Republic of Latvia

Cabinet

Regulation No. 136

Adopted 2 April 2019

**Regulations Regarding Combined Warehouses**

*Issued pursuant to*

*Section 16, Paragraph two of the law On Taxes and Duties*

1. This Regulation prescribes:

1.1. the requirements and criteria by which taxpayers who have a special permit (licence) for the operation of a tax warehousekeeper or a permit for the operation of a customs warehouse, or a permit for the operation of facilities for temporary storage of goods, or who have been granted with a status of free zone acquire the right to set up a combined warehouse;

1.2. the procedures for submitting and examining the application of a taxpayer for granting the status of a combined warehouse;

1.3. the conditions and procedures for suspending, renewing, and revoking the status of a combined warehouse.

2. The operation of a combined warehouse shall be permitted at any of the current sites of operation of a taxpayer – the address specified in the special permit (licence) for the operation of a tax warehousekeeper (involving alcoholic beverages, tobacco products or oil products) (hereinafter – the tax warehouse licence) or at one of the addresses specified in the permit for the operation of a customs warehouse or the permit for the operation of facilities for temporary storage of goods, or the permit for the operation in the free zone.

3. The taxpayer has the right to set up a combined warehouse if activities involving pre-packaged products or activities involving bulk oil products are performed there.

4. The taxpayer has the right to set up a combined warehouse if:

4.1. at least for a year the taxpayer has performed activities in accordance with the issued tax warehouse licence or customs warehouse permit, or the permit for the operation of facilities for temporary storage of goods, or has performed activities involving non-Union goods in the free zone;

4.2. the taxpayer has no debts of taxes, duties, and other debts of mandatory payments specified by the State or the time periods for the respective payments have been extended (suspended, divided) in accordance with the procedures laid down in the laws and regulations governing the field of taxes and the taxpayer is making payments in accordance with the decision of the tax administration (payment schedule) or execution of the decision of the tax administration has been suspended for the time period of pre-trial investigation.

5. In order to acquire the status of a combined warehouse for activities involving pre-packed products, the taxpayer shall:

5.1. maintain information on the location of the places for storing goods enabling the identification of the location of the goods in the combined warehouse at a given time;

5.2. use the electronic identification and accounting system of the goods, ensuring the following:

5.2.1. keeping the records of the type and quantity of the goods in accordance with the laws and regulations governing the circulation of excise goods and goods under supervision of the customs authority;

5.2.2. the conformity of the quantity of goods specified in the accounting system with the actual quantity of goods in the combined warehouse;

5.2.3. the indication of the status of goods (Union goods, non-Union goods, goods under the excise duty suspension arrangement). If any goods lacking documents which certify the origin thereof (goods in excess of an unknown origin) are discovered in the combined warehouse and such goods are not specified in the records of the goods, or shortage of the goods is discovered, in accordance with Article 153(2) of the Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code the abovementioned goods shall have the status of non-Union goods, unless the merchant proves the contrary. In accordance with the laws and regulations governing the field of customs the combined warehousekeeper shall be responsible for the calculated debt of customs charges.

6. In order to acquire the status of a combined warehouse for activities involving oil products, the taxpayer shall:

6.1. equip the reservoirs for the storage of oil products with electronic and automated equipment for measuring the quantity of oil products;

6.2. use the accounting system, ensuring the following:

6.2.1. keeping the records of the type and quantity of oil products in accordance with the laws and regulations governing the field of the circulation of excise goods and goods under supervision of the customs authority;

6.2.2. the conformity of the quantity of oil products specified in the accounting system with the actual quantity of the goods in the combined warehouse;

6.2.3. the indication of the status of oil products (Union goods, non-Union goods, goods under the excise duty suspension arrangement). If any goods lacking documents which certify the origin thereof (goods in excess of an unknown origin) are discovered in the combined warehouse and such goods are not specified in the records of the goods, or shortage of the goods is discovered, in accordance with Article 153(2) of the Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code the abovementioned goods shall have the status of non-Union goods, unless the merchant proves the contrary. In accordance with the laws and regulations governing the field of customs the combined warehousekeeper shall be responsible for the calculated debt of customs charges.

7. In order to receive the status of a combined warehouse, the taxpayer shall submit an application (annex) to the State Revenue Service using the Electronic Declaration System (EDS) of the State Revenue Service.

8. The following documents shall be appended by the taxpayer to the application referred to in Paragraph 7 of this Regulation:

8.1. description of the electronic identification and accounting system of the goods;

8.2. methodology for the operation of the combined warehouse – description of technological processes stipulating the procedures for unloading, loading, movement, placement, storage, dispatch, and keeping the records of the goods;

8.3. an application which conforms to the laws and regulations governing the circulation of excise goods for the purpose of receiving or re-registering the tax warehouse licence if the merchant will ensure the operation of the combined warehouse in any of the addresses and premises for the storage of goods under supervision of the customs authority, or an application which conforms to the laws and regulations governing the customs field for the purpose of receiving or amending the customs warehouse permit or the permit for the operation of facilities for temporary storage of goods if the merchant will ensure the operation of the combined warehouse at the address and in the premises specified in the tax warehouse licence.

9. The State Revenue Service shall take the decision to grant the status of a combined warehouse if:

9.1. the documents referred to in Sub-paragraphs 8.1 and 8.2 of this Regulation are submitted;

9.2. the documents referred to in Sub-paragraph 8.3 of this Regulation are submitted and they conform to the laws and regulations governing the circulation of excise goods or the laws and regulations governing the customs field;

9.3. the requirements referred to in Paragraphs 4, 5, and 6 of this Regulation are complied with.

10. The State Revenue Service shall take the decision to refuse to grant the status of a combined warehouse if:

10.1. the taxpayer does not conform to the requirements laid down in this Regulation;

10.2. false information is provided in the application referred to in Paragraph 7 of this Regulation;

10.3. certain conditions have not been met to receive or re-register the tax warehouse licence or the customs warehouse permit, or the permit for the operation of facilities for temporary storage of goods, or to amend the customs warehouse permit or the permit for the operation of facilities for temporary storage of goods, or the requirements for keeping the records of non-Union goods in the free zone are not complied with.

11. The State Revenue Service may suspend the status of a combined warehouse for a period of up to 90 days if:

11.1. the requirements referred to in Paragraphs 3, 5, and 6 of this Regulation are not complied with;

11.2. the tax warehouse licence or customs warehouse permit, or the permit for the operation of facilities for temporary storage of goods of the combined warehousekeeper is suspended or the operation involving goods in the free zone is suspended.

12. If the combined warehousekeeper has eliminated the cause for the suspension of the status of a combined warehouse, the State Revenue Service shall renew the status of a combined warehouse by a decision.

13. The State Revenue Service shall take the decision to revoke the status of a combined warehouse if:

13.1. the combined warehousekeeper has not eliminated the cause for the suspension of the status of a combined warehouse;

13.2. an application for revoking the status of a combined warehouse is received from the combined warehousekeeper;

13.3. after renewal of the status of a combined warehouse the combined warehousekeeper, over a period of one year, has failed to ensure compliance with the requirements laid down in this Regulation.

14. If due to failure to comply with the requirements laid down in the laws and regulations governing the circulation of excise goods or the laws and regulations governing the customs field the tax warehouse licence or the customs warehouse permit, or the permit for the operation of facilities for temporary storage of goods of the combined warehousekeeper is revoked, the status of a combined warehouse shall be also revoked at the same time.

Prime Minister A. K. Kariņš

Minister for Finance J. Reirs

**Annex**

Cabinet Regulation No. 136

2 April 2019

**To the STATE REVENUE SERVICE**

**Application for Granting the Status of a Combined Warehouse**

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| **Taxpayer** | | | | | | | | | | | | | |
| name |  | | | | | | | | | | | | |
| registration code of a taxpayer | |  |  |  |  |  |  |  |  |  |  |  | |
| phone number | |  | | | | | | | | | | | |
|  | | | | | | | | | | | | | |
| **Types of excise goods involving which activity is intended** (*mark as appropriate*)**:** | | | | | | | | | | | | | |
| **Packaged alcoholic beverages** | | | | | | | | | | | | |  |
| **Packaged tobacco products**, tobacco leaf, heated tobacco | | | | | | | | | | | | |  |
| **Oil products** | | | | | | | | | | | | |  |

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|  | | | | | | | | | | | | | | | | | | |
| **Combined warehouse** | | | | | | | | | | | | | | | | | | |
| Number of the structural unit registered with the SRS | |  |  | |  | |  |  |  | |  | |  |  | |  | |  |
| address |  | | | | | | | | | | | | | | | | | |
| cadastre number of a building or land |  | | |  | | | | | | | |  | | | | | | |
| numbers of premises according to the technical building inventory file, shelf space |  | | |  | | | | | | | |  | | | | | | |
| oil product tanks, pressure containers | number | |  | | |  | |  | |  | | |  | |  | |  | |
| nominal volume (m3) | |  | | |  | |  | |  | | |  | |  | |  | |
| dangerous equipment registration certificate number | |  | | |  | |  | |  | | |  | |  | |  | |
| territory, for example, parking areas (m2) |  | | | | | | | | | | | | | | | | | |
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| **I confirm compliance with the requirements laid down in Cabinet Regulation No. 136 of 2 April 2019, Regulations Regarding Combined Warehouses** (*mark as appropriate*)**:** | |
| information on the location of the places for storing goods is maintained at the warehouse enabling the identification of the location of the goods in the combined warehouse at a given time (mark if activities involving packaged alcoholic beverages or packaged tobacco products are intended) |  |
| the electronic identification and accounting system of the goods is used at the warehouse ensuring the following (mark if activities involving packaged alcoholic beverages or packaged tobacco products are intended): | |
| • keeping the records of the type and quantity of the goods in accordance with the laws and regulations governing the circulation of excise goods and goods under supervision of the customs authority |  |
| • the conformity of the quantity of the goods specified in the accounting system with the actual quantity of the goods in the combined warehouse |  |
| • the indication of the status of the goods (Union goods, non-Union goods, goods under the excise duty suspension arrangement) |  |
| methodology for the operation of the combined warehouse has been developed – description of technological processes stipulating the procedures for unloading, loading, movement, placement, storage, dispatch, and keeping the records of the goods |  |
| the taxpayer has no debts of taxes, duties, and other debts of mandatory payments specified by the State or the time periods for the respective payments have been extended (suspended, divided) in accordance with the procedures laid down in the laws and regulations governing the field of taxes and the taxpayer is making payments in accordance with the decision of the tax administration (payment schedule) or execution of the decision of the tax administration has been suspended for the time period of pre-trial investigation (mark if activities involving packaged alcoholic beverages or packaged tobacco products are intended) |  |
| the taxpayer, at least for one year, has performed activities involving the goods according to: | |
| – the special permit (licence) for the operation of an approved tax warehousekeeper |  |
| – the customs warehouse permit |  |
| – the permit for the operation of facilities for temporary storage of goods |  |
| – the permit for the operation of the free zones |  |
| Mark if activities involving oil products are intended: | |
| the reservoirs for the storage of oil products have been equipped with electronic and automated equipment for measuring the quantity of oil products |  |
| an accounting system will be used at the warehouse ensuring the following: | |
| • keeping the records of the type and quantity of oil products in accordance with the laws and regulations governing the field of the circulation of excise goods and goods under supervision of the customs authority |  |
| • the conformity of the quantity of oil products specified in the accounting system with the actual quantity of the goods in the combined warehouse |  |
| • the indication of the status of oil products (Union goods, non-Union goods, goods under the excise duty suspension arrangement) |  |
| Consent to the publication of information on granting the status of a combined warehouse | Yes    No |

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| **Responsible official** | | | | | | | | | | | | |
| position |  | | | | | | | | | | | |
| given name, surname |  | | | | | | | | | | | |
|  |  | | | | | | | | | | | |
| date |  |  | / |  |  | / |  |  |  |  | signature\* |  |

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| **Submitter of documents** (*to be completed if documents are submitted by another person*)**:** | | | | | | | | | | | | |
| given name, surname |  | | | | | | | | | | | |
| date |  |  | / |  |  | / |  |  |  |  | signature\* |  |
| for the authorised person – date and number of the power of attorney |  | | | | | | | | | | | |

Note. \* If the electronic document has been signed with secure electronic signature and contains a time stamp, the date and time of adding the time stamp shall be regarded as the moment of signing the electronic document.

Minister for Finance J. Reirs