

ПЕРЕНОС БИЗНЕСА ИЗ БЕЛАРУСИ В ЛАТВИЮ (обновлено 18.09.2020)

В последнее время, в связи с известными событиями в Беларуси, наше адвокатское бюро получает много запросов о переносе бизнеса из Беларуси в Латвию и связанных с таким переносом правовых вопросах.

When we talk about the transfer (relocation) of business from Belarus to Latvia, we mean the opening by the Belarusian founders in Latvia of a new legal entity - a company to which the business operations and assets of a company operating in Belarus will be transferred, as well as employees from Belarus will be hired in a new Latvian company. Employment in a Latvian company is one of the grounds for obtaining a temporary residence permit (residence permit), which gives the legal right to residents of Belarus to move to Latvia.

The legislation of Latvia provides interesting opportunities for opening or transferring a business, especially for companies from the field of IT. This has already been noted in [in a conversation with rus.lsm.lv](#) by the well-known Belarusian entrepreneur Mikita Mikado, the founder of the startup PandaDoc, who, comparing the tax benefits of the Minsk High-Tech Park with Latvia, noted that *"... In fact, the conditions for technology start-ups in Latvia are no worse."*

On September 15, 2020, [according to the Latvian Ministry of Economy](#), 12 Belarusian companies, including those from the IT sector, decided to transfer their activities to Latvia, including the transfer of about 470 employees, mainly top managers and leading specialists, to Latvia.

Support to local authorities

Officials of the Republic of Latvia represented by the Investment and Development Agency of Latvia (LIAA) are already actively advising Belarusian entrepreneurs and providing real support in the event of a decision to relocate business from Belarus [to Latvia](#). Support consists in prompt processing of applications and resolving issues of obtaining startup visas and blue cards of the European Union for highly qualified specialists. As of 07.09.2020, about 10 companies have already expressed a desire to transfer business to Latvia.

Enterprises in the field of information and communication technologies, bioeconomy, biomedicine and other high-tech industries can count on special attention and support from LIAA.

Establishment of a company in Latvia

As a rule, a new legal entity is established in the form of a limited liability company (LLC, abbreviation in Latvian - "SIA"). There are two types of SIA in Latvia: SIA with full capital and SIA with small capital. For a SIA with full capital, the minimum share capital is 2800 euros, of which at least 50% must be paid up before registration. For SIA with a small capital, the share capital is from 1 to 2799 euros, the entire capital must be paid up before registration. At the same time, for SIA with small capital, there is no need to open a temporary bank account to deposit fixed capital. This difference greatly simplifies the registration process for founders - individuals - non-residents of Latvia.

In Latvia, there are no restrictions for legal entities and individuals from other countries to become founders (and after establishment - participants or shareholders) of a Latvian company. A SIA may be established by one or more persons.

The functions of the executive institution (director, member of the board of directors, general director) in the Latvian SIA are performed by the board. The Management Board may be elected by the founders consisting of one or more members. Members of the board can be foreigners without any restrictions.

A small capital SIA can be established only by individuals (no more than five), and the board can be appointed only from among the founders.

To establish a new company, it must declare its legal address. The legal address of SIA de facto is the place where it should be possible to receive correspondence. To register a legal address, the owner of the premises must provide his consent.

To register a company, there is no need to come to Latvia, the constituent documents can be signed in your country and sent by mail (part of the documents must be signed by a notary and apostilled). However, a personal visit and a visit to a notary in Latvia will speed up the process of establishing a company and relocating business from Belarus.

Thus, for the "fast" relocation of business as a working option, a Belarusian entrepreneur can register an SIA with a small capital in Latvia.

Bank account in Latvia

One of the serious issues in connection with the transfer of business to Latvia is the possibility for a new company to work in one of the credit institutions (bank) of Latvia. As is known, in recent years, as part of the so-called "overhaul of the financial system", when strict requirements for the prevention of money laundering were introduced, many foreign investors have faced great difficulties in opening accounts and servicing in Latvian banks. Responding to this problem, the Investment and Development Agency of Latvia (LIAA) together with the Ministry of Economy of Latvia and representatives of the financial industry proposed the following solution - an investor wishing to transfer a business to Latvia fills out a special questionnaire in which he answers questions about the origin of funds and the true beneficiaries, sends this questionnaire to LIAA and then applies to the bank. As follows from public information, the purpose of this project is to reduce the period for consideration of an application for opening an account. It can also be added that by receiving feedback from LIAA on the results of the questionnaire, the Belarusian entrepreneur will already be able to make a more balanced decision on the relocation of business to Latvia.

Tax Registration

All Latvian companies from the moment of registration in the Commercial Register, which is maintained by the establishment of the Register of Enterprises, also become taxpayers. As a taxpayer, a new company must keep accounting records, submit regular declarations, reports and reports to the Latvian Tax Inspectorate - The State Revenue Service of Latvia (<https://www.vid.gov.lv/ru>). Communication with the State Revenue Service of Latvia takes place through the electronic declaration system.

Corporate Tax

Since 2018, Latvia has introduced a 0% tax on reinvested corporate profits. Under the new regime, corporate income tax is paid only when dividends are distributed.

Exemption from customs tax on relocation

To production and other equipment belonging to enterprises that completely cease their activities in a third country (i.e. in a non-EU country, for example, Belarus) and move to the customs territory of the European Union to carry out similar activities in the status of a newly established enterprise.

The exemption applies only to the means of production and equipment:

- which, except in special cases justified by the circumstances, have actually been used in the undertaking at least 12 months before the day on which the company has ceased its activities in the third country from which it is relocating;
- which is intended to be used for the same purposes after the move;
- which corresponds to the type and size of the said enterprise.

Benefits for startups

If a foreigner has an innovative idea, which is planned to be developed through a Latvian startup, Latvian legislation provides for the possibility of obtaining a special residence permit (the so-called "startup visa"), as well as participating in the support program and obtaining additional tax benefits for a startup company.

Even before the registration of a startup company, a Belarusian entrepreneur can get a startup visa in a fairly short time and move with his family to Latvia, and the entrepreneur's spouse receives the right to work without restrictions and can be employed in any Latvian enterprise, including in the company of his husband / wife.

On September 16, 2020, amendments to the law on supporting the activities of start-ups came into force, according to which, among other things, in order to participate in the support program and receive tax benefits, it is necessary (as the main criterion) to provide confirmation of the development, creation or development of an innovative product. Before the entry of these amendments to the law, it was necessary to receive investments from a qualified investor, now there is no such mandatory requirement.

The state program of state support for start-ups consists of:

- application of a reduced fixed tax on the salaries of employees (300 euros instead of 35.09% of gross wages);
- support program for highly qualified workers (return by the state up to 45% of the employer's costs per employee).

EU Blue Card and Employment

Latvian legislation provides for the possibility of obtaining a residence permit with the right to work for highly qualified specialists - the Blue Card of the European Union (for persons who have received higher education under a training program lasting at least three years in the relevant specialty or who have relevant professional experience of at least five years). The terms of issuance of the Blue Card are 5 working days and 10 working days.

It is worth noting that for IT specialists, Latvian legislation also provides for some relaxations, for example, the requirements for the minimum wage (and, accordingly, taxes paid from it) have been reduced.

Latvian legislation also provides for the possibility of obtaining a residence permit for "ordinary" employment in any Latvian company. In this case, it is necessary to go through the procedure at the Employment Agency, which takes only 10 calendar days. The terms of obtaining a residence permit are 5 working days, 10 working days and 30 calendar days. These deadlines are met, except if additional verification is required for a particular person.

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If you have any questions or need additional advice in connection with the relocation from Belarus, please contact the partners of the Riga office NJORD Law Firm - sworn attorney Dmitry Kolesnikov (t. +371 67 313 315, dk@njordlaw.lv) and sworn lawyer Dmitry Nikolaenko (t. +371 67 313 315, dn@njordlaw.lv).



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