

E-commerce Accounting Checklist

for Online Sellers & E-commerce Businesses in Latvia

Key compliance procedures for e-commerce businesses operating in Latvia:

1. Register your payment platform as a bank account in EDS

 **Deadline:** Within 5 working days after opening the account.

 **Tip:** All payment provider and marketplace accounts (PayPal, Stripe, Wise, Amazon, Shopify Payments, etc.) must be registered in EDS in the same way as traditional bank accounts.

2. Submit a notification of your NACE code (type of activity)

 **Deadline:** Within 1 month of registering your company.

 **Tip:** For retail ecommerce you can use NACE code 47.91.

3. Register VAT

 **Deadline:** VAT registration is required before you do your first services purchase from an EU-based supplier.

 **Tip:** In Latvia any company that is buying services from a supplier based in another EU country is required to register as a VAT payer even if your turnover is below the €50,000 threshold. If you do e-commerce, most likely you fall into this category as most popular service providers, such as Shopify, Amazon, Stripe, Google, Meta are EU-based suppliers. The good news is that for smaller companies a simplified VAT regime was introduced in 2025, however it still requires registration and reporting.

4. Monitor EU B2C sales and register for OSS if needed

 **Deadline:** When sales to individuals in other EU countries exceed €10,000. Declaration submission and VAT payment – once per quarter.

 **Tip:** If your total sales of goods to individuals in other European Union countries exceed €10,000 per year, you must register for the OSS VAT regime.

5. Configure correct VAT rates in your online store under OSS

 **Deadline:** Immediately after OSS registration and before processing new cross-border B2C orders.

 **Tip:** Once OSS is applied, your store (Shopify, WooCommerce, etc.) must apply destination-based VAT rates by customer country, not a single Latvian 21% rate. You should review all tax settings and test sample orders to ensure correct VAT rates per country.

6. Consider IOSS for dropshipping / imports from outside the EU

 **Deadline:** Before starting B2C shipments from outside the EU to EU customers.

 **Tip:** If you ship goods valued up to €150 from outside the EU directly to EU consumers (e.g., classic dropshipping from China), you can use the IOSS scheme. VAT is collected from the customer at checkout and declared monthly, which speeds up customs clearance. In some cases marketplaces use their own IOSS number and act as the deemed supplier.

7. Configure tax and VAT settings in each sales channel

 **Deadline:** Before launching each new sales channel and revisited after any major VAT change.

 **Tip:** For each platform (Shopify, Amazon, Etsy, eBay, etc.), ensure that: your VAT numbers (Latvia, OSS, possibly UK or other countries) are correctly entered; the correct tax profile is assigned to each product; shipping countries and tax rules match your real logistics; and the platform's role as marketplace/deemed supplier is correctly reflected. Wrong tax settings lead directly to VAT under- or over-payments.

8. Assess VAT registration requirements in the UK

 **Deadline:** Before starting sales to UK consumers.

 **Tip:** If you sell goods directly from outside the UK to UK consumers in consignments up to £135, UK rules usually require VAT to be collected at point of sale, often necessitating a UK VAT registration if you are the supplier. Where you sell via a marketplace, the marketplace may be required to collect UK VAT instead. For consignments over £135, import VAT is generally collected at import.

9. Check foreign VAT registration requirements due to warehousing

 **Deadline:** Before placing stock in any foreign warehouse in another EU state.

 **Tip:** If you store goods in another EU country (Amazon FBA, 3PL warehouse), you may need a local VAT registration in that country even if you are using OSS for distance sales.

10. Marketplace vs. own-store VAT responsibilities

 **Deadline:** Before launching each sales channel.

 **Tip:** Identify for each sales channel who is responsible for charging and paying VAT (you vs. marketplace), and ensure accounting reflects this correctly — gross vs. commission-type revenue, VAT on commissions, etc.

11. Payment provider compliance items

 **Deadline:** Ongoing — review monthly.

 **Tip:** Track all payment processing fees (Stripe, PayPal, Shopify Payments, Klarna, etc.) and chargebacks separately for margin analysis and VAT on fees.

Still have questions?

If you're unsure whether your e-commerce business is fully compliant, or you'd like to clarify a specific VAT or accounting situation — we're ready to help on a free 30-minute call.

Free Consultation