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## Cabinet of Ministers of the Republic of Latvia

September 24, 1996  
Riga

Regulations No.367  
(Minutes No.47.14)

Regulations on the Procedure of Issuing or Withdrawing Permits issued to Public Organizations (Foundations) and Budgetary Institutions to Receive Donations from donors receiving enterprise income tax reliefs.

Issued in accordance with Article  
20 of the Law on the Enterprise  
Income Tax

1. The present Regulations shall prescribe the procedure for issuing or withdrawing permits to public organizations (foundations) religious organizations and budgetary institutions to receive donations from donors who shall be granted enterprise income tax reliefs (hereinafter permits).
2. The Ministry of Finance shall issue or withdraw permits to public cultural, educational, research, sports, charity, health and environment protection organizations (foundations) and religious organizations (hereinafter — organizations) as well as permits with the indication to specific areas of activities.
3. Budgetary institutions shall be allowed to accept donations according to the procedure prescribed by Sections 23, 24 and 25 of the present Regulations.
4. The Ministry of Finance shall issue the permit to the organization in a written form. The permit shall be registered receiving a number according to the sequence of issue.
5. The permit shall be issued for the current taxation year with the right to prolong it for each successive taxation year provided the requirements of Section 17 of the present Regulations have been observed.
6. The branch of the State Revenue Service shall put a mark on the permit indicating its prolongation in accordance with the statement of the Ministry of Finance after the receipt of the copy of the organization's declaration on its financial activities and its publication mentioned in Section 7.7. of the present Regulations.
7. The Ministry of Finance shall review the issue of granting the permit to the respective organization if the following documents have been submitted to the Ministry of Finance by November 1 of the taxation year:

- 7.1. an application indicating the credit institution and the account number for transfer donations;
  - 7.2. a copy of the registration certificate verified by a notary. A copy of the registration certificate if the original registration certificate is presented at the submission of documents;
  - 7.3. a copy of the charter verified by a notary;
  - 7.4. a copy of the minutes of the general meeting, congress or conference or any other document on the foundation of the public organization which would contain information on the founders if the charter does not contain such information.
  - 7.5. a declaration on the financial activities in the year preceding taxation.
  - 7.6. an account on the amount of donations received in the year preceding taxation, on donors and the use of donations;
  - 7.7. a copy of the publication of the account mentioned in Section 7.6 of the present Regulations indicating when it was published in the official newspaper "Latvijas Vēstnesis" or any other republican newspaper.
  - 7.8. a recommendation of a state administrative institution in charge of the respective area of activities (at the request of the Ministry of Finance) if the said organization has been registered during the taxation year or the activities conducted in the year preceding taxation are not reflected in documents mentioned in Sections 7.5. and 7.6. and the documents do not give a clear notion on the correspondence of the organization's activities to objectives and tasks given in the charter.
8. Religions organizations shall submit documents mentioned in Sections 7.5. and 7.6. following the same procedure as prescribed for the submission of declarations on financial activities by public organizations and their associations.
  9. The Ministry of Finance shall accept the organization's application for the issue of the permit for the taxation year if the organization has been registered with the registration institutions at the Ministry of Justice by September 1 of the taxation year.
  10. The organization which has not amended its charter during the year preceding taxation shall submit documents listed in Sections 7.5., 7.6., 7.7. and 7.8. together with the application on prolonging the permit's term of validity, giving all the requisites required by Section 7.1. of the present Regulations to the district office of the State Revenue Service where it has been registered as a tax payer.
  11. The organization which has amended its charter during the year preceding taxation shall submit the copy of amendments to the charter registered at

the registration institution at the Ministry of Justice, verified by a notary or a copy of the amended charter including all the amendments made during the year preceding the taxation and verified by a notary instead of the document mentioned in Section 7.3. the permit's together with the application on prolonging term of validity to the district office of the state revenue Service where it has been registered as a tax payer. In this case documents listed in Sections 7.2 and 7.4 shall not be submitted.

12. An organization registered by the registration institution at the Ministry of Justice within the term given Section 9 of the present Regulations desiring to receive the permit mentioned in Section 1 of the present Regulations for the current taxation year shall submit instead of the document mentioned in Section 7.5 a reference from the State Revenue Service district office certifying that the said organization has been registered by the State Revenue Service as a tax-payer. In this case documents mentioned Sections 7.6 and 7.6 shall not be submitted.
13. In the eventuality of having lost the permit the organization shall submit a application requesting the issuance of the permit's duplicate to the Ministry of Finance.
14. The organization which has been issued the permit with specified types of activities mentioned in Section 2 of the present Regulations shall have the right to receive only special-purpose donations.
15. The organization shall draw up a statement of acceptance for donations received in the form of items or services (gifts) indicating the number if items or services, quality indicators as well as the value of the donation in fiscal terms and shall record the said material values in accordance with requirements on accountancy records.
16. Donations in cash and transfer donations shall be paid only into the bank account indicated in the application.
17. The Ministry of Finance shall take the decision on prolonging the permit taking into consideration if:
  - 17.1. the declaration of financial activities has been submitted within the term prescribed by the Law on Public Organizations and their Associations (for public organizations) and by the Law on Religious Organizations (for religious organizations).
  - 17.2. the report mentioned in Section 7.6. of the present Regulations has been published within the term prescribed by Article 20 of the "Law On Enterprise Income Tax";

- 17.3. documents listed in Section 11 of the present Regulations have been submitted within the terms prescribed by laws mentioned in Section 17.1.
  - 17.4. objectives and types of activities of the organization have not been altered to the extent that they do not correspond to the types of activities listed in Article 20 of the Law on Enterprise Income Tax;
  - 17.5. the prolongation of the permit's term of validity (at the request of the Ministry of Finance) is supported by the state administrative institution supervising the respective area of activity if the activities performed during the year preceding taxation are not reflected in documents submitted by the said organization in accordance with Sections 7.5. and 7.6. of the present Regulations as well as if the said documents fail to present a clear notion about the correspondence of the organization's activities to objectives and tasks defined in its Charter.
  - 17.6. the statement of the State Revenue Service on the use of donated resources for objectives defined by the charter has been received, ~~an stating~~ the correspondence of the actual use to the published information on the use of resources has been stated,
  - 17.7. there are violations of normative acts, for example — failure to pay taxes in due time.
18. The Ministry of Finance shall notify the State Revenue Service district office where the organization has been registered as a taxpayer about its decision to prolong or not to prolong the validity term of the permit for the respective organization within 10 days from the date when the decision has been taken. The State Revenue Service office branch shall put a mark on the permit issued to the organization about its invalidity or the prolongation of its term of validity on the basis of the decision of the Ministry of Finance within 3 days from the date when the decision has been received.
  19. The permit issued to an organization shall be annulled without the right to receive a new permit if it has violated the provisions of Sections 17.4. and 17.6. or violations mentioned in Section 17.7. have been discovered.
  20. The Ministry of Finance shall notify the State Revenue Service district office where the organization has been registered as a taxpayer about its decision to annul the permit of the respective organization within 10 days from the date when the decision has been taken. The State Revenue Service district branch shall annul the permit issued to the respective organization on the basis of the decision of the Ministry of Finance within three days from the date when the decision has been received.

21. The organizations if the validity term of its permit has not been prolonged due to its failure to comply with the requirements of Sections 17.1., 17.2. and 17.3. may renew it in the taxation year following the withdrawal (non-prolongation of the term of validity) of the permit by submitting documents mentioned in Sections 7.1., 7.5, 7.6. and 7.7. to the State Revenue Service district office where the said organization has been registered as a tax payer. Documents listed in Sections 7.5., 7.6. and 7.7. shall be submitted for the taxation year during which the permit was withdrawn (not prolonged) as well as for the year preceding it.
22. The Ministry of Finance shall publish the lists of those organizations which have been granted the permit or where the permit has been annulled in the official newspaper "Latvijas Vēstnesis" by December 31 of the taxation year.
23. The procedure of recording and using donations received in cash by budgetary institutions shall be determined by the Regulations of the Cabinet of Ministers No.375, November 28, 1995 on the Special Budget ("Latvijas Vēstnesis", 1995, No.197).
24. Budgetary institutions shall draw up a statement of acceptance for donations received in the form of items or services (gifts) indicating the number of items or services and quality indicators, as well as the value of the donations in fiscal terms and shall record these material values in accordance with the requirements for accountancy records.
25. Budgetary institutions shall submit an account on the total amount of donations and their use to the State Treasury Department in accordance with the sample given in the Supplement to the present Regulations not later than by March 1 of the year following the taxation year as well as publish a report on the amounts of donations received during the year preceding taxation and their use within the term prescribed by Article 20 of the Law on Enterprise Income Tax.
26. To declare Regulations of the Cabinet of Ministers No.70, March 31, 1995, on the Procedure of granting or withdrawing permits to public organizations (foundations) and budgetary institutions to receive donations from donors receiving enterprise income tax reliefs ("Latvijas Vēstnesis", 1995, No.51) invalid.

On behalf of  
Minister President

Z.Čevers

Minister of Finance

A.G.Kreituss

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Name of the budgetary institution, address

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Name of the state or local government administrative institution supervising the given budgetary institution

**Account on the amount of donations received, donors and the use of donations**

**I Donations received in cash**

	Line code	Donation received	
		Amount in Ls	Including amount in currency
Residue in 01.01.199	000		
Donations from legal persons	01		
Ltd	011		
joint-stock companies	012		
individual enterprises	013		
other private enterprises	014		
Donations from natural persons	02		
Donations from state, local government enterprises	03		
state enterprises	031		
local government enterprises	032		
Donations from foreign legal and natural persons	04		
Total amount of donations received	001		

II Donations received in the form of items or services

	Line code	Value in fiscal expression (in lats)	Name, characters of gifts items or services donated	Amount of items on services donated
Residue in 01.01.199	000			
Donations from legal persons	01			
Ltd	011			
joint-stock companies	012			
individual enterprises	013			
other private enterprises	014			
Donations from natural persons	02			
Donations from state, local government enterprises	03			
state enterprises	031			
local government enterprises	032			
Donations from foreign legal and natural persons	04			
Total amount of donations received	001			



## III Use of donations in cash

	Line code	Use of donations	
		Amount in Lats	Amount in currency
Total amount of donations used	001		
General donations, their concrete use	05		
1.....	051		
2.....	052		
3.....	053		
Special purpose donations	06		
1. Programme "....."	061		
2. Programme "....."	062		

## IV Use of donations received in the form of items

Purposes the donations received in the form of items or Services (gifts) have been used for	Line Code	Value in fiscal expression (in Lats)	Name, character of items and services (gifts) donated	Amount of items or Services (gifts) donated
Total amount of the used donations in fiscal expression	07			