



## **Changes to VAT cost sharing exemption**

**Country** - Latvia

**Submission Date** - 11/12/2018

Following ECJ decisions C-326/15 and C-605/15, changes to Latvian VAT law regarding cost sharing groups are, in principle, coming into effect on 1 January 2019: VAT exemption will no longer be available to insurance, reinsurance, financial services, gambling or lottery service providers and on service fees exceeding costs, in case that the excess is due to compliance with transfer pricing rules.

We remain at your disposal if you wish further information or analysis.