



**EUROPEAN COMMISSION**  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
Indirect Taxation and Tax Administration  
**VAT and other turnover taxes**

Brussels, October 2010  
TAXUD/C/1

**VAT in the European Community**

**APPLICATION IN THE MEMBER STATES,  
FACTS FOR USE BY  
ADMINISTRATIONS/TRADERS,  
INFORMATION NETWORKS, ETC.**

**Note**

**This document collates a range of basic information on the application of VAT arrangements in the Member States which has been obtained from the tax authorities concerned.**

**The sole purpose of distributing the details of national provisions is to create a work tool. In no way does this document reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.**

# ESTONIA

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## GENERAL INFORMATION

### **1. IF A FOREIGN TRADER WANTS TO OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM, WHOM SHOULD THEY CONTACT? (ADDRESS, TELEPHONE, FAX, E-MAIL)**

Tax and Customs Board  
Narva mnt 9j  
Tallinn 15176  
ESTONIA  
Fax: +372 676 2709  
E-mail: emta@emta.ee

For all general enquiries about VAT, as well as other taxes, contact our information service on: +372 1811. The service is available Monday to Thursday from 8:30 to 16:30, and on Fridays from 8:30 to 15:30 Estonian time (1 hour ahead of CET).

### **2. WHAT IS THE ADDRESS OF THE NATIONAL TAX ADMINISTRATION WEBSITE? WHICH CATEGORIES OF INFORMATION ON VAT ARE AVAILABLE ON THAT WEBSITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? AND IN WHICH LANGUAGE(S)?**

The address of the Estonian Tax Board website is <http://www.emta.ee>. On this website you can find VAT legislation and regulations, forms and general information. This information is available in Estonian. The Value Added Tax Act and general information are also available in English.

### **3. WHERE IS IT POSSIBLE TO FIND NATIONAL VAT LEGISLATION AND REGULATIONS? IN WHICH LANGUAGE(S) ARE THEY AVAILABLE?**

VAT legislation and regulations can be found on the following websites:

In Estonian: <http://www.riigiteataja.ee/ert/ert.jsp>

In English: <http://www.legaltext.ee/indexen.htm>

## VAT REGISTRATION OF FOREIGN TRADERS

### **4. WHAT ARE THE CIRCUMSTANCES GOVERNING THE NEED TO BE REGISTERED FOR VAT?**

When a foreign trader who has no permanent establishment in Estonia accrues taxable turnover in Estonia, but which is not taxed in Estonia upon the acquisition of goods or the receipt of services by a taxable person or a limited taxable person, the trader must register from the day on which they begin to accrue taxable turnover.

When a foreign trader who has no permanent establishment in Estonia makes an intra-Community acquisition of goods in Estonia, the trader must register as a limited taxable person from the date of intra-Community acquisition of the goods. The provision does not apply to the tax-free intra-Community acquisition of goods.

When a foreign trader who is liable to VAT in another Member State makes a distance sale to a person in Estonia who is not registered for VAT purposes (excluding distance sales of goods which are subject to excise duties), and the value of the taxable distance sale exceeds EEK 550 000 as calculated from the beginning of the calendar year, the foreign trader must register for VAT from the date on which their taxable turnover reached this threshold.

When a foreign trader who is liable to VAT in another Member State makes a distance sale of goods subject to excise duties to a private individual in Estonia for personal use, the foreign trader must register for VAT from the date on which the taxable sale was made.

When a foreign trader who is liable to VAT in another Member State makes a distance sale to an Estonian (excluding the distance sale of goods subject to excise duties), and wishes to register for VAT voluntarily, the foreign trader should present a written certificate from the competent authority of the Member State in which they are liable to taxation, confirming that the competent authority is aware that the foreign trader will be registered for VAT in Estonia.

### **5. IN WHICH SITUATIONS IS REGISTRATION UNNECESSARY BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE FOR THE TAX? IN SUCH SITUATIONS, IS IT POSSIBLE TO REGISTER ON A VOLUNTARY BASIS?**

A foreign trader who has no permanent establishment in Estonia is not obliged to register for VAT purposes when the reverse charge procedure can be applied. The reverse charge procedure applies when goods are sold or services provided to a taxable person or limited taxable person registered in Estonia where the applicable VAT amounts are subject to payment in Estonia.

A foreign trader may also register as a taxable person voluntarily.

**6. WHOM SHOULD A FOREIGN TRADER CONTACT TO BECOME REGISTERED FOR VAT?  
(DETAILS ABOUT THE DEPARTMENT, INCLUDING ADDRESS, TELEPHONE, FAX, E-MAIL  
AND OTHER INFORMATION)**

Ms Katrin Kullamaa  
International Taxation Division, Taxation Department  
Northern Tax and Customs Centre  
Endla 8  
Tallinn 15177  
ESTONIA  
Telephone: +372 676 1256  
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E-mail: [katrin.kullamaa@emta.ee](mailto:katrin.kullamaa@emta.ee)

**7. PLEASE DESCRIBE THE DETAILED PROCEDURES (INCLUDING DOCUMENTS REQUIRED)  
FOR ISSUING VAT IDENTIFICATION NUMBERS TO FOREIGN TRADERS.**

A person other than a foreign trader who has no permanent establishment in Estonia, and whose taxable turnover exceeds EEK 250 000 (as calculated from the beginning of the calendar year), must register for VAT from the date at which their taxable turnover reaches this threshold.

A trader must submit a VAT registration application to the tax authority within three working days of the date on which the criteria for VAT registration was fulfilled. However, the trader may also voluntarily register for VAT if they have not been previously obliged to do so. Upon registration the trader must certify that they are involved in business in Estonia or are starting a business in Estonia.

When submitting a registration application a private individual, or the representative of a legal person or a state, a rural municipality or a city agency, must present an identification document. The authorised representative of a legal person or a state, a rural municipality or a city agency also needs to provide a document certifying their authority, together with their identification document. A person who is liable for VAT in another country and has no permanent establishment in Estonia may appoint a tax representative. The tax representative must be approved by the Tax Board.

The Tax Board will notify the person of the decision concerning their registration and will register them in the register of taxable persons within three working days of making the decision.

## **THRESHOLDS**

**8. WHICH THRESHOLDS DO YOU OPERATE AS REGARDS INTRA-COMMUNITY DISTANCE  
SELLING UNDER ARTICLE 34 OF THE VAT DIRECTIVE (2006/112/EC)?**

When a person who is liable to VAT in another Member State makes a distance sale to an Estonian (excluding distance sales of goods which are subject to excise duties) and

the taxable turnover of the distance sale exceeds EEK 550 000 as calculated from the beginning of the calendar year, the person must register from the date at which their taxable turnover reached this threshold.

**9. WHICH THRESHOLD DO YOU OPERATE AS REGARDS ACQUISITIONS BY NON-TAXABLE LEGAL PERSONS OR EXEMPT PERSONS UNDER THE SECOND SUBPARAGRAPH OF ARTICLE 3(2) OF THE VAT DIRECTIVE (2006/112/EC)?**

When the taxable value of a person's intra-Community acquisitions of goods (excluding goods which are subject to excise duties and new means of transport) exceeds EEK 160 000 as calculated from the beginning of the calendar year, the person must register as a limited taxable person from the date on which they exceed this limit.

**APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN (NON-EU) TRADERS**

**10. IN WHICH SITUATIONS IS THE APPOINTMENT OF A TAX REPRESENTATIVE OBLIGATORY?**

A non-established trader who has no permanent establishment in Estonia must appoint a tax representative approved by the tax authority when registering as a taxable person. The provision does not apply to taxable persons of third countries who provide e-services and apply a special scheme of e-services in the EU.

**11. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?**

The representative must fulfil the following conditions:

- the tax representative is a legal person established in Estonia or a branch of a foreign legal entity entered into the commercial register in Estonia;
- the tax representative must be solvent and of good repute;
- the tax representative must not have tax arrears, including forced tax arrears.

**12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?**

The rights and obligations are similar to those of a duly registered trader. The tax representative must ensure that the principal's monetary and non-monetary obligations arising from the Taxation Act, and other tax legislation, are performed within the set terms and in full. Under the Taxation Act the tax representative is jointly and severally liable for all the tax liabilities of the non-resident they are representing.

**13. WHAT ACTION CAN YOU TAKE IN THE EVENT OF FAILURE BY A TRADER IN ANOTHER COUNTRY TO DESIGNATE A TAX REPRESENTATIVE IN YOUR COUNTRY?**

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**14. IS IT NECESSARY TO SET UP A BANK GUARANTEE?**

The tax representative must present a guarantee upon the request of the tax authority. Due to the fact that the status of the tax representative as trusted by the tax authority is a trust guarantee for represented non-residents, not requesting a guarantee is an exception which is allowed only when the Tax and Customs Board has no reason to doubt the solvency or repute of the applicant.

The type of guarantee is generally selected by the person who submitted the application. The Tax and Customs Board prefers a bank guarantee with a reasonable scope as a guarantee.

**APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS ESTABLISHED IN THE EU**

**15. IS IT POSSIBLE TO APPOINT A TAX REPRESENTATIVE?**

Yes. A trader of another Member State who has no permanent establishment in Estonia may appoint a tax representative as mentioned in the Taxation Act and approved by the tax authority when registering as a taxable person.

**16. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?**

See answers to questions 11-12.

**17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF A TAX REPRESENTATIVE?**

See answers to questions 11-12.

**18. ARE THERE SITUATIONS WHERE IT IS OBLIGATORY TO SET UP A BANK GUARANTEE?**

Yes, see answer to question 14.

# INVOICING

## RULES ABOUT INVOICING

### **19. WHERE CAN THE RELEVANT RULES (LAWS, REGULATIONS, INSTRUCTIONS, GUIDELINES...) BE FOUND?**

VAT legislation and regulations can be found on the following websites:

In Estonian: <http://www.riigiteataja.ee/ert/ert.jsp>

In English: <http://www.legaltext.ee/indexen.htm>

The address of the Estonian Tax and Customs Board website is:

<http://www.emta.ee>

## THE ISSUANCE OF INVOICES

### **20. IN WHAT CASES DOES AN INVOICE NEED TO BE ISSUED?**

A taxable person is required, when supplying goods or services, to issue an invoice within seven calendar days of the date on which the goods were dispatched to the purchaser, the date which they were made available or on which the service was provided, or to ensure that an invoice is issued within the same time limit by the person acting in the name and on behalf of the taxable person, the acquirer of goods or the recipient of a service.

### **21. WHAT ARE THE RULES ON CORRECTIVE INVOICES (CREDIT / DEBIT NOTES)?**

No specific rules. A credit invoice which corrects an initial invoice must contain reference to that invoice.

### **22. WHAT IS THE TIME LIMIT FOR ISSUING INVOICES?**

Seven calendar days.

### **23. WHAT ARE THE RULES FOR SUMMARY INVOICING?**

No specific rules.

**24. WHAT ARE THE CONDITIONS IMPOSED ON SELF-BILLING?**

There must be a written agreement between the two parties concerning the issue of invoices by the acquirer of goods or recipient of services and the acceptance of each invoice by the taxable person. The agreement must contain a procedure for the acceptance of each invoice by the taxable person.

**25. IS THERE ANY SPECIFIC RULE IN RELATION TO OUTSOURCING OF INVOICES TO A PERSON WHO IS ESTABLISHED OUTSIDE THE EU?**

No.

## **CONTENT OF INVOICES**

**26. WHEN MUST THE VAT NUMBER OF THE CUSTOMER BE ON THE TAX INVOICE?**

The VAT number of the acquirer of goods or recipient of services must be on the invoice if he or she bears tax liability upon the acquisition of goods or the receiving of services.

**27. ANY OTHER SPECIFIC RULE IN RELATION TO THE CONTENT OF THE INVOICE**

No specific rules.

## **ELECTRONIC INVOICING**

**28. AS REGARDS INVOICES SENT WITH ADVANCED ELECTRONIC SIGNATURES, IS IT OBLIGATORY TO USE QUALIFIED CERTIFICATED AND SECURE-SIGNATURE-CREATION DEVICES? IF SO, PLEASE SPECIFY.**

No.

**29. AS REGARDS INVOICES SENT BY ELECTRONIC DATA INTERCHANGE, IS AN ADDITIONAL SUMMARY DOCUMENT ON PAPER OBLIGATORY? IF SO, PLEASE GIVE DETAILS ABOUT ITS CONTENT AND PROCEDURE.**

No.

**30. DO YOU ALLOW INVOICES ISSUED PURSUANT TO THE SECOND SUBPARAGRAPH OF ARTICLE 233(1) OF THE VAT DIRECTIVE (2006/112/EC) ("BY USING ANY OTHER ELECTRONIC MEANS")? IF SO, UNDER WHICH CONDITIONS AND FORMALITIES?**

Yes. No specific conditions and formalities.

**31. ANY OTHER SPECIFIC RULES IN RELATION TO ELECTRONIC INVOICING?**

None.

## **THE STORAGE OF INVOICES**

**32. WHAT ARE THE RULES ON THE PLACE OF STORAGE OF INVOICES?**

Invoices can be stored anywhere, as long as immediate availability is guaranteed.

**33. IS PRIOR NOTIFICATION OF INVOICES STORED IN ANOTHER COUNTRY OBLIGATORY? IF SO, PLEASE SPECIFY.**

Yes. If invoices are stored in a country other than Estonia the tax authority must be notified of their location.

**34. WHAT IS THE OBLIGATORY STORAGE PERIOD FOR INVOICES?**

Invoices must be stored for seven years.

**35. WHAT ARE THE SPECIFIC RULES ON STORAGE FORM AND POSSIBLE CONVERSIONS?**

No specific rules.

**36. ANY OTHER SPECIFIC RULE IN RELATION TO INVOICE STORAGE?**

None.

## **SIMPLIFIED INVOICES**

**37. UNDER WHAT CIRCUMSTANCES IS SIMPLIFIED INVOICING ALLOWED PURSUANT TO ARTICLE 238 OF THE VAT DIRECTIVE? AND WHAT ARE THE SPECIFIC RULES?**

Simplified invoicing is allowed when the invoice does not exceed EEK 2 500 excluding VAT, in the following cases:

- 1) when providing passenger transport services;
- 2) invoices printed out by parking meters, payment points of automatic petrol pumps, and other similar devices.

## PERIODIC VAT RETURNS

### **38. UNDER WHAT CIRCUMSTANCES IS A TRADER OBLIGED TO SUBMIT A VAT RETURN?**

The following are required to submit VAT returns:

- 1) taxable persons;
- 2) limited taxable persons who have performed transactions to declare during the taxable period;
- 3) those not registered as a taxable person who have issued an invoice, or other sales document, for a transaction in which the amount of VAT is indicated.

### **39. AT WHAT INTERVALS ARE VAT RETURNS AND ASSOCIATED PAYMENTS TO BE MADE?**

The taxable period is one calendar month. VAT returns must be submitted, and the VAT amounts which are due paid, by the twentieth day of the month following the taxable period.

### **40. WHAT IS THE PROCEDURE FOR THE REPAYMENT OF EXCESS VAT REPORTED IN THE PERIODIC VAT RETURN? WHAT ARE THE TIME LIMITS FOR THE EXCESS VAT REPAYMENT, IF ANY?**

VAT is repaid on the basis of the provisions of the Taxation Act relating to the repayment of overpaid amounts (Sections 105-107 of the Taxation Act). Under Section 106(2) of the Taxation Act, the amount which a person has the right to have repaid shall be repaid within thirty days as of the receipt of an application.

When checking a recovery order the tax authority may, on the basis of a reasoned decision, extend the time limit for compliance with the recovery order by up to ninety calendar days if there is sufficient cause to doubt that it may prove impossible to repay the amount demanded in the recovery order, and if:

- 1) the taxable person has been ordered to provide additional evidence, or
- 2) inquiries have been made of third persons or foreign tax authorities in order to check recovery orders.

The time limit for compliance with recovery orders may be extended by up to thirty calendar days at a time. A reasoned decision in writing extending the time limit for compliance with the recovery orders must be made by the tax authority at least five calendar days before expiry of the time limit for compliance with the recovery orders.

### **41. DOES A SPECIAL REGIME AS REGARDS PERIODIC VAT RETURNS EXIST FOR SMALLER TRADERS AND/OR CERTAIN CATEGORIES OF BUSINESS? IF SO, PLEASE DESCRIBE IT.**

On the basis of a duly motivated request made by a taxable person, the Director of the tax authority may, at their own discretion, establish a taxable period longer than one calendar month, beginning on the first day of the calendar month and ends on the last day of one of the following calendar months. In such cases, VAT returns must still be submitted to the tax authority by the twentieth day of the month following the taxable period.

**42. DO YOU OPERATE SIMPLIFIED CALCULATIONS OF TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THE SIMPLIFICATION?**

No.

## **RECAPITULATIVE STATEMENTS**

**43. DO YOU ALLOW THE SUBMISSION OF RECAPITULATIVE STATEMENTS BY CALENDAR QUARTER? IF SO, UNDER WHICH THRESHOLDS AND CONDITIONS?**

Recapitulative statements must be submitted once per quarter, by the twentieth day of the month following each quarter of the calendar year.

From 1 January 2011 recapitulative statements must be submitted to the tax authority by the twentieth day of the month following the calendar month.

**44. IS ANY ADDITIONAL INFORMATION REQUIRED OTHER THAN THAT SET OUT IN ARTICLE 266 OF THE VAT DIRECTIVE (2006/112/EC)?**

No.

**45. DO YOU OPERATE SIMPLIFIED PROCEDURES AS REGARDS RECAPITULATIVE STATEMENTS AS PROVIDED FOR IN ARTICLE 269 OF THE VAT DIRECTIVE (2006/112/EC)? IF SO, WHAT ARE THE THRESHOLDS FOR APPLYING SUCH PROCEDURES?**

No.

## **ELECTRONIC RETURNS**

**46. IS IT POSSIBLE TO SUBMIT VAT RETURNS ELECTRONICALLY? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT RETURNS ELECTRONICALLY?**

Yes. This service is available on the Tax Board's website at [www.emta.ee](http://www.emta.ee), as well as through the websites of the Estonian commercial banks: Hansapank ([www.hanza.net](http://www.hanza.net)), SEB Eesti Ühispank ([www.seb.ee](http://www.seb.ee)), Sampo Pank ([www.sampo.ee](http://www.sampo.ee)), and Nordea Bank's Estonian branch (through the Tax Board's website: [www.emta.ee](http://www.emta.ee)). In order to submit VAT returns electronically, a taxpayer must conclude an authentication agreement with one of the above banks or with the Tax Board, and an e-services agreement with the Tax

Board. To conclude an authentication agreement, the person must present a valid identity document. Following the conclusion of the agreement, security features – personal passwords and PINs – will be issued to the person.

**47. IS IT POSSIBLE TO SUBMIT RECAPITULATIVE STATEMENTS ELECTRONICALLY? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT STATEMENTS ELECTRONICALLY?**

Yes, recapitulative statements can be submitted electronically. The conditions for using the e-tax office are the same as those listed in the answer to question 46.

## **OBLIGATIONS AT IMPORTATION**

**48. WHO ARE THE PERSONS THAT CAN BE DESIGNATED OR RECOGNISED AS LIABLE TO PAY IMPORT VAT UNDER ARTICLE 201 OF THE VAT DIRECTIVE?**

VAT must be paid by debtors within the meaning of the Community Customs Code (Council Regulation (EEC) No 2931/92).

**49. WHAT ARE THE RULES FOR THE DECLARATION AND PAYMENT OF IMPORT VAT?**

When importing goods, VAT is paid in accordance with the rules laid down in customs legislation. Under Section 66(1) of the Estonian Customs Act import and export duties must be paid during customs formalities, based on an accepted customs declaration, on the date on which the amount of export or import duty is communicated to the person. Under Section 68 of the Estonian Customs Act permission may be granted to defer the payment of import or export duties. An application and security must be submitted in order for permission to be granted.

**50. DO YOU APPLY THE OPTION OF "POSTPONED ACCOUNTING" REFERRED TO IN ARTICLE 211 OF THE VAT DIRECTIVE? IF SO, UNDER WHICH CONDITIONS?**

The taxable person may declare the import VAT on goods prior to notifying the tax authority in writing, provided the following conditions are met:

- 1) The taxable person has been registered for at least the twelve consecutive months prior to submission of the customs declaration on the basis of which the VAT calculated for the imported goods is declared in the VAT declaration (hereinafter in this subsection "customs declaration");
- 2) At least 50% of the total VAT of the taxable person's customs declaration for the 12 months preceding the submission consists of taxable turnover is at the 50% rate of VAT;
- 3) the taxable person has submitted their tax returns solely by electronic means in the 12 months preceding submission of the customs declaration.
- 4) the taxable person does not have un-submitted tax returns at the time of submission of the customs declaration;
- 5) the taxable person has not had tax arrears for the twelve months preceding submission of the first customs declaration or when submitting subsequent tax declarations.

## **ADMINISTRATIVE REQUIREMENTS**

**51. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, TO WHOM DOES THE SCHEME APPLY?**

No.

**52. DO YOU OPERATE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE DESCRIBE THEM.**

No.

**53. IN WHICH LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED INTO?**

Value Added Tax returns and recapitulative statements are available in Estonian. Translations of the forms for non-official VAT returns and other VAT-related forms are available on the website of the Tax and Customs Board.

## **RIGHT TO DEDUCTION**

**54. FOR WHICH CATEGORIES OF GOODS AND SERVICES IS THERE NO RIGHT OF DEDUCTION?**

There is no right of deduction if the taxable person paid the input VAT when paying for goods or services relating to the reception of guests, or the provision of meals or accommodation for employees of the taxable person. This provision does not apply to the deduction of input VAT paid for accommodation services received during a business trip.

**55. ARE THERE CATEGORIES OF GOODS AND SERVICES IN WHICH THERE IS A PARTIAL RIGHT OF DEDUCTION? IF SO, WHAT IS THE PERCENTAGE?**

There are none.