



E- Estonia: Join A Digital Society

Estonia has become one of the most advanced digital societies in the world, with 99% of public services available online to citizens and residents. It is Estonia's push towards a digital society and the implementation of technology-based government initiatives that have made the country a home for ICT industries, start-ups and ambitious entrepreneurs from around the world.

1. E-Residency

In 2014, Estonia became the first country to introduce a way to make e-services accessible from anywhere in the world for everyone, regardless of their nationality. The e-Residency program provides foreign nationals with a government-issued digital identity that enables access to Estonia's digital services and business environment.

Although the digital identity does not grant its holder the right to physically enter or reside in Estonia or any other EU country, it offers foreign entrepreneurs the opportunity to establish and manage an Estonian company fully digitally from anywhere in the world, thus providing a gateway to participate in one of the most progressive business and start-up ecosystems. Additionally, e-Residency provides entrepreneurs from all over the world with access to the EU market.

2. The Digital Nomad Visa

Estonia has joined a handful of countries that recognize a growing community of people who prefer and can work from anywhere in the world with the use of telecommunication technologies. The new Digital Nomad Visa is aimed at remote workers and allows individuals to stay and legally work in Estonia for a period of up to one year.

In that respect, the visa caters to a previously untouched category of persons as, generally, remote workers have limited options to work while visiting a foreign country, often opting to acquire a tourist visa which technically does not allow to take up employment activities.

As the title indicates, to be eligible, you must be able to prove that you can work and support yourself using telecommunication technologies irrespective of location. This may include, for example;

- Location-independent Employees who have active employment contracts with a company registered outside of Estonia.
- Freelancers who offer services to and have contracts with clients who have permanent establishments located outside of Estonia.
- Remote entrepreneurs who have companies registered outside of Estonia.

In addition to the mentioned eligibility criteria, you must be able to prove that your income meets the minimum threshold of €3504 in the six months preceding your application.

3. Business Environment

Estonia's drive towards a digital society has not only helped the nation establish a well-developed e-governance system, but the implementation of programs such as e-Residency has also helped the nation's growing business and start-up environment.

To date, Estonia has granted e-Residency to more than 70 000 people, and more than 13 000 companies have generated revenues of over €1 billion since its launch. Likewise, becoming a digital nomad in Estonia will allow you to join a community of remote workers, freelancers and start-up entrepreneurs all while contributing to the Estonian economy.

That being said, the issue of tax responsibility for both digital nomads and e-residents can become a complex matter, however, becoming either does not automatically confer tax obligations in Estonia.

Regarding digital nomads, the general rule is that you pay taxes only after you have acquired tax residency. An individual becomes a tax resident in Estonia once he or she has been in the country for 183 days within a period of 12 consecutive months.

Concerning corporate income tax, the general rule is that a tax rate of 0% is applied to all reinvested company funds. In other words, you only have to pay corporate income tax if you decide to split your company's funds, at which point an income tax rate of 20% is applied, calculated as 20/80 from taxable net payments.

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Contact information

For more information, contact
mataba.angela.helu@klauberg.legal

www.klauberg.legal

Klauberg Advokaadibüroo OÜ
Estonia pst. 9
EE-10143 Tallinn, Estonia