

Ministry of Finance Presents Draft Law on Partial Transposition of Minimum Taxation Directive

8 December 2023

Report from Larisa Gerzova, Principal Associate, IBFD

The Ministry of Finance has prepared a draft "Law On Ensuring a Minimum Level of Taxation for Groups of Enterprises" to partially transpose the [Minimum Taxation Directive \(2022/2523\)](#), with effect from 1 January 2024.

The explanatory memorandum clarifies that the draft Law, per article 50 of the Directive, intends to delay applying the Directive for 6 years.

Transposing the Directive directly into national legislation would impose excessive administrative burden and costs compared to potential benefits, the memorandum explains. This is given the limited number of parent entities of enterprise groups registered in Latvia that are within the scope of the Directive.

The draft Law determines the procedure for providing information, so that other constituent entities of multinational groups can comply with the Directive.

Further developments will be reported in due course.