

No. 50494

**United States of America
and
Latvia**

Convention between the United States of America and the Republic of Latvia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Washington, 15 January 1998

Entry into force: *30 December 1999 by notification, in accordance with article 29*

Authentic texts: *English and Latvian*

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26 February 2013*

**États-Unis d'Amérique
et
Lettonie**

Convention entre le Gouvernement des États-Unis d'Amérique et le Gouvernement de la République de Lettonie en vue d'éviter la double imposition et de prévenir l'évasion fiscale en matière d'impôts sur le revenu. Washington, 15 janvier 1998

Entrée en vigueur : *30 décembre 1999 par notification, conformément à l'article 29*

Textes authentiques : *anglais et letton*

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[ENGLISH TEXT – TEXTE ANGLAIS]

CONVENTION BETWEEN THE
UNITED STATES OF AMERICA AND THE
REPUBLIC OF LATVIA FOR THE AVOIDANCE OF
DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME

The United States of America and the Republic of
Latvia, desiring to conclude a Convention for the avoidance
of double taxation and the prevention of fiscal evasion with
respect to taxes on income, have agreed as follows:

ARTICLE 1

General Scope

1. This Convention shall apply to persons who are residents of one or both of the Contracting States, except as otherwise provided in the Convention.

2. The Convention shall not restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded:

a) by the laws of either Contracting State; or

b) by any other agreement between the Contracting States.

3. Notwithstanding the provisions of subparagraph 2 b):

a) the provisions of Article 26 (Mutual Agreement Procedure) of this Convention exclusively shall apply to any dispute concerning whether a measure is within the scope of this Convention, and the procedures under this Convention exclusively shall apply to that dispute; and

b) unless the competent authorities determine that a taxation measure is not within the scope of this Convention, the nondiscrimination obligations of this Convention exclusively shall apply with respect to that measure, except for such national treatment or most-

favorable-nation obligations as may apply to trade in goods under the General Agreement on Tariffs and Trade. No national treatment or most-favorable-nation obligation under any other agreement shall apply with respect to that measure.

c) For the purpose of this paragraph, a "measure" is a law, regulation, rule, procedure, decision, administrative action, or any similar provision or action.

4. Notwithstanding any provision of the Convention except paragraph 5 of this Article, a Contracting State may tax its residents (as determined under Article 4 (Resident)), and by reason of citizenship may tax its citizens, as if the Convention had not come into effect. For this purpose, the term "citizen" shall include a former citizen or long-term resident whose loss of such status had as one of its principal purposes the avoidance of tax, but only for a period of 10 years following such loss.

5. The provisions of paragraph 4 shall not affect:

a) the benefits conferred by a Contracting State under paragraph 2 of Article 9 (Associated Enterprises), under paragraphs 2 and 5 of Article 18 (Pensions, Social Security, Annuities, Alimony, and Child Support), and under Articles 24 (Relief from

Double Taxation), 25 (Nondiscrimination), and 26 (Mutual Agreement Procedure); and

b) the benefits conferred by a Contracting State under Articles 19 (Government Service), 20 (Students, Trainees and Researchers), and 28 (Members of Diplomatic Missions and Consular Posts), upon individuals who are neither citizens of, nor have been admitted for permanent residence in, that State.

ARTICLE 2

Taxes Covered

1. The existing taxes to which the Convention shall apply are:

a) in the United States: the Federal income taxes imposed by the Internal Revenue Code (but excluding the accumulated earnings tax, the personal holding company tax, and social security taxes), and the excise taxes imposed with respect to the investment income of private foundations (hereafter referred to as "United States tax");

b) in Latvia: the enterprise income tax (uznemumu ienakuma nodoklis) and the personal income tax (iedzivotaju ienakuma nodoklis), (hereafter referred to as "Latvian tax").