

LATGALE SPECIAL ECONOMIC ZONE

In accordance with the regulatory policy the status and the tax reliefs of the Latgale Special Economic Zone (LSEZ) can be granted to enterprises that are registered and operate in the Latgale region. Unlike in other special economic zones, **the size and location of the territory** that can be granted the status of LSEZ in each of the municipalities of the Latgale planning region is **not predefined**.

Management of Latgale SEZ is centralized through the Latgale planning region.



Territory of Latgale planning region:

- 19 municipalities
- 2 cities of state significance - Daugavpils and Rēzekne;
- A total of 14 547 sq.km (or 22.52% of the total territory of Latvia) and includes 21 local municipality.

Conditions for support

- Territory is eligible for conducting business in accordance with the territory plan of the municipality.
- After granting the status of LSEZ the territory will positively influence the corresponding local municipality – use the local resources or create new workplaces.
- After granting the status of LSEZ the territory will create an economic return.
- The company is the legal possessor of the corresponding real estate.
- A contract is signed with the Latgale SEZ authority on the investment into the LSEZ territory and a permission to apply the tax relief is received.
- The business is conducted in the territory of LSEZ.

Tax relief:

- 80% relief for company income tax
- 80% relief for property tax

The total amount of tax relief

In accordance with the Commission Regulation (EU) No 651/2014 and the law on Application of Taxes in Free Ports and Special Economic Zones, the direct taxes are the property tax and the corporate income tax. LSEZ companies will receive the direct tax relief from the accumulated amount of investment by applying the maximum allowed support intensity:

- **55%** of the investment costs in tax relief – when the company conforms to category of small or micro company;
- **45%** of the investment costs in tax relief – when the company conforms to category of medium company;
- **35%** of the investment costs in tax relief – when the company conforms to category of large company.

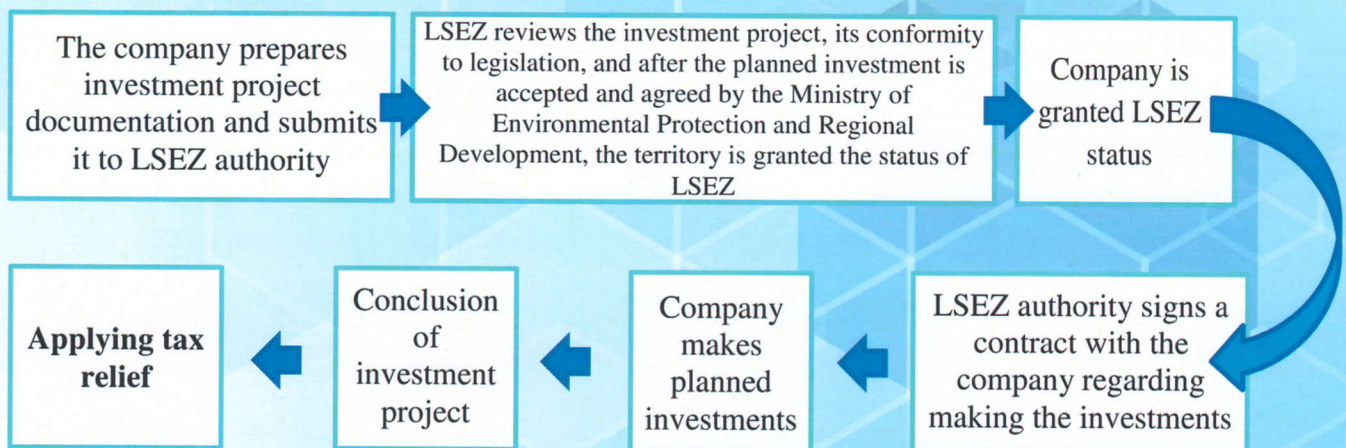
Accepted investment:

- Long-term tangible investments – *buildings, constructions, equipment and machinery*;
- Long-term intangible investments – *costs of acquisition of patents and technology*;
- The assets purchased must be new, except in case of the company conforms to the status of small or medium-sized capital company.

Invest are made in:

- establishment of a new capital company;
- increase in production or service capacity of an existing capital company;
- diversification of the production of an existing capital company with products that have not been previously produced in capital company;
- fundamental change in the production processes of an existing capital company.

The procedure of granting support:



Unsupported sectors:

- Transport sector companies as stated in the article 2 clause 45 of Commission regulation no 651/2014 and transport infrastructure as stated in article 13 part “a” of Commission regulation no 651/2014;
- Companies that produce steel products stated in the article 2 clause 43 of Commission regulation no 651/2014;
- Synthetic fibres sector companies stated in the article 2 clause 44 of Commission regulation no 651/2014;
- Agricultural sector companies stated in the article 2 clauses 9 and 11 of Commission regulation no 651/2014;
- Fishery and aquaculture sector companies stated in the article 1 clause 3 part “a” of Commission regulation no 651/2014;
- Coal production sector companies stated in the article 2 clause 13 of Commission regulation no 651/2014;



More information - <http://www.latgale.lv/lv/lsez>

Contact information of Latgale SEZ authority:
e-mail: lsez@latgale.lv, phone: 26511047.