Republic of Latvia

Cabinet

Regulation No. 97

Adopted 7 March 2023

**Regulations Regarding Automatic Exchange of Information on Sellers Who Generate Income by Using Digital Platforms**

*Issued pursuant to*

*Section 15, Paragraph eleven of the law On Taxes and Fees*

**1. General Provisions**

1. The Regulation prescribes:

1.1. the conditions upon the occurrence of which a taxpayer shall provide information to the State Revenue Service on the sellers who generate income by operating on a specific digital platform (hereinafter – the platform);

1.2. the amount of the information to be provided;

1.3. the procedures by which information is obtained, verified, and submitted to the State Revenue Service;

1.4. the measures to be taken to ensure the automatic exchange of information;

1.5. the procedures for the automatic exchange of information by the State Revenue Service with the competent authorities of other European Union Member States or any competent authority of another country or territory with which the competent authority of the Republic of Latvia has entered into a relevant competent authority agreement on the basis of the international agreement entered into by the Republic of Latvia.

2. The terms used in the Regulation:

2.1. platform – any software, including a website or a part thereof, and applications, including mobile applications, accessible by users and allowing sellers to be connected to other users in order to carry out the activity of the seller, directly or indirectly, to such users. It shall also include any arrangement for the collection and payment of a consideration for the activity of the seller. The term “platform” does not include software that only allows any of the following activities without further intervention in the activity of the seller:

2.1.1. processing of payments in relation to the activity of the seller;

2.1.2. allows users to list or advertise any activity of the seller;

2.1.3. redirecting or transferring of users to a platform;

2.2. platform operator – an entity that enters into contracts with sellers regarding full or partial availability of the platform to such sellers;

2.3. excluded platform operator – a platform operator of such platform the overall model of economic activity of which is such that it does not have reportable sellers;

2.4. reporting platform operator – any platform operator which is not an excluded platform operator and which meets any of the following conditions:

2.4.1. it is a tax resident in Latvia or, if such platform operator is not a tax resident in Latvia or another European Union Member State, it meets any of the following conditions:

2.4.1.1. it is incorporated under the laws and regulations of Latvia governing the field of commercial law;

2.4.1.2. the location of of its management (including effective management) is in Latvia;

2.4.1.3. it has a permanent establishment in Latvia and it is not a qualified non-Union platform operator;

2.4.2. it is neither a tax resident, nor incorporated or managed in Latvia or another European Union Member State, nor has a permanent establishment in Latvia or another European Union Member State, but it facilitates the carrying out of the activity of the seller for reportable sellers in Latvia or another European Union Member State or the activity of the seller which is related to the rental of immovable property located in Latvia or another European Union Member State, and it is not a qualified non-Union platform operator;

2.5. qualified non-Union platform operator – a platform operator for which all activities of the seller facilitated by it are also qualified activities of the seller and which is a tax resident in a qualified non-European Union country. If such platform operator is not a tax resident in a qualified non-European Union country, it meets any of the following conditions:

2.5.1. it is incorporated under the legal acts of a qualified non-European Union country;

2.5.2. it has its place of management (including effective management) in a qualified non-European Union country;

2.6. qualified non-European Union country – a non-European Union country or territory which has in effect a qualifying competent authority agreement with the competent authorities of all European Union Member States which are identified as reportable countries or territories in a list published by the non-European Union country;

2.7. qualifying competent authority agreement – an agreement between the competent authority of Latvia and a non-European Union country or territory which provides for automatic exchange of information equivalent to that provided for in Sub-chapter 3.2 of this Regulation, and the fact of such equivalence is confirmed in a relevant implementing act of the European Commission;

2.8. participating country – any European Union Member State or a qualified non-European Union country;

2.9. activity of the seller – an activity carried out by a seller for consideration, other than activities performed by it as an employee of a platform operator or its affiliated entity, and being any of the following activities:

2.9.1. the rental of immovable property, including both residential and commercial immovable property as well as any other immovable property and parking spaces;

2.9.2. the provision of personal services;

2.9.3. the sale of goods;

2.9.4. the rental of any mode of transport;

2.10. qualified activities of the seller – any activity by the seller covered by the automatic exchange of information according to a qualifying competent authority agreement;

2.11. consideration – compensation in any form, net of any fees, commissions, or taxes withheld or charged by the reporting platform operator, which is paid or credited to a seller in connection with the activity of the seller and the amount of which is known or reasonably knowable by the platform operator;

2.12. personal service – a service involving time- or task-based work which is carried out by one or more natural persons, acting either independently or on behalf of an entity, and which is carried out upon request of a user, either online or physically (offline) after having been facilitated via a platform;

2.13. seller – within the meaning of this Regulation, a platform user (either a natural person or an entity) which is registered on the platform at any moment during the reporting period and carries out the activity of the seller;

2.14. active seller – any seller which either ensures the activity of the seller during the reporting period or which is paid or credited consideration in connection with the activity of the seller carried out during the reporting period;

2.15. reportable seller – any active seller, other than an excluded seller, which is a tax resident in any participating country or which has rented out immovable property in any participating country;

2.16. an excluded seller means any seller:

2.16.1. which is a governmental entity;

2.16.2. which is an entity the stock of which is regularly traded on an established securities market or such related entity of an entity the stock of which is regularly traded on an established securities market;

2.16.3. which is an entity for which the platform operator has facilitated more than 2000 activities of the seller by means of the rental of immovable property related to an immovable property object during the reporting period;

2.16.4. for which the platform operator has facilitated less than 30 activities of the seller by means of the sale of goods and for which the total amount of consideration paid or credited did not exceed EUR 2000 during the reporting period;

2.17. entity – a legal person or a legal arrangement, such as a capital company, partnership, or foundation. It is a related entity of another entity if either entity controls the other entity or the two entities are under common control. In such case, control includes direct or indirect ownership of more than 50 per cent of the vote or value in an entity. In case of indirect participation, the fulfilment of the requirement for the holding of more than 50 per cent of the right of ownership in the capital of the other entity shall be determined by multiplying the rates of holding through the successive tiers. A person holding more than 50 per cent of the voting rights shall be deemed to hold 100 per cent of the voting rights;

2.18. governmental entity – the government of a country, any administrative and territorial formation of a country, or an agency or authority wholly owned by a country or any one or more of the abovementioned administrative and territorial formations;

2.19. taxpayer identification number – a taxpayer identification number assigned by the participating country or, if none, a functional equivalent thereof;

2.20. primary address – the primary residence of a seller who is a natural person or the legal address of a seller which is an entity;

2.21. reporting period – the calendar year for which reporting is being completed in accordance with Chapter 3 of this Regulation;

2.22. immovable property object – all immovable property units located at the same address, owned by the same owner, and offered for rent on a platform by the same seller;

2.23. financial account identifier – the unique identifying number or reference available to the platform operator of the bank account or other similar payment services account to which the consideration is paid or credited;

2.24. goods – within the meaning of this Regulation, any tangible property.

**2. Due Diligence Procedure**

**2.1. General Due Diligence Provisions**

3. The procedures laid down in this Chapter shall be applied to identify reportable sellers.

4. A reporting platform operator may choose to complete the due diligence procedures in accordance with Sub-chapters 2.2, 2.3, 2.4, 2.5, and 2.6 of this Regulation in respect of active sellers only.

**2.2. Sellers on Whom Information is not Collected**

5. For the purpose of determining whether a seller that is an entity is the excluded seller referred to in Sub-paragraphs 2.16.1 and 2.16.2 of this Regulation, a reporting platform operator may rely on publicly available information or a confirmation from the relevant seller.

6. For the purpose of determining whether a seller is the excluded seller referred to in Sub-paragraphs 2.16.3 and 2.16.4 of this Regulation, a reporting platform operator may rely on data at its disposal.

**2.3. Collection of Information on a Seller**

7. A reporting platform operator shall collect the following information for each seller who is a natural person and not an excluded seller:

7.1. the given name and surname;

7.2. the primary address;

7.3. the taxpayer identification number assigned to the seller, indicating each number and its country of issuance or, in the absence of a taxpayer identification number, the place of birth of the seller;

7.4. the registration number of a value added tax taxable person of the seller, if any;

7.5. the date of birth.

8. A reporting platform operator shall collect the following information for each seller which is an entity and not an excluded seller:

8.1. the name;

8.2. the primary address;

8.3. the taxpayer identification number assigned to the seller, indicating each number and its country of issuance;

8.4. the registration number of a value added tax taxable person of the seller, if any;

8.5. the identification number of the entity;

8.6. the existence of any permanent establishment through which activities of the seller are carried out in the European Union, if any, indicating each respective European Union Member State where such permanent establishment is located.

9. A reporting platform operator shall not be required to collect information referred to in Sub-paragraphs 7.2, 7.3, 7.4, and 7.5 and respectively Sub-paragraphs 8.2, 8.3, 8.4, 8.5, and 8.6 of this Regulation if it received a confirmation of the identity and residence of the seller through an identification service (electronic interface) made available by the participating country or the European Union to ascertain the identity and tax residence of the seller.

10. A reporting platform operator need not require to include the taxpayer identification number or the entity identification number in the summary of information if the country of residence of the seller:

10.1. does not assign a taxpayer identification number or an entity identification number to the seller;

10.2. does not require to include the taxpayer identification number assigned to the seller in the summary of information.

11. If a seller rents out immovable property corresponding to the activity of the seller referred to in Sub-paragraph 2.9.1, a reporting platform operator shall collect the addresses of all immovable property objects and the corresponding cadastre numbers or their equivalents, if any, in accordance with the legal acts of the country where it is located. If the reporting platform operator has facilitated more than 2000 activities of the seller by means of the rental of an immovable property object for the same seller that is an entity, the reporting platform operator shall collect supporting documents, data, or information that the immovable property object is owned by the same owner.

**2.4. Verification of Information on a Seller**

12. A reporting platform operator shall determine whether the information obtained and collected in accordance with Paragraphs 5, 6, and 7, Sub-paragraphs 8.1, 8.2, 8.3, 8.4, and 8.5, and Paragraph 11 of this Regulation is reliable, using all information and documents available to the reporting platform operator in its records, and also any electronic interface made available by the participating country or the European Union free of charge to ascertain the validity of the taxpayer identification number and the registration number of the value added tax taxable person.

13. For the completion of the due diligence procedures in accordance with Paragraph 18 of this Regulation, a reporting platform operator may determine whether the information obtained and collected in accordance with Paragraphs 5, 6, and 7, Sub-paragraphs 8.1, 8.2, 8.3, 8.4, and 8.5, and Paragraph 11 of this Regulation is reliable, using the information and documents available to the reporting platform operator in its electronically searchable data.

14. In applying Sub-paragraph 19.2 of this Regulation, if a reporting platform operator has a reason to know that any of the information items referred to in Sub-chapter 2.3 of this Regulation may be inaccurate by virtue of information provided by the competent authority of the participating country concerning a specific seller, the reporting platform operator shall request the seller to correct this information and to provide documents supporting the information which have been obtained from an independent source, such as:

14.1. a valid State-issued identification document;

14.2. a recently issued certificate of a resident.

**2.5. Determination of the Country of Tax Residence of the Seller**

15. A reporting platform operator shall consider a seller to be a tax resident in the country of the primary address of the seller. If the country which has assigned the taxpayer identification number to the seller is different from the country of the primary address of the seller, the reporting platform operator shall consider the seller to be a tax resident also in the country which has assigned the taxpayer identification number. If the seller has provided information on the existence of a permanent establishment in accordance with Sub-paragraph 8.6 of this Regulation, the reporting platform operator shall consider the seller to be a tax resident also in the respective European Union Member State as indicated by the seller.

16. A reporting platform operator shall consider a seller to be a tax resident in each participating country regarding which such fact has been confirmed by an electronic identification service ensured by the participating country or the European Union in accordance with Paragraph 9 of this Regulation.

**2.6. Timing and Validity of Due Diligence Procedures**

17. A reporting platform operator shall complete the due diligence procedures set out in Sub-chapters 2.2, 2.3, 2.4, and 2.5 of this Regulation by 31 December of the reporting period.

18. For sellers which were already registered on the platform as of the date on which an entity has become a reporting platform operator, the due diligence procedures set out in Sub-chapters 2.2, 2.3, 2.4, and 2.5 of this Regulation must be completed by 31 December of the second reporting period for the reporting platform operator.

19. A reporting platform operator may rely on the due diligence procedures conducted in respect of previous reporting periods if the following two conditions are met:

19.1. the seller information to be indicated in accordance with Paragraphs 7 and 8 of this Regulation has been either collected and verified or confirmed within the last 36 months;

19.2. the reporting platform operator does not have reason to doubt that the information obtained and collected in accordance with Sub-chapters 2.2 and 2.3 of this Regulation is unreliable or incorrect.

**2.7. Completion of the Due Diligence Procedures by Third Parties**

20. A reporting platform operator may rely on a third party, i.e. outsourced service provider, to fulfil the due diligence obligations laid down in this Chapter, but such obligations shall remain the responsibility of the reporting platform operator.

21. If any platform operator fulfils the due diligence obligations instead of a reporting platform operator with respect to the same platform in accordance with Paragraph 20 of this Regulation, such platform operator shall carry out the due diligence procedures in accordance with the conditions provided for in this Chapter. The due diligence obligations shall remain the responsibility of the reporting platform operator.

**3. Reporting Requirements**

**3.1. Time and Manner of Reporting**

22. The reporting platform operator referred to in Sub-paragraph 2.4.1 of this Regulation shall report to the State Revenue Service the information referred to in Sub-chapter 3.2 of this Regulation on the reporting period not later than 31 January of the year following the calendar year in which the seller is identified as a reportable seller. If there is more than one reporting platform operator, a reporting platform operator which, in accordance with Paragraph 24 of this Regulation, proves to the State Revenue Service that the same information has been reported by another reporting platform operator shall be exempt from the obligation to report the information.

23. If the reporting platform operator referred to in Sub-paragraph 2.4.1 of this Regulation fulfils a condition equivalent to any of the conditions referred to in Sub-paragraph 2.4.1 of this Regulation also in another European Union Member State in accordance with the legal acts of the relevant European Union Member State, it shall, in conformity with Sub-chapter 5.2 of this Regulation, choose Latvia or respectively another European Union Member State in which it will fulfil the reporting requirements laid down in this Chapter or equivalent regulation in another European Union Member State. If such reporting platform operator chooses to fulfil the reporting requirements in Latvia, it shall report to the State Revenue Service the information referred to in Sub-chapter 3.2 of this Regulation on the reporting period not later than 31 January of the year following the calendar year in which the seller is identified as a reportable seller.

24. If the conditions referred to in Paragraph 22 or 23 of this Regulation arise in respect of more than one reporting platform operator and an obligation arises for it to provide information to the State Revenue Service, any of the abovementioned reporting platform operators shall be exempt from the obligation to report the information if it proves to the State Revenue Service that the same information has been reported by another reporting platform operator in another participating country. In such case, the relevant reporting platform operator shall, within 30 days of the submission of the relevant report by another reporting platform operator, submit information to the State Revenue Service, including:

24.1. the reporting period covered by the report;

24.2. the name of the platform;

24.3. details of the reporting platform operator which fulfilled the reporting obligation: name, legal address, taxpayer identification number;

24.4. justification of the fact that the relevant reporting platform operator does not have any other information relevant to the relevant report at its disposal.

25. A reporting platform operator shall submit the information referred to in Sub-chapter 3.2 of this Regulation to the State Revenue Service, using the electronic declaration system of the State Revenue Service. The relevant report is regarded to be submitted to the State Revenue Service only if it is validated.

26. The State Revenue Service shall, within five working days after receipt of information, inform the reporting platform operator electronically in the electronic declaration system of receipt of the information. If the State Revenue Service establishes that the information provided by the reporting platform operator is incorrect, incomplete, or otherwise fails to comply with the requirements of this Regulation, it shall, as soon as possible, however not later than within 15 working days after establishment of non-conformity, inform the reporting platform operator in the electronic declaration system of the State Revenue Service of the need to make relevant corrections.

27. A reporting platform operator shall, within 20 working days after receipt of information from the State Revenue Service on the need to make corrections on the basis of Paragraph 26 of this Regulation, submit the relevant corrections in the electronic declaration system of the State Revenue Service.

28. If the competent authority of the participating country notifies that the information provided by a reporting platform operator is incorrect, incomplete, or otherwise fails to comply with the reporting requirements, the State Revenue Service shall, as soon as possible, but not later than within 20 working days after receipt of information from the competent authority of the participating country, inform the reporting platform operator thereof in the electronic declaration system of the State Revenue Service. In informing the reporting platform operator, the State Revenue Service shall provide access to the reporting platform operator to the report of the competent authority of the participating country, indicating the date of receipt thereof.

29. A reporting platform operator shall, within two months after receipt of the information referred to in Paragraph 28 of this Regulation from the State Revenue Service, submit adjusted information electronically in conformity with Paragraph 25 of this Regulation.

30. If the reporting platform operator referred to in Sub-paragraph 2.4.2 of this Regulation registers in Latvia in conformity with Paragraphs 42 and 43 of this Regulation, it shall report to the State Revenue Service the information referred to in Sub-chapter 3.2 of this Regulation on the reporting period not later than 31 January of the year following the calendar year in which the seller is identified as a reportable seller. The relevant reporting platform operator shall prepare this information in XML format and submit this information in the format of an archived and password-protected file, sending this file to the State Revenue Service. The State Revenue Service shall ensure that the description of the relevant file is published on its website.

31. The reporting platform operator referred to in Sub-paragraph 2.4.2 of this Regulation does not have an obligation to provide the information indicated in Sub-chapter 3.2 of this Regulation on qualified activities of the seller covered by an effective qualifying competent authority agreement which already provides for an automatic exchange of equivalent information with Latvia on reportable sellers which are tax residents in Latvia.

32. A reporting platform operator shall also provide the information referred to in Sub-paragraphs 35.2 and 35.3 of this Regulation to the reportable seller to which it relates not later than 31 January of the year following the calendar year in which the seller is identified as a reportable seller.

33. The information on the consideration paid or credited in a currency shall be indicated in the currency in which it was paid or credited. If the consideration was paid or credited in a form other than currency (for example, cryptoassets), it shall be indicated in the local currency, converted, or valued in a manner that is consistently determined by the reporting platform operator.

34. The information on the consideration and other amounts provided for in this Regulation shall be reported in respect of the quarter of the reporting period in which the consideration and other amounts provided for in this Regulation were paid or credited.

**3.2. Information to Be Reported**

35. Each reporting platform operator shall report the following information:

35.1. the name, legal address, taxpayer identification number, and, where relevant, individual identification number of the reporting platform operator assigned in accordance with Paragraph 45 of this Regulation, and also the name of the platform on which the reporting platform operator is reporting;

35.2. with respect to each reportable seller which carried out activity of the seller, other than rental of immovable property:

35.2.1. the information which must be collected in accordance with Sub-chapter 2.3 of this Regulation;

35.2.2. the financial account identifier insofar as it is available to the reporting platform operator and if the competent authority of the participating country where the reportable seller is a tax resident within the meaning of Sub-chapter 2.5 of this Regulation has not announced publicly that it does not intend to use the financial account identifier for this purpose;

35.2.3. if the given name, surname or name of the holder of the financial account to which the consideration is paid or credited is different from the given name, surname or name of the reportable seller, in addition to the financial account identifier – the given name, surname or name of the holder of the financial account, to the extent available to the reporting platform operator, and also any other financial information related to the financial account identifier available to the reporting platform operator with respect to the abovementioned account holder;

35.2.4. all countries in which the reportable seller is a tax resident in accordance with Sub-chapter 2.5 of this Regulation;

35.2.5. the total consideration paid or credited during each quarter of the reporting period and the number of the activities of the reportable seller for which it was paid or credited;

35.2.6. all fees, commissions, or taxes withheld or charged by the reporting platform operator during each quarter of the reporting period;

35.3. with respect to each reportable seller which has carried out activity of the seller involving rental of immovable property:

35.3.1. the information which must be collected in accordance with Sub-chapter 2.3 of this Regulation;

35.3.2. the financial account identifier insofar as it is available to the reporting platform operator and if the competent authority of the participating country where the reportable seller is a tax resident within the meaning of Sub-chapter 2.5 of this Regulation has not announced publicly that it does not intend to use the financial account identifier for this purpose;

35.3.3. if the given name, surname or name of the holder of the financial account to which the consideration is paid or credited is different from the given name, surname or name of the reportable seller, in addition to the financial account identifier – the given name, surname or name of the holder of the financial account, to the extent available to the reporting platform operator, and also any other information related to the financial account identifier available to the reporting platform operator with respect to the identification of the abovementioned account holder;

35.3.4. all countries in which the reportable seller is a tax resident in accordance with Sub-chapter 2.5 of this Regulation;

35.3.5. the address of each immovable property object, determined on the basis of the procedures included in Paragraph 11 of this Regulation, and the relevant cadastre number or its equivalent in accordance with the legal acts of the country where it is located, if available;

35.3.6. the total consideration paid or credited during each quarter of the reporting period and the number of activities of the reportable seller carried out with respect to each immovable property object;

35.3.7. all fees, commissions, or taxes withheld or charged by the reporting platform operator during each quarter of the reporting period;

35.3.8. if possible, the number of days when each immovable property object was rented out during the reporting period and the type of each immovable property object.

**4. Exchange of Information Reported by Platform Operators with Participating Countries**

36. According to the applicable due diligence procedures and reporting requirements included in Chapters 2 and 3 of this Regulation, the State Revenue Service shall, by means of automatic exchange of information and within the time period specified in Paragraph 38 of this Regulation, notify to the competent authority of the participating country in which the reportable seller is a tax resident within the meaning of Sub-chapter 2.5 of this Regulation and in which the reportable seller provides immovable property rental services the following information on each reportable seller:

36.1. the name, legal address, taxpayer identification number, and, where relevant, individual identification number of the reporting platform operator assigned in accordance with Paragraph 45 of this Regulation, and also the name of the platform on which the reporting platform operator is reporting;

36.2. if the reportable seller is a natural person – the given name and surname, if the reportable seller is an entity – the name;

36.3. the primary address of the reportable seller;

36.4. the taxpayer identification number of the reportable seller, indicating each country which assigned it, or, if there is no taxpayer identification number, the place of birth of the reportable seller who is a natural person;

36.5. the entity identification number of the reportable seller which is an entity;

36.6. the value added tax registration number of the reportable seller, if available;

36.7. the date of birth of the reportable seller who is a natural person;

36.8. the financial account identifier of the account to which consideration is paid or credited, insofar as it is available to the reporting platform operator, if the competent authority of the participating country where the reportable seller is a tax resident within the meaning of Sub-chapter 2.5 of this Regulation has not notified the State Revenue Service that it does not intend to use the financial account identifier for the purpose of this regulation;

36.9. if it is different from the given name, surname or name of the reportable seller, in addition to the financial account identifier – the given name, surname or name of the holder of the financial account to which the consideration is paid or credited, insofar as it is available to the reporting platform operator, and also any other information related to the financial account identifier available to the reporting platform operator with respect to the identification of the account holder;

36.10. each participating country in which the reportable seller is a tax resident as determined in accordance with Sub-chapter 2.5 of this Regulation;

36.11. the total consideration paid or credited during each quarter of the reporting period and the number of activities of the reportable seller for which it was paid or credited;

36.12. all fees, commissions, or taxes withheld or charged by the reporting platform operator during each quarter of the reporting period.

37. If the reportable seller provides immovable property rental services, the State Revenue Service shall notify the following additional information:

37.1. the address of each immovable property object, determined on the basis of the procedures indicated in Paragraph 11 of this Regulation, and the relevant cadastre number or its equivalent in accordance with the legal acts of the participating country where it is located, if available;

37.2. the total consideration paid or credited during each quarter of the reporting period and the number of activities of the seller provided with respect to each immovable property object;

37.3. if possible, the number of days when each immovable property object was rented out during the reporting period and the type of each immovable property object.

38. The reporting in conformity with Paragraphs 36 and 37 of this Regulation shall take place, using the standard computerised format laid down in Commission Implementing Regulation (EU) 2022/1467 of 5 September 2022 amending Implementing Regulation (EU) 2015/2378 as regards the standard forms and computerised formats to be used in relation to Council Directive 2011/16/EU and the list of statistical data to be provided by Member States for the purposes of evaluating that Directive, within two months following the end of the reporting period to which the reporting requirements applicable to the reporting platform operator relate.

**5. Effective Implementation**

**5.1. Conditions for Ensuring Compliance with the Due Diligence Procedure and Reporting Requirements Laid down in Chapters 2 and 3 of this Regulation**

39. If a seller does not provide the information indicated in Chapter 2 of this Regulation, the reporting platform operator shall, after two reminders following the initial request by the reporting platform operator, but not earlier than after expiration of the time period of 60 days after initial request of the reporting platform operator, close the account of the seller and preclude the seller from re-registering on the platform or withhold the payment of the consideration to the seller as long as the seller does not provide the information requested.

40. The reporting platform operator shall register the measures taken and any information used for the performance of the due diligence procedures and reporting requirements laid down in Chapters 2 and 3 of this Regulation. Such register shall remain available for at least five years but not more than 10 years following the end of the reporting period to which they relate. Within the limits set out in this Paragraph, a specific time period for the availability of the register shall be determined by the relevant reporting platform operator, taking into account objective criteria (for example, the limitation period for the exercise of tax control in a country where a high proportion of tax residents within the meaning of this Regulation are sellers of the relevant platform).

**5.2. Procedures for Choosing a Single European Union Member State and for Single Registration of a Reporting Platform Operator for the Purposes of Reporting**

41. If a reporting platform operator within the meaning of Sub-paragraph 2.4.1 of this Regulation fulfils any of the conditions referred to therein in Latvia, and also an equivalent condition in another European Union Member State in accordance with the legal acts of that Member State, it is entitled to choose any of the abovementioned European Union Member States for the fulfilment of its reporting requirements laid down in Chapter 3 of this Regulation or in equivalent regulation in the other relevant European Union Member State. Such reporting platform operator shall notify the State Revenue Service and all other competent authorities of the relevant European Union Member States of the country which has been chosen thereby for the fulfilment of the reporting requirements.

42. The reporting platform operator referred to in Sub-paragraph 2.4.2 of this Regulation shall register in Latvia or with the competent authority of any other European Union Member State when it commences its activity as a platform operator. If such reporting platform operator registers in Latvia, the State Revenue Service shall perform the registration, using the central register established by the European Commission.

43. If, in conformity with Paragraph 42 of this Regulation, the reporting platform operator chooses to provide information in Latvia for the registration in the central register established by the European Commission, it shall notify the following information to the State Revenue Service:

43.1. the given name, surname or name;

43.2. the legal address;

43.3. the electronic addresses, also websites;

43.4. the taxpayer identification number assigned to the reporting platform operator;

43.5. a statement with information on identification of the particular reporting platform operator for the purposes of value added tax in the European Union in conformity with Section 140.2 of the Value Added Tax Law or an equivalent regulation in another European Union Member State;

43.6. the European Union Member States in which reportable sellers are tax residents within the meaning of Sub-chapter 2.5 of this Regulation.

44. A reporting platform operator shall notify the State Revenue Service of any changes in the information provided in accordance with Paragraph 43 of this Regulation.

45. When registering the reporting platform operator in the central register maintained by the European Commission in accordance with the procedures laid down in this Sub-chapter, the State Revenue Service shall, within 10 working days, assign an individual identification number to it and shall notify it to the competent authorities of all European Union Member States electronically, using the central register established by the European Commission.

46. The State Revenue Service shall request that the European Commission deletes a reporting platform operator from the central register in the following cases:

46.1. the platform operator notifies the State Revenue Service that it no longer carries out any activity in the status of a platform operator;

46.2. despite the absence of the notification referred to in Sub-paragraph 46.1 of this Regulation, there are grounds to assume that the activity of the platform operator has been terminated;

46.3. the platform operator no longer meets the conditions referred to in Sub-paragraph 2.4.2 of this Regulation;

46.4. the reporting platform operator has failed to comply with the reporting obligation following the measures taken by the State Revenue Service in accordance with the procedures laid down in Paragraph 48 of this Regulation.

47. The State Revenue Service shall, without delay, inform the European Commission of any platform operator within the meaning of Sub-paragraph 2.4.2 of this Regulation which commences its activity as a platform operator while failing to register itself in conformity with the procedures referred to in this Sub-chapter.

48. If the reporting platform operator referred to in Sub-paragraph 2.4.2 of this Regulation does not comply with the reporting obligation in accordance with Paragraph 30 of this Regulation after two reminders by the State Revenue Service, the State Revenue Service shall take measures so that the European Commission would delete the reporting platform operator from the central register established by the European Commission. The State Revenue Service shall request that the European Commission deletes the relevant reporting platform operator from the central register not earlier than 30 days and not later than 90 days after the second reminder.

49. If the registration of a reporting platform operator in the central register established by the European Commission has been cancelled, the State Revenue Service shall re-register the relevant reporting platform operator if it submits a submission declaring its commitment to meet the reporting requirements in all European Union Member States, including any outstanding reporting requirements, concurrently substantiating its ability to meet the abovementioned obligations.

**6. Other Provisions**

50. In order for a platform operator to be recognised as the excluded platform operator referred to in Sub-paragraph 2.3 of this Regulation, the platform operator shall, each year before the end of the relevant reporting period, submit a submission to the State Revenue Service or the competent authority of another European Union Member State substantiating its compliance with the definition of an excluded platform operator. If, having assessed the substantiation referred to in the submission received, the State Revenue Service finds that the platform operator meets the definition of an excluded platform operator, it shall inform all other European Union Member States of that fact, using the central register established by the European Commission.

51. When concluding a competent authority agreement with a country other than a European Union Member State which provides for automatic exchange of information equivalent to the information referred to in Sub-chapter 3.2 of this Regulation, the competent authority of Latvia has the right, by submitting a substantiated request, to request that the European Commission provides an assessment of the abovementioned competent authority agreement.

**7. Closing Provisions**

52. For sellers which were already registered on the platform on 1 January 2023, the due diligence procedures set out in Sub-chapters 2.2, 2.3, 2.4, and 2.5 of this Regulation must be completed by 31 December of the second reporting period for the reporting platform operator. In such case, for the completion of the due diligence procedures, the reporting platform operator may, using the information and documents available to the reporting platform operator in electronically searchable data, determine whether the information obtained and collected in accordance with Paragraphs 5, 6, and 7, Sub-paragraphs 8.1, 8.2, 8.3, 8.4, and 8.5, and Paragraph 11 of this Regulation is reliable.

53. The first information in accordance with this Regulation shall be exchanged for 2023.

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

The Regulation contains legal norms arising from Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation.

Prime Minister A. K. Kariņš

Minister for Finance A. Ašeradens