

LIMITED LIABILITY COMPANY IN LATVIA – SABIEDRĪBA AR IEROBEŽOTU ATBILDĪBU

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General information

- **Commercial activity in Latvia is mostly regulated by the Commercial Law.**
- **A company may be founded by one or several founders.**
- **A share grants the member the right to participate in the management, in profit distribution of the company and in the division of the assets when the LLC (SIA) goes into liquidation.**
- **The executive body of a company is the board that manages and represents the LLC (SIA).**
- **The council is a supervisory body monitoring the activities of the board. The council is not mandatory for a LLC (SIA).**

General information

- **The minimum amount of equity capital of a limited liability company is 2800 euros, but it may be 1 euro as well.**
- **The legal address of a company shall be the address where the management of the company is located.**
- **There are multiple conditions for the choice of name.**
- **The memorandum of association and the articles of association are the documents of incorporation of a company.**

Steps

- 1) prepare and sign the documents of incorporation of the company;**
- 2) set up the administrative institutions of the company;**
- 3) pay up the equity capital in the specified amount;**
- 4) organize the valuation of material contributions;**
- 5) pay the State fee for entering in the Commercial Register and the payment for the publication concerning making of the entry in the Register;**
- 6) submit an application to the Commercial Register Office.**

Commercial Register

- **Application form KR4 (signatures must be certified);**
- **Memorandum of Association or contract of formation;**
- **Articles of Association;**
- **Bank statement or other document on the payment of the equity (if it is paid up by cash);**
- **Appraisal report (if the equity is paid up by property contribution);**
- **Folio of the shareholders' register;**
- **Consent of each member of the council to hold the office (if a council is established);**
- **Announcement of the board regarding legal address;**
- **Consent of the real property owner to the registration of legal address of the company;**
- **A receipt on the payment of the state fee;**
- **A receipt on the publication in the official gazette «Latvijas Vēstnesis».**



Taxation

- **The micro enterprise tax regime - Companies that register as micro enterprises (Latvian: *mikrouzņēmums*) pay a flat tax rate of 15% of the turnover, provided it doesn't exceed €100,000 a year.**
- **Micro enterprises can employ no more than five people and can only pay salaries of €720 a month or less.**
- **Regular tax regime - Regular LLC (SIA) enterprises pay a corporate income tax of 15% plus social security and other fees for employees.**
- **The LLC (SIA) needs to be registered for VAT (Latvian: PVN).**

NPK	Gads	Reģistrēti	Likvidēti
1	1991	16,289	27
2	1992	37,632	210
3	1993	23,124	556
4	1994	21,488	1,188
5	1995	11,308	1,902
6	1996	9,483	2,295
7	1997	9,465	10,280
8	1998	8,904	10,900
9	1999	8,208	2,438
10	2000	8,002	2,502
11	2001	7,361	2,452
12	2002	6,233	2,704
13	2003	7,606	2,905
14	2004	10,108	4,728
15	2005	10,928	8,555
16	2006	13,404	3,274
17	2007	14,208	11,185
18	2008	11,347	4,765
19	2009	9,228	5,715
20	2010	13,422	8,834
21	2011	18,045	3,921
22	2012	16,891	4,306
23	2013	16,365	4,152
24	2014	14,965	6,401
25	2015	13,484	10,066
26	2016	11,206	12,228
27	2017	10,210	16,480
28	2018	1,324	2,265
	Ierakstu skaits	Summa	
Kopā	28	360,238	147,234

How fast is it possible to found a LLC (SIA) in Latvia?



1-3 working days
Review



162,03 to 481,03 EUR
Costs



Can be done electronically
Submit documents

Advantages

- **It can be passed on as inheritance.**
- **Complete 100% economic activity can be carried out.**
- **It is easier to attract investments and loans.**
- **Traditional business support instruments can be used (ALTUM grants, participation in business incubators etc.)**

THANK YOU FOR YOUR
ATTENTION!
