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Company formation in Latvia

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Company formation in Latvia



Flag



Coat of arms

Common form	SIA (sabiedrība ar ierobežotu atbildību) [1]
Registry	Register of Enterprises (Uzņēmumu reģistrs) [1]
Minimum capital	€2,800 (a reduced-capital SIA from €1) [1]
Directors	1 board member [1]
Local director	Not required [1]
Corporate tax	0% on retained profit; 20% on distributions [2]
VAT / sales tax	21% [2]
Typical timeline	Usually 1–3 working days [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Euro (EUR)

In short: To set up a company in Latvia, most founders form an SIA, registered with the Register of Enterprises (Uzņēmumu reģistrs). [1] Minimum capital: €2,800 (a reduced-capital SIA from €1). Corporate tax: 0% on retained profit; 20% on distributions. Registration: usually 1–3 working days (as of November 2026).

Latvia's **SIA** is registered with the **Register of Enterprises**, usually within a few working days. Like Estonia, Latvia taxes company profit only when it is distributed, at 20%; retained profit is untaxed.

Business structures

Most founders in Latvia form an SIA, registered with the Register of Enterprises (Uzņēmumu reģistrs). [1] Other forms are listed below.

- **SIA** – limited liability company
- **AS** – joint-stock company
- **IK** – sole proprietor

Requirements

Minimum share capital in Latvia (2026): €2,800 (a reduced-capital SIA from €1). Directors required: 1 board member. Local resident director: not required. [1]

- A company name that is available, checked with the registry.
- Share capital: €2,800 (a reduced-capital SIA from €1).
- Directors: 1 board member.
- Local residency: not required.
- A registered office address in Latvia.
- Articles of association; standard templates are often available.
- Beneficial owners reported to the register of beneficial owners.

Registration process

Typical time to register a company in Latvia (2026): usually 1–3 working days. [1] The usual steps are:

1. Choose the company form and check that the name is available.
2. Prepare and sign the articles of association.
3. File the registration with the Register of Enterprises (Uzņēmumu reģistrs).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the State Revenue Service (VID).

Taxation

The corporate tax rate in Latvia in 2026 is 0% on retained profit; 20% on distributions. [2] Standard VAT or sales tax: 21%. [2]

Tax	Rate and notes
Corporate income tax	0% on retained profit; 20% on distributions
VAT / indirect tax	21%
Withholding tax on dividends to non-resident companies	0%

Ongoing compliance

Annual compliance in Latvia: Companies file annual reports with the State Revenue Service, which shares them with the Register of Enterprises, and monthly corporate tax returns when they distribute profit. [1]

Double tax treaties

Latvia has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
0%	0%	0%

A 20% rate applies to payments to companies in low-tax or no-tax jurisdictions.

Within the EU, the Parent-Subsidiary and Interest and Royalties Directives can reduce these rates to 0% for qualifying group payments.

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Latvia lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Latvia?

Typical registration time in Latvia: usually 1–3 working days (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Latvia?

Minimum share capital in Latvia: €2,800 (a reduced-capital SIA from €1) (as of November 2026).

What is the corporate tax rate in Latvia in 2026?

The corporate tax rate in Latvia in 2026 is 0% on retained profit; 20% on distributions. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Latvia?

Yes. There is no nationality requirement for shareholders. Local director rule in Latvia: not required.

What withholding tax applies to dividends paid from Latvia?

Latvia charges no withholding tax on dividends paid to non-resident companies under domestic law. See the Double tax treaties section.

Official registries and resources

- Register of Enterprises (Uzņēmumu reģistrs)
- State Revenue Service (VID)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in the United Kingdom
- Company formation in Germany
- Company formation in Poland
- Company formation in Ireland
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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2. Official State Revenue Service (VID) . Government of Latvia. Accessed November 2026.
3. Latvia: Corporate – Taxes on corporate income (reviewed 30 June 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
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