

Multilateral Instrument (MLI) – Iceland Publishes English Synthesized Text of Iceland-Latvia Treaty

6 July 2023

Report from IBFD Tax Treaties Unit

The government of Iceland recently published the English synthesized text of the [Iceland - Latvia Income and Capital Tax Treaty \(1994\)](#), displaying the modifications made to the treaty by the MLI. The document was prepared jointly by the competent authorities of Iceland and Latvia and represents their shared understanding of the modifications made to the treaty by the MLI.

Iceland and Latvia deposited their instrument of ratification of the MLI on, respectively, 26 September 2019 and 29 October 2019. The MLI therefore entered into force for Iceland on 1 January 2020 and for Latvia on 1 February 2020.

Iceland expanded the application of the Multilateral BEPS Convention on its existing treaties on 14 December 2021 (see [Multilateral Instrument \(MLI\) – Iceland Expands Application of MLI on Existing Treaties \(15 December 2021\)](#)).

Latvia expanded the application of the Multilateral BEPS Convention on its existing treaties on 20 April 2021 (see [Multilateral Instrument \(MLI\) – Latvia Expands Application of MLI on Existing Treaties \(21 April 2021\)](#)).

Unless stated otherwise in the synthesized text, the provisions of the MLI will generally have effect with respect to the [Iceland - Latvia Income and Capital Tax Treaty \(1994\)](#):

In Iceland:

- with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2021; and
- with respect to all other taxes, for taxes levied with respect to taxable periods beginning on or after 1 January 2021.

In Latvia:

- with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2021; and
- with respect to all other taxes, for taxes levied with respect to taxable periods beginning on or after 1 August 2020.

The purpose of the synthesized text is to facilitate the understanding of the application of the MLI but it is not in itself a source of law.

Iceland; Latvia; G20; OECD - Multilateral Instrument (MLI) – Iceland Publishes English Synthesized Text of Iceland-Latvia Treaty (06 July 2023), News IBFD.

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