

Accounting checklist for new businesses in Latvia

Key procedures to be aware of when registering a company in Latvia:

1. Register your bank account with EDS

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

 **Tip:** You can open an account with a Latvian bank or a foreign credit institution (Revolut, Wise).

2. Register payment systems (PayPal, Stripe, etc.) in EDS

 **Deadline:** Within 5 working days after registration.

 **Tip:** Specify all payment accounts, even if they are currently "test" accounts.

3. Register a physical location (office, workshop, warehouse)

 **Deadline:** Within 10 days of starting work at the address.

 **Tip:** Many people forget to register their home office — but this is mandatory if you actually work from home.

4. Register an online structural unit (website, online store, marketplace account)

 **Deadline:** Within 10 days of starting work at the address.

 **Tip:** A website must be registered if it can be used to purchase something, reserve a service or product, or if it advertises third-party services.

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

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

 **Tip:** Add a few extra codes, even if they are not currently necessary — this will save you time when expanding your business.

6. Sign a contract with an accountant or set up your own accounting records

 **Deadline:** Before the first economic activity (purchase, sale, contract).

 **Tip:** It is better to hire accounting specialists right away to avoid mistakes in your first invoices and tax returns.

7. Appoint a person to submit reports to the EDS

 **Deadline:** Immediately after registering the company.

 **Tip:** If you have an accountant, register their access to the EDS so that they can submit reports.

8. Register as a VAT payer

 **Deadline:** (1) When turnover reaches EUR 50,000 in the current calendar year, or (2) when purchasing goods from the EU for an amount exceeding EUR 10,000. If the turnover is not expected to exceed EUR 55,000 by the end of the year, registration is permitted from January 1 of the following year. (2) If you plan to receive services from companies registered in the EU (e.g., advertising with Google Ads, renting apartments with Airbnb), then before purchasing these services.

 **Tip:** It is better not to wait until the last minute to register, as preparing the documents may take some time.

9. Register for the special VAT regime for small businesses

If your company's turnover in a calendar year is less than EUR 50,000 but you plan to purchase services from companies registered in the EU (e.g., advertising with Google Ads, renting apartments with Airbnb), you can register for a simplified VAT regime designed for small businesses.

 **Deadline:** Before receiving such services.

 **Tip:** This can be a beneficial option if you do not plan to have a turnover exceeding EUR 50,000.

10. Register with the OSS (One-Stop-Shop) system

If your total sales of goods to individuals in other European Union countries (for example, if you have an online store) exceed EUR 10,000 per year, you must register with OSS to declare and pay VAT.

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

11. Open a cash register system (if you accept cash)

 **Deadline:** Before receiving the first cash payment.

 **Tip:** Online stores often only need a virtual cash register (e-cash register), which is cheaper and easier to keep track of.

12. Register employees in the EDS

 **Deadline:** At least 1 day before the employee starts work.

 **Tip:** Don't forget to draw up an employment contract and check the minimum wage/taxes to avoid penalties.

13. Submit employee reports (declarations of wages and contributions)

 **Deadline:** Every month, by the 17th of the previous month.

 **Tip:** Even if the employee has not worked (zero report), the declaration must still be submitted.

14. Regular VAT (VAT) reporting

 **Deadline:** Every month (or every quarter, if permitted) by the 20th.

 **Tip:** If you have transactions with the EU, check the accuracy of your VIES reports — this is a common reason for penalties.

15. Submission of annual reports

 **Deadline:** by May 31th of the following year.

 **Tip:** don't leave it until the last minute — accountants are always very busy in March and April, and you may be fined for late submission.

16. Notification of amounts paid to individuals

 **Deadline:** once a year, by February 1 of the following year.

 **Tip:** this includes not only salaries, but also all payments to individuals (e.g., rent, services under contract). Many entrepreneurs forget to indicate rent — and get fined.

Still have questions?

If you're unsure whether everything is in order for your business, or want to clarify a specific situation — we're ready to look into it and answer your questions on a free 30-minute call.

Free Consultation