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EU VAT Directive – what's new in Estonia, Latvia and Lithuania?

Estonia and Latvia have implemented VAT registration changes on time. Lithuania was late – but amendments came into force on 1 May 2025.

Now all three Baltic countries follow the updated EU rules!



What's included in the annual VAT threshold in Estonia, Latvia and Lithuania?

Now includes:

- Taxable income
- Certain VAT-exempt income:
 - Real estate rent or sale
 - Financial & insurance services

Note: Threshold resets each calendar year



What's NOT counted toward the threshold in Estonia, Latvia and Lithuania?

- Tangible or intangible capital assets
- One-off transactions outside normal activity

Example: Single sale of used real estate



Annual VAT thresholds in Estonia, Latvia and Lithuania

- Estonia: €40 000
- Latvia: €50 000
- Lithuania: €45 000

If your total included turnover goes over the threshold, you must register for VAT. But if your business only provides VAT-exempt services, registration isn't required.



VAT registration timing in Estonia, Latvia and Lithuania

Estonia – register as soon as your annual turnover exceeds €40 000

Latvia – VAT registration deadlines:

- turnover €50 000 – €55 000: apply by 30 November
- over €55 000: apply by 15th of next month
- €50 000 exceed in December: apply by 31 December

Lithuania – register if:


- You exceeded €45 000 in previous calendar year
- You expect to exceed it this year



EU-wide threshold option for SMEs

SMEs from other EU countries can apply local thresholds – only if total EU-wide turnover exceed €100 000 (in both current and previous year).





**Know the
thresholds, track
your turnover, and
stay ahead of VAT
surprises!**