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23 November 2016 [shall come into force from 1 January 2017];  
7 June 2018 [shall come into force from 5 July 2018];  
17 October 2019 [shall come into force from 19 November 2019].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*<sup>1</sup> has adopted and  
the President has proclaimed the following law:

## Customs Law

### Section 1. Terms Used in this Law

The following terms are used in this Law:

1) **deposit** – the cash deposit referred to in Article 92(1)(a) of Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (hereinafter – Regulation No 952/2013);

2) **customs territory of the Republic of Latvia** – the entire territory of the Republic of Latvia comprised of land, territorial and inland waters, and air space, as well as territories of artificial islands and structures;

3) **customs matters** – a set of measures and actions specified in the legal acts in the field of customs referred to in Article 5(2) of Regulation No 952/2013 (hereinafter – the laws and regulations in the field of customs) and in the national laws and regulations through the application of which the customs policy is implemented;

4) **customs charges** – the import duty specified in Article 5(20) of Regulation No 952/2013 and the export duty specified in Article 5(21) of Regulation No 952/2013 (hereinafter – the customs duty) and related payments, as well as the value added tax and excise duty which are applied when importing goods into the customs territory of the Republic of Latvia;

5) **debt of customs charges** – a debt of the customs duty and related payments, value added tax, and excise duty;

6) **customs duty arrears** – the interest on arrears referred to in Article 114 of Regulation No 952/2013;

7) **customs border** – the border of the customs territory of the Republic of Latvia;

8) **customs clearance** – measures which, in accordance with the procedures laid down in laws and regulations, are conducted by a person or a customs authority, applying the customs procedure, re-export, or temporary storage;

9) **check carried out by the State Revenue Service** – the check carried out by a tax administration in accordance with the provisions laid down in the law On Taxes and Duties.

### Section 2. Purpose of this Law

The purpose of this Law is to determine the competence of the Republic of Latvia in customs matters insofar as customs matters are not specified in the directly applicable laws and regulations of the European Union.

<sup>1</sup> The Parliament of the Republic of Latvia

### **Section 3. Customs Authority, Code of the Customs Authority and Customs Official**

(1) The State Revenue Service is the customs administration in the Republic of Latvia within the meaning of Article 5(1) of Regulation No 952/2013.

(2) The customs authority is a unit of the State Revenue Service which performs the tasks with regard to implementing the customs policy specified in the laws and regulations in the field of customs, this Law, the law On the State Revenue Service, and other laws and regulations.

(3) If another State administration institution performs any task in the field of customs in accordance with laws and regulations, the respective State administration institution, upon performing this task, is also considered as the customs authority.

(4) For the purpose of identification of the customs authority, the code of the customs authority which is determined by the State Revenue Service is used in the customs information systems, and it consists of four characters which identify the particular customs authority of the Republic of Latvia. For international circulation, the code of the customs authority consists of eight characters according to the following principle:

1) the first two characters represent the national code of the Republic of Latvia “LV”;

2) the second two characters are two zeros;

3) the final four characters represent the customs authority of the Republic of Latvia.

(5) The State Revenue Service shall publish the address, working hours, and code of the customs authority on its website.

(6) A customs official is a civil servant of the customs authority who performs the tasks with regard to implementation of the customs policy specified in the laws and regulations in the field of customs, this Law, and the law On the State Revenue Service.

(7) A customs official has the rights specified in this Law, the law On the State Revenue Service, the laws and regulations in the field of customs, and other laws and regulations.

### **Section 4. Emblem of the Customs Authority**

The emblem of the customs authority shall consist of two yellow diagonally crossed staffs of Mercury with the lesser State coat of arms placed above. The emblem shall be placed on the uniform of an official of the customs authority.

### **Section 5. Management of Customs Matters**

(1) The State Revenue Service shall administer customs matters in accordance with the procedures laid down in the laws and regulations in the field of customs, this Law, the law On Taxes and Duties, and other laws and regulations.

(2) The State Revenue Service shall prepare and publish on its website informative materials in customs matters which are necessary for the customs clearance of goods and which cover the entire information related to the activity of the customs authority and the application of customs procedures, as well as shall ensure timely updating of the abovementioned information.

### **Section 6. Competence of the Cabinet in Customs Matters**

The Cabinet shall determine:

1) the procedures for assigning the registration and identification number (EORI number) and temporary number, as well as the procedures by which the structure of EORI number and temporary number shall be formed;

2) the columns to be completed additionally and the data elements in the customs declaration;

3) the procedures for declaring natural gas and electricity;

- 4) the procedures by which the amount of loss shall be estimated for bulk merchandise under customs supervision;
  - 5) the procedures for the recording and identification of goods at a customs warehouse;
  - 6) individual conditions in relation to the application and drawing up of the customs procedure – transit –, as well as the procedures by which a transit declaration shall be invalidated;
  - 7) the procedures for applying for the European Union tariff quotas and the procedures by which they shall be administered by the State Revenue Service;
  - 8) the procedures by which the tariff suspension and the application of quotas shall be applied for, as well as the procedures by which the applications submitted by other Member States of the European Union for the tariff suspension and the application of quotas shall be rejected;
  - 9) national additional codes for the European Union Common Customs Tariff (TARIC) of excise goods and the procedures for the application thereof;
  - 10) [23 November 2016];
  - 11) the procedures for the application of the customs procedure – export – to agricultural products which qualify for export refunds;
  - 12) the procedures by which a person whose activities include the storage, processing, sale, or purchase of goods located inside a free zone shall conduct the recording of goods;
  - 13) the procedures by which non-Union goods that are not subject to an excise duty shall be transported by road transport between parts of the Free Port of Riga, Liepāja Special Economic Zone Law, or Ventspils Free Port within the scope of one customs control point;
  - 14) the procedures for applying for the re-export of goods and submission of a re-export notification and the information to be indicated in the notification;
  - 15) the procedures by which the goods imported by institutions and organisations shall be exempted from the import duty;
  - 16) the procedures for the destruction of goods;
  - 17) the procedures by which an application for the abandonment of goods to the State shall be submitted, the information to be indicated in the application, and documents to be attached thereto;
  - 18) the procedures for customs clearance when supplying a vessel (including a military vessel) and aircraft with supplies, spare parts, and equipment;
  - 19) the procedures by which a notification on the movement of excise goods shall be filled in and submitted at a border crossing point set up on a motorway regarding certain excise goods which are carried in the personal luggage of a natural person who qualifies as such within the meaning of Article 41 of Council Regulation (EC) No 1186/2009 of 16 November 2009 setting up a Community system of reliefs from customs duty, as well as regarding the volume of fuel in a commercial road vehicle which is necessary for ensuring the operation of the road vehicle;
  - 20) the procedures for the identification of places where the goods may be located upon the application of export procedure or re-export and places where the goods intended for export may be stored.
- [23 November 2016; 7 June 2018/ Clause 20 shall come into force on 1 September 2019. See Paragraph 9 of Transitional Provisions]

## **Section 7. Determination of the Amount of the Customs Duty**

The amount of the payable customs duty shall be determined in euros and cents (to two decimal places) without applying Article 101(3) of Regulation No 952/2013.

## **Section 8. Exemption from Notification of the Customs Debt**

According to Article 88(1) and (2) of Commission Delegated Regulation (EU) No 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code (hereinafter – Regulation No 2015/2446), the State Revenue Service shall refrain from notifying a customs debt if the amount of payable customs charges for goods specified in one declaration is less than EUR 10.

## **Section 9. Calculation and Collection of Customs Duty Arrears**

(1) The customs duty arrears shall be calculated and collected in accordance with the conditions of Regulation No 952/2013.

(2) If after discharge of goods customs duty arrears are calculated as a result of the check carried out by the State Revenue Service, the deadline for the payment thereof shall be determined in conformity with the payment deadline of 30 days referred to in the law On Taxes and Duties.

(3) The rate of the customs duty arrears which is determined for the respective period in accordance with Article 114(1) of Regulation No 952/2013 shall be published by the State Revenue Service on its website.

(4) If the taxpayer exercises its right to make adjustments in the customs declaration in accordance with Section 33.<sup>2</sup> of the law On Taxes and Duties and pays the additionally calculated amount of the customs duty, the customs duty arrears shall be calculated until the date of payment referred to in Article 114(1) of Regulation No 952/2013.

## **Section 10. Adjustment of a Credit Balance for the Payment of the Customs Duty**

The adjustment of a credit balance for the payment of the customs duty referred to in Article 109(1) of Regulation No 952/2013 shall be implemented by the State Revenue Service by allowing to transfer deposit balances which have not been used to cover the calculated payments administered by the customs authority for further tax, duty, or mandatory payments without any time limit.

## **Section 11. Cases where the State Revenue Service Takes a Decision to Prevent Irreparable Damage for a Debtor**

(1) In the case referred to in Article 45(2) of Regulation No 952/2013, the implementation of the decision taken by the State Revenue Service shall be suspended if any of the conditions referred to in Paragraph five of this Section exists and one of the following applications has been received:

1) an application for suspending the implementation of the decision taken by the State Revenue Service – for a time period up to six months;

2) an application for contesting the decision taken by the State Revenue Service – for a time period of pre-trial examination of the application.

(2) In the case referred to in Article 45(3) of Regulation No 952/2013, the implementation of the decision taken by the State Revenue Service shall be suspended without requesting the provision of a guarantee if any of the conditions referred to in Paragraph five of this Section exist and one of the following applications has been received:

1) an application for suspending the implementation of the decision taken by the State Revenue Service – for a time period up to six months;

2) an application for contesting the decision taken by the State Revenue Service – for a time period of pre-trial examination of the application.

(3) In the case referred to in Article 112(1) of Regulation No 952/2013, the State Revenue Service shall split the payment of the customs duty calculated as a result of the check carried out by the State Revenue Service for a time period of up to five years in accordance with the procedures laid down in the law On Taxes and Duties regarding the extension of the time period for the payment of taxes and, upon applying Article 112(3) of Regulation No 952/2013, shall not request that the debtor provides a guarantee and pays the credit interest indicated in Article 112(2) of Regulation No 952/2013, if any of the conditions referred to in Paragraph five of this Section comes to be.

(4) In the case referred to in Article 114(3) of Regulation No 952/2013, the State Revenue Service shall not request that the debtor pays the customs duty arrears, if any of the conditions referred to in Paragraph five of this Section comes to be.

(5) The debtor shall provide documentary justification that:

1) it lacks current assets to fulfil the requirements provided for in the decision taken by the State Revenue Service;

2) execution of the decision taken by the State Revenue Service could cause the insolvency of a debtor.

(6) In order to apply Paragraph one, two, three, or four of this Section, the debtor shall, not later than three working days prior to expiry of the payment deadline, submit a reasoned application and documentary evidence to the State Revenue Service. The debtor shall include in the documentary evidence the balance sheet and the profit or loss account as on the first day of the month on which the application was submitted, preparing them in accordance with the relevant laws and regulations governing the preparation of annual statements.

## **Section 12. Certificates for Non-Preferential Origin of Goods**

(1) Certificates for non-preferential origin of goods shall be issued by the Latvian Chamber of Commerce and Industry and other authorities specified in laws.

(2) The Cabinet shall determine the procedures for issuing the certificates for non-preferential origin of goods and the verification of the issued certificates.

(3) The Cabinet shall provide for the criteria to identify the country where the goods were wholly obtained or underwent their last substantial transformation.

## **Section 13. Submission of Documents to the Customs Authority**

(1) The submission and signing of the documents and information referred to in Article 6(1) of Regulation No 952/2013 (hereinafter – the documents) shall be ensured in the Electronic Declaration System of the State Revenue Service.

(2) Upon submitting and signing the documents electronically, the means of personal electronic identification used in the Electronic Declaration System of the State Revenue Service shall be regarded as the substitute for the personal signature of the person.

(3) A document which has been submitted electronically shall be considered to be signed at the moment of submission thereof and such document shall have legal effect also if it does not include the detail “signature”.

(4) An export and transit declaration may be completed in English if the declared export customs authority, transit customs authority, or customs authority of destination is the customs authority of another Member State of the European Union or the national customs authority of common transit.

(5) The customs declaration may be completed either in English or Russian, if it is provided for in international treaties.

(6) The customs declaration may be completed in English by applying centralised customs clearance.

(7) The Cabinet shall determine the procedures by which persons who submit documents electronically shall be identified in the Electronic Declaration System of the State Revenue Service.

#### **Section 14. Customs Control**

(1) Customs control in the entire customs territory of the Republic of Latvia is performed by a customs official.

(2) The Cabinet shall determine:

1) [7 June 2018];

2) the procedures by which the measures of customs control for the protection of intellectual property rights shall be implemented, as well as the obligations of the recipient of the decision by which the request for the customs authority to deal with goods suspected of infringing the intellectual property rights is approved in the process of implementing the measures of customs control, and the procedures by which expenses for the storage and destruction of goods suspended for release or seized shall be covered, and determine the amount of such expenses;

3) the procedures by which a customs official shall detain a road vehicle in the customs territory of the Republic of Latvia for the performance of customs control and shall transport the road vehicle to the customs authority for the performance of customs control;

4) the technical requirements for the means of the identification of goods, as well as the procedures for the use thereof.

[23 November 2016; 7 June 2018]

#### **Section 15. Search of a Person**

(1) In order to make sure that a person does not carry any goods subject to customs clearance or prohibited goods, or undeclared cash, or goods subject to prohibitions or restrictions, a customs official is entitled, in the course of the customs control, to search a person, performing an inspection over clothing of the person and by touching the person. The person shall be searched by a customs official of the same gender.

(2) A minor person who crosses the customs border shall be searched in the presence of his or her legal representative or in the presence of another person who accompanies the minor person when crossing the customs border if there are the respective persons.

#### **Section 16. Inspection of a Person**

(1) A person may be inspected if there are sufficient grounds to believe that this person is hiding goods, objects subject to customs clearance, or undeclared cash, or goods, objects, or substances the movement of which across the State border is prohibited, or if there are any suspicions that the person has swallowed goods subject to customs clearance or prohibited substances or such have been placed into the body thereof, thereby violating the laws and regulations in the field of customs.

(2) The decision to inspect a person shall be taken by the customs official authorised by the Director General of the State Revenue Service.

(3) The given name, surname, and position of the customs official who will inspect the person, as well as the grounds for inspecting the person shall be indicated in the decision to inspect the person.

(4) If the inspection is related to the inspection of open cavities of the body of the person and to the medical inspection of the body of the person, such inspection may only be performed by a medical practitioner at a medical treatment institution.

## **Section 17. Procedures for the Inspection of a Person**

(1) An inspection of a person shall be performed by a customs official specified in the decision to inspect a person who is of the same gender as the person subject to the inspection. The inspection shall be performed in a room intended for such purpose and it shall conform to the sanitary and hygiene requirements.

(2) Prior to inspection of the person, the customs official shall:

1) acquaint the person with the decision to inspect the person;  
2) acquaint the person with his or her rights and obligations which are related to the inspection of the person:

a) the person has the right to submit comments and complaints regarding the course of the inspection of the person;

b) the person has an obligation to execute the decisions, orders given, or requirements set forth by the customs official;

3) offer the person to voluntarily declare hidden goods, objects subject to customs clearance, or undeclared cash, or goods, objects, or substances the movement of which across the State border is prohibited.

(3) An inspection of a minor person shall be performed in the presence of his or her legal representative or in the presence of another person who accompanies the minor person when crossing the customs border, if the respective persons are of the same gender as the minor person subject to the inspection. If the minor person crosses the customs border alone or the person who accompanies the minor person when crossing the customs border is of the opposite gender, the inspection of the minor person shall be performed by a medical practitioner in the presence of the customs official who is of the same gender as the minor person subject to the inspection.

## **Section 18. Protocol of an Inspection of a Person**

(1) A protocol of an inspection of a person shall be drawn up in two copies regarding each inspection of a person. One copy of the protocol of the inspection of the person shall remain at the customs authority, whereas the other copy shall be handed over to the person subject to the inspection.

(2) All activities of the person who performed the inspection in such order and way as they were performed, as well as that ascertained during the inspection of the person shall be entered in the protocol of the inspection of the person. All objects, goods, and undeclared cash or goods, objects, or substances the movement of which across the State border is prohibited which were found during the inspection of the person shall be indicated in the protocol of the inspection of the person, indicating the name and quantity (number or weight) thereof.

(3) The protocol of the inspection of the person shall be signed by:

1) the customs official who performed the inspection of the person;

2) the person subject to the inspection;

3) the medical practitioner (if the inspection is related to the medical inspection of the open cavities of the body of the person and the body of the person);

4) if a minor person is subject to an inspection – the legal representative or another person who accompanies the minor person when crossing the customs border, or the medical practitioner.

(4) If the person subject to the inspection refuses to sign the protocol of the inspection of the person, the customs official who performed the inspection of the respective person shall note this in the protocol of the inspection of the person.

(5) The person subject to the inspection has the right to enter notes and complaints regarding the course of the inspection in the protocol of the inspection of the person.

## **Section 19. Completion of Customs Clearance after Control Conducted by Another State Administration Institution**

Customs clearance of goods shall be completed only after their mandatory veterinary, phytosanitary, or other control provided for in laws and regulations.

## **Section 20. Handling of Goods by the Customs Authority in Special Cases**

(1) In the cases referred to in Article 198(1)(a), (b)(i) and (iv), and (c) of Regulation No 952/2013, the customs authority, in accordance with the procedures laid down in this Article, shall seize the goods until the moment when their condition is settled at customs in accordance with the laws and regulations in the field of customs in relation to the goods. The customs authority is entitled to move the seized goods, requesting the person referred to in Paragraph two of this Section to cover the costs incurred as a result of moving the seized goods or requiring the abovementioned person to move the goods to a special place under supervision of the customs authority.

(2) Customs authorities shall issue a written notification regarding the seizure of goods at the moment of seizure thereof to the declarant, the owner of the goods, or the person who has similar rights to handle the goods, or their representatives, or any other person who holds the goods subject to seizure. In the notification the customs authority shall indicate the reasons for the seizure of the goods, the instructions of the customs authority which must be conformed to in order to settle the condition of the goods subject to seizure at customs, and the deadline for conforming to the instructions referred to in the notification. If the laws and regulations in the field of customs do not provide for another deadline, the deadline for conforming to the instructions of the customs authority specified in the notification may not be less than 30 days and more than 90 days.

(3) If it is impossible to issue the notification referred to in Paragraph two of this Section at the moment of the seizure of the goods, the customs authority shall, on the next working day after seizure of the goods, send the notification to the person referred to in Paragraph two of this Section by a registered postal consignment or to the electronic mail specified by the respective person.

(4) The customs authority shall immediately release the seized goods, if the person referred to in Paragraph two of this Section has complied with the instructions of the customs authority within the abovementioned deadline or the customs authority has taken a decision whereby the re-export of the goods from the customs territory or destruction of the goods under supervision of customs is permitted, or it is decided to abandon the goods to the State in accordance with the laws and regulations in the field of customs.

## **Section 21. Provision of a Service at Customs Control Points**

(1) A place for the provision of a service may be leased out in the territory of the customs control point of the State immovable property to a person who provides services related to ensuring availability of services for persons who stay in the territory of the customs control point.

(2) Only if the necessary customs clearance and insurance or insurance intermediary services are ensured at the respective customs control point, ensuring competition between service providers to the extent possible, the place for the provision of services in the territory of the customs control point of the State immovable property may be also leased out to other services.

(3) The Cabinet shall determine the procedures by which a place for the provision of services shall be leased out in the territory of the customs control point of the State immovable property, ensuring competition between service providers to the extent possible, the methodology for



determining the lease payment and exceptions thereof, as well as the standard provisions of lease contracts.

[23 November 2016]

## **Section 22. Guaranteeing Association**

(1) The Cabinet shall approve the guaranteeing association in the Republic of Latvia which conforms to the conditions laid down in Article 1(q), as well as Article 6 and Part I of Annex 9 to Customs Convention on the International Transport of Goods under Cover of TIR Carnets of 14 November 1975 (hereinafter – the TIR Convention of 1975) and which is a member of the international organisation specified in Article 6(2bis) of the TIR Convention of 1975.

(1<sup>1</sup>) The State Revenue Service shall be the competent authority in the Republic of Latvia provided for in paragraph 1(d) of Part I of Annex 9 to the TIR Convention of 1975.

(2) The guaranteeing association of the Republic of Latvia shall issue the authorisation of the TIR carnet holder.

(3) The Cabinet shall determine the procedures by which the authorisation of the TIR carnet holder shall be issued, amended, suspended, renewed, and annulled.

(4) The Cabinet shall determine the procedures by which the State Revenue Service and the guaranteeing association shall perform the attestation of the road vehicles and containers for the transport of goods under customs seals specified in Articles 12 and 13 of the TIR Convention of 1975, the approval of the certificate of approval of a road vehicle, and the renewal of the validity of the certificate of approval of a road vehicle.

[7 June 2018 / Paragraph four shall come into force from 1 December 2018. See Paragraph 11 of Transitional Provisions]

## **Section 23. Simplification of TIR Procedure – Authorised Consignor in TIR Procedure**

(1) An authorisation of an authorised consignor under the TIR procedure shall be an authorisation granted by the State Revenue Service which permits the holder of the authorisation to apply the TIR procedure without presenting the goods, road vehicle, and TIR carnet to the customs office of departure.

(2) The Cabinet shall determine the procedures by which an authorisation of an authorised consignor under the TIR procedure shall be issued, amended, suspended, renewed, and annulled, as well as the procedures for the use of the authorisation.

## **Section 24. Duty-free Shop**

(1) A duty-free shop is any sales point located at the border crossing points of the Republic of Latvia stipulated by the Cabinet at international airports beyond the customs control and security control points and at international seaports beyond the customs control, border control, and security control points.

(2) Such goods are sold at a duty-free shop by applying an exemption from the customs duty and other taxes provided for in laws and regulations to persons who depart from the customs territory of the European Union.

(3) If non-Union goods are sold at a duty-free shop, the duty-free shop shall concurrently be a private custom warehouse.

(4) The number of the departure document of a natural person leaving the Republic of Latvia and the name of such airport or seaport to which the person is travelling shall be registered in the electronic cash register check which certifies the purchase.

## **Section 25. Authorisations, Certificates, Powers of Attorney, Statutes and Approvals for the Performance of Customs Clearance Operations**

(1) The State Revenue Service shall issue the authorisations, certificates, powers of attorney, and approvals specified in the laws and regulations in the field of customs, necessary for ensuring customs clearance operations, and shall grant respective statuses.

(2) The Cabinet shall determine:

1) the procedures by which the authorisations, certificates, statutes, powers of attorney, and approvals referred to in Paragraph one of this Section shall be issued, amended, suspended, renewed, annulled, and revoked;

2) certain issues regarding simplified declaration, entry of data in the declarant's records and the status of an authorised consignor and authorised consignee;

3) the procedures by which liabilities after annulment of the authorisation for customs warehouse operations shall be fulfilled;

4) the procedures by which a temporary storage declaration shall be issued, as well as the procedures for recording the goods in temporary storage and the procedures by which the goods in temporary storage shall be moved between various temporary storage places.

*[7 June 2018 / Amendments to Clause 1 of Paragraph two in respect of the replacement of the words "renewed and annulled" with the words "renewed, annulled, and revoked" shall come into force on 1 December 2018. See Paragraph 11 of Transitional Provisions]*

## **Section 26. Guarantee for Ensuring the Debt of Customs Charges**

(1) A guarantee for the debt of customs charges shall be requested by the customs authority in customs clearance of goods in such cases where the debt of customs charges occurs or could occur.

(2) The Cabinet shall determine:

1) the procedures for issuing, granting, applying, suspending, renewing, and annulling the guarantee for the debt of customs charges;

2) the procedures for determining, recording, and release of the guarantee for the debt of customs charges;

3) the procedures for applying the guarantee waiver referred to in Article 89(9) of Regulation No 952/2013;

4) the procedures by which the status of a guarantor shall be obtained within the meaning of the directly applicable laws and regulations of the European Union in the field of customs, and the rights and obligations of a guarantor;

5) the procedures for deferring the deadline for the payment of the debt of customs charges and for the control and accounting of the payment of the deferred debt of customs charges;

6) the procedures by which a deposit shall be paid, repaid, and transferred into the State budget.

## **Section 27. Administration of the Funds Transferred into the Account of the Deposited Financial Resources of the State Revenue Service**

(1) Customs charges for the release of the goods into free circulation may be paid in advance by a person into the account of the deposited financial resources of the State Revenue Service.

(2) Payments accrued in the account of the deposited financial resources of the State Revenue Service, on the basis of an application of a person, shall be reimbursed or redirected to cover other tax payments in the period of three years from the date of the payment.

(3) The payments accrued in the account of the deposited financial resources of the State Revenue Service and settled more than three years ago are transferred into the revenue account of the State budget in the following cases:

1) a natural person has deceased;  
2) a legal person has been liquidated (excluded from the registers of the Enterprise Register);

3) a person has not provided any information regarding payment details within three years since the date on which the State Revenue Service notified the decision to repay the deposit paid into the account of the deposited financial resources of the State Revenue Service;

4) a person has not provided any information regarding payment details within three years since the date on which a payment which has not been used for ensuring the customs procedure has been made into the account of the deposited financial resources of the State Revenue Service.

(4) The Cabinet shall determine the procedures by which customs charges paid into the account of the deposited financial resources of the State Revenue Service shall be administered.

## **Section 28. Condition Regarding Serious, Repeated and Minor Customs or Tax Rules Infringements and Application Thereof in the Field of Customs**

(1) The State Revenue Service, upon applying Regulation No 952/2013, Regulation No 2015/2446, Commission Implementing Regulation (EU) No 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code and the TIR Convention of 1975, shall consider the following as a serious customs or tax rules infringement:

1) an infringement for which a person has been administratively sanctioned due to a tax rules infringement as a result of which the debt of the customs duty and related payments specified in accordance with Article 79 or Article 82 of Regulation No 952/2013 for an additional payment into the State budget exceeds EUR 10 000 or the debt of the value added tax or excise duty exceeds EUR 20 000;

2) an infringement for which the founder of a commercial company or an official of a commercial company with the right to represent the commercial company in accordance with the procedures laid down in the law has been found guilty of a criminal offence regarding smuggling, regarding movement of such goods and substances across the State border of the Republic of Latvia the movement of which is prohibited or subject to special regulation, regarding actions with goods subject to customs clearance or other valuables, regarding prohibited entrepreneurship, entrepreneurship without registration, and without an authorisation (licence), or regarding evasion from the payment of taxes and equivalent payments;

3) an infringement which has been established during the check carried out by the State Revenue Service as a result of which the sum of taxes specified for an additional payment into the State budget exceeds six per cent of the turnover in the respective reporting year of the person and is not less than EUR 10 000;

4) an infringement for which for which a person has been administratively sanctioned due to import, export, movement, or transit rules infringement related to the goods of strategic significance in the following cases:

a) goods of strategic significance are moved to a country subject to international sanctions;

b) goods referred to in Annex to this Law are moved.

(2) Upon applying the laws and regulations in the field of customs referred to in the introductory part of Paragraph one of this Section, substantially identical infringements in the field of customs for which the total sum of fines imposed on the person over a period of one year

exceeds 60 per cent of the maximally applicable fine for such infringement shall be regarded as a repeated customs rules infringement.

(3) Upon applying the laws and regulations in the field of customs referred to in the introductory part of Paragraph one of this Section, a recurrent infringement of tax laws shall be determined in accordance with Section 32.<sup>4</sup> of the law On Taxes and Duties.

(4) Upon applying the laws and regulations in the field of customs referred to in the introductory part of Paragraph one of this Section, the following infringements are regarded as minor customs or tax rules infringements:

1) an infringement which does not exceed the limit values referred to in Paragraph one, Clause 1 or 3 of this Section and which has been committed once during the evaluation period (accordingly – 12 months with regard to the infringements referred to in Paragraph one, Clause 1 of this Section and three years with regard to the infringements referred to in Paragraph one, Clause 3 of this Section);

2) an infringement which the person has discovered prior to the check carried out by the State Revenue Service and immediately notified to the State Revenue Service, taking the necessary measures to prevent the consequences of such infringement;

3) any incidental errors which have been made by a person once when filling in the customs declaration, provided that the correctness of the debt calculation of the paid or payable customs charges has not been impacted by the abovementioned errors;

4) an infringement of the application of a customs procedure, if the performance of the customs procedure is not affected significantly due to such infringement.

(5) Upon applying the laws and regulations in the field of customs referred to in the introductory part of Paragraph one of this Section, the State Revenue Service has the right to request and receive free of charge from the Punishment Register information regarding the previous criminal record of persons with regard to criminal offences committed in the field of national economy.

*[7 June 2018 / Paragraph four shall come into force from 2 May 2019. See Paragraph 6 of Transitional Provisions]*

## **Section 29. Administrative Offences in the Field of Customs**

(1) For the failure to lodge the entry summary declaration referred to in Article 127 of Regulation No 952/2013 within the specified time limit, a warning or a fine of up to fifty units of fine shall be imposed on a carrier – legal or natural person.

(2) For the failure to fulfil the obligation referred to in Article 133 of Regulation No 952/2013 to notify of the arrival of a sea-going vessel or of an aircraft, a warning or a fine of up to fifty units of fine shall be imposed on the operator of a sea-going vessel or of an aircraft – legal or natural person.

(3) For submitting false information or documents to a customs authority in the cases referred to in Articles 15 and 163 of Regulation No 952/2013, a warning or fine of up to one hundred and fifty units of fine shall be imposed on the submitter – legal or natural person.

(4) For not keeping the documents necessary for the performance of customs control for the time period laid down in Article 51 of Regulation No 952/2013, a warning or a fine of up to one hundred and fifty units of fine shall be imposed on the person responsible for keeping the abovementioned documents – legal or natural person.

(5) For violating Article 140 of Regulation No 952/2013 by unloading goods subject to clearance from the vehicle of a carrier without the authorisation of the customs authority or in places not specified or approved by the customs authority, a warning or a fine of up to one hundred and fifty units of fine shall be imposed on the carrier – legal or natural person.

(6) For violating Article 147(1) of Regulation No 952/2013 by storing goods in temporary storage outside the place for temporary storage or, in the relevant cases, outside another place indicated or approved by customs authorities, a warning or fine of up to one hundred and fifty

units of fine shall be imposed on the holder of the authorisation for the operation of the temporary storage place or person storing the goods – legal or natural person.

(7) For the unlawful removal or damaging of the means of identification referred to in Article 192 of Regulation No 951/2013 that are affixed to the goods, packaging or means of transport, a warning or fine of up to one hundred and fifty units of fine shall be imposed on the person responsible for keeping the means of identification – legal or natural person.

(8) For the failure to convey the goods specified in Article 135 of Regulation No 952/2013 that have been brought into the customs territory of the Union from a third country by the route specified by the customs authorities in accordance with the instructions thereof, if any, to the customs office designated by the customs authorities, or to any other place designated or approved by customs authorities, or into a free zone, a warning or a fine of up to one hundred and fifty units of fine shall be imposed on the person who has assumed liability for the carriage of goods – legal or natural person.

(9) For violating the provisions of Article 233(3) of Regulation No 952/2013 for the movement of goods under the Union transit procedure by not presenting intact goods at the customs authority of destination within the prescribed time-limit and in compliance with the measures taken by the customs authorities to ensure their identification, a warning or a fine of up to one hundred and fifty units of fine shall be imposed on the carrier or recipient of goods who accepts goods – legal or natural person.

(10) For the temporary storage of the non-Union goods specified in Article 149 of Regulation No 952/2013 without placing them under the customs procedure or for not re-exporting such goods within 90 days, a warning or a fine of up to one hundred and fifty units of fine shall be imposed on the person who submitted the temporary storage declaration – legal or natural person.

(11) For violating the provisions of Article 214(1) of Regulation No 952/2013 for the keeping of records on goods in a form approved by the customs authorities, a warning or a fine of up to one hundred and fifty units of fine shall be imposed on the holder of the authorisation, the holder of the procedure, or the person carrying on an activity involving the storage, working or processing of goods, or the sale or purchase of goods in free zone – legal or natural person.

(12) For violating Article 242 of Regulation No 952/2013 by failing to fulfil the obligations imposed on the storage of goods in accordance with the customs warehousing procedure or by failing to ensure that the goods under the customs warehousing procedure are not removed from customs supervision, a warning or a fine of up to one hundred and fifty units of fine shall be imposed on the holder of the authorisation and the holder of the procedure – legal or natural person.

(13) For bringing goods under customs clearance into the customs territory of the Republic of Latvia from a third country or exporting them from the customs territory of the Republic of Latvia to a third country without presenting them to the customs authorities in accordance with Articles 139, 245 and 267 of Regulation No 952/2013 or conveyance to a customs authority, or another unlawful manner, a warning or a fine of up to four hundred units of fine shall be imposed on a natural person, but on a legal person – a warning or a fine of up to eight hundred units of fine.

(14) For the storage or movement of such goods under customs clearance which have been brought into the Union customs territory without conveying them to a customs authority or presenting them to the customs authorities in accordance with Articles 139 or 245 of Regulation No 952/2013 within the customs territory of the Republic of Latvia, a warning or a fine of up to four hundred units of fine shall be imposed on a natural person, but on a legal person – a warning or a fine of up to eight hundred units of fine.

(15) For declaring such goods on which prohibitions and restrictions have been imposed or counterfeit or pirated goods for the customs procedure “release for free circulation”, a warning or a fine of up to four hundred units of fine shall be imposed on the declarant – natural person – , but on the declarant – legal person – a warning or a fine of up to eight hundred units of fine.

[17 October 2019 / Section shall come into force on 1 July 2020. See Paragraph 12 of Transitional Provisions]

### **Section 30. Competence within the Administrative Offence Proceedings**

(1) Administrative offence proceedings for the offences referred to in Section 29 of this Law shall be conducted by the State Revenue Service.

(2) Administrative offence proceedings for the offences referred to in Section 29, Paragraphs thirteen and fourteen of this Law outside border crossing points and at such border crossing points where customs control is not carried out shall be initiated by the State Border Guard.

[17 October 2019 / Section shall come into force on 1 July 2020. See Paragraph 12 of Transitional Provisions]

### **Transitional Provisions**

1. The Customs Law (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 2004, No. 9; 2005, No. 13; 2006, No. 24; 2008, No. 14; *Latvijas Vēstnesis*, 2010, No. 99; 2011, No. 88; 2013, No. 187; 2014, No. 123), is repealed with the coming into force of this Law.

2. Until the day of coming into force of the relevant Cabinet laws and regulations, but not later than by 30 December 2016, the following Cabinet regulations shall be applicable:

1) Cabinet Regulation No. 669 of 6 September 2005, Procedures by which Customs Authorities shall Ensure Conformity with the Requirements of the Kimberley Process Certification Scheme;

2) Cabinet Regulation No. 774 of 18 October 2005, Regulations Regarding the State Fee for the Services Provided by Customs Authorities;

3) Cabinet Regulation No. 957 of 20 December 2005, Procedures by which the Imported Goods of Budget Institutions and Public Benefit Organisations shall be Released from Import Duty;

4) Cabinet Regulation No. 98 of 31 January 2006, Procedures for Application of Customs Arrangement – Export – on Agricultural Products that Qualify for Export Refunds;

5) Cabinet Regulation No. 239 of 10 April 2007, Procedures for Issuing the Certificates for Non-preferential Origin of Goods and Verification of the Issued Certificates;

6) Cabinet Regulation No. 359 of 29 May 2007, Procedures for Granting the Status of an Authorised Weigher of Fresh Bananas and for Issuing a Permit for Weighing of Fresh Bananas to a Merchant;

7) Cabinet Regulation No. 556 of 14 August 2007, Regulations Regarding Admissible Norms of Losses in the Process of Reloading, Movement and Storage of Goods;

8) Cabinet Regulation No. 810 of 29 September 2008, Procedures for the Submission of Applications Regarding the Revocation of Customs Duty and Application of Quotas, as well as for Preparation of Rejections in Relation to Applications Submitted by Other European Union Member States Regarding Revocation of Customs Duty and Application of Quotas;

9) Cabinet Regulation No. 249 of 16 March 2010, Customs Procedures for the Supplying of Ships and Aircraft;

10) Cabinet Regulation No. 333 of 6 April 2010, Regulations Regarding the Single Economic Operator Registration and Identification Number of the European Union;

11) Cabinet Regulation No. 876 of 21 September 2010, Regulations Regarding the Notification and Administration of European Union Tariff Quotas;

12) Cabinet Regulation No. 1154 of 21 December 2010, Regulations Regarding the Procedures for the Lease of Place for Commercial Activities in the State Immovable Property within the Territory of a Customs Control Point and Standard Conditions of the Lease Contract;

13) Cabinet Regulation No. 731 of 27 September 2011, Regulations Regarding the National Codes of the United Unity Tariff (TARIC) for Excise Goods and the Procedures for the Application Thereof;

14) Cabinet Regulation No. 1108 of 15 October 2013, Procedures for Electronic Submission of the Declarations Specified in the Laws and Regulations in the Field of Customs upon the Customs Clearance of Goods;

15) Cabinet Regulation No. 1411 of 10 December 2013, Regulations Regarding Columns to be Completed Additionally in the Customs Declaration;

16) Cabinet Regulation No. 104 of 24 February 2015, Procedures for the Application of the Amounts of Natural Losses for Certain Liquid Bulk Goods under Customs Supervision;

17) Cabinet Regulation No. 602 of 20 October 2015, Procedures for the Submission of the Re-export Notification of Goods.

[23 November 2016]

2.<sup>1</sup> Until the day of coming into force of the relevant Cabinet laws and regulations, but not later than until 1 August 2017, the following Cabinet regulations shall be applicable:

1) Cabinet Regulation No. 775 of 18 October 2005, Regulations Regarding Customs Security;

2) Cabinet Regulation No. 1004 of 27 December 2005, Regulations Regarding the Detention of Vehicles in the Customs Territory of the Republic of Latvia for the Performance of Customs Control and the Procedures for Transporting the Vehicle to a Customs Authority of the State Revenue Service if Features of Customs Rules Infringement in the Customs Territory of the Republic of Latvia are Discovered;

3) Cabinet Regulation No. 60 of 17 January 2006, Procedures for Recoding of Goods in the Free Zone or Free Warehouse;

4) Cabinet Regulation No. 346 of 2 May 2006, Regulations Regarding Administration of Customs Duty which is Paid as an Advance into the State Revenue Service Deposit Account;

5) Cabinet Regulation No. 431 of 30 May 2006, Procedures for Declaration of Natural Gas and Electricity;

6) Cabinet Regulation No. 506 of 8 June 2010, Procedures for the Issuance of a Permit for the Provision of Regular Ship Transport Services and a Permit for the Application of a Simplified Transit Procedure, when Performing Transport by Sea;

7) Cabinet Regulation No. 507 of 8 June 2010, Procedures by which a Merchant shall be Granted the Status of an Authorised Exporter and Issued an Authorisation to Declare the Origin of Goods Independently;

8) Cabinet Regulation No. 1048 of 16 November 2010, Regulations Regarding a Simplified Declaration and Local Clearance, Status of the Authorised Consignor and Authorised Consignee, Single Authorisation and Certificate of the Authorised Merchant;

9) Cabinet Regulation No. 691 of 6 September 2011, Regulations on the Guarantee for the Tax Debt for the Customs Clearance;

10) Cabinet Regulation No. 1 of 3 January 2012, Procedures for the Control of Certain Excise Goods Carried in Personal Luggage at a Border Crossing Point Set Up on a Motorway;

11) Cabinet Regulation No. 34 of 10 January 2012, Regulations Regarding the Application of the Customs Treatment – Destruction of Goods;

12) Cabinet Regulation No. 601 of 30 September 2014, Temporary Storage Regulations;

13) Cabinet Regulation No. 603 of 30 September 2014, Procedures for the Application of the Customs Procedure – Transit;

14) Cabinet Regulation No. 57 of 3 February 2015, Regulations Regarding the Operation of Customs Warehouses;

15) Cabinet Regulation No. 396 of 14 July 2015, Procedures for the Performance of Customs Control Measures to Protect Intellectual Property Rights.

[23 November 2016]

3. Lease contracts concluded in accordance with Cabinet Regulation No. 1154 of 21 December 2010, Regulations Regarding the Procedures for the Lease of Place for Commercial Activities in the State Immovable Property within the Territory of a Customs Control Point and Standard Conditions of the Lease Contract, shall be in effect until the expiry date indicated in the abovementioned contracts.

4. Tenders started until the day of coming into force of Cabinet regulations referred to in Section 21, Paragraph three of this Law shall be completed and lease contracts shall be concluded in accordance with Cabinet Regulation No. 1154 of 21 December 2010, Regulations Regarding the Procedures for the Lease of Place for Commercial Activities in the State Immovable Property within the Territory of a Customs Control Point and Standard Conditions of the Lease Contract.

5. If the debt of a customs duty has occurred by 30 April 2016 (inclusive), the customs duty arrears shall be calculated in accordance with the provisions and conditions laid down in Article 114 of Regulation No 952/2013.

6. Section 28, Paragraph four of this Law shall come into force on 2 May 2019.

7. Until the day of coming into force of Section 28, Paragraph four of this Law, upon applying the laws and regulations in the field of customs referred to in the introductory part of Paragraph one of this Section, the following infringements shall be regarded as minor customs or tax rules infringements:

1) an infringement which does not exceed the limit values referred to in Clause 1 or 3 of Paragraph one of this Section accordingly and which has been committed twice during the evaluation period (accordingly – 12 months with regard to the infringements referred to in Paragraph one, Clause 1 of this Section and three years with regard to the infringements referred to in Paragraph one, Clause 3 of this Section);

2) an infringement which the person has discovered prior to the check carried out by the State Revenue Service and immediately notified to the State Revenue Service, taking the necessary measures to prevent the consequences of such infringement;

3) any incidental errors which have been made by a person once when filling in the customs declaration, provided that the correctness of the debt calculation of the paid or payable customs charges has not been impacted by the abovementioned errors;

4) an infringement of the application of a customs procedure if the performance of the customs procedure is not affected significantly due to such infringement.

8. Cabinet Regulation No. 21 of 3 January 2017, Procedures for the Control of Certain Excise Goods and the Volume of Fuel in a Commercial Motor Vehicle Required for Motor Vehicle Performance at a Border Crossing Point Set Up on a Motorway, shall be applied until the date of coming into force of the Cabinet regulations referred to in Section 6, Clause 19 of this Law, but not longer than by 30 June 2019, insofar as they are not in contradiction with this Law.

[7 June 2018]

9. Section 6, Paragraph 20 of this Law shall come into force on 1 September 2019.

[7 June 2018]

10. In accordance with Section 22 of this Law the Cabinet shall approve the guaranteeing association in the Republic of Latvia not later than by 1 December 2018. Until the date when, in accordance with Section 22 of this Law, the Cabinet has approved the guaranteeing



association, these duties shall be fulfilled by the association *Autopārvadātāju asociācija "Latvijas auto"*.  
[7 June 2018]

11. Section 22, Paragraph four of this Law, as well as amendments to Section 25, Paragraph two, Clause 1 of this Law in respect of the replacement of the words "renewed and annulled" with the words "renewed, annulled, and revoked" shall come into force on 1 December 2018.  
[7 June 2018]

12. Sections 29 and 30 of this Law shall come into force concurrently with the Law on Administrative Liability.  
[17 October 2019]

This Law has been adopted by the *Saeima* on 2 June 2016.

President

R. Vējonis

Adopted 21 June 2016

## **Goods of Strategic Importance whose Movement Rules Infringement is Considered as a Serious Customs or Tax Rules Infringement**

The State Revenue Service, upon applying Section 28 of this Law, shall recognise such infringement of the legal acts in the field of customs or taxes as serious for which a person has been administratively sanctioned due to import, export, movement, or transit rules infringement related to the goods of strategic significance, moving the following goods:

1. The goods referred to in the Common Military List of the European Union adopted by the Council of Europe, except for:

1) ML1. d. – only optical sights and only those designed for sporting and hunting purposes;

2) ML15. a., b., and c. – photographic and video equipment;

3) ML17. a. – underwater swimming equipment.

2. The goods of the following categories referred to in Annex I to Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items:

1) Category 0 – nuclear materials;

2) Category 1 – all kinds of body armour, chemical weapon detection systems and protective suits, everything related to explosives and chemical substances thereof included in the CWC (precursors of chemical weapons);

3) Category 5 – 5A002 – cryptographic equipment;

4) Category 7 (avionics and navigation);

5) Category 9 (aerospace).

3. The goods of the following categories referred to in the National List of Goods and Services of Strategic Significance stipulated by the Cabinet:

1) 10A901 – rimfire weapons, their parts, accessories and ammunition;

2) 10A902 – aircraft components, equipment and spare parts;

3) 10A906 – night vision monoculars, binoculars and pointing equipment and their components;

4) 10A907 – antipersonnel mines (export of antipersonnel mines is forbidden);

5) 10E902 – military assistance (military assistance includes any technical support related to the production, development, construction, testing and maintenance of military items, as well as any kind of technical services);

6) 10A903 – air guns with energy greater than 12 joules;

7) 10A904 – pyrotechnical devices of classes 2, 3 and 4;

8) 10A905 – tools, equipment and components designed or modified for special clandestine operations;

9) 10D901 – software specially designed or modified for for acquiring the information from computers or other information systems or for the destruction of such information or clandestine change;

10) 10E901 – technology for development, production and use of equipment mentioned in 10A905.