



# Welcome to Estonia

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# L'Estonia in breve

- ▶ Repubblica indipendente del Nord Europa
- ▶ Febbraio 1918: indipendenza dall'Impero Russo
- ▶ Agosto 1991: indipendenza dall'Unione Sovietica
- ▶ Settembre 1991: ingresso nell'O.N.U.
- ▶ Maggio 2004: membro dell' U.E.
- ▶ Gennaio 2011: adozione dell'Euro



# L'Estonia in breve

- ▶ Superficie 45.339 Km<sup>2</sup>
- ▶ Popolazione > 1.3 ML (69% Estoni, 28% Russi, Bielorussi e Ucraini), 3% Finnici e altri.
- ▶ Lingua ufficiale: Estone
- ▶ Capitale: Tallinn (circa 420.000 ab.)
- ▶ Altre città importanti: Tartu, Pärnu



# La “Tigre Baltica”

- ▶ Dalla Grande Crisi del 2008/2009, tassi di crescita fino a 5 volte superiori alla media dell’Eurozona.
- ▶ 8° posto al Mondo nell’Indice della Libertà Economica e 3° in Europa.
- ▶ PIL Nominale: 23.8 MD \$\*, più del 50% prodotto a Tallinn.
- ▶ PIL Pro Capite: 17.288 \$\*\*, 40° posto nella classifica mondiale IMF (Svizzera 2°, U.S.A. 5°, Italia 25°).
- ▶ Tasso di disoccupazione al 6,4% \*\*\* (media UE: 10,2%).
- ▶ Salario medio lordo mensile 1.100 Eur.
- ▶ Rapporto Debito Pubblico/PIL : < 10%.

\* Stima anno 2016

\*\* Anno 2015

\*\*\* Marzo 2016

# Perché scegliere l'Estonia?

- ▶ Bilancio statale sempre intorno al pareggio.
- ▶ Debito pubblico praticamente inesistente.
- ▶ Regime di libero scambio commerciale.
- ▶ Settore bancario–commerciale competitivo.
- ▶ E–services innovativi ed altamente qualificati.
- ▶ Burocrazia molto “snella”.
- ▶ Una tassa sul reddito “flat–rate” (quadro fiscale semplificato).

# Conclusione

*L'Estonia è incentrata su un'economia di mercato molto efficiente ed altamente competitiva, rappresentando la cornice ideale per la costituzione di società operative e/o holding di partecipazione.*

*E su questo....*



# Taxes and structure

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# Business in Estonia

Estonia has transformed itself into one of Europe's business success stories of the last decade, mainly thanks to the sophisticated e-solutions available here. Whether they're business-to-business or government-to-business, these solutions rely on infrastructure like the [X-Road](#) and [eID](#) to create the kind of fast interaction and access needed to make commerce work.



# Convenience

*Where business is easy, business will grow.*

Services in the private sector such as internet banking and digital signatures (Mobile ID and ID card) have cut costs and speed up trade like never before.

Likewise, the public sector solutions used in Estonia like electronic tax filing, e-business registry and the availability of public records online have pared bureaucratic waste down to a bare minimum.

# What is e-Residency?

The Republic of Estonia is the first Country to offer e-Residency — a transnational digital identity available to anyone in the world interested in managing a location-independent business online.

E-Residency additionally enables secure and convenient digital services that facilitate credibility and trust online.

# WHY ESTONIA?

Key drivers for Estonia's high rank:

- ▶ **Low corporate tax rate at 20%** with no double taxation of dividend income
- ▶ **Nearly flat 20% income tax rate**
- ▶ **Property tax only on the value of land** and not on the value of the buildings
- ▶ **Territorial tax system that exempts 100% of foreign profits**

# Corporate income tax

## Tax base

- ▶ Corporate profits distributed in the tax period; dividends and other profit distributions, incl liquidation proceeds and payments made on reduction of company's equity or redemption or return of shares
- ▶ Taxable gifts, donations and representation expenses;
- ▶ Expenses and payments unrelated to business.
- ▶ Fringe benefits are taxable at the level of employer
- ▶ Losses– taken into account (Estonian Commercial Code does not allow to distribute profits if the company has losses from previous years).

# Corporate Tax Structure

## A Neutral Business Tax System:

- ▶ Estonia allows for full expensing of capital investment: when a business determines its profit, it is able to account for the full cost of capital investment (plant, equipment, structure, etc.) in the year in which it is incurred.
- ▶ It **only taxes distributed profits** and at a 20% tax rate: if a business in Estonia earns profit and pays that out to its shareholders, the business would be required to pay a tax of 20% on the distributed profit (only if its paid out). Instead, if that business decides to reinvest that profit, it would not have to pay taxes on that.
- ▶ Estonia also provides a 100% exemption on any foreign earned income.

# Social tax 33%

## Tax Base:

- ▶ Employers payments to individuals (wage income)– tax payable by employers
  - in cash or
  - in kind (fringe benefits).
- ▶ Business income of self employed– tax payable by self employed persons.

# VAT: 20% standard and 9% reduced (books, newspaper, medicine, accommodation).

- ▶ Value added tax : 20% or 9%
- ▶ VAT is charged on: goods and services within Estonia
- ▶ Intra-E.U. acquisitions of goods and services
- ▶ Import of goods and services
- ▶ Provision of services which are taxable in Estonia, supplied by the foreign taxable person

# ESTABLISHING A PRIVATE LIMITED COMPANY (OÜ)

- ▶ The private limited company (osaühing or OÜ in Estonian) is the most common form of business in Estonia.
- ▶ The advantages of the private limited company:
  - simple and quick registration;
  - a relatively low share capital requirement (2,500 euros);
- ▶ AS or aktsiaselts capital requirement 25,000EUR.
- ▶ Shareholders have no personal proprietary liability for the private limited company's obligations.



*Thank you!*



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