Text consolidated by Valsts valodas centrs (State Language Centre) with amending regulations of:

24 November 2020 [shall come into force on 28 November 2020];

12 January 2021 [shall come into force on 15 January 2021];

1 April 2021 [shall come into force on 8 April 2021].

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. 675

Adopted 10 November 2020

**Regulations Regarding the Provision of Aid to Taxpayers for the Continuation of their Activity in the Circumstances of the COVID-19 Crisis**

*Issued pursuant to*

*Section 2 and Section 15, Paragraph three of the Law on the Suppression of Consequences of the Spread of COVID-19 Infection*

**I. General Provisions**

1. The Regulation prescribes the criteria and procedures for the provision of aid to taxpayers:

1.1. employers – to compensate for the remuneration to their employees;

1.2. [24 November 2020];

1.3. [24 November 2020];

2. Within the meaning of this Regulation, the aid shall be the aid to compensate for remuneration to part-time workers (hereinafter – the aid for wage subsidy) which shall be disbursed to employees for the period between 9 November 2020 and 30 June 2021, but no longer than for the period in which the restrictions laid down in laws and regulations on economic activities in relation to the epidemiological safety measures for the containment of the spread of COVID-19 infection (hereinafter – the restrictions on economic activities) are in force.

[*24 November 2020; 12 January 2021*]

3. An employer who meets one of the following conditions is entitled to apply for the aid for wage subsidy:

3.1. its revenues from economic activity have decreased by at least 20 % in the specific aid month of 2020 and 2021 in comparison with the average revenues in August, September, and October of 2020 when the undertaking was actually operating, and this decrease in revenues is related to the restrictions on economic activities;

3.2. its revenues from economic activity for the specific aid month have decreased by at least 30 % in comparison with the revenues in the respective month of 2019, and this decrease in revenues is related to the restrictions on economic activities.

[*1 April 2021/ See Paragraph 40*]

3.1 When calculating the decrease in the revenues from economic activity, the previously received aid for ensuring the flow of working capital shall be disregarded.

[*1 April 2021*]

**II. Procedures for Requesting and Granting Aid During Furlough of the Employer**

[24 November 2020]

4. [24 November 2020]

5. [24 November 2020]

6. [24 November 2020]

7. [24 November 2020]

8. [24 November 2020]

9. [24 November 2020]

10. [24 November 2020]

11. [24 November 2020]

12. [24 November 2020]

13. [24 November 2020]

**III. Procedures for Requesting and Granting Aid for Wage Subsidy to Part-time Workers**

14. In order to apply for the aid for wage subsidy, the employer shall submit to the State Revenue Service a relevant submission for November of 2020 by 15 December 2020, a relevant submission for December of 2020 – by 15 January 2021, a relevant submission for January of 2021 – by 15 February 2021, a relevant submission for February 2021 – by 15 March 2021, a relevant submission for March 2021 – by 15 April 2021, a relevant submission for April 2021 – by 15 May 2021, a relevant submission for May 2021 – by 15 June 2021, a relevant submission for June 2021 – by 15 July 2021. Concurrently with the abovementioned submission for the relevant month, the employer shall submit to the State Revenue Service the report of the employer on the mandatory State social insurance contributions from the work income of employees, personal income tax and State fee of the business risk for the reporting month and also the monthly value added tax return if such needs to be submitted but has not been submitted yet.

[*24 November 2020; 12 January 2021*]

15. The employer shall submit the submission referred to in Paragraph 14 of this Regulation through the Electronic Declaration System of the State Revenue Service. The following information shall be indicated in the submission:

15.1. [24 November 2020];

15.2. information regarding the decrease in revenues referred to in Paragraph 3 of this Regulation and justification for its relation to the restrictions on economic activities;

15.3. information on the employee for whom aid is being requested (name, surname, personal identity number, and period of furlough of the employee, and also the account thereof opened with a credit institution or payment service provider in Latvia);

15.4. certification that the employee for whom aid is being requested is not on leave for incapacity for work;

15.5. certification that the economic activity has been suspended or the scale of economic activity has been decreased due to the declaration of the emergency situation and that the employment relationships with the employee for the compensation of whose remuneration the aid is being requested would be terminated if the compensation provided for in this Regulation will not be received;

15.6. certification that the employment relationships with an employee will not be terminated during the time period for which the aid is granted, and also for one month following such period.

[*24 November 2020; 11 January 2021 / The new wording of Sub-paragraph 15.2 shall come into force on 16 March 2021. See Paragraph 39*]

16. Considering the information at the disposal of the State Revenue Service (data declared by the employer to the State Revenue Service), the aid for wage subsidy shall be determined for the employee in the amount of 50 % of the average monthly gross work remuneration declared for the period between 1 August 2020 and 31 October 2020, however, not more than EUR 500 per calendar month.

17. The employer has an obligation to disburse to the employee the difference between the amount of the aid referred to in Paragraph 16 of this Law that has been received and the amount of the work remuneration.

18. The State Revenue Service shall disburse the requested aid for wage subsidy within five working days after the decision to grant the aid has been taken by transferring the aid to the employee’s account indicated in the submission referred to in Paragraph 14 of this Regulation, and shall inform the submitter of the submission thereof through the Electronic Declaration System of the State Revenue Service. The employer shall inform the employee of the disbursement of aid.

19. The State Revenue Service shall not grant the aid for wage subsidy:

19.1. if the employer has not submitted to the State Revenue Service all tax returns and annual statements for the last 12 months before the emergency situation;

19.2. if on the day of taking the decision insolvency proceedings are in effect for the employer;

19.3. to council members of the employer;

19.4. for those calendar days for which the sickness benefit has been granted;

19.5. to the employer whose staff has been leased to another taxpayer;

19.6. to the employees employed by the State and local government budget institutions and also by the economic operators controlled by the State or local governments;

19.7. if the employee has commenced the employment relationships after 1 November 2020;

19.8. if the employer has not submitted a justification to the State Revenue Service in accordance with Sub-paragraph 15.2 of this Regulation, or if the State Revenue Service, upon the evaluation of the employer’s submission, establishes that the decrease in revenues is not related to the restrictions on economic activities;

[*24 November2020; 12 January 2021; Sub-paragraph 19.8 shall come into force on 16 March 2021. See Paragraph 39*]

20. The State Revenue Service shall not apply the conditions referred to in Sub-paragraph 19.1 of this Regulation to those employers which have been included in the In-depth Cooperation Programme in accordance with the Cabinet Regulation No. 748 of 27 November 2018, Regulations Regarding the Operation of In-depth Cooperation Programme.

**IV. Procedures for Requesting and Granting Aid to Self-employed Persons and Licence Fee Payers**

[24 November 2020]

21. [24 November 2020]

22. [24 November 2020]

23. [24 November 2020]

24. [24 November 2020]

25. [24 November 2020]

26. [24 November 2020]

**V. Aid Supervision Procedures**

[24 November 2020]

27. [24 November 2020]

28. [24 November 2020]

29. [24 November 2020]

30. [24 November 2020]

31. [24 November 2020]

32. [24 November 2020]

**VI. Closing Provisions**

33. [24 November 2020]

34. [24 November 2020]

35. [24 November 2020]

36. The sum formed by the aid granted according to this Regulation and the aid specified in Cabinet Regulation No. 709 of 24 November 2020, Regulations Regarding the Aid for Furlough to Taxpayers for the Continuation of their Activity in the Circumstances of the COVID-19 Crisis, for an employee with all employers or in various employment forms may not exceed EUR 1000 per calendar month in total.

[*24 November 2020*]

37. The employee who receives the aid granted according to this Regulation may not concurrently receive the aid for the same period with the same employer laid down in Cabinet Regulation No. 709 of 24 November 2020, Regulations Regarding the Aid for Furlough to Taxpayers for the Continuation of their Activity in the Circumstances of the COVID-19 Crisis.

[*24 November 2020*]

38. The State Revenue Service shall publish on its website a list of those employers whose employees have received the aid for wage subsidy.

[*24 November 2020*]

39. Amendments to Paragraph 3 and Sub-paragraphs 15.2 and 19.8 of this Regulation providing for the submission of a justification for the relation of the decrease in revenues to the restrictions on economic activities shall come into force on 16 March 2021. The requirement referred to in Sub-paragraph 15.2 for the justification of the relation of the decrease in revenues to the restrictions on economic activities shall not be applied to submissions that have been submitted to the State Revenue Service until 15 March 2021.

[*12 January 2021*]

40. The requirement referred to in Paragraph 3 of this Regulation for the decrease in the revenues to be at least 30 % shall not be applied to submissions that have been submitted to the State Revenue Service until 15 March 2021.

[*1 April 2021*]

Prime Minister A. K. Kariņš

Minister for Economics J Vitenbergs

**Annex 1**

Cabinet Regulation No. 675

10 November 2020

**Types of Activity in Which Persons May Qualify for Aid for Furlough in the Directly Affected Sectors to Be Supported**

[24 November 2020]

**Annex 2**

Cabinet Regulation No. 675

10 November 2020

**Types of Activity in Which Persons May Qualify for Aid for Wage Subsidy in the Affected Sectors to Be Supported**

[24 November 2020]