coming into force of the new Cabinet regulations, but not later than up to 1 July 2008, Cabinet regulation No. 356 of 20 April 2004, Procedures by which Excise Duty is Refunded for Excisable Goods Brought out from the Republic of Latvia to other European Union Member States, shall be applied insofar as it is not in contradiction with this Law. [8 November 2007]

20. The duty rate for beer specified in Section 12, Paragraph one, Clause 1 of this Law shall come into force on 1 February 2009. Until the date when the duty rate for beer specified in Section 12, Paragraph one, Clause 1 of this Law comes into force, a duty shall be imposed on beer (for 100 litres) according to the rate of 1.30 lats per each per cent of absolute alcohol by volume that has been determined with a precision up to one-tenth, but not less than 2 lats per 100 litres of beer. [14 November 2008]

21. The duty rate for other alcoholic beverages specified in Section 12, Paragraph one, Clause 5 of this Law shall come into force on 1 February 2009. Until the date when the duty rate for other alcoholic beverages specified in Section 12, Paragraph one, Clause 5 of this Law comes into force, a duty shall be imposed on other alcoholic beverages according to the rate of 630 lats per 100 litres of absolute alcohol. [14 November 2008]

22. The duty rate for other smoking tobacco specified in Section 13, Paragraph one, Clause 3, Sub-clause “b” of this Law shall come into force on 1 February 2009. Until the date when the duty rate for other smoking tobacco specified in Section 13, Paragraph one, Clause 3, Sub-clause “b” of this Law comes into force, a duty shall be imposed on other smoking tobacco according to rate 14 lats per 1000 grams of tobacco. [14 November 2008]

23. After the coming into force of amendments to Section 5, Paragraph five and Section 18, Paragraph one of this Law and until the date of the coming into force of the relevant Cabinet regulations, but not later than until 1 July 2009, Cabinet Regulation No. 525 of 31 July 2007, Procedures by which Reduced Excise Duty Rate is Imposed on Separate Mineral Oil Products or Exemption from Excise Duty is Applied, shall be applied insofar as it is not in conflict with this Law. [14 November 2008]

24. Amendments to Section 14, Paragraph three, amendment to Section 18, Paragraph five regarding adding Clause 6 to the Paragraph, amendment regarding deletion of Section 18, Paragraph 7 of this Law and amendment to Section 20, Paragraph four shall come into force on 1 January 2010. [12 June 2009]

25. The Cabinet Regulation No. 213 of 30 March 2004, Procedures for Refunding of Excise Duty for Fuel Oil, Substitute Products and Components Thereof that are Used as Heating Fuel, issued in accordance with Section 18, Paragraph seven of this Law regarding the amount of fuel oil actually purchased and used in 2009 shall be applicable until 20 February 2010. [12 June 2009]

26. Until the date of coming into force of new Cabinet Regulation specified in Section 32, Paragraph six, Clause 1 of this Law, but no longer than until 1 April 2010 the Cabinet
Regulation No. 638 of 30 August 2005, Regulations Regarding Guarantees of Excise Duty for Alcoholic Beverages, Tobacco Products and Mineral Oils, shall be applied insofar as they are not in contradiction with this Law.
[12 June 2009; 1 December 2009]

27. Amendment to Section 14, Paragraph two shall come into force on 1 July 2010.
[12 June 2009]

28. From 1 April 2010 the special permits (licences) and general security certificates for the activities of representatives of excise duty payers and general security certificates for the activities of importers shall cease to be in effect.
[1 December 2009]

29. The special permits (licences) for the activities of an approved trader, which have not been re-registered in accordance with the procedures specified by Paragraphs 30 and 31 of these Transitional Provisions until 31 March 2010, shall cease to be in effect on 1 April 2010.
[1 December 2009]

30. The merchants which have been issued a special permit (licence) for the activities of an approved trader involving coffee or non-alcoholic beverages in the time period between 1 February 2010 and 28 February 2010 are entitled to submit a submission for the re-registration of the referred to special permits (licences) for a special permit (licence) for the activities of an approved tax warehousekeeper with the relevant types of excisable goods, without paying a State fee.
[1 December 2009]

31. Merchants which have been issued a special permit (licence) for the activities of an approved trader involving alcoholic beverages, tobacco products or mineral oils in the time period between 1 February 2010 and 28 February 2010 are entitled to submit a submission for the re-registration of the referred to special permit (licence) for a special permit (licence) for the activities of a registered consignee with the relevant types of excisable goods, without paying a State fee.
[1 December 2009]

32. Merchants which have been issued a special permit (licence) for the activities of a tax warehousekeeper involving alcoholic beverages, tobacco products or mineral oils in the time period between 1 February 2010 and 28 February 2010 are entitled to submit a submission in order to receive a special permit (licence) for the activities of a registered consignee with the relevant excisable goods, without paying a State fee.
[1 December 2009]

33. Special permits (licences) for the activities of a tax warehousekeeper, which have been issued until 31 March 2010, shall be valid for the activities of an approved tax warehousekeeper with the relevant types of excisable goods without re-registration.
[1 December 2009]

34. General security certificates for the operation of a tax warehousekeeper which have been issued until 31 March 2010 shall be valid for the activities of a tax warehousekeeper with the relevant types of excisable goods until the expiry of the validity thereof, but not longer than until 1 October 2010.
[1 December 2009]
35. General security certificates which have been issued until 31 March 2010 for the activities of an approved trader shall be valid for the activities of a registered consignee with the relevant types of excisable goods until the expiry of the validity thereof, but not longer than until 1 October 2010.

[1 December 2009]

36. The one-time security certificates issued until 31 March 2010 shall be valid until the expiry of the validity thereof.

[1 December 2009]

37. In the time period between 1 February 2010 and 31 March 2010 amendments to Section 2, Paragraph six, Clauses 1, 2 and 3 and Paragraph seven, Clauses 2 and 3 of this Law in respect of the approved tax warehousekeeper, the registered consignee and the registered consignor shall be applicable in order to implement the transition to the special permits (licences) conforming to the requirements of this Law and to ensure the validity thereof from 1 April 2010.

[1 December 2009]

38. In order to implement the transition to the requirements of this Law regarding the use of electronic administrative documents within the scope of a computerised system, when applying the suspension of excise duty in accordance with Section 25 of this Law for the movement of alcoholic beverages, tobacco products and mineral oils, which has been initiated until 31 December 2010, the documents which are specified in Commission Regulation (EEC) No 2719/92 of 11 September 1992 on the accompanying administrative document for the movement under duty-suspension arrangements of products subject to excise duty (hereinafter – Commission Regulation No 2719/92) may be used. The documents specified in Commission Regulation No 2719/92 shall also be used in such case where the referred to documents continue to be used in the Member State of the consignor of excisable goods until 31 December 2010 for the dispatch of alcoholic beverages, tobacco products and mineral oils, applying the suspension of excise duty.

[1 December 2009]

39. The handling of the documents referred to in Paragraph 38 of these Transitional Provisions shall be performed in accordance with Cabinet Regulation No. 215 of 30 March 2004, Procedures for the Circulation and Control of the Accompanying Documents of Excisable Goods. In order to ensure the implementation of Paragraph 38 of these Transitional Provisions, Cabinet Regulation No. 215 of 30 March 2004, Procedures for the Circulation and Control of the Accompanying Documents of Excisable Goods, shall be applicable until 1 May 2011.

[1 December 2009]

40. Amendments to Section 12, Paragraph one, Clauses 2 and 3 of this Law in respect of the replacement of the figure “40” with the figure “45”, and Paragraph four, Sub-paragraph “a” in respect of the replacement of the figure “42” with the figure “45” shall come into force on 1 February 2010.

[1 December 2010]

41. Amendments in respect of Sections 1 and 2, the rewording of Sections 7, 8 and 9, the addition of Section 9.1, the rewording of Section 10, Paragraph one, the deletion of Section 11, the rewording of Sections 20 and 21, Section 22, Paragraph four, Clauses 1, 2 and 3, the rewording of Section 23, Section 24, the rewording of Section 25, Sections 26, 27, 29, 30 and 32, the rewording in Transitional Provisions of Paragraph 12.1, Sub-paragraph 1, Sub-
paragraph “a” and Section 12.1, Sub-paragraph 2. Sub-paragraph “b” and “c” and the addition in Transitional Provision of Paragraph 12.1, Sub-paragraph 3 shall come into force on 1 April 2010.

[1 December 2009]

42. Amendments in respect of the rewording of Section 1, Paragraph two, Clause 1 of this Law, Section 5, Paragraph four, Section 7, Clause 5 on natural gas, the addition of Section 15.1 to the Law, as well as Section 22, Paragraph one shall come into force on 1 July 2010.

[1 December 2009; 22 April 2010]

43. Amendments in relation to the addition of Paragraph 7.1 to Section 2 of this Law, the addition of Section 6.1 to this Law, the addition of Paragraph six to Section 22 and the addition of Paragraph ten to Section 23 shall come into force on 1 July 2010.

[22 April 2010]

44. Amendments to Sections 18 and 33 of this Law shall come into force on 1 July 2010.

[22 April 2010]

45. In order to implement the transition to the requirements of this Law regarding the application of duty exemption to producers of agricultural products from 1 July 2010 and in order that producers of agricultural products could submit a submission to the Rural Support Service regarding the granting of the purchase limit for the fuel referred to in the introduction of Section 18, Paragraph five of this Law, to which a duty exemption is applicable, the Cabinet shall issue the regulations provided for in Section 18, Paragraphs five, 6.1 and 6.2 of this Law by 1 May 2010.

[22 April 2010]

46. In accordance with Section 18, Paragraph six of this Law Cabinet Regulation No. 528 of 7 August 2007, Procedures by which Excise Duty shall be Refunded to Producers of Agricultural Products for Diesel Fuel (Gas Oil) and Diesel Fuel (Gas Oil) to which Rapeseed Oil or Biodiesel Fuel Derived from Rapeseed Oil has been Added, shall be applicable until 15 August 2010 for diesel fuel (gas oil) [including diesel fuel (gas oil), to which rapeseed oil or biodiesel fuel derived from rapeseed oil has been added in accordance with the conditions of this Law], which has been purchased in 2010 until 30 June and for which payment has been performed in 2010 until 15 July, if the request for a refund of the duty has been submitted until 15 July 2010.

[22 April 2010]

47. During the period of time between 1 September 2010 and 30 June 2011 Section 1, Paragraph two, Clause 1 of this Law in relation to natural gas, Section 2, Paragraph 7.1, Section 6.1, Section 7, Clause 5 in relation to natural gas, Section 15.1, Section 22, Paragraph six, Section 23, Paragraph twenty and Section 24, Paragraph one in relation to natural gas shall not be applicable, but a payer of the duty shall submit an excise duty declaration to the State Revenue Service on natural gas until 15 September 2010 and pay the duty for August 2010, applying:

1) Cabinet Regulation No. 577 of 29 June 2010, Regulations Regarding the Circulation of Natural Gas and the Procedures for the Application of Excise Duty; and

2) Cabinet Regulation No. 300 of 30 March 2010, Regulations Regarding the Forms of Excise Duty Declarations and the Procedures for the Completion Thereof.

[25 August 2010]
48. The revenue from the excise duty for natural gas forecasted for the State budget in the period of time between 1 September 2010 and 31 December 2010 shall be compensated with an increase in the value added tax revenue as a result of the increase in the tariff for natural gas in 2010.
[25 August 2010]

49. A person who has received a special permit (licence) for the wholesale trade of tobacco products or a special permit (licence) for the retail trade of tobacco products, until 1 July 2011 shall be permitted to sell tobacco products which have been released into free circulation or released for consumption until 31 December 2010, without applying the amendments to the definitions of tobacco products referred to in Section 4, Paragraph two, Paragraph four, Clause 2, Paragraphs five and six of this Law.
[28 October 2010]

50. A person who has received a special permit (licence) for the wholesale trade of tobacco products or a special permit (licence) for the retail trade of tobacco products, until 1 July 2011 shall be permitted to sell cigarettes which have been released into free circulation or released for consumption until 31 December 2010, without applying the amendments of Section 13, Paragraphs two and three of this Law on the length of cigarettes and without performing the inventory and repayment of the difference in the excise duty to the State budget referred to in Paragraphs 12.1, 12.2, 12.3 and 12.4 of the Transitional Provisions of this Law.
[28 October 2010]

51. During the time period between 1 January 2011 and 28 February 2011 the most popular retail selling price – 76 lats for 1000 cigarettes – shall be used instead of the weighted average retail selling price referred to in Section 22, Paragraph four, Paragraph 4.1 and Section 29, Paragraph one of this Law.
[28 October 2010]

52. [14 April 2011]

53. [14 April 2011]

54. According to the wording of Section 14, Paragraphs three and four of this Law, which comes into force from 1 January 2011, Paragraphs 12.1 and 12.3 of Transitional Provisions of this Law shall not be applied to unleaded petrol, the substitute products and components thereof with alcohol content of 5.0 per cent by volume, and diesel fuel (gas oil), the substitute products and components thereof containing rapeseed oil or biodiesel derived from rapeseed oil of 5 to 30 (not inclusive) per cent by volume.
[20 December 2010]

55. The duty rate for cigars and cigarillos specified in Section 13, Paragraph one, Clause 1 of this Law (45 euros per 1000 cigars or cigarillos) shall be applied to cigars and cigarillos from 1 January 2018.
[14 April 2011; 19 September 2013 / The new wording of Paragraph shall come into force on 1 January 2014. See Paragraph 70 of Transitional Provisions]

56. Until the day when according to Paragraph 55 of the Transitional Provisions of this Law the duty rate for cigars and cigarillos specified in Section 13, Paragraph one, Clause 1 of this Law shall be commenced to be applied, the duty shall be imposed on cigars and cigarillos:
   1) until 30 June 2011 – 24 lats for 1000 cigars and cigarillos;
   2) from 1 July 2011 until 31 December 2013 – 26 lats for 1000 cigars and cigarillos;
3) from 1 January 2014 until 31 December 2015 – 39.84 euros for 1000 cigars and cigarillos;
4) from 1 January 2016 until 31 December 2017 – 42.60 euros for 1000 cigars and cigarillos.

[14 April 2011; 19 September 2013 / The new wording of Sub-paragraphs 3 and 4 shall come into force on 1 January 2014. See Paragraph 70 of Transitional Provisions]

57. The duty rate for cigarettes in the amount of 25 per cent of the maximum retail selling price laid down in Section 13, Paragraph one, Clause 2, Sub-clause “b” of this Law shall be applied from 1 July 2014, while the duty rate for cigarettes laid down in Section 13, Paragraph one, Clause 2, Sub-clause “a” of this Law (60 euros for 1000 cigarettes) and the minimum duty level for cigarettes laid down in Section 13, Paragraph 1.1 of this Law (100 euros for 1000 cigarettes) shall be applied from 1 July 2018.

[6 November 2013]

58. Until the day when according to Paragraph 57 of the Transitional Provisions of this Law application of the duty for cigarettes specified in Section 13, Paragraph one, Clause 2 of this Law and the minimum duty level for cigarettes specified in Section 13, Paragraph 1.1 of this Law is commenced, the duty shall be imposed on cigarettes:

1) until 30 June 2011 – by adding up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 48 lats for 1000 cigarettes:
   a) 22.5 lats for 1000 cigarettes,
   b) 34.5 per cent from the maximum retail selling price;

2) from 1 July 2011 until 31 December 2013 – by adding up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 52 lats for 1000 cigarettes:
   a) 25 lats for 1000 cigarettes,
   b) 34 per cent from the maximum retail selling price;

3) from 1 January 2014 until 30 June 2014 – by adding up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 79.68 euros for 1000 cigarettes:
   a) 39.84 euros for 1000 cigarettes,
   b) 33.5 per cent from the maximum retail selling price;

4) from 1 July 2014 until 30 June 2015 – by adding up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 85.6 euros for 1000 cigarettes:
   a) 51.8 for 1000 cigarettes,
   b) 25 per cent from the maximum retail selling price;

5) from 1 July 2015 until 30 June 2016 – by adding up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 89.8 euros for 1000 cigarettes:
   a) 54.2 for 1000 cigarettes,
   b) 25 per cent from the maximum retail selling price;

6) from 1 July 2016 until 30 June 2017 – by adding up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 93.7 euros for 1000 cigarettes:
   a) 56.2 for 1000 cigarettes,
   b) 25 per cent from the maximum retail selling price;

7) from 1 July 2017 until 30 June 2018 – by adding up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 97 euros for 1000 cigarettes:
a) 58.2 for 1000 cigarettes.
b) 25 per cent from the maximum retail selling price.

[14 April 2011; 19 September 2013]

59. The duty for fine-cut tobacco intended for the rolling of cigarettes (60 euros for 1000 g of tobacco) laid down in Section 13, Paragraph one, Clause 3, Sub-clause “a” of this Law and the duty for other smoking tobacco (60 euros for 1000 g of tobacco) laid down in Sub-clause “b” shall be applied from 1 January 2018.

[14 April 2011; 19 September 2013 / See Paragraph 70 of Transitional Provisions]

60. Until the day when according to Paragraph 59 of the Transitional Provisions of this Law application of the duty for fine-cut tobacco intended for the rolling of cigarettes specified in Section 13, Paragraph one, Clause 3, Sub-clause “a” of this Law and the duty for other smoking tobacco specified in Sub-clause “b” is commenced, the duty shall be imposed on fine-cut tobacco intended for the rolling of cigarettes and other smoking tobacco:

1) until 30 June 2011 – 29 lats for 1000 grams of tobacco;
2) from 1 July 2011 until 31 December 2013 – 34 lats for 1000 grams of tobacco;
3) from 1 January 2014 until 31 December 2017 – 55.49 euros for 1000 grams of tobacco.

[14 April 2011; 19 September 2013]

61. Amendments in respect of Section 6.1 and Section 15.1, Clause 1 of this Law shall come into force from 1 July 2011.

[14 April 2011]

62. From 1 July 2011 until 31 December 2013, in accordance with the procedures stipulated by the Cabinet, such natural gas shall be duty-free which is used:

1) in the heat supply of covered areas of land to be used in agriculture (greenhouses) and industrial sites for poultry (hen houses) and incubators;

2) in industrial production and pretreatment of agricultural raw materials (which conform to the approved relevant NACE classification codes specified in Regulation No 1893/2006) for the operation of technological equipment and the technologically necessary climate control in the premises of the referred to industrial production and pretreatment of agricultural raw materials. In such case the duty exemption shall apply also to natural gas used for the referred to purposes in undertakings located within the territory designated for economic activity with one manager (in an industrial park).

[14 April 2011; 15 December 2011]

63. Amendments to Sections 12 and 14 of this Law shall come into force from 1 June 2011.

[14 April 2011]

64. The Cabinet shall issue the regulations provided for in Section 18, Paragraphs five, 6.1 and 6.2 of this Law by 10 May 2011.

[14 April 2011]

65. The Cabinet shall issue the regulations provided for in Section 3, Paragraph seven and Section 16, Paragraph five of this Law by 1 September 2011. Until the day of coming into force of the new Cabinet regulations, but not later than until 1 September 2011, the Cabinet Regulation No. 170 of 25 March 2004, Procedures by which an Exemption from Excise Duty shall be Applied for Certain Alcoholic Beverages, shall be applied, insofar as it is not in contradiction with this Law.

[14 April 2011]
66. Amendments to the Annex to this Law in respect of supplementing the Annex with Sub-paragraphs 4.10, 4.11, 5.7 and 5.8 shall come into force from 1 February 2012.
[15 December 2011]

67. A person which on 1 February 2012 performs and also after the referred to date will perform activities with the products referred to in Sub-paragraphs 4.10, 4.11, 5.7 and 5.8 of the Annex to this Law, shall not later than by 31 January 2012 receive the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the activities of an approved warehousekeeper with mineral oils or, if the referred to products are used for the purposes indicated in Section 14, Paragraph two and Section 18, Paragraph one of this Law, a statement regarding the right to acquire the referred-to products specified in the laws and regulations regarding the procedures by which a reduced excise duty rate or exemption from excise duty shall be applied to certain mineral oils.
[15 December 2011]

68. A person which on 1 February 2012 performs activities with the products referred to in Sub-paragraphs 4.10, 4.11, 5.7 and 5.8 of the Annex to this Law, shall take inventory of the stocks of mineral oils in the ownership thereof. In such case the person shall take inventory on 1 February 2012 and within 15 days after inventory (including the day of the inventory) shall submit to the State Revenue Service the list of the inventory.
[15 December 2011]

69. The provisions concerning cigarettes which are stamped with excise duty stamps in relation to introduction of euro:

1) starting from 1 January 2014 in the Republic of Latvia, in stamping cigarettes with excise duty stamps and releasing them into free circulation or releasing them for consumption, the maximum retail selling price indicated on the excise duty stamp shall be expressed in euros;

2) it shall be permitted to release into free circulation or release for consumption cigarettes, which are stamped with excise duty stamps on which the maximum retail selling price is indicated in lats, until 31 December 2013;

3) it shall be permitted to send cigarettes, which are stamped with excise duty stamps on which the maximum retail selling price is indicated in lats, applying the duty suspension arrangement, until 31 December 2013;

4) a person who has received a special permit (licence) for the wholesale trade of tobacco products or a special permit (licence) for the retail trade of tobacco products is permitted to sell cigarettes, which are stamped with excise duty stamps on which the maximum retail selling price is indicated in lats, for an unlimited period of time.
[19 September 2013]

70. Amendments to Section 12, Paragraphs one and two, Section 13, Paragraphs one and 1.¹, Section 14, Paragraphs one and two, the introductory part of Paragraph three, the introductory part of Paragraph four, Paragraphs five and six, Sections 15 and 15.¹, Section 30, Paragraphs three and four of this Law, Paragraph 55, Paragraph 56, Sub-paragraphs 3 and 4, Paragraph 57, Paragraph 58, Sub-paragraphs 3 and 4, Paragraph 59 and Paragraph 60, Sub-paragraph 3 of these Transitional Provision in relation to introduction of euro shall come into force on 1 January 2014.
[19 September 2013]
Informative Reference to European Union Directives

Legal provisions arising from the following directives have been included in this Law:

2) [15 December 2011];
3) [15 December 2011];
6) [15 December 2011];


This Law shall come into force on 1 May 2004. Section 2, Paragraph six and Paragraph seven, Clause 1, as well as Sections 31 and 32 shall come into force on 1 April 2004.

[18 March 2004; 20 December 2004]

This Law has been adopted by the Saeima on 30 October 2003.

President

V. Viķe-Freiberga

Rīga, 14 November 2003
Annex to the Law On Excise Duties

Mineral Oils to which the Excise Duty Specified in the Law On Excise Duties is Applicable

1. The excise duty specified for unleaded petrol, the substitute products and components thereof, shall be applied to the following goods and for the following reasons:
   1.1. benzene;
   1.2. toluene;
   1.3. xylene;
   1.4. mixtures of aromatic hydrocarbons, of which not less than 65% by volume (including losses) distils at 250°C (by the ASTM D 86 method):
      1.4.1. for use as a power or heating fuel,
      1.4.2. for use for other purposes;
   1.5. crude light oils, of which 90% or more by volume distils at a temperature of up to 200°C and other oils;
   1.6. natural gas condensate;
   1.7. light oils and preparations:
      1.7.1. for undergoing specific processes,
      1.7.2. for undergoing chemical transformation by a process (except for specific processes),
      1.7.3. for other purposes:
         1.7.3.1. special spirits [white spirit and other],
         1.7.3.2. motor spirits (except aviation spirit) with a lead content not exceeding 0.013 g/l,
         1.7.3.3. spirit type jet fuel,
         1.7.3.4. other light oils,
         1.7.3.5. mineral oils with a lead content not exceeding 0.013 g/l to which ethyl alcohol has been added which is acquired from agricultural raw materials and which has been dehydrated (with alcohol content of at least 99.5 per cent by volume) and which has been denatured or ethyl alcohol derivative ETBE (separately or together with ethyl alcohol);
   1.8. methanol (methyl alcohol);
   1.9. lower alkyl tert-butyl ethers [methyl tert-butyl ether (MTBE) and ethyl-tert-butyl ether (ETBE)];
   1.10. ready-made anti-knock and other ready-made additives to mineral oils, which are used for the same needs as mineral oils;
   1.11. ready-to-use binding agents, chemical products (also products, which contain natural product mixtures), which have not been referred to or included elsewhere; and
   1.12. waste oils, which are classified within the Combined Nomenclature under the code 2710.

2. The excise duty specified for leaded petrol, the substitute products and components thereof shall be applied to the following goods:
   2.1. motor spirits:
      2.1.1. aviation spirit,
      2.1.2. other motor spirits with a lead content exceeding 0.013 g/l, and
      2.1.3. mineral oils with a lead content exceeding 0.013 g/l to which ethyl alcohol or ethyl alcohol derivative ETBE (separately or together with ethyl alcohol) has been added.
2.2. ready-made anti-knock (based upon lead compounds and otherwise) and other ready-made additives to mineral oils, which are used for the same needs as mineral oils;

2.3. ready-to-use binding agents, chemical products (also products, which contain natural product mixtures), which have not been referred to or included elsewhere; and

2.4. waste oils, which are classified within the Combined Nomenclature under the code 2710.

3. The excise duty specified for kerosene, the substitute products and components thereof shall be applied to the following goods:

3.1. medium oils for undergoing specific processes;

3.2. medium oils for undergoing chemical transformation by a process;

3.3. medium oils for other purposes;

3.4. jet fuel;

3.5. ready-to-use binding agents, chemical products (also products, which contain natural product mixtures), which have not been referred to or included elsewhere; and

3.6. waste oils, which are classified within the Combined Nomenclature under the code 2710.

4. The excise duty specified for diesel fuel (gas oil), the substitute products and components thereof shall be applied to the following goods:

4.1. volatile oils (gas oils) for undergoing specific processes;

4.2. volatile oils (gas oils) for undergoing chemical transformation by a process;

4.3. volatile oils (gas oils) for other purposes;

4.4. fuel oils, the substitute products and components thereof the colorimetric index of which is less than 2.0 and kinematic viscosity at 50°C is less than 25 mm²/s; and

4.5. diesel fuel (gas oil) to which at a tax warehouse biodiesel fuel is added.

4.6. ready-made anti-knock and other ready-made additives to mineral oils, which are used for the same needs as mineral oils;

4.7. ready-to-use binding agents, chemical products (also products, which contain natural product mixtures), which have not been referred to or included elsewhere;

4.8. biodiesel fuel, which is acquired from vegetable oils;

4.9. waste oils, which are classified within the Combined Nomenclature under the code 2710;

4.10. heavy oils: metal-working compounds, mould-release oils, anti-corrosion oils, except for oils in a sealed package with the volume not exceeding 250 litres; and

4.11. heavy oils: other lubricating oils, except for oils in a sealed package with the volume not exceeding 250 litres.

[15 December 2011]

5. The excise duty specified for fuel oil, the substitute products and components thereof shall be applied to the following goods:

5.1. fuel oils for undergoing specific processes;

5.2. fuel oils for undergoing chemical transformation by a process;

5.3. fuel oils for other purposes;

5.4. fuel oils, their substitute products and components the colorimetric index of which is equal to or greater than 2.0 and kinematic viscosity at 50°C is equal or greater than 25 mm²/s;

5.5. ready-to-use binding agents, chemical products (also products, which contain natural product mixtures), which have not been referred to or included elsewhere;

5.6. waste oils, which are classified within the Combined Nomenclature under the code 2710;
5.7. heavy oils: metal-working compounds, mould-release oils, anticorrosion oils, except for oils in a sealed package with the volume not exceeding 250 litres; and

5.8. heavy oils: other lubricating oils, except for oils in a sealed package with the volume not exceeding 250 litres.

[15 December 2011]

6. The excise duty specified for petroleum gases and other gaseous hydrocarbons shall be applied to the following goods:

6.1. liquefied petroleum gases and other gaseous hydrocarbons:
6.1.1. propane,
6.1.2. butanes,
6.1.3. ethylene, propylene, butylene and butadiene,
6.1.4. other (except natural gas); and

6.2. petroleum gases and other gaseous hydrocarbons in gaseous state (except natural gas).

[20 December 2004; 19 December 2006]