

THE CABINET OF THE REPUBLIC OF LATVIA

25 June 2002
Riga

Regulation No.270
(Protocol Nr.26 34.§)

Procedures for Application of Natural Resources Tax Relief to Undertakings (Companies) Implementing a Voluntary Programme for Management of Packaging Waste

Issued pursuant to Section 16.¹ of the
Law On Natural Resources Tax

1. These Regulations prescribe the procedures for application of natural resources tax (hereinafter – tax) relief to undertakings (companies), which implement a voluntary programme for the management of packaging waste.
2. The voluntary programme for the management of packaging waste (hereinafter – programme) is a complex of measures, which provides for the recovery of packaging waste in a larger amount than specified by the regulatory enactments regarding the norms of recovery of packaging waste.
3. The programme may be implemented by:
 - 3.1. an undertaking (company) – a taxpayer;
 - 3.2. an undertaking (company) established by an undertaking (company) for the implementation of the programme – a taxpayer or by several undertakings (companies) – taxpayers;
 - 3.3. an undertaking (company) with which an undertaking (company) – a taxpayer or several undertakings (companies) – taxpayers have entered into a contract regarding participation in the implementation of the programme.
4. In order to receive the tax relief, an undertaking (company) referred to in Sub-paragraph 3.1 of these Regulations shall submit the following documents to the Ministry of Environmental Protection and Regional Development (hereinafter – Ministry):
 - 4.1. a submission for granting tax relief;
 - 4.2. a programme;
 - 4.3. the contract entered into with the person who performs the collection and processing, or export for processing of packaging waste, or copies of the letters of intent; and
 - 4.4. a statement issued by the territorial office of the State Revenue Service on the payment of taxes.
5. In order to receive tax relief, the undertakings (companies) referred to in Sub-paragraphs 3.2 and 3.3 of these Regulations shall submit the following documents to the Ministry:
 - 5.1. a submission for granting tax relief;
 - 5.2. a programme;
 - 5.3. the contract entered into with the person who performs the collection and processing, or export for processing of packaging waste, or copies of the letters of intent;
 - 5.4. a list of those undertakings (companies) – taxpayers, which have established the relevant undertaking (company) or which have entered into contract with the relevant undertaking (company) regarding the implementation of the programme. The name, the registration number in the Enterprise Register and the legal address of each undertaking (company) – a taxpayer shall be specified in the list; and
 - 5.5. statements of the territorial office of the State Revenue Service regarding the payment of taxes in relation to the undertakings (companies) included in the list referred to in Sub-paragraph 5.4 of these Regulations and the undertakings (companies) referred to in Sub-paragraphs 3.2 and 3.3 of these Regulations.
6. After the receipt of the documents referred to in Paragraphs 4 and 5 of these Regulations the Ministry shall send them to the Packaging Management Council for evaluation. The Council shall within a time period of one month prepare and send to the Ministry a reasoned recommendation on granting tax relief, the amount thereof, types of packaging materials to which tax relief is to be applied and the time period for which the tax relief is to be granted. The Ministry shall take a decision on granting the tax relief or on refusal to grant the tax

relief within a time period of two weeks after the receipt of the recommendation of the Packaging Management Council.

7. The Ministry shall notify the relevant undertaking (company) – a taxpayer – and undertakings (companies) referred to in Sub-paragraphs 3.2 and 3.3 of these Regulations, and the State Revenue Service in writing regarding the decision taken within a time period of one week. The decision shall specify the types of packaging materials to which the tax relief is applicable, and the amount of relief and the time period for which the relief has been granted.

8. The relevant undertaking (company) shall invest the funds obtained from receipt of the tax relief in full in the implementation of the programme in conformity with the time periods for the implementation of particular measures specified in the programme.

9. The decision on the application of tax relief shall come into effect as of the following quarter after the taking of the relevant decision.

10. If an undertaking (company), which pays the tax has received tax relief, when importing goods in the customs territory of the Republic of Latvia for the release for free circulation, the decision of the Ministry regarding the application of tax relief (an original or a copy certified by the Ministry) shall be presented at the customs control point.

11. If any tax debt has arisen to any undertaking (company) referred to in Paragraph 3 of these Regulations during the implementation of the programme, the territorial office of the State Revenue Service shall notify the Ministry thereof not later than within a time period of 10 days after the tax debt has been discovered. The Ministry shall take a decision on the termination of the application of tax relief to an undertaking (company) – a taxpayer – as of the day when any tax debt has arisen and notify the institutions referred to in Paragraph 7 of these Regulations thereof.

12. If tax relief has been granted for a time period exceeding six months, the relevant undertaking (company) shall submit a report to the Ministry on the implementation of the programme during the previous six months by the twenty-fifth date of the following month. The amount of tax relief received and the utilisation thereof by quarters during previous six months shall be separately specified in the report.

13. Not later than six weeks before the end of the time period for the application of tax relief, the relevant undertaking (company) shall submit to the Ministry a detailed report on the course of the implementation of the programme, the amount of tax relief received and the utilisation thereof by quarters. The Ministry shall send the referred to document to the Packaging Management Council for evaluation. Within a time period of three weeks the Council shall prepare and send to the Ministry a reasoned recommendation regarding the continuation of application of the tax relief or, if the obligations included in the relevant programme have not been performed, on the termination of the application of tax relief.

14. Within a time period of two weeks after the receipt of the recommendation of the Packaging Management Council the Ministry shall take a decision on the continuation or termination of the application of tax relief and notify the institutions referred to in Paragraph 7 of these Regulations regarding the decision taken.

15. The relevant undertaking (company) shall submit a full report regarding the implementation of the programme to the Ministry within a time period of a month after the end of the time period for the application of tax relief. The amount of tax relief received and the utilisation thereof by quarters of the reference period shall be separately specified in the report.

16. If an undertaking (company) referred to in Sub-paragraph 3.1 of these Regulations fails to perform the relevant obligations included in the programme, the Ministry shall take a decision on the termination of the application of tax relief and notify the institutions referred to in Paragraph 7 of these Regulations thereof. The State Revenue Service based on the decision of the Ministry shall recover the amount of tax relief granted for the implementation of the programme from the relevant undertaking (company).

17. If any of the undertakings (companies), which implement a joint programme fails to perform the relevant obligations included in the programme, the Ministry shall take a decision on the termination of the application of tax relief to the particular undertaking (company) and notify the institutions referred to in Paragraph 7 of these Regulations thereof. The State Revenue Service based on the decision of the Ministry shall recover the

amount of tax relief granted for the implementation of the programme from the referred to undertaking (company).

18. The amount of the tax relief referred to in Paragraphs 16 and 17 of these Regulations shall be recovered in the amount of programme obligations not performed for a time period from the day when the undertaking (company) has terminated performing the obligations included in the programme until the day when the Ministry has taken a decision on the termination of the application of tax relief. The amount to be recovered shall be specified in the decision.

19. If an undertaking (company) referred to in Sub-paragraphs 3.2 or 3.3 of these Regulations fails to perform the relevant obligations included in the programme, the Ministry shall take a decision on the termination of the application of tax relief to all participants of the programme and notify the institutions referred to in Paragraph 7 of these Regulations thereof. The State Revenue Service based on the referred to decision of the Ministry shall recover from the relevant undertaking (company) the funds (amounts of tax relief) received for the implementation of the programme in the amount of financing of obligations included in the programme that are not performed for a time period from the day when the undertaking (company) has terminated performing the programme obligations until the day when the Ministry has taken a decision on the termination of the application of tax relief. The amount to be recovered shall be specified in the decision of the Ministry.

20. In order to receive tax relief anew, an undertaking (company) in relation to which the Ministry has taken a decision on the termination of the application of tax relief shall submit a new programme to the Ministry together with the documents referred to Paragraphs 4 or 5 of these Regulations. Tax relief shall be granted in accordance with the procedures specified in Paragraphs 6 and 7 of these Regulations.

21. Undertakings (companies) have a duty to notify the Ministry on changes in the performance of obligations included in the programme that have resulted due to circumstances beyond the control of the undertaking (company). The Ministry shall re-examine the application of tax relief in accordance with procedures specified in Paragraphs 6 and 7 of these Regulations.

22. Cabinet Regulation No. 377 of 31 October 2000, Procedures for Application of Natural Resources Tax Relief and Rebates to Undertakings (Companies) Implementing Voluntary Programme for Management of Packaging Waste, (*Latvijas Vēstnesis*, No.391/393, 2000) is repealed

23. These Regulations shall come into force on 1 July 2002.

Prime Minister

A. Bērziņš

Minister for Environmental
Protection and Regional Development

V. Makarovs