

Agreement
between the Government of the United States of America and
the Government of the Republic of Latvia concerning the status of
private educational institution "The International School of Latvia"

The Government of the United States of America and the Government of the Republic of Latvia (hereinafter referred to as the "Contracting Parties"),

Having regard to the friendly relations between the two countries and being aware of the necessity to assure the operation of a private educational institution "The International School of Latvia" (founder - the public organization "Association of Latvia's International Schools," certificate No. 000800674 in the State Enterprise Register of the Republic of Latvia, the domicile: Viestura iela 6a, Jūrmala, hereinafter: "the School",

Have agreed as follows:

Article 1

The Government of the Republic of Latvia:

1. Shall recognize the educational programs of the School, which are licensed by the European Council of International Schools and the International Bachelor program. The School shall register these programs in the Register of Educational Programs of the Ministry of Education and Science.

2. Shall recognize the accreditation of the School according to the requirements of the European Council of International Schools and the International Bachelor program.

3. Shall recognize the requirements regarding teachers' education and professional qualification set by the European Council of International Schools and the International Bachelor program.

Article 2

The Contracting Parties recognize that the list of marks complies with that issued within the school systems of the United States of America and the Republic of Latvia and of the International Bachelor system.

Article 3

The Government of the Republic of Latvia:

1. Shall exempt the School from the payment of any taxes and fees, excluding VAT and excise tax, if taxes and fees originate in the fulfilment of the School's educational objective, the execution of its program, as well as in the establishment and organisation of the School.

2. Shall exempt the School from customs payments including excise tax, natural resources tax and value added tax (hereinafter – customs payments) on school books, equipment and other educational material, construction material, furniture, equipment, audio – visual devices and sports equipment imported for use by the School.

3. Shall exempt the School from immovable property tax on real estate acquired or used by the School for educational purposes. This exemption is applied to the extent that State schools are exempt from this tax.

4. Shall provide to the School director, administrative personnel, teachers and their family members the opportunity to receive without fee a visa and work permit. The School shall provide a letter of application for visas and work permits, certifying the employment of the member of the School personnel to the competent Latvian authorities.

5. Shall allow members of the School personnel – who are not Latvian citizens and who are citizens of a country other than Latvia and are not permanent residents of Latvia – (hereinafter – members of School personnel) and their family members who are not Latvian citizens and who are citizens of a country other than Latvia and are not permanent residents of Latvia to bring into and out of Latvia the goods described below free of customs payments.

The articles exempt from customs payments shall be the following unless subject to import restrictions:

a) Any goods or equipment brought in for the purpose of performing educational activities in the School;

b) Objects for the personal use of the members of the School personnel and their family members, which are brought into Latvia within six months from the date of the beginning of the employment of the member of the School personnel by the School as certified by the School.

6. Shall exempt the School from the payment of mandatory social insurance contributions in Latvia on behalf of employer and employee for members of School personnel:

a) If a person, being a citizen of a country other than Latvia who is not permanently residing in Latvia, is sent by a foreign employer to perform work in the School and has submitted proof to the State Revenue Service that he/she continues to be subject to the social security legislation of the sending country. However, this period of exemption does not exceed three years.

b) If a person, being a citizen of a country other than Latvia who is not permanently residing in Latvia, is employed by the School and has submitted proof to the State Revenue Service that he/she is covered for all branches of social security in the country of origin. However, this period of exemption does exceed five years.

The provisions of this paragraph are applicable only in case there is no binding social security agreement or supra national rules on co-ordination of social security schemes.

7. Shall exempt the School and members of the School personnel from Latvian personal income tax in respect to income received for work at the School:

a) If a member of the School personnel is sent by a foreign employer to perform work in the School and this member of personnel is subject to income tax payable in the country of residence of the employer. However, this period of exemption shall not exceed three years.

b) If a member of the School personnel is employed by the School and has declared all the income from employment in the School to the country of his permanent residence in order to pay any respective taxes due. However, this period of exemption shall not exceed five years.

Article 4

The exemption of the School and individuals under paragraphs 5 and 6 of Article 3 shall be governed by the State Revenue Service of the Republic of Latvia.

Article 5

The Contracting Parties shall observe the implementation of the Agreement and, if necessary, amend it in writing. When approved, the written amendments shall be an integral part of this Agreement.

Article 6

If the Republic of Latvia wishes to establish schools in the United States of America, the Contracting Parties will enter into negotiations to conclude an agreement which grants conditions similar to those bestowed upon the International School of Latvia.

Article 7

1. This Agreement shall enter into force on the day of the exchange of notes between the Contracting Parties notifying each other that the necessary domestic requirements for entry into force have been fulfilled.

2. This Agreement shall be effective for an indefinite period of time. Either Contracting Party may terminate this Agreement in writing via diplomatic channels. Termination will be effective two years after receipt of written notice by the other Contracting Party.

3. The Contracting Parties shall settle all disputes, which may arise under or in connection with this Agreement by way of good faith negotiations.

Done at Riga, in duplicate, this Twelfth day of March, 2003, in the English and Latvian languages, each text being equally authentic. In case of any divergences of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

Thomas E. Larson

FOR THE GOVERNMENT OF
THE REPUBLIC OF LATVIA:

Valdis Jankovskis