

SME-related policy measures adopted, implemented or announced in 2021

LATVIA

Title of the measure (national language)	Title of the measure (English translation)	Implementing body	Adopted / implemented / announced as part of the 'National Recovery and Resilience Plan' (Yes / No)	Status (Adopted or implemented or announced)	Date of adoption/ implementa tion or announcem ent (DD/MM/YYYY Y)	General description (objectives / key features / budget - if applicable, and weblink to online source)
ENVIRONMENTAL ASPECTS OF SUSTAINABILITY						
"Zaļo inovāciju un informācijas un komunikācijas tehnoloģiju produktu ieviešana ražošanā" pieteikumu konkurss	"Application of green industry innovation and ICT products and technologies" Call for Proposals	Latvian Investment and Development Agency	No	Implemented	14/04/2021	Support will be provided in two areas: green industry innovation and information and communication technologies (ICT). These areas include creating environmentally-friendly and energy-efficient materials and products, smart mobility, clean transport, management of water resources, automation, robot and sensor solutions, next-generation mobile technologies, artificial intelligence solutions, and other

					<p>high added-value products and technologies.</p> <p>The open call will support the purchase of new equipment, software, licenses, and patents, as well as activities related to the application of a new product and technology.</p> <p>The total available funding is EUR 8 495 389 where EUR 5 847 694,50 is dedicated to green industry innovation projects, while EUR 2 647 694,50 is dedicated to ICT projects. This funding will support the creation of at least 15 new production plants or their modernisation by making production processes more automated and environmentally friendly and at the same time creating at least 50 new jobs and promoting the growth of the turnover and export performance.</p> <p>The available grant amount for one project is between EUR 200 000 and EUR 600 000. The maximum aid intensity for small-sized enterprises shall be 55% of the eligible costs, while for the medium-sized enterprises the aid intensity shall be 45% of the eligible costs.</p> <p>https://www.liaa.gov.lv/en/article/support-available-small-and-medium-sized-enterprises-application-new-products-and-technologies</p>
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SOCIAL ASPECTS OF SUSTAINABILITY						
DIGITALISATION (e.g. Digital Innovation Hubs, training, vouchers, grants or loans for digitalisation and to invest in new digital equipment, etc.)						
INNOVATION (e.g. vouchers, grants or loans for R&D and innovation, support to encourage SMEs to commercialise RTD results and to acquire patents, etc.)						
Atbalsta programmas "Zaļo inovāciju un informācijas un komunikācijas tehnoloģiju produktu izstrāde" projektu konkurss	"Development of green industry innovation and ICT products" in the Norwegian Financial Mechanism's programme Call for Applications	Latvian Investment and Development Agency (LIAA)	No	Implemented	07/06/2021	<p>The objective of the call is to increase the competitiveness of Latvian enterprises and to promote the development of new products or technologies in the areas of green innovation and information and communication technologies (ICT).</p> <p>Support will be provided for product or technology experimental development, testing and certification, strengthen of intellectual property rights, as well as financing of knowledge transfer activities. During the implementation of the project, a prototype of one new product or technology must be developed, that is not intended for commercial needs.</p> <p>https://www.liaa.gov.lv/en/article/support-available-entrepreneurs-development-new-products-or-technologies</p>
Sadarbība ar CERN un MIT	Cooperation with the European Organization for Nuclear Research (CERN) and the Massachusetts Institute of Technology (USA)	Ministry of Education and Science	No	Implemented	14/09/2021	<p>A memorandum of cooperation was signed with one of the world's leading universities of technology - <i>Massachusetts Institute of Technology</i> (MIT). This will enable Latvia to join the global community of academics, technology experts, researchers and policy experts in higher education institutions and to build an innovation and research</p>

						<p>ecosystem in Latvia with the support of MIT. EU funds in the amount of 700 thousand euros are planned for the implementation of these goals.</p> <p>Support from EU funds in the amount of 300 thousand euros for the implementation of the CERN Latvian National Contact Point action plan, including Latvia's participation in several CERN experiments (CMS, MEDICIS) will be available for Latvian scientists and entrepreneurs who are involved in joint international research projects.</p> <p>https://www.izm.gov.lv/lv/jaunums/inovaciju-un-petniecibas-attistiba-sadarbiba-ar-cern-un-masacusesas-tehnologiju-institutu</p>
Zinātnes, tehnoloģijas un inovācijas attīstības un atbalsta pamatnostādnes Latvijā līdz 2027. gadam	Guidelines for Science, Technological Development and Innovation for 2021-2027	Ministry of Education and Science	No	Adopted by the Cabinet of Ministers	13/04/2021	<p>The main directions for action to achieve the strategic goals set in Guidelines by 2027:</p> <ol style="list-style-type: none"> 1.increase the intensity of research and development (R&D), including measures to develop research excellence, digitally transform the R&D system and improve institutional governance, and increase the social and economic value of research. 2. to ensure the necessary development of research human capital, transfer of knowledge, skills, competencies and technologies, and development and improvement of an

						<p>appropriate regulatory framework.</p> <p>3.Improved knowledge and technology transfer through the digital transformation of the R&D system, which includes streamlining the administrative and coordination processes of universities and research institutes, developing an open science culture, making research data and results widely available and usable in society, and fostering business and public sector R&D cooperation.</p> <p>4.The management of the R&D system has been improved by strengthening the administrative, organizational and analytical capacity of the Latvian Science Council and the Latvian Investment and Development Agency in the implementation of science and technology development policy.</p> <p>https://www.izm.gov.lv/lv/jaunums/noteikti-zinatnes-tehnologijas-un-inovacijas-attistibas-un-atbalsta-virzieni-latvija-lidz-2027-gadam</p>
Programma neliela apjoma grantu shēmā "Dzīves kvalitāti atbalstošu tehnoloģiju izstrāde" projektu konkurss	Small grant scheme "Development of Welfare Technologies" Call for Proposals	Latvian Investment and Development Agency (LIAA) in cooperation with Ministry of Culture	No	Implemented	1/07/2021	Through this small grant scheme, entrepreneurs have the possibility to attract co-financing of up to 130 000 euros. The small grant scheme aims to support experimental development, testing and certification of a new product or

						<p>technology, to strengthen intellectual property rights, as well as financing the knowledge transfer activities with project partner to develop a new product or technology. During the implementation of the project, a prototype of one new product or technology must be developed, that is not intended for commercial needs.</p> <p>The total available funding for this programme is EUR 1 200 000. The available grant amount for one project is between EUR 10 000 and EUR 130 000, but the aid intensity can vary from 35% to 70%.</p> <p>https://www.liaa.gov.lv/en/article/grants-available-developing-welfare-technologies-support-130-000-euros</p>
SKILLS (e.g. vocational education and training, forecasting skill needs, measures to adapt the vocational training systems to the requirements of the labour market, etc.).						
Paplašināts atbalsts IKT, netehnoloģiskajām un investoru piesaistes apmācībām	Extend support opportunities for ICT, non-technological and investor training	Ministry of Economics and Latvian Investment and Development Agency	No	Adopted by Cabinet of Ministers	06/07/2021	<p>The amendments to Cabinet of Ministers Regulations on Operational Program "Growth and Employment" 1.2.2. Specific support objective "To promote the introduction of innovations in enterprises" 1.2.2.3. The measure "Support for ICT and non-technological training, as well as training to facilitate investor attraction" envisage:</p> <p>1. Support for training of investors' employees by providing consultations to medium-sized enterprises for the</p>

						<p>development of automation and robotics solutions, not exceeding a total of 25,000 euros;</p> <p>2. For high-level training;</p> <p>3.Support for the transfer of good practice by providing advice to small (micro), small and medium-sized enterprises for the development of automation and robotics solutions, up to a total of EUR 25 000.</p> <p>At the same time, the government increased the intensity of funding to the maximum possible within the LCCI project, motivating businesses to provide non-technological training to their employees with more support from EU funds. Within the framework of the LCCI project , the intensity of financing for training of its employees has been increased by 20% - for small (micro) and small companies - 70% ; for medium-sized enterprises - 60 %; for large companies - 50% in total</p> <p>https://www.em.gov.lv/lv/jaunums/paplasinatas-atbalsta-iespejas-ikt-netehnologiskam-un-investoru-piesaistes-apmacibam</p>
Grozījumi Profesionālās izglītības likumā	Amendments to Vocational Education Law	Ministry of Education and Science	No	Adopted by Cabinet of Ministers	7/01/2021	The amendments envisaged that in the future it will be possible to issue a state-recognized document for incomplete acquisition of a vocational secondary education

							<p>program, which provides an opportunity to work in the chosen profession. Currently, a certificate is issued for the acquisition of the module, which is not specified as a state-recognized document for the acquisition of a part of the educational program.</p> <p>https://www.saeima.lv/lv/aktualitates/saeimas-zinas/29560-saeima-konceptuali-atbalsta-grozijumus-elastigakas-profesionalas-izqlitibas-sistemas-nodrosinasanai</p>
<p>Tehniskā atbalsta instrumenta projekta "Atbalsts darba devējiem prasmju attīstīšanas veicināšanā Latvijā"</p>	<p>Technical Assistance Instrument project "Support to Employers (<i>"Support employers in promoting skills development in Latvia"</i>)"</p>	<p>Ministry of Education and Science</p>	<p>No</p>	<p>Announced</p>	<p>13/07/2021</p>	<p>The aim of the project "Support to Employers in Promoting Skills Development in Latvia" is to develop a new regulatory framework that will support and stimulate employers to increase the skills of their employees or promote retraining. The development of such a support system for employers is envisaged by the delegation of the Education Law to the Cabinet of Ministers as well as the findings of the OECD and the European Commission for Latvia.</p> <p>https://www.izm.gov.lv/lv/jaunums/veidos-darba-deveju-atbalsta-sistemu-savu-darbinieku-prasmju-pilnveidei</p>	
ADMINISTRATIVE BURDEN							
<p>Zemesgrāmatu nodevu samazināšana</p>	<p>The Reduction of Land Register Fees</p>	<p>Ministry of Justice</p>	<p>No</p>	<p>Implemented</p>	<p>01/07/2021</p>	<p>As of 1 July 2021, the percentage rate of state fees for securing property rights in the Land Register in certain cases of expropriation for natural persons and companies are reduced. The Land Register fee for a natural</p>	

						<p>person will be reduced from the currently set 2% to 1.5% of the property value, while for a company for the strengthening of an apartment property from 6% to 2% of the property value.</p> <p>https://www.em.gov.lv/lv/jaunums/zemesgramatu-nodevu-samazinasana-sekmes-nekustama-ipasuma-tirgus-konkuretspeju-un-jaunu-majoklu-buvniecibu-latvija</p>
Vienkāršots risinājums mikrouzņēmuma nodokļa nomaksai	Simplified Tax Payment Procedures for Micro-enterprise Taxpayers (MUNs)	Ministry of Finance and State Revenue Service	No	Implemented	01/04/2021	<p>MUN declaration forms will be filled in the State Revenue Service (SRS) Electronic Declaration System (EDS). When submitting the declaration for the first quarter, micro-enterprises must indicate the quarterly turnover by month, and the resulting amount of MUN will be calculated automatically by the EDS.</p> <p>https://www.fm.gov.lv/lv/jaunums/mikrouzņemumu-nodokļa-deklarācijas-kļuvušas-vienkarsakas</p>
Saimnieciskās darbības konta izveide	Creation of Operating Income Account (OIA)	Ministry of Finance and State Revenue Service	No	Adopted by Saeima	16/06/2021	<p>Micro-enterprise taxpayers will no longer be required to calculate and make tax payments into the state single tax account. Instead, tax will be calculated by the State Revenue Service (SRS) based on revenue deposited into the OIA, and the bank will automatically transfer it to the single tax account.</p> <p>This micro-enterprise tax payment solution is a voluntary option that banks can opt into in collaboration</p>

						<p>with SRS by registering the OIA directly in the Electronic Declaration System (EDS) for micro-enterprise tax payments. Micro-enterprise taxpayers can use the new service as soon as their bank has registered the account in EDS.</p> <p>https://www.vid.gov.lv/en/latvia-introduces-changes-legislation-simplify-paying-taxes-and-encourage-transparency-and</p> <p>https://www.fm.gov.lv/lv/jaunums/mazajiem-uznemejiem-vienkarsos-nodokla-nomaksas-risinajumu</p>
REGULATORY OBSTACLES						
Zaļais koridors investīciju piesaistei	Green Corridors for Efficient Attraction of Local and Foreign Investors	Ministry of Economics and Latvian Investment and Development Agency	No	Implemented	04/02/2021	<p>Green corridors will be created for more efficient attraction of local and foreign investors to reduce bureaucracy and speed up administrative processes for high value-added investment projects.</p> <p>Investment projects will be able to take advantage of the "green corridor" if investments are made in one of the priority sectors and project meet three of the four qualification criteria: 1. the amount of planned investments - 5 million euros (in Riga - 10 million euros); 2. newly created jobs - 75 jobs (in Riga - 100 jobs), or 50 new jobs (in Riga - 75 jobs) with the average salary; 3. export volume - 3 million euros (in Riga - 5 million euros) or</p>

						<p>replacement of imports in the value of 500,000 euros; 4. the company's investment in research and development, including employee training, is at least 250,000 euros.</p> <p>https://www.lsm.lv/raksts/zinas/ekonomika/prioritaro-investiciju-projektu-izskatisana-mazinas-birokratiju.a391593/</p> <p>https://www.liaa.gov.lv/en/article/minister-economics-latvia-new-fast-track-green-channel-will-significantly-contribute-latvias-economic-breakthrough</p>
Jauns Uzņēmējdarbības vides uzlabošanas plāna darbības modelis	Creation of a New System of the Business Environment Improvement Action Plan	Ministry of Economics	No	Adopted by the Cabinet of Ministers	7/09/2021	<p>The new process to identify and resolve necessary measures to improve business environment through the Business Environment Improvement Action Plan (hereinafter - the Plan) -has been developed.</p> <p>The new process envisages that the Latvian Chamber of Commerce and Industry, the Latvian Employers 'Confederation and the Foreign Investors' Council in Latvia submit proposals on the necessary measures to improve the business environment to the Ministry by 15 March each year. The proposals will be approved by the Cabinet of Ministers, while the public administration institutions responsible for specific measures will submit information on the</p>

						<p>progress made to the Cabinet of Ministers.</p> <p>https://www.em.gov.lv/lv/jaunums/mainis-pieejiu-uznemejdarbibas-vides-uzlabosanai</p>
ACCESS TO FINANCE (including guarantee schemes, public funding programmes, support for alternative financing and equity financing, favourable legal, tax and regulatory frameworks for investments, fiscal incentives)						
Atbalsts lieliem investīciju projektiem	Support for Large Investment Projects	Ministry of Economics and Financial Development Institution ALTUM	No	Adopted by the Cabinet of Ministers	06/07/2021	<p>Support program for large investment projects (at least 10 million EUR) envisage that entrepreneurs will have access to a loan with a capital discount.</p> <p>Entrepreneurs will be able to receive a loan of up to 75% of the total project amount, but not more than 15 million EUR, if the loan will be issued by ALTUM; and without a cap if the loan is granted by another financier. The maximum amount of the capital discount for repayment of the principal amount will be up to 30% of the loan amount, but not more than 10 million EUR, which will be awarded after the first year of employment from the moment of project implementation.</p> <p>The loan will be provided for up to 20 years. Within the framework of the program, it is planned to provide support for 5-6 projects in the amount of 58.5 million EUR.</p> <p>https://www.em.gov.lv/lv/jaunums/vitenbergs-ir-svarigi-sniegt-skaidru-signalu-latvijas-uznemejiem-par-pieejamo-atbalstu-lieliem-investiciju-projektiem</p>

Papildinājums Uzņēmumu aizdevumu programmai, ko īsteno ALTUM	Amendments to the Loan Program Implemented by ALTUM for the Promotion of Entrepreneurship	Ministry of Economics and Financial Development Institution ALTUM	No	Adopted by the Cabinet of Ministers	16/11/2021	<p>The loan program provides financing for investments and working capital with reduced collateral requirements. Micro-enterprises, small and medium-sized enterprises can apply for support. With the amendments to the support program an additional 32 million EUR will be made available to entrepreneurs, expanding available support to at least 125 more entrepreneurs to implement various business development projects to mitigate the negative effects of the Covid-19 pandemic.</p> <p>https://www.em.gov.lv/lv/jaunums/aizdevumu-sniegsanai-uznemejiem-pieskir-papildu-32-miljonus-eur-atbalstu-vares-sanemt-ari-daudzdzivoklu-ekubuvniecibai-regionos</p>
Samazināts darba nespējas dienu skaits, ko apmaksā darba devējs	Reduction of the Period of Incapacity for Work Paid by the Employer	Ministry of Welfare	No	Adopted by Saeima	23/11/2021	<p>The period of incapacity for work paid by the employer is one of the largest problems reported by companies in LV regarding their competitiveness in internal and external markets compared to other two Baltic countries. From the first time in the last 10 years, a change has been made in this regard. As of January 1, 2022, the employer shall pay sickness benefits from its own resources in the amount of not less than 75% of the average earnings for the 2nd and 3rd days of incapacity for work and not less than 80% for the period from the 4th day of incapacity for work to the 9th day of incapacity for work (currently</p>

							the 10th day of incapacity for work). https://www.lm.gov.lv/lv/jaunums/labklajibas-nozares-prioritatem-2022-gada-budzeta-planoti-34-milioni-eiro
Darbspēka nodokļu samazināšana	Reduction of Labour Taxes	Ministry of Finance	No	Adopted by Saeima	23/11/2021		To reduce the labour tax burden for low-income recipients and improve the competitiveness of companies among the Baltic states Saeima adopted changes in Personal income tax law. From January 1 to June 30 2022, the personal income non-taxable minimum will be 350 euros per month, but from July 1 - 500 euros per month. Until now, the maximum non-taxable minimum with personal income tax was 300 euros per month, but for pensioners - 330 euros per month. https://www.fm.gov.lv/en/article/minister-finance-janis-reirs-submits-draft-law-budget2022-saeima
LATE PAYMENTS <i>(measures aimed at addressing late payments)</i>							
Obligāta e-rēķinu lietošana no 2025.gada	Introduction of Mandatory e-invoicing from 2025	Ministry of Finance	No	Information report adopted by the Cabinet of Ministers	12/10/2021		The report envisages the introduction of the mandatory use of electronic invoicing (e-invoicing) between businesses (B2B) and businesses and state and local government institutions (B2G) from 2025. The implementation of e-invoices will take place in accordance with the European Electronic Documents and e-Invoicing Network (PEPPOL), which allows e-invoicing to be sent and received in a single standard.

						https://www.fm.gov.lv/lv/jaunums/valdiba-atbalsta-obligatu-e-rekinu-aprites-ieviesanu
ACCESS TO MARKETS (e.g. market-specific support and business training activities, export credit insurance, missions – covering both the Single market and third countries)						
Starptautiskās konkurētspējas veicināšanas programmas paplašināšana	Access to Wider Support to Promote Exports and Organize Large-scale Events in Latvia	Ministry of Economics and Latvian Investment and Development Agency	No	Adopted by the Cabinet of Ministers	13/05/2021	<p>Amendments to the International Competitiveness Promotion (IDA) program envisages extended support for companies' internalization.</p> <p>The maximum amount of support for one company to participate in international exhibitions and use of various digital solutions for participation in exhibitions, conferences and forums remotely and use different digital platforms and solutions to promote products and services abroad has been increased from 20 to 40 thousand EUR.</p> <p>To increase Latvia's international competitiveness in tourism sector, companies can access support up to 195 thousand EUR to organize a large-scale cultural and sports events and international exhibitions in Latvia.</p> <p>https://www.em.gov.lv/lv/jaunums/uznemumiem-bus-pieejams-plasaks-atbalsts-eksporta-veicinasanai-un-liela-meroga-pasakumu-organizesanai-latvija-pec-covid-19-pandemijas</p>
START-UP ENVIRONMENT						
Papildus finansējums inkubātoru programmai	Additional Funding for the Continuation of the Business Incubator Support Program	Ministry of Economics and Latvian Investment and	No	Adopted by the Cabinet of Ministers	26/10/2021	Additional funding of 7.06 million EUR has been allocated for the further operation of 11 regional business incubators and their

		Development Agency				<p>support units, as well as the creative industries incubator until the end of 2023.</p> <p>The support program provides pre-incubation and incubation support, as well as expert consultations and organization of specific seminars for business incubator participants - new entrepreneurs.</p> <p>https://www.em.gov.lv/lv/jaunums/pieskir-papildu-finansejumu-biznesa-inkubatoru-atbalsta-programmas-turpinasanai-lidz-2023-gada-beigam</p>
Jaunuzņēmumu ekosistēmas attīstības stratēģijas izstrāde	Development of a Start-up Ecosystem Development Strategy and Action Plan	Ministry of Economics	No	Announced	10/05/2021	<p>In April, a working group was established to develop a strategy for the start-up ecosystem and an action plan for its implementation, which includes representatives from the Ministry of Economics, the Latvian Investment and Development Agency, ALTUM and the Latvian Business Angel Network, Venture Capital Association, Latvian Start-up Association and the foundation TechHub Riga.</p> <p>By signing the <i>Declaration on the EU Startup Nations Standard of Excellence</i>, Latvia is committed to further developing the environment for the growth of start-ups by promoting the creation of new start-ups, attracting and retaining talent, improving the regulatory environment and access to finance, innovation procurement</p>

						and the introduction of Digital First principles. https://www.em.gov.lv/lv/lidz-augustam-planots-izstradat-jaunuznemumu-ekosistemas-attistibas-strategiju-un-tas-ieviesanas-ricibas-planu
LIAA Tehnoloģiju biznesa centrs	Technology Business Centre (TBC) under Latvian Investment and Development Agency	Latvian Investment and Development Agency (LIAA)	No	Implemented	7/10/2021	The TBC will operate as a branch of LIAA with the aim of attracting a minimum of 98 business idea and supporting the development of at least 30 product prototypes. The Centre will also provide pre-acceleration support and various training programmes. The initiative to create the TBC was brought to life by LIAA with the financial aid of 2 million EUR from Norway Grants, and in close cooperation with the University of Latvia, Riga Technical University and Rīga Stradiņš University. https://www.liaa.gov.lv/en/article/new-technology-business-centre
SCALE-UP ENVIRONMENT						
Baltijas MVU sākotnējā publiskā piedāvājuma fonda izveide	The Baltic SME Initial Public Offering Fund	Ministry of Finance	No	Adopted by the Cabinet of Ministers	24/08/2021	The fund will act as a specialized financial intermediary that invests in the company prior to the public offering, significantly supporting the fundraising and direct entry of the public offering. The support will be available to profitable companies with a company value of 5 to 100 million euros. The Fund's investments will be possible both in the initial public or private offerings and in the pre-public offering phase with

						<p>the intention of entering the company into the public capital market for a certain period of time.</p> <p>https://www.fm.gov.lv/lv/jaunums/veidos-fondu-uznemumu-iesaistes-sekmesanai-publiska-kapitala-tirgu</p>
NATIONAL INDUSTRIAL ECOSYSTEMS						
OTHER RELEVANT TOPICS (e.g. second chance for honest bankrupt entrepreneurs, bankruptcy prevention, entrepreneurship education, public procurement)						