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

18 March 2004 [shall come into force on 1 May 2004];

29 April 2004 [shall come into force on 1 May 2004];

20 December 2004 [shall come into force on 1 January 2005];

14 April 2005 [shall come into force on 10 May 2005];

10 November 2005 [shall come into force on 1 January 2006];

19 December 2006 [shall come into force on 1 January 2007];

8 November 2007 [shall come into force on 1 January 2008];

14 November 2008 [shall come into force on 29 November 2008];

12 December 2008 [shall come into force on 1 February 2009];

12 June 2009 [shall come into force on 1 July 2009];

24 September 2009 [shall come into force on 23 October 2009];

1 December 2009 [shall come into force on 1 January 2010];

22 April 2010 [shall come into force on 1 May 2010];

25 August 2010 [shall come into force on 28 August 2010];

28 October 2010 [shall come into force on 1 January 2011];

20 December 2010 [shall come into force on 1 January 2011];

14 April 2011 [shall come into force on 1 May 2011];

15 December 2011 [shall come into force on 1 January 2012];

19 September 2013 [shall come into force on 25 September 2013];

6 November 2013 [shall come into force on 1 January 2014];

17 December 2014 [shall come into force on 1 January 2015];

7 May 2015 [shall come into force on 21 May 2015];

18 June 2015 [shall come into force on 1 August 2015];

30 November 2015 [shall come into force on 1 January 2016];

10 December 2015 [shall come into force on 1 January 2016];

5 May 2016 [shall come into force on 8 June 2016];

23 November 2016 [shall come into force on 1 January 2017];

9 March 2017 [shall come into force on 1 April 2017];

27 July 2017 [shall come into force on 1 January 2018];

25 October 2018 [shall come into force on 1 January 2019];

8 July 2019 [shall come into force on 12 July 2019];

17 October 2019 [shall come into force on 19 November 2019];

6 February 2020 [shall come into force on 1 May 2020];

20 February 2020 [shall come into force on 27 February 2020];

24 November 2020 [shall come into force on 1 January 2021];

17 December 2020 [shall come into force on 1 February 2021];

21 October 2021 [shall come into force on 1 January 2022];

14 July 2022 [shall come into force on 20 July 2022];

13 October 2022 [shall come into force on 13 February 2023].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted

and the President has proclaimed the following law:

**On Excise Duties**

**Chapter I**

**General Provisions**

**Section 1. Terms Used in this Law**

(1) Terms used in this Law correspond to the terms used in the law On Taxes and Fees and the Handling of Alcoholic Beverages Law, unless otherwise specified by this Law.

(2) The following terms are also used in this Law:

1) **excise goods**– alcoholic beverages, tobacco products, oil products, non-alcoholic beverages, coffee, natural gas, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products;

2) **excise duty stamp**– an excise duty stamp of alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products which is attached to the packaging of alcoholic beverages (a bottle or other packaging) or the packaging unit of tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products and which certifies that the abovementioned marked products are of legal origin and that these products are under State control in conformity with the specified rules for payment of excise duty. For tobacco products, the excise duty stamp shall also perform functions of a security element;

21) **damaged excise duty stamp**– an excise duty stamp which has become unusable in the production, treatment, processing, prepacking, or marking process of alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products;

22) **invalid excise duty stamp**– an excise duty stamp for which in the production process thereof defects have appeared and therefore it may not be used for the marking of alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products;

23) **unused excise duty stamp**– an excise duty stamp which the payer of duty has received but has not attached to the packaging unit of alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products;

3) **duty suspension arrangement**– deferment of excise duty payment in relation to producing, processing, storing, and movement of excise goods and other activities in accordance with the law;

4) **Member State**– any European Union Member State;

41) **territory of a Member State**– the territory of any European Union Member State in which agreements are applied in accordance with Articles 349 and Article 355 of the Treaty on the Functioning of the European Union, except for third territories;

42) **territory of the Union**– territories of Member States;

5) **maximum retail selling price**– the price of cigarettes (including all taxes) which is indicated (printed) on the excise duty stamp attached to the packaging unit of cigarettes or also indicated (printed) on the packaging unit of cigarettes and which conforms to the price determined for particular cigarettes by recipients of excise duty stamps upon ordering of excise duty stamps for these cigarettes;

6) **weighted average retail selling price**– the maximum retail selling price of cigarettes specified in a relevant time period, taking into account the total value of cigarettes released for consumption and released into free circulation, and the number of cigarettes;

7) **tax warehouse**– a place where an approved warehousekeeper produces, processes, stores, brings in, receives, dispatches, or performs other activities with excise goods, applying duty suspension arrangement;

8) **importer**– a person who, in accordance with Article 201 of Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (hereinafter – Council Regulation No 952/2013), declares excise goods for the customs procedure – release into free circulation – brought in the Republic of Latvia from a foreign country other than a Member State, or from the territory referred to in Section 2, Paragraph 3.1 of this Law;

9) **approved warehousekeeper**– a person having the right to keep a tax warehouse in the ownership or possession thereof;

10) **registered consignee**– a person who does not have the status of an approved warehousekeeper but who has the right to receive alcoholic beverages, tobacco products, or oil products from another Member State or from a registered consignor and an approved warehousekeeper in the Republic of Latvia, applying the duty suspension arrangement thereto;

11) **temporary registered consignee**– a person who does not have the status of an approved warehousekeeper but who has the right to perform one specific operation – the single receipt of a specific alcoholic beverage, tobacco product, or oil products from another Member State or from a registered consignor and an approved warehousekeeper in the Republic of Latvia, applying the duty suspension arrangement thereto;

12) [13 October 2022];

121) **consignor in distance selling**– a person who performs an independent economic activity and dispatches, in accordance with Sections 11.1and 26.1of this Law, from the territory of one Member State alcoholic beverages, non-alcoholic beverages, and coffee which have already been released for consumption in the territory of this Member State to the territory of another Member State to such natural person who does not have the status of an approved warehousekeeper, a registered consignee, a temporary registered consignee, a certified consignee, or temporary certified consignee and who does not perform an independent economic activity;

122) **representative of the payer of the duty**– a person who is assigned by the consignor in distance selling of another Member State and who, in accordance with Sections 11.2and 26.1of this Law, is responsible for the payment of the excise duty in the Republic of Latvia and conforms to any other requirements specified in this Law for alcoholic beverages, non-alcoholic beverages, and coffee which have already been released for consumption in the territory of another Member State and which are supplied by the consigner in distance selling of another Member State from the territory of this Member State to such natural person in the Republic of Latvia who does not have the status of an approved warehousekeeper, a registered consignee, a temporary registered consignee, a certified consignee, or temporary certified consignee and who does not perform an independent economic activity;

13) [1 December 2009];

14) **guarantee**– excise duty guarantee by which the submitter thereof undertakes to pay excise duty for excise goods in accordance with this Law if the appropriate person fails to fulfil the requirements laid down in the Law;

15) **independent small beer producer**– a beer producer which is legally and economically independent from other beer producers and uses premises that are located separately from premises of other beer producers, and the produced volume of beer of which does not exceed 50 thousand hectolitres per year in the Republic of Latvia or the volume specified in a relevant Member State;

151) **independent medium wine producer** – a wine producer which is legally and economically independent from other wine producers and uses premises that are located separately from premises of other wine producers, and the produced volume of wine of which does not exceed 100 hectolitres per year in the Republic of Latvia or the volume specified in a relevant Member State;

152) **independent medium fermented beverage producer** – a fermented beverage producer which is legally and economically independent from other fermented beverage producers and uses premises that are located separately from premises of other fermented beverage producers, and the produced volume of fermented beverages of which does not exceed 1500 hectolitres per year in the Republic of Latvia or the volume specified in a relevant Member State;

153) **independent medium intermediate product producer** – an intermediate product producer which is legally and economically independent from other intermediate product producers and uses premises that are located separately from premises of other intermediate product producers, and the produced volume of intermediate products of which does not exceed 80 hectolitres per year in the Republic of Latvia or the volume specified in a relevant Member State;

16) **registered consignor**– a person who has the right to only dispatch alcoholic beverages, tobacco products, or oil products, applying the duty suspension arrangement, when releasing them into free circulation in accordance with Article 201 of Council Regulation No 952/2013 to a tax warehouse in the Republic of Latvia or another Member State, to a registered consignee in the Republic of Latvia or another Member State, or to a temporary registered consignee in the Republic of Latvia or another Member State;

17) **liquid to be used in electronic smoking devices and ingredients for the preparation of liquid to be used in electronic smoking devices**– liquid which is used in disposable and rechargeable electronic smoking devices or is used in order to fill up an electronic smoking device, and which contains or does not contain nicotine, and also ingredients for the preparation of such liquid;

18) **tobacco substitute product**– a product which contains or does not contain nicotine, which is not means of medical treatment, a tobacco product, a herbal product for smoking, a smokeless tobacco product, liquid to be used in electronic smoking devices or ingredient for the preparation of liquid to be used in electronic smoking devices and which is intended to be used similarly or for similar purposes as tobacco products, herbal products for smoking, smokeless tobacco products, or liquid to be used in electronic smoking devices;

19) **illegal importation**– bringing in of such excise goods in the territory of the Union which have not been released for free circulation in accordance with Article 201 of Council Regulation No 952/2013 and in respect of which, in accordance with Article 79(1) of the respective Regulation, customs debt has been or would have been incurred if the customs duty was applied to the goods;

20) **certified consignor**– a person who has the right to dispatch alcoholic beverages, tobacco products, or oil products which have been released for consumption in the territory of one Member State to a certified consignee or temporary certified consignee in the territory of another Member State for commercial purposes or its own needs in accordance with Sections 9.2 and 26 of this Law;

21) **temporary certified consignor**– a person who has the right to one specific activity – to dispatch specific alcoholic beverages, tobacco products, or oil products which have been released for consumption in the territory of one Member State to a certified consignee or temporary certified consignee in the territory of another Member State for commercial purposes or its own needs in accordance with Sections 9.2 and 26 of this Law;

22) **certified consignee**– a person who has the right to receive, for commercial purposes or its own needs, alcoholic beverages, tobacco products, or oil products which have been released for consumption in the territory of another Member State from a certified consignor or temporary certified consignor of another Member State in accordance with Sections 9.3 and 26 of this Law;

23) **temporary certified consignee**– a person who has the right to one specific activity – to receive, for commercial purposes or its own needs, specific alcoholic beverages, tobacco products, or oil products which have been released for consumption in the territory of another Member State from a certified consignor or temporary certified consignor of another Member State in accordance with Sections 9.3 and 26 of this Law;

24) **Member State of destination**– the Member State to which it is intended to supply or in which it is intended to use the excise goods.

[*20 December 2004; 14 April 2005; 19 December 2006; 14 November 2008; 1 December 2009; 28 October 2010; 30 November 2015; 5 May 2016; 9 March 2017; 25 October 2018; 24 November 2020; 21 October 2021; 13 October 2022*]

**Section 2. Scope of Application of this Law**

(1) This Law prescribes the procedures by which the excise duty (hereinafter – the duty) shall be imposed on excise goods, and it applies to excise goods regardless of their origin with which the activities specified by law in the Republic of Latvia are performed.

(11) The duty shall be imposed on the excise goods in the following cases:

1) the goods are manufactured, brought in, or received from another Member State;

2) the goods are imported or brought in illegally.

(12) The duty shall become collectible at the moment when goods are released for consumption in the Republic of Latvia.

(13) Release of the excise goods for consumption shall be understood as the following:

1) the departure of excise goods, including irregular departure, from a duty suspension arrangement;

2) the storage of such excise goods, including cases of irregularity, outside a duty suspension arrangement where the duty has not been collected in accordance with this Law;

3) the production of excise goods, including processing, of excise goods and irregular production or processing, outside a duty suspension arrangement;

4) the importation of excise goods, unless the excise goods are placed, immediately upon importation, under a duty suspension arrangement, or the irregular entry of excise goods, unless the customs debt was extinguished in accordance with Article 124(1)(e), (f), (g), and (k) of Council Regulation No 952/2013. If the customs debt was extinguished in accordance with Article 124(1)(e) of Council Regulation No 952/2013, Section 33, Paragraph seven of this Law shall be applicable.

(2) Certain provisions of this Law shall not be applicable to the activities involving the following:

1) non-alcoholic beverages and coffee – Section 8, Paragraph five, Section 20, Paragraph two, Clause 1, Sub-clause “a”, Section 25, Paragraphs one, two, three, four, five, six, seven, eight, nine, and ten, and Sections 26, 31, and 32 of this Law;

2) natural gas – Section 2, Paragraphs six and seven, Section 8, Paragraph five, Section 20, Paragraph two, Clause 1, Sub-clause “a”, Section 25, except for Paragraphs seventeen and eighteen thereof, Section 26, except for Paragraph eleven thereof, and Sections 31 and 32 of this Law;

3) food supplements which contain ethyl alcohol and which are registered, distributed, sold, processed, and supplied in accordance with the laws and regulations regarding the mandatory safety and labelling requirements for food supplements and the procedures for the registration of food supplements – Section 2, Paragraphs six and seven, and Sections 8, 20, 25, 26, 27, 31, and 32 of this Law;

4) liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products – Section 8, Paragraph five, Section 20, Paragraph two, Clause 1, Sub-clause “a”, Section 25, Paragraphs one, two, three, four, five, six, seven, eight, nine, and ten, and Sections 31 and 32 of this Law.

(21) The provisions of this Law (including regarding the payment of duty, submission of documents and others) shall not apply to the storage, movement, and destruction of such excise goods which are real evidence or attached property in a criminal proceeding, removed property in an administrative offence case or property falling within the jurisdiction of the State.

(3) The conditions of this Law regarding the movement of excise goods from other Member States or to other Member States shall also be applied to the following countries and territories:

1) the Principality of Monaco (transactions with this territory shall be deemed to be transactions which have been commenced in the French Republic or are intended for it);

2) Jungholz and Mittelberg (Kleines Walsertal) (transactions with this territory shall be deemed to be transactions which have been commenced in the Federal Republic of Germany or are intended for it);

3) [21 October 2021]

4) San Marino (transactions with this territory shall be deemed to be transactions which have been commenced in Italian Republic or are intended for it);

5) the United Kingdom territories of the Sovereign Base Areas of Akrotiri and Dhekelia (transactions with these territories shall be deemed to be transactions which have been commenced in Cyprus or are intended for it);

6) the customs territory in the Northern Ireland of the United Kingdom of Great Britain and Northern Ireland in accordance with Article 8 of Protocol on Ireland/Northern Ireland to the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community.

(31) The provisions of this Law regarding the movement of excise goods from other Member States or to other Member States shall not be applied to the following territories:

1) Federal Republic of Germany – to the Island of Heligoland and the territory of Buesingen;

2) Italian Republic – to Livigno;

3) Kingdom of Spain – to Ceuta, Melilla, and the Canary Islands;

4) French Republic – to the overseas departments of the French Republic, including Mayotte);

5) Republic of Finland – to the Åland Islands;

6) [21 October 2021].

(4) The conditions of this Law for the storage of excise goods, duty suspension arrangement, movement, dispatch, receipt, production, treatment, processing, prepacking, blending of oil products, excise duty stamps, and the need for special permits (licences) and guarantee shall not apply to excise goods which are imported in the customs territory of the Union in temporary storage, free zones, or free warehouses or to which the specific procedures referred to in Article 210 of Council Regulation No 952/2013 are applied, or which have the status of non-Union goods in accordance with the definition laid down in Article 5(24) of Council Regulation No 952/2013.

(41) The conditions laid down in accordance with Council Regulation No 952/2013 in respect of bringing in of excise goods in the territory of the Union or bringing out thereof from the territory of the Union shall also apply to the following territories:

1) the Canary Islands;

2) the French territories referred to in Articles 349 and 355(1) of the Treaty on the Functioning of the European Union;

3) the Åland Islands;

4) the Channel Islands.

(5) [1 December 2009]

(6) A special permit (licence) shall be required for the following specific activities with excise goods:

1) activities of an approved warehousekeeper;

2) activities of a registered consignee with alcoholic beverages, tobacco products, or oil products;

3) activities of a registered consignor with alcoholic beverages, tobacco products, or oil products;

4) wholesale trade of alcoholic beverages, tobacco products, or oil products;

5) retail trade of alcoholic beverages, tobacco products, or oil products;

6) [22 April 2010].

(61) A special permit (licence) shall be necessary for the following activities with natural gas:

1) the activities of an approved warehousekeeper with natural gas (including liquefied natural gas and compressed natural gas) if natural gas is not transported through natural gas transmission and distribution system pipelines (hereinafter – the warehousekeeper approved for activities with natural gas);

2) for the retail trade of natural gas as a fuel.

(7) The Cabinet shall determine procedures for the circulation of excise goods, including:

1) the procedures for issuing, re-registering, cancelling, suspending, and using a licence, and also the procedures by which a permit for the movement, sale, or destruction of the remainders of excise goods shall be issued, the rate of the State fee and the procedures for paying for the issue and re-registration of the special permit (licence);

2) other requirements for the activities of an approved warehousekeeper, registered consignor, and registered consignee;

3) requirements for the activities of an importer and a temporary registered consignee;

31) requirements for the activities of a certified consignor, a temporary certified consignor, a certified consignee, and a temporary certified consignee;

4) other requirements in accordance with this Law.

(71) The Cabinet shall determine the procedures for the circulation of natural gas, including:

1) the procedures for the issue, re-registration, cancellation, and use of the special permit (licence) for activities with natural gas, and also the rate of the State fee and the payment procedures for the issue and re-registration of the special permit (licence);

2) the procedures by which a combined natural gas transmission and storage system operator and natural gas distribution system operator provide information to the State Revenue Service on indicators of the circulation of natural gas.

(8) Contestation or appeal of an unfavourable decision in relation to the re-registration, suspension, or cancellation of such licences or certain conditions thereof, permits, attestations, certificates, or statements which are provided for in the laws and regulations issued on the basis of the law shall not suspend the operation of such decision.

(9) A favourable decision to issue or re-register a special permit (licence) shall not be issued in writing but the special permit (licence) shall be issued. If the decision to cancel the special permit (licence) has been taken on the basis of a submission of a taxpayer, such decision shall not be issued in writing but a notification regarding the taken decision shall be sent to the taxpayer.

(10) A person shall communicate with the State Revenue Service electronically via the Electronic Declaration System of the State Revenue Service unless it has been laid down otherwise in this Law and other laws.

[*18 March 2004; 20 December 2004; 19 December 2006; 12 December 2008; 1 December 2009; 22 April 2010; 14 April 2011; 30 November 2015; 5 May 2016; 9 March 2017; 25 October 2018; 6 February 2020; 24 November 2020; 21 October 2021; 13 October 2022*]

**Chapter II**

**Taxable Objects**

**Section 3. Taxable Alcoholic Beverages**

(1) The following alcoholic beverages shall be taxable:

1) beer;

2) wine;

3) fermented beverages;

4) intermediate products;

5) other alcoholic beverages referred to in Paragraph six of this Section.

(2) Beer is a fermented alcoholic beverage produced from malt and water by adding hops with absolute alcohol content exceeding 0.5 per cent by volume which is classified within Annex 1 to Combined Nomenclature that has been determined in Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (hereinafter – the Combined Nomenclature) under the code 2203, and also beer beverages containing a mixture of beer and non-alcoholic beverages or the components thereof with absolute alcohol content exceeding 0.5 per cent by volume which are classified within the Combined Nomenclature under the code 2206.

(3) The following shall be deemed to be wine:

1) still wine – a product which is classified within the Combined Nomenclature under the codes 2204 and 2205 only if it has been acquired by fermenting natural wine materials, if the actual alcoholic strength in it exceeds 1.2 per cent by volume but does not exceed 18 per cent by volume and the alcohol contained in the finished product is entirely of fermented origin;

2) sparkling wine – a product which is classified within the Combined Nomenclature under the codes 2204 10, 2204 21 06, 2204 21 07, 2204 21 08, 2204 21 09, 2204 29 10, and 2205 only if it has been acquired by fermenting natural wine materials if the actual alcoholic strength in it exceeds 1.2 per cent by volume but does not exceed 15 per cent by volume and the alcohol contained in the finished product is entirely of fermented origin. The product has an excess pressure in liquid (three bars or more) due to the presence of carbon dioxide and it is filled in bottles with specially fastened mushroom stoppers or in other packaging.

(4) The following shall be deemed to be fermented beverages:

1) still fermented beverages – products (except for wine and beer) which are classified within the Combined Nomenclature under the codes 2204, 2205, and 2206 only if the actual alcoholic strength exceeds 1.2 per cent by volume but does not exceed 15 per cent by volume and the alcohol contained in the finished product is entirely of fermented origin;

2) sparkling fermented beverages – products (except for wine and beer) which are classified within the Combined Nomenclature under the codes 2206 00 31 and 2206 00 39, and also within the Combined Nomenclature under the codes 2204 10, 2204 21 06, 2204 21 07, 2204 21 08, 2204 21 09, 2204 29 10, and 2205 only if the actual alcoholic strength in it exceeds 1.2 per cent by volume but does not exceed 15 per cent by volume and the alcohol contained in the finished product is entirely of fermented origin. The products have an excess pressure in liquid (three bars or more) due to the presence of carbon dioxide and these products are filled in bottles with specially fastened mushroom stoppers or in other packaging.

(5) Intermediate products shall be deemed to be products (except for wine and fermented beverages) which are classified within the Combined Nomenclature under the codes 2204, 2205, and 2206 only if the basic raw material thereof is wine or fermented beverages and the actual alcoholic strength exceeds 1.2 per cent by volume but does not exceed 22 per cent by volume.

(6) The following shall be deemed to be other alcoholic beverages:

1) alcohol – a product classified within the Combined Nomenclature under the codes 2207, 2208 90 91 0, and 2208 90 99 0;

2) products classified within the Combined Nomenclature under the code 2208 in which the actual alcoholic strength exceeds 1.2 per cent by volume, except for alcohol;

3) products classified within the Combined Nomenclature under the codes 2204, 2205, and 2206 in which the actual alcoholic strength exceeds 1.2 per cent by volume but which do not meet the conditions specified in Paragraphs three, four and five of this Section;

4) any other food products in which the actual alcoholic strength exceeds 1.2 per cent by volume, except for those specified in Paragraphs two, three, four, and five of this Section and Clauses 1, 2, and 3 of this Paragraph.

(7) The Cabinet shall issue regulations regarding the use of alcoholic beverages for the production of such food supplements which are registered, distributed, sold, processed, and supplied in accordance with the laws and regulations regarding the mandatory safety and labelling requirements for food supplements and the procedures for the registration of food supplements.

[*20 December 2004; 14 November 2008; 14 April 2011; 6 February 2020; 21 October 2021*]

**Section 4. Taxable Tobacco Products**

(1) The following tobacco products shall be taxable:

1) cigars and cigarillos;

2) cigarettes;

3) smoking tobacco:

a) fine-cut tobacco intended for the rolling of cigarettes;

b) other smoking tobacco;

4) tobacco leaves;

5) heated tobacco.

(2) The following tobacco products shall be deemed to be cigars and cigarillos (if they can only be smoked as they are, using combustion process):

1) rolls of tobacco with an outer wrapper of natural tobacco;

2) rolls of tobacco with a filling of fine-cut mixed tobacco and with a reconstituted tobacco outer wrapper of the normal colour of a cigar which fully covers the product and, where appropriate, also the filter thereof (but not the mouthpiece, if any) and:

a) the weight of the product, not including filter or mouthpiece, is not less than 2.3 grams and not more than 10 grams and the outer measurement of the product is not less than 34 millimetres at least for a third of its length (cigar);

b) the weight of the product, not including filter or mouthpiece, is not less than 2.3 grams and not more than 3 grams and the outer measurement of the product is not less than 34 millimetres at least for a third of its length (cigarillo).

(21) [14 April 2011]

(3) The following tobacco products shall be deemed to be cigarettes (if they are used, using combustion process):

1) rolls of tobacco which may be smoked as they are and which are not cigars or cigarillos;

2) rolls of tobacco which have not undergone industrial processing and are inserted into cigarette-paper tubes;

3) rolls of tobacco which have not undergone industrial processing and are wrapped in cigarette paper.

(4) The following shall be deemed to be smoking tobacco:

1) cut or otherwise split tobacco which has been twisted or pressed into blocks and which may be smoked without further industrial processing;

2) tobacco refuse which is not referred to in Paragraphs two and three of this Section and which may be smoked. Tobacco leaf refuse and by-products which have been acquired by processing tobacco and producing tobacco products shall be considered as tobacco refuse.

(5) Smoking tobacco referred to in Paragraph four of this Section in which at least 25 % by weight are cut or otherwise split tobacco leaves or tobacco substitute particles which are narrower than 1.5 millimetres shall be deemed to be fine-cut tobacco for the rolling of cigarettes.

(6) Products only partially consisting of tobacco, but otherwise conforming to the conditions of Paragraph two of this Section shall be deemed to be cigars or cigarillos.

(7) Products consisting in whole or partially of plants, herbs, fruit, or substances other than tobacco (herbal products for smoking), but otherwise conforming to the conditions of Paragraph three or four of this Section shall be deemed to be cigarettes or smoking tobacco respectively.

(8) Products in the composition of which is not tobacco and which are used only for medicinal purposes, which is certified by the State Agency of Medicines, shall not be deemed to be tobacco products.

(9) The following shall be deemed to be tobacco leaves:

1) tobacco leaves and other raw materials for production of tobacco products which are classified in Item 2401 10 or 2401 20 of goods of the Combined Nomenclature;

2) homogenized or reconstituted tobacco which conforms to Code 2403 91 00 of the Combined Nomenclature.

(10) Industrially processed tobacco which has been prepared in order to discharge vapour containing nicotine, without using combustion process, shall be deemed to be heated tobacco.

[*19 December 2006; 14 November 2008; 28 October 2010; 14 April 2011; 17 December 2014; 30 November 2015; 5 May 2016*]

**Section 4.1 Taxable Liquid to be Used in Electronic Smoking Devices and Ingredients for the Preparation of Liquid to be Used in Electronic Smoking Devices**

(1) Liquid to be used in disposable and rechargeable electronic smoking devices shall be taxable.

(2) Ingredients for the preparation of liquid to be used in electronic smoking devices (for example, propylene glycol, aromatic ingredients, vegetable glycerine, nicotine extracts, and other substances) which are used to prepare the liquid to be used in electronic smoking devices shall be taxable.

[*24 November 2020; 21 October 2021*]

**Section 4.2 Taxable Tobacco Substitute Products**

Tobacco substitute products shall be taxable.

[*24 November 2020*]

**Section 5. Taxable Oil Products**

(1) Oil products, the substitute products and components thereof, and also other products consisting in whole or partially of hydrocarbons shall be taxable.

(2) Taxable oil products which are classified within the Combined Nomenclature under the codes 27 and 29, and also other Combined Nomenclature groups are specified in the Annex to this Law.

(3) Other products (irrespective of the fact in which Combined Nomenclature group these products have been included), which are not referred to in the Annex to this Law if the products referred to are sold or intended for sale, are used or are intended for dual use or as fuel, heating fuel or the substitute product or component thereof shall also be taxable.

(31) Products shall be dual used, if they are used both as heating fuel and for other purposes that are not use as fuel or heating fuel. The use of products for chemical reduction, in electrolytic or in metallurgical processes shall be considered as dual use.

(4) Paragraph three of this Section shall not apply to biogas and other gaseous hydrocarbons of biological origin, coal, peat or other similar solid products. Paragraph three of this Section shall also not apply to products which are dual used, if they are not referred to in the regulatory enactment issued on the basis of the delegation specified in Paragraph five of this Section.

(5) The products referred to in Paragraph three of this Section which in accordance with Section 18, Paragraph one, Clause 1 of this Law are supplied and used for other purposes and not for fuel or heating fuel or are supplied and dual used, in accordance with Section 18, Paragraph one, Clause 6 of this Law, shall be subject to the conditions for movement and control of excise goods provided for in this Law in the cases and in accordance with the procedures stipulated by the Cabinet.

[*20 December 2004; 19 December 2006; 14 November 2008; 12 June 2009; 1 December 2009; 6 November 2013*]

**Section 6. Taxable Non-alcoholic Beverages and Coffee**

(1) The taxable object shall be non-alcoholic beverages – water and mineral water with added sugar, other sweetener or flavouring, and other non-alcoholic beverages, as well as other beverages not conforming to the definition of alcoholic beverages referred to in this Law, except for fruit and vegetable juice and nectar, beverages which contain not less than 10 per cent of juice (except for fruit juices made of concentrate), not more than 10 per cent of added sugar and which do not contain food additives and flavourings, natural water and mineral water, water enriched with minerals and vitamins, and without added sugar, other sweetener or flavouring.

(2) The taxable object shall be coffee – ground or not ground, roasted or not roasted, with caffeine or decaffeinated, which is classified within the Combined Nomenclature under the code 0901, and also coffee extracts, essences, and concentrates and products based on such extracts, essences, or concentrates or on coffee which is classified within the Combined Nomenclature under the codes 210 111 or 210 112.

[*14 April 2011; 15 December 2011; 30 November 2015*]

**Section 6.1 Taxable Natural Gas**

(1) Natural gas which conforms to the Combined Nomenclature Codes 2711 11 00 and 2711 21 00 and is supplied to end users shall be taxable, except for the cases specified in this Law.

(2) Natural gas which is used as follows by an end user shall not be taxable:

1) which is used for purposes other than fuel or heating fuel;

2) which is dual used, in accordance with the conditions referred to in Section 5, Paragraph 3.1 of this Law;

3) which is used for mineralogical processes conforming to the economic activities referred to in Section C “Manufacturing”, Division 23 “Manufacture of other non-metallic mineral products” of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (hereinafter – Regulation No 1893/2006).

(3) [6 February 2020]

(4) Paragraph two, Clause 1 of this Section shall also apply to natural gas which is used in the combined natural gas transmission and storage system and for ensuring the technological needs of the natural gas transmission, storage, or distribution system.

(5) The Cabinet shall determine the procedures by which:

1) the duty shall be imposed on the natural gas referred to in Paragraph one of this Section;

2) the duty shall not be imposed on the natural gas referred to in Paragraph two of this Section;

3) [6 February 2020].

[*9 March 2017; 6 February 2020; 21 October 2021*]

**Chapter III**

**Taxpayers**

**Section 7. Types of Payers of the Duty**

Payers of the duty shall be:

1) an importer;

2) an approved warehousekeeper in the cases laid down in this Law;

21) the warehousekeeper approved for activities with natural gas;

3) a registered consignor, a registered consignee, a temporary registered consignee, a certified consignee, or a temporary certified consignee in the cases laid down in this Law;

31) a consignor in distance selling of another Member State or a representative of the payer of the duty in the cases laid down in this Law;

4) a person who brings into the Republic of Latvia or receives from the territory of another Member State the excise goods which have already been released into free circulation or released for consumption in the territory of another Member State;

5) [13 October 2022];

51) a natural gas trader, a public trader, and an operator or natural gas distribution system operator, if the abovementioned persons supply natural gas to end users, or an end user of natural gas who imports natural gas for own consumption into the Republic of Latvia;

52) a person who purchases natural gas in another Member State, brings in, and sells it in retail as fuel;

53) [13 October 2022];

6) other persons in accordance with this Law.

[*1 December 2009; 30 November 2015; 9 March 2017; 25 October 2018; 21 October 2021; 13 October 2022*]

**Section 8. Approved Warehousekeeper**

(1) An approved warehousekeeper may operate with excise goods in the tax warehouse, applying the duty suspension arrangement thereto.

(2) The approved warehousekeeper shall record, register, and be liable for any activities involving excise goods in the tax warehouse.

(3) Excise goods which are in the tax warehouse shall be subject to the duty suspension arrangement. Until the time when the duty for excise goods is paid or the goods are exempted from payment of the duty in accordance with this Law, a guarantee shall be submitted. A guarantee need not be submitted for non-alcoholic beverages, coffee, natural gas, liquid to be used in electronic smoking devices, and tobacco substitute products.

(4) The following activities shall only be permitted in the tax warehouse:

1) production, treatment and processing of excise goods;

2) prepacking of excise goods;

3) mixing of oil products (including mixing with other substances) and any other activities with oil products resulting in a change of the operating, physical or chemical properties thereof and as a result of which the acquired product is a taxable object;

4) storage of excise goods, applying the duty suspension arrangement to the excise goods;

5) other activities not referred to in Clauses 1, 2, 3, and 4 of this Paragraph, applying the duty suspension arrangement to the excise goods.

(5) In order to establish and hold a tax warehouse, the general guarantee specified in Section 31 of this Law shall be submitted.

[*1 December 2009; 22 April 2010; 30 November 2015; 21 October 2021; 13 October 2022*]

**Section 9. Registered Consignee and Temporary Registered Consignee**

(1) A registered consignee and a temporary registered consignee may receive excise goods from another Member State, a registered consignor in the Republic of Latvia, and an approved warehousekeeper in the Republic of Latvia, applying the duty suspension arrangement thereto. An approved warehousekeeper of another Member State or a registered consignor of another Member State may authorise a registered consignee or a temporary registered consignee in the Republic of Latvia to order and receive excise duty stamps, and in this case the authorised registered consignee or the temporary registered consignee shall be responsible for payment of the duty.

(2) The registered consignee and the temporary registered consignee shall be responsible for payment of the duty in accordance with this Law.

(3) The registered consignee and the temporary registered consignee do not have the right to store, dispatch, or carry out other activities with excise goods, applying the duty suspension arrangement thereto.

(4) Prior to the commencement of activities of a registered consignee the general guarantee specified in Section 31 of this Law shall be submitted. In order for a temporary registered consignee to be able to carry out activities with excise goods, the one-time guarantee specified in Section 31 of this Law shall be submitted in advance.

(5) The registered consignee and the temporary registered consignee shall record, register, and be liable for all excise goods received thereby.

(6) If the registered consignee and the temporary registered consignee bring into the Republic of Latvia excise goods to be marked with excise duty stamps, they shall be marked with excise duty stamps at the time of being brought in in accordance with the provisions of Section 27, Paragraph one of this Law.

[*1 December 2009; 21 October 2021*]

**Section 9.1 Registered Consignor**

(1) A registered consignor shall only be permitted to dispatch excise goods, applying the duty suspension arrangement thereto, when the excise goods are released into free circulation.

(2) The registered consignor shall be responsible for payment of the duty in accordance with this Law.

(3) The registered consignor does not have the right to store or carry out other activities with excise goods, applying the duty suspension arrangement thereto.

(4) Prior to the commencement of activities of a registered consignor the general guarantee specified in Section 31 of this Law shall be submitted.

(5) The registered consignor shall record, register, and be liable for all excise goods which are dispatched.

[*1 December 2009* / *Section shall come into force on 1 April 2010. See Paragraph 41 of Transitional Provisions*]

**Section 9.2 Certified Consignor and Temporary Certified Consignor**

(1) A certified consignor and a temporary certified consignor may dispatch the excise goods (alcoholic beverages, tobacco products, or oil products) which have been released for consumption in the Republic of Latvia only to a certified consignee and a temporary certified consignee in the territory of another Member State.

(2) Activities of the certified consignor and temporary certified consignor involving the relevant type of excise goods may be performed by the following:

1) a wholesaler;

2) a retailer;

3) a person other than a wholesale or retail trader of alcoholic beverages who dispatches a specific quantity of alcoholic beverages which has been released for consumption in the Republic of Latvia to a certified consignee or temporary certified consignee of another Member State to supplement a private collection of alcoholic beverages thereof, and Section 26.1 of this Law does not apply to the dispatch of excise goods;

4) an approved warehousekeeper;

5) a registered consignee.

(3) Prior to dispatching excise goods from the Republic of Latvia, the person referred to in Paragraph two of this Section shall register with the State Revenue Service as a certified consignor or a temporary certified consignor.

[*13 October 2022*]

**Section 9.3 Certified Consignee and Temporary Certified Consignee**

(1) A certified consignee and a temporary certified consignee have the right to receive, for commercial purposes or their own needs, excise goods (alcoholic beverages, tobacco products, or oil products) which have been released for consumption in the territory of another Member State only from a certified consignor or temporary certified consignor of another Member State.

(2) Activities of a certified consignee and a temporary certified consignee involving the relevant type of excise goods may be performed by the following:

1) a wholesaler;

2) a retailer;

3) a person who receives excise goods to use them for his or her own needs, a presentation, or at an exhibition, and Section 21, Paragraph three and Section 26.1 of this Law do not apply to the dispatch of excise goods;

4) an approved warehousekeeper;

5) a registered consignee.

(3) The person referred to in Paragraph two, Clause 3 of this Section shall also be understood as a natural person who receives a specific quantity of alcoholic beverages from a certified consignor or temporary certified consignor of another Member State for personal consumption or to supplement its private collection of alcoholic beverages.

(4) Before a certified consignor or a temporary certified consignor sends excise goods to the Republic of Latvia, the certified consignee shall provide the general guarantee specified in Section 31 of this Law and the temporary certified consignee shall provide the one-time guarantee specified in Section 31 of this Law.

[*13 October 2022*]

**Section 10. Distance Seller**

[13 October 2022]

**Section 11. Representative of the Payer of the Duty**

[1 December 2009 / See Paragraph 41 of Transitional Provisions]

**Section 11.1 Consignor in Distance Selling**

(1) A consignor in distance selling shall be required to have the special permit (licence) for the retail trade of alcoholic beverages in accordance with Section 2, Paragraph six, Clause 5 of this Law.

(2) A consignor in distance selling shall separately record, register excise goods which are dispatched to the territory of another Member State in accordance with Section 26.1, Paragraph one of this Law and shall be liable for all such goods.

(3) A consignor in distance selling who is engaged in distance selling of alcoholic beverages shall comply with the requirements laid down in the Handling of Alcoholic Beverages Law for the registration of a website or mobile application for the retail of alcoholic beverages under a distance contract.

(4) A consignor in distance selling of another Member State who performs an independent economic activity in the territory of another Member State shall be responsible for the payment of the duty in the Republic of Latvia and shall comply with any other requirements laid down in this Law for excise goods which it dispatches or which another person on behalf thereof directly or indirectly dispatches or transports to the Republic of Latvia in accordance with Section 26.1, Paragraph two of this Law if the consignor in distance selling of another Member State has not assigned a representative of the payer of the duty in the Republic of Latvia.

(5) A consignor in distance selling of another Member State shall comply with the following requirements:

1) prior to dispatching excise goods, register with the State Revenue Service as a taxpayer and, where performing activities involving alcoholic beverages, provide the general guarantee specified in Section 31 of this Law by using a security deposit;

2) record the supplied excise goods (including the date of supply, type of excise goods, quantity according to the duty rate specified in this Law, and the calculated duty).

(6) A consignor in distance selling of another Member State has the right to assign the representative of the payer of the duty referred to in Section 11.2 of this Law in the Republic of Latvia who, instead of the consignor in distance selling of another Member State, is responsible for the payment of the duty in the Republic of Latvia and fulfilment of any other requirements laid down in this Law.

(7) If a representative of the payer of the duty assigned by a consignor in distance selling of another Member State fails to pay the duty in the Republic of Latvia in accordance with this Law, the consignor in distance selling of another Member State shall be responsible for the payment of the duty in the Republic of Latvia.

[*13 October 2022*]

**Section 11.2 Representative of the Payer of the Duty**

(1) A representative of the payer of the duty shall register its activity in the Republic of Latvia with the State Revenue Service as a taxpayer.

(2) A representative of such payer of the duty who performs activities involving alcoholic beverages shall provide the general guarantee specified in Section 31 of this Law.

(3) A representative of the payer of the duty shall be responsible for the payment of the duty in accordance with this Law.

(4) A representative of the payer of the duty shall record the supplied excise goods (including the date of supply, type of excise goods, quantity according to the duty rate specified in this Law, and the calculated duty).

(5) If several consignors in distance selling of other Member States assign one representative of the payer of the duty in the Republic of Latvia, the representative of the payer of the duty shall record the supplied excise goods individually for each consignor in distance selling of another Member State.

[*13 October 2022*]

**Chapter IV**

**Duty Rates**

**Section 12. Duty Rates for Alcoholic Beverages**

(1) The duty for alcoholic beverages shall be calculated according to the following rates:

1) for beer (per 100 litres) – 8.2 euros for each per cent of absolute alcohol by volume which has been expressed with an accuracy up to one tenth, but not less than 15.2 euros per 100 litres of beer;

2) for wine (per 100 litres) – 111 euros;

3) for fermented beverages (per 100 litres):

a) with the absolute alcohol content up to 6 per cent by volume (inclusive) – 64 euros;

b) with the absolute alcohol content above 6 per cent by volume – 111 euros;

4) for intermediate products (per 100 litres):

a) with the absolute alcohol content up to 15 per cent by volume (inclusive) – 111 euros;

b) with the absolute alcohol content from 15 per cent by volume (not inclusive) to 22 per cent by volume (inclusive) – 185 euros;

5) for other alcoholic beverages (per 100 litres of absolute alcohol) – 1724 euros.

(2) The rate of 50 per cent of the rate specified in Paragraph one, Clause 1 of this Section shall be applied to 10 thousand hectolitres of beer produced by an independent small beer producer in one calendar year.

(3) The rate of 50 per cent of the rate specified in Paragraph one, Clause 2 of this Section shall be applied to 100 hectolitres of wine produced by an independent medium wine producer or to 150 hectolitres of wine produced by a small alcoholic beverage brewery producing wine in one calendar year.

(4) The rate of 50 per cent of the rate specified in Paragraph one, Clause 3 of this Section shall be applied to 1500 hectolitres of fermented beverages produced by an independent medium fermented beverage producer or to 150 hectolitres of fermented beverages produced by a small alcoholic beverage brewery producing fermented beverages in one calendar year.

(5) The rate of 50 per cent of the rate specified in Paragraph one, Clause 4 of this Section shall be applied to 80 hectolitres of intermediate products produced by an independent medium intermediate product producer or to 10 hectolitres of intermediate products produced by a small alcoholic beverage brewery in one calendar year.

(6) The rate of 50 per cent of the rate specified in Paragraph one, Clause 5 of this Section shall be applied to other alcoholic beverages produced by a small alcoholic beverage brewery in one calendar year per 1000 litres of absolute alcohol.

(7) The rate of 50 per cent of the rate specified in Paragraph one, Clause 1 of this Section shall be applied to beer produced in other Member States and brought into therefrom within a calendar year per 10 thousand hectolitres of beer if the payer of the excise duty proves (by appending the relevant documents to the excise duty return) that the received beer has been produced by an independent small brewery in another Member State.

(8) The rate of 50 per cent of the rate specified in Paragraph one, Clause 2 of this Section shall be applied to wine produced in other Member States and brought into therefrom within a calendar year per 100 hectolitres of wine if the payer of the excise duty proves (by appending the relevant documents to the excise duty return) that the received wine has been produced by an independent small winery in another Member State.

(9) The rate of 50 per cent of the rate specified in Paragraph one, Clause 3 of this Section shall be applied to fermented beverages produced in other Member States and brought into therefrom within a calendar year per 1500 hectolitres of fermented beverages if the payer of the excise duty proves (by appending the relevant documents to the excise duty return) that the received fermented beverages have been produced by an independent small fermented beverage brewery in another Member State.

(10) In order to apply the excise duty rate specified in Paragraphs four and nine of this Section, the produced fermented beverages shall be obtained by fermenting fruits, berries, vegetables, diluting honey in water, or fermenting fresh juice or own-produced concentrated juice which has been obtained from the abovementioned products. It shall not be permitted to add any other alcohol or alcoholic beverage when producing fermented beverages. A case where alcohol is added to the extent necessary in order to dissolve or dilute flavourings shall not be deemed addition of alcohol insofar as the alcoholic strength by volume does not increase by more than 1.2 per cent by volume.

(11) The rate in the amount of 50 per cent of the rate specified in Paragraph one, Clause 4 of this Section shall be applied to intermediate products produced in other Member States and brought into therefrom within a calendar year per 80 hectolitres of intermediate products if the payer of the excise duty proves (by appending the relevant documents to the excise duty return) that the received intermediate products have been produced by an independent small intermediate product brewery in another Member State.

(12) The rate in the amount of 50 per cent of the rate specified in Paragraph one, Clause 5 of this Section shall be applied to other alcoholic beverages produced in other Member States and brought into therefrom within a calendar year per 1000 litres of absolute alcohol if the payer of the excise duty proves (by appending the relevant documents to the excise duty return) that the other received alcoholic beverages have been produced by a small alcoholic beverage brewery in another Member State.

(13) The Cabinet shall determine:

1) the procedures by which the State Revenue Service shall issue a certificate which confirms the status of independent small beer producers, independent medium wine producers, independent medium fermented beverage producers, and independent medium intermediate product producers that are producing beer, wine, fermented beverages, and intermediate products respectively, and also the procedures for refusing to grant the status and for cancelling the certificate;

2) the procedures by which the State Revenue Service shall issue a certificate for small alcoholic beverage breweries, refuse to issue the certificate, or cancel the certificate;

3) the procedures for applying the reduced rate of excise duty specified in this Section;

4) the conditions for cases where independent small beer producers, independent medium wine producers, independent medium fermented beverage producers, and independent medium intermediate product producers, and small alcoholic beverage breweries are not deemed to be legally and economically independent from other producers;

5) the procedures by which beer, wine, fermented beverages, intermediate products, and other alcoholic beverages produced by independent small beer producers, independent medium wine producers, independent medium fermented beverage producers, and independent medium intermediate product producers, and small alcoholic beverage breweries respectively, and also alcoholic beverages produced by small alcoholic beverage producers in another Member State and brought into the Republic of Latvia within a calendar year shall be moved in the Republic of Latvia.

[*14 April 2005; 10 November 2005; 14 November 2008; 12 December 2008; 12 June 2009; 1 December 2009; 14 April 2011; 19 September 2013; 18 June 2015; 30 November 2015; 27 July 2017; 25 October 2018; 20 February 2020* / *The new wording of Paragraphs two, three, four, and five and Paragraphs six, seven, eight, nine, ten, eleven, twelve, and thirteen shall come into force on 1 July 2022. See Paragraph 135 of Transitional Provisions*]

**Section 13. Duty Rates for Tobacco Products**

(1) The duty for tobacco products shall be calculated according to the following rates:

1) for cigars and cigarillos – 126.7 euros (for 1000 cigars or cigarillos);

2) for cigarettes:

a) 104 euros per 1000 cigarettes;

b) 15 per cent of the maximum retail selling price;

3) for smoking tobacco (per 1000 grams of tobacco):

a) for fine-cut tobacco intended for the rolling of cigarettes – 91.9 euros;

b) for other smoking tobacco – 91.9 euros;

4) for tobacco leaves – 91.9 euros (per 1000 grams of tobacco leaves);

5) for heated tobacco – 218 euros (per 1000 grams of heated tobacco).

(11) When summing up the amounts acquired by applying the tax rates for cigarettes laid down in Paragraph one, Clause 2, Sub-clauses “a” and “b” of this Section, the calculated tax shall not be less than 135.9 euros for 1000 cigarettes.

(2) A taxable cigarette (with or without a filter) shall be a cigarette the length of which does not exceed 80 millimetres (not counting the filter or mouthpiece).

(3) For a cigarette the length of which exceeds 80 millimetres (not counting the filter or mouthpiece), but does not exceed 110 millimetres (not counting the filter or mouthpiece) double amount of the duty specified in Paragraph one, Clause 2, Sub-clause “a” of this Section shall be imposed, but the calculated tax shall not be less than double the amount of the tax specified in Paragraph 1.1 of this Section. For cigarettes the length of which exceeds 110 millimetres (not counting the filter or mouthpiece), but does not exceed 140 millimetres (not counting the filter or mouthpiece) triple the amount of the duty laid down in Paragraph one, Clause 2, Sub-clause “a” of this Section shall be imposed, but the calculated tax shall not be less than triple the amount of the tax specified in Paragraph 1.1 of this Section. For cigarettes the length of which exceeds 140 millimetres (not counting the filter or mouthpiece) the amount of the rate and the lowest amount of duty shall be determined on the basis of the previously referred to principle.

[*10 November 2005; 19 December 2006; 14 November 2008; 1 December 2009; 28 October 2010; 14 April 2011; 19 September 2013; 6 November 2013; 17 December 2014; 30 November 2015; 23 November 2016; 27 July 2017 24 November 2020* / *See Paragraphs 112, 114, 116, and 118 of Transitional Provisions*]

**Section 13.1 Duty Rate for Liquid to be Used in Electronic Smoking Devices and Ingredients for the Preparation of Liquid to be Used in Electronic Smoking Devices**

The duty for liquid to be used in electronic smoking devices and ingredients for the preparation of liquid to be used in electronic smoking devices shall be calculated according to the rate of 0.20 euros per 1 millilitre of liquid.

[*24 November 2020; 21 October 2021*]

**Section 13.2 Duty Rate for Tobacco Substitute Products**

The duty for tobacco substitute products shall be calculated according to the rate of 120 euros per 1000 grams of the product.

[*24 November 2020* / *See Paragraph 122 of Transitional Provisions*]

**Section 14. Duty Rates for Oil Products**

(1) For oil products, except the cases referred to in Paragraphs two, three, four, five, and six of this Section, the duty shall be calculated according to the following rates:

1) for unleaded petrol, the substitute products and components thereof (per 1000 litres) – 509 euros;

2) for leaded petrol, the substitute products and components thereof (per 1000 litres) – 594 euros;

3) for kerosene, the substitute products and components thereof (per 1000 litres) – 414 euros;

4) for diesel fuel (gas oil), the substitute products and components thereof (per 1000 litres) – 414 euros;

5) for petroleum gases and other gaseous hydrocarbons (per 1000 kilograms) – 285 euros;

6) for fuel oil the colorimetric index of which is less than 2.0 and kinematic viscosity at 50 °C is less than 25 mm2/s, the substitute products and components thereof, except the fuel oils referred to in Clause 7 of this Paragraph (per 1000 litres) – 414 euros;

7) for fuel oil the colorimetric index of which is equal to 2.0 or larger or kinematic viscosity at 50 oC is equal to 25 mm2/s or larger, the substitute products and components thereof (per 1000 kilograms) – 15.65 euros.

(2) For oil products referred to in Paragraph one, Clauses 3, 4, and 6 of this Section, also if biodiesel fuel completely acquired from biomass or paraffin-enriched diesel fuel acquired from biomass is added to it, the duty shall be calculated according to the rate 60 euros per 1000 litres, if the relevant oil products are labelled (marked) in accordance with Section 28 of this Law and they are used as heating fuel for the production of heat for heating, combustion installations or for the production of heat energy in a production (processing) of products technological process (hereinafter – heating fuel). For biodiesel fuel completely acquired from biomass or paraffin-enriched diesel fuel acquired from biomass, if they are sold or used as heating fuel, the duty shall be calculated according to the rate 21 euros per 1000 litres, if the abovementioned products are labelled (marked) in accordance with Section 28 of this Law.

(21) [21 October 2021]

(22) For diesel fuel (gas oil) and such diesel fuel (gas oil) to which biodiesel fuel completely acquired from biomass or paraffin-enriched diesel fuel acquired from biomass is added and the relevant oil products are labelled (marked) in accordance with Section 28 of this Law, if they are used in accordance with the type, purposes, and conditions referred to in Section 18, Paragraph five or 6.4 of this Law, the duty per 1000 litres shall be calculated in the amount of 15 per cent of the rate specified in Paragraph one, Clause 4 of this Section.

(3) If ethyl alcohol which is acquired from agricultural raw materials and which has been dehydrated (with alcohol content of at least 99.5 per cent by volume) is added to the oil products referred to in Paragraph one, Clause 1 of this Section, and the content of the ethyl alcohol added is from 70 to 85 per cent by volume (inclusive) of the total quantity of products, the duty for the relevant products shall be calculated according to the rate 360 euros per 1000 litres.

(4) If biodiesel fuel completely acquired from biomass or paraffin-enriched diesel fuel acquired from biomass is added to the oil products referred to in Paragraph one, Clause 4 of this Section, the duty for the relevant products shall be calculated according to the rate specified in Paragraph one, Clause 4 of this Section.

(5) For biodiesel fuel completely acquired from biomass and paraffin-enriched diesel fuel acquired from biomass, if they are sold or used as fuel, the duty shall be calculated according to the rate 330 euros per 1000 litres.

(51) When bringing in the products referred to in Paragraphs three, four and five of this Section, the conformity thereof with the conditions referred to in these Paragraphs shall be attested by the documents specified in the laws and regulations regarding the conformity assessment of petrol and biodiesel fuel or quality requirements for biodiesel fuel which contain information on the biological origin of the abovementioned products.

(6) For the oil products referred to in Paragraph one, Clause 5 of this Section the duty shall be calculated according to the rate 0 euros per 1000 kilograms if the relevant oil products are supplied to persons who use them as heating fuel or in gas furnaces and other equipment, not as fuel.

(7) [17 December 2020]

(8) If the products are sold or intended for sale, are used or are intended for use as fuel, heating fuel or for the substitute products and components thereof and the duty rate has not been laid down in this Law, a duty corresponding to the use thereof shall be applied on the basis of the equivalent fuel or heating fuel rates which are specified in Paragraphs one and two of this section. The conditions regarding labelling (marking) in accordance with Section 28 of this Law shall be applicable to the heating fuel.

[*20 December 2004; 14 April 2005; 19 December 2006; 8 November 2007; 12 December 2008; 12 June 2009; 1 December 2009; 28 October 2010; 20 December 2010; 14 April 2011; 19 September 2013; 6 November 2013; 17 December 2014; 30 November 2015; 10 December 2015; 27 July 2017; 6 February 2020; 17 December 2020; 21 October 2021*]

**Section 15. Duty Rates for Non-alcoholic Beverages and Coffee**

(1) The duty rate for non-alcoholic beverages (per 100 litres) shall be calculated according to the following rates:

1) with a sugar content of up to 8 grams (excluding) per 100 millilitres – 7.4 euros;

2) with a sugar content from 8 grams (including) per 100 millilitres – 14 euros.

(11) The duty rate for non-alcoholic beverages (per 100 litres) other than those referred to in Paragraph one of this Section shall be 7.4 euros.

(2) The duty rate for coffee (per 100 kilograms) shall be 142.29 euros.

[*19 September 2013; 6 February 2020* / *The new wording of Paragraph one and Paragraph 1.1 shall come into force on 1 January 2022. See Paragraph 111 of Transitional Provisions*]

**Section 15.1 Duty Rates for Natural Gas**

(1) Duty for natural gas shall be calculated according to the following rates:

1) for use as the heating fuel – 1.65 euros per megawatt hour (MWh), taking into account the gross calorific value of natural gas;

2) for use as fuel – 10 euros per megawatt hour (MWh), taking into account the gross calorific value of natural gas;

3) for use as the heating fuel – 0.55 euros per megawatt hour (MWh), taking into account the gross calorific value of natural gas:

a) in industrial production processes and other processes related to production, for the operation of technological equipment for pre-treatment of agricultural raw materials and for the provision of the technologically required climate in industrial production premises and premises for pre-treatment of agricultural raw materials;

b) for heat supply of covered areas (greenhouses) of agricultural land according to the economic activities referred to in Division 01, Group 01.1, Classes 01.13 and 01.19 and Group 01.2, Classes 01.25 and 01.28 of Section A “Agriculture, forestry and fishing” of Annex I to Regulation No 1893/2006;

c) for heat supply of industrial poultry holdings (poultry house) and incubators according to the economic activities referred to in Division 01, Group 01.4, Class 01.47 of Section A “Agriculture, forestry and fishing” of Annex I to Regulation No 1893/2006.

(2) For the application of Paragraph one, Clause 3, Sub-clause “a” of this Section such manufacturing processes, which conform to the economic activities referred to in Divisions 10–22 and Divisions 24–33 of Section C “Manufacturing” of Annex I to Regulation No 1893/2006, and raw material pre-treatment processes, which conform to economic activities referred to in Division 01, Group 01.6, Class 01.63 of Section A “Agriculture, forestry and fishing” of Annex I to Regulation No 1893/2006, shall be deemed industrial manufacturing.

(3) Paragraph one, Clause 3 of this Section shall also apply to natural gas which is used for the purposes referred to in Paragraph one, Clause 3 of this Section in undertakings that are located in a territory allocated for economic activity which has one manager (in an industrial park).

(4) The Cabinet shall determine the procedures by which the duty rate referred to in Paragraph one, Clause 3 of this Section shall be applied and the conformity of the payer of the duty for the application thereof shall be assessed, the procedures for the granting or cancelling the right to apply it, the procedures for the calculation and recovery of unlawful aid for commercial activity with interest if the payer of the duty has applied the abovementioned duty rate without justification, and also shall determine the procedures for the administration of the abovementioned duty rate.

[*6 November 2013; 9 March 2017; 6 February 2020; 24 November 2020* / *See Paragraph 124 of Transitional Provisions*]

**Chapter V**

**Exemptions and Relief**

**Section 16. Duty Exemptions for Alcoholic Beverages**

(1) The following alcoholic beverages shall be exempt from the duty:

1) denatured alcohol;

2) alcoholic beverages, which are utilised for the determination of the quality of alcoholic beverages;

3) alcohol intended for medical and veterinary medical purposes, which is used in medical and veterinary medical treatment institutions and pharmacies;

4) alcohol for the production of medicinal products and veterinary medicinal products in accordance with the requirements of the laws and regulations regarding the circulation of medicinal products and veterinary medicinal products;

41) food supplements which contain ethyl alcohol and which are registered, distributed, sold, processed, and supplied in accordance with the laws and regulations regarding the mandatory safety and labelling requirements for food supplements and the procedures for the registration of food supplements if the packaging unit of a food supplement does not exceed 150 millilitres;

5) alcohol (if denatured alcohol may not be used in the relevant cases):

a) that is used for scientific research purposes;

b) that is used for the determination of the quality of other products or goods (except for alcoholic beverages);

c) that is included in devices and mechanisms as an integral component or ensures operation of devices and mechanisms;

d) that is used for the production of cosmetic products;

e) that is used in food industry (except for the use as a raw material for the production of alcoholic beverages and in production of products containing alcohol that fall within the Combined Nomenclature under the codes 2106 and 3302);

f) that is used for the production of such substances which are used for the production of medicinal products and veterinary medicinal products;

6) wine, fermented beverages, or beer produced by a natural person for his or her own consumption, provided that they are not for sale;

7) alcoholic beverages contained in chocolate products or other food products if the conditions specified in Paragraph three of this Section are complied with;

8) alcohol contained in vinegar and other products that fall within the Combined Nomenclature under the code 2209;

9) alcohol contained in products that fall within the Combined Nomenclature under the codes 2106 and 3302 or which are intended for the production of such food products or non-alcoholic beverages in which the actual alcoholic strength does not exceed 1.2 per cent by volume;

10) products that conform to the definition of alcoholic beverages and which are destroyed or it is otherwise ensured that they are not suitable for consumption or usable for the production of alcoholic beverages or other products to be used for consumption.

(2) The Cabinet shall determine the procedures for denaturing of alcohol and circulation of denatured alcohol.

(21) The Cabinet shall determine the requirements and procedures by which the State Revenue Service shall issue, re-register, and cancel a permit for the purchase of denatured alcohol, the conditions and procedures for the use of denatured alcohol, and also determine the alcohol denaturing substances and the conditions for cases where alcohol is deemed denatured alcohol, the information to be included in a permit for the purchase of denatured alcohol, the conditions for entry into effect of a permit for the purchase of denatured alcohol and the validity period thereof, and also the requirements for a user of denatured alcohol which are to be complied with for the application of the duty exemption.

(3) The duty exemption referred to in Paragraph one, Clause 7 of this Section shall be applied to alcoholic beverages if the alcoholic content does not exceed 8.5 litres of absolute alcohol per 100 kilograms of chocolate products or 5 litres of absolute alcohol per 100 kilograms of other food products.

(4) If the conditions specified in Paragraph three of this Section are not complied with, duty on the abovementioned alcoholic beverages shall be calculated in regard to the entire volume of alcohol used according to the duty rates laid down in Section 12 of this Law.

(5) The Cabinet shall provide for the procedures by which the duty exemptions specified in Paragraph one, Clauses 4.1, 5, 7, 8, 9, and 10 of this Section shall be applied.

(6) The Cabinet shall determine the requirements and procedures by which the State Revenue Service shall issue, re-register, and cancel a permit for the purchase of alcoholic beverages in order to use the alcoholic beverages in accordance with Paragraph one, Clauses 4.1, 5, 7, 8, 9, and 10 of this Section, the requirements and procedures for supplying alcoholic beverages to a user, and also determine the information to be included in a permit for the purchase of alcoholic beverages, the conditions for entry into effect of a permit for the purchase of alcoholic beverages and the validity period thereof, and also the requirements for a supplier and user of alcoholic beverages which are to be complied with for the application of the duty exemption.

[*20 December 2004; 14 April 2005; 14 April 2011; 15 December 2011; 21 October 2021* / *Paragraphs 2.1 and six shall come into force on 1 July 2022. See Paragraph 139 of Transitional Provisions*]

**Section 17. Duty Exemptions and Reliefs in Respect of Tobacco Products and Supply of Denatured Tobacco Products**

(1) The Cabinet shall determine the requirements and procedures for exempting the following from the duty:

1) denatured tobacco products and tobacco products, which are destroyed;

2) tobacco products used for the determination of the quality of tobacco products.

(11) The Cabinet shall determine the requirements and procedures for deeming tobacco products to be denatured.

(2) Duty shall be repaid for destroyed or processed tobacco products taking into account the conditions in Section 27 of this Law.

(3) Such tobacco leaves shall not be taxable which are grown by a natural person for personal needs provided that they are not sold.

(4) [5 May 2016]

(5) Untreated tobacco leaves which are not dried (raw tobacco) and are intended for further use in production of soil improvement products, plant protection products and similar horticultural products shall be exempted from the duty provided that the relevant tobacco leaves are brought in from a foreign country (including a Member State) into an excise duty warehouse where activities involving tobacco products are allowed to be performed. A person who uses untreated tobacco leaves which are not dried (raw tobacco) for the production of the abovementioned products shall confirm in writing to an approved warehousekeeper that the received tobacco products will not be used otherwise. The person who uses untreated tobacco leaves which are not dried (raw tobacco) for the production of the abovementioned products does not have to obtain the special permit (licence) referred to in Section 2, Paragraph six of this Law.

[*20 December 2004; 8 November 2007; 17 December 2014; 5 May 2016; 25 October 2018; 21 October 2021*]

**Section 17.1 Duty Exemptions for Liquid to be Used in Electronic Smoking Devices, Ingredients for the Preparation of Liquid to be Used in Electronic Smoking Devices, and Tobacco Substitute Products**

(1) Liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute product shall be exempted from the duty provided that they are:

1) used for the determination of quality;

2) destroyed.

(2) The Cabinet shall determine the requirements and procedures for applying the duty exemptions referred to in Paragraph one of this Section and determine the requirements for destroying liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute product.

[*21 October 2021*]

**Section 18. Duty Exemptions and Relief Applied to Oil Products**

(1) In accordance with the procedures stipulated by the Cabinet, those oil products shall be exempt from the duty which, in accordance with the conditions of Paragraph three of this Section, are supplied to and used:

1) for purposes other than fuel or heating fuel;

2) in aircraft which are not used for private recreation and entertainment;

3) by ships which are not used for private recreation and entertainment and ships used in fishing, except for fishing in internal waters;

4) for the generation of energy or in combined equipment generating electricity and heat energy;

5) in the chemical treatment process, adding to coke which is used as heating fuel;

6) dually, except for the case laid down in Section 5, Paragraph four of this Law.

(11) The Cabinet shall determine the procedures by which the State Revenue Service shall issue, re-register, or cancel a statement for the purchase of the oil products subject to duty exemption or relief, and by which it shall issue a permit for the movement or sale of the remainders of oil products.

(2) Private recreation and entertainment referred to in Paragraph one, Clauses 2 and 3 of this Section shall be cases where the owner of an aircraft or a ship or another natural person or legal person hiring the aircraft or the ship or using it with another justification, does not use the aircraft or ship for commercial purposes, in particular for the carriage of passengers or goods or provision of services for charge, or for the needs of public institutions.

(3) If in the cases referred to in Paragraph one, Clause 2, 3, 4, 5, or 6 of this Section diesel fuel, kerosene or fuel oil, the colorimetric index of which is less than 2.0 and kinematic viscosity at 50 C is less than 25 cSt, or substitute products and components of these oil products are used, the relevant oil products shall be exempt from the duty if they have been labelled (marked) in accordance with Section 28 of this Law. If diesel fuel, kerosene or fuel oil, the colorimetric index of which is less than 2.0 and kinematic viscosity at 50 °C is less than 25 cSt, or substitute products and components of these oil products are used for international carriage (also between Member States) in accordance with Paragraph one, Clauses 2 and 3 of this Section, as well as if jet fuel is used in accordance with Paragraph one, Clause 2 of this Section, the abovementioned oil products may not be labelled (marked).

(4) In accordance with the procedures stipulated by the Cabinet oil products (fuel), which ensure operation and maintenance of a vehicle entering the Republic of Latvia from another Member State and the equipment installed therein, shall be exempt from the duty.

(5) The Cabinet shall determine the procedures by which the duty rate specified in Section 14, Paragraph 2.2 of this Law shall be applied to diesel fuel (gas oil) and such diesel fuel (gas oil) to which biodiesel fuel completely acquired from biomass or paraffin-enriched diesel fuel acquired from biomass is added, if the relevant oil products are labelled (marked) in accordance with Section 28 of this Law and if they are used in tractor machinery and self-propelled agricultural machinery for the production of agricultural products, cultivation of agricultural land, and also for the cultivation of such forest or marshland where cranberries or blueberries are cultivated and for cultivation of land under fishing ponds, and if the minimum revenue from the agricultural production is ensured, while in respect of the fishing ponds – revenue from selling of aquaculture products in the last complete economic year (not including the received State and European Union aid) from one hectare declared, and the conditions referred to in Clauses 1, 3, 4, and 6 of this Paragraph have been conformed to, and also if at least one of the conditions referred to in Clause 2 of this Paragraph has been met:

1) the producer of agricultural products performs economic activities and is registered as a taxpayer;

2) the producer of agricultural products cultivates accordingly:

a) land to be used in agriculture which has been declared and approved for the receipt of single area payments in accordance with the laws and regulations regarding granting of the State and European Union aid for agriculture within the scope of the direct support scheme, except for such land to be used in agriculture where corn is grown for acquisition of biogas, such short rotation coppice species as aspen (Populus spp.), osier (Salix spp.), grey alder (Alnus incana), switchgrass (Panicum virgatum) or reed canarygrass (Phalaris arundinacea L.) are cultivated, and if the producer of agricultural products has registered with the Agricultural Data Centre as the primary producer of animal feedingstuffs, – for land used for pasture land or perennial grasses sown into arable land or for land mixture of herbaceous forage(hereinafter in this Section – the pasture land);

b) forest or marshland where cranberries or blueberries are cultivated and which is in the ownership or use of the producer of agricultural products;

c) land under fishing ponds where fish is cultivated on the area of at least 20 hectares, by applying the growing cycle coefficient for each declared land hectare under fishing ponds, if an undertaking of aquaculture sector has been recognised in accordance with the laws and regulations regarding the veterinary requirements for aquaculture animals and the site of aquaculture animals has been registered with the Agricultural Data Centre;

3) in one economic year (from 1 July of the current year until 30 June of the subsequent year) (hereinafter – the economic year) from 60 up to 130 litres of the fuel referred to in the introduction of this Paragraph is calculated per every hectare of the land to be used in agriculture declared and approved for the support of a producer of agricultural products referred to in Clause 2 of this Paragraph, and also per hectare of such forest or marshland where cranberries or blueberries are cultivated, or per hectare of land under fishing ponds, taking into account the following division depending on the crop to be cultivated:

a) cultivation of plants – 100 litres per one hectare;

b) fruit-growing, berry bushes, and horticulture – 130 litres per one hectare;

c) the pasture land if the minimum density of livestock is ensured at least 0.5 livestock units per one hectare (in biological farms density at least 0.4 livestock units per one hectare) – 130 litres per one hectare of pasture land;

d) the pasture land for the production of animal feedingstuffs – 60 litres per hectare;

e) land under fishing ponds – 60 litres per hectare;

f) other crops and land which has been declared and approved for the receipt of single area payments – 60 litres per one hectare;

4) the fuel referred to in the introduction of this Paragraph has been purchased in the relevant economic year from a merchant which has:

a) the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the activities of an approved warehousekeeper with oil products;

b) the special permit (licence) referred to in Section 2, Paragraph six, Clause 4 or 5 of this Law for activities with oil products – from the specific fuel container declared for this purpose indicated in the relevant special permit (licence);

5) [17 December 2014 / See Paragraph 76 of Transitional Provisions];

6) the fuel referred to in the introduction of this Paragraph has been purchased by using one of the following types of settlement:

a) monetary funds have been transferred from the account of the producer of agricultural products in a credit institution to the account of the fuel trader in a credit institution (non-cash settlement);

b) the producer of agricultural products has used payment cards (credit cards, debit cards and other similar cards) which are considered as means of payment in accordance with the Credit Institution Law and which belong to the producer of agricultural products;

c) cash has been paid into the account of the fuel trader in a credit institution, if settlements are performed by the producer of agricultural products – a natural person;

d) if the merchant referred to in Clause 4 of this Paragraph ensures that the fuel referred to in the introduction of this Paragraph may be purchased by using one of the types of settlement referred to in Sub-clause “a”, “b”, or “c” of this Clause, the producer of agricultural products may also purchase the referred to fuel in case if an advance payment or payment or open account is performed for the purchase thereof, and the monetary funds in this case are transferred by a legal person or performer of economic activity, who has, on contractual basis, acquired the right to request from the relevant producer of agricultural products the monetary funds paid to the fuel trader, from the personal account thereof in a credit institution to the fuel trader’s account in a credit institution.

(51) It shall be permitted to use the fuel referred to in the introductory part of Paragraph five of this Section for own-account transport of the agricultural products produced or grown by the producer of agricultural products and the raw materials necessary for their cultivation within the Republic of Latvia, provided that the own-account transport operations are carried out by the producer of agricultural products himself or herself or by his or her employee, using a truck in the ownership or possession of the producer of agricultural products (in which the number of seats, excluding the driver’s seat, does not exceed four seats).

(6) The fuel referred to in the introductory part of Paragraph five or Paragraph 6.4 of this Section may be supplied or sold by a merchant which has:

1) the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the activities of an approved warehousekeeper with oil products – only to the producers of agricultural products referred to in Paragraph five of this Section or ships referred to in Paragraph 6.4 of this Section that are used for fishing in inland and coastal waters, or a merchant which has the special permit (licence) referred to in Section 2, Paragraph six, Clause 4 or 5 of this Law for activities with oil products – to the specific fuel tank declared for this purpose indicated in the relevant special permit (licence);

2) the special permit (licence) referred to in Section 2, Paragraph six, Clause 4 of this Law for the wholesale trade of oil products, if the referred to fuel is purchased from a merchant, which has the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the activities of an approved warehousekeeper with oil products, and it is supplied or sold from a specific fuel tank declared for this purpose and indicated in the relevant special permit (licence) only to the producers of agricultural products referred to in Paragraph five of this Section or ships referred to in Paragraph 6.4 of this Section that are used for fishing in inland and coastal waters. These rights apply only to a merchant whom the special permit (licence) for the wholesale trade of oil products has been valid for at least five years and the oil product tanks and pressure equipment complex tanks present at least in one place for the wholesale trade of oil products indicated in such special permit (licence), where the sale of the fuel referred to in the introductory part of Paragraph five or Paragraph 6.4 of this Section is intended, are owned by the relevant merchant;

3) the special permit (licence) referred to in Section 2, Paragraph six, Clause 5 of this Law for the retail trade of oil products, if the respective fuel is purchased from a merchant which has the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the activities of an approved warehousekeeper with oil products, and it is supplied or sold from a specific fuel tank declared for this purpose and indicated in the relevant special permit (licence) only to the producers of agricultural products referred to in Paragraph five of this Section or ships referred to in Paragraph 6.4 of this Section that are used for fishing in inland and coastal waters.

(61) The duty shall be imposed on the volume of fuel referred to in the introduction of Paragraph five of this Section purchased without justification in accordance with the procedures stipulated by the Cabinet, and in such case the duty shall be paid by the relevant producer of agricultural products, if the Rural Support Service establishes and informs the State Revenue Service that during the relevant economic year the producer of agricultural products has had:

1) the difference between the area declared for support and the area approved for support or, accordingly, the area of forest or marshland declared for exemption or the area where cranberries or blueberries are cultivated, or the area of land under fishing ponds exceeds 10 per cent;

2) the fallow area exceeds 30 per cent of the total area of land to be used in agriculture, regarding which there is the right to receive a single area payment and which has been applied for the receipt of a single area payment in accordance with the laws and regulations regarding granting of State and European Union support for agriculture within the scope of direct support scheme;

3) a decision has been revoked, according to which the volume of fuel referred to in Paragraph five of this Section was allocated in the current economic year.

(62) The Cabinet shall issue regulations regarding the application of the duty rate specified in Section 14, Paragraph 2.2 of this Law for the fuel referred to in the introductory part of Paragraph five of this Section, determining:

1) [17 December 2014 / See Paragraph 76 of Transitional Provisions];

2) the procedures for applying the fish growing cycle coefficient;

3) the conditions for the supply and sale of the fuel referred to in Paragraph five of this Section;

4) the procedures by which the persons referred to in Paragraph five, Clause 4 of this Section shall provide information and ensure its updating in the unified database of the Rural Support Service regarding the fuel referred to in the introductory part of Paragraph five of this Section issued to a specific producer of agricultural products, to which the duty rate specified in Section 14, Paragraph 2.2 of this Law is applicable, and the quantities thereof;

5) the procedures by which the Rural Support Service shall perform an inspection of the land to be used in agriculture, and also the inspection of such forest or marshland in which cranberries or blueberries are cultivated, and inspection of land under fishing ponds;

6) the fiscal marker and the dye with which the fuel referred to in the introductory part of Paragraph five of this Section is marked, and also the conditions for circulation of the marked fuel.

(63) If the fuel referred to in the introduction of Paragraph five of this Section is not used for the intended purposes and the Rural Support Service has in this case revoked a decision according to which the volume of the referred to fuel has been allocated in the current economic year, the Rural Support Service shall not allocate the fuel referred to in the introduction of Paragraph five of this Section in the subsequent economic year.

(64) The duty rate specified in Section 14, Paragraph 2.2 of this Law shall be applied to diesel fuel (gas oil), including diesel fuel (gas oil) to which biodiesel fuel acquired from rapeseed or paraffin-enriched diesel fuel acquired from biomass is added, if the relevant products are labelled (marked) in accordance with Section 28 of this Law and they are used:

1) on ships for fishing in inland waters;

2) on ships for fishing in coastal waters if the products referred to in the introductory part of this Paragraph have not been purchased in accordance with the duty exemption specified in Paragraph one, Clause 3 of this Section.

(65) The Cabinet shall determine the procedures by which the duty rate specified for diesel fuel in Section 14, Paragraph 2.2 of this Law shall be applied on ships for fishing in inland and coastal waters, limits for its consumption for a calendar year, procedures for the granting, acquisition, and administration of the consumption limits thereof, and also procedures by which excise duty shall be refunded for the diesel fuel used on ships fishing in coastal waters.

(7) [12 June 2009]

(8) [20 December 2004]

(9) Oil products (fuel) which ensure the operation of such concrete commercial motor vehicle which enters the territory of the Republic of Latvia from a foreign state which is not a Member State from the territories referred to in Section 2, Paragraph 3.1 of this Law, and from the Åland Islands or the Channel Islands, and which exempt from customs duty in accordance with Council Regulation (EC) No 1186/2009 of 16 November 2009 setting up a Community system of reliefs from customs duty (hereinafter – Regulation No 1186/2009) shall not have duty imposed.

[*18 March 2004; 20 December 2004; 19 December 2006; 14 November 2008; 12 June 2009; 1 December 2009; 22 April 2010; 28 October 2010; 14 April 2011; 15 December 2011; 17 December 2014; 7 May 2015; 18 June 2015; 30 November 2015; 23 November 2016; 25 October 2018; 6 February 2020; 17 December 2020*]

**Section 19. Duty Exemptions for Non-alcoholic Beverages and Coffee**

(1) Coffee used for the determination of the quality of coffee shall be exempt from the duty.

(2) The following non-alcoholic beverages shall be exempt from the duty:

1) non-alcoholic beverages which are utilised for determination of the quality of non-alcoholic beverages;

2) non-alcoholic beverages produced by a natural person for his or her own consumption, provided that they are not for sale;

3) non-packaged non-alcoholic beverages which are prepared at a public catering undertaking for consumption on site.

(3) Non-alcoholic beverages and coffee used for the production of other food commodities (including alcoholic beverages) shall be exempt from the duty.

(4) Non-alcoholic beverages and coffee which are destroyed shall be exempt from the duty.

(5) The Cabinet shall lay down the requirements and procedures for applying the duty exemption referred to in Paragraph one, Paragraph two, Clause 1, Paragraphs three and four of this Section, and determine the requirements for destroying non-alcoholic beverages and coffee.

[*21 October 2021* / *The new wording of the Section shall come into force on 1 January 2023. See Paragraph 140 of Transitional Provisions*]

**Section 20. Duty Exemptions and Relief for Diplomats and International Organisations**

(1) In conformity with the conditions of Paragraphs two, three, five, six, seven, eight, nine, ten, and eleven of this Section the excise goods which are delivered as follows shall be exempt from the duty:

1) for diplomatic and consular representations;

2) for diplomatic and consular agents of diplomatic and consular representations, administrative technical personnel and the family members of the persons referred to in this Clause, if these persons are not citizens or long-term residents of Latvia. For employees of administrative technical personnel and their family members – once during accreditation for the goods delivered in the first four months commencing from the day when the Ministry of Foreign Affairs has received the notification on the arrival of the relevant person in the Republic of Latvia for the commencement of service;

3) for international organisations or their representations which have been recognised as such by the Republic of Latvia, by complying with the restrictions and conditions specified in the international conventions of establishment or headquarters agreements of the relevant organisations;

4) for employees of international organisations or their representations who have a diplomatic status in the territory of the Republic of Latvia, if these persons are not citizens or long-term residents of Latvia;

5) for institutions of the European Union in accordance with the Protocol on the Privileges and Immunities of the European Union of 8 April 1965 (Protocol E of the Treaty Establishing the European Community);

6) for the armed forces of a country which is a party to the North Atlantic Treaty, except for the Member State within which the duty is collected – for the needs of such armed forces, and also for the civilian staff accompanying such armed forces, or for the supply of messes or canteens of such armed forces;

61) for the armed forces of any Member State other than the Member State in which the duty is collected – for the needs of the abovementioned armed forces, the civilian staff accompanying such armed forces, or for the supply of messes or canteens of such armed forces if these forces participate in a protection measure to implement action of the European Union in accordance with the common security and defence policy;

7) for consumption in accordance with agreements entered into with foreign states other than Member States, or international organisations provided that such an agreement is allowed or authorised with regard to exemption from value added tax;

8) for the armed forces of the United Kingdom deployed in Cyprus in accordance with the Treaty establishing the Republic of Cyprus of 16 August 1960 – for the needs of such armed forces, and also for the civilian staff accompanying such armed forces, or for the supply of messes or canteens of such armed forces;

9) in accordance with the Agreement between the Republic of Latvia and the Supreme Headquarters Allied Powers Europe and Headquarters, Supreme Allied Commander Transformation to supplement the Paris Protocol (hereinafter – the Supplementary Agreement to the Paris Protocol):

a) the Allied Headquarters recognised in the Republic of Latvia (hereinafter – the Allied Headquarters);

b) members of the Allied Headquarters and their dependants, if these persons are not citizens or long-term residents of Latvia.

(2) The subjects referred to in Paragraph one of this Section in the Republic of Latvia are permitted to receive excise goods from:

1) other Member States, applying the duty suspension arrangement thereto, provided that the consignor of excise goods uses:

a) the documents referred to in Section 25, Paragraph nine of this Law, except for the case referred to in Paragraph one, Clauses 6 and 6.1 of this Section;

b) the document specified in Annex II to Council Implementing Regulation (EU) No 282/2011 of 15 March 2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax (hereinafter – Regulation No 282/2011). The Cabinet shall determine the procedures by which the document specified in Annex II to Regulation No 282/2011 is approved, and the procedures by which the rights to use this document without approval are granted or revoked;

2) tax warehouses in the Republic of Latvia, complying the following conditions:

a) the consignor of excise goods uses the document which is specified in Annex II to Regulation No 282/2011 and which certifies that the abovementioned excise goods are exempt from excise duty;

b) the consignor of excise goods draws up a source document in accordance with the laws and regulations regarding the circulation of excise goods;

c) [13 October 2022];

d) [23 November 2016].

(3) The subjects referred to in Paragraph one of this Section in other Member States are permitted to receive excise goods from the Republic of Latvia, applying the duty suspension arrangement thereto in accordance with Section 25 of this Law.

(4) If the subjects referred to in Paragraph one of this Section which are located in the Republic of Latvia purchase excise goods in the Republic of Latvia, the excise duty shall be refunded in accordance with the procedures stipulated by the Cabinet in conformity with Paragraphs six, seven, eight, nine, and ten of this Section.

(5) Excise goods, which have been brought in the Republic of Latvia for release into free circulation in accordance with the laws and regulations in the field of customs from a foreign state which is not a Member State or from the territories referred to in Section 2, Paragraph 3.1 of this Law, shall be exempt from the excise duty, observing the following conditions:

1) the consignor of excise goods uses the document which is specified in Annex II to Regulation No 282/2011 and which certifies that the abovementioned excise goods are exempt from excise duty;

2) [13 October 2022];

3) [23 November 2016].

(6) The duty exemption or refund specified in this Section shall be applied for the following maximum quantity of excise goods:

1) fuel – 250 litres per month for each vehicle which is registered in the Republic of Latvia on behalf of the subject referred to in Paragraph one, Clauses 1, 2, 3, 4, 5, and 7 of this Section, and also on behalf of the civilian referred to in Paragraph one, Clauses 6, 6.1, and 8 of this Section;

2) fuel – 250 litres per month for each vehicle which is registered on behalf of the subjects referred to in Paragraph one, Clause 9, Sub-clause “b” of this Section in accordance with the Supplementary Agreement to the Paris Protocol;

3) alcoholic beverages which are purchased by the subjects referred to in Paragraph one, Clauses 2 and 4 of this Section:

a) beer, fermented beverages, wine, intermediate products with the absolute alcohol content up to 15 per cent by volume – 300 litres (in total) in a calendar year;

b) intermediate products with the absolute alcohol content from 15 to 22 per cent by volume, other alcoholic beverages – 96 litres (in total) in a calendar year;

4) tobacco products which are purchased by the subjects referred to in Paragraph one, Clauses 2 and 4 of this Section:

a) cigarettes – 7200 cigarettes in a calendar year;

b) smoking or heated tobacco – 7200 grams in a calendar year;

c) cigars and cigarillos – 1800 cigars or cigarillos in a calendar year;

5) liquid to be used in electronic smoking devices and ingredients for the preparation of liquid to be used in electronic smoking devices which are purchased by the subjects referred to in Paragraph one, Clauses 2 and 4 of this Section – 7200 millilitres of liquid to be used in electronic smoking devices or ingredients for the preparation of liquid to be used in electronic smoking devices in a calendar year;

51) tobacco substitute products which are purchased by the subjects referred to in Paragraph one, Clauses 2 and 4 of this Section – 7200 grams of the product in a calendar year;

6) alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products – the maximum quantity shall be applied in accordance with the Supplementary Agreement to the Paris Protocol for one subject referred to in Paragraph one, Clause 9, Sub-clause “b” of this Section who is at least 18 years old.

(7) If the subjects referred to in Paragraph one, Clauses 2 and 4 of this Section, according to a notice received at the Ministry of Foreign Affairs regarding arrival of the relevant person in the Republic of Latvia, arrive for commencing service in the Republic of Latvia in the relevant year after 30 June, the maximum quantity of excise goods referred to in Paragraph six, Clauses 3, 4, 5, and 5.1 of this Section shall be calculated by dividing by two.

(8) For the employees of administrative technical personnel referred to in Paragraph one, Clause 2 of this Section and family members of such employees, if a special agreement has not been entered into, once during the accreditation for the goods purchased in the first four months, starting from the day when the Ministry of Foreign Affairs has received the notice regarding arrival of the relevant person in the Republic of Latvia, the maximum quantity of excise goods referred to in Paragraph six, Clauses 3, 4, 5, and 5.1 of this Section shall be calculated by dividing by three.

(9) The duty exemption or refund specified in this Section shall not be applied to alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products:

1) which are purchased by the subjects referred to in Paragraph one, Clauses 6 and 6.1 of this Section who are located in the Republic of Latvia;

2) for a subject (natural person) who is less than 18 years of age.

(10) The provisions included in this Section shall be applied insofar as it has not been specified otherwise in the international agreements binding to the Republic of Latvia.

(11) Such excise goods are exempted from the duty which are delivered to members of the Allied Headquarters and their dependants at the shop of the Allied Headquarters, and fuel which is delivered to the embassy of the United States of America in the Republic of Latvia and its diplomatic and consular agents and the administrative technical personnel. The Cabinet shall determine the procedures by which:

1) the duty exemption shall be applied:

a) to excise goods which are delivered in the Republic of Latvia to members of the Allied Headquarters and their dependants at the shop of the Allied Headquarters in accordance with the conditions and restrictions of the Supplementary Agreement to the Paris Protocol;

b) to oil products which are delivered as oil products (fuel) in the Republic of Latvia to retail selling points of oil products (fuel) to the embassy of the United States of America in the Republic of Latvia and its diplomatic and consular agents and administrative technical personnel in accordance with Article XIX of the Treaty of Friendship, Commerce and Consular Rights between Latvia and the United States of America;

2) the duty for excise goods purchased in the Republic of Latvia for which the duty has already been paid and which, upon application of exemption from the duty, have been delivered by the payer of the duty to the subjects referred to in Clause 1 of this Paragraph shall be refunded for the payer of the duty.

[*20 December 2004; 14 November 2008; 12 June 2009; 1 December 2009; 20 December 2010; 5 May 2016; 23 November 2016; 9 March 2017; 24 November 2020; 21 October 2021; 13 October 2022*]

**Section 21. Other Exemptions**

(1) Excise goods which have been lost as a result of force majeure if there is evidence, confirmed by appropriate documents issued by the relevant State supervision and control institutions, attesting that the loss referred to did not occur through the fault of the payer of the duty, shall be exempt from the duty.

(2) Excise goods which have been lost during manufacture, treatment, processing, storage, prepacking, movement, or mixing of oil products when the duty suspension arrangement in accordance with the norms approved by the Cabinet was applied, shall be exempt from the duty.

(21) Excise goods which have been lost in other Member States (in the carriage of excise goods to other Member States in accordance with Section 25 of this Law) shall be exempt from the duty, taking into account the presentation of the documents referred to in Section 25, Paragraph eight of this Law and information certified by the competent institution of the relevant Member State on the losses. The approved warehousekeeper or registered consignor who has sent the excise goods shall pay the excise duty for the losses, taking into account the amount of loss and other conditions of the receiving Member State. The excise duty shall be paid into the budget of such Member State in which the losses have been determined, on the basis of the excise duty rates and other conditions of such Member State. The State Revenue Service shall, on the basis of a request from the tax administration of the relevant Member State, control the collection and transfer of such excise duty to the budget of the Member State in which the loss was determined.

(3) In accordance with the procedures stipulated by the Cabinet excise goods brought in by a natural person for his or her own consumption in the Republic of Latvia from other Member States shall be exempt from the duty.

(4) Such excise goods shall be exempted from the duty which are imported by a natural person in his or her own personal luggage which is considered to be such within the meaning of the Value Added Tax Law (hereinafter – the personal luggage) and which are imported by this person from a foreign state other than the Member State, from territories referred to in Section 2, Paragraph 3.1 of this Law without exceeding the following quantities, provided that such import of goods is not commercial:

1) tobacco products, if a natural person travels by aircraft:

a) 200 cigarettes;

b) 100 cigarillos;

c) 50 cigars;

d) 250 g of smoking tobacco or tobacco leaves, or heated tobacco;

e) tobacco products referred to in Paragraph four, Clause 1, Sub-clauses “a”, “b”, “c”, and “d” of this Section in any combination, if the part of per cent which is used from individually determined amounts, does not exceed 100 per cent in total. Each amount specified in Paragraph four, Clause 1, Sub-clauses “a”, “b”, “c”, and “d” of this Section shall separately form 100 per cent of the amount of the tobacco product indicated in the relevant Sub-clause;

11) tobacco products, if a natural person does not travel by aircraft:

a) 40 cigarettes;

b) 20 cigarillos;

c) 10 cigars;

d) 50 g of smoking tobacco or tobacco leaves, or heated tobacco;

e) tobacco products referred to in Paragraph four, Clause 1.1, Sub-clauses “a”, “b”, “c”, and “d” of this Section in any combination, if the part of per cent which is used from individually determined amounts, does not exceed 100 per cent in total. Each amount specified in Paragraph four, Clause 1.1, Sub-clauses “a”, “b”, “c”, and “d” of this Section shall separately form 100 per cent of the amount of the tobacco product indicated in the relevant Sub-clause;

2) alcoholic beverages:

a) one litre of alcoholic beverage with alcohol content above 22 % by volume or undenatured ethyl alcohol with alcohol content of 80 % or more;

b) two litres of alcoholic beverage with alcohol content up to 22 % by volume, except for still wine and beer;

c) alcoholic beverages referred to in Paragraph four, Clause 2, Sub-clauses “a” and “b” of this Section in any combination, if the part of per cent which is used from individually determined amounts, does not exceed 100 per cent in total. Each amount indicated in Paragraph four, Clause 2, Sub-clauses “a” and “b” of this Section shall separately form 100 per cent of the amount of the alcoholic beverage indicated in the relevant Sub-clause;

d) four litres of still wine and 16 litres of beer;

3) non-alcoholic beverages, coffee, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products in conformity with the conditions and restrictions for the value of goods specified in the Value Added Tax Law;

4) fuel that is located:

a) in the standard fuel tank of a vehicle;

b) portable fuel tanks – not more than 10 litres for one vehicle.

(41) Provisions of Chapter XXVIII of Regulation No 1186/2009 shall be applicable to fuel referred to in Paragraph four of this Section.

(42) Duty exemptions provided for in Paragraph four, Clauses 1, 1.1, and 2 of this Section shall apply to a natural person who has reached the age of 18 years.

(43) Import of excise goods, including by a road motor vehicle other than commercial vehicle, shall not be considered as commercial within the meaning of Paragraph four of this Section, if it conforms to the following conditions:

1) it does not take place on a regular basis (not more than once per 30 days);

2) excise goods are provided for personal use or use in the family of the natural person.

(44) Import of excise goods shall not be considered as commercial within the meaning of Paragraph 4.3 of this Section, if excise goods are imported in such amount and value that does not imply that they are imported for commercial purposes.

(45) The provision of Paragraph 4.3, Clause 1 of this Section in respect of the fuel referred to in Paragraph four of this Section shall be applicable to a specific natural person and specific road motor vehicle other than commercial vehicle.

(46) The Cabinet shall determine the cases when a notification on the movement of excise goods shall be submitted at a border crossing point set up on a motor road regarding certain excise goods which are carried in the personal luggage of a natural person who qualifies as such within the meaning of Article 41 of Regulation No 1186/2009, and also regarding the volume of fuel in a commercial motor vehicle which is necessary for ensuring the operation of the road vehicle and also the procedures for filling in and submitting the respective notification and the information to be indicated in the notification.

(47) The Cabinet shall determine the cases when the driver of the commercial vehicle is considered a representative of the carrier in relation to certain information to be indicated in the notification on the movement of excise goods.

(5) Excise goods which a natural person from a foreign state other than the Member State, from territories referred to in Section 2, Paragraph 3.1 of this Law, dispatches by post to a natural person in the Republic of Latvia and which are exempt from the customs duty in accordance with Regulation No 1186/2009, shall be exempt from the duty.

(6) Excise goods (except for oil products) which have been supplied to a ship and an aircraft, which perform international carriage (also between Member States), provided that such goods shall be sold (also in cases where the value of the goods is included in the price of the ticket) on the relevant ship or aircraft in retail for consumption on site (except for sale in retail for off-premises consumption) or are utilised for supply to the crew of the vessel, shall be exempt from the duty. In such case, the specific ship or aircraft captain shall certify in writing to the supplier-payer of the duty that the received excise goods (indicating the type of product, name, amount and the purpose the excise goods shall be utilised for) shall not be utilised in any other way.

(7) Excise goods which are real evidence or attached property in a criminal proceeding, removed property in an administrative offence case or property falling within the jurisdiction of the State, shall be exempt from duty if the abovementioned excise goods are destroyed, however, the destruction of the abovementioned excise goods shall not free from liability the person to whom the liability specified in Chapter XI of this Law applies.

[*20 December 2004; 14 April 2005; 19 December 2006; 14 November 2008; 24 September 2009; 1 December 2009; 28 October 2010; 15 December 2011; 17 December 2014; 30 November 2015; 24 November 2020; 21 October 2021; 14 July 2022* / *Paragraphs 4.6 and 4.7 shall come into force on 1 November 2022. See Paragraph 142 of Transitional Provisions*]

**Chapter VI**

**Calculation and Payment of the Duty**

**Section 22. Calculation of the Duty**

(1) The duty for excise goods shall be calculated according to the rate laid down in Sections 12, 13, 13.1, 13.2, 14, 15, and 15.1 of this Law.

(2) In the calculation of duty, the volume of alcoholic beverages in litres referred to in Section 12, Paragraph one, Clause 5 of this Law in accordance with the procedures stipulated by the Cabinet shall be determined in conformity with the volume thereof at 20°C.

(3) Duty applied to cigarettes shall be calculated by summing up the amounts obtained when applying the duty rates laid down in Section 13, Paragraph one, Clause 2, Sub-clauses “a” and “b” of this Law, by complying with the provisions of Section 13 of this Law.

(4) If the weighted average retail selling price of cigarettes is unknown, in cases referred to in Section 32 of this Law or in other cases specified in this Law the duty shall be calculated by summing up the amounts obtained when applying the duty rates laid down in Section 13, Paragraph one, Clause 2, Sub-clauses “a” and “b” of this Law, by complying with the provisions of Section 13 of this Law, and for the calculation of the duty one of the following prices shall be used:

1) the maximum retail selling price determined most frequently by a recipient of excise duty stamps in the previous calendar month, but not lower than the most popular retail selling price in the previous calendar year, if the duty is paid by the recipient of excise duty stamps;

2) the actual selling price of cigarettes, but not lower than the most popular retail selling price in the previous calendar year if the duty is paid by persons other than the recipient of excise duty stamps;

3) the weighted average retail selling price in the previous calendar year, unless the price referred to in Clause 1 or 2 of this Paragraph can be determined.

(41) Up to the specification of the weighted average retail selling price in accordance with Section 30 of this Law, the previously specified weighted average retail selling price shall be applied in the cases referred to in Paragraph four of this Section.

(5) In calculating the duty, the quantity of oil products in litres referred to in Section 14, Paragraph one, Clauses 1, 2, 3, 4, and 6 of this Law in accordance with the procedures stipulated by the Cabinet shall be determined in conformity with their quantity at 15°C.

(6) The duty for natural gas shall be calculated in accordance with the procedures stipulated by the Cabinet, taking into account that the volume and gross calorific value of natural gas has been specified under base conditions when the pressure of natural gas is 101.325 kPa and temperature – 20oC.

[*10 November 2005; 19 December 2006; 14 November 2008; 1 December 2009; 22 April 2010; 28 October 2010; 15 December 2011; 30 November 2015; 9 March 2017; 24 November 2020; 13 October 2022*]

**Section 23. Payment of the Duty**

(1) For an approved warehousekeeper, a registered consignee, a certified consignee, a consignor in distance selling of another Member State, and a representative of the payer of the duty, the taxation period of the duty shall be one calendar month.

(2) The importer shall pay the duty calculated for excise goods declared for a customs procedure – release into free circulation – into the State budget before presenting the excise goods at a customs authority. A natural person who brings in excise goods in his or her own personal luggage that exceeds the amount or value specified in Section 21 of this Law shall pay the duty prior to releasing the excise goods into free circulation.

(3) A registered consignor shall pay the duty calculated for the excise goods which are declared for a customs procedure – release into free circulation – and to which the duty suspension arrangement is applicable in accordance with the conditions of Section 25 of this Law, into the State budget within five working days after the conditions of Section 25, Paragraph three of this Law have set in.

(4) An approved warehousekeeper shall pay the duty calculated in the taxation period for the excise goods which have been moved from the tax warehouse during the taxation period into the State budget not later than by the 23rd date of the following month after the end of the relevant taxation period, except for the duty calculated for those excise goods to which the duty suspension arrangement is applied in accordance with Section 25 of this Law.

(5) A registered consignee shall pay the duty calculated for the excise goods which have been received by him or her during the taxation period into the State budget not later than by the 23rd date of the following month after the end of the relevant taxation period.

(6) A temporary registered consignee shall pay the duty calculated for the excise goods which have been received by him or her into the State budget not later than within five working days after receipt of the relevant excise goods.

(61) A certified consignee shall pay the duty calculated for the excise goods, which the certified consignee receives during the taxation period, into the State budget not later than by the 23rd day of the following month after the end of the relevant taxation period.

(62) A temporary certified consignee shall pay the duty calculated for the excise goods, which the temporary certified consignee receives, into the State budget not later than within the following five working days after receipt of the relevant excise goods.

(7) A natural person or a legal person bringing in or receiving excise goods from another Member State in the Republic of Latvia which have already been released into free circulation or released for consumption in another Member State shall pay the calculated duty into the State budget not later than within the next five working days after bringing in or receipt of the excise goods in the Republic of Latvia, or prior to the dispatch of the relevant excise goods from another Member State, except for the case referred to in Section 21, Paragraph three of this Law. If the relevant person pays the duty prior to the dispatch of the relevant excise goods from another Member State in accordance with this Law, he or she shall submit a document confirming the payment of the duty to the State Revenue Service.

(8) An approved warehousekeeper shall pay the duty for the shortage of the excise goods (for example, theft, loss, disappearance, except for the shortage referred to in Section 21, Paragraphs one, two, and 2.1 of this Law) determined during the taxation period which has occurred in the tax warehouse or while moving the relevant excise goods in accordance with Section 25 of this Law into the State budget not later than by the 23rd date of the following month after the end of the relevant taxation period.

(9) A registered consignor shall pay the duty for the shortage of the excise goods established in the Republic of Latvia (for example, theft, loss, disappearance, except for the shortage referred to in Section 21, Paragraphs one, two, and 2.1 of this Law) which has occurred while moving the relevant excise goods in accordance with Section 25 of this Law, into the State budget within five working days after establishing the shortage of the excise goods.

(10) A person or persons who have been indicated as a guarantor in the documents referred to in Section 25, Paragraph nine of this Law shall, within a month after the day when the decision of the State Revenue Service on calculation of duty has been notified, pay the duty for the shortage of the exercise goods established in the Republic of Latvia (for example, theft, loss, disappearance, except for the shortage referred to in Section 21, Paragraphs one, two, and 2.1 of this Law) which has occurred while moving the relevant excise goods from another Member State to or through the territory of the Republic of Latvia in accordance with Section 25 of this Law. The State Revenue Service in co-operation with the competent authorities of other Member States shall ensure the fact that the excise duty payment is transferred in the State budget of the Republic of Latvia.

(11) An approved warehousekeeper shall pay the duty for the excise goods which have been consumed in the tax warehouse during the taxation period (including presentations, exhibitions, tasting, except for the production of excise goods) into the State budget not later than by the 23rd date of the following month after the end of the relevant taxation period.

(12) A person who brings in or receives non-alcoholic beverages or coffee in the Republic of Latvia shall, except for the case referred to in Section 21, Paragraph three and Paragraph four, Clause 3 of this Law, or in the case when the duty suspension arrangement is applied in accordance with the conditions of Section 25 of this Law, pay the duty into the State budget as follows:

1) in accordance with Paragraph two of this Section, if non-alcoholic beverages or coffee is imported or received in the Republic of Latvia from a foreign country which is not a Member State or from the territory referred to in Section 2, Paragraph 3.1 of this Law;

2) in accordance with Paragraph seven of this Section, if non-alcoholic beverages or coffee is brought in or received in the Republic of Latvia from a Member State.

(13) A payer of the duty shall pay the duty for excise goods which are marked with excise duty stamps prior to the receipt of the excise duty stamps in accordance with Section 27, Paragraphs six and 6.1 of this Law or in accordance with Paragraph two, four, five, six, seven, eight, nine, eleven, or seventeen of this Section.

(14) [21 October 2021]

(15) [21 October 2021]

(16) [21 October 2021]

(17) A person whose special permit (licence) for the operation of an approved warehousekeeper has ceased to be in effect or has been cancelled shall, not later than by the 23rd day of the following month after the end of the taxation period in which the relevant special permit (licence) has ceased to be in effect or the decision to cancel the relevant special permit (licence) has entered into effect in accordance with the laws and regulations regarding the circulation of excise goods, pay the duty into the State budget for the relevant remainders of the excise goods or use of a guarantee, and take the following actions with the remainders of the excise goods according to the permit obtained in accordance with the laws and regulations regarding the circulation of excise goods:

1) moved to another tax warehouse in the Republic of Latvia;

2) sold to another tax warehouse or a registered consignee in the Republic of Latvia;

3) sold to a person who is entitled to receive excise goods with duty exemption;

4) sold to a person who is entitled to receive excise goods with duty relief;

5) exported to a foreign country which is not a Member State or to the territory referred to in Section 2, Paragraph 3.1 of this Law;

6) destroyed.

(171) If the remainders of excise goods referred to in Paragraph seventeen of this Section are sold to a person who is entitled to receive excise goods with duty relief, the person whose special permit (licence) for the operation of an approved warehousekeeper has ceased to be in effect or has been cancelled shall pay the excise duty within the time period specified in Paragraph seventeen of this Section.

(18) A person shall pay the duty for excise goods which are in temporary storage or to which the customs procedure is applied in accordance with the laws and regulations in the field of customs as soon as a customs or duty debt appears, except for the case where the debt of the customs duty is not subject to collection. The procedures for the payment of the abovementioned duty shall not apply to the case referred to in Paragraph two of this Section.

(181) The obligation to pay the duty for excise goods which have been brought into the Republic of Latvia from a foreign country other than a Member State or from the territory referred to in Section 2, Paragraph 3.1 of this Law without delivering them to the customs authority or without presenting them to the customs authorities, or evading customs control, or hiding them from such control, or without declaring them, or using falsified documents or documents containing false information, or in other illegal manner, shall arise at the moment when the debt of the customs duty arises.

(19) An approved warehousekeeper, in the case laid down in Paragraph thirteen of this Section, shall no longer pay the duty for those excise goods marked with excise duty stamps for which he or she has paid the duty in accordance with Paragraph four of this Section, if the specific excise goods marked with excise duty stamps have been returned to the relevant tax warehouse and the storage, as well as recording thereof is ensured separately from the storage and recording of those excise goods to which the duty suspension arrangement is applied.

(20) The taxation period of the duty for natural gas for the warehousekeeper approved for activities with natural gas, for a natural gas trader, a public trader, and a natural gas distribution system operator, if the abovementioned persons supply natural gas for consumption to end users, to an end user of natural gas who brings in natural gas for own consumption in the Republic of Latvia, or to a person who purchases natural gas in another Member State, brings and sells it in retail as fuel, shall be one calendar month. The duty for natural gas shall be paid into the State budget not later than by the 23rd date of the following month after the end of the relevant taxation period.

(21) A person shall pay the duty for food supplements which contain ethyl alcohol and exceed 150 millilitres per packaging and which are registered, distributed, sold, processed, and supplied in accordance with the laws and regulations regarding mandatory safety and labelling requirements for food supplements and the procedures for the registration of food supplements, into the State budget:

1) in accordance with Paragraph two of this Section, if the abovementioned food supplements are imported to the Republic of Latvia from a foreign state other than a Member State, or from a territory referred to in Section 2, Paragraph 3.1 of this Law;

2) not later than within five working days after bringing in or receipt of the food supplements in the Republic of Latvia or prior to dispatching the relevant excise goods from another Member State, except for the case referred to in Section 21, Paragraph three of this Law;

3) not later than by the 23rd day of the following month after the end of the relevant taxation period, if the abovementioned food supplements are produced in the Republic of Latvia.

(22) A person who brings in or receives the liquid to be used in electronic smoking devices, the ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products in the Republic of Latvia shall, except for the case referred to in Section 21, Paragraph three and Paragraph four, Clause 3 of this Law, or in the case when the duty suspension arrangement is applied in accordance with the conditions of Section 25 of this Law, pay the duty into the State budget as follows:

1) in accordance with Paragraph two of this Section if the liquid to be used in electronic smoking devices, the ingredients for the preparation of liquid to be used in electronic smoking devices, or tobacco substitute products are imported or received in the Republic of Latvia from a foreign country other than a Member State or from the territory referred to in Section 2, Paragraph 3.1 of this Law;

2) in accordance with Paragraph seven of this Section if the liquid to be used in electronic smoking devices, the ingredients for the preparation of liquid to be used in electronic smoking devices, or tobacco substitute products are brought in or received in the Republic of Latvia from a Member State.

(23) A person who brings in or receives the products referred to in Section 5, Paragraph three of this Law in the Republic of Latvia for which the duty has not been paid, for the use thereof for the purposes specified in Section 5, Paragraph three of this Law, shall pay the calculated tax into the State budget not later than within five working days after receipt or bringing in of the abovementioned products.

(24) If a person is planning to use the products at its disposal which are referred to in Section 5, Paragraph three of this Law and for which the duty has not been paid, for the purposes specified in Section 5, Paragraph three of this Law or to sell them to a person who will use them for the abovementioned purposes, the calculated tax shall be paid into the State budget not later than within one working day prior to commencing the use or sale.

(25) In cases when the purpose of use of natural gas has changed, a user of natural gas who has received natural gas to which duty exemption or reduced duty rate has been applied shall, not later than by the 23rd date of the following month after the end of the relevant taxation period, pay into the State budget, according to the duty rate specified for the purpose of use, the duty for the quantity of natural gas received in the taxation period or the difference in duty if reduced tax rate was applied to natural gas.

(26) [13 October 2022].

(27) A consignor in distance selling of another Member State and a representative of the payer of the duty shall pay the duty calculated for the excise goods, which the consignor in distance selling of another country dispatches to a relevant person in the Republic of Latvia during the taxation period, into the State budget by the 23rd day of the following month after the end of the relevant taxation period.

[*1 December 2009; 22 April 2010; 14 April 2011; 30 November 2015; 5 May 2016; 9 March 2017; 25 October 2018; 23 May 2019; 24 November 2020; 21 October 2021; 13 October 2022*]

**Section 24. Duty Declaration**

(1) An approved warehousekeeper, a registered consignee, a certified consignee, a consignor in distance selling of another Member State, and a representative of the payer of the duty shall submit a duty return for the taxation period to the State Revenue Service within 15 days after the end of the relevant taxation period. In the case referred to in Section 23, Paragraph seven of this Law, where the duty is paid prior to the dispatch of the excise goods from another Member State, the duty return shall be submitted within two working days after receipt of the excise goods. Payers of the duty shall submit the duty return for natural gas to the State Revenue Service within 15 days after the end of the taxation period. Other payers of the duty shall submit the duty return within three working days prior to the time period for the duty payment specified in this Law. Importers who have paid the duty in accordance with Section 23, Paragraph two of this Law shall not submit the duty return.

(11) An approved warehousekeeper of another Member State or a registered consignor of another Member State who pays the duty in accordance with Section 23, Paragraph ten of this Law shall not submit the duty return.

(2) An approved warehousekeeper shall submit the duty return for each tax warehouse separately.

(21) In submitting the excise duty return, a representative of the payer of the duty shall attest to the quantities of excise goods indicated in the return by attaching to the return information on each represented consignor in distance selling of another Member State and the quantities sold by it in distance selling during the taxation period broken down by the types of goods indicated in the return.

(3) The Cabinet shall approve the form of the duty return and the procedures for the completion thereof.

[*14 April 2005; 19 December 2006; 1 December 2009; 22 April 2010; 23 May 2019; 13 October 2022*]

**Section 24.1 Calculation of Duty and Recovering in Case of Lost Excise Goods**

If, when moving excise goods under the duty suspension arrangement from a Member State to the Republic of Latvia or through the territory of the Republic of Latvia, a shortage is established in the Republic of Latvia (for example, theft, loss, or disappearance), the State Revenue Service shall take a decision on the calculation of duty. If the calculated duty is not paid within the time period specified in Section 23, Paragraph ten of this Law, the State Revenue Service shall recover it on an uncontested basis.

[*15 December 2011*]

**Chapter VII**

**Movement of Excise Goods**

**Section 25. Movement of Excise Goods under Duty Suspension Arrangement**

(1) A registered consignor shall apply the duty suspension arrangement to excise goods which:

1) are being moved to a tax warehouse in the Republic of Latvia;

2) are being moved to a tax warehouse in another Member State;

3) are being delivered to a registered consignee or a temporary registered consignee in the Republic of Latvia or in another Member State;

4) are being delivered to the persons or other organisations in another Member State referred to in Section 20 of this Law;

5) are being moved for further export from the Republic of Latvia to a foreign country other than a Member State or to the territory referred to in Section 2, Paragraph 3.1 of this Law, or delivered to the customs authority which concurrently is the customs authority of the registered consignor in the external transit procedure.

(2) A registered consignor performing the activities referred to in Paragraph one of this Section shall not pay the duty if, using the electronic administrative document referred to in Paragraph nine of this Section within the scope of a computerised system, it is certified to the State Revenue Service or evidence submitted that the excise goods conform to one of the following conditions:

1) they have been received in a tax warehouse in the Republic of Latvia or in another Member State;

2) they have been received by a registered consignee or a temporary registered consignee in the Republic of Latvia or in another Member State;

3) they have been received by the organisations in other Member States referred to in Section 20 of this Law. In such case, in addition to the electronic administrative document referred to in Paragraph nine of this Section, a document which certifies that the abovementioned excise goods are exempt from duty shall be used. This document is specified in Regulation No 282/2011;

4) they have been exported from the Republic of Latvia to a foreign country other than a Member State or to the territory referred to in Section 2, Paragraph 3.1 of this Law, or released for export by applying the external transit procedure if the customs office of exit is the customs authority of the registered consignor in the external transit procedure.

(3) A registered consignor shall pay the duty in accordance with the duty rate laid down in this Law, if the State Revenue Service has not received a certification or evidence about the fulfilment of the conditions referred to in Paragraph two of this Section in the following period of time:

1) within 15 days from the day of commencement of the movement – for excise goods which have only been moved in the Republic of Latvia;

2) within four calendar months from the day of commencement of the movement – for excise goods which have been moved to other Member States (including movement through other Member States to a foreign country other than a Member State, or to the territory referred to in Section 2, Paragraph 3.1 of this Law), or exported to a country other than a Member State, or released for export by applying the external transit procedure.

(4) An approved warehousekeeper shall apply the duty suspension arrangement to excise goods which:

1) from a tax warehouse in the Republic of Latvia:

a) are moved to a tax warehouse in the Republic of Latvia;

b) are moved to a tax warehouse in another Member State;

c) are delivered to a registered consignee or a temporary registered consignee in the Republic of Latvia or in another Member State;

d) are delivered to the persons or organisations in another Member State referred to in Section 20 of this Law;

2) are removed from a tax warehouse for further export thereof from the Republic of Latvia to a foreign country other than a Member State or to the territory referred to in Section 2, Paragraph 3.1 of this Law, or to the customs authority which concurrently is the customs authority of the consignor in the external transit procedure for the release for export.

(5) An approved warehousekeeper who performs the activities referred to in Paragraph four of this Section, shall not pay the duty if, using the electronic administrative document referred to in Paragraph nine of this Section within the scope of a computerised system, it is certified to the State Revenue Service or evidence submitted that the excise goods conform to one of the following conditions:

1) they have been received in a tax warehouse in the Republic of Latvia or in another Member State;

2) they have been received by a registered consignee or a temporary registered consignee in the Republic of Latvia or in another Member State;

3) they have been received by the organisations in other Member States referred to in Section 20 of this Law. In such case, in addition to the electronic administrative document referred to in Paragraph nine of this Section, a document which certifies that the abovementioned excise goods are exempt from duty shall be used. This document is specified in Regulation No 282/2011;

4) they have been exported from the Republic of Latvia to a foreign country other than a Member State or to the territory referred to in Section 2, Paragraph 3.1 of this Law, or released for export by applying the external transit procedure if the customs office of exit is the customs authority of the consignor in the external transit procedure.

(6) An approved warehousekeeper shall pay the duty in accordance with the duty rate laid down in this Law, if the State Revenue Service has not received a certification or evidence about the fulfilment of the conditions referred to in Paragraph five of this Section within the following periods of time:

1) within 15 days after the taxation period – for excise goods which have only been moved in the Republic of Latvia;

2) within four calendar months from the day of commencement of the movement – for the excise goods which have been moved to other Member States (including movement through other Member States to a foreign country other than a Member State or to the territory referred to in Section 2, Paragraph 3.1 of this Law), or exported to a country other than Member State, or released for export by applying the external transit procedure.

(7) If the conditions referred to in Paragraphs two and five of this Section are fulfilled after the term specified, but not later than within three years from the commencement of movement, the paid duty shall be transferred to subsequent duty payments or refunded within 30 days after receipt of a written request of the relevant duty payer.

(8) A registered consignee or a temporary registered consignee shall certify the receipt of excise goods with a report of receipt which he or she shall submit to the State Revenue Service, using the computerised system.

(9) Electronic reports and an electronic administrative document shall be used in the cases specified in Paragraphs one, two, four, five, and eight of this Section. The conditions for the use of the computerised system, the procedures for the circulation and control of the electronic administrative document, including in cases where the computerised system is not accessible, and also other conditions for the movement of the excise goods referred to in this Section shall be laid down by the Cabinet.

(10) In applying the duty suspension arrangement, wine may be received from small wine producers in other Member States in accordance with the conditions laid down in Commission Delegated Regulation (EU) 2018/273 of 11 December 2017 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the scheme of authorisations for vine plantings, the vineyard register, accompanying documents and certification, the inward and outward register, compulsory declarations, notifications and publication of notified information, and supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council as regards the relevant checks and penalties, amending Commission Regulations (EC) No 555/2008, (EC) No 606/2009 and (EC) No 607/2009 and repealing Commission Regulation (EC) No 436/2009 and Commission Delegated Regulation (EU) 2015/560 (hereinafter – Commission Regulation No 2018/273) if an approved warehousekeeper, a registered consignee, or a temporary registered consignee submits information on the received accompanying document of wine in the computerised system referred to in Paragraph nine of this Section within five working days after the day the goods are supplied.

(11) An approved warehousekeeper shall be permitted to apply the duty suspension arrangement to non-alcoholic beverages, coffee, liquid to be used in electronic smoking devices, the ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products if these goods:

1) from a tax warehouse in the Republic of Latvia:

a) are moved to another tax warehouse in the Republic of Latvia;

b) are removed to a foreign country (including a Member State) or to the territory referred to in Section 2, Paragraph 3.1 of this Law, or to the customs authority which is also the customs authority of the consignor in the external transit procedure for the release for export;

c) are delivered to the persons or organisations in another Member State referred to in Section 20 of this Law;

2) are brought in the Republic of Latvia from another foreign state (including a Member State) or from a territory referred to in Section 2, Paragraph 3.1 of this Law, for movement to a tax warehouse in the Republic of Latvia.

(12) An approved warehousekeeper who performs the activities referred to in Paragraph eleven of this Section shall not pay the duty if such documents are submitted to the State Revenue Service, or the approved list thereof is appended to the duty return, which certify that the non-alcoholic beverages, coffee, liquid to be used in electronic smoking devices, the ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products conform to one of the following conditions:

1) these goods have been received in a tax warehouse in the Republic of Latvia;

2) these goods have been brought out from the Republic of Latvia and received in another Member State;

3) these goods have been exported from the Republic of Latvia to a foreign country other than a Member State or to the territory referred to in Section 2, Paragraph 3.1 of this Law, or released for export by applying the external transit procedure if the customs office of exit is the customs authority of the consignor in the external transit procedure;

4) these goods have been received by the organisations referred to in Section 20 of this Law in another Member State.

(13) If the documents referred to in Paragraph twelve of this Section are not submitted, within 15 days after the end of the taxation period, to the State Revenue Service for non-alcoholic beverages, coffee, liquid to be used in electronic smoking devices, the ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products which are moved during the taxation period in accordance with Paragraph eleven of this Section, the approved warehousekeeper shall pay the duty in accordance with the duty rate laid down in this Law. If the relevant documents are submitted after the term specified, but not later than within three years after this term, the duty paid shall be transferred for the subsequent payments of duty or upon a written request of the relevant payer of the duty it shall be refunded within 30 days after receipt of the request.

(14) An approved warehousekeeper shall be permitted to apply the duty suspension arrangement to such excise goods to which the document specified in Commission Regulation No 684/2009 and provisions for use of the computerised system do not refer, if such goods:

1) from a tax warehouse in the Republic of Latvia:

a) are moved to another tax warehouse in the Republic of Latvia;

b) are removed to a foreign country (including a Member State) or to the territory referred to in Section 2, Paragraph 3.1 of this Law, or to the customs authority which is also the customs authority of the consignor in the external transit procedure for the release for export;

c) are delivered to the persons or organisations in another Member State referred to in Section 20 of this Law;

2) are brought in the Republic of Latvia from another foreign state (including a Member State) or from a territory referred to in Section 2, Paragraph 3.1 of this Law, for movement to a tax warehouse in the Republic of Latvia.

(15) An approved warehousekeeper which performs the activities referred to in Paragraph fourteen of this Section shall not pay the duty, if such documents are submitted to the State Revenue Service, or the approved list thereof is appended to the duty return, which certify that the excise goods referred to in Paragraph fourteen of this Section conform to one of the following conditions:

1) these goods have been received in a tax warehouse in the Republic of Latvia;

2) these goods have been brought out from the Republic of Latvia and received in another Member State;

3) these goods have been exported from the Republic of Latvia to a foreign country other than a Member State or to the territory referred to in Section 2, Paragraph 3.1 of this Law, or released for export by applying the external transit procedure if the customs office of exit is the customs authority of the consignor in the external transit procedure;

4) these goods have been received by the organisations referred to in Section 20 of this Law in another Member State.

(16) If for the excise goods referred to in Paragraph fourteen of this Section which are moved in a taxation period in accordance with Paragraph fourteen of this Section the documents referred to in Paragraph fifteen of this Section are not submitted to the State Revenue Service within 15 days after the end of the taxation period, an approved warehousekeeper shall pay the duty in accordance with the duty rate laid down in this Law. If the relevant documents are submitted after the term specified, but not later than within three years after this term, the duty paid shall be transferred for the subsequent payments of duty or upon a written request of the relevant payer of the duty it shall be refunded within 30 days after receipt of the request.

(17) Regards activities with natural gas, an approved warehousekeeper is permitted to apply the duty suspension arrangement to natural gas, when the natural gas:

1) from a tax warehouse in the Republic of Latvia:

a) is moved to another tax warehouse in the Republic of Latvia;

b) is moved to a foreign country (including a Member State) or to the territory referred to in Section 2, Paragraph 3.1 of this Law, or to the customs authority which is also the customs authority of the consignor in the external transit procedure for the release for export;

c) is delivered to the persons or organisations referred to in Section 20 of this Law in another Member State;

2) is brought in the Republic of Latvia from another foreign state (including a Member State) or from a territory referred to in Section 2, Paragraph 3.1 of this Law, for movement to a tax warehouse in the Republic of Latvia.

(18) An approved warehousekeeper who performs the activities referred to in Paragraph seventeen of this Section shall not pay the duty for activities with natural gas, if such documents are submitted to the State Revenue Service, or the approved list thereof is appended to the duty return, which certify that natural gas conforms to one of the following conditions:

1) natural gas has been received at a tax warehouse in the Republic of Latvia;

2) natural gas has been brought out from the Republic of Latvia and received in another Member State;

3) natural gas has been exported from the Republic of Latvia to a foreign country other than a Member State or to the territory referred to in Section 2, Paragraph 3.1 of this Law, or released for export by applying the external transit procedure if the customs office of exit is the customs authority of the consignor in the external transit procedure;

4) natural gas has been received by the organisations in other Member States referred to in Section 20 of this Law.

(19) An approved warehousekeeper shall apply the duty suspension arrangement to the oil products which are pumped out of an aircraft before its technical maintenance or repair and moved to a tax warehouse.

[*1 December 2009; 22 April 2010; 15 December 2011; 30 November 2015; 5 May 2016; 9 March 2017; 25 October 2018; 24 November 2020; 21 October 2021; 13 October 2022*]

**Section 26. Conditions for the Movement of Excise Goods Released for Consumption between Member States**

(1) The conditions laid down in this Section shall apply to the movement of such excise goods released for consumption between Member States which are intended for commercial purposes or their own needs.

(2) The conditions laid down in this Section for a certified consignor shall also apply to a temporary certified consignor and the conditions laid down in this Section for a certified consignee shall also apply to a temporary certified consignee, unless otherwise specified explicitly. The certified consignor shall comply with the requirements laid down in Section 9.2 of this Law, and the certified consignee shall comply with the requirements laid down in Section 9.3 of this Law.

(3) Excise goods shall be considered supplied for commercial purposes or their own needs if they have been released for consumption in the territory of one Member State and the certified consignor moves (supplies) them to the certified consignee in the territory of another Member State, unless Section 21, Paragraph three and Section 26.1 of this Law apply to the movement of excise goods. Excise goods shall also be considered supplied for commercial purposes or their own needs in the case where they are dispatched and received in accordance with this Section but the conditions for a certified consignor do not apply to the persons dispatching excise goods and the conditions for a certified consignee do not apply to the persons bringing in or receiving excise goods, and Section 21, Paragraph three and Section 26.1 of this Law do not apply to the movement of excise goods.

(4) If the certified consignor of another Member State moves (dispatches) excise goods to the certified consignee, the excise goods shall be taxed in the Republic of Latvia. The certified consignee in the Republic of Latvia shall be responsible for the payment of the duty. The certified consignee shall submit a duty return in accordance with Section 24 of this Law. The certified consignee shall pay the duty in accordance with Section 23, Paragraph 6.1 of this Law and the temporary certified consignee shall pay the duty in accordance with Section 23, Paragraph 6.2 of this Law.

(5) The certified consignee shall certify the receipt of excise goods from another Member State with a report of receipt. The report shall be submitted to the State Revenue Service by using the computerised system.

(6) The certified consignor shall certify the movement of excise goods to another Member State with an electronic simplified administrative document. The document shall be submitted to the State Revenue Service by using the computerised system.

(7) Electronic reports and the electronic simplified administrative document shall be used in the cases referred to in Paragraphs five and six of this Section. The conditions for the use of the computerised system, the procedures for the circulation and control of the electronic simplified administrative document, including in the case where the computerised system is not accessible, and also other conditions for the movement of excise goods referred to in this Section shall be laid down by the Cabinet.

(8) Without using the electronic reports end the electronic simplified administrative document specified in Paragraph seven of this Section, wine may be received in the Republic of Latvia from small wine producers in other Member States in accordance with the conditions laid down in Commission Regulation No 2018/273. In such case, the certified consignee shall, within five working days after the day the goods are supplied, submit to the State Revenue Service information on the received accompanying document of wine by using the computerised system.

(9) When bringing in the Republic of Latvia excise goods to be marked with excise duty stamps, they shall be marked with excise duty stamps at the moment of being brought in, ensuring conformity with the conditions of Section 27 of this Law. When bringing out from the Republic of Latvia excise goods marked with excise duty stamps, the excise duty stamps shall not be removed from the packaging of excise goods.

(10) A person who brings in or receives in the Republic of Latvia from another Member State for commercial purposes or his or her own needs the excise goods which have already been released for consumption in another Member State but the movement of which is not subject to the conditions for a certified consignor and certified consignee shall, prior to the dispatch of the excise goods from the relevant Member State, submit to the State Revenue Service information (type of excise goods, quantity according to the duty rate specified in this Law, and the calculated duty) and pay the duty or provide the one-time guarantee referred to in Section 31 of this Law. The duty return shall be submitted in accordance with Section 24 of this Law and the duty shall be paid in accordance with Section 23, Paragraph seven of this Law.

(11) An end user of natural gas who brings in or receives natural gas which is not transported through natural gas transmission or distribution system pipelines in the Republic of Latvia from another Member State for his or her own consumption shall provide information to the State Revenue Service prior to the dispatch of the natural gas. The duty return shall be submitted in accordance with Section 24 of this Law and the duty shall be paid in accordance with Section 23, Paragraph twenty of this Law.

(12) In the cases referred to in Paragraphs ten and eleven of this Section the specific persons shall certify receipt of excise goods by submitting to the State Revenue Service supply documents of the relevant excise goods or an approved list accompanying the duty return.

(13) A person who is not subject to the conditions for a certified consignor or certified consignee may use accompanying documents other than the electronic simplified administrative document for the movement of excise goods in the cases referred to in this Section.

(14) If the consignor of another Member State has requested a document certifying payment of the duty in the cases referred to in Paragraphs ten and eleven of this Section, the State Revenue Service shall issue it to the relevant payer of the duty after the duty for the excise goods indicated in the information has been paid in the Republic of Latvia.

(15) In respect of excise goods which have been released for consumption in the Republic of Latvia and for which the duty has been paid but which are dispatched by a certified consignor from the Republic of Latvia to another Member State, upon request of the relevant person, the duty shall be paid over to cover a duty debt, for further duty payments, other tax payments, or the duty shall be refunded if the State Revenue Service has received a report of receipt from the relevant Member State by using the computerised system.

(16) In respect of excise goods which have been released for consumption in the Republic of Latvia and for which the duty has been paid, but which are dispatched by the person referred to in Paragraph thirteen of this Section from the Republic of Latvia to another Member State, upon request of the relevant person, the duty shall be paid over to cover a duty debt, for subsequent duty payments, other tax payments, or the duty shall be refunded.

(17) The Cabinet shall determine the documents to be submitted, time periods for the refund of the duty, requirements for the certification of the duty payment, and other conditions, and also the procedures by which the duty is paid over to cover a duty debt, for subsequent duty payments, other tax payments, or the duty is refunded in the cases referred to in Paragraphs fifteen and sixteen of this Section.

(18) Excise goods shall not be considered supplied for commercial purposes if a natural person brings excise goods in the Republic of Latvia from the territory of another Member State for his or her consumption.

[*13 October 2022*]

**Section 26.1 Distance Selling of Alcoholic Beverages, Non-alcoholic Beverages, and Coffee**

(1) Alcoholic beverages, non-alcoholic beverages, and coffee which have already been released for consumption in the Republic of Latvia and which a natural person other than an approved warehousekeeper, a registered consignee, a temporary registered consignee, a certified consignee, or a temporary certified consignee who does not perform an independent economic activity acquires in the territory of another Member State, and which the consignor in distance selling or another person on behalf thereof directly or indirectly dispatches or transports to the territory of another Member State shall be taxed in the Member State of destination. The duty shall be paid in accordance with the procedure laid down by the Member State of destination.

(2) Alcoholic beverages, non-alcoholic beverages, and coffee which have already been released for consumption in the territory of another Member State and which a natural person other than an approved warehousekeeper, a registered consignee, a temporary registered consignee, a certified consignee, or a temporary certified consignee who does not perform an independent economic activity acquires in the Republic of Latvia, and which the consignor in distance selling or another person on behalf thereof directly or indirectly dispatches or transports to the Republic of Latvia shall be taxed in the Republic of Latvia.

(3) A consigner in distance selling of another Member State or a representative of the payer of the duty assigned thereof in the Republic of Latvia shall be responsible for the payment of the duty in the Republic of Latvia. A consignor in distance selling of another Member State or a representative of the payer of the duty assigned thereof shall submit a duty return in accordance with Section 24 of this Law. A consignor in distance selling of another Member State or a representative of the payer of the duty assigned thereof shall pay the duty in accordance with Section 23, Paragraph twenty-seven of this Law.

(4) A consignor in distance selling shall conform to the requirements laid down in Section 11.1 of this Law and a representative of the payer of the duty shall conform to the requirements laid down in Section 11.2 of this Law.

(5) In respect of alcoholic beverages, non-alcoholic beverages, and coffee which have been released for consumption in the Republic of Latvia and for which the duty has been paid, but which are dispatched or transported from the Republic of Latvia to another Member State in accordance with Paragraph one of this Section, upon request of the consignor in distance selling, the duty shall be paid over to cover a duty debt, for subsequent duty payments, other tax payments, or the duty shall be refunded.

(6) The Cabinet shall determine the documents to be submitted, time periods for the refund of the duty, requirements for the certification of the duty payment, and other conditions, and also the procedures by which the duty is paid over to cover a duty debt, for subsequent duty payments, or the duty is refunded in the case referred to in Paragraph five of this Section.

(7) When bringing out from the Republic of Latvia excise goods marked with excise duty stamps, the excise duty stamps shall not be removed from the packaging of excise goods.

[*13 October 2022*]

**Chapter VIII**

**Marking of Excise Goods**

**Section 27. Marking of Alcoholic Beverages, Tobacco Products, Liquid to Be Used in Electronic Smoking Devices, Ingredients for the Preparation of Liquid to Be Used in Electronic Smoking Devices, and Tobacco Substitute Products**

(1) All alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products shall be marked with excise duty stamps, except for the cases specified in Paragraph three of this Section.

(2) It shall be permitted to mark alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products with excise duty stamps:

1) in the Republic of Latvia – only in tax warehouses or customs warehouses;

2) in foreign states (including Member States) – for bringing in the Republic of Latvia.

(3) It is permitted not to mark with excise duty stamps:

1) alcoholic beverages:

a) alcoholic beverages that have been filled into a packaging with a volume of up to 100 millilitres (including);

b) beer;

c) alcoholic beverages which are sold in duty-free shops in accordance with the laws and regulations in the field of customs;

d) fermented beverages with the absolute alcohol content of up to 6 per cent by volume (inclusive);

11) tobacco products which are sold in duty-free shops in accordance with the laws and regulations in the field of customs, if a packaging unit of tobacco products contains such security element which is not an excise duty stamp, but has been determined in accordance with the laws and regulations regarding security elements;

12) tobacco leaves;

13) [24 November 2020 / See Paragraph 128 of Transitional Provisions];

14) liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products which are sold in duty-free shops in accordance with the laws and regulations in the field of customs;

2) alcoholic beverages which have been exempt from the duty in accordance with Sections 16, 20, and 21 of this Law or are subject to the duty in accordance with Section 16, Paragraph four of this Law;

21) tobacco products which have been exempt from the duty in accordance with Sections 17 and 21 of this Law. The condition that a packaging unit of tobacco products contains a security element which is not an excise duty stamp, but has been determined in accordance with the laws and regulations regarding security elements, shall be complied with in respect of Section 20 and Section 21, Paragraph six;

22) liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products which have been exempt from the duty in accordance with Sections 17.1, 20, and 21 of this Law;

3) alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products which are stored, transported or sold, or supplied applying the duty suspension arrangement in accordance with Section 25 of this Law;

4) alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products that are brought in by a natural person in his or her own personal luggage and the quantity of which exceeds that specified in Section 21, Paragraph four of this Law or which a natural person brings in or receives in the Republic of Latvia from another Member State for personal consumption or to supplement a private collection of alcoholic beverages in accordance with Section 26 of this Law;

41) alcoholic beverages which a natural person receives from the territory of another Member State in accordance with Section 26.1 of this Law;

5) alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products which are received by a natural person for personal consumption from a foreign country other than a Member State.

(4) Excise duty stamps shall be issued by the State Revenue Service.

(5) Excise duty stamps shall be received by:

1) an importer;

2) an approved warehousekeeper in the Republic of Latvia;

3) a person who, in accordance with Section 26 of this Law, brings in the Republic of Latvia or receives from another Member State excise goods to be marked with excise duty stamps;

4) a registered consignee;

5) a temporary registered consignee;

6) [5 May 2016];

7) a certified consignee;

8) a temporary certified consignee.

(6) Upon receipt of the excise duty stamps, the relevant payers of the duty shall, in accordance with this Law, pay the duty, except for an approved warehousekeeper, a registered consignee, or a temporary registered consignee, or provide a guarantee for the amount of the duty which corresponds to the number of the issued excise duty stamps. An approved warehousekeeper who, in accordance with the provisions of the Handling of Alcoholic Beverages Law, produces wine or fermented beverages himself or herself, the total volume of which does not exceed 1000 litres per calendar year, from products acquired in the gardens and hives in the ownership or possession thereof or from plants growing in the wild (without using spirit or alcoholic beverages produced by others) shall pay the duty upon receipt of the excise duty stamps.

(61) Upon receipt of the excise duty stamps, the taxpayers who perform activities with liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products shall pay the duty in accordance with this Law.

(7) Alcoholic beverages and tobacco products in respect of which excise duty stamps have been issued, shall be subject to the duty suspension arrangement until the moment when the duty for them is paid or excise duty stamps are returned in accordance with this Law.

(71) The payer of the duty is entitled to return the received but unused, damaged or removed from excise goods released for free circulation or released for consumption excise duty stamps to the State Revenue Service within three years after receipt thereof. If the excise duty stamps have been destroyed together with the excise goods without removing the excise duty stamps from the packaging of the excise goods, the payer of the duty is entitled to receive the duty paid for the relevant excise goods according to the received excise duty stamps within three years after receipt of the destroyed excise duty stamps.

(8) If the payer of the duty returns the received but unused, damaged or removed from excise goods released for free circulation or released for consumption excise duty stamps to the State Revenue Service, expenses for the purchase thereof shall be covered by the relevant payer of the duty, except for the case referred to in Paragraph ten of this Section. If the payer of the duty orders excise duty stamps, but fails to claim them within the term specified, the payer of the duty, which ordered the relevant excise duty stamps, shall cover expenses for the purchase thereof. If the excise duty stamps have been destroyed in another Member State, the payer of duty to whom the excise duty stamps are issued shall cover the expenses for the supply of excise duty stamps.

(81) If the excise duty stamps are destroyed together with the excise goods without removing the excise duty stamps from the packaging of the excise goods in accordance with Paragraphs eleven, twelve, and 12.1 of this Section, the expenses for the purchase of excise duty stamps shall be covered by the payer of the duty who has received the excise duty stamps.

(9) The returned or ordered, but unclaimed excise duty stamps shall be destroyed by the State Revenue Service. Expenses related to the destruction of the returned excise duty stamps shall be covered by the payer of the duty who has returned the excise duty stamps, except for the case referred to in Paragraph ten of this Section. Expenses related with the destruction of the ordered, but the payer of the duty who ordered the relevant excise duty stamps shall cover unclaimed excise duty stamps.

(10) If the State Revenue Service has issued to the payer of the duty invalid excise duty stamps, the expenses referred to in Paragraphs eight and nine of this Section shall not be covered by the relevant payer of the duty.

(11) If the payer of the duty returns to the State Revenue Service the received, but unused, invalid, or damaged excise duty stamps or the received excise duty stamps are destroyed together with the excise goods without removing the excise duty stamps from the packaging of the excise goods, the relevant payer of the duty need not pay the duty. The duty need also not be paid in the case if the payer of the duty submits to the State Revenue Service a document issued by the tax authority of another Member State or a document regarding destruction of excise duty stamps, which has been approved by the tax authority of another Member State and which certifies that the duty stamps have been destroyed in another Member State.

(12) If the payer of the duty returns to the State Revenue Service the received, but unused, invalid, or damaged excise duty stamps or the received excise duty stamps are destroyed together with the excise goods without removing the excise duty stamps from the packaging of the excise goods, and the duty has been paid for the excise goods according to the received excise duty stamps, the duty paid shall be transferred for the covering of duty debts, subsequent payments of duty, or other tax payments or refunded within 30 days after identification of excise duty stamps.

(121) If the payer of the duty returns to the State Revenue Service the excise duty stamps for the excise goods released for free circulation or released for consumption which have been moved to another Member State, a country other than a Member State, which have been destroyed or processed, or the received excise duty stamps are destroyed together with the excise goods without removing the excise duty stamps from the packaging of the excise goods, and the duty has been paid for the relevant excise goods released for free circulation or released for consumption, the duty paid shall be transferred for the covering of duty debts, subsequent payments of duty, or other tax payments or refunded within 30 days after identification of excise duty stamps. The Cabinet shall determine the procedures (including the requirements for the payer of the duty and the documents to be submitted) by which, in accordance with the conditions of this Paragraph, the abovementioned duty is transferred for the covering of duty debt, subsequent payments of duty or the duty is refunded and the excise goods marked with excise duty stamps are destroyed or processed.

(122) In the cases referred to in Paragraphs twelve and 12.1 of this Section, the duty shall not be refunded, not transferred for the covering of duty debt or subsequent payments of duty if the payer of the duty has failed to cover the expenses referred to in Paragraphs eight and nine of this Section.

(13) The Cabinet shall determine the procedures by which alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products shall be marked with excise duty stamps (including conditions for the amount of excise duty stamps to be ordered, the time periods for issue and the conditions for receipt thereof, and also the requirements for the provision of information on the stamps used).

(14) If the excise duty stamp is used as a security element of tobacco product in duty-free shops in the cases referred to in Section 20, Paragraph one and Section 21, Paragraph six of this Law by applying exemption from the duty thereto, the payer of excise duty shall only cover their purchase costs when receiving excise duty stamps.

[*20 December 2004; 10 November 2005; 19 December 2006; 8 November 2007; 14 November 2008; 1 December 2009; 28 October 2010; 14 April 2011; 17 December 2014; 30 November 2015; 5 May 2016; 23 November 2016; 25 October 2018; 6 February 2020; 24 November 2020; 21 October 2021; 13 October 2022* / *In respect of tobacco products that are not cigarettes and fine-cut tobacco intended for the rolling of cigarettes, amendments to Paragraph three, Clause 1.1, and in respect of supplementation of Paragraph three with Clause 2.1 in relation to the security element which is contained by a packaging unit of tobacco products shall come into force on 20 May 2024. Amendment to Paragraph three, Clause 1.2 which provides for not marking tobacco leaves with the excise duty stamps due to the security element which is contained by a packaging unit of tobacco products shall come into force on 20 May 2024 and shall be included in the wording of the Law as of 20 May 2024. See Paragraphs 106, 107, and 128 of Transitional Provisions*]

**Section 28. Labelling (Marking) of Oil Products**

(1) The oil products referred to in Section 14, Paragraph two and Section 18, Paragraphs three and five shall be labelled (marked).

(2) It is permitted to label (mark) oil products:

1) in the Republic of Latvia – only in tax warehouses;

2) in foreign states (including Member States) – for bringing in the Republic of Latvia.

(3) The labelled (marked) oil products are permitted to be:

1) delivered or transferred to persons who have the right to receive them;

2) delivered to another tax warehouse in the Republic of Latvia or in another Member State;

3) brought out from the Republic of Latvia to another Member State;

4) exported from the Republic of Latvia to a foreign state other than a Member State.

(4) If the oil products referred to in Section 14, Paragraph two and Section 18, Paragraphs three and five are not labelled (marked), the duty in respect of them shall be calculated and paid according to the rate laid down in Section 14, Paragraph one or five.

(5) The procedures for the labelling (marking) of oil products and the circulation thereof shall be determined by the Cabinet.

[*17 December 2014; 17 December 2020*]

**Chapter IX**

**Requirements in Respect of Tobacco Products**

**Section 29. Maximum Retail Selling Price**

(1) Recipients of excise duty stamps for cigarettes to be sold shall determine the maximum retail selling price and inform the duty administration thereof, when ordering the excise duty stamps. A person who, in accordance with Section 26 of this Law, brings in the Republic of Latvia or receives for personal consumption cigarettes, shall indicate the weighted average retail selling price when ordering excise duty stamps.

(2) The maximum retail selling price shall not be determined for cigarettes which are moved in accordance with Sections 25 of this Law.

(3) Information on the maximum retail selling price, and also the number of cigarettes in one packaging unit of cigarettes shall be indicated on the excise duty stamp or also on the packaging unit of cigarettes.

(4) In the Republic of Latvia, upon selling cigarettes, their number in a packaging unit must conform to the number which is indicated on the excise duty stamp or packaging unit accordingly.

(5) It is prohibited to sell cigarettes in the Republic of Latvia:

1) for a price that is higher than the maximum retail selling price for cigarettes;

2) if the maximum retail selling price is not indicated (printed) on the excise duty stamp or packaging unit.

[*14 November 2008; 1 November 2009; 28 October 2010; 5May 2016 / The new wording of Paragraphs three and four shall come into force on 1 January 2017. See Paragraph 94 of Transitional Provisions*]

**Section 30. Weighted Average Retail Selling Price**

(1) Each year by 1 March the State Revenue Service shall determine and forward for publication in the official gazette *Latvijas Vēstnesis* the weighted average retail selling price in the previous calendar year, using data regarding the number of excise duty stamps for cigarettes which have been released for consumption or released into free circulation and information on the maximum retail selling price and number of cigarettes in a packet.

(2) When determining the weighted average retail selling price, the excise duty stamps returned to the State Revenue Service or destroyed in the relevant period of time in accordance with this Law shall not be taken into account.

(3) The weighted average retail selling price shall be determined in euros for 1000 cigarettes.

(4) When determining the weighted average retail selling price, all maximum retail selling prices determined by all consignees of excise duty stamps shall be expressed in euros for 1000 cigarettes.

[*28 October 2010; 19 September 2013; 21 October 2021*]

**Chapter X**

**Guarantee**

**Section 31. Types of Guarantee**

(1) In order to carry out activities with excise goods and use duty suspension arrangement, the payer of the duty shall submit a guarantee.

(2) A payer of the duty may submit the following guarantees:

1) a one-time guarantee that is intended for a single specified amount of debt of the calculated duty;

2) a general guarantee that is intended for a specified time period and a specified amount of debt of the calculated duty.

(3) The following may be used as guarantee:

1) a security deposit;

2) an insurance policy for the performance of liabilities;

3) a guarantee from a credit institution;

4) [8 November 2007].

[*8 November 2007*]

**Section 32. Application of Guarantee**

(1) The amount of guarantee may not be less than the duty that has been calculated for the relevant amount of excise goods with which activities are to be carried out applying duty suspension arrangement, except in the cases referred to in Paragraph six of this Section.

(2) Guarantee shall be submitted in conformity with the calculated duty according to the duty rates laid down in Section 12, 13, or 14 of this Law.

(21) Guarantee for excise goods shall be applied until the moment of duty payment therefor or until it is determined that goods are exempt from the payment of the duty in accordance with this Law.

(3) Guarantee shall be submitted:

1) for all excise goods which are located in a tax warehouse and to the duty suspension arrangement is applied, except for the excise goods which are marked with excise duty stamps, regarding which the relevant approved warehousekeeper has submitted a guarantee, receiving for it excise duty stamps in accordance with Section 27, Paragraph six of this Law;

2) for excise goods which are moved in accordance with Section 25, 26, or 26.1 of this Law, except for the case where the duty has been paid prior to the dispatch of the excise goods from another Member State in accordance with Section 23, Paragraph seven of this Law or when a guarantee is provided for excise goods which are marked with excise duty stamps upon receipt of excise duty stamps in accordance with Section 27, Paragraph six of this Law;

3) in other cases provided for by this Law.

(4) A guarantee shall be submitted irrespective of whether the referred to excise goods will be exempted from duty, used for the production of other excise goods or the duty will not be paid for other reasons. The abovementioned condition shall also apply to alcohol or to any other alcoholic beverage used as a raw material for the production of alcoholic beverages.

(41) When moving excise goods in accordance with Section 25 of this Law, a guarantee shall be valid in the territory of the Union which is subject to the provisions of this Law for the movement of excise goods from or to other Member States.

(5) If the payer of the duty who, in accordance with Section 27 of this Law, returns the received but unused or damaged excise duty stamps to the State Revenue Service has submitted a one-time guarantee prior to the receipt of excise duty stamps and such guarantee has been calculated according to the issued excise duty stamps, then guarantee conforming to the amount of duty determined according to the excise duty stamps returned shall be cancelled or returned to the submitter after the covering of the expenses referred to in Section 27, Paragraphs eight and nine of this Law.

(6) The Cabinet shall determine the procedures by which the State Revenue Service issues, re-registers, and cancels a guarantee certificate, suspends and restores operation of a guarantee certificate, refuses to issue or re-register a guarantee certificate, grants or cancels a reduction of general guarantee, administers, extinguishes, diverts it for the covering of duty debts or returns a guarantee, grants or cancels the status of a guarantor.

(7) In order to ensure payment of the duty in the case referred to in Section 23, Paragraph eighteen of this Law, when applying the customs procedure (except for the release for free circulation) or temporary storage to excise goods in accordance with the laws and regulations in the field of customs, the Cabinet shall:

1) provide for the cases when a guarantee need not be submitted and the conditions upon the fulfilment of which the amount of the guarantee may be reduced for the duty payer;

2) determine the procedures by which guarantees shall be submitted, administered, and cancelled.

[*14 April 2005; 19 December 2006; 12 June 2009; 1 December 2009; 22 April 2010; 9 March 2017; 27 July 2017; 25 October 2018; 13 October 2022*]

**Chapter XI**

**Liability**

**Section 33. Liability for Violations of this Law in the Republic of Latvia**

(1) [17 October 2019]

(2) It is prohibited to produce, use, process, store, move, sell, and purchase excise goods in the Republic of Latvia for which excise duty has not been paid, except for the cases specified in this Law.

(3) It is prohibited to produce, use, process, store, move, offer, sell, and purchase alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, the ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products in the Republic of Latvia which have not been marked with excise duty stamps, except for the cases specified in laws and regulations.

(4) The relevant State supervision and control institutions have the right to confiscate, in accordance with procedures prescribed in laws and regulations, such excise goods which have been brought into the Republic of Latvia or moved out of a tax warehouse, but for which the duty has not been paid in accordance with this Law or guarantee provided for by this Law has not been submitted for the performance of the activities referred to or which have not been marked with excise duty stamps if it is provided for by this Law.

(5) Confiscation of excise goods for violations of this Law or other laws and regulations or application of other laws and regulations in respect of violations in the circulation of excise goods shall not exempt the specific person from liability to pay duty in accordance with this Law, and also late payment charges and a fine in accordance with the law On Taxes and Fees. The State Revenue Service shall not calculate the duty, late payment charges and a fine for confiscated excise goods that do not exceed the following amounts:

1) alcoholic beverages:

a) intermediate products and other alcoholic beverages – 5 litres;

b) beer, wine, and fermented beverages – 30 litres;

2) tobacco products:

a) cigarettes – 300 cigarettes;

b) cigars or cigarillos – 900 cigars or cigarillos;

c) smoking tobacco or tobacco leaves, or heated tobacco – 500 grams;

3) oil products – 40 litres;

4) non-alcoholic beverages – 500 litres;

5) coffee – 20 kilograms;

6) liquid to be used in electronic smoking devices or the ingredients for the preparation of liquid to be used in electronic smoking devices – 200 millilitres;

7) tobacco substitute products – 200 grams.

(6) [8 November 2007]

(7) If a person performs any activities with excise goods, regardless of their origin, without complying with the provisions of laws and regulations (including brings in excise goods from a foreign country which is not a Member State or from a territory which is referred to in Section 2, Paragraph 3.1 of this Law in the Republic of Latvia, without delivering them to the customs authority or without presenting them to the customs authorities, or evading customs control, or hiding them from such control, or without declaring, or using falsified documents or documents containing false information, or in other illegal manner, or without complying with the procedures laid down in laws and regulations regarding bringing in of excise goods and payment of the duty, or without carrying out the relevant customs procedures; performs unregistered or other production of excise goods without complying with the procedures laid down in laws and regulations regarding the production of excise goods; performs any other activities with excise goods for which duty has not been paid or the security or guarantee provided for by this Law has not been submitted, or which have not been marked with excise duty stamps in accordance with this Law), the State Revenue Service shall recover, on an uncontested basis, into the State budget in accordance with the duty rates specified in this Law the unpaid amounts of the duty, and also late payment charges and a fine in accordance with the law On Taxes and Fees.

(8) If the State Revenue Service upon inspecting the activities of the relevant person with excise goods determines a surplus of excise goods which is not indicated in the account books of this person and he or she cannot prove how the surplus has occurred or that the duty for the determined surplus has been paid, it shall be considered that the relevant person has produced, purchased, or performed other activities with excise goods for which the duty has not been paid, and the amount of the unpaid duty, and also late payment charges and a fine in accordance with the law On Taxes and Fees shall be collected from such person.

(9) In the cases referred to in Paragraphs seven and eight of this Section the State Revenue Service shall calculate the duty according to the rates which were in force on the day when the relevant activities were performed. If it may not be determined, the duty shall be calculated according to the rates which were in force on the day when the abovementioned activities were determined.

(10) If a State institution other than the State Revenue Service determines within its competence that a person has performed the activities referred to in Paragraph seven or eight of this Section, the relevant State institution shall notify the State Revenue Service in writing thereof (not later than within three working days). The State Revenue Service shall recover, on an uncontested basis, into the State budget in accordance with the duty rates laid down in this Law the unpaid amounts of the duty, and also late payment charges and a fine in accordance with the law On Taxes and Fees.

(11) In cases referred to in Paragraph seven of this Section the duty, and also late payment charges and a fine shall be recovered from the person who possesses the excise goods with which activities referred to in Paragraph seven of this Section have been performed, or from the person who has performed the activities referred to in Paragraph seven of this Section if the possessor of the abovementioned excise goods has not been determined.

(12) The payer of the duty and the person referred to in Section 18, Paragraph five, Clause 4 of this Law is prohibited from selling, supplying, or handing over excise goods to which duty exemption or relief is applied in accordance with this Law to such a person which does not have the right to receive them.

(13) If the requirements laid down in Paragraph twelve of this Section are not met, the duty, late payment charges and a fine shall be paid for the abovementioned excise goods in accordance with the procedures laid down in this Section. The duty, late payment charges and a fine shall be recovered accordingly from the payer of the duty or the person referred to in Section 18, Paragraph five, Clause 4 of this Law which sells, supplies, or hands over excise goods and has not complied with the procedures provided for in Paragraph twelve of this Section or the relevant Cabinet regulations by which the application of the duty exemption or relief to the abovementioned excise goods is allowed in accordance with this Law.

(14) A payer of the duty is prohibited from supplying oil products to which the conditions of Section 14, Paragraph two of this Law are applied to a person who does not have the right to receive them.

(15) If the requirements laid down in Paragraph fourteen of this Section are not met, the duty, late payment charges and a fine for the abovementioned excise goods shall be paid in accordance with the procedures laid down in this Section. The duty, late payment charges and a fine shall be recovered from the payer of the duty who has supplied oil products and has not complied with the procedures provided for in Paragraph fourteen of this Section or the relevant Cabinet regulations by which it is permitted to apply the conditions of Section 14, Paragraph two of this Law to the abovementioned oil products.

(16) Persons who have received excise goods to which the provision specified in Section 14, Paragraph two or six of this Law is applied or duty exemption or relief in accordance with this Law is applied are prohibited from using them for other purposes (than prescribed for the specified duty exemption or relief or the relevant provision specified in the Law) or transfer them to another person who does not have the right to receive them.

(17) If the requirements laid down in Paragraph sixteen of this Section are not met, the duty, late payment charges and a fine for the abovementioned excise goods shall be paid in accordance with the procedures laid down in this Section. The duty, late payment charges and a fine shall be recovered from the person who has received excise goods and has not complied with the procedures provided for in Paragraph sixteen of this Section or the relevant Cabinet regulations by which it is permitted to apply to the abovementioned excise goods a duty exemption or relief in accordance with this Law or have not complied with that specified in Section 14, Paragraphs two and six of this Law. This Paragraph shall not apply to the cases referred to in Section 16, Paragraph four of this Law.

(18) Persons who have received labelled (marked) oil products are prohibited from transferring them to another person who has no right to receive them.

(19) If the requirements laid down in Paragraph eighteen of this Section are not met, the duty, late payment charges and a fine for the labelled (marked) oil products shall be paid in accordance with the procedures laid down in this Section. The duty, late payment charges and a fine shall be recovered from the person who has received labelled (marked) oil products and has violated the procedures provided for in Paragraph eighteen of this Section or the relevant Cabinet regulations by which it is permitted to use labelled (marked) oil products.

(20) It is prohibited to utilise labelled (marked) oil products as fuel in motor vehicles or for purposes other than prescribed by the Law.

(21) If control institutions establish that a person does not use the fuel referred to in Section 18, Paragraph five for the intended purposes, the Rural Support Service shall revoke a decision according to which the volume of the abovementioned fuel was allocated for the current economic year.

[*19 December 2006; 8 November 2007; 14 November 2008; 22 April 2010; 14 April 2011; 17 December 2014; 30 November 2015; 5 May 2016; 9 March 2017; 17 October 2019; 24 November 2020; 21 October 2021*]

**Section 34. Liability for Violations in Moving Excise Goods from Another Member State or to Another Member State**

(1) If it is determined that a natural person or a legal person upon bringing in or receiving excise goods in the Republic of Latvia from another Member State has violated the requirements of this Law, he or she shall pay the duty in accordance with Section 33 of this Law.

(2) If in moving excise goods from the Republic of Latvia to another Member State or from another Member State to the Republic of Latvia a violation has been committed which is related to the payment of the duty, the duty in the Member State where the violation was committed shall be paid by the person moving the excise goods.

(3) If the excise duty in accordance with Paragraph two of this Section is collected in another Member State, the relevant person does not have to pay the duty in the Republic of Latvia.

(4) In a case when upon movement of excise goods from the Republic of Latvia to another Member State they do not reach the intended destination and it is not possible to determine where the violation has been committed, the consignor of the excise goods shall pay the duty in accordance with this Law, if this Law does not provide for otherwise and if within four months from the dispatch of excise goods the State Revenue Service has not received proof of the legality of the transaction or the place where the violation has been committed, and also proof that the duty for the referred to excise goods has been paid in another Member State.

(5) If within three years it is determined that the violation referred to in Paragraph four of this Section has been committed in another Member State and proof is submitted that the duty has been paid in the relevant Member State, the duty paid in the Republic of Latvia shall be refunded to the relevant person.

(6) If it is established that a violation regarding payment of the duty has been committed in another Member State involving the excise goods for which excise duty stamps have been received in the Republic of Latvia, the duty in the Republic of Latvia need not be paid (except for the provisions of Section 23, Paragraphs thirteen of this Law) if it is paid in the relevant Member State.

[*1 December 2009; 20 December 2010; 21 October 2021*]

**Chapter XII**

**Administrative Offences in the Field of Movement of Excise Goods and Competence within the Administrative Offence Proceedings**

[*17 October 2019 / The Chapter shall come into force on 1 July 2020. See Paragraph 110 of Transitional Provisions*]

**Section 35. Administrative Offences in the Field of Movement of Excise Goods**

(1) For the violation of provisions regarding production, mixing, prepacking, processing, purchasing, selling, storage or movement (carriage) of excise goods, and also for other violations of provisions regarding the circulation of such goods, a warning or a fine of up to one hundred and forty units of fine shall be imposed on a natural person, but a fine of up to one thousand four hundred and twenty units of fine – on a legal person.

(2) For the following activities involving excise goods to which duty exemption or relief is to be applied:

1) for the violation of provisions regarding storage, movement (carriage), and use, a warning or a fine of up to one hundred and forty units of fine shall be imposed on a natural person, but a fine of up to one thousand four hundred and twenty units of fine – on a legal person;

2) for the violation of provisions regarding purchase or selling, a fine from fourteen to one hundred and forty units of fine shall be imposed on a natural person, but a fine from fourteen to one thousand four hundred and twenty units of fine – on a legal person;

3) for the violation of provisions regarding production, prepacking, mixing, processing, or labelling (marking) of oil products, a fine from fourteen to one thousand four hundred and twenty units of fine shall be imposed on a legal person.

(3) For storage, movement (carriage), offering, selling, or purchase of such alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products that have not been marked with excise duty stamps of the Republic of Latvia, except for the cases specified in this Law, a warning or a fine of up to one hundred and forty units of fine shall be imposed on a natural person, but a fine from one hundred and forty to one thousand four hundred and twenty units of fine – on a legal person.

(4) For failure to comply with the procedures for settling accounts laid down in laws and regulations in respect of excise goods, a fine from ten to five hundred units of fine shall be imposed on a legal person.

(5) For the commencement of activities or for performing them without registration or without a special permit (licence), statement, or permit, a fine from fifty-six to one hundred and forty units of fine shall be imposed on a natural person, but a fine from fifty-six to four hundred units of fine – on a board member, with or without deprivation of the board member’s right to hold specific positions in commercial companies for a period of up to three years.

(6) For selling tobacco products without complying with the provision regarding their sales price, a fine from fifty-six to one thousand four hundred and twenty units of fine shall be imposed on a legal person.

(7) For selling such cigarettes the number of which in a packaging unit differs from the number indicated on an excise duty stamp or a packaging unit of cigarettes, a fine from seventy to five hundred and eighty units of fine shall be imposed on a legal person.

[*17 October 2019; 24 November 2020; 21 October 2021*]

**Section 36. Competence in the Administrative Offence Proceedings**

(1) Administrative offence proceedings for the offences referred to in Section 35 of this Law shall be conducted by the State Revenue Service.

(2) Administrative offence proceedings for the offences referred to in Section 35, Paragraphs one, two, and three of this Law shall be conducted by the State Police.

(3) Administrative offence proceedings for the offences referred to in Section 35, Paragraph three of this Law in respect of storage, movement (carriage), offering, selling, or purchase of such tobacco products that have not been marked with excise duty stamps of the Republic of Latvia shall be conducted by the municipal police.

(4) Until examination of the administrative offence case, administrative offence proceedings for the offences referred to in Section 35, Paragraphs four, five, six, and seven of this Law shall be conducted also by the State Police but the administrative offence case shall be examined by the State Revenue Service.

(5) Until examination of the administrative offence case, administrative offence proceedings for the offences referred to in Section 35, Paragraphs one, two, three (in respect of alcoholic beverages), four, five, six, and seven of this Law shall be conducted also by the municipal police but the administrative offence case shall be examined by the State Revenue Service.

(6) Until examination of the administrative offence case, administrative offence proceedings for the offences referred to in Section 35, Paragraphs one, two, and three of this Law shall be conducted also by the State Border Guard but the administrative offence case shall be examined by the State Revenue Service.

[*17 October 2019 / Section shall come into force on 1 July 2020. See Paragraph 110 of Transitional Provisions*]

**Transitional Provisions**

1. With the coming into force of this Law, the following laws and regulations are repealed:

1) law On Excise Duty for Alcoholic Beverages (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1998, No. 24; 1999, No. 17, 24; 2003, No. 2);

2) law On Excise Duty for Beer (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1999, No. 24);

3) law On Excise Duty for Tobacco Products (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1998, No. 24; 1999, No. 17; 2002, No. 14; 2003, No. 2);

4) law On Excise Duty for Oil Products (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1997, No. 24; 1998, No. 13; 1999, No. 2, 6, 17, 24; 2000, No. 1, 14; 2001, No. 7, 24; 2002, No. 14; 2003, No. 2, 8);

5) law On Excise Duties (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1999, No. 24; 2000, No. 10; 2001, No. 15).

2. The duty rate for cigarettes specified in Section 13, Paragraph one, Clause 2 of this Law shall come into force on 1 January 2009.

[*19 December 2006*]

3. Until coming into force of the duty rate for cigarettes specified in Section 13, Paragraph one, Clause 2 of this Law, the duty shall be imposed according to the following rates:

1) until 31 December 2004 – by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):

a) 6.3 lats for 1000 cigarettes;

b) 6.1 per cent of the maximum retail selling price;

2) from 1 January 2005 until 31 December 2005 – by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):

a) 6.9 lats for 1000 cigarettes;

b) 10.5 per cent of the maximum retail selling price;

3) from 1 January 2006 until 31 December 2006 – by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):

a) 7.6 lats for 1000 cigarettes;

b) 14.8 per cent of the maximum retail selling price;

4) from 1 January 2007 until 30 June 2007 – by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):

a) 8.4 lats for 1000 cigarettes;

b) 19.2 per cent of the maximum retail selling price;

5) from 1 July 2007 until 31 December 2007 – by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):

a) 10 lats for 1000 cigarettes;

b) 25 per cent of the maximum retail selling price;

6) from 1 January 2008 until 31 December 2008 – by summing up the amounts obtained by applying the duty rates referred to in Sub-paragraphs a) and b):

a) 17.8 lats for 1000 cigarettes;

b) 32.2 per cent of the maximum retail selling price.

[*19 December 2006*]

4. The duty rate laid down in Section 13, Paragraph one, Clause 3, Sub-clause a) of this Law, for fine-cut tobacco intended for the rolling of cigarettes, shall come into force on 1 July 2004.

5. Until the coming into effect of the duty rate laid down in Section 13, Paragraph one, Clause 3, Sub-clause a) of this Law for fine-cut tobacco intended for the rolling of cigarettes, it shall be levied with a duty – 19 lats for 1000 grams of tobacco.

6. Until 31 December 2004 Section 1, Paragraph two, Clause 2, Section 23, Paragraphs thirteen, fourteen and fifteen, Section 27 and other conditions regarding excise duty stamps shall apply only to cigarettes but shall not apply to other tobacco products.

7. Until 30 June 2005 in the Republic of Latvia it is permitted to market tobacco products (except for cigarettes) also without excise duty stamps.

8. Legal persons carrying out commercial activities with oil products according to the situation on the day of coming into force of this Law shall take inventory of the stock of oil products in the ownership thereof and shall pay excise duty for the amount of oil products determined as a result of inventory, the amount of which duty shall be calculated as a difference between the excise duty according to the excise duty rate laid down in this Law and excise duty according to the rate laid down in the law On Excise Duty for Oil Products.

9. During the period from 1 April 2004 until 30 April 2004 Section 2, Paragraph six and Paragraph seven, Clause 1, as well as Sections 31 and 32 of this Law shall be applicable in order to implement transition to licences and guarantees in conformity with the requirements of this Law and ensure the validity thereof from 1 May 2004.

[*18 March 2004*]

10. Requirements of Paragraph 8 of the Transitional Provisions of this Law regarding calculation and payment of the excise duty difference are not applicable to the following oil products:

1) unleaded petrol, the substitute products and components thereof if ethyl alcohol has been added thereto which has been acquired from agricultural raw materials and which has been dehydrated (with alcohol content of at least 99.5 per cent by volume) and which has been denatured – at least 4.5 per cent by volume of the total amount of oil products;

2) diesel fuel (gas oil), its substitute products and components if biodiesel fuel has been added thereto which has been obtained from rape seed oil and biodiesel fuel constitutes 5 and more per cent by volume of the total amount of oil products.

[*29 April 2004*]

11. Paragraph 10 of the Transitional Provisions of this Law shall be applicable to the relevant amount of specific oil products for which excise duty has been paid in compliance with the provisions of Section 6, Paragraphs seven, eight and ten of the law On Excise Duty for Oil Products. It is permitted to modify the relevant amount of the specific oil products in a tax warehouse for oil products so that these products meet the conditions of Section 14, Paragraph three or four of this Law and to export these products without paying excise duty.

[*29 April 2004*]

12. Up to 30 June 2007, with an increase in the rate of excise duty, merchants, who perform commercial activities with oil products shall, on the day when the change in the rate excise duty for oil products occurs, perform an inventory of the stock of oil products, which are referred to in Section 14, Paragraph one of this Law, and in respect of the amounts of oil products determined by the inventory shall within 15 days (including the day when the change in the rate excise duty occurs) pay into the State budget the excise duty thereof, the amount of which shall be calculated as the difference between the rate of excise duty, which is in effect on the day of the inventory (the day when the new rate of excise duty came into effect), and the rate of excise duty, which was in effect up to the day when the rate of excise duty changed, as well as in respect of the inventory performed shall submit to the State Revenue Service the inventory list. If the rate of excise duty is reduced, the difference in excise duty shall not be refunded.

[*20 December 2004; 19 December 2006*]

12.1 Commencing with 1 January 2008, with an increase in the rate of excise duty for alcoholic beverages, tobacco products or oil products in the situation on the day when the change in the rate of excise duty occurs, an inventory shall be performed:

1) an accounting of existing relevant stock of alcoholic beverages, tobacco products or oil products:

a) by the registered consignee;

b) by the person who has received a special permit (licence) for the wholesale trade of alcoholic beverages, tobacco products or oil products;

c) by the person who has received a special permit (licence) for the retail trade of alcoholic beverages, tobacco products or oil products;

2) an accounting of existing stock of alcoholic beverage and tobacco product excise duty stamps if the duty has been paid for the relevant excise goods according to the received excise duty stamps:

a) by the approved warehousekeeper;

b) by the importer if the excise goods to be marked or marked with the relevant excise duty stamps are not suitable for the customs procedure – release for free circulation;

c) by the registered consignee and the temporary registered consignee if the excise goods marked with the relevant excise duty stamps have not been received in the Republic of Latvia;

3) by an approved warehousekeeper of the existing alcoholic beverages and tobacco product stores in the tax warehouse, if the duty has been paid for the relevant excise goods in accordance with Section 23, Paragraph thirteen of this Law and they have been returned to the relevant tax warehouse, provided that, in conformity with Section 23, Paragraph nineteen of this Law, the storage, as well as the accounting thereof, is ensured separately from the storage and accounting of those excise goods to which the duty suspension arrangement is applied.

[*8 November 2007; 14 November 2008; 1 December 2009; 22 April 2010; 5 May 2016; 21 October 2021*]

12.2 Commencing with 1 January 2008, with an increase in the rate of excise duty for tobacco products in the situation on the first day of the following month after the change in the rate of excise duty occurs, a person who has received a special permit (licence) for retailing of tobacco products shall perform an inventory and account for the existing stock of tobacco products.

[*8 November 2007*]

12.3 The person referred to in Paragraph 12.1 of the Transitional Provisions:

1) in accordance with the requirements of the laws and regulations governing accounting shall compile inventory lists in at least two copies of which one copy shall be kept at every location of storage and sale of the relevant excise goods. The tobacco product inventory list shall indicate the following additional requisites: unit of measurement (packs – pieces, number of cigarettes in a pack – pieces), maximum retail selling price for one pack, duty for one pack up to the change in the rate, duty for one pack after the change in the rate, the difference in duty for one pack, and the total amount of the duty difference;

2) within 15 days (including the day when change in the duty rates takes place) shall submit to the State Revenue Service a tax calculation for the calculated amount of difference in duty to be paid into the budget. If on the basis of the circumstances on the day when the change in the rate of duty occurs, the referred to excise goods stock is not in the accounting, it shall be indicated in the duty calculation to be submitted;

3) shall pay into the State budget the calculated total amount of the duty difference within 45 days (including the day when the change in the rate of excise duty occurred). If the rate of duty is reduced, the duty difference shall not be refunded.

[*8 November 2007; 14 November 2008; 12 June 2009; 28 October 2010; 30 November 2015; 5 May 2016*]

12.4 The person referred to in Paragraph 12.2 of the Transitional Provisions:

1) in accordance with the requirements of the laws and regulations governing accounting shall compile inventory lists in at least two copies of which one copy shall be kept at every location of storage and sale of tobacco products. The inventory list of tobacco products (cigarettes) shall indicate the following additional requisites:

a) the maximum retail selling price for one pack of the cigarettes in existing stock and the relevant unit of measurement (packs – pieces, number of cigarettes in a pack – pieces);

b) the time period between the change in the rate of duty and the day of inventory – the received number of cigarette packs with the relevant maximum retail selling price and number of cigarettes in the relevant pack;

c) the relevant number of cigarette packs with the relevant maximum retail selling price and number of cigarettes in the relevant pack (the number of such packs is acquired by subtracting the number of cigarette packs referred to in Sub-paragraph “b” from the number cigarettes packs referred to in Sub-paragraph “a”). If number of cigarette packs referred to in Sub-paragraph “b” is larger than the number cigarettes packs referred to in Sub-paragraph “a” or the equal to it, 0 shall be indicated;

d) the duty for one cigarette pack referred to in Sub-paragraph “c” up to the change in the rate of duty;

e) the duty for one cigarette pack referred to in Sub-paragraph “c” after the change in the rate of duty;

f) the duty difference for one cigarette pack referred to in Sub-paragraph “c”;

g) the total amount of the duty difference;

2) within 15 days (including the day when inventory takes place) shall submit to the State Revenue Service a tax calculation where the calculated amount of the difference in duty to be paid into the budget is indicated. If according to the situation when the stock is inventoried, there is no stock of tobacco products in the accounting, this shall be indicated in duty calculation to be submitted;

3) the amount of duty difference to be paid into the State budget shall be calculated and paid within 15 days (including the day when the inventory was performed) in respect of the amount of such relevant tobacco products, which are acquired by subtracting the amount of tobacco products received between the day of the change in the rate of duty and the day of inventory from the amount accounted for in the inventory list.

[*8 November 2007; 12 June 2009; 28 October 2010 30 November 2015; 5 May 2016; 25 October 2018*]

12.5 If the person referred to in Paragraph 12.1 of the Transitional Provisions within one month after the change in the rate of duty has received tobacco products from the tobacco product retail trade, he or she shall perform a duty recalculation for the relevant tobacco products, and pay the amount of the rate of duty difference, as well as submit the necessary documents within 45 days after the change in the rate of duty (including the day when the change in the rate of duty occurred), taking into account the provisions of Paragraph 12.4, Clauses 1 and 2 of the Transitional Provisions.

[*8 November 2007*]

12.6 If the persons referred to in Paragraph 12.1 of the Transitional Provisions of this Law submit the reports specified in the laws and regulations governing circulation of excise goods to the State Revenue Service and on the day of changing the excise duty rate it has no remaining excise goods for which the excise duty rates change, they need not perform the activities referred to in Paragraph 12.3 of the Transitional Provisions.

[*5 May 2016*]

12.7 Starting from 1 January 2019, upon an increase in the duty rates for alcoholic beverages, a person who has received a special permit (licence) for the retail trade of alcoholic beverages may, if the duty rate changes, not to conduct inventory for the alcoholic beverages the packaging of which is opened for trade, and the volume of the opened packaging unit does not exceed two litres.

[*25 October 2018*]

13. Amendments to Section 2, Paragraph seven, Clause 1 of this Law regarding the delegation to the Cabinet to specify the rate of State fee and procedures for payment for the issuance and re-registration of special permits (licences) shall come into force on 1 September 2005.

[*20 December 2004*]

14. The Cabinet shall, by 1 July 2005, issue the regulations provided for in Section 5, Paragraph five; Section 14, Paragraph seven and Section 18 of this Law. Up to the day of the coming into force of the new Cabinet regulations, but not longer than up to 1 July 2005, the following relevant Cabinet regulations shall be applicable insofar as they not in contradiction with this Law:

1) Cabinet Regulation No. 359 of 20 April 2004, Procedures by which Reduced Rate of Excise Duty or Exemption from Excise Duty shall be Applied to Some Mineral Oils;

2) Cabinet Regulation No. 432 of 27 April 2004, Procedures for the Circulation of Biofuels and the Administration of the relevant Excise Duty.

[*20 December 2004*]

15. The Cabinet shall harmonise the regulations provided for in Section 17 and Section 21, Paragraph two of this Law with the amendments to the Law On Excise Duty. Up to the day that the relevant amendments made in such regulations have come into force, but not longer than up to 1 September 2005, the following relevant Cabinet regulations shall be applicable insofar as they not in contradiction with this Law:

1) Cabinet Regulation No. 173 of 25 March 2004, Procedures by which Individual Tobacco Products are Exempted from Excise Duty;

2) Cabinet Regulation No. 232 of 1 April 2004, Procedures for the Circulation of Excise Goods.

[*20 December 2004*]

16. Section 1, Paragraph two, Clause 15 and Section 12, Paragraphs two and three of this Law shall come into force on 1 January 2006.

[*14 April 2005*]

17. Section 14, Paragraph three, Clause 2 of this Law shall come into force on 1 July 2007.

[*19 December 2006*]

18. The Cabinet shall by 1 July 2007 issue the regulations provided for in Section 5, Paragraph five; Section 14, Paragraphs 2.1 and seven and Section 24, Paragraph three of this Law. Up to the day that the new Cabinet regulations have come into force, but not longer than up to 1 July 2007, the following Cabinet regulations shall be applicable appropriately insofar as they are not in contradiction with this Law:

1) Cabinet Regulation No. 485 of 28 June 2005, Procedures by which Reduced Rate of Excise Duty or Exemption from Excise Duty shall be Applied to Some Mineral Oils;

2) Cabinet Regulation No. 498 of 5 July 2005, Procedures for Circulation of Fuel Containing Bioproducts and Administration of the Relevant Excise Duty;

3) Cabinet Regulation No. 97 of 31 January 2006, Regulations regarding Excise Duty Declaration Forms.

[*19 December 2006*]

19. The Cabinet shall by 1 July 2008 issue the regulations provided for in Section 26, Paragraph five and Section 27, Paragraph 12.1 of this Law. Up to the day of the coming into force of the new Cabinet regulations, but not later than up to 1 July 2008, Cabinet regulation No. 356 of 20 April 2004, Procedures by which Excise Duty is Refunded for Excisable Goods Brought out from the Republic of Latvia to other European Union Member States, shall be applied insofar as it is not in contradiction with this Law.

[*8 November 2007*]

20. The duty rate for beer specified in Section 12, Paragraph one, Clause 1 of this Law shall come into force on 1 February 2009. Until the date when the duty rate for beer specified in Section 12, Paragraph one, Clause 1 of this Law comes into force, a duty shall be imposed on beer (for 100 litres) according to the rate of 1.30 lats per each per cent of absolute alcohol by volume that has been determined with a precision up to one-tenth, but not less than 2 lats per 100 litres of beer.

[*14 November 2008*]

21. The duty rate for other alcoholic beverages specified in Section 12, Paragraph one, Clause 5 of this Law shall come into force on 1 February 2009. Until the date when the duty rate for other alcoholic beverages specified in Section 12, Paragraph one, Clause 5 of this Law comes into force, a duty shall be imposed on other alcoholic beverages according to the rate of 630 lats per 100 litres of absolute alcohol.

[*14 November 2008*]

22. The duty rate for other smoking tobacco specified in Section 13, Paragraph one, Clause 3, Sub-clause “b” of this Law shall come into force on 1 February 2009. Until the date when the duty rate for other smoking tobacco specified in Section 13, Paragraph one, Clause 3, Sub-clause “b” of this Law comes into force, a duty shall be imposed on other smoking tobacco according to rate 14 lats per 1000 grams of tobacco.

[*14 November 2008*]

23. After the coming into force of amendments to Section 5, Paragraph five and Section 18, Paragraph one of this Law and until the date of the coming into force of the relevant Cabinet regulations, but not later than until 1 July 2009, Cabinet Regulation No. 525 of 31 July 2007, Procedures by which a Reduced Rate of Excise Duty or Exemption from Excise Duty shall be Applied to Some Oil Products, shall be applied insofar as it is not in conflict with this Law.

[*14 November 2008*]

24. Amendments to Section 14, Paragraph three, amendment to Section 18, Paragraph five regarding the supplementation of Paragraph with Clause 6, amendment regarding the deletion of Section 18, Paragraph seven of this Law and amendment to Section 20, Paragraph four shall come into force on 1 January 2010.

[*12 June 2009*]

25. The Cabinet Regulation No. 213 of 30 March 2004, Procedures for Refunding of Excise Duty for Fuel Oil, Substitute Products and Components Thereof that are Used as Heating Fuel, issued in accordance with Section 18, Paragraph seven of this Law regarding the amount of fuel oil actually purchased and used in 2009 shall be applicable until 20 February 2010.

[*12 June 2009*]

26. Until the date of coming into force of new Cabinet Regulation specified in Section 32, Paragraph six, Clause 1 of this Law, but no longer than until 1 April 2010 the Cabinet Regulation No. 638 of 30 August 2005, Regulations Regarding Guarantees of Excise Duty for Alcoholic Beverages, Tobacco Products and Mineral Oils, shall be applied insofar as they are not in contradiction with this Law.

[*12 June 2009; 1 December 2009*]

27. Amendment to Section 14, Paragraph two shall come into force on 1 July 2010.

[*12 June 2009*]

28. From 1 April 2010 the special permits (licences) and general guarantee certificates for the activities of representatives of excise duty payers and general guarantee certificates for the activities of importers shall cease to be in effect.

[*1 December 2009*]

29. The special permits (licences) for the activities of an approved trader, which have not been re-registered in accordance with the procedures specified by Paragraphs 30 and 31 of the Transitional Provisions until 31 March 2010, shall cease to be in effect on 1 April 2010.

[*1 December 2009*]

30. The merchants which have been issued a special permit (licence) for the activities of an approved trader involving coffee or non-alcoholic beverages in the time period between 1 February 2010 and 28 February 2010 are entitled to submit a submission for the re-registration of the referred to special permits (licences) for a special permit (licence) for the activities of an approved tax warehousekeeper with the relevant types of excise goods, without paying a State fee.

[*1 December 2009*]

31. Merchants which have been issued a special permit (licence) for the activities of an approved trader involving alcoholic beverages, tobacco products or oil products in the time period between 1 February 2010 and 28 February 2010 are entitled to submit a submission for the re-registration of the referred to special permit (licence) for a special permit (licence) for the activities of a registered consignee with the relevant types of excise goods, without paying a State fee.

[*1 December 2009*]

32. Merchants which have been issued a special permit (licence) for the activities of a tax warehousekeeper involving alcoholic beverages, tobacco products or oil products in the time period between 1 February 2010 and 28 February 2010 are entitled to submit a submission in order to receive a special permit (licence) for the activities of a registered consignee with the relevant excise goods, without paying a State fee.

[*1 December 2009*]

33. Special permits (licences) for the activities of a tax warehousekeeper, which have been issued until 31 March 2010, shall be valid for the activities of an approved tax warehousekeeper with the relevant types of excise goods without re-registration.

[*1 December 2009*]

34. General guarantee certificates for the operation of a tax warehousekeeper which have been issued until 31 March 2010 shall be valid for the activities of a tax warehousekeeper with the relevant types of excise goods until the expiry of the validity thereof, but not longer than until 1 October 2010.

[*1 December 2009*]

35. General guarantee certificates which have been issued until 31 March 2010 for the activities of an approved trader shall be valid for the activities of a registered consignee with the relevant types of excise goods until the expiry of the validity thereof, but not longer than until 1 October 2010.

[*1 December 2009*]

36. The one-time guarantee certificates issued until 31 March 2010 shall be valid until the expiry of the validity thereof.

[*1 December 2009*]

37. In the time period between 1 February 2010 and 31 March 2010 amendments to Section 2, Paragraph six, Clauses 1, 2 and 3 and Paragraph seven, Clauses 2 and 3 of this Law in respect of the approved tax warehousekeeper, the registered consignee and the registered consignor shall be applicable in order to implement the transition to the special permits (licences) conforming to the requirements of this Law and to ensure the validity thereof from 1 April 2010.

[*1 December 2009*]

38. In order to implement the transition to the requirements of this Law regarding the use of electronic administrative documents within the scope of a computerised system, when applying the duty suspension arrangement in accordance with Section 25 of this Law for the movement of alcoholic beverages, tobacco products and oil products, which has been initiated until 31 December 2010, the documents which are specified in Commission Regulation (EEC) No 2719/92 of 11 September 1992 on the accompanying administrative document for the movement under duty-suspension arrangements of products subject to excise duty (hereinafter – Commission Regulation No 2719/92) may be used. The documents specified in Commission Regulation No 2719/92 shall also be used in such case where the referred to documents continue to be used in the Member State of the consignor of excise goods until 31 December 2010 for the dispatch of alcoholic beverages, tobacco products and oil products, applying the duty suspension arrangement.

[*1 December 2009*]

39. The circulation of the documents referred to in Paragraph 38 of the Transitional Provisions shall be performed in accordance with Cabinet Regulation No. 215 of 30 March 2004, Procedures for Circulation and Control of Accompanying Documents of Products Subject to Excise Duty. In order to ensure the implementation of Paragraph 38 of the Transitional Provisions, Cabinet Regulation No. 215 of 30 March 2004, Procedures for Circulation and Control of Accompanying Documents of Products Subject to Excise Duty, shall be applicable until 1 May 2011.

[*1 December 2009*]

40. Amendments to Section 12, Paragraph one, Clauses 2 and 3 of this Law regarding the replacement of the figure “40” with the figure “45”, and Paragraph four, Sub-paragraph “a” regarding the replacement of the figure “42” with the figure “45” shall come into force on 1 February 2010.

[*1 December 2009*]

41. Amendments regarding Sections 1 and 2, the new wording of Sections 7, 8 and 9, the supplementation with Section 9.1, the new wording of Section 10, Paragraph one, the deletion of Section 11, Sections 20 and 21, the new wording of Section 22, Paragraph four, Clauses 1, 2 and 3, the new wording of Section 23, Section 24, the new wording of Section 25, Sections 26, 27, 29, 30 and 32 of this Law, the new wording of Paragraph 12.1, Sub-paragraph 1, Sub-paragraph “a” and Paragraph 12.1, Sub-paragraph 2, Sub-paragraph “a”, Paragraph 12.1, Sub-paragraph 2, Sub-clauses “b” and “c” of the Transitional Provisions and the supplementation of the Transitional Provisions with Paragraph 12.1, Sub-paragraph 3 shall come into force on 1 April 2010.

[*1 December 2009*]

42. Amendments regarding the new wording of Section 1, Paragraph two, Clause 1 of this Law, Section 5, Paragraph four, Section 7, Clause 5 on natural gas, the supplementation of the Law with Section 15.1, as well as Section 22, Paragraph one shall come into force on 1 July 2010.

[*22 April 2010*]

43. Amendments regarding the supplementation of Section 2 of the Law with Paragraph 7.1, the supplementation of the Law with Section 6.1, the supplementation of Section 22 with Paragraph six, and the supplementation of Section 23 with Paragraph ten shall come into force on 1 July 2010.

[*22 April 2010*]

44. Amendments to Sections 18 and 33 of this Law shall come into force on 1 July 2010.

[*22 April 2010*]

45. In order to implement the transition to the requirements of this Law regarding the application of duty exemption to producers of agricultural products from 1 July 2010 and in order that producers of agricultural products could submit a submission to the Rural Support Service regarding the granting of the purchase limit for the fuel referred to in the introduction of Section 18, Paragraph five of this Law, to which a duty exemption is applicable, the Cabinet shall issue the regulations provided for in Section 18, Paragraphs five, 6.1 and 6.2 of this Law by 1 May 2010.

[*22 April 2010*]

46. In accordance with Section 18, Paragraph six of this Law Cabinet Regulation No. 528 of 7 August 2007, Procedures by which Excise Duty shall be Refunded to Producers of Agricultural Products for Diesel Fuel (Gas Oil) and Diesel Fuel (Gas Oil) to which Rapeseed Oil or Biodiesel Fuel Derived from Rapeseed Oil has been Added, shall be applicable until 15 August 2010 for diesel fuel (gas oil) [including diesel fuel (gas oil), to which rapeseed oil or biodiesel fuel derived from rapeseed oil has been added in accordance with the conditions of this Law], which has been purchased in 2010 until 30 June and for which payment has been performed in 2010 until 15 July, if the request for a refund of the duty has been submitted until 15 July 2010.

[*22 April 2010*]

47. During the period of time between 1 September 2010 and 30 June 2011 Section 1, Paragraph two, Clause 1 of this Law in relation to natural gas, Section 2, Paragraph 7.1, Section 6.1, Section 7, Clause 5 in relation to natural gas, Section 15.1, Section 22, Paragraph six, Section 23, Paragraph twenty and Section 24, Paragraph one in relation to natural gas shall not be applicable, but a payer of the duty shall submit an excise duty return to the State Revenue Service on natural gas until 15 September 2010 and pay the duty for August 2010, applying:

1) Cabinet Regulation No. 577 of 29 June 2010, Regulations Regarding the Circulation of Natural Gas and the Procedures for the Application of Excise Duty;

2) Cabinet Regulation No. 300 of 30 March 2010, Regulations Regarding the Forms of Excise Duty Returns and the Procedures for the Completion Thereof.

[*25 August 2010*]

48. The revenue from the excise duty for natural gas forecasted for the State budget in the period of time between 1 September 2010 and 31 December 2010 shall be compensated with an increase in the value added tax revenue as a result of the increase in the tariff for natural gas in 2010.

[*25 August 2010*]

49. A person who has received a special permit (licence) for the wholesale trade of tobacco products or a special permit (licence) for the retail trade of tobacco products, until 1 July 2011 shall be permitted to sell tobacco products which have been released into free circulation or released for consumption until 31 December 2010, without applying the amendments to the definitions of tobacco products referred to in Section 4, Paragraph two, Paragraph four, Clause 2, Paragraphs five and six of this Law.

[*28 October 2010*]

50. A person who has received a special permit (licence) for the wholesale trade of tobacco products or a special permit (licence) for the retail trade of tobacco products, until 1 July 2011 shall be permitted to sell cigarettes which have been released into free circulation or released for consumption until 31 December 2010, without applying the amendments of Section 13, Paragraphs two and three of this Law on the length of cigarettes and without performing the inventory and repayment of the difference in the excise duty to the State budget referred to in Paragraphs 12.1, 12.2, 12.3 and 12.4 of the Transitional Provisions of this Law.

[*28 October 2010*]

51. During the time period between 1 January 2011 and 28 February 2011 the most popular retail selling price – 76 lats for 1000 cigarettes – shall be used instead of the weighted average retail selling price referred to in Section 22, Paragraph four, Paragraph 4.1 and Section 29, Paragraph one of this Law.

[*28 October 2010*]

52. [14 April 2011]

53. [14 April 2011]

54. According to the wording of Section 14, Paragraphs three and four of this Law which comes into force on 1 January 2011, Paragraphs 12.1 and 12.3 of the Transitional Provisions of this Law shall not be applied to unleaded petrol, the substitute products and components thereof with alcohol content of 5.0 per cent by volume, and diesel fuel (gas oil), the substitute products and components thereof containing rapeseed oil or biodiesel derived from rapeseed oil of 5 to 30 (not inclusive) per cent by volume.

[*20 December 2010*]

55. The duty rate specified in Section 13, Paragraph one, Clause 1 of this Law (95.2 euros per 1000 cigars or cigarillos) shall be applied to cigars and cigarillos from 1 January 2020.

[*27 July 2017*]

56. Until the day when according to Paragraph 55 of the Transitional Provisions of this Law the duty rate for cigars and cigarillos specified in Section 13, Paragraph one, Clause 1 of this Law shall be commenced to be applied, the duty shall be imposed on cigars and cigarillos as follows:

1) until 30 June 2011 – 24 lats for 1000 cigars and cigarillos;

2) from 1 July 2011 until 31 December 2013 – 26 lats for 1000 cigars and cigarillos;

3) from 1 January 2014 until 31 December 2015 – 39.84 euros for 1000 cigars and cigarillos;

4) from 1 January 2016 until 31 December 2016 – 42.69 euros for 1000 cigars and cigarillos;

5) from 1 January 2017 until 31 December 2017 – 58 euros for 1000 cigars and cigarillos;

6) from 1 January 2018 until 31 December 2018 – 73 euros for 1000 cigars and cigarillos;

7) from 1 January 2019 until 31 December 2019 – 88 euros for 1000 cigars or cigarillos.

[*14 April 2011; 19 September 2013; 23 November 2016; 27 July 2017*]

57. The duty rate specified in Section 13, Paragraph one, Clause 2, Sub-clauses “a” and “b” of this Law to cigarettes (78.7 euros per 1000 cigarettes and in the amount of 20 per cent from the maximum retail selling price), as well as the minimum duty level specified for cigarettes in Section 13, Paragraph 1.1 of this Law (114.7 euros per 1000 cigarettes) shall be applied from 1 July 2019.

[*27 July 2017*]

58. Until the day when according to Paragraph 57 of the Transitional Provisions of this Law application of the duty for cigarettes specified in Section 13, Paragraph one, Clause 2 of this Law and the minimum duty level for cigarettes specified in Section 13, Paragraph 1.1 of this Law is commenced, the duty shall be imposed on cigarettes:

1) until 30 June 2011 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 48 lats for 1000 cigarettes:

a) 22.5 lats for 1000 cigarettes;

b) 34.5 per cent of the maximum retail selling price;

2) from 1 July 2011 until 31 December 2013 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 52 lats for 1000 cigarettes:

a) 25 lats for 1000 cigarettes;

b) 34 per cent of the maximum retail selling price;

3) from 1 January 2014 until 30 June 2014 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 79.68 euros for 1000 cigarettes:

a) 39.84 euros per 1000 cigarettes;

b) 33.5 per cent of the maximum retail selling price;

4) from 1 July 2014 until 30 June 2015 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated tax may not be less than 85.6 euros for 1000 cigarettes:

a) 51.8 euros per 1000 cigarettes;

b) 25 per cent of the maximum retail selling price;

5) from 1 July 2015 until 30 June 2016 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated tax may not be less than 89.8 euros for 1000 cigarettes:

a) 54.2 euros per 1000 cigarettes;

b) 25 per cent of the maximum retail selling price;

6) from 1 July 2016 until 30 June 2017 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated tax may not be less than 93.7 euros for 1000 cigarettes:

a) 56.2 euros per 1000 cigarettes;

b) 25 per cent of the maximum retail selling price;

7) from 1 July 2017 until 30 June 2018 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated tax may not be less than 99 euros for 1000 cigarettes:

a) 67 euros per 1000 cigarettes;

b) 20 per cent of the maximum retail selling price;

8) from 1 July 2018 until 30 June 2019 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 109.2 euros for 1000 cigarettes:

a) 74.6 euros per 1000 cigarettes;

b) 20 per cent of the maximum retail selling price.

[*14 April 2011; 19 September 2013; 6 November 2013; 23 November 2016; 27 July 2017*]

59. The duty specified in Section 13, Paragraph one, Clause 3, Sub-clause “a” of this Law for fine-cut tobacco intended for the rolling of cigarettes (75 euros for 1000 grams of tobacco), the duty specified in Sub-clause “b” for other smoking tobacco (75 euros per 1000 grams of tobacco), the duty specified in Clause 4 for tobacco leaves (75 euros for 1000 grams of tobacco leaves), and the duty specified in Clause 5 for heated tobacco (75 euros for 1000 grams of heated tobacco) shall be applied imposed from 1 January 2020.

[*27 July 2017*]

60. Until the day when according to Paragraph 59 of the Transitional Provisions of this Law imposition of the duty for fine-cut tobacco intended for the rolling of cigarettes specified in Section 13, Paragraph one, Clause 3, Sub-clause “a” of this Law, the duty for other smoking tobacco specified in Sub-clause “b”, the duty for tobacco leaves specified in Clause 4, and the duty for heated tobacco specified in Clause 5 is commenced, the duty shall be imposed on fine-cut tobacco intended for the rolling of cigarettes, other smoking tobacco, tobacco leaves, and heated tobacco as follows:

1) until 30 June 2011 – 29 lats for 1000 grams of tobacco;

2) from 1 July 2011 until 31 December 2013 – 34 lats for 1000 grams of tobacco;

3) from 1 January 2014 until 31 December 2015 – 55.49 euros for 1000 grams of tobacco;

4) from 1 January 2016 until 31 December 2016 – 58 euros for 1000 grams of tobacco;

5) from 1 January 2017 until 31 December 2017 – 62 euros for 1000 grams of the relevant tobacco product;

6) from 1 January 2018 until 31 December 2018 – 66 euros for 1000 grams of the relevant tobacco product;

7) from 1 January 2019 until 31 December 2019 – 70 euros for 1000 grams of the relevant tobacco product.

[*14 April 2011; 19 September 2013; 30 November 2015; 23 November 2016; 27 July 2017*]

61. Amendments regarding Section 6.1 and Section 15.1, Clause 1 of this Law shall come into force from 1 July 2011.

[*14 April 2011*]

62. From 1 July 2011 until 31 December 2013, in accordance with the procedures stipulated by the Cabinet, such natural gas shall be duty-free which is used:

1) in the heat supply of covered areas of land to be used in agriculture (greenhouses) and industrial sites for poultry (hen houses) and incubators;

2) in industrial production and pretreatment of agricultural raw materials (which conform to the approved relevant NACE classification codes specified in Regulation No 1893/2006) for the operation of technological equipment and the technologically necessary climate control in the premises of the referred to industrial production and pretreatment of agricultural raw materials. In such case the duty exemption shall apply also to natural gas used for the referred to purposes in undertakings located within the territory designated for economic activity with one manager (in an industrial park).

[*14 April 2011; 15 December 2011*]

63. Amendments to Sections 12 and 14 of this Law shall come into force from 1 June 2011.

[*14 April 2011*]

64. The Cabinet shall issue the regulations provided for in Section 18, Paragraphs five, 6.1 and 6.2 of this Law by 10 May 2011.

[*14 April 2011*]

65. The Cabinet shall issue the regulations provided for in Section 3, Paragraph seven and Section 16, Paragraph five of this Law by 1 September 2011. Until the day of coming into force of the new Cabinet regulations, but not later than until 1 September 2011, the Cabinet Regulation No. 170 of 25 March 2004, Procedures by which an Exemption from Excise Duty shall be Applied for Certain Alcoholic Beverages, shall be applied, insofar as it is not in contradiction with this Law.

[*14 April 2011*]

66. Amendments to the Annex to this Law in respect of supplementing the Annex with Sub-paragraphs 4.10, 4.11, 5.7 and 5.8 shall come into force from 1 February 2012.

[*15 December 2011*]

67. A person who on 1 February 2012 performs and also after the referred to date will perform activities with the products referred to in Sub-paragraphs 4.10, 4.11, 5.7 and 5.8 of the Annex to this Law, not later than by 31 January 2012 shall receive the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the activities of an approved warehousekeeper with oil products or, if the referred to products are used for the purposes indicated in Section 14, Paragraph two and Section 18, Paragraph one of this Law, a statement regarding the right to acquire the abovementioned products specified in the laws and regulations regarding the procedures by which a reduced excise duty rate or exemption from excise duty shall be applied to certain oil products.

[*15 December 2011*]

68. A person which on 1 February 2012 performs activities with the products referred to in Sub-paragraphs 4.10, 4.11, 5.7 and 5.8 of the Annex to this Law, shall take inventory of the stock of oil products in the ownership thereof. In such case the person shall take inventory on 1 February 2012 and within 15 days after inventory (including the day of the inventory) shall submit to the State Revenue Service the list of the inventory.

[*15 December 2011*]

69. The provisions concerning cigarettes which are marked with excise duty stamps in relation to introduction of euro:

1) starting from 1 January 2014 in the Republic of Latvia, in marking cigarettes with excise duty stamps and releasing them into free circulation or releasing them for consumption, the maximum retail selling price indicated on the excise duty stamp shall be expressed in euros;

2) it shall be permitted to release into free circulation or release for consumption cigarettes, which are marked with excise duty stamps on which the maximum retail selling price is indicated in lats, until 31 December 2013;

3) it shall be permitted to dispatch cigarettes, which are marked with excise duty stamps on which the maximum retail selling price is indicated in lats, applying the duty suspension arrangement, until 15 December 2013;

4) a person who has received a special permit (licence) for the wholesale trade of tobacco products or a special permit (licence) for the retail trade of tobacco products is permitted to sell cigarettes, which are marked with excise duty stamps on which the maximum retail selling price is indicated in lats, for an unlimited period of time.

[*19 September 2013*]

70. Amendments to Section 12, Paragraphs one and two, Section 13, Paragraphs one and 1.1, Section 14, Paragraphs one and two, the introductory part of Paragraph three, the introductory part of Paragraph four, Paragraphs five and six, Sections 15 and 15.1, Section 30, Paragraphs three and four of this Law, Paragraph 55, Paragraph 56, Sub-paragraphs 3 and 4, Paragraph 57, Paragraph 58, Sub-paragraphs 3 and 4, Paragraph 59 and Paragraph 60, Sub-paragraph 3 of these Transitional Provision in relation to introduction of euro shall come into force on 1 January 2014.

[*19 September 2013*]

71. A person who starting from 1 April 2015 performs activities with the tobacco products referred to in Section 4, Paragraph one, Clause 4 of this Law, must receive the corresponding permit (licence) referred to in Section 2, Paragraph six of this Law by 31 March 2015.

[*17 December 2014*]

72. A person who on 1 April 2015 performs activities with the tobacco products referred to in Section 4, Paragraph one, Clause 4 of this Law, shall take inventory of the stock of tobacco leaves in its storage. In such case the person shall take inventory on 1 April 2015 and within 15 days after inventory (including the day of the inventory) shall submit to the State Revenue Service the list of the inventory.

[*17 December 2014*]

73. [23 November 2016]

74. [23 November 2016]

75. Amendments regarding the supplementation of Sections 4, 13, 17, 21, 27, 33 of this Law shall come into force on 1 April 2015.

[*17 December 2014*]

76. Amendments regarding the supplementation of Section 14 of this Law with Paragraph 2.2 and amendments to Section 18, Paragraphs five and 6.2 of this Law shall come into force on 1 July 2015, except the condition included in such amendments regarding labelling (marking) of the relevant oil products, the fiscal marker and dye, which comes into force on 30 October 2015. Amendments to Section 28, Paragraphs one and four of this Law shall come into force on 30 October 2015. In order to ensure the application of Section 18, Paragraph five, Clause 3 of this Law in relation to the division specified therein depending on the crop to be cultivated from 1 July 2015, the Rural Support Service shall perform the activities necessary thereto until 30 June 2015.

[*7 May 2015*]

77. Section 18, Paragraph 5.1 of this Law shall come into force on 30 October 2015.

[*18 June 2015*]

78. The duty rate specified in Section 12, Paragraph one, Clause 1 of this Law for beer (per 100 litres) – 8.2 euros for each per cent of absolute alcohol by volume which has been expressed with an accuracy of up to one tenth, but not less than 15.2 euros per 100 litres of beer, as well as the condition laid down in Section 12, Paragraph two, Clauses 1 and 2 of this Law (not less than 15.2 euros per 100 litres of beer) shall be applied from 1 March 2021.

[*20 February 2020*]

79. Until the day when, in accordance with Paragraph 78 of these Transitional Provisions, the duty rate specified in Section 12, Paragraph one, Clause 1 of this Law for beer (per 100 litres) and the condition laid down in Section 12, Paragraph two, Clauses 1 and 2 of this Law shall be commenced to be applied, the duty on beer shall be imposed as follows:

1) until 29 February 2016 – 3.8 euros for each per cent of absolute alcohol by volume which has been expressed with an accuracy up to one tenth, but not less than 7.4 euros per 100 litres of beer;

2) from 1 March 2016 until 28 February 2017 – 4.2 euros for each per cent of absolute alcohol by volume which has been expressed with an accuracy up to one tenth, but not less than 7.8 euros per 100 litres of beer;

3) from 1 March 2017 until 28 February 2018 – 4.5 euros for each per cent of absolute alcohol by volume which has been expressed with an accuracy up to one tenth, but not less than 8.2 euros per 100 litres of beer;

4) from 1 March 2018 until 28 February 2019 – 6.8 euros for each per cent of absolute alcohol by volume which has been expressed with an accuracy of up to one tenth, but not less than 12.5 euros per 100 litres of beer;

5) from 1 March 2019 until 29 February 2020 – 7.4 euros for each per cent of absolute alcohol by volume which has been expressed with an accuracy of up to one tenth, but not less than 13.6 euros per 100 litres of beer;

6) from 1 March 2020 until 28 February 2021 – 7.8 euros for each per cent of absolute alcohol by volume which has been expressed with an accuracy of up to one tenth, but not less than 14.4 euros per 100 litres of beer.

[*30 November 2015; 27 July 2017; 20 February 2020*]

80. The duty rate specified in Section 12, Paragraph one, Clause 2 of this Law (111 euros per 100 litres) shall be applied to wine from 1 March 2021.

[*27 July 2017; 20 February 2020*]

81. Until the day when in accordance with Paragraph 80 of these Transitional Provisions the duty rate specified in Section 12, Paragraph one, Clause 2 of this Law shall be commenced to be applied, the duty shall be imposed on wine as follows:

1) until 29 February 2016 – 70 euros per 100 litres;

2) from 1 March 2016 until 28 February 2017 – 74 euros per 100 litres;

3) from 1 March 2017 until 28 February 2018 – 78 euros per 100 litres;

4) from 1 March 2018 until 28 February 2019 – 92 euros per 100 litres;

5) from 1 March 2019 until 29 February 2020 – 101 euros per 100 litres;

6) from 1 March 2020 until 28 February 2021 – 106 euros per 100 litres.

[*30 November 2015; 27 July 2017; 20 February 2020*]

82. The duty rate specified in Section 12, Paragraph one, Clause 3, Sub-clause “b” of this Law for fermented beverages with the absolute alcohol content above 6 per cent by volume (111 euros per 100 litres) shall be applied from 1 March 2021.

[*27 July 2017; 20 February 2020*]

83. Until the day when, in accordance with Paragraph 82 of these Transitional Provisions, the duty rate specified in Section 12, Paragraph one, Clause 3, Sub-clause “b” of this Law for fermented beverages with the absolute alcohol content above 6 per cent by volume shall be commenced to be applied, the duty shall be imposed on the fermented beverages with the absolute alcohol content above 6 per cent by volume as follows:

1) until 29 February 2016 – 70 euros per 100 litres;

2) from 1 March 2016 until 28 February 2017 – 74 euros per 100 litres;

3) from 1 March 2017 until 28 February 2018 – 78 euros per 100 litres;

4) from 1 March 2018 until 28 February 2019 – 92 euros per 100 litres;

5) from 1 March 2019 until 29 February 2020 – 101 euros per 100 litres;

6) from 1 March 2020 until 28 February 2021 – 106 euros per 100 litres.

[*30 November 2015; 27 July 2017; 20 February 2020*]

84. The duty rates specified in Section 12, Paragraph one, Clause 4, Sub-clauses “a” and “b” of this Law for intermediate products [for intermediate products: with the absolute alcohol content up to 15 per cent by volume (inclusive) – 111 euros per 100 litres; with the absolute alcohol content from 15 per cent by volume (not inclusive) up to 22 per cent by volume (inclusive) – 185 euros per 100 litres] shall be applied from 1 March 2021.

[*27 July 2017; 20 February 2020*]

85. Until the day when in accordance with Paragraph 84 of these Transitional Provisions the duty rates specified in Section 12, Paragraph one, Clause 4, Sub-clauses “a” and “b” of this Law shall be commenced to be applied, the duty shall be imposed on intermediate products as follows:

1) until 29 February 2016 (per 100 litres):

a) with the absolute alcohol content up to 15 per cent by volume (inclusive) – 70 euros;

b) with the absolute alcohol content from 15 per cent by volume (not inclusive) to 22 per cent by volume (inclusive) – 110 euros;

2) from 1 March 2016 until 28 February 2017 (per 100 litres):

a) with the absolute alcohol content up to 15 per cent by volume (inclusive) – 74 euros;

b) with the absolute alcohol content from 15 per cent by volume (not inclusive) to 22 per cent by volume (inclusive) – 120 euros;

3) from 1 March 2017 until 28 February 2018 (per 100 litres):

a) with the absolute alcohol content up to 15 per cent by volume (inclusive) – 78 euros;

b) with the absolute alcohol content from 15 per cent by volume (not inclusive) to 22 per cent by volume (inclusive) – 130 euros;

4) from 1 March 2018 until 28 February 2019 (per 100 litres):

a) with the absolute alcohol content up to 15 per cent by volume (inclusive) – 92 euros;

b) with the absolute alcohol content from 15 per cent by volume (not inclusive) to 22 per cent by volume (inclusive) – 150 euros;

5) from 1 March 2019 until 29 February 2020 (per 100 litres):

a) with the absolute alcohol content up to 15 per cent by volume (inclusive) – 101 euros;

b) with the absolute alcohol content from 15 per cent by volume (not inclusive) to 22 per cent by volume (inclusive) – 168 euros;

6) from 1 March 2020 until 28 February 2021 (per 100 litres):

a) with the absolute alcohol content up to 15 per cent by volume (inclusive) – 106 euros;

b) with the absolute alcohol content from 15 per cent by volume (not inclusive) to 22 per cent by volume (inclusive) – 176 euros.

[*30 November 2015; 27 July 2017; 20 February 2020*]

86. The duty rate specified in Section 12, Paragraph one, Clause 5 of this Law (1724 euros per 100 litres of absolute alcohol) shall be applied to other alcoholic beverages from 1 March 2021.

[*20 February 2020*]

87. Until the day when, in accordance with Paragraph 86 of these Transitional Provisions, the duty rate specified in Section 12, Paragraph one, Clause 5 of this Law shall be commenced to be applied, the duty shall be imposed on other alcoholic beverages as follows:

1) until 29 February 2016 – 1360 euros per 100 litres of absolute alcohol;

2) from 1 March 2016 until 28 February 2017 – 1400 euros per 100 litres of absolute alcohol;

3) from 1 March 2017 until 28 February 2018 – 1450 euros per 100 litres of absolute alcohol;

4) from 1 March 2018 until 28 February 2019 – 1670 euros per 100 litres of absolute alcohol;

5) from 1 March 2019 until 31 July 2019 – 1840 euros per 100 litres of absolute alcohol;

6) from 1 August 2019 until 29 February 2020 – 1564 euros per 100 litres of absolute alcohol;

7) from 1 March 2020 until 28 February 2021 – 1642 euros per 100 litres of absolute alcohol.

[*30 November 2015; 27 July 2017; 8 July 2019; 20 February 2020*]

88. Amendments regarding Section 1, Paragraph two, Clause 1 of this Law and the supplementation of Paragraph two with Clause 17, the supplementation of Section 2, Paragraph two, the supplementation of the Law with Sections 4.1 and 13.1, the new wording of Section 7, Clause 5, amendment regarding Section 8, Paragraph three and Section 21, Paragraph four, Clause 3, the supplementation of Section 23 with Paragraph twenty two, amendments regarding Section 25, Paragraphs eleven, twelve, and thirteen, and the supplementation of Section 33, Paragraph five with Clause 6 shall come into force on 1 July 2016.

[*30 November 2015*]

89. A person who starting from 1 July 2016 performs activities with liquid to be used in electronic cigarettes referred to in Section 4.1 of this Law, upon applying the suspension of excise duty, until 30 June 2016 must receive the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the operation of an approved warehousekeeper.

[*30 November 2015*]

90. A person who on 1 July 2016 performs activities with liquid to be used in electronic cigarettes referred to in Section 4.1 of this Law, shall take inventory according to the situation on 1 July 2016 of the stock of the liquid to be used in electronic cigarettes belonging thereto and, within 15 days after taking inventory (including the day of taking inventory) submit a list of inventory and a tax calculation to the State Revenue Service. The person shall pay the tax calculated for the stock of liquid to be used in electronic cigarettes established during taking of inventory into the State budget until 15 August 2016 [shall not apply to the person who has received the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the operation of an approved warehousekeeper].

[*30 November 2015*]

91. Amendments regarding the supplementation of Section 4, Paragraph one with Clause 5, the supplementation of Section 4 with Paragraph ten, the supplementation of Section 13, Paragraph one with Clause 5, the new wording of Section 21, Paragraph four, Clause 1, Sub-clause “d” and Clause 1.1, Sub-clause “d”, amendment regarding the supplementation of Section 27, Paragraph three of this Law with Clause 1.3, the new wording of Section 33, Paragraph five, Clause 2, Sub-clause “c” in relation to heated tobacco shall come into force on 1 March 2016.

[*30 November 2015*]

92. A person who starting from 1 March 2016 performs activities with the tobacco products (heated tobacco) referred to in Section 4, Paragraph one, Clause 5 of this Law, must receive the corresponding permit (licence) referred to in Section 2, Paragraph six of this Law by 29 February 2016.

[*30 November 2015*]

93. A person who on 1 March 2016 performs activities with the tobacco products referred to in Section 4, Paragraph one, Clause 5 of this Law, shall take inventory according to the situation on 1 March 2016 of the stock of heated tobacco belonging thereto and, within 15 days after taking inventory (including the day of taking inventory) submit a list of inventory and a tax calculation to the State Revenue Service. The person shall pay the tax calculated for the stock of heated tobacco established during taking of inventory into the State budget by 15 April 2016 [shall not apply to the person who has received the special permit (licence) referred to in Section 2, Paragraph six, Clause 1 of this Law for the operation of an approved warehousekeeper].

[*30 November 2015*]

94. Amendments to Section 1, Paragraph two, Clauses 2 and 5, Section 29, Paragraphs three and four of this Law shall come into force on 1 January 2017.

[*5 May 2016*]

95. The amendment to Section 18, Paragraph five, Clause 2, Sub-clause “a” of this Law shall come into force on 1 July 2017. In order to ensure from 1 July 2017 the application of Section 18, Paragraph five, Clause 2, Sub-clause “a” of this Law in relation to revocation of the right to purchase the diesel fuel with reduced excise duty rate referred to in Section 18, Paragraph five of this Law from 1 July 2017 for land areas in which corn for acquisition of biogas is cultivated, the Rural Support Service shall perform the necessary activities by 30 June 2017.

[*23 November 2016*]

96. Amendment to Section 27, Paragraph three, Clause 1 of this Law in respect to supplementation of this Clause with Sub-clause “d” shall come into force on 1 March 2017.

[*23 November 2016*]

97. Amendments to Section 20 of this Law shall come into force on1 January 2018.

[*9 March 2017*]

98. The duty rate specified in Section 14, Paragraph one, Clause 1 of this Law for unleaded petrol, its substitute products and components (509 euros per 1000 litres) shall be applied from 1 January 2020.

[*27 July 2017*]

99. Until the day when, in accordance with Paragraph 98 of Transitional Provisions, the duty rate specified in Section 14, Paragraph one, Clause 1 of this Law for unleaded petrol, its substitute products and components (per 1000 litres) shall be commenced to be applied, unleaded petrol, its substitute products and components shall be taxable from 1 January 2018 to 31 December 2019 – 476 euros per 1000 litres.

[*27 July 2017*]

100. The duty rate specified in Section 14, Paragraph one, Clauses 3, 4 and 6 of this Law for kerosene, the substitute products and components thereof, for diesel fuel (gas oil), the substitute products and components thereof, for fuel oil, the colorimetric index of which is less than 2.0 and kinematic viscosity at 50°C is less than 25 mm2/s, the substitute products and components thereof (414 euros per 1000 litres), except for the fuel oils referred to in Clause 7 of this Paragraph, shall be applied from 1 January 2020.

[*27 July 2017*]

101. Until the day when, in accordance with Paragraph 100 of Transitional Provisions, the duty rate specified in Section 14, Paragraph one, Clauses 3, 4, and 6 of this Law (per 1000 litres) shall be commenced to be applied, kerosene, the substitute products and components thereof, for diesel fuel (gas oil), the substitute products and components thereof, for fuel oil, the colorimetric index of which is less than 2.0 and kinematic viscosity at 50 °C is less than 25 mm2/s, the substitute products and components thereof, except for the fuel oils referred to in Clause 7 of this Paragraph, shall be taxable from 1 January 2018 to 31 December 2019 – 372 euros per 1000 litres.

[*27 July 2017*]

102. The duty rate specified in Section 14, Paragraph one, Clause 5 of this Law for petroleum gases and other gaseous hydrocarbons (285 euros per 1000 kilograms) shall be applied from 1 January 2020.

[*27 July 2017*]

103. Until the day when, in accordance with Paragraph 102 of Transitional Provisions, the duty rate specified in Section 14, Paragraph one, Clause 5 of this Law (per 1000 kilograms) shall be commenced to be applied, petroleum gases and other gaseous hydrocarbons shall be taxable from 1 January 2018 to 31 December 2019 – 244 euros per 1000 kilograms.

[*27 July 2017*]

104. The duty rate specified in Section 14, Paragraph 2.2 of this Law for diesel fuel (gas oil) and such diesel fuel (gas oil) to which biodiesel fuel acquired from rapeseed is added (for 1000 litres), if the relevant oil products are labelled (marked) in accordance with Section 28 of this Law and if they are used in accordance with the type, purposes, and conditions referred to in Section 18, Paragraph five of this Law, shall be applied from 1 July 2018.

[*27 July 2017*]

105. Until the day when, in accordance with Paragraph 104 of Transitional Provisions, the duty rate specified in Section 14, Paragraph 2.2 of this Law becomes applicable, diesel fuel (gas oil) and such diesel fuel (gas oil) to which biodiesel fuel acquired from rapeseed is added shall be taxable until 30 June 2018 – 50 euros per 1000 litres.

[*27 July 2017*]

106. Amendments regarding the supplementation of Section 1, Paragraph two, Clause 2, the supplementation of Section 27, Paragraph three, Clause 1.1, the new wording of Clause 2, and the supplementation of Paragraph three with Clause 2.1 in relation to the security element contained by a packaging unit of tobacco products shall come into force on 20 May 2019. In respect of tobacco products that are not cigarettes and fine-cut tobacco intended for the rolling of cigarettes, amendments to Section 27, Paragraph three, Clause 1.1 of this Law, and in respect of supplementation of Paragraph three with Clause 2.1 in relation to the security element which is contained by a packaging unit of tobacco products shall come into force on 20 May 2024.

[*25 October 2018*]

107. Amendments regarding the deletion of Section 27, Paragraph three, Clause 1.2 of this Law which provide for not marking tobacco leaves with the excise duty stamps due to the security element which is contained by a packaging unit of tobacco products shall come into force on 20 May 2024.

[*24 November 2020* / *The abovementioned amendments shall be included in the wording of the Law as of 20 May 2024.*]

108. Section 12, Paragraphs four and five of this Law shall come into force on 1 March 2019.

[*25 October 2018*]

109. Amendment to Section 18 of this Law regarding supplementation thereof with Paragraph 1.1 shall come into force on 1 May 2019.

[*25 October 2018*]

110. Amendments to Section 33 of this Law with regard to the exclusion of Paragraph one, replacement of words in Paragraphs two and three, and exclusion of second sentence from Paragraph twenty, and Chapter XII of this Law shall come into force concurrently with the Law on Administrative Liability.

[*17 October 2019*]

111. Amendments regarding the new wording of Section 15, Paragraph one, and also Section 15, Paragraph 1.1 of this Law shall come into force on 1 January 2022.

[*6 February 2020*]

112. The duty rate specified in Section 13, Paragraph one, Clause 1 of this Law for cigars and cigarillos (126.7 euros per 1000 cigars or cigarillos) shall be applied from 1 January 2023.

[*24 November 2020*]

113. Until the day when in accordance with Paragraph 112 of the Transitional Provisions the application of the duty rate specified in Section 13, Paragraph one, Clause 1 of this Law for cigars and cigarillos is commenced, the duty shall be imposed on cigars and cigarillos as follows:

1) from 1 January 2021 until 31 December 2021 – 104.7 euros for 1000 cigars or cigarillos;

2) from 1 January 2022 until 31 December 2022 – 115.2 euros for 1000 cigars or cigarillos.

[*24 November 2020*]

114. The duty rate specified in Section 13, Paragraph one, Clause 2, Sub-clauses “a” and “b” of this Law to cigarettes (104 euros per 1000 cigarettes and in the amount of 15 per cent from the maximum retail selling price), as well as the minimum duty level specified for cigarettes in Section 13, Paragraph 1.1 of this Law (135.9 euros per 1000 cigarettes) shall be applied from 1 January 2023.

[*24 November 2020*]

115. Until the day when in accordance with Paragraph 114 of the Transitional Provisions the application of the duty rate specified in Section 13, Paragraph one, Clause 2 of this Law for cigarettes and the minimum duty level for cigarettes specified in Section 13, Paragraph 1.1 of this Law is commenced, the duty shall be imposed on cigarettes as follows:

1) from 1 January 2021 until 28 February 2021 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 114.7 euros for 1000 cigarettes:

a) 78.7 euros per 1000 cigarettes;

b) 20 per cent of the maximum retail selling price;

2) from 1 March 2021 until 31 December 2021 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 121.4 euros for 1000 cigarettes:

a) 92.5 euros per 1000 cigarettes;

b) 15 per cent of the maximum retail selling price;

3) from 1 January 2022 until 31 December 2022 – by summing up the amounts acquired by applying the duty rates laid down in Sub-clauses “a” and “b” of this Clause, but the calculated duty may not be less than 128.4 euros for 1000 cigarettes:

a) 98 euros per 1000 cigarettes;

b) 15 per cent of the maximum retail selling price.

[*24 November 2020*]

116. The duty rate specified in Section 13, Paragraph one, Clause 3, Sub-clause “a” of this Law for fine-cut tobacco intended for the rolling of cigarettes (91.9 euros for 1000 grams of tobacco), the duty rate specified in Sub-clause “b” for other smoking tobacco (91.9 euros per 1000 grams of tobacco), the duty rate specified in Clause 4 for tobacco leaves (91.9 euros for 1000 grams of tobacco leaves) shall be applied from 1 January 2023.

[*24 November 2020*]

117. Until the day when in accordance with Paragraph 116 of the Transitional Provisions the application of the duty rate for fine-cut tobacco intended for the rolling of cigarettes specified in Section 13, Paragraph one, Clause 3, Sub-clause “a” of this Law, the duty rate for other smoking tobacco specified in Sub-clause “b”, the duty rate for tobacco leaves specified in Clause 4 is commenced, the duty shall be imposed on fine-cut tobacco intended for the rolling of cigarettes, other smoking tobacco, tobacco leaves as follows:

1) from 1 January 2021 until 31 December 2021 – 80.25 euros for 1000 grams of tobacco;

2) from 1 January 2022 until 31 December 2022 – 85.9 euros for 1000 grams of tobacco.

[*24 November 2020*]

118. The duty rate specified in Section 13, Paragraph one, Clause 5 of this Law for heated tobacco (218 euros per 1000 grams of heated tobacco) shall be applied from 1 January 2023.

[*24 November 2020*]

119. Until the day when in accordance with Paragraph 118 of the Transitional Provisions the application of the duty rate specified in Section 13, Paragraph one, Clause 5 of this Law for heated tobacco is commenced, the duty shall be imposed on heated tobacco as follows:

1) from 1 January 2021 until 31 December 2021 – 160 euros for 1000 grams of tobacco;

2) from 1 January 2022 until 31 December 2022 – 207 euros for 1000 grams of tobacco.

[*24 November 2020*]

120. The duty rate specified in Section 13.1 of this Law for liquid to be used in electronic smoking devices and ingredients for the preparation of liquid to be used in electronic smoking devices (0.20 euros per 1 millilitre of liquid) shall be applied from 1 January 2023.

[*24 November 2020; 21 October 2021*]

121. Until the day when, in accordance with Paragraph 120 of the Transitional Provisions, the duty rate specified in Section 13.1 of this Law for liquid to be used in electronic smoking devices and ingredients for the preparation of liquid to be used in electronic smoking devices becomes applicable, the duty shall be imposed on liquid to be used in electronic smoking devices and ingredients for the preparation of liquid to be used in electronic smoking devices as follows:

1) from 1 January 2021 until 31 December 2021 – 0.12 euros for 1 millilitre of liquid;

2) from 1 January 2022 until 31 December 2022 – 0.16 euros for 1 millilitre of liquid.

[*24 November 2020; 21 October 2021*]

122. The duty rate specified in Section 13.2 of this Law for tobacco substitute products (120 euros per 1000 grams of the product) shall be applied from 1 January 2023.

[*24 November 2020*]

123. Until the day when in accordance with Paragraph 122 of the Transitional Provisions the application of the duty rate specified in Section 13.2 of this Law for tobacco substitute products is commenced, the duty shall be imposed on tobacco substitute products as follows:

1) from 1 January 2021 until 31 December 2021 – 80 euros for 1000 grams of the product;

2) from 1 January 2022 until 31 December 2022 – 100 euros for 1000 grams of the product.

[*24 November 2020*]

124. The duty rate specified in Section 15.1, Paragraph one, Clause 2 of this Law for natural gas for use as fuel (10 euros per 1 megawatt hour (MWh), taking into account the gross calorific value of natural gas) shall be applied from 1 January 2026.

[*24 November 2020*]

125. Until the day when in accordance with Paragraph 124 of the Transitional Provisions the application of the duty rate specified in Section 15.1, Paragraph one, Clause 2 of this Law for natural gas for use as fuel is commenced (until 31 December 2025), the duty shall be imposed on natural gas for use as fuel – 1.91 euros per 1 megawatt hour (MWh), taking into account the gross calorific value of natural gas.

[*24 November 2020*]

126. The aid referred to in Paragraph 125 of the Transitional Provisions shall be granted to a payer of the duty by the State Construction Control Bureau as de minimis aid in conformity with Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid or regulation replacing it.

[*24 November 2020*]

127. If, in accordance with Paragraph 125 of the Transitional Provisions, the rate of the excise duty for natural gas for use as fuel is reduced, the difference of the excise duty shall not be reimbursed.

[*24 November 2020*]

128. Amendments to Section 1, Paragraph two, Clauses 1, 2, 2.1, 2.2, and 2.3 and Section 27 of this Law which provide for the marking of heated tobacco, liquid to be used in electronic cigarettes, ingredients for the preparation of liquid to be used in electronic cigarettes, and tobacco substitute products with excise duty stamps shall come into force on 1 July 2021.

[*24 November 2020*]

129. A person who on 1 January 2021 performs activities with the ingredients for the preparation of the liquid to be used in electronic cigarettes referred to in Section 4.1, Paragraph two and the tobacco substitute products referred to in Section 4.2 of this Law shall take inventory according to the situation on 1 January 2021 of the stock of the ingredients for the preparation of liquid to be used in electronic cigarettes and tobacco substitute products and, within 15 days after taking inventory (including the day of taking inventory), submit a list of inventory and a duty calculation to the State Revenue Service. The person shall pay the calculated duty into the State budget by 15 February 2021 (shall not apply to the person who has received the special permit (licence) for the activities of an approved warehousekeeper referred to in Section 2, Paragraph six, Clause 1 of this Law).

[*24 November 2020*]

130. A person who on 1 January 2021 performs activities with liquid to be used in electronic cigarettes referred to in Section 4.1, Paragraph one of this Law shall take inventory according to the situation on 1 January 2021 of the stock of the liquid to be used in electronic cigarettes and, within 15 days after taking inventory (including the day of taking inventory), submit a list of inventory and a calculation of the difference of the duty to the State Revenue Service. The person shall pay the calculated difference of the duty into the State budget by 15 February 2021 (shall not apply to the person who has received the special permit (licence) for the activities of an approved warehousekeeper referred to in Section 2, Paragraph six, Clause 1 of this Law).

[*24 November 2020*]

131. A person who on 1 July 2021 performs activities with liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, tobacco substitute products, and heated tobacco shall take inventory according to the situation as on 1 July 2021 of liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, tobacco substitute products, and heated tobacco belonging thereto and shall sell the abovementioned products which have not been marked with excise duty stamps by 31 December 2021.

[*24 November 2020; 21 October 2021*]

132. The Cabinet shall, by 1 July 2021, issue the regulations provided for in Section 27, Paragraph thirteen of this Law. Until the day of coming into force of new Cabinet regulations, but not later than until 1 July 2021, the Cabinet Regulation No. 220 of 12 May 2015, Procedures for Marking Alcoholic Beverages and Tobacco Products with Excise Duty Stamps, shall be applied insofar as it is not in contradiction with this Law.

[*24 November 2020*]

133. Amendments regarding the new wording of Section 14, Paragraph two of this Law shall come into force on 1 July 2021.

[*17 December 2020*]

134. If the duty for the received excise duty stamps has been paid by 30 June 2021, the tax need not be re-paid but, with an increase in the duty rate, the duty difference shall be paid.

[*21 October 2021*]

135. Amendments regarding the new wording of Section 1, Paragraph two, Clause 15 of this Law, and also the supplementation thereof with Clauses 15.1, 15.2, 15.3, and the new wording of Section 12, Paragraphs two, three, four, and five, and also the supplementation with Paragraphs six, seven, eight, nine, ten, eleven, twelve, and thirteen in respect of the delegation to the Cabinet to issue regulations regarding the procedures for the issue of a certificate and circulation conditions shall come into force on 1 July 2022.

[*21 October 2021*]

136. A person who, as on 1 January 2022, performs activities with food supplements which contain ethyl alcohol and exceed 150 millilitres per packaging and which are registered, distributed, sold, processed, and supplied in accordance with the laws and regulations regarding mandatory safety and labelling requirements for food supplements and the procedures for the registration of food supplements shall take inventory according to the situation as on 1 January 2022 of stock of food supplements which are owned by such person and contain ethyl alcohol and exceed 150 millilitres per packaging and, within 15 days after inventory, including the day of inventory, submit to the State Revenue Service a list of inventory and a calculation of duty. The duty calculated for the stock established during inventory of food supplements which contain ethyl alcohol and exceed 150 millilitres per packaging shall be paid by the person into the State budget by 23 February 2022.

[*21 October 2021*]

137. Permits for the purchase of alcoholic beverages for the production of food supplements that contain alcohol which have been issued by the State Revenue Service before 31 December 2021 shall be valid until expiry thereof.

[*21 October 2021*]

138. Starting from 1 January 2022, with an increase in the duty rate for liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products as on the day when the duty rate changes, inventory shall be taken of stock of liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products and, within 15 days after inventory, including the day of inventory, a calculation of duty difference shall be submitted to the State Revenue Service. The calculated duty difference shall be paid into the State budget by the 15th day of the following month (this shall not apply to the person who has received the special permit (licence) for the activities of an approved warehousekeeper referred to in Section 2, Paragraph six, Clause 1 of this Law).

[*21 October 2021*]

139. Section 16, Paragraphs 2.1 and six of this Law shall come into force on 1 July 2022.

[*21 October 2021*]

140. Amendment regarding the new wording of Section 19 of this Law shall come into force on 1 January 2023.

[*21 October 2021*]

141. Amendments to Section 20 of this Law and regarding the supplementation of the informative reference of this Law to European Union directives with Paragraph 17 in respect of the application of exemption from the excise duty to excise goods that are supplied to the armed forces of any Member State other than the Member State in which the duty is to be collected shall come into force on 1 July 2022.

[*21 October 2021*]

142. Section 21, Paragraphs 4.6 and 4.7 of this Law shall come into force on 1 November 2022.

[*14 July 2011*]

143. Movement of alcoholic beverages, tobacco products, and oil products which have been released for consumption between Member States that has been commenced before 12 February 2023 (including) by using the documents specified in Commission Regulation (EEC) No 3649/92 of 17 December 1992 on a simplified accompanying document for the intra-Community movement of products subject to excise duty which have been released for consumption in the Member State of dispatch shall be completed by 31 December 2023.

[*13 October 2022*]

144. In order to ensure conformity with the requirement referred to in Paragraph 143 of Transitional Provisions, Cabinet Regulation No. 957 of 12 October 2010, Procedures for the Circulation and Control of Simplified Accompanying Documents of Excise Goods, shall be applicable until 31 December 2023.

[*13 October 2022*]

145. The Cabinet shall, by 31 December 2023, issue the regulations referred to in Section 25, Paragraph nine, Section 26, Paragraphs seven and seventeen, and Section 26.1, Paragraph six of this Law. Until the day of coming into force of the abovementioned regulations, but not later than until 31 December 2023, the following Cabinet regulations shall apply, insofar as they are not in contradiction with this Law:

1) Cabinet Regulation No. 307 of 30 March 2010, Procedures for the Circulation and Control of the Electronic Administrative Document of Excise Goods;

2) Cabinet Regulation No. 9 of 11 January 2022, Procedures for Transferring the Excise Duty Paid for Excise Goods to Cover Duty Debts or for Subsequent Duty Payments or Its Refunding.

[*13 October 2022*]

**Informative Reference to European Union Directives**

[*20 December 2004; 14 November 2008; 1 December 2009; 28 October 2010; 15 December 2011; 5 May 2016; 6 February 2020; 21 October 2021; 13 October 2022*]

Legal norms arising from the following directives have been included in this Law:

1) [13 October 2022];

2) [15 December 2011];

3) [15 December 2011];

4) Council Directive 92/83/EEC of 19 October 1992 on the harmonization of the structures of excise duties on alcohol and alcoholic beverages;

5) Council Directive 92/84/EEC of 19 October 1992 on the approximation of the rates of excise duty on alcohol and alcoholic beverages;

6) [15 December 2011];

7) Council Directive 95/60/EC of 27 November 1995 on fiscal marking of gas oils and kerosene;

8) Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity;

9) Council Directive 2007/74/EC of 20 December 2007 on the exemption from value added tax and excise duty of goods imported by persons travelling from third countries;

10) [13 October 2022];

11) [13 October 2022];

12) Council Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied to manufactured tobacco (codification);

13) [13 October 2022];

14) Directive 2014/40/EU of the European Parliament and of the Council of 3 April 2014 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products and repealing Directive 2001/37/EC (Text with EEA relevance);

15) [13 October 2022];

16) Council Directive (EU) 2020/1151 of 29 July 2020 amending Directive 92/83/EEC on the harmonization of the structures of excise duties on alcohol and alcoholic beverages;

17) [13 October 2022];

18) Council Directive (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty (recast).

This Law shall come into force on 1 May 2004. Section 2, Paragraph six and Paragraph seven, Clause 1, as well as Sections 31 and 32 of the Law shall come into force on 1 April 2004.

[*18 March 2004; 20 December 2004*]

This Law has been adopted by the *Saeima* on 30 October 2003.

President V. Vīķe-Freiberga

Rīga, 14 November 2003

Law On Excise Duties

**Annex**

**Oil Products to which the Excise Duty Specified in the Law On Excise Duties is Applicable**

[*20 December 2004; 19 December 2006; 15 December 2011; 17 December 2020; 21 October 2021*]

1. The excise duty specified for unleaded petrol, the substitute products and components thereof, shall be applied to the following goods and for the following reasons:

1.1. benzene;

1.2. toluene;

1.3. xylene;

1.4. mixtures of aromatic hydrocarbons, of which not less than 65 % by volume (including losses) distils at 250 °C (by the ASTM D 86 method):

1.4.1. for use as a power or heating fuel,

1.4.2. for use for other purposes;

1.5. crude light oils, of which 90 % or more by volume distils at a temperature of up to 200 °C and other oils;

1.6. natural gas condensate;

1.7. light oils and preparations:

1.7.1. for undergoing specific processes,

1.7.2. for undergoing chemical transformation by a process (except for specific processes),

1.7.3. for other purposes:

1.7.3.1. special spirits [white spirit and other];

1.7.3.2. motor spirits (except aviation spirit) with a lead content not exceeding 0.013 g/l;

1.7.3.3. spirit type jet fuel;

1.7.3.4. other light oils;

1.7.3.5. oil products with a lead content not exceeding 0.013 g/l to which ethyl alcohol has been added which is acquired from agricultural raw materials and which has been dehydrated (with alcohol content of at least 99.5 per cent by volume) and which has been denatured or ethyl alcohol derivative ETBE (separately or together with ethyl alcohol);

1.8. methanol (methyl alcohol);

1.9. lower alkyl tert-butyl ethers [methyl tert-butyl ether (MTBE) and ethyl-tert-butyl ether (ETBE);

1.10. ready-made anti-knock and other ready-made additives to mineral oils, which are used for the same needs as mineral oils;

1.11. ready-to-use binding agents, chemical products (also products, which contain natural product mixtures), which have not been referred to or included elsewhere;

1.12. [21 October 2021].

2. The excise duty specified for leaded petrol, the substitute products and components thereof shall be applied to the following goods:

2.1. motor spirits:

2.1.1. aviation spirit;

2.1.2. other motor spirits with a lead content exceeding 0.013 g/l;

2.1.3. oil products with a lead content exceeding 0.013 g/l to which ethyl alcohol or ethyl alcohol derivative ETBE (separately or together with ethyl alcohol) has been added;

2.2. ready-made anti-knock (based upon lead compounds and otherwise) and other ready-made additives to mineral oils, which are used for the same needs as mineral oils;

2.3. ready-to-use binding agents, chemical products (also products, which contain natural product mixtures), which have not been referred to or included elsewhere;

2.4. [21 October 2021].

3. The excise duty specified for kerosene, the substitute products and components thereof shall be applied to the following goods:

3.1. medium oils for undergoing specific processes;

3.2. medium oils for undergoing chemical transformation by a process;

3.3. medium oils for other purposes;

3.4. jet fuel;

3.5. ready-to-use binding agents, chemical products (also products, which contain natural product mixtures), which have not been referred to or included elsewhere;

3.6. [21 October 2021].

4. The excise duty specified for diesel fuel (gas oil), the substitute products and components thereof shall be applied to the following goods:

4.1. volatile oils (gas oils) for undergoing specific processes;

4.2. volatile oils (gas oils) for undergoing chemical transformation by a process;

4.3. volatile oils (gas oils) for other purposes;

4.4. fuel oils, the substitute products and components thereof the colorimetric index of which is less than 2.0 and kinematic viscosity at 50 oC is less than 25 mm2/s;

4.5. diesel fuel (gas oil) to which biodiesel fuel is added;

4.6. ready-made anti-knock and other ready-made additives to mineral oils, which are used for the same needs as mineral oils;

4.7. ready-to-use binding agents, chemical products (also products, which contain natural product mixtures), which have not been referred to or included elsewhere;

4.8. [17 December 2020];

4.9. [21 October 2021];

4.10. heavy oils: metal-working compounds, mould-release oils, anti-corrosion oils, except for oils in a sealed package with the volume not exceeding 250 litres;

4.11. heavy oils: other lubricating oils, except for oils in a sealed package with the volume not exceeding 250 litres.

5. The excise duty specified for fuel oil, the substitute products and components thereof shall be applied to the following goods:

5.1. fuel oils for undergoing specific processes;

5.2. fuel oils for undergoing chemical transformation by a process;

5.3. fuel oils for other purposes;

5.4. fuel oils, their substitute products and components the colorimetric index of which is equal to or greater than 2.0 and kinematic viscosity at 50 oC is equal or greater than 25 mm2/s;

5.5. ready-to-use binding agents, chemical products (also products, which contain natural product mixtures), which have not been referred to or included elsewhere;

5.6. [21 October 2021];

5.7. heavy oils: metal-working compounds, mould-release oils, anticorrosion oils, except for oils in a sealed package with the volume not exceeding 250 litres;

5.8. heavy oils: other lubricating oils, except for oils in a sealed package with the volume not exceeding 250 litres.

6. The excise duty specified for petroleum gases and other gaseous hydrocarbons shall be applied to the following goods:

6.1. liquefied petroleum gases and other gaseous hydrocarbons:

6.1.1. propane,

6.1.2. butanes,

6.1.3. ethylene, propylene, butylene and butadiene,

6.1.4. other (except for natural gas);

6.2. petroleum gases and other gaseous hydrocarbons in gaseous state (except natural gas).