

Cabinet of Ministers Approves Draft Law on Partial Transposition of Minimum Taxation Directive

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On 30 January 2024, the Cabinet of Ministers approved the draft law aimed at partially transposing the [Minimum Taxation Directive \(2022/2523\)](#) (for previous reporting, see [Ministry of Finance Presents Draft Law on Partial Transposition of Minimum Taxation Directive \(8 December 2023\)](#)).

Previously, Latvia had notified the European Commission of the election to delay the application of the income inclusion rule and undertaxed profits rule for 6 consecutive fiscal years, beginning from 31 December 2023 (for previous reporting, see [Five EU Member States Delay Application of Pillar Two IIR and UTPR \(12 December 2023\)](#)).

Given that Latvia had not communicated national measures transposing the Directive to the European Commission by 31 December 2023, the Commission opened an infringement procedure against Latvia on 25 January 2024 (see [European Commission Opens Infringement Procedure Against Nine Member States Regarding Transposition of Minimum Taxation Directive \(25 January 2024\)](#)).

Further developments will be reported in due course.