



**NJORD**

LAW FIRM



# RESIDENCE PERMIT IN LATVIA |

- BENEFITS
- GROUNDS
- PROCEDURE FOR OBTAINING



# **BENEFITS OF A RESIDENCE PERMIT IN LATVIA**

- Free movement almost through all EU countries as well as through the territories of Norway, Iceland and Switzerland.
- No requirements to reside at the territory of Latvia not less than for 180 days during a year (unlike as in almost all other countries of the European Union).
- A possibility to obtain a permanent residence permit in the Republic of Latvia (5 years after obtaining a temporary residence permit). A permanent residence permit is a “permanent visa” to the EU.
- A possibility to obtain the status of a permanent EU resident (5 years after obtaining an temporary residence permit) and a residence almost in any EU country.



- A possibility to obtain citizenship of the Republic of Latvia (on condition that a renunciation of the previous Russian/Kazakh/Ukrainian/China etc. citizenship has been made). Currently, Latvian citizenship provides a possibility to visit approximately 100 countries worldwide without a visa, including Great Britain, USA, Canada, Australia, New Zealand, Japan, Bahama Islands, etc.).
- A possibility to obtain a visa to third countries (USA, Canada, Japan, etc.) at the embassies of these countries in Latvia.
- A possibility to acquire and register in its own name automobiles, boats, yachts etc. in Latvia.
- Currently, Riga International Airport is becoming one of connecting transport centres in the region. This provides direct flights to almost all major European cities and to many cities of the CIS what mainly takes only one-two hours of flight time.



# GROUNDS FOR OBTAINING A RESIDENCE PERMIT IN LATVIA\*

1. Real estate acquisition in Latvia.
2. Monetary contribution into the banking sector of Latvia.
3. Registration of a foreigner as member of the board (council) of a Latvian commercial company.
4. Contribution into the share capital of a Latvian commercial company
5. Employment in Latvia.
6. Registration of a foreigner as the representative of a foreign merchant's (firm's) representative office.
7. Purchase of interest-free State securities.
8. Residence permit for a spouse and minor children.

*\* Although this list of grounds is not full, it includes the most frequently used grounds.*





# 1. A residence permit on grounds of real estate acquisition in Latvia |

A temporary residence permit for a term of 5 years may be requested in case of purchasing Latvian real estate.

Conditions:

- Real estate valued at least 250'000 euros.
- To obtain a residence permit on grounds of real estate acquisition, it is necessary to make a single payment/duty amounting to 5% of real estate value into the state budget.



- To obtain a residence permit on grounds of real estate acquisition, it is necessary that there is one real estate object valued from 250'000 euros, if the real estate is purchased in Riga, Jurmala, and adjacent counties. It is possible to purchase two real estates outside of the certain counties with the total value of at least EUR 250'000.
- The real estate, which is vacant land, agricultural land or forest, may not be included in real estate composition, in order to obtain residence permit.
- After first 5 years, when residence permit expires, it is possible to renew it for the following 5 years. In this case, the payment of EUR 5'000 must be paid into state budget.



## **2. A residence permit on grounds of a contribution into the banking sector of Latvia |**

A temporary residence permit for a term of 5 years may be requested when investing into any Latvian commercial bank at least 280'000 euros (a unique contribution/deposit). A term of such a deposit shall last for at least 5 years and shall be without a right of pre-term withdrawal. Banks allow interest on invested funds.





To obtain the first residence permit on grounds of investing in a bank, it is necessary to make a single payment/duty amounting to 25'000 euros into the state budget.

After first 5 years, when residence permit expires, it is possible to renew it for the following 5 years. In this case, the payment of EUR 5'000 must be paid into state budget.



### **3. A residence permit in case of electing a foreigner as member of the board (council) of a Latvian commercial company |**

Member of the board (council) of a Latvian commercial company has the right to request a temporary residence permit for a term of 5 years. A commercial company shall be registered at least one year prior to the moment of requesting a residence permit.

Salary of a foreign person as member of the board (council) shall equal to a double amount of the average monthly salary in Latvia before taxes for the last year (i.e. 2008 euros a month in 2019). An annual tax from such a salary will amount to approximately 13'000 euros.

To maintain a residence permit, tax payments of a company shall annually correspond to at least 21 350 euros (including the abovementioned amount of 13'000 euros – a payroll tax). For the first incomplete year, taxes must amount to 1750 euros per month, at average.



## **4. A residence permit on grounds of a contribution into the share capital of a Latvian commercial company |**

Shareholder/founder of a Latvian commercial company has the right to request a temporary residence permit for a term of 5 years in case he has paid in state budget EUR 10'000 and invested into the share capital of such a company (when founding or increasing the capital of an already existing company) at least:



- 50'000 euros and the contribution has been made into a commercial company that employs no more than 50 employees, has annual turnover or annual balance not exceeding 10 million euros and pays at least 40'000 euros in taxes during a business year, but for incomplete first business year taxes paid in state and municipality budgets must reach, on average, no less than EUR 3'300 per month. For contribution into the share capital, residence permit is issued to not more than 10 foreigners, if each of them has contributed minimum amount and paid into state budget EUR 10'000,

or



- 100'000 euros and the contribution has been made into a commercial company that employs more than 50 employees and has annual turnover or annual balance exceeding 10 million euros and pays at least 100'000 euros in taxes during a business year, but for incomplete first business year taxes paid in state and municipality budgets must reach, on average, no less than EUR 8'300 per month,
- or
- EUR 100'000 into the share capital of the commercial company, which together with one or more subsidiary companies, that are registered in Republic of Latvia, employs more than 50 employees and has annual turnover or annual balance exceeding 10 million EUR.



## 5. A residence permit on grounds of employment in Latvia |

A person who has become an employee in Latvia has the right to request a temporary residence permit for a term of 5 years.

Salary of a foreigner shall correspond to at least the average gross salary in Latvia for the last year (1004 euros a month in 2019).

To maintain a residence permit, a company shall annually pay an annual payroll tax – approximately EUR 6'300.



In order to obtain European Blue card, the salary should be no less than EUR 1'506 a month in 2019 (average gross salary in Latvia for the last year multiplied by coefficient 1.5), and annual payroll tax of approximately EUR 9'500 must be paid. **European Union Blue Card** - a temporary residence permit, which is issued in the Republic of Latvia to a highly qualified foreigner who is employed in the Republic of Latvia. European Union Blue Card provides to its holder and spouse some advantages.

If the Blue card shall be requested upon profession, where there is lack of employees in Latvia (in accordance with the list by the Cabinet of Ministers), coefficient of 1.2 shall apply to determine a salary, instead of 1.5. Accordingly, taxes shall decrease.



## **6. A residence permit in case of foreigner's registration as the representative of a foreign merchant's (firm's) representative office**

Temporary residence permit for a term not exceeding 2 years shall be given, if a foreigner is a representative of a foreign merchant's representative office, and the foreign merchant shall be registered in a foreign state for at least 5 years prior to the day of submission of application for a residence permit, shall employ more than 50 employees during the last year, its annual turnover exceeds 10 million euros, and it has no tax debts.

Shall a foreigner wish to reside in the Republic of Latvia as a representative of a foreign merchant's representative office, he shall submit a business plan confirming foreign merchant's business strategy for operation in Latvia, which promotes development of manufacturing or services sector.

To maintain a representative of a foreign merchant's representative office shall submit documents confirming that the foreign merchant has met foregoing business plan, and documents confirming active operation of a foreign merchant's representative office within previous year, which facilitated development of national economy of the Republic of Latvia.





## **7. A residence permit on grounds of purchase of interest-free State securities |**

A temporary residence permit for a term of 5 years may be requested by a person, who has purchased interest-free State securities with the nominal value of 250'000 euros, and has paid 38'000 euros into the State budget.

The main advantage of this ground is that the validity period of a residence permit ID card is 5 years in contrast to all other grounds when the validity period of an ID card is 1 year. In case of the acquisition of State securities, a person does not need to come to Latvia every year in order to renew an ID card.



## **8. A residence permit for a spouse and minor children |**

A spouse of a foreigner, minor children (including children in care) and persons in trusteeship have the right to request a temporary residence permit (for the same term as the main person has).



# PROCEDURE FOR OBTAINING A RESIDENCE PERMIT IN LATVIA |

## Place for submission of documents to request a residence permit

1. The Embassy of Latvia in one's own country. If there is no Embassy in one's own country, documents shall be filed to the Embassy in the nearest country, which is not located in a Schengen Agreement Member State.
2. The Office of Citizenship and Migration Affairs in Riga (permitted for individual cases, for example, by real estate purchase, purchase of State securities, EU blue cards and in some other cases). Citizens of particular third countries are subjected to additional assessment, when issuing a residence permit. This condition shall not apply to such foreigners.



## Time frames

1. Time for processing: from 5 to 30 days, depending on a duty + the time required for sending documents by diplomatic mail;
2. Period within which one shall arrive to Latvia for obtaining a residence permit: 3 months from the moment when a positive decision has been made.



## State fees

If grounds are real estate, founding of a company, contribution into a bank and State securities:

- processed within 30 calendar days - 150 euros for one person.
- processed within 10 working days – 300 euros for one person.
- processed within 5 working days – 450 euros for one person.

Other grounds:

- processed within 30 calendar days - 100 euros for one person.
- processed within 10 working days – 200 euros for one person.
- processed within 5 working days – 400 euros for one person.



### Areas of expertise:

- Immigration and labour law
- Real estate and construction
- Legal support for investment projects in Latvia
- Commercial practice/mergers and acquisitions
- Tax law

### Education:

The University of Latvia – University diploma in the field of law - 1995

### Language knowledge:

English, Latvian and Russian

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