



Declaring property and debts



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Why is the law necessary?

- To decrease the grey economy
 - Conformity of income and expenses
- Amnesty
 - Pay PIT of 15% for the non-declared taxable income for the period 1.1.1991 -31.12.2007



What should be declared?

- Latvian tax residents must declare (1.3.2012-1.6.2012) according to the actual state as at 31.12.2011 at 24:00, in excess of LVL 10 000:
 1. Property, incl.:
 - Money (in cash or in an account) – should be in a bank on 1.06.2012
 - Shares (also the beneficiary – under money laundering laws)
 - Financial instruments (certain securities, money-market instruments); MLL
 - Savings in private pension funds; life insurance with accumulation
 - Issued loans and other assets in LAT and abroad (form LVL 1 abroad – RE, shares, vehicles, fin. instr.)
 2. Taken loans, outstanding part
- Not apply to RE (Land Book), vehicles (reg.), officials



How to determine the value?

- shares, RE, fin. instr. – purchase (paid + invested)
- savings – accumulated
- Loans – outstanding (taken) & not collected (given)
- in a donation agreement (if none exists – the cadastral, for others – nominal value or market price)
- indicated in the inheritance deed (if not, -»-)
- exchange agreement (if not – returned purchase val.)
- formation costs
- for paintings, objects of value, and others – owner's opinion!?
- if the purchase v. cannot be determined – market v. or nominal value or any other identifiable or verifiable value.
- Bank of Latvia rate as at 31.12.2011.



How we can help?

- Review the borderline situations and provide an opinion
- Prepare a request of a ruling



Useful



www.sorainen.com – Tax & Customs

- articles and tax system reviews, forums

www.twitter.com/Sorainen_tax



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Contacts:



Thank you!

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