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

15 December 1994 [shall come into force from 1 January 1995];

6 November 1996 [shall come into force from 10 December 1996];

8 July 1999 [shall come into force from 3 August 1999];

6 April 2000 [shall come into force from 4 May 2000];

15 May 2003 [shall come into force from 1 July 2003];

26 February 2004 [shall come into force from 18 March 2004];

6 April 2006 [shall come into force from 9 May 2006];

12 March 2009 [shall come into force from 15 April 2009];

10 June 2010 [shall come into force from 14 July 2010];

30 September 2010 [shall come into force from 1 January 2011];

7 April 2011 [shall come into force from 11 May 2011];

10 November 2011 [shall come into force from 1 January 2012];

18 April 2013 [shall come into force from 22 May 2013];

19 September 2013 [shall come into force from 1 January 2014];

5 December 2013 [shall come into force from 1 January 2014];

22 September 2016 [shall come into force from 25 October 2016];

23 November 2016 [shall come into force from 1 July 2017];

9 November 2017 [shall come into force from 6 December 2017];

23 November 2017 [shall come into force from 1 January 2018];

17 October 2019 [shall come into force from 19 November 2019].

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 Supreme Council of the Republic of Latvia has adopted a law:

**On Accounting**

**Chapter I**

**General Provisions**

**Section 1.** This Law applies to merchants, co-operative societies, foreign merchant branches and non-resident (foreign merchant) permanent representations, associations and foundations, political organisations (parties) and the associations thereof, religious organisations, trade unions, institutions financed from the State budget or local government budgets, the State or local government agencies and other legal and natural persons who perform economic activities (hereinafter – the undertaking).

[*6 April 2006*]

**Section 2.** The undertaking is obliged to keep accounting. The accounting shall clearly reflect all economic transactions of the undertaking, as well as each fact or event causing changes in the state of the property of the undertaking (hereinafter – the economic transactions). Accounting shall be kept in such a way that a third party which is qualified in the area of accounting could obtain a true and clear overview of the financial position of the undertaking at the date of the balance sheet, the results of the activities thereof, the cash flow for a specific time period, as well as be able to determine the beginning of each economic transaction and trace its course.

The accounting information provided shall be truthful, comparable, timely, significant, understandable and complete. The accounting shall ensure the allocation of income and expenditure by accounting periods.

The head of the undertaking shall be liable for keeping the accounting and the preservation of all the originals, copies or representation of data of all documents substantiating economic transactions.

The head of the undertaking is:

1) for a partnership – all members of such a partnership or the members of the partnership having authorisation to represent the partnership;

2) for a capital company – the board of directors;

3) for a co-operative society – the board of directors or the person who fulfils its functions thereof in accordance with the procedures laid down in the articles of association of the society;

4) for an individual enterprise, farming or fishing enterprise – the owner of the enterprise;

5) for a foreign merchant branch and non-resident (foreign merchant) permanent representation – the person authorised to represent the foreign merchant (non-resident) in the activities related to the branch or the permanent representation;

6) for an institution financed from the State budget or a local government budget, the State or local government agency – the head thereof;

7) for an association, foundation, political organisation (party), political organisation (party) association and trade union – the executive body (governing body);

8) for a religious organisation – the management (governing body);

9) an individual merchant and another natural person performing economic activities.

[*15 May 2003; 6 April 2006*]

**Section 3.** The head of the undertaking shall organise the accounting procedure in conformity with the requirements of this Law.

In the undertaking, the accounting shall be kept by a person competent in accounting issues – an accountant or an outsourced accountant with whom the head of the undertaking has concluded an appropriate written contract which lays down the obligations, rights and responsibilities of the person in matters related to keeping the accounting.

Within the meaning of this Law:

1) an accountant shall be a natural person whose qualification conforms to the accountant qualification of level 4 or 3 determined by the Cabinet and whose competence is attested by an appropriate education document (diploma or certificate), and also such natural person whose competence in the respective accounting issues is attested by experience or appropriate certificate and who performs the duties of an accountant;

2) an outsourced accountant shall be a person who, based on a written contract with the undertaking (except for an employment contract), undertakes to provide or provides accounting services to a customer and who conforms to the requirements specified for an accountant in Paragraph three, Clause 1 of this Section.

Provisions of Paragraphs two and three of this Section shall not apply to the head of the undertaking who keeps the accounting by himself or herself:

1) an owner of an individual enterprise, farming or fishing enterprise;

2) a natural person who performs economic activity;

3) an individual merchant;

4) a sole board member of a capital company who is the sole member of the capital company.

If institutions which are financed from the State budget or local government budgets, and the State or local government agencies provide accounting services to other institutions financed from the State budget or local government budgets, and State or local government agencies, they shall not be regarded as the providers of outsourced accounting services.

[*23 November 2016; 9 November 2017]*

**Section 3.1** An outsourced accountant shall have the obligation to insure his or her civil liability for the losses caused as a result of professional actions or their omissions.

The minimum liability limit for the professional civil liability insurance of an outsourced accountant must not be less than EUR 3000.

[*23 November 2016*]

**Section 4.** For accounting purposes, information and data, which in accordance with the existing laws and regulations has to be included in the reports of the undertaking, shall not be deemed to be commercial secrets.

All other accounting information of the undertaking shall be deemed to be commercial secrets and shall be accessible only for audits, the tax administration for verification of the correctness of tax calculations, as well as other authorities in the cases provided for by legislative enactments.

[*6 November 1996*]

**Section 5.** The measure of value to be used in accounting shall be euro.

The foreign exchange rate to be used in accounting is the euro reference rate published by the European Central Bank, but if there is no euro reference rate published by the European Central Bank for the particular foreign currency, the currency market rate in relation to euro published in a periodical of a provider of financial information recognised by the world financial market or on its website shall be used.

If the measure of value in a source document is foreign currency, the sums indicated therein in terms of money for records in accounting registers shall be recalculated in euro according to the foreign currency rate to be used in accounting, which is in effect at the beginning of the day of economic transaction.

The day when money is received or paid accordingly, the day when goods or services are purchased or sold, as well as any other day on which changes in the state of property of the undertaking have actually taken place shall be deemed the day of economic transaction.

An undertaking which prepares an annual account in accordance with the laws governing activities of participants of the financial and capital market and the regulatory provisions of the Financial and Capital Market Commission, if there are sufficient grounds, may derogate from the provisions of Paragraph three of this Section and use another source of currency market rate for recalculation of a sum expressed in a foreign currency in the source document into euros.

[*19 September 2013*]

**Chapter II**

**Keeping of Accounting Registers**

**Section 6.** Accounting registers shall be kept in the Latvian language and stored together with source documents in the territory of Latvia. If a foreign legal or natural person participates in economic transactions, another language, by agreement of the parties, acceptable to such person and auditors, may be used. If codes, abbreviations, single letters or symbols are used in the records, their explanation shall be provided.

[*6 November 1996*]

**Section 7.** Entries supported by source documents shall be made in accounting registers. A source document is a document attesting the existence of an economic transaction of the undertaking and including at least the following details of a document and information regarding the economic transaction:

1) the name of the document author (firm name), but when the document author is a natural person – the given name and surname;

2) the registration number of the document author (if in accordance with the law the document author shall be registered), but when the document author is a natural person – personal identity number (if any has been granted to the person);

3) for an external source document – also the legal address (if in accordance with the law the document author shall be registered) or address (if in accordance with the law the document author shall not be registered), but when the document author is a natural person – also the address specified by the person or, if none has been specified, the declared place of residence;

4) the title of the document type;

5) the date of the document;

6) the document registration number;

7) the signature (except in the cases referred to in Section 7.1);

8) for specific types of source documents – also other mandatory details of a document provided for by laws and regulations;

9) the participants of the economic transaction by specifying the name (firm name), registration number (if in accordance with the law a participant of the economic transaction shall be registered), legal address (if in accordance with the law a participant of the economic transaction shall be registered) or address (if in accordance with the law a participant of the economic transaction shall not be registered) of each participant of the economic transaction, but when a participant of the economic transaction is a natural person by specifying the given name and surname, personal identity number (if any has been granted to a person), address specified by a person, or, if none has been specified, the declared place of residence;

10) the description, basis and quantifiers (volumes, amounts) of the economic transaction, but in cases laid down in the laws and regulations – also other information regarding the economic transaction.

If there is an external source document for an economic transaction, it shall be given priority in comparison with any internal source document.

A document drawn up at another undertaking shall be considered to be an external source document, as well as such document which has been drawn up in the undertaking itself for submission to another undertaking. All other source documents shall be deemed to be internal source documents of the undertaking.

Entries in the accounting registers shall be made timely, ensuring that they are complete, precise and systematically arranged. Entries whose content or quantifiers differ from the source documents shall not be allowed.

Entries in the accounting registers or source documents shall be corrected or supplemented taking into account the requirements included in the laws and regulations governing the keeping and organisation of the accounting.

Keeping of the accounting registers only in electronic form shall be allowed only when the requirements of this Law are not violated, furthermore, representation of such registers in a legible form on a computer screen and, if necessary, also the possibility to make derivatives thereof in the paper form shall be ensured.

If a source document is in paper form, the detail “signature” in this document shall be drawn up by taking into account the requirements of the Law on Legal Force of Documents. The detail “signature” in the electronic source document shall be drawn up by taking into account the requirements of the Electronic Documents Law.

Other details of the source document shall be drawn up in accordance with the requirements included in the laws and regulations laying down the procedures for developing and drawing up the documents.

[*7 April 2011*]

**Section 7.1** An internal electronic document which does not contain the detail “signature” may also be regarded as an internal source document, if it has been attested (authorised) by the person responsible for the execution of the economic transaction and the correctness of the information provided in the source document in accordance with the procedures stipulated by the head of the undertaking.

A document issued to the undertaking – the recipient of goods or service – by another undertaking for payment, if it does not contain the requisite “signature”, but the existence of the economic transaction referred to in this document is substantiated by another external document having legal force within the meaning of the Law on Legal Force of Documents, may also be regarded as an external source document.

A document issued to the undertaking – the recipient of goods or service – by another undertaking for payment which does not contain the detail “signature” and it is not possible to fulfil the condition referred to in Paragraph two of this Section, if the existence of the economic transaction referred to in this document is attested by the person of the document recipient (undertaking) responsible for the execution of economic transaction and the correctness of the information provided for in the source document in accordance with the procedures stipulated by the head of the undertaking, may also be regarded as an external source document.

A document which does not contain the detail “signature” and which upon request of the undertaking – user of payment service – is issued by the provider of payment service (within the meaning of the Law on Payment Services and Electronic Money) on the fact that a payment order (task) of the undertaking – user of payment service – is executed, if the existence of the economic transaction referred to in this document is attested by the person of the document recipient (undertaking – user of payment service) responsible for the execution of economic transaction and the correctness of the information provided in the source document in accordance with the procedures stipulated by the head of the undertaking, may also be regarded as an external source document.

A non-confirmed account statement of the undertaking – user of payment service – which upon request of the user of payment service is issued by the provider of payment service (within the meaning of the Law on Payment Services and Electronic Money) if the existence of the economic transaction referred to in this statement is attested by the person of the document recipient (undertaking – user of payment service) responsible for the execution of economic transaction and the correctness of the information provided for in the source document in accordance with the procedures stipulated by the head of the undertaking, may also be regarded as an external source document.

In order to record the calculated tax, also tax declarations specified in laws and regulations may be regarded as an external source document. In order to account the taxes, duties and other payments attributable to the State budget which are administered by the tax administration and State duty administration (within the meaning of the law On Taxes and Duties), documents issued by the referred to administration (e.g., decisions taken in the course of administrative proceedings) may be regarded as an external source document even if the respective documents do not contain any of the details or information to be indicated on an economic transaction specified in Section 7, Paragraph one of this Law. The tax administration and the State duty administration, when accounting the taxes, duties and other payments administered by them, may record information in accounting registers also on the basis of the calculations of the specific date made by the State information system in accordance with laws and regulations.

[*7 April 2011; 23 November 2017*]

**Section 8.** Recording of cash operations shall be done in such a manner that each payment received, and disbursed, is recorded daily. The cash balance at the beginning of the day shall be stated, the income and expenditure of the day shall be totalled, and the cash balance at the end of the day shall be calculated, every day.

Undertakings in which the average daily cash income does not exceed 150 euros may calculate the cash balance on a weekly basis.

Undertakings which use cash registers or similar data registration equipment may record the income by one entry for the whole day. Other external and internal source documents on the economic transactions of the undertaking shall be recorded in the accounting registers of the undertaking as soon as possible, but not later than within 15 days after the end of the month, in which the source document was received or issued, and mandatory – not later than by the date of signing its financial statement prepared for the current reporting period.

[*8 July 1999*]

The condition referred to in Paragraph three of this Section in respect of the term for recording other external and internal source documents shall not apply to undertakings that in accordance with the Micro-enterprise Tax Law have acquired the status of a micro-enterprise taxpayer, individual merchants, individual undertakings, farming or fishing enterprises the turnover (revenue) of which from economic transactions in the previous reporting period does not exceed EUR 300 000 and natural persons performing economic activities. Such undertakings, insofar this is not in conflict with the requirements laid down in the laws and regulations governing the field of taxes that are binding upon them, may record other external and internal source documents on the economic transactions of the undertaking in the accounting registers of the undertaking not later than within 15 days after the end of the quarter in which the respective source document was received or issued, and mandatory – not later than by the date of signing its financial statement prepared for the current reporting period, but when a financial statement is not prepared – accordingly by the date of submission of the micro-enterprise tax declaration or personal income tax declaration which is prepared for the current reporting period.

[*5 October 1995; 6 November 1996; 8 July 1999; 19 September 2013; 22 September 2016; 9 November 2017*]

**Section 9.** Accounting registers shall be kept using a double entry accounting system.

Provisions of this Section are not applicable to:

1) individual merchants, individual enterprises, farming and fishing enterprises whose turnover (income) from the economic transactions during the previous accounting year does not exceed 300 000 euros, other natural persons who perform economic activities. The abovementioned persons may keep their accounting using the single entry system in accordance with the procedures laid down by the Cabinet;

2) associations, foundations, trade unions and religious organisations whose turnover (income) from the economic transactions during both the current and previous accounting year does not exceed 40 000 euros. They may keep the accounting using the single entry system.

[*6 April 2006; 10 November 2011; 18 April 2013; 19 September 2013*]

**Section 10.** Source documents, accounting registers, inventory lists, annual statements and accounting organisation documents of the undertaking shall be systematically arranged and stored in the archives of the undertaking.

The time period for document storage shall be as follows:

for annual statements – until the undertaking is reorganised or its activity is terminated, insofar as it is not otherwise specified in other laws and regulations;

for inventory lists, accounting registers and accounting organisation documents – 10 years;

for source documents on the monthly salary (remuneration for work) calculated for employees with breakdown by years and months dated before 1 January 1999 – 75 years, whereas for documents dated from 1 January 1999 – 10 years;

for other source documents – until the date they are necessary to ensure compliance with the requirements for the traceability of an economic transaction specified in Section 2 of this Law, but not less than five years.

If the accounting is kept electronically, the period for the storage of data determined in Paragraph two of this Section must be ensured.

If the undertaking is being reorganised or its activity is terminated, the liquidation commission or the head of the undertaking, shall, co-ordinating with the National Archives of Latvia, determine the procedures for the subsequent storage of the archives of the undertaking.

The head of the undertaking shall be responsible for the preservation of the archives of the undertaking.

The undertaking has the right to convert the document referred to in Paragraph one of this Section (annual statement, inventory list, accounting register, accounting organisation document and source document) which is in paper form (hereinafter – the original document) into an electronic form. The document converted into electronic form for its storage in the electronic environment shall have the same legal force as the original document, and the undertaking has the right to destroy the original document only if the undertaking complies with the following provisions for the storage of a document converted into electronic form for its storage in the electronic environment:

1) the portrayal and conformity of the content of the original document are ensured throughout the data storage period specified in Paragraph two of this Section;

2) the content is provided in computer-readable form and, where necessary, its derivatives are created in paper format;

3) the converted document is protected against unauthorised access, supplements, alterations or destruction;

4) the conversion process and also the process for the destruction of the original document are document in accordance with the procedures specified by the undertaking.

[*15 May 2003; 7 April 2011; 22 September 2016; 9 November 2017*]

**Chapter III**

**Inventory and Reports**

**Section 11.** The undertaking which commences activities shall carry out an inventory, in which the quantity of the property owned by the undertaking and being in its use is determined on site, the amounts of undertaking and debtor and creditor claims and obligations are compared. The results of the inventory shall be reflected in inventory lists. The evaluation of the property, including the claims and obligations shall be made in accordance with the procedures laid down in laws and regulations. In the future, such inventory shall be carried out at the end of each accounting year and also upon the termination of the activities of the undertaking or reorganisation thereof, or if insolvency proceedings of a legal person or natural person – the subject of this Law – have been declared, or if, on the basis of a decision of the merchant, the activities of the merchant have been suspended or renewed.

The Cabinet shall issue regulations regarding the evaluation of the property of the undertaking, including of the claims and obligations in accounting and reflection thereof in financial reports when terminating the activities of the undertaking or the structural unit thereof.

An individual enterprise, farming and fishing enterprise, as well as individual merchant and another natural person performing economic activities, shall apply the provisions of Paragraph one of this Section to the property provided for or used for the performance of economic activities.

[*15 May 2003; 6 April 2006; 5 December 2013; 22 September 2016*]

**Section 12.** Inventory of identical objects may be also carried out by sampling, using mathematical statistics methods for the evaluation of data. The value of material resources established in such manner may not significantly differ from the results of a general inventory.

It is not mandatory for the closing inventory of the accounting year to be carried out on the last day of the reporting year, if the accounting data allow to determine the true form and amounts of material values, and their evaluation in monetary units without performing an inventory on site.

The closing inventory of the reporting year may be performed within three months before the final day of the reporting year or within a month after it, recalculating the balances established on the day of the inventory in accordance with the accounting data on the final day of the reporting year.

**Section 13.** Upon commencing the activities of the undertaking, on the basis of the inventory data determined in Section 11 of this Law, an opening balance sheet shall be drawn up. All the same provisions shall apply to the opening balance sheet as apply to the annual statement balance sheet. All conditions which apply to the annual statement balance sheet shall also apply to the balance of the debtor specified in the Insolvency Law that is prepared after insolvency proceedings of a legal person are declared. Undertakings, with regard to which insolvency proceedings have been declared, but no decision has been made yet by an administrator on restoring the economic activity of the debtor to the full or limited extent, when preparing the balance of the debtor, shall ensure compliance with the laws and regulations regarding the evaluation of the property of the undertaking, including of the claims and obligations, in accounting and their reflection in financial reports when terminating the activities of the undertaking or the structural unit thereof, issued pursuant to Section 11, Paragraph two of this Law.

When reorganising the undertaking or terminating its activities (also in the case of insolvency proceedings when the activity is terminated), a closing financial statement of the activities of the undertaking (hereinafter – the closing financial statement) shall be prepared, unless otherwise specified by laws and regulations. Upon suspending the activities of a commercial company, on the basis of a decision of the merchant, a report on economic activities shall be drawn up. The closing financial statement and the report on economic activities shall be drafted, examined and published in accordance with the provisions provided for in the laws and regulations regarding drafting, examination, submission and publication of annual accounts. In addition, the closing financial statement and the report on economic activities shall provide detailed information regarding the losses caused by reduction in the value of the assets due to the reorganisation, or termination or suspension of the activities of the undertaking, indicating the basis for calculating the amount of losses and the impact of such losses on the evaluation of the component items of the financial statement. If insolvency proceedings have been declared to the undertaking but an administrator has not taken the decision on the continuation of the economic activity of the debtor to the full or limited extent, the closing financial statement shall be prepared and shall be composed only of a balance sheet and the profit or loss account. Upon preparing the balance sheet, it is necessary to ensure compliance with the laws and regulations regarding the evaluation of the property of the undertaking, including of the claims and obligations, in accounting and their reflection in financial reports when terminating the activities of the undertaking or the structural unit thereof, issued pursuant to Section 11, Paragraph two of this Law.

Annual statement whose structure, volume and content, as well as the procedures for drafting, examining and submitting them are laid down in the Law on the Annual Financial Statements and Consolidated Financial Statements, the laws governing the activities of participants in the financial and capital market and the regulations or orders of the Finance and Capital Market Commission and laws and regulations adopted in accordance with the Law on Budget and Financial Management shall be drawn up for each reporting year. The suspension of activities of a commercial company on the basis of a decision of the merchant shall not exempt the commercial company from drawing up the annual statement.

The provisions of Paragraph three of this Section are not applicable to:

1) [15 May 2003];

2) associations, foundations, religious organisations and trade unions. The Cabinet shall determine the structure, volume, content and the procedures for drafting, examining and submitting the annual statement for such persons;

3) [6 April 2006];

4) political organisations (parties) and the associations thereof. The Cabinet shall determine the structure, volume, content and the procedures for drafting, examining and submitting the annual statement for such organizations and associations;

5) undertakings with regard to which insolvency proceedings have been declared, but no decision has been made yet by an administrator on restoring the economic activity of the debtor to the full or limited extent. As long as insolvency proceedings continues, such undertakings shall prepare the balance sheet and the profit or loss account for each reporting year.

The provisions of Paragraphs one, two and three of this Section are not applicable to individual enterprises, farming and fishing enterprises whose turnover (income) from the economic transactions does not exceed 300 000 euros during the previous accounting year and which organise their accounting by the simple entry system; to the individual merchants and other natural persons performing economic activities. These enterprises shall register revenue and expenditure from the economic activities and complete returns and forms in accordance with the requirements laid down in the laws in the tax field or the laws and regulations adopted in accordance with them.

Individual merchants whose turnover (income) from the economic transactions exceeds 300 000 euros during the previous accounting year, shall draw up also a balance sheet and an income and expenditure statement whose content and the procedures for drafting and submitting shall be stipulated by the Cabinet.

[6 April 2006]

[*6 November 1996; 8 July 1999; 6 April 2000; 15 May 2003; 26 February 2004; 6 April 2006; 12 March 2009; 10 June 2010; 19 September 2013; 5 December 2013; 22 September 2016*]

**Section 14.** The reporting year shall cover 12 months, and it shall usually coincide with the calendar year. A different beginning and end for the reporting year may be only if such is determined by the articles of association, by-law or constitution of the relevant undertaking or by a partnership agreement.

The reporting year may be changed. A change of the reporting year shall be substantiated and relevant explanations therefor shall be provided in the appendix to the annual statement.

The first reporting year of a newly established undertaking may cover a shorter or a longer time period, but not longer than 18 months.

If the beginning of the reporting year of an existing undertaking is changed, the reporting year shall not exceed 12 months.

The reporting year in which the undertaking is reorganised or terminates its activities, as well as the reporting year in which its beginning has been changed, may be shorter than 12 months.

The provisions of this Section are not applicable to an institution which is financed from the State budget or a local government budget, and a State or local government agency for which the duration, beginning and end of the economic year are laid down by relevant laws.

[*6 November 1996; 6 April 2000; 15 May 2003; 6 April 2006*]

**Section 14.1** The provisions of Section 14 of this Law shall not apply to the undertaking, which in accordance with the Micro-enterprise Tax Law has acquired the status of a micro-enterprise taxpayer. The reporting year of such undertaking shall cover 12 months and coincide with the calendar year. The reporting year, in which the undertaking commences activities, terminates activities or is reorganized, may be less than 12 months in duration, however, it shall end not later than on 31 December of the calendar year.

[*18 April 2013*]

**Chapter IV**

**Division of Competence in Accounting**

[*15 May 2003*]

**Section 15.** The Cabinet shall issue regulations regarding the keeping and organisation of accounting, as well as the recording of cash operations.

[30 September 2010]

[*15 May 2013; 30 September 2010 / The amendment regarding deletion of the second sentence of Paragraph one shall come into force on 1 July 2011. See Paragraph 8 of Transitional Provisions*]

**Section 15.1** The Ministry of Finance shall develop and implement the State policy in respect of accounting issues.

[18 April 2013]

[*15 May 2003; 6 April 2006; 10 June 2010; 18 April 2013*]

**Section 15.2**

[18 April 2013]

**Chapter V**

**Compensation for Losses for Infringements in the Field of Accounting**

[*17 October 2019 /* *The new wording of the title of the Chapter shall come into force on 1 July 2020.* *See Paragraph 9 of Transitional Provisions*]

**Section 16.** [17 October 2019 / See Paragraph 9 of Transitional Provisions]

**Section 17.** The head of the undertaking shall be liable for the losses that have been incurred by the undertaking, the State (local government) or third party as a result of his or her violation of the provisions of this Law. Natural and legal persons who have incurred such losses are entitled to claim compensation therefor in accordance with the procedures laid down in laws and regulations.

**Chapter VI**

**Administrative Offences in the Field of Accounting and Competence within the Administrative Offence Proceedings**

[*17 October 2019 /* *Chapter shall come into force on 1 July 2020.* *See Paragraph 9 of Transitional Provisions*]

**Section 18.** For failure to comply with the procedures for recording cash operations, a warning or a fine of up to seventy units of fine shall be imposed.

[*17 October 2019 /* *Section shall come into force on 1 July 2020.* *See Paragraph 9 of Transitional Provisions*]

**Section 19.** For failure to comply with the conditions for keeping the accounting, for failure to submit an annual statement, consolidated annual statement within the specified deadlines or for submission of an annual statement and consolidated annual statement that do not correspond to laws and regulations to the State Revenue Service or the Corruption Prevention and Combating Bureau, a warning or a fine of up to four hundred units of fine shall be imposed.

[*17 October 2019 /* *Section shall come into force on 1 July 2020.* *See Paragraph 9 of Transitional Provisions*]

**Section 20.** For failure to comply with the procedures for drawing up, registering, and using source documents, a warning or a fine of up to eighty-six units of fine shall be imposed.

For failure to comply with the procedures for drawing up, registering, and using source documents regarding transactions or activities involving excisable goods, a warning or a fine of up to four hundred units of fine shall be imposed.

[*17 October 2019 /* *Section shall come into force on 1 July 2020.* *See Paragraph 9 of Transitional Provisions*]

**Section 21.** For failure to comply with the procedures for drawing up, registering, and using supply or transport documents, a warning or a fine of up to eighty-six units of fine shall be imposed.

For failure to comply with the procedures for drawing up, registering, and using such supply or transport documents which refer to transactions or activities involving excisable goods, a warning or a fine of up to four hundred units of fine shall be imposed.

[*17 October 2019 /* *Section shall come into force on 1 July 2020.* *See Paragraph 9 of Transitional Provisions*]

**Section 22.** Administrative offence proceedings for the offences referred to in Sections 18, 19, 20, and 21 of this Law shall be conducted by the State Revenue Service.

Administrative offence proceedings for the offences referred to in Section 19 of this Law if such offences have been committed by a political organisation (party) or an association of political organisations (parties) shall be conducted by the Corruption Prevention and Combating Bureau.

[*17 October 2019 /* *Section shall come into force on 1 July 2020.* *See Paragraph 9 of Transitional Provisions*]

**Transitional Provisions**

[*8 July 1999*]

1. The amendment to Section 13, Paragraph three of this Law shall apply to annual statements for periods starting from 1999.

2. Section 9, Paragraph two, Clause three of this Law shall come into force on 1 January 2001.

[*6 April 2000*]

3. Until the day of the coming into force of the relevant Cabinet regulations, but not later than until 1 November 2003, the following Cabinet regulations shall be applicable:

1) Cabinet Regulation No. 243 of 25 July 2000, Regulation Regarding the Conduct and Organisation of Accounting (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 2000, No 15);

2) Cabinet Regulation No. 244 of 25 July 2000, Regulations Regarding Cash-office Operations Accounting (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 2000, No. 15).

[*15 May 2003*]

4. Section 15.1, Paragraphs two and three and Section 15.2 of this Law shall come into force concurrently with the relevant amendments to the law On the State Budget 2003.

[*15 May 2003*]

5. The amendments to Section 9 and Section 13, Paragraphs five and six of this Law shall come into force on 1 January 2007.

[*6 April 2006*]

6. On the day of the coming into force of the Cabinet regulations referred to in Section 13, Paragraph four, Clause 2 of this Law, but not later than until 1 January 2007, the following Cabinet regulations shall be applicable:

1) Cabinet Regulation No. 251 of 1 August 2000, Regulations Regarding Annual Statements of Public Organisations, their Associations and Trade Unions (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 2000, No. 16);

2) Cabinet Regulation No. 252 of 1 August 2000, Regulations Regarding Annual Statements of Religious Organisations (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 2000, No 16; 2004, No 11)

[*6 April 2006*]

7. Amendment to Section 2, Paragraph four, Clause 4 of this Law regarding the deletion of this Clause, as well as amendments to Section 9, Paragraph two, Clause 1 and Section 11, Paragraph three of this Law regarding deletion of the words “individual enterprise, farming and fishing enterprise” (in the relevant case) and amendment to Section 13, Paragraph five of this Law regarding deletion of the words and numbers “individual enterprises, farming and fishing enterprises whose turnover (revenue) from the economic transactions does not exceed 200 000 lats during the previous accounting year ” shall come into force on 1 July 2013.

[*12 March 2009; 10 June 2010*]

7.1 The coming into force of the amendments referred to in Paragraph 7 of this Regulation is revoked.

[*18 April 2013*]

8. Amendments to Section 15, Paragraph one of this Law regarding deletion of the second sentence shall come into force on 1 July 2011.

[*30 September 2010*]

9. Amendments regarding the new wording of the title of Chapter V of this Law and the deletion of Section 16, and also Chapter VI shall come into force concurrently with the Law on Administrative Liability.

[*17 October 2019*]

**Informative Reference to Directive of the European Union**

[*18 April 2013*]

This Law contains legal norms arising from Directive 2009/101/EC of the European Parliament and of the Council of 16 September 2009 on coordination of safeguards which, for the protection of the interests of members and third parties, are required by Member States of companies within the meaning of the second paragraph of Article 48 of the Treaty, with a view to making such safeguards equivalent (codified version) (Text with EEA relevance).

Chairperson of the Supreme Council of the Republic of Latvia A. Gorbunovs

Secretary of the Supreme Council of the Republic of Latvia I. Daudišs

Rīga, 14 October 1992