State Revenue Service
Republic of Latvia

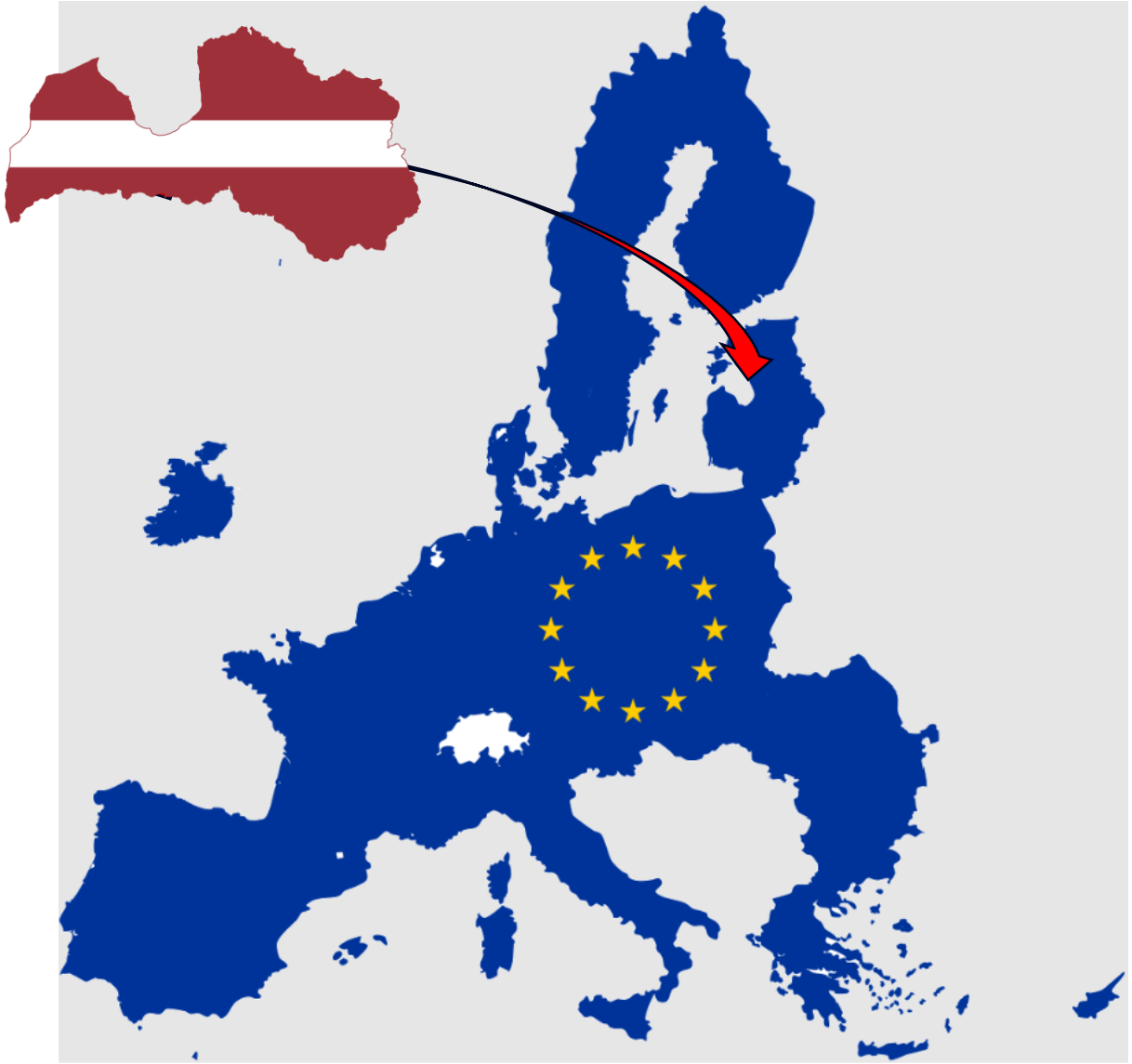
Tax Investigation Case (Latvia)

11.12.2024.

Senior investigator
Matiss Bicevskis

Where is Latvia?

- Member of EU
- Located: Northeastern Europe
- Size: 64,589 km²
- Population: 1,9 million



Most common *tools* used in International Cooperation

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EUROFISC Network

EIO

ARO

Exchange of information (special forms)

MLC

Naples convention

JIT

Operation ADMIRAL2

Over 400 companies in 15 EU Member States

Sold €1.48 billion worth of electronic devices

VAT damage of €297 million

More than 300 searches

36 arrests in Latvia and Lithuania

Over 50 million seized and frozen assets

https://www.eppo.europa.eu/en/media/news/investigation-admiral-20-europes-biggest-vat-fraud-links-to-organised-crime

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Republic of Latvia

Example of investigation case with International cooperation elements

Key aspects of case

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Republic of Latvia

- **LV Company** operates in a field of Building maintenance, Electrical installation, Construction of utility projects for electricity and telecommunications.
- Has around **160** employes.
- Buys necessary goods from companies registered in Latvian Republic and other EU countries. **0% VAT rate is applied** to purchases of goods from the EU.
- Uses the purchased goods to further provide construction and electrical communication services.

Figure 1 - transactions reflected in documents

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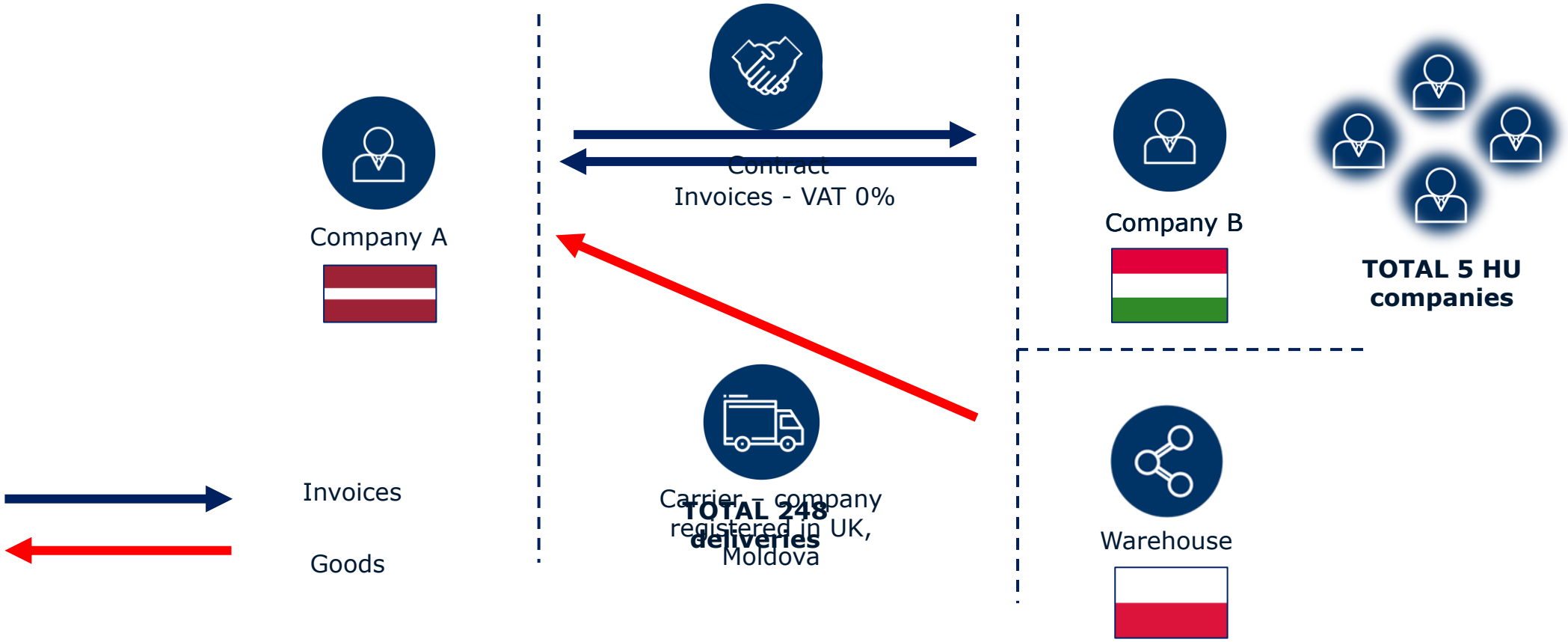

Figure 2 – cash flow

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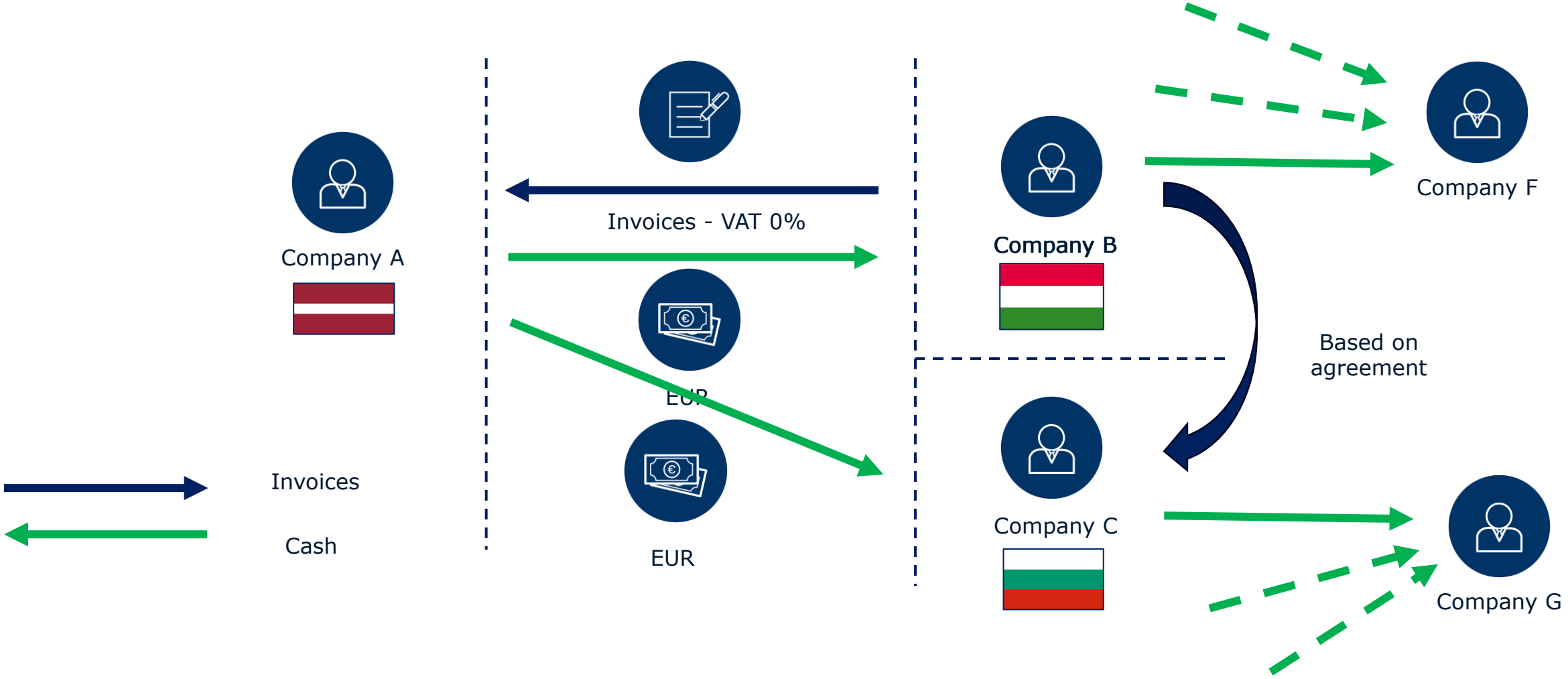

In 2021/2022 LV company paid a total of 1,33 mil EUR for goods that it most likely didn’t receive

Estimated loses – 330 000 EUR

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Thank you for your attention