

Latvia Dispute Resolution Profile

(Last updated: 1 September 2016)

General Information

- **Latvia's tax treaties are available at:**

See annex.

- **MAP request should be made to:**

MAP request upon the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises No.90/436/EEC (Arbitration Convention)

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- **APA request should be made to:**

As above.

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
A. Preventing Disputes				
1.	Are agreements reached by your competent authority to resolve difficulties or doubts arising as to the interpretation or application of your tax treaties in relation to issues of a general nature which concern, or which may concern, a category of taxpayers published?	No	-	-
2.	Are bilateral APA programmes implemented? If yes:	No	-	-
a.	<ul style="list-style-type: none"> Are roll-back of APAs provided for in the bilateral APA programmes? 	No	-	-
b.	<ul style="list-style-type: none"> Are there specific timeline for the filing of an APA request? 	Yes	5 years after obligation to pay tax comes into force.	-
c.	<ul style="list-style-type: none"> Are rules, guidelines and procedures on how taxpayers can access and use bilateral APAs, including the specific information and documentation that should be submitted in a taxpayer's request for bilateral APA assistance, publicly available? 	No	-	-
d.	<ul style="list-style-type: none"> Are there any fees charged to taxpayers for a bilateral APA request? 	No	-	-
e.	<ul style="list-style-type: none"> Are statistics relating to bilateral APAs publicly available? 	No	-	-

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3.	Is training provided to your officials involved in the auditing/examination of taxpayers to ensure that any assessments made by them are in accordance with the provisions of your tax treaties?	Yes	The State Revenue Service (SRS) makes internal training as well as participates in international events	-
4.	Is other information available on preventing tax treaty-related disputes?	No	-	-

Notes:

1. An APA is an “arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustments thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time”. (see definition of APA in the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* (“Transfer Pricing Guidelines”)).
2. Situations may arise in which the issues resolved through an APA are relevant with respect to previous filed tax years not included within the original scope of the APA. The concept of “roll-back” is further elaborated in paragraph 4.136 of Section F (Advance pricing arrangement) of Chapter IV of the Transfer Pricing Guidelines and in paragraph 69 of Section D.4.2 (Possible retrospective application (“Roll back”)) of the Annex to Chapter IV (Guidelines for Conducting Advance Pricing Arrangements under the Mutual Agreement Procedure (“MAP APAs”)) of the Transfer Pricing Guidelines. Simply put, the “roll-back” of the APA is understood to mean that the outcome of the APA is applied to previous filed tax years not included within the original scope of the APA.

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B. Availability and Access to MAP				
5.	Are transfer pricing cases covered within the scope of MAP?	Yes	Rules of Arbitration Convention provides that covered by Arbitration Convention: no access to MAP, if serious penalty was imposed under Article 8	-
6.	Are issues relating to the application of treaty anti-abuse provision covered within the scope of MAP?	Yes	-	-
7.	Are issues relating to the application of domestic anti-abuse provision covered within the scope of MAP?	Yes	In case of Article of Arbitration Convention application.	-
8.	Are issues where there is already an audit settlement between the tax authority and the taxpayer covered within the scope of MAP?	Yes	Article 7 paragraph 1 provides that.	-
9.	Are double taxation cases resulting from bona fide taxpayer initiated foreign adjustments covered within the scope of MAP?	Yes	Article 7 provides that.	-
10.	Are there any other treaty related issues not covered under s/n 5 to 9 which are not within the scope of MAP?	-	-	-

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11.	Are taxpayers allowed to request MAP assistance in cases where the taxpayer has sought to resolve the issue under dispute via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	Latvia applies Article 7, paragraph 3 of Arbitration Convention.	-
12.	Are taxpayers allowed to request for MAP assistance in cases where the issue under dispute has already been decided via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	No	See answer in 11 th question.	-
13.	Are rules, guidelines and procedures on how taxpayers can access and use MAP, including the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance, publicly available?	Yes	-	Eur-lex.europa.eu/lexVritew/LexUritev.do
14.	Are there specific timeline for the filing of a MAP request?	Yes	3 years after audit results are presented to the taxpayer.	-
15.	Are guidance on multilateral MAPs publicly available?	No	In Latvian	-
16.	Are tax collection procedures suspended during the period a MAP case is pending?	No		-
17.	Are there any fees charged to taxpayers for a MAP request?	No	-	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
18.	Is there any other information available on availability and access to MAP?	No	-	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
C. Resolution of MAP Cases				
19.	Are there any model timeframes for the steps taken by your competent authority from the receipt of a MAP case to the resolution of the case provided to taxpayers?	No	-	-
20.	Are statistics relating to the time taken to resolve MAP cases publicly available?	Yes	-	-
21.	Is interest or penalties resulting from adjustments made pursuant to a MAP agreement waived or dealt with as part of the MAP procedure?	Yes	-	-
22.	Are the roles and responsibility of the MAP office publicly available, for example, is the mission statement of the MAP office available in the <i>annual</i> report of the organisation?	No	-	-
23.	Is MAP arbitration a mechanism currently available for the resolution of tax treaty related disputes in any of your tax treaties? If not:	Yes	Until now, the mentioned provision has been included in tax treaty with the Netherlands (paragraph 5 of Article 27).	-
a.	<ul style="list-style-type: none"> Are there any legal limitations in your domestic law (for example in your constitution) to include MAP arbitration in your tax treaties? 	No	-	-
b.	<ul style="list-style-type: none"> Does your treaty policy allow you to include MAP arbitration in your tax treaties? 	Yes	-	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
24.	Is the explanation of the relationship between the MAP and domestic law administrative and judicial remedies publicly available? If yes:	No	-	-
a.	<ul style="list-style-type: none"> Does the guidance specifically address whether the competent authority considers that it is legally bound to follow a domestic court decision in the MAP or will not deviate from a domestic court decision as a matter of administrative policy or practice? 	-	-	-
25.	Are taxpayers allowed to request for multi-year resolution through the MAP of recurring issues with respect to filed tax years?	Yes	On condition that such years are audited.	-
26.	Do all your jurisdiction's tax treaties contain a provision which would oblige your jurisdiction to make corresponding adjustments or to grant access to the MAP with respect to the economic double taxation that may otherwise result from a primary transfer pricing adjustment (i.e. is paragraph 2 of Article 9 of the OECD Model Tax Convention or the UN Model Double Taxation Convention included in all of your jurisdiction's tax treaties)?	No	Arbitration convention does not contain such provision.	-
27.	Is there any other information available on resolution of MAP cases?	No	-	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
D. Implementation of MAP Agreements				
28.	Where the agreement reached by your competent authority through the MAP process leads to additional tax to be paid by your taxpayer, is there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for the additional tax to be paid?	No	-	-
29.	Where the agreement reached by your competent authority through the MAP process leads to a refund of the tax due or paid by your taxpayer, are there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for a refund of the tax paid?	No	-	-
30.	Are all mutual agreements reached through MAP implemented notwithstanding any time limits in your domestic law?	Yes	Article 6 of Arbitration Convention.	-
31.	Is there any other information available on the implementation of MAP agreements?	No	-	-

Your jurisdiction	Counterparty	Original/Protocol	Signature	Entry into force
State A	State B	Original	1995	1996
Latvia	<u>Albania</u>	Original	2008	2009
Latvia	<u>Armenia</u>	Original	2000	2002
Latvia	<u>Austria</u>	Original	2005	2008
Latvia	<u>Azerbaijan</u>	Original	2005	2007
Latvia	<u>Belarus</u>	Original	1995	1997
Latvia	<u>Belgium</u>	Original	1999	2004
Latvia	<u>Bulgaria</u>	Original	2003	2005
Latvia	<u>Canada</u>	Original	1995	1996
Latvia	<u>People's Republic of China</u>	Original	1996	1998
Latvia	<u>Protocol amending Latvia – China bilateral tax treaty 07.06.96.</u>	Protocol	2011	2013
Latvia	<u>Croatia</u>	Original	2000	2002
Latvia	<u>Czech Republic</u>	Original	1994	1996
Latvia	<u>Denmark</u>	Original	1993	1994
Latvia	<u>Estonia</u>	Original	2002	2003
Latvia	<u>Finland</u>	Original	1993	1994
Latvia	<u>France</u>	Original	1997	2002
Latvia	<u>Georgia</u>	Original	2004	2006
Latvia	<u>Protocol amending Latvia – Georgia bilateral tax treaty 13.10.04.</u>	Protocol	2012	2013
Latvia	<u>Germany</u>	Original	1997	1999
Latvia	<u>Greece</u>	Original	2002	2006
Latvia	<u>Hungary</u>	Original	2004	2005
Latvia	<u>Iceland</u>	Original	1994	1997
Latvia	<u>India</u>	Original	2012	2014
Latvia	<u>Ireland</u>	Original	1997	1999
Latvia	<u>Israel</u>	Original	2006	2007
Latvia	<u>Italy</u>	Original	1997	2009
Latvia	<u>Amendments to Latvia – Italy bilateral tax treaty 21.05.97.</u>	Verbal notes	2004	2005
Latvia	<u>Kazakhstan</u>	Original	2001	2003
Latvia	<u>Korea</u>	Original	2008	2010
Latvia	<u>Kuwait</u>	Original	2009	2014

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Latvia	<u>Kyrgyzstan</u>	Original	2006	2009
Latvia	<u>Lithuania</u>	Original	1993	1995
Latvia	<u>Luxembourg</u>	Original	2004	2007
Latvia	<u>Macedonia</u>	Original	2006	2008
Latvia	<u>Malta</u>	Original	2000	2001
Latvia	<u>Mexico</u>	Original	2012	2014
Latvia	<u>Moldova</u>	Original	1998	1999
Latvia	<u>Montenegro</u>	Original	2005	2007
Latvia	<u>Morocco</u>	Original	2008	2013
Latvia	<u>Netherlands</u>	Original	1994	1996
Latvia	<u>Norway</u>	Original	1993	1994
Latvia	<u>Poland</u>	Original	1993	1995
Latvia	<u>Portugal</u>	Original	2001	2004
Latvia	<u>Qatar</u>	Original	2014	2016
Latvia	<u>Romania</u>	Original	2002	2003
Latvia	<u>Russia</u>	Original	2010	2013
Latvia	<u>Serbia</u>	Original	2005	2007
Latvia	<u>Singapore</u>	Original	1999	2001
Latvia	<u>Slovakia</u>	Original	1999	2001
Latvia	<u>Slovenia</u>	Original	2002	2003
Latvia	<u>Spain</u>	Original	2003	2005
Latvia	<u>Sweden</u>	Original	1993	1994
Latvia	<u>Switzerland</u>	Original	2002	2003
Latvia	<u>Tajikistan</u>	Original	2009	2010
Latvia	<u>Turkey</u>	Original	1999	2004
Latvia	<u>Turkmenistan</u>	Original	2012	2013
Latvia	<u>Ukraine</u>	Original	1995	1997
Latvia	<u>United Arab Emirates</u>	Original	2012	2014
Latvia	<u>United Kingdom</u>	Original	1996	1997
Latvia	<u>United States of America</u>	Original	1998	2000
Latvia	<u>Uzbekistan</u>	Original	1998	1999