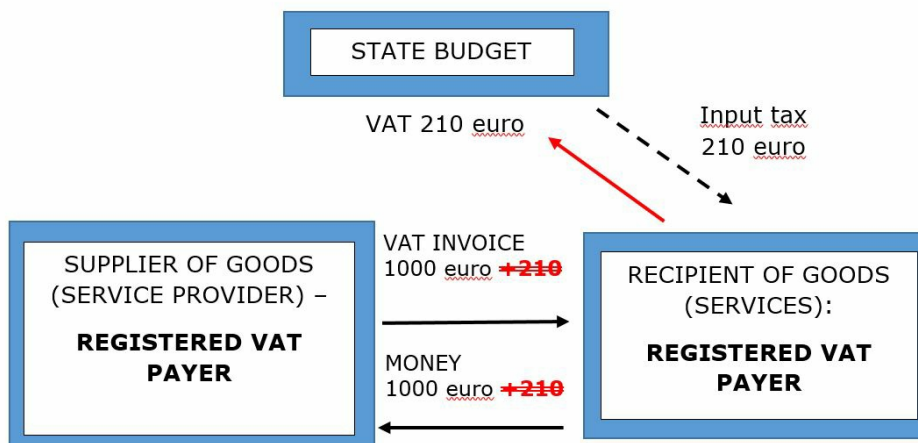


# Reverse VAT charge procedure

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Reverse VAT payment procedures shall be applied to the categories of goods or services specified in the Value Added Tax Law, if the supplier of goods (service provider) and recipient of goods (services) are registered taxpayers and the transaction has been carried out inland.



In the case of reverse VAT charge procedure:

## 1. the supplier of goods (service provider):

issues a VAT invoice to the recipient of goods (services) indicating the value of the goods (services supplied), excluding VAT of EUR 1000 and including a reference to the section of the Value Added Tax Act which provides for this application of this VAT procedure, or to the relevant Article of Council Directive 2006/112/EC of 28 November 2006 on the common system of VAT; includes a transaction value of EUR 1000 in its VAT return.

## 2. the recipient of goods (services):

pays the VAT invoice value of EUR 1000 to the supplier of goods (service provider);

calculates the appropriate VAT amount EUR 210 from the transaction value indicated on the VAT invoice by applying the VAT rate (i.e., EUR 1000 x 21%);

includes the calculated VAT amount in its VAT return as VAT EUR 210 payable to the State budget;

if the purchased goods (services received) are intended for the provision of transactions subject to VAT of the recipient of goods or services, the calculated amount of VAT shall be included in his VAT return as deductible input tax of EUR 210.

[Reverse charge VAT procedures shall apply to the following transactions:](#)

for the supply of timber and related services (Section 141 of the Value Added Tax Law) - from 1 July 1999;

for the supply of scrap metal and related services (Section 143 of the Value Added Tax Law) - from 1 October 2011;

construction services (Section 142 of the Value Added Tax Law) – from 1 January 2012;

for the supply of mobile phones, tablets, laptops and integrated circuit devices (Section 143<sup>1</sup> of the Value Added Tax Law) – from 1 April 2016;

supplies of cereals and technical crops (Section 143.<sup>2</sup> of the Value Added Tax Law) - from 1 July 2016;

for supplies of untreated precious metals, precious metal alloys and metal clad with precious metals (Section 143<sup>3</sup> of the Value Added Tax Law) - from 1 January 2017;

for supplies of game consoles (Section 143.<sup>1</sup> of the Value Added Tax Law) – from 1 January 2018;

for supplies of ferrous and non-ferrous semi-finished metals (Section 143.<sup>4</sup> of the Value Added Tax Law) - from 1 July 2019;

for the supply of metal products and related services (Section 143.<sup>4</sup> of the Value Added Tax Law) - from 1 January 2018 to 30 June 2019;

for the supply of construction products (Section 142 of the Value Added Tax Law) - from 1 January 2018 to 31 December 2019;

for the supply of household electronic equipment and household electrical appliances (Section 143.<sup>5</sup> of the Value Added Tax Law) - from 1 January 2018 to 31 December 2019.

<https://www.fm.gov.lv/en/reverse-vat-charge-procedure>