

E-Residency Live Q&A – Ask us about starting a non-profit in Estonia!

26 November 2025



REPUBLIC OF ESTONIA
E-RESIDENCY



What we'll cover today...

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

2 **Starting a NPO in Estonia:** benefits, basics, NPO vs company, service providers, banking

3 **Taxation & Reporting:** introduction to NPO tax Basic, cross border & Estonian taxation, reporting

Introduction



- **20+ years** of experience providing corporate and accounting services
- Team of **20+** seasoned professionals
- **Full-service support:** incorporation to ongoing accounting & legal compliance
- Extensive experience working with **international clients**
- Accountants specialized across a **wide range of industries**
- Focus on **accuracy, responsiveness, and long-term relationships**
- **Tech-driven processes** for efficient, secure, and transparent reporting

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

Why start your NPO in EE?

E-Residency offers an easier way to establish, manage and grow your NPO online, giving you more time to focus on your cause!



Founding, managing and reporting done 100% online

Public e-register broadcasts your reliability and transparency

Apply for project funding, grants and initiatives

Find other like-minded organisations and causes

Who can apply?

- E-Residency is only granted to **individuals**
- Substantial interest in using e-services & starting a NPO in Estonia
 - Not open for Estonian citizens or residents of Estonia
 - Restrictions on new applications from Russian or Belarusian citizens
 - Restrictions on new applications from citizens of countries without a bilateral cooperation framework on justice, security and law enforcement



Why become an e-resident?

- Register an **EU-based NPO** 100% online from anywhere
- Run organisation 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 130,000 like-minded people** from 170+ countries



Application timeline



1. Apply online

Choose pickup location
Pay the state fee



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

5+ weeks

- > 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!

NAME

Borja Blanco Mendez

E-RESIDENT SINCE

February 2022

COUNTRY

Spain

COMPANY

Earth.fm (Digital Partnership for Regeneration and Reconnection MTÜ)

OBJECTIVE

Founders of Earth.fm live in different countries and travel frequently. Entirely online structure was necessary to avoid the need for being physically present in one place for paperwork.

SUCCESS

Access to many benefits like online tools and resources for nonprofits. In order to feel like a full-fledged EU nonprofit, we need to secure EU funding like Erasmus+ or Creative Europe.

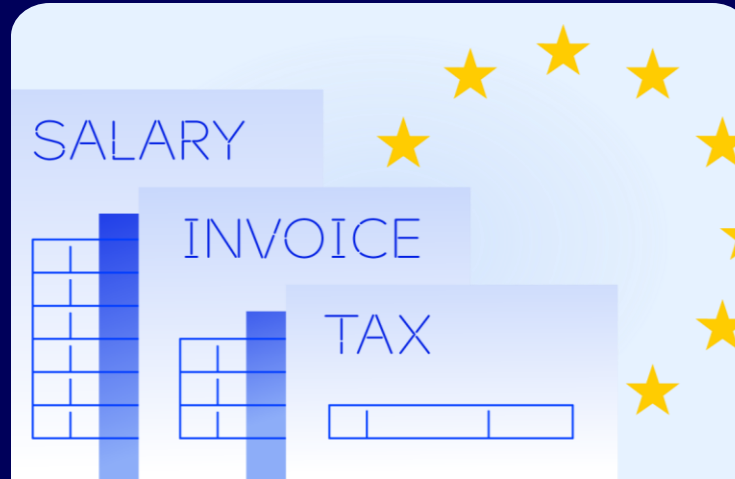


The Lifecycle of your Estonian Legal Entity



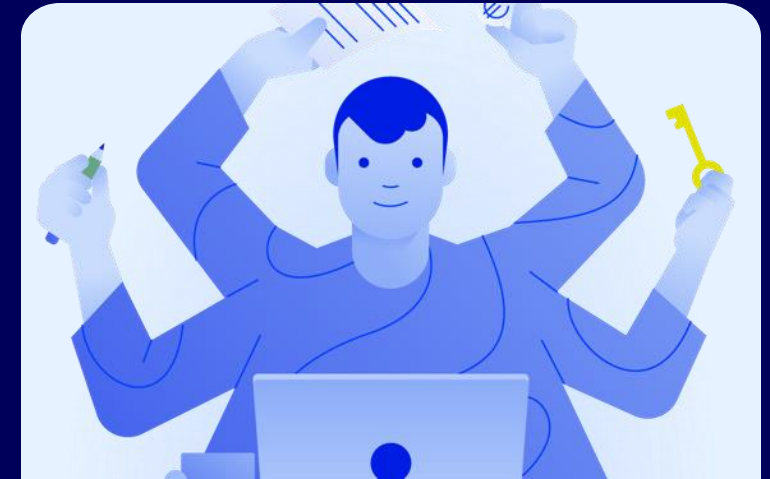
Register your NPO

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 organisation

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



Grow your organisation

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

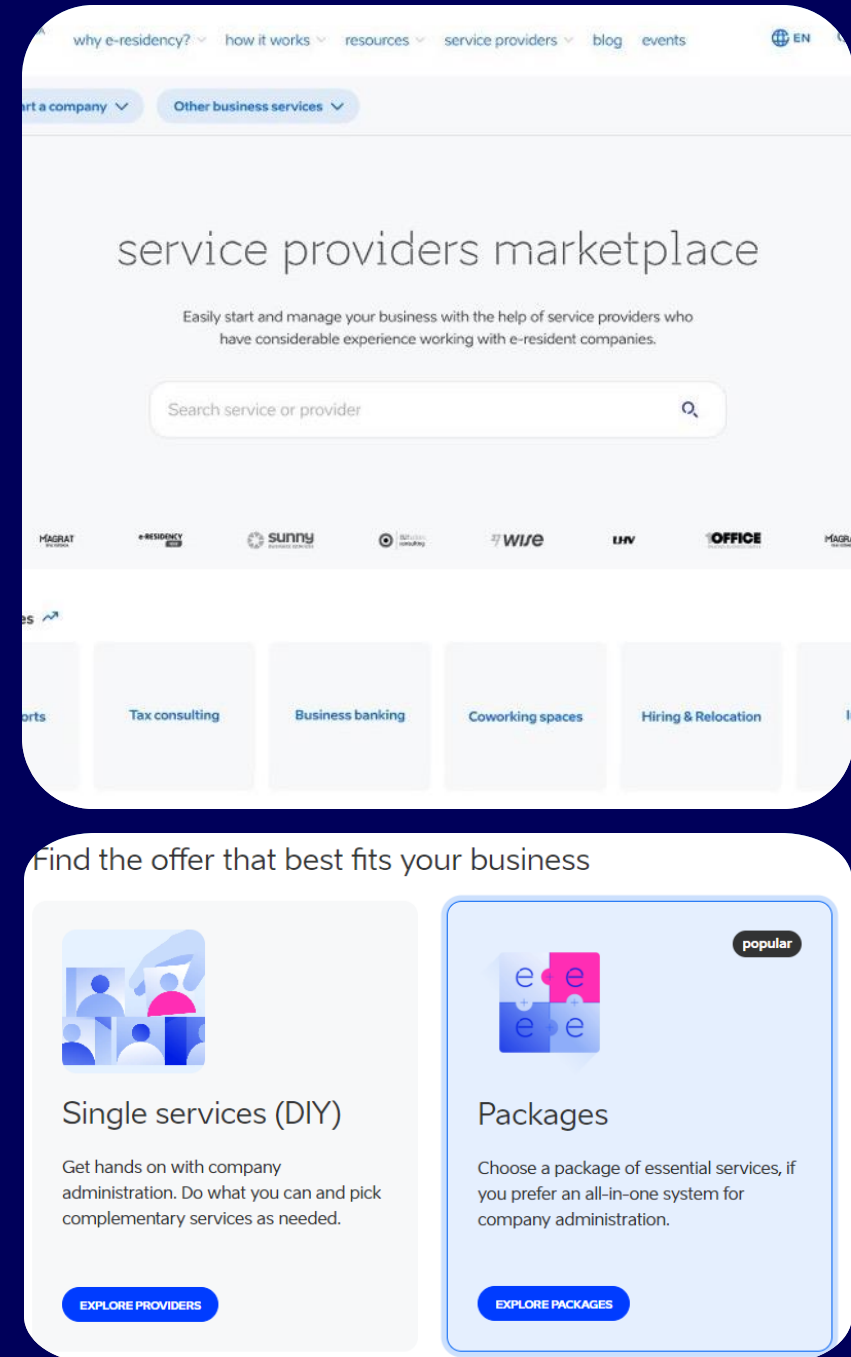
How to start and run an NPO in EE?

- What form of NPO?
 - MTÜ or SA?
 - 2 founders or notary
- At least 1 general assembly a year
 - Includes decisions like **electing a board**, annual budgets and confirming annual reports
 - Can be done online!
- Easy formation through e-Business Register
 - NPO's mission and goals
 - Expenses made should further this
- Annual reporting is a must!
 - Most NPO's use the help of an accountant, even if temporarily.



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

- 140+ expert business service providers on the e-Residency Marketplace
 - Some of them specified to NPOs
 - Use „company type“ filter
- Other services: company formation, accounting, legal, tax consulting, marketing, recruitment, etc
- A local contact person is the only mandatory service
 - For companies with a foreign board address



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	Narvi	Spendbase	Wamo	ConnectPay	Payhawk	Paysera	Finom	Wise	Genome
Fintech			✓	✓	✓	✓	✓	✓	✓	✓	✓
Traditional bank	✓	✓									
IBAN	EE	EE	FI	GB, FR	NL	LT	LT	LV	NL	BE	LT
Application 100% online			✓	✓	✓	✓	✓	✓	✓	✓	✓
Credit/ debit/ pre-paid card	Business Debit MC	Business Debit MC	TBA	Virtual Business Debit MC	Business Debit VISA	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 incorporation



Did you know?
Estonia's population is 1.3 million



The most competitive tax code for 12 years

- Estonia has minimal tax regulation & low rates
- Corporate income tax:
 - **No tax on reinvested profits**
 - **22%** on distributed profits
- **24% VAT** (for sales in Estonia)
 - Mandatory VAT registration > 40k EUR yearly turnover earned in Estonian transactions
 - For voluntary VAT registration > business activity takes place in Estonia
 - EU-wide 100k EUR threshold for turnover within EU
 - OSS & IOSS regimes in EU simplify VAT procedures
- Taxes can be declared and paid online
- Get a consultation and supportive help from tax authority!



Tax & Profit Basics (NPO status ≠ tax-free)

Purpose of a non-profit

- Exists to achieve a social / community / member benefit
- Surplus **cannot be distributed** to founders or members, it must support the MTÜ's objectives
- At least **2 founders are necessary**. Our cost for incorporation is **498 EUR + VAT** (includes 30 EUR state fee)

Corporate income tax (CIT)

- Estonia's **0% CIT** on retained/reinvested income also applies to MTÜs
- CIT is charged **when funds are used for non-purpose expenses, gifts or fringe benefits**, or otherwise leave the organization's mission

Types of income

- **Donations, grants, membership fees:** generally, no VAT, no CIT if used for statutory purposes
- **Economic activity (trainings, events, merch, services, ads):** may be subject to VAT; CIT only if money is later spent on non-purpose expenses

Donations & public-benefit (incentive) list

- MTÜs on the income-tax incentive **list can receive donations tax-free** > Getting onto the list is not automatic or easy
- **Donors (companies / individuals) may get tax relief within statutory limits** > MTÜs not on the list can't offer this deduction

Reporting & Compliance - What to Watch

Separate wallets

Keep MTÜ bank account and bookkeeping clearly separate from founders' and board members' personal finances

Outgoing payments

- **Purchases & operating costs:** normal business treatment > VAT can be reclaimed only if the MTÜ is VAT-registered
- **Board fees & salaries:** monthly TSD > income tax and social tax like any employer
- **Non-resident workers:** may be taxed in their country and can create permanent establishment risk
- **Scholarships, awards, sponsorships & donations given out:** may trigger withholding income tax and sometimes social tax, depending on who receives the payment and why

Reporting rhythm

- **TSD:** each month when payroll or taxable payouts occur
- **VAT return:** monthly once VAT-registered (even if only zero-return)
- **Annual report:** must be filed within 6 months after financial year-end, explains activities and use of funds

Transparency & AML

- **Clear documentation for all donations** received and grants awarded
- For larger / cross-border donation flows, **the MTÜ may need AML procedures**

Substance in Estonia

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

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



Pause for Q&A on taxation & reporting



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

Thank you!



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and information

e-resident.gov.ee



Follow the QR Code to download slides
and find recordings.

