

Start-up support program or start-up law program

The program is designed to promote the growth of startups, innovation, and R&D in Latvia. It is a **de minimis** support program.



A company does not need to be young or be in a "start-up company database" to apply for this program.

Open until 30 April 2027



Eligibility requirements:

either

received qualified venture capital investment*

or

has developed the first prototype of an innovative product

*qualified venture capital investment:

- if a venture capital investment has been received in the company itself, or
- if a venture capital investment has been made in the company's parent company or subsidiary
 - the investment has been made by a qualified venture capital investor from the list [here](#), who is not related to the company;
 - the investment has been made within the last 24 months from the date of submission of the application for this program;
 - the investment is an early stage venture capital investment (early stage means that investment was made in the first 5 years of a company's operation).



Maximum support amount – **300'000 EUR** (= max *de minimis* limit)



Maximum support period: **12 months** (or 24 months, if a company qualifies with venture capital investment criterion, and the amount of such investment exceeds 150'000 EUR.)



Support can be received in 2 ways:

#1

by receiving grant financing in the amount of **45% of salary* costs** of highly qualified employees (HQE) directly working on product development, or

For SME's only and in RIS3 sectors

#2

by paying reduced labor taxes (i.e. paying just the **"fixed tax payment"** for an employee)

For SME's and Large and in any eligible* sector

Support is received as 45% of salary costs of HQEs working directly on product development, as per the **formula**:

$$\text{Support amount} = 45\% \times \left(\begin{matrix} \text{hourly} \\ \text{salary rate}^* \\ \text{of} \\ \text{employee1} \end{matrix} \times \text{working hours} + \begin{matrix} \text{hourly} \\ \text{salary rate}^* \\ \text{of} \\ \text{employee2} \end{matrix} \times \text{working hours} + \dots \right)$$

*basis for determining salary costs will be a unified single unit salary catalogue, found on **pages 3-4**, not the actual salary stated in work agreement and paid out to the employee.

Example

The support is that:

- A company can pay reduced mandatory State Social Insurance Contributions (**VSAOI**) in the amount of 2 x minimum monthly salary x VSAOI rate for each calendar month during the support period, which is **531.80 EUR** per month in 2026.
- may not pay personal income tax (**PIT**) for the employee, if chooses.

$$\text{Support amount} = \left(\begin{matrix} \text{VSAOI} \\ \text{calculated} \end{matrix} + \begin{matrix} \text{PIT} \\ \text{calculated} \end{matrix} - \begin{matrix} \text{fixed} \\ \text{payment} \end{matrix} - \begin{matrix} \text{PIT} \\ \text{actually} \\ \text{paid} \end{matrix} \right) \times \text{support period in months}$$

Example



Investment and
Development
Agency of Latvia

A company develops a new, innovative product in IT. Total number of employees is 10, of which 5 work directly on product development. Company wants to receive max support from this program, so it applies 5 employees that work on product development to **HQE support**, and the other 5 – to the **fixed tax payment support**.

HQE:

- Assumptions - all 5 employees are programmers, with **profession code** - 251 “Programmer and application developer and analyst” – stated in their work agreement.
- They worked 40 hours per week for 50 weeks, which is **2'000 hours**.)

Maximum available support in this case is:

$$45\% \times ((31.44 \times 2'000) + (31.44 \times 2'000) + (31.44 \times 2'000) + (31.44 \times 2'000) + (31.44 \times 2'000)) = \mathbf{141'480 \text{ EUR}}$$

In this case, the support is received as a grant payment on company's account.

Fixed tax payment:

- Assumptions - all 5 employees receive **gross monthly salary of 2'000 EUR** and they choose not to pay PIT.

Maximum available support in this case is:

$$((34.09\% \text{ of } 2'000) + (25.5\% \text{ of } 1'240^*)) - \text{fixed payment} = (681.80 + 316.2 - 531.80) = 466.2 \times 5 \text{ employees} \times 12 \text{ months} = \mathbf{27'972.00 \text{ EUR}}$$

In this case, the support is a “**saving**” for the company and is **not** received as a grant payment on company's account.

! Company paid only the fixed tax payment of **531.80 EUR** for each employee in labour taxes.

*2'000 EUR - VSAOI employees share 10.5% - 550 EUR untaxable minimum = 1'240 EUR (PIT base). PIT is deducted from gross salary by the employer, but cost burden is essentially on the employee.

! The same employee cannot be applied for both supports.

Other conditions:

- Number of **employees** submitted for the support is not limited.
- HQE means a person is with at least a **master's degree education** in relevant field or a minimum of **3 years** relevant experience.
- HQE must receive **more than average salary** in Latvia as per his/her work agreement.

! The HQE can be employed elsewhere and can be previously employed by the company.

! Support can be received as often as quarterly, if set intermediate targets are reached and proof can be submitted.

Other conditions:

- Company must make mandatory contributions to **state pension insurance** or contributions to a **private pension scheme** for the employee in at least the following amount: gross monthly salary – 2 x minimum monthly salaries x 10%.
- **Unlike HQE support**, to register a person for fixed tax payment support, he/she does not need to be working directly on product development.

! In case of fixed tax payment support, the employee receives less social security. A confirmation from the employee must be received that he/she is informed about it.

! The support is not received as cash on account. The support is the possibility to legally pay less labour taxes on employees.



HQE support process

Application in business.gov.lv



Online presentation of the application



Evaluation commission makes decision



LIAA and company sign Support agreement



LIAA makes support payment to company's account



Company submits request for support and proof of reached targets in business.gov.lv



Company develops the product and reaches set targets



Fixed tax payment support process

Application in business.gov.lv



Online presentation of the application



Evaluation commission makes decision



Company operates and pays the smaller tax payments



Company submits a report to LIAA about calculated salaries, taxes and pension payments



Decision takes approx. **1 month** from application submission date.



Investment and Development Agency of Latvia

LIST OF STANDARD UNIT RATES

for providing financial support to final beneficiaries for attracting highly qualified personnel for specific research activities, solving technological problems or developing new or significantly improved products or technologies under the specific support objective 1.2.1. "Strengthening research and innovation capacity and introduction of advanced technologies in enterprises" of the European Union Cohesion Policy Programme for 2021-2027



Profession classifier	Average hourly salary rate, HQE, EUR
1 Managers	
12 ADMINISTRATIVE MANAGERS AND COMMERCIAL DIRECTORS	
121 Commercial and administrative managers	24.83
122 Sales, Marketing and Development Managers	27.89
13 MANUFACTURING AND SPECIALIZED SERVICES MANAGERS	
132 Manufacturing and mining, construction and logistics managers	24.80
133 Information and communication technology managers	35.47
134 Specialized services managers	25.49
14 HOSPITALITY, CATERING, TRADE AND OTHER SERVICE MANAGERS	
141 Hospitality and food service managers	16.08
142 Retail and wholesale trade managers	18.38
143 Other service sector managers	18.05
2 Senior specialists	
21 SENIOR SPECIALISTS IN SCIENCE AND ENGINEERING	
211 Scientists, senior specialists in physics and Earth sciences	21.82
212 Mathematicians, actuaries and statisticians	25.03
213 Senior specialists in natural sciences	19.18
214 Engineers (except electrical engineers)	22.56
215 Electrical engineers	23.17
216 Architects, planners, surveying and cartographic engineers and designers	18.65
22 SENIOR HEALTH CARE PROFESSIONALS	
221 Doctors	29.55
222 Senior specialists in nursing and midwifery professions	19.49
225 Veterinarians	15.86
226 Other senior health care professionals	21.95
23 SENIOR EDUCATIONAL PROFESSIONALS	
231 Academic staff of universities and other higher education institutions	23.94
232 Vocational education teachers	18.80
233 Secondary education teachers	19.86
234 Primary and preschool teachers	17.61
235 Other senior education specialists	18.05

24 SENIOR SPECIALISTS IN COMMERCE AND ADMINISTRATION	
241 Senior Financial Specialists	22.44
242 Senior management (administration) specialists	21.81
243 Senior Sales, Marketing and Public Relations Specialists	24.94
25 SENIOR SPECIALISTS IN THE FIELD OF INFORMATION AND COMMUNICATION TECHNOLOGIES	
251 Programmers and application developers and analysts	31.44
252 Senior Database and Network Specialists	27.20
26 SENIOR SPECIALISTS IN LEGAL, SOCIAL AND CULTURAL AFFAIRS	
263 Senior specialists in social and religious affairs	17.27
265 Creative and performing artists	17.00
3 Professionals	
31 SCIENCE AND ENGINEERING PROFESSIONALS	
311 Physics and engineering specialists	18.01
312 Mining, manufacturing and construction supervisors	19.83
313 Technological process control specialists	14.26
314 Natural sciences and related sciences specialists	17.07
315 Ship and aircraft managers and technicians	16.87
32 HEALTHCARE PROFESSIONALS	
321 Medical and pharmaceutical professionals	17.68
325 Other health care professionals	21.29
33 COMMERCIAL AND ADMINISTRATIVE PROFESSIONALS	
331 Finance and Mathematics Specialists	17.10
332 Sales and purchasing agents and brokers	18.01
333 Commercial services specialists	17.34
34 LEGAL, SOCIAL AND CULTURAL AFFAIRS AND RELATED MATTERS SPECIALISTS	
341 Legal, social and religious affairs specialists	16.28
342 Sports and physical training specialists	15.59
343 Arts, culture and culinary professionals	13.44
35 INFORMATION TECHNOLOGY SPECIALISTS	
351 Information technology operations and user support specialists	19.09
352 Telecommunications and radio equipment specialists	16.31

* For a detailed list of professions, see the *Classification of Professions*, published on the [website of the Ministry of Welfare of the Republic of Latvia](#).



The list is updated annually, as soon as the average salary in Latvia for the previous year is determined, usually around March 1, when the CSB publishes the data. Please make sure that you refer to the latest list.