

Building Your Business with Estonia — Community-Led Live Q&A on e-Residency (19 August 2026)

AI-assisted summary

Speakers: Raimo Matvere & Stina Remmer from e-Residency team, Taaniel Hanniste (Sunio, trusted service provider from e-Residency Marketplace), and e-residents Carolin Desirée Toepfer (Cyttraction), Stefano Amorelli (tech/AI companies), Daeho Choi (Boundee).

Table of Contents

Building Your Business with Estonia — Community-Led Live Q&A on e-Residency (19 August 2026)	1
1. <i>Why how to become an e-resident?</i>	2
Why?	2
What it's not?	2
Who can apply?	2
How does application process works?	2
Why did guest speakers became e-residents?	3
2. <i>Why and how to open a business in Estonia?</i>	3
Common reasons people look for alternative jurisdiction for opening a company (per e-Residency team)	3
Why Estonia?	3
When does it make sense to open a company here?	4
Good fits for e-resident companies	4
How to set up an Estonian company?	4
Banking — three routes, none guaranteed	4
Expert's insight on what to keep in mind before starting Estonian company (by Taaniel H from Sunio)	5
Recommendations from e-resident Carolin Desirée Toepfer (practical, step-by-step)	5
3. <i>Administration, reporting, compliance & taxation</i>	6
Minimum obligations, even with zero activity	6
Taxation basics	6
How Estonian tax authorities behave in practice?	7
What not to do in the context of taxation?	7
Carolin's (e-resident) take on taking it seriously!	7
4. <i>Real experience of e-residents</i>	7
Daeho Choi (Boundee — HR SaaS for US hospitals)	7

Stefano Amorelli (Dominance OÜ, tech communities)	8
Carolyn Desirée Toepfer (Cyttraction — cybersecurity risk platform)	8
<i>Practical takeaways (all speakers)</i>	9

1. Why how to become an e-resident?

Why?

- Register an EU-based company 100% online, from anywhere.
- Digitally sign documents to eIDAS standard — legally equal to a handwritten signature.
- Run the business remotely, 24/7, with access to Estonian e-services.
- Join a community of 140,000+ e-residents from 170+ countries.

What it's not?

- Not a travel document, visa, citizenship, or residence permit (no photo on the card).
- Not a tax residency — your personal tax residency stays wherever you actually live.
- Not a guaranteed business or personal bank account for you or your Estonian company.

Who can apply?

- Anyone who is **not** an Estonian citizen or resident.
- Some restrictions apply for Russian/Belarusian citizens and countries without a bilateral justice/security cooperation with Estonia (full list on the e-Residency website).

How does application process works?

- Application is fully online, takes 30–50 minutes if you have your documents ready.
- Approval: officially up to 30 days (can be faster; slower around holidays/summer).
- One physical step: picking up your card/reader kit at an embassy or pickup point (fingerprints + signature taken there). From Jan 2027, a pickup mission will also open in Mexico City.

- **Costs:** e-Residency state fee is €150/person (€165 from 2027 — apply this year if you're committed).

Why did guest speakers become e-residents?

- **Carolyn:** *"The Estonian system makes it so easy to have a European compliant entity, but easy to set up... and it's easy to maintain."* She runs 4 Estonian companies, uses them to segment business risk ("don't have everything in one basket").
- **Stefano:** Liked that he could "manage, create your business and manage it online" without heavy bureaucracy — lets him focus on the actual product.
- **Daeho:** Needed to relocate from Singapore for a startup-friendly, cost-effective ecosystem close to the US market, English-speaking, with EU market access. E-Residency was the route to set up the company required for his Estonian startup visa.

2. Why and how to open a business in Estonia?

Common reasons people look for alternative jurisdiction for opening a company (per e-Residency team)

- Bureaucracy/slow administration at home.
- Local legislation doesn't support a cross-border business.
- Home market has limited investor interest, outdated regulation, or high running costs.
- Taxation in home country is a headache.

Why Estonia?

- Low bureaucracy, low corruption, high digitalization — ranks well on international indexes.
- EU and NATO member, giving access to EU markets, funding, and regulation.
- An Estonian OÜ owned by an e-resident looks identical in the commercial register to any Estonian-owned company — same rights, same obligations.
- Fast company registration once you already have your e-Residency card.
- No mandatory local director/board member — just a contact person.
- Significantly less time (and money) spent filing taxes than in most other countries.

When does it make sense to open a company here?

General rule of thumb: **open when you have a concrete need**, e.g.:

- Joining an Estonian accelerator that requires an Estonian legal entity.
- Applying for EU grants (need a European company).
- An investor or first customers who want a European transaction partner.
- Wanting to protect a trademark/IP in the EU.

Good fits for e-resident companies

- Startups (especially early stage — lots of programs and investors).
- Service/physical businesses with an international team/customer base.
- Trading companies / e-commerce selling into Europe.
- Non-EU companies wanting an EU presence or a Nordic-Baltic base.
- Investors managing personal wealth or making investments through an Estonian vehicle.

How to set up an Estonian company?

- Most common structure: **private limited company (OÜ)** — cheap and fast, share capital €0,01, often rounded to €1.
 - Non-profits are also possible for e-residents
- **Costs (state fees):**
 - E-residency application: €150/person
 - Company registration: €265 (one-time fee)
 - Contact person / legal address service: roughly €200–1,000+/year depending on provider, often bundled with accounting.
- The only mandatory service you need: a **legal address + contact person** in Estonia (required if no founder is based there — they receive official state correspondence and forward it to you).
- Service providers can be found via the official e-Residency marketplace (150+ curated providers, including legal address, accounting, tax, co-working, HR/hiring).

Banking — three routes, none guaranteed

1. **Online banks/fintechs** (Wise, Revolut, Wamo, Narvi etc.) — most common choice, online application, easiest UX, but no credit services.
2. **Estonian bank** (e.g. LHV, Coop are described as most open to e-residents) — requires an in-person visit and proof of a real connection to the Estonian economy (employees, office, suppliers, R&D cooperation, etc.).

3. **Existing bank relationship in another EEA country** — ask if they'll also service your Estonian company.

Expert's insight on what to keep in mind before starting Estonian company (by Taaniel H from Sunio)

- **Sunio** has operated 25+ years in accounting and corporate services, 30+ team members
- Offers end-to-end support: company setup, legal address/contact person, accounting, bank account help, invoicing, document handling, closure if needed.
- Rationale for using a provider rather than DIY: *"It's difficult to know what exactly you need to do"* — a provider who "sees these things every day" catches issues before they become problems (e.g. correspondence from the Estonian state is in Estonian).
- **Two things founders most often get wrong before starting:**
 - Not researching home-country tax obligations that can persist alongside the Estonian company.
 - Assuming any bank/fintech will onboard them — provider availability depends on the founder's country of origin.
- **Lack of research** before incorporating. Common surprise: your home country may still tax you personally/locally even though your company is Estonian (e.g. German nationals can remain subject to German tax rules).
- **Banking is not automatic** — banks have their own country policies. Check that your chosen provider (e.g. Revolut/Wise) serves your country of citizenship/residence *before* assuming an Estonian company guarantees you an account.
- **Recommendation:** do your own research or get advisory support; the e-Residency site also has articles on these topics.

Recommendations from e-resident Carolin Desirée Toepfer (practical, step-by-step)

- **Focus on one business first.** *"Have your strategy first, and set up one e-Residency company first, so you can learn how everything works."*
- Set up the tech stack (website, checkout, Stripe etc.) **in parallel** while your e-Residency application is being processed — so you can onboard clients the moment the company exists.
- Get a bank account early — online banks are easier than traditional ones; Swedbank or other traditional ones are also usable (may charge extra for KYC).

- Only add more companies once the first one is fully working and understood — don't over-engineer the structure from day one: *"I think I see the opposite [of what social media tells founders] — actually we want to focus on business... on the go you build your entities, you build your structure."*
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3. Administration, reporting, compliance & taxation

Minimum obligations, even with zero activity

- Legal address + contact person is mandatory if managing the company from abroad.
- **Annual report must be submitted every year**, even for a fully inactive company (this is described as straightforward to file).
- No requirement to pay salary or distribute dividends — profit can stay and grow inside the company. Taaniel from Sunio: *"There's nothing that forces you to... pay this salary every month. That's for you to decide."*
- You are allowed to run at a loss for a while, but **not indefinitely** — sustained losses can trigger equity-law requirements to show a fix plan.

Taxation basics

- **Personal income tax** is declared wherever you are personally tax resident — an Estonian company does not change this.
- The **Estonian company itself is an Estonian tax resident by default**.
 - Be aware of the concept of "permanent establishment": if most business activity/customers are concentrated in another country, that country's tax authority may treat the Estonian company as having a taxable presence there. Recommended to analyze this early with an professional tax advisor.
- **Corporate income tax: 22% on distributed profits, 0% while profit is reinvested/retained** in the company.
- **VAT: 24%**, with a **€40,000/year threshold** before mandatory registration (voluntary registration below that is possible, but requires Estonia-tied business activity).
- **Social taxes** for employees are declared according to where the employee is located, not where the company is registered.
- Estonia has 60+ **double taxation avoidance treaties** — check the Estonian Foreign Ministry's list of tax treaties.
- Ongoing reporting: monthly filings if you have VAT and/or employees; annual report always required.

How Estonian tax authorities behave in practice?

- Rates and rules are not overly complicated.
- Everything is filed and paid online.
- If something is filed incorrectly, the typical process is: notice + deadline to fix it — **not** an immediate fine.
- Authorities are open to answering questions proactively if you're unsure how to declare something.

What not to do in the context of taxation?

- **Don't mix personal and business finances** — what counts as a deductible business cost can differ from your home country's rules; ask your provider.
- If you have multiple companies (holding structures, subsidiaries, intercompany transactions), **get dedicated tax advice** to structure it properly.
- Longer-term recommendation: **build real "substance" in Estonia** if you can — hire someone there, open an office, hold board meetings there, register IP there, work with local suppliers/institutions. This strengthens both compliance and local credibility.

Carolyn's (e-resident) take on taking it seriously!

"I think you have to take it serious. That's one thing that I hear very often — that people have a digital business and then think, 'oh, it's not really happening in real world' — but it is."

- Mark your calendar for the annual report and tax deadlines from day one.
- The EU's evolving single-market rules are making this easier over time — e.g. the old requirement to hold a bank account in the client's country to invoice them ("IBAN discrimination") is no longer legal in the EU, so cross-border invoicing from an Estonian entity is now simpler than a few years ago.

4. Real experience of e-residents

Daeho Choi (Boundee — HR SaaS for US hospitals)

- *"Opening and managing an Estonian company is quite stressful work"* — but he used a service provider and describes the process itself (grants applications, correspondence, portals) as fully online.
- **Would not recommend doing it without a service provider.**

- Main friction point: most government/legal documents are in Estonian — his workaround: *"You can use ChatGPT, Claude, or other AI systems, so it won't be a matter."*
- On the local startup ecosystem: people are generally willing to help, though response times can be slow — *"I wouldn't take that as a lack of interest... just ask the right question to people and they will guide you to the right person."* Follow up if you don't hear back.
- Joined Health Founders Estonia (government-backed health tech accelerator) — praised the team's enthusiasm, noted individualized support is naturally limited when many startups are in one batch, so being proactive matters.

Stefano Amorelli (Dominance OÜ, tech communities)

- *"To be honest... I didn't experience at least any negative experience in my own case."*
- Highlights the ability to do everything online as the "killer feature" — went as far as building his own API/terminal connection to Estonian government services (open source on GitHub).
- On the language barrier: Estonian law is mostly in Estonian, but **English translations exist**, and he found the legal text itself easy to understand even as a non-lawyer.
- Community tip: *"Being an e-resident is also about being part of a community, a worldwide community... look around, see what events are online or offline as well... just be there and connect as much as possible."*

Carolyn Desirée Toepfer (Cytttraction — cybersecurity risk platform)

- On going global while based in Estonia: separates "core of the business" (fully digital — SciGuide sells online across all 31 target EU markets) from "local go-to-market," which increasingly needs local presence (partners, events, entities) as the company scales — *"that's the difference between year one and year five."*
 - Big companies and multipliers have no issue working with an Estonian e-Residency company: *"It's a real company... it also comes with obligations and regulations in the European Union. This is what business partners know and like."*
 - Repeated advice: skip the social-media hype about needing complex entity structures from day one — build one working setup, prove you can invoice and get paid, then expand.
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Practical takeaways (all speakers)

- **Get one company fully working before adding more** — invoicing, payment, checkout, bank account — then expand.
- **Use a service provider**, at least at the start, for legal address/contact person and initial setup — cited repeatedly as worth the cost.
- **Check home-country tax rules** before assuming the Estonian company is your only tax obligation.
- **Check bank/fintech eligibility by your country of citizenship/residence** before assuming an account is guaranteed.
- **File the annual report every year, even with zero activity.**
- **Don't mix personal and business expenses**; ask your provider what counts as deductible in Estonia.
- **Mark tax/reporting deadlines on your calendar from day one** — treat the company as a real, serious entity.
- **Visiting or spending time in Estonia** (co-working spaces like Fragmented, Lift99, Workland; community events) is valuable for building real business connections, even if you don't relocate permanently.