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If a whole or part of a paragraph has been amended, the date of the amending regulation appears in square brackets at the end of the paragraph. If a whole paragraph or sub-paragraph has been deleted, the date of the deletion appears in square brackets beside the deleted paragraph or sub-paragraph.

Republic of Latvia

Cabinet

Regulation No. 1245

Adopted 5 November 2013

**Procedures for the Exchange of Information in the Field of Taxation between the Competent Authorities of Latvia and Other European Union Member States and Competent Authorities of Foreign Countries with which International Agreements Ratified by the *Saeima* of the Republic of Latvia have been Entered into**

*Issued pursuant to*

*Section 7, Paragraph four and Section 18.1, Paragraph three of the law On Taxes and Fees*

**I. General Provisions**

1. This Regulation prescribes the procedures for the exchange of information in the field of taxation between the competent authorities of Latvia and other European Union Member States and competent authorities of foreign countries with which international agreements ratified by the *Saeima* of the Republic of Latvia (hereinafter – the international agreements) have been entered into.

2. Information shall be exchanged by the competent authorities, receiving and providing such information on the taxes referred to in Paragraph 8 of this Regulation which is:

2.1. foreseeably relevant or relevant for fulfilling the requirements referred to in legal acts of the European Union or international agreements;

2.2. necessary for fulfilling the requirements referred to in internal legal acts and international agreements.

3. The competent authorities may communicate with each other directly, as well as reach an agreement that in specific cases authorised institutions thereof may also communicate directly.

4. Exchange of information between the competent authorities of European Union Member States shall take place in electronic form as much as possible, using the Combined Communications Network CCN that was created by the European Union in order to ensure electronic exchange of any information between the competent customs and tax authorities.

5. The competent authority of the Republic of Latvia shall be the State Revenue Service.

6. The competent authorities of European Union Member States (original form of the writing of the name in legal acts of Member States) are referred to in Annex 1 to this Regulation.

7. The competent authorities in foreign countries with which Latvia has entered into international agreements shall be the authorities indicated in the relevant international agreements.

8. This Regulation shall be applied to the following taxes:

8.1. in European Union Member States – to direct taxes which are collected by a European Union Member State, its territorial or administrative units or local governments, or to taxes which are collected for the benefit of the abovementioned countries, units or local governments. This Regulation shall not be applied to value added tax and customs taxes, as well as to excise duties to which other European Union legal acts regarding mutual administrative co-operation of European Union Member States apply. This Regulation shall not be applied also to mandatory insurance contributions of European Union Member States and to service fees;

8.2. in foreign countries with which Latvia has entered into international agreements – to the taxes indicated in the relevant international agreements;

8.3. to taxes which are identical or similar by nature to the taxes referred to in Sub-paragraphs 8.1 and 8.2 of this Regulation and which, by supplementing or substituting them, will be introduced in other European Union Member States or foreign countries with which Latvia has entered into international agreements after coming into force of this Regulation. The competent authorities shall inform each other of the dates of coming into force of any such tax laws and regulations.

**II. Methods of Information Exchange**

9. The State Revenue Service shall exchange information using the following methods:

9.1. automatically – without a prior request shall regularly receive or send the information referred to in Paragraphs 10, 11.1, 14.6, and 14.7 of this Regulation which is at the disposal thereof in accordance with the tax laws and regulations;

9.2. upon request – shall send a request for information on specific issues in a particular inspection case as regards a particular taxpayer or another person related to him or her and transactions made by him or her which may have an impact on the determination of the tax amount of the particular taxpayer, or, when responding to a request for information, shall provide information on specific issues in a particular inspection case as regards a particular taxpayer or another person related to him or her and transactions made by him or her which may have an impact on the determination of the tax amount of the particular taxpayer;

9.3. on own initiative – without prior request shall send the information at the disposal thereof which is related to another European Union Member State or a foreign country with which Latvia has entered into an international agreement if it deems that such information might be useful in the calculation of taxes of the relevant country.

[*20 December 2016*]

**III. Automatic Exchange of Information**

10. The State Revenue Service shall automatically (without prior request) provide the competent authorities of the European Union Member States and the competent authorities of such foreign countries with which Latvia has entered into international agreements with information on the income of residents of these countries earned in Latvia which is received from taxpayers of Latvia in accordance with the law On Enterprise Income Tax and the law On Personal Income Tax and other information necessary for the performance of tax administration functions in the field of direct taxes.

[*3 May 2016*]

11. The State Revenue Service shall aggregate the information referred to in Paragraph 10 of this Regulation broken down according to countries, indicating the following information on each recipient of income:

11.1. name of the non-resident – recipient of income (for natural persons – given name, surname);

11.2. taxpayer code of non-resident – recipient of income in the country of residence;

11.3. address of non-resident – recipient of income in the country of residence (street, house number, town, populated area, postal code);

11.4. code of the country of residence of the non-resident – recipient of income (ISO);

11.5. code of the type of non-resident – recipient of income (01 – natural person, 02 – capital company, 03 – partnership, 04 – form of entrepreneurial activity which is neither capital company nor partnership, 05 – government or international institution, 06 – other, 07 – unknown);

11.6. name of disburser of the income (for natural persons – given name, surname);

11.7. taxpayer code of the disburser of the income;

11.8. address of disburser of the income (street, house number, town, populated area, postal code);

11.9. code of the type of disburser of the income (01 – natural person, 02 – capital company, 03 – partnership, 04 – form of entrepreneurial activity which is neither capital company nor partnership, 05 – government or international institution, 06 – other, 07 – unknown);

11.10. code of the type of disbursed income (6 – income from immovable property, 7 – income from entrepreneurship (including remuneration for management and consulting services), 10 – dividends, 11 – interest, 12 – royalties from intellectual property or income from the use of movable property, 13 – income from the alienation of immovable property (including immovable property located in the Republic of Latvia), 14 – income for the provision of independent professional services, 15 – income from employment, 16 – director’s fees, 17 – income of artists and athletes, 18 – pensions, means of support (alimony), 21 – other income);

11.11. date of disbursement of the income;

11.12. sum of the disbursed income;

11.13. tax rate according to which tax is deducted;

11.14. deducted tax sum.

[*3 May 2016*]

11.1 The State Revenue Service shall provide the competent authorities of the European Union Member States with information on the following types of income and categories of capital earned in Latvia by residents of the relevant European Union Member State:

11.11. income from paid employment;

11.12. remuneration of directors;

11.13. income related to life insurance not regulated by other European Union legal acts on exchange of information;

11.14. pensions;

11.15. ownership rights and income from immovable property;

11.16. royalties-.

[*3 May 2016; 17 January 2023*]

11.2 The State Revenue Service shall send the information referred to in Paragraph 11.1 of this Regulation to the competent authorities of the European Union Member States electronically, using the Automatic Information Exchange System of the State Revenue Service. Information shall be submitted by 1 October of the year following the relevant taxation year.

[*3 May 2016*]

11.3 If the agreements on mutual administrative assistance and automatic exchange of information entered into between the State Revenue Service and the competent authorities of another European Union Member State on the basis of international agreements provide for a wider scope of information to be provided than specified in Paragraph 11.1 of this Regulation, the State Revenue Service shall provide information to the competent authorities of the European Union Member States, using the Automatic Information Exchange System of the State Revenue Service and the standard formats for the automatic exchange of information of the Organisation for Economic Co-operation and Development (OECD).

[*3 May 2016*]

11.4 [*Paragraph shall come into force on 1 January 2025 and shall be included in the wording of the Regulation as of 1 January 2025. See Paragraph 44.*]

12. The State Revenue Service shall send electronically the information referred to in Paragraph 11 of this Regulation to the competent authorities of other foreign countries with which Latvia has entered into international agreements, using the standard formats for the automatic exchange of information of the Organisation for Economic Co-operation and Development (OECD). Information shall be submitted by 1 October of the year following the relevant taxation year.

[*3 May 2016*]

13. The State Revenue Service may request the competent authority of another European Union Member State to provide a reference regarding the information sent.

14. If the competent authority of another European Union Member State requests, when providing information, the State Revenue Service to provide a reference regarding the information sent, it shall provide a reference once in a calendar year.

**III.1 Automatic Exchange of Information with the Competent Authorities of the European Union on an Advance Cross-Border Ruling and an Advance Pricing Arrangement**

[*20 June 2016*]

14.1 Within the meaning of this Regulation, an advance cross-border ruling (hereinafter in this Chapter also – the ruling) means any agreement, communication, or any other instrument or action with similar effects (including one that is issued, amended, or with an extended term of validity) and which meets all of the following requirements:

14.11. the ruling is issued, amended or its term of validity is extended by the State Revenue Service, irrespective of whether the ruling is effectively used;

14.12. the ruling is issued, amended or its term of validity is extended for a particular person or a group of persons and the person or group of persons is entitled to rely on the information indicated in the ruling;

14.13. the ruling includes an interpretation of a legal act related to taxes or reflects issues of the application of such legal act;

14.14. the ruling is related to a cross-border transaction or the issue whether or not the activities performed by a person in another country or territory establish a permanent establishment. The cross-border transaction may include, but is not restricted to, the making of investments, the supply of goods, the provision of services, the ensuring of financing, or the use of tangible or intangible assets and it does not have to directly involve the person receiving the advance cross-border ruling;

14.15. the ruling is given before making the transactions or performing the activities which potentially establish permanent establishment in another country or territory or before filing tax return for the period in which the transaction or series of transactions, or activities took place.

[*20 December 2016*]

14.2 Within the meaning of this Regulation, an advance pricing arrangement (hereinafter in this Chapter also – the arrangement) means any agreement, communication, or any other instrument or action with similar effects (including one that is issued, amended, or with an extended term of validity) and which meets all of the following requirements:

14.21. the arrangement is issued, amended or its term of validity is extended by the State Revenue Service itself or in cooperation with the tax administration of another European Union Member State, irrespective of whether the arrangement is effectively used;

14.22. the arrangement is issued, amended or its term of validity is extended for a particular person or a group of persons and the person or group of persons is entitled to rely on this arrangement;

14.2 3. the arrangement determines in advance of cross-border transactions between associated enterprises an appropriate set of criteria in relation to transfer pricing for the abovementioned transactions or determines the attribution of profits to a permanent establishment.

[*20 December 2016*]

14.3 When applying Paragraph 14.1 of this Regulation, a cross-border transaction means a transaction or series of transactions if at least one of the following conditions is met:

14.31. not all of the parties to the transaction or series of transactions are tax residents in Latvia;

14.32. any of the parties to the transaction or series of transactions is simultaneously a tax resident in Latvia and in another country or territory;

14.33. one of the parties to the transaction or series of transactions performs economic activities in another country or territory through a permanent establishment and the transaction or series of transactions forms the whole economic activity of the permanent establishment or a part thereof. A cross-border transaction or series of transactions shall also include arrangements made by a person in another country or territory as regards an economic activities which are performed by the abovementioned person through a permanent establishment;

14.34. such transactions or series of transactions have a cross-border impact.

[*20 December 2016*]

14.4 When applying Paragraph 14.2 of this Regulation, a cross-border transaction means a transaction or series of transactions involving associated enterprises of which not all are tax residents in a single country or territory or the transaction or series of transactions have a cross-border impact.

[*20 December 2016*]

14.5 When applying Paragraph 14.23, Sub-paragraph 3 and Paragraph 14.4 of this Regulation, the term “enterprise” means the performance of ant type of economic activity.

[*20 December 2016*]

14.6 If an advance cross-border ruling or an advance pricing arrangement was issued, amended or its term of validity was extended after 31 December 2016, the State Revenue Service shall exchange information automatically through the secure central directory on administrative cooperation in the field of taxation created by the European Commission and inform thereof the competent authorities of all other European Union Member States and to the European Commission in conformity with the restrictions referred to in Paragraph 14.15 of this Regulation.

[*20 December 2016*]

14.7 The State Revenue Service shall exchange information through the secure central directory on administrative cooperation in the field of taxation created by the European Commission, and inform the competent authorities of all other Member States as well as the European Commission, in conformity with the restrictions referred to in Paragraph 14.15 of this Regulation, on such advance cross-border ruling and advance pricing arrangement which are issued, amended or the term of which is extended within the period beginning five years before 1 January 2017.

[*20 December 2016*]

14.8 If an advance cross-border ruling and an advance pricing arrangement was issued, amended or its term of validity was extended between 1 January 2012 and 31 December 2013, the information referred to in Paragraph 14.7 of this Regulation shall be communicated only if the abovementioned ruling or arrangement was still valid on 1 January 2014.

[*20 December 2016*]

14.9 If an advance cross-border ruling and an advance pricing arrangement was issued, amended or its term of validity was extended between 1 January 2014 and 31 December 2016, information on the abovementioned ruling or arrangement shall be exchanged irrespective of whether they are still valid.

[*20 December 2016*]

14.10 The State Revenue Service has the right to exclude from the information to be communicated the information on an advance cross-border ruling and an advance pricing arrangement which was issued or amended or its term of validity was extended before 1 April 2016 to a particular person or group of persons (except for those performing mainly financial or investment activities) with a group-wide annual net turnover (in accordance with Section 41, Paragraph one of the Law on Annual Statements and Consolidated Annual Statements) of less than EUR 40 000 000 (or an equivalent amount in any other currency at the reference rate for the euro published by the European Central Bank) in the reporting year preceding the year when the advance cross-border ruling and the advance pricing arrangement was issued, amended or its term of validity was extended.

[*20 December 2016*]

14.11 A bilateral or multilateral advance pricing arrangement with the third countries shall be excluded from the scope of the automatic exchange of information if the international agreement under which the advance pricing arrangement has been negotiated does not permit its disclosure to the third parties. Information on such bilateral or multilateral advance pricing arrangements shall be exchanged in accordance with Chapter V of this Regulation if the international agreement under which the advance pricing arrangement was negotiated permits its disclosure and the competent authority of the third country gives permission to disclose the information. However, if the bilateral or multilateral advance pricing arrangement is excluded from the automatic exchange of information in accordance with this Paragraph, the information referred to in Paragraph 14.14 of this Regulation which is indicated in the submission that lead to the issuance of such bilateral or multilateral advance pricing arrangement shall instead be exchanged in accordance with Paragraphs 14.6 and 14.7 of this Regulation.

[*20 December 2016*]

14.12 Paragraphs 14.6 and 14.7 of this Regulation shall not be applied in a case where an advance cross-border ruling exclusively concerns and involves the tax affairs of one or more natural persons.

[*20 December 2016*]

14.13 Information shall be exchanged as follows:

14.131. in respect of information exchanged in conformity with Paragraph 14.6– without delay after the advance cross-border ruling or advance pricing arrangement has been issued, amended or its term of validity has been extended and at the latest three months following the end of the half of the calendar year during which the advance cross-border rulings or advance pricing arrangements were issued, amended or their term of validity was extended;

14.13 2. in respect of the information exchanged in conformity with Paragraph 14.7– before 1 January 2018.

[*20 December 2016; 17 January 2023*]

14.14 The information to be communicated by the State Revenue Service in conformity with Paragraphs 14.6, 14.7, 14.8, 14.9, and 14.10 of this Regulation shall include the following data:

14.141. the identification of the person, other than a natural person, and where appropriate the identification of the group of persons to which the person belongs;

14.142. a summary of the content of the advance cross-border ruling or advance pricing arrangement, including a description of the relevant economic activity or transactions or series of transactions and any other information that could assist the competent authority in assessing a potential tax risk and that is provided in a general way without leading to the disclosure of a commercial, industrial, or professional secret or of a commercial process, and also without leading to the disclosure of information the disclosure of which would be contrary to public order;

14.143. the date of issuance, amendment, or extension of the term of validity of the ruling or pricing arrangement;

14.144. the start date of the term of validity of the ruling or pricing arrangement, if specified;

14.145. the end date of the term of validity of the ruling or pricing arrangement, if specified;

14.146. the type of the ruling or pricing arrangement;

14.147. the amount of the transaction or series of transactions of the ruling or pricing arrangement if such amount is referred to in the advance cross-border ruling or advance pricing arrangement;

14.148. the description of the set of criteria used for the determination of the transfer pricing or the transfer price itself in case of an advance pricing arrangement;

14.149. the identification of the method used for the determination of the transfer pricing or the transfer price itself in case of an advance pricing arrangement;

14.1410. the identification of the other European Union Member States (if any) likely to be affected by the advance cross-border ruling or advance pricing arrangement;

14.1411. the identification of any person, other than a natural person, in the other European Union Member States (if any) likely to be affected by the advance cross-border ruling or advance pricing arrangement, indicating to which European Union Member States the affected persons are linked;

14.1412. the indication whether the communicated information is based on the advance cross-border ruling or advance pricing arrangement itself or on the submission referred to in the Paragraph 14.11 of this Regulation.

[*20 December 2016; 17 January 2023*]

14.15 The information referred to Sub-paragraphs 14.141, 14.142, 14.148, and 14.1411 of this Regulation shall not be communicated to the European Commission.

[*20 December 2016*]

14.16 The State Revenue Service shall, once a year by 1 January 2018, provide the European Commission with the statistics on the volume of the automatic exchange of information in accordance with Chapter III of this Regulation and this Chapter and, as far as possible, with information on the administrative and other relevant costs and benefits related to the exchange of information which has taken place and on any potential changes both in relation to tax administrations and third parties.

[*20 December 2016*]

**IV. Exchange of Information upon Request**

15. In order to request the information referred to in Paragraph 2 of this Regulation from the competent authorities of European Union Member States or the competent authorities of such foreign countries with which Latvia has entered into international agreements, the State Revenue Service shall send a request for information to the relevant competent authority. The following shall be indicated in the request:

15.1. a reference to a particular legal act of the European Union or a specific article of a particular international agreement (if information is requested on the basis of an international agreement);

15.2. information on the taxpayer of Latvia, in respect of whom the inspection is being conducted: name or given name and surname, taxpayer registration code, legal address or declared place of residence;

15.3. information on the non-resident to whom the request of information applies: name or given name and surname, taxpayer registration code, legal address or declared place of residence (if this information is available);

15.4. the activities performed by the taxpayer of Latvia and non-resident (specify if the taxpayer of Latvia and non-resident are to be deemed related persons);

15.5. the type of tax regarding which the inspection is being conducted;

15.6. the period (taxation year) regarding which the inspection is being conducted;

15.7. a short description of the circumstances of the case and the made transactions and the reason for the request;

15.8. information which is being requested;

15.9. the urgency in relation to provision of the answer;

15.10. information on the stage of inspection of the taxpayer of Latvia during which the information is being requested.

15.1 The State Revenue may, in conformity with the requirements of this Chapter, request additional information in relation to the information which it has received in accordance with Chapter III.1 of this Regulation, including the full text of an advance ruling or an advance pricing arrangement.

[*20 December 2016*]

15.2 In conformity with the requirements of this Chapter, information is foreseeably relevant in relation to exchange of information with the competent authorities of other European Union Member States if, at the time when the request is made, the competent authority of the requesting European Union Member State considers that, in accordance with its legal acts, there is a reasonable possibility that the requested information will be relevant to the tax affairs of one or several taxpayers (whether identified by name or otherwise) and will be justified for the performance of tax administration activities.

[*17 January 2023*]

15.3 When sending a request for information to the competent authorities of the European Union Member States in accordance with Paragraph 15 of this Regulation, the State Revenue Service shall indicate at least the following information in the request in order to demonstrate the foreseeable relevance of the requested information:

15.31. the tax purpose for which the information is requested;

15.32. a description of the information required for the implementation or enforcement of the legal acts of Latvia.

[*17 January 2023*]

15.4 When sending a request for information to the competent authorities of the European Union Member States in accordance with the introductory part of Paragraph 15 of this Regulation in relation to such group of taxpayers who cannot be identified individually, the State Revenue Service shall indicate at least the following information in the request:

15.41. a detailed description of the group;

15.42. an explanation of the applicable legal acts and of the facts based on which there is a reason to believe that the taxpayers in the group have not complied with the applicable legal acts;

15.43. an explanation how the requested information would assist in determining whether the taxpayers in the group have complied with the applicable legal acts;

15.44. where relevant – facts and circumstances related to the involvement of such third party who actively contributed to the potential non-compliance of the taxpayers in the group with the applicable legal acts.

[*17 January 2023*]

16. The competent authorities of European Union Member States or the competent authorities of such foreign countries with which Latvia has entered into international agreements may request the State Revenue Service to provide the information referred to in Paragraph 2 of this Regulation if it is related to a particular inspection case regarding a particular taxpayer in the relevant country.

17. If the competent authority of a European Union Member State or the competent authority of such foreign country with which Latvia has entered into an international agreement requests the information referred to in Paragraph 2 of this Regulation, the State Revenue Service shall take the necessary measures to obtain the information specified in the request for information.

18. Upon receipt of a request for information from the competent authorities of such foreign countries with which Latvia has entered into international agreements, the State Revenue Service shall evaluate whether the following information is indicated therein:

18.1. the identity of the person under inspection;

18.2. the period for which the information is requested;

18.3. the nature of the information requested and the form in which the competent authority would prefer to receive it;

18.4. the tax to be paid for the determination of which the information is necessary;

18.5. the reasons for believing that the information requested is foreseeably relevant, relevant or necessary to the foreign country which submitted the request for tax administration and fulfilment of the requirements for the person referred to in Sub-paragraph 18.1 of this Regulation;

18.6. the grounds for believing that the information requested is present or held in the receiving country or is in the possession of, or obtainable from a person within the jurisdiction of the legal acts of the country which received the request;

18.7. data identifying the particular person (for a natural person – given name, surname, personal identity number, for a legal person – taxpayer name and registration code) (to the extent known) who is believed to be in possession of, or able to obtain, the requested information;

18.8. a statement that the requesting foreign country has pursued all means available thereto to obtain the information (except when that would give rise to disproportionate difficulty to the requesting foreign country).

19. If the information referred to in Paragraph 18 of this Regulation has not been included in the received request for information, the State Revenue Service shall refuse to provide information and shall inform the competent authority of the requesting foreign country of the reasons for refusing the request for information.

20. The State Revenue Service shall obtain the information requested by the competent authority of a European Union Member State or the competent authority of such foreign country with which Latvia has entered into an international agreement according to the procedures by which it would be obtained upon acting on one’s own behalf or upon the request of another institution of the Republic of Latvia in relation to a taxpayer of Latvia.

20.1 The State Revenue may, in conformity with the requirements of this Chapter, provide additional information to the tax administration of another European Union Member State in relation to the information which has been sent thereby in accordance with Chapter III.1 of this Regulation, including the full text of an advance ruling or an advance pricing arrangement.

[*20 December 2016*]

21. Upon receipt of a request for information from the competent authority of such foreign country with which Latvia has entered into an international agreement, the State Revenue Service shall provide the information referred to in Paragraph 2 of this Regulation as quickly as possible, but not later than six months from the date of the receipt of the request. If the State Revenue Service already has the requested information at its disposal, it shall provide information not later than two months after receipt of the request.

[*17 January 2023*]

21.1 Upon receipt of a request for information from the competent authority of a European Union Member State, the State Revenue Service shall provide the information referred to in Paragraph 2 of this Regulation as quickly as possible, but not later than three months from the date of the receipt of the request. If the State Revenue Service already has the requested information at its disposal, it shall provide the information not later than two months after receipt of the request. In specific cases, the State Revenue Service and the competent authority of the requesting European Union Member State may agree on other terms.

[*17 January 2023*]

22. Upon receipt of a request for information from the competent authority of another European Union Member State, the State Revenue Service shall confirm the receipt of the request to the competent authority of the requesting Member State in electronic form without delay, but not later than within seven working days.

23. The State Revenue Service shall inform the competent authority of the requesting European Union Member State of the deficiencies found in the request for information within a month after receipt of the request for information and shall request to rectify them or, if necessary, request to provide additional information. The terms referred to in Paragraph 21 of this Regulation shall begin on the following day after the State Revenue Service has received an updated request for information or the necessary additional information.

24. If the State Revenue Service is unable to provide an answer to the request for information within the terms referred to in Paragraph 21.1 of this Regulation, it shall, within three months after receipt of the request for information, inform the competent authority of the requesting European Union Member State and shall indicate the reasons for the delay in providing an answer and the date until which it would be, probably, able to provide an answer.

[*17 January 2023*]

25. If the State Revenue Service is not able to fulfil the received request for information, for example, if the laws and regulations of Latvia do not provide for a possibility to obtain such information on taxpayers of Latvia which is requested by the competent authority of a European Union Member State or the competent authority of such foreign country with which Latvia has entered into an international agreement, and the provision of such information is not discussed in a particular international agreement or legal act of the European Union, as well as if the information referred to in Paragraph 18 of this Regulation is not indicated in the request for information, a refusal to provide the requested information shall be justified in the answer to the request for information. The abovementioned answer shall be provided not later than within a month from the receipt of the request for information.

26. When providing an answer to the request for information, the State Revenue Service may request the competent authority of another European Union Member State to provide a reference regarding the information sent.

27. If the competent authority of another European Union Member State requests, when providing an answer to the request for information, the State Revenue Service to provide a reference regarding the information sent, it shall provide the reference without delay, but not later than within three months after the results of the use of such information have become known.

27.1 A request for information prepared by the State Revenue Service to the competent authority of another European Union Member State or received from the competent authority of another European Union Member State may include a reasoned request for an administrative enquiry (controls, checks, and other measures taken by the competent authorities to ensure the application of tax laws). If, upon receipt of such request, the State Revenue Service believes that no administrative enquiry is necessary, it shall immediately inform the requesting competent authority of the reasons thereof.

[*17 January 2023*]

**V. Exchange of Information on One’s Own Initiative**

28. The State Revenue Service shall send the information referred to in Paragraph 2 of this Regulation which is at the disposal thereof to the competent authority of another European Union Member State or the competent authority of such foreign country with which Latvia has entered into an international agreement, on its own initiative (without a prior request) if:

28.1. based on the evaluation of the information at the disposal thereof, the State Revenue Service has the grounds to assume that a tax loss might occur in the relevant country;

28.2. a taxable person is applied tax reduction or exemption from taxes in the Republic of Latvia, and it might cause an increase of taxes or increase the tax liability in the relevant country;

28.3. commercial transactions of such person on whom taxes are imposed in the Republic of Latvia with the person on whom taxes are imposed in the relevant country are made with the intermediation of one or several countries in such a way that a tax loss may occur in the relevant country or in the Republic of Latvia;

28.4. the State Revenue Service has the grounds to assume that a tax loss may occur when artificially transferring profit among participants of a group of merchants;

28.5. the information which the State Revenue Service has received from the competent authority of a European Union Member State or the competent authority of such foreign country with which Latvia has entered into an international agreement has created a possibility to obtain information which might be essential in specifying tax liabilities in the country from which the information has been received;

28.6. joint cross-border tax inspections are carried out.

29. The State Revenue Service may send the information referred to in Paragraph 2 of this Regulation which is at the disposal thereof to the competent authority of another European Union Member State or the competent authority of such foreign country with which Latvia has entered into an international agreement, and also in other cases which are not referred to in Paragraph 28 of this Regulation, on its own initiative (without a prior request).

29.1 The State Revenue Service shall, on its own initiative (without prior request), using the standard formats for the mandatory exchange of information of the Organisation for Economic Co-operation and Development (OECD), electronically send the information referred to in Paragraphs 14.1 and 14.2 of this Regulation to the competent authorities of foreign countries with which Latvia has entered into international agreements. Information shall be sent not later than within three months after the date of issuing of the advance cross-border ruling and the advance pricing arrangement.

[*9 October 2018*]

30. The State Revenue Service may send the information referred to in Paragraph 2 of this Regulation which is at the disposal thereof to the competent authority of another European Union Member State as soon as possible, but not later than within a month after the information has become available thereto.

31. The State Revenue Service may request the competent authority of another European Union Member State to provide a reference regarding the information sent.

32. Upon receipt of information from the competent authority of another European Union Member State, the State Revenue Service shall approve the receipt thereof to the competent authority which provided the information, in electronic form without delay, but not later than within seven working days after information was received.

33. If the competent authority of another European Union Member State requests, when providing information, the State Revenue Service to provide a reference regarding the information sent, it shall provide the reference without delay, but not later than within three months after the results of the use of such information have become known.

34. After receipt of information without a prior request, the State Revenue Service shall inform the relevant competent authority of the usefulness of the received information and ensure control of the further use thereof.

**VI. Restrictions on and Confidentiality of Information Exchange**

35. Except cases when it is specified otherwise in a particular international agreement or legal acts of the European Union, this Regulation shall not oblige the State Revenue Service:

35.1. to take administrative measures which do not conform to the laws and regulations of the Republic of Latvia;

35.2. to provide information which may disclose any trade, entrepreneurial, production, commercial or professional secret or trade process, or to provide information, the disclosure of which would be in contradiction with the national policy;

35.3. to provide information if the competent authority of the country requesting information has not fully used the sources of information available thereto;

35.4. to provide information if the country requesting information is not able to ensure the provision of such information to other countries due to legal reasons or if a European Union Member State or a foreign country with which Latvia has entered into an international agreement does not ensure the provision of information equivalent to the information referred to in Paragraph 11 of this Regulation without a prior request (automatically) due to the abovementioned reasons.

36. Information which the State Revenue Service receives from the competent authority of another country shall be assigned the status of restricted access according to the same procedures as for the information which is obtained in accordance with the laws and regulations of the Republic of Latvia, and it may only be disclosed to such persons or authorities (including court and administrative institutions) which are involved in tax calculation, collection, bringing persons to legal liability, application of compulsory measures or examination of appeals in relation to taxes. Such persons or authorities shall use the information only for the abovementioned purposes. The abovementioned information may only be disclosed in an open court hearing or court rulings.

37. Regardless of the requirements referred to in Paragraph 36 of this Regulation, the State Revenue Service may use the received information for other purposes if it is allowed by the laws of the country providing the information in similar conditions and if the permission of the competent authority of this country has been received.

38. If the State Revenue Service is of opinion that the information received from another European Union Member State might be foreseeably relevant or relevant for tax administration needs to the competent authority of a third Member State, the State Revenue Service may forward such information to the competent authority of the third Member State if the competent authority of the European Union Member State providing the abovementioned information agrees to that. It shall be deemed that the competent authority of the European Union Member State agrees to forward such information to the competent authority of the third Member State if it does not object to the notification on the wish to forward information within 10 working days after its receipt.

39. If the State Revenue Service is of opinion that the information received from the competent authorities of such foreign countries with which Latvia has entered into international agreements might be useful to the competent authority of another European Union Member State, the State Revenue Service may forward such information to the competent authority of another European Union Member State if the competent authority of such foreign country providing the abovementioned information agrees to that.

40. If the Republic of Latvia ensures wider mutual co-operation to a third country than provided for in the laws and regulations of the Republic of Latvia, such wider co-operation shall not be refused to any European Union Member State which wishes to initiate such wider mutual co-operation with the Republic of Latvia.

**VII. Closing Provisions**

41. Cabinet Regulation No. 884 of 31 October 2006, Procedures for Performance of Exchange of Information in the Field of Direct Taxation with European Union Member States and States with which International Contracts Regarding Prevention of Double Taxation and Tax Evasion are Entered Into (*Latvijas Vēstnesis*, 2006, No. 176; 2007, No. 57; 2013, No. 76), is repealed.

41.1 Until the secure central directory on administrative cooperation in the field of taxation created by the European Commission becomes operational, the State Revenue Service shall forthwith, but not later than within seven working days after receipt of the information, acknowledge the receipt of the information (if possible, electronically) to the competent authority that provided the information on the advance cross-border ruling and the advance pricing arrangement.

[*20 December 2016*]

42. Annex 2 to this Regulation shall be in force until 31 December 2013.

43. Annex 3 to this Regulation shall come into force on 1 January 2014.

44. Paragraph 11.4 of the Regulation shall come into force on 1 January 2025.

[*17 January 2023 / Paragraph shall be included in the wording of the Regulation as of 1 January 2025*]

45. The State Revenue Service shall, by 1 January 2024, inform the European Commission of at least four types of income and categories of capital referred to in Paragraph 11.1 of this Regulation on which information will be sent to the competent authorities of the European Union Member States starting from 2026.

[*17 January 2023*]

**Informative Reference to European Union Directives**

[*20 December 2016; 17 January 2023*]

This Regulation contains norms arising from:

1) Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC;

2) Council Directive (EU) 2015/2376 of 8 December 2015 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation;

3) Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation.

Prime Minister Valdis Dombrovskis

Minister for Finance Andris Vilks

**Annex 1**

Cabinet Regulation No. 1245

5 November 2013

**Competent Authorities of European Union Member States**

**(original form of writing of the name in legal acts of Member States)**

1. In the United Kingdom:

The Commissioners for Her Majesty’s Revenue and Customs or authorised person thereof.

2. In Austria:

Der Bundesminister für Finanzen or authorised person thereof.

3. In Belgium:

Président du Comité de direction du SPF finances/Voorzitter van het Directiecomité van de FOD Financiën/Präsident des Direktionsausschusses des FÖD Finanzen or authorised person thereof.

4. In Bulgaria:

Изпълнителния директор на Национална агенция за приходите or authorised person thereof.

5. In the Czech Republic:

Ministerstvo financỉ, Generální finanční ředitelství or authorised person thereof.

6. In Denmark:

Skatteministeriet or authorised person thereof.

7. In France:

Direction générale des finances publiques or authorised person thereof.

8. In Greece:

Υπουργείο Οικονομικών/Διεύθυνση Διεθνών Οικονομικών Σχέσεων/Τμήμα Φορολογικών Θεμάτων or authorised person thereof.

9. In Croatia:

Ministarstvo financija or authorised person thereof.

10. In Estonia:

Eesti Maksu- ja Tolliamet or authorised person thereof.

11. In Italy:

Il Direttore Generale delle Finanze or authorised person thereof.

12. In Ireland:

The Revenue Commissioners or authorised person thereof.

13. In Cyprus:

Υπουργείο Οικονομικών or authorised person thereof.

14. In Lithuania:

Lietuvos Respublikos finansų ministerija or authorised person thereof.

15. In Luxembourg:

Ministère des finances or authorised person thereof.

16. In Malta:

Direttur (Tassazzjoni Internazzjonali), Dipartiment tat-Taxxi Interni, Ministeru tal-Finanzi, l-Ekonomija u Investiment or authorised person thereof.

17. In the Netherlands:

Le ministre van financiėn or authorised person thereof.

18. In Poland:

Ministerstwo Finansów or authorised person thereof.

19. In Portugal:

Ministro das Finanças or authorised person thereof.

20. In Romania:

Serviciul Schimb Internaţional de Informaţii or authorised person thereof.

21. In Slovakia:

Daňové riaditeľstvo Slovenskej republiky/Oddelenie medzinárodnej administratívnej spolupráce (CLO) or authorised person thereof.

22. In Slovenia:

Ministrstvo za finance or authorised person thereof.

23. In Finland:

Verohallinto/Skatteförvaltningen or authorised person thereof.

24. In Spain:

Agencia Estatal de Administración Tributaria or authorised person thereof.

25. In Hungary:

Központi Kapcsolattartó Iroda or authorised person thereof.

26. In Germany:

Bundesministerium der Finanzen or authorised person thereof.

27. In Sweden:

Skatteverket or authorised person thereof.

Minister for Finance Andris Vilks

**Annex 2**

Cabinet

Regulation No. 1245
5 November 2013

**Report on Non-resident’s Income and Tax Paid in the Republic of Latvia Provided under Automatic Exchange of Information**

[1 January 2014 / See Paragraph 42 of the Regulation]

**Annex 3**

Cabinet

Regulation No. 1245
5 November 2013

**Automātiskās informācijas apmaiņas izziņa par nerezidenta gūtajiem ienākumiem un samaksāto nodokli Latvijas Republikā/**

**Report on Non-resident’s Income and Tax Paid in the Republic of Latvia Provided under Automatic Exchange of Information**

[3 May 2016]