

## CABINET OF MINISTERS OF THE REPUBLIC OF LATVIA

Rīga, 19.07.2005

**Regulation No. 531**

### **Regulations on the approval of the Excise Duty and Value Added Tax Exemption Certificate**

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Amendment: Cabinet of Ministers

26 June 2007, Regulation No 422 (*Latvijas Vēstnesis*, 28 June, Issue No 103)

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(Minutes No. 42, #29)

Issued pursuant to  
Section 14, Paragraph one, Clause 3 of the Structure of Cabinet Law

#### **I General Provisions**

1. These Regulations shall provide the procedure for:
  - 1.1 approving excise duty and value added tax exemption certificates, (hereinafter “the Certificate”) duly prepared in accordance with the requirements of European Commission Regulation (EC) No 31/96 of 10 January 1996 on the excise duty exemption certificate (hereinafter “the Regulation”);
  - 1.2 granting or revoking the right to use the Certificate without approval.  
*(With amendments done in accordance with the Cabinet Regulation No 422 of 26 June 2007)*
2. The institutions of the Republic of Latvia which may approve the Certificate or grant the right to use the Certificate without approval, are:
  - 2.1 the Ministry of Foreign Affairs;
  - 2.2 the Ministry of Defence.
3. The officially recognised languages in the Republic of Latvia for completing the Certificate application form shall be Latvian or English.
4. The Ministry of Foreign Affairs may approve Certificates completed by the following entities registered in the Republic of Latvia:
  - 4.1. third country diplomatic and consular representations and their diplomatic and consular agents, administrative and technical staff members, and family members of persons specified herein;
  - 4.2. representations of third country international organizations and their staff members who have a diplomatic status in the territory of the Republic of Latvia;

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<sup>1</sup> The Official Gazette of the Government of Latvia

4.3. diplomatic and consular representations of other member states of the European Union and their diplomatic and consular agents, administrative and technical staff members, and family members of persons specified herein;

4.4. representations of international organizations of other member states of the European Union and their staff members who have diplomatic status in the territory of the Republic of Latvia;

4.5. Institutions of the European community in accordance with the Protocol of 8 April 1965 on the Privileges and Immunities of the European Communities.

*(According to wording of the Cabinet Regulation No 422 of 26 June 2007)*

5. The Ministry of Defence may approve Certificates, which have been completed by the units of the armed forces of any State party to the North Atlantic Treaty Organization (NATO), which reside in the Republic of Latvia (except for the National Armed Forces of the Republic of Latvia), and by persons forming these units provided these persons are not citizens or permanent residents of the Republic of Latvia.

*(According to wording of the Cabinet Regulation No 422 of 26 June 2007)*

6. A Certificate duly approved in accordance with these Regulations shall grant a person, being a person mentioned in Clause 4 or 5 of these Regulations, the right to:

purchase, free of excise duty, the excise goods indicated in the Certificate in another member state of the European Union;

purchase, free of excise duty, the excise goods indicated in the Certificate from an excise goods warehouse within the territory of the Republic of Latvia;

purchase, free of value added tax, the goods indicated in the Certificate and receive services in another member state of the European Union.

7. In the event a person, being a person mentioned in Clause 4 or 5 of these Regulations, purchases goods or receives services for official use, the Ministry of Foreign Affairs or the Ministry of Defence may grant the person (except persons mentioned in Clause 20 of these Regulations) the right to use the Certificate without approval for a period of time not exceeding 12 months.

## **II Procedure for Approving the Certificate**

8. In order to have the Certificate approved, a person, being a person indicated in Clause 4 or 5 of these Regulations (hereinafter the Applicant), shall submit a completed Certificate form in triplicate to:

the Ministry of Foreign Affairs, in the case of persons indicated in Clause 4 of these Regulations;

the Ministry of Defence, in the case of persons indicated in Clause 5 of these Regulations.

9. The appropriate authorized person of the Ministry of Foreign Affairs or the Ministry of Defence shall, within five working days of receiving the completed Certificate form:

check whether the Applicant is entitled to receive an excise duty and value added tax exemption as provided in these Regulations and the EC Regulation;

check whether the Certificate form is completed in accordance with the requirements of the EC Regulation;

check whether a translation is attached if the Certificate form or the purchase order form is completed in a language not indicated in Clause 3 of these Regulations;

approve the Certificate by signing and affixing a seal in Column 6 of the Certificate form;

if a purchase order form is attached to the Certificate, approve the purchase order form by signing and affixing a seal.

10. Once approved, the Certificate shall be allocated a registration number and entered in the appropriate Register of Certificates established at either the Ministry of Foreign Affairs or the Ministry of Defence.

11. The Register of Certificates indicated in Clause 10 of these Regulations shall show:

In the case of a legal entity - the name of the Applicant and accreditation number in the Republic of Latvia, or, in the case of a physical person - name, surname and the Diplomat's Certificate Number;

The approval date of the Certificate or the date and number of the decision granting the Applicant the right to use the Certificate without approval (indicating the period of time for which such right is granted);

The Registration Number of the Certificate;

The name, quantity and total value (indicating currency) of goods and services indicated in the Certificate or purchase order form, which are to be exempt from value added tax or excise duty;

The date of revocation of the decision granting the Applicant the right to use the Certificate without approval.

12. In the event the Certificate is not approved, the Certificate form shall be returned to the Applicant within five working days, indicating reasons for refusal from the following:

the Applicant is not entitled to receive exemption from excise duty and value added tax pursuant to Clause 4 or 5 of these Regulations;

the Certificate form is not completed in accordance with the requirements of the EC Regulation;

the Certificate form or purchase order form is completed in a language not indicated in Clause 3 of these Regulations, and no translation is attached.

13. The Ministry of Foreign Affairs and the Ministry of Defence shall forward samples of signatures and seals to be used when approving Certificates, to the State Revenue Service:

prior to commencing Certificate approval;  
within five working days, if the signature or seal is changed.

### **III Procedure for granting the right to use the Certificate without approval**

14. In order to obtain the right to use the Certificate without approval as provided in Clause 6 of these Regulations, the a person, being a person indicated in Clause 4 or 5 of these Regulations, shall submit to the Ministry of Foreign Affairs or the Ministry of Defence, as appropriate, a justified written application.

15. The Ministry of Foreign Affairs or the Ministry of Defence shall, within five working days from receipt of such application, decide whether to grant the Applicant the right to use the certificate without approval.

16. The Ministry of Foreign Affairs or the Ministry of Defence, on the basis of information provided by the State Revenue Service that a person, having been granted the right to use a Certificate without approval, has permitted violations in the use of the Certificate, shall revoke the decision made in accordance with Clause 15 of these Regulations within five working days of receiving such information, and advise the Applicant and the State Revenue Service in writing to that effect, indicating the reasons for the revocation. Information on revocation of the decision shall be noted in the Register of Certificates at the relevant Ministry.

17. In the event a decision made in accordance with Clause 15 of these Regulations is revoked, the person to whom it applies shall not be granted the right to use the Certificate without approval for three years from the date of revocation of the decision.

18. If a decision is made to grant the Applicant the rights mentioned in Clause 15 of these Regulations, the Ministry of Foreign Affairs or the Ministry of Defence, as appropriate, shall, within five working days, advise in writing:

18.1 the Applicant, indicating the period of time for which such rights are granted;

18.2 the State Revenue Service and the European Commission, indicating:

18.2.1 the person who is granted the right to use the Certificate without approval;

18.2.2 the period of time for which the right is granted;

18.2.3 the date and number of the decision granting the right to use the Certificate without approval.

*(With amendments done in accordance with the Cabinet Regulation No 422 of 26 June 2007)*

19. The date and number of the decision granting the Applicant the right to use the Certificate without approval shall be included in the Register of Certificates at the Ministry of Foreign Affairs or the Ministry of Defence, as appropriate, indicating the period of time for which such rights are granted.
20. In the event a decision is made not to grant the Applicant the right to use the Certificate without approval, the Ministry of Foreign Affairs or the Ministry of Defence shall within five working days advise the Applicant in writing, indicating the reasons for refusal from the following:
- 20.1 the Applicant is not entitled to exemption from excise duty and value added tax pursuant to Clause 4 or 5 of these Regulations;
  - 20.2 the decision mentioned in Clause 15 of these Regulations was revoked pursuant to Clause 16 of these Regulations, but the right to use the Certificate without approval is being applied for less than three years since the date of revocation of that decision.

### **Informative References to European Union Directives**

These Regulations include legal provisions arising from:

- 1) Council Directive 92/12/EEC of 25 February 1992 on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products;
- 2) Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonization of the laws of the Member States relating to turnover taxes - Common system of value added tax: uniform basis of assessment.

Prime Minister

A. Kalvītis

For Minister of Finance, Minister of the Environment

R. Vējonis

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References:

Arising from: the Structure of Cabinet Law, 15 July 1993

Relating: Law on Excise Duties, 30 October 2003

Relating: Law on Value Added Tax, 09 March 1995