

Live Q&A with the e-Residency Team – Ask us Anything!

20 March 2024



REPUBLIC OF ESTONIA
E-RESIDENCY

 GATETO BALTICS

Speakers



Hannah Brown

Head of Content
e-Residency



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e-Residency



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Founder of Redearth OÜ

Official e-Residency
Community Leader



GATETO BALTICS



Reinis Sietins, LLM
Managing director
Senior consultant

Gate to Baltics OÜ

Accounting and legal services

Gate to Baltics provides assistance with legal, corporate and accounting services. The company is operating in Estonia since 2017.

Our services include:

- Consulting before company registration – e-Residency card, tax issues, accounting.
- Company registration process.
- Dealings with share capital of the company - increase of the share capital / share transfer / purchase.
- Corporate assistance – stock option agreements / shareholder agreements / special AoA.
- Ongoing accounting services
- Consulting – tax / legal consulting.

What we'll cover today...

1 **Becoming an e-resident:** what is e-Residency, eligibility, application process

2 **Starting a Company in Estonia:** benefits, basics, service providers, banking

3 **Taxation:** introduction to cross-border tax topics & the tax system in Estonia

What is e-Residency?

✓ e-Residency is...

- A **Digital identity**
- Access to Estonian e-services
- Secure digital signature
- A digital key to do business
- A global community

✗ e-Residency is NOT...

- A travel document
- Citizenship, Visa or Residence permit
- Tax residency
- Business bank account
- Personal bank account

Who can apply?

- E-Residency is only granted to **individuals**
- Substantial interest in using e-services & starting a company in Estonia
- Not open for Estonian citizens or residents of Estonia
- Restrictions on new applications from Russian or Belarussian citizens



Why become an e-resident?

- Register an **EU-based company** 100% online from anywhere
- Run business remotely with **24/7 secure access** to Estonian e-services
- **Digitally sign documents** to highest eIDAS standards (as strong as handwritten)
- Join a community of **over 110,000 like-minded people** from 170+ countries



Application timeline



1. Apply online

Choose pickup location

Pay the state fee
(€100/€120)



2. Wait for approval

Identity check
Card delivery



3. Pick up your card in person

Bring your photo ID
Give your fingerprints

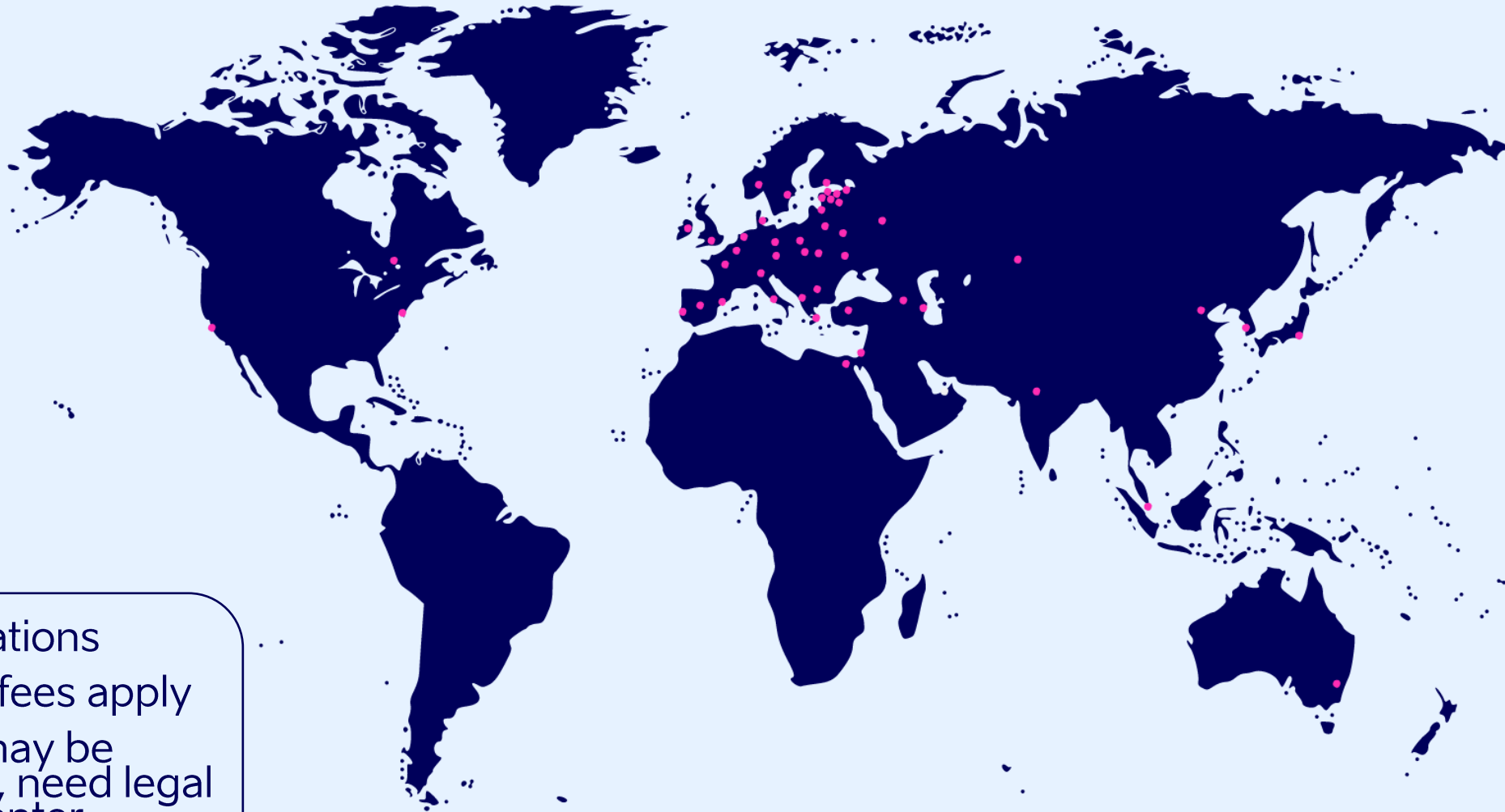


4. Set up your card

Activates within 24h
Install Digidoc

3-8 weeks

• Estonian Embassy or Police



- > 40+ locations
- > Change fees apply
- > Travel may be required, need legal right to enter another country

Pause for Q&A on e-Residency basics



Did you know?
Estonia has 2,222 islands

Meet a real life e-resident (turned resident)!

NAME

Laura Roman

E-RESIDENT SINCE

2018

COUNTRY

A Spanish citizen living in Estonia

COMPANY

Redearth OÜ

OBJECTIVE

The innovation of having a digital identity in another country & eventually, a way of operating a private limited company from anywhere without any hassle.

SUCCESS

Organising a successful networking event in Tallinn.



Why do business in Estonia?

Where entrepreneurs go to do business, 100% digitally and from anywhere in the world.

EASE

Make business easy at every stage

TRUST

Do business securely in the world's most digital country

OPPORTUNITY

Access opportunities for your business to thrive

COMMUNITY

Connect to the world's entrepreneurs

Comparing business environments

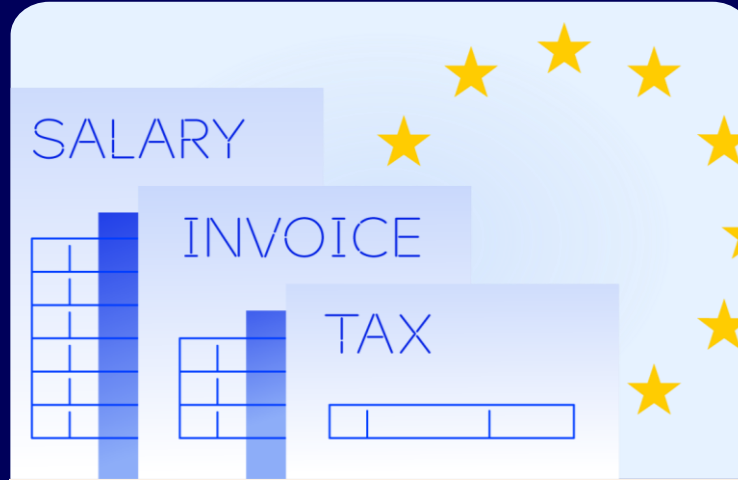
	Estonia (e-Residency)	US (Delaware)	Ireland	UK	Singapore	Portugal
State fee to register business	€265	from \$90 (€82)	€150	£12 (~€14)	SGD300 (~€200)	€360
Time to register business	2 hours	5-15 days	3-7 days	24 hours	1-3 days	1-2 days
First year costs	~€200	~\$2,500	~€2,000	~£600	~€4,000	~€80
Visa, local agent or director?	x	Agent	EEA resident Director	x	Local director or visa	Agent or visa
Minimum Share Capital	€0.01	nil	nil	nil	SGD1	€1
E-services	Yes	Limited	Limited	Yes	Yes	Limited
Digital ID card	✓	x	x	x	✓	X
Corporate Tax Rate (%)	0 / 20	8.7	12.5	25 / 19	17	21
Hours to file tax returns p.a.	50	175	82	114	64	60-150

The Lifecycle of your Estonian Company



Register your company

Log into the e-Business register (or API formation services) to register your company, or get the help of a service provider. Choose business banking and payment providers.



Run your company

Sign documents digitally, file reports online, outsource admin and get specialist tax advice with the help of Marketplace service providers.

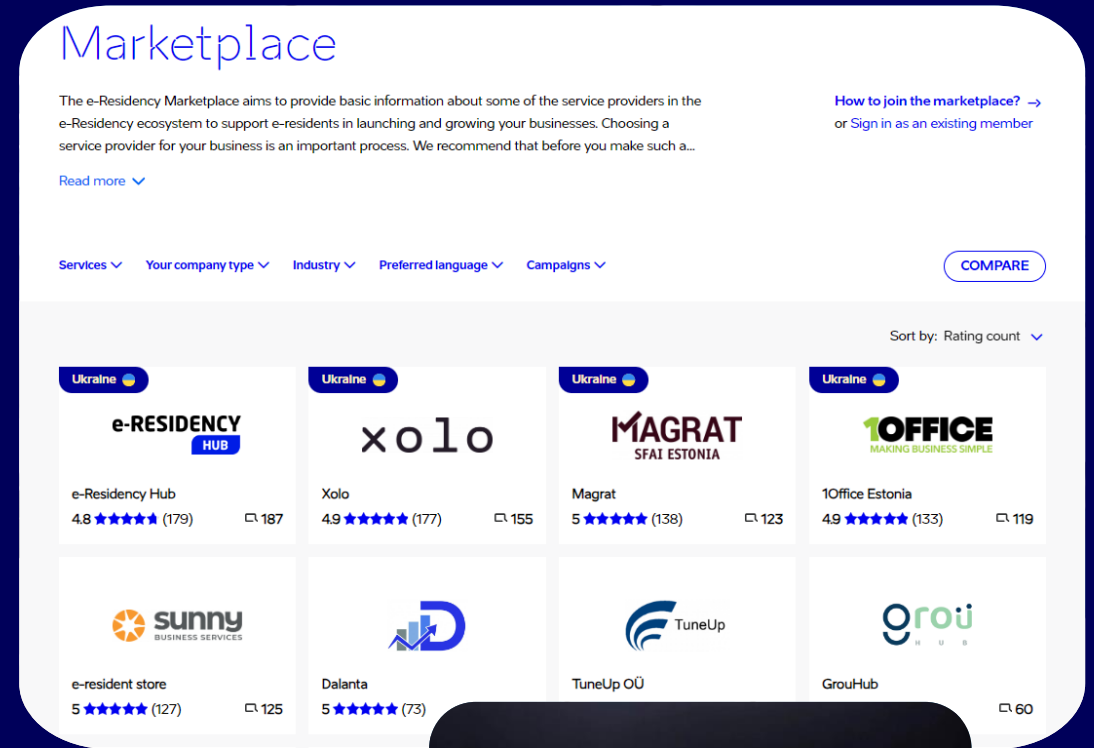


Grow your company

Find funding opportunities, hire employees, or network with other e-resident founders at community events and business meetups.

Who can help me start, run and grow my company?

- 140+ expert business service providers on the e-Residency Marketplace
- A local contact person is the only mandatory service
 - For companies with a foreign board address
- Other services: company formation, accounting, legal, tax consulting, marketing, recruitment, etc



Company types

- 'OÜ' is a private limited company
- Most popular business form
- Limits shareholder liability
- Simple online registration process
- Suitable for solopreneurs, micro-enterprises, startups, SMEs
- Share capital starts from €0.01 per shareholder

- Other: public company, partnership, commercial or non-profit association, sole trader, branch

Estimated costs

- e-Residency = **€100/120**
- Register OÜ = **€265**
- Contact person = **€200-400** per year
- Accounting = **from €50** per month

- TOTAL (first year rough costs), from:
 - **€565** (DIY)
 - **€1,265** (with accounting support)

Business Banking options



Estonian banks

Personal visit required
Strong connection



Fintechs

Open account online
Widest choice
No business loans



Other EEA banks

Existing client relationship

Business Banking comparison

	LHV	Coop	Airwallex (1Office)	OuiTrust	Juni	Connect Pay	Payhawk	Paysera	Finom	Wise	Genome
Fintech			✓	✓	✓	✓	✓	✓	✓	✓	✓
Traditional bank	✓	✓									
IBAN	EE	EE	EE	EE	DK, GB	LT	LT	LV	NL	BE	LT
Application online			✓	✓	✓	✓	✓	✓	✓	✓	✓
Credit/ debit/ pre- paid card	Business Debit MC	Business Debit MC	Business Debit VISA	Business Debit MC	Business Debit MC	Business Debit VISA	Business Debit VISA	Business Debit VISA	Business Debit MC	Business Debit MC	Business Debit VISA
International payments	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business loans	✓	✓	+ Payment Gateways: Stripe, Payoneer, Paysera, DECTA, OuiTrust, ConnectPay, Genome, LHV +								

Pause for Q&A on business formation



Did you know?
Estonia's population is 1.3 million





The complexities of
taxation for cross-
border businesses



Types of Taxes

#1

Personal Income Tax

Declared where you are tax resident

#2

Corporate Income Tax

Declared where company registered and/or has permanent establishment

#3

Social Taxes

Declared where your employees are located / registered

#4

Value-added Taxes (VAT)

Online sellers can declare in the EU country where they are VAT-registered (OSS/IOSS), subject to thresholds

Where do e-residents pay company taxes?

You shouldn't be double-taxed!

Contact a local tax consultant for professional advice regarding your specific situation.

ESTONIAN COMPANY = TAX RESIDENT

Automatically upon registration

PERMANENT ESTABLISHMENT

Activities in other country(ies)

E-RESIDENCY \neq TAX RESIDENCY

Does not exempt foreign tax liabilities

60+ DOUBLE TAX TREATIES

Dividends may be exempted in full from taxes here

The most competitive tax code for 10 years

- Estonia has minimal tax regulation & low rates
- No annual corporate income tax
- Corporate tax:
 - No tax on reinvested profits
 - 20% on distributed profits (22% from 2025)
- 22% VAT (only for supplies in Estonia)
 - Mandatory VAT registration > 40k EUR per year
 - OSS & IOSS regimes in EU simplify VAT procedures
- Taxes can be declared and paid online
- Get help from the friendliest tax authority in the world!



Substance in Estonia

- Rent an office
- Hire employees
- Hold Board Meetings
- Register assets
- Relocate
- Become a digital nomad

<https://www.e-resident.gov.ee/bringing-business-to-estonia/>



Pause for Q&A on taxation



Did you know?
Estonian is a Finno-Ugric language, and is
the 5th toughest to learn for EN speakers!

What's Next?

A person with short dark hair and glasses, wearing a grey blazer, is sitting at a desk in a modern office. They have their hands behind their head and are looking up at the ceiling. The office has a blue geometric ceiling with recessed lighting. In the background, there are desks with computers and a large white lamp in the foreground.

1 Give us Feedback

2 Ask questions on
Reddit, Facebook or
Contact support

3 Apply!

Thank you!



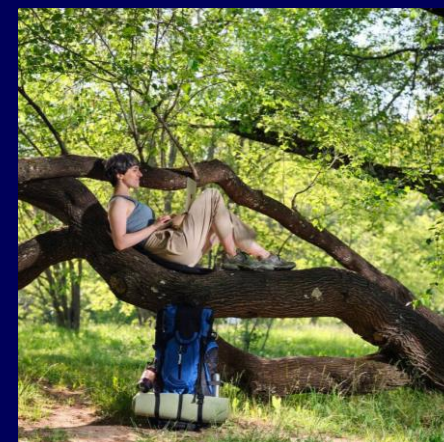
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Follow the QR Code to download
slides and find recordings.





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