

Latvia Simplifies Company Registration

July 2025

As of 16 July 2025, registering a company in Latvia has become significantly more efficient thanks to newly adopted amendments to the Commercial Law. These changes reduce the number of documents required by the Register of Enterprises, simplify procedures for share capital contributions and amendments, and aim to lessen the overall bureaucratic burden on businesses.

Establishing a company

Certificate of capital payment required only from €50,000

One of the key changes involves the procedure for paying share capital. Under the amended Section 147, the previous requirement to submit a certificate or confirmation from a payment service provider attesting to capital payment has been eliminated, provided that the cash contribution does not exceed 50 000 EUR.

According to the revised Section 149, if share capital is paid in cash and does not exceed 50 000 EUR, company founders may simply confirm in the application that:

- A payment account has been opened in the company's name; and
- The share capital has been deposited into that account.

The obligation to open a dedicated payment account and pay in the capital remains unchanged. Importantly, the 50 000 EUR threshold applies solely to the cash portion of capital. For example, if total capital includes both cash and in-kind contributions, and the cash portion alone is under 50 000 EUR, then no certificate from a payment provider is required.

In-kind Contribution Valuation Can Be Performed by Founders

The threshold for requiring an independent expert's valuation of in-kind contributions has been increased. Under the amended Section 154, such an evaluation is now necessary only if:

- The total value of in-kind contributions exceeds 25 000 EUR; and
- They make up more than 50% of the company's total share capital.

In other cases, the founders themselves may assess the in-kind contributions and provide a joint valuation opinion when registering the company.

Increasing Share Capital

Further simplification applies to the process of increasing share capital. Under the updated Section 201, a company's board may now assess in-kind contributions and issue an opinion in the following cases:

- If a claim under a loan agreement is contributed (i.e., debt capitalization), with no value limit; or
- If the total value of other in-kind contributions does not exceed 50 000 EUR.

The repeal of Section 202, Paragraph 2, Clause 4 eliminates the requirement to submit applications from shareholders or third parties when acquiring shares as part of a capital increase.

Additionally, as per the amended Section 202, Paragraph 2, Clause 5, a certificate from a payment provider is only needed if the company's capital exceeds 50 000 EUR after the increase. If not, the board may confirm the capital payment directly in the application.

Changes from 1 January 2026

Currently, under Section 332, a company undergoing liquidation must submit:

- A final financial statement,
- A distribution plan for remaining assets, and
- An auditor's opinion, if applicable.



Starting 1 January 2026, only the distribution plan will need to be submitted. The final financial statement and auditor's report will no longer be required, reducing complexity and costs in the liquidation phase.

Conclusion

These legislative updates mark a significant step forward in creating a **more business-friendly legal environment in Latvia**. By simplifying registration and capital procedures and reducing document requirements, the changes support a more dynamic and competitive corporate sector - especially for small and medium enterprises.