



Registration of the Companies in Estonia



Advantages of this jurisdiction:

- To own 100% of the corporate rights of the Estonian company and to be the Founder and the member of the board of the Estonian company may be a non-resident of Estonia and the EU.
- There is no need to form the authorized capital of the company at the opening (registration of the company). It can be simply declared in the constitutional documents and should amount to at least 2500 Euro. The moment of its formation by the owners of a newly created company arises within the time limit determined in the constitutional documents at the establishment of the company;
- Based on the establishment of the company in Estonia, the member of the board can obtain a residence permit in Estonia for a period of 2 years with the right of extension. The Founder can obtain a residence permit in Estonia for a period of 5 years with the right of subsequent obtainment of a permanent residency in Estonia, upon condition of investment in the economic activity of the amount of money not less than 65500 Euro. Also applicants for residence permit receive an ID card;
- Estonia currently offers one of the most profitable taxation systems. Estonian companies can be effectively applied in tax planning, in particular, for the delivery of goods from/to the EU, and also as holdings. Let's explore briefly the characteristics of legal entities and the taxation system of the companies in Estonia;



The company pays the following types of taxes in Estonia:

- Corporate income tax * 0%;
- Social tax 33%;
- Value added tax (VAT) 20%;
- Income tax on individuals 20%;
- Income tax on dividends 21,79%;
- Unemployment tax from the employee's salary from 2% (applies to the residents of Estonia)

* Corporate income tax in Estonia:

Since 2000, Estonia has introduced 0% tax rate on profits from legal entities. This applies only to the received and undistributed profits of the company. If the shareholders or the interestholders decide to distribute profits in the form of dividends, the company pays an additional tax for the shareholders in the amount of 21,79%.

If the owner of an Estonian company is an offshore company (from a country with a low tax rate), the Estonian company should withhold additional income tax in such case at a rate of 21% (if the offshore owns more than 15% of the Estonian company).

Taxes from the salaries of the non-residents:

- If a non-resident employee works under the employment contract and fulfills his duties outside Estonia, taxes are not paid.
- If a non-resident employee works on the territory of Estonia, the income tax is withheld at a rate of 21% and the social tax is paid at a rate of 33% based on the amount of the non-resident's salary.

Prices:

Registration of a new company + payment of all necessary fees + legal address for 1 year - **1300 EUR (with a visit to Estonia).**

Or 1600 EUR + additional costs for the translation of the power of attorney for the establishment of the company into the Estonian language (approximately 100 EUR), if remotely.

Ready-made Estonian company with VAT number, legal address for 1 year and bank account - 3000 EUR.



Receipt of VAT* number:

- The price of the registration of the company by the VAT payer is 500 EUR.
- It is required to be registered as VAT payer if the taxable turnover from the beginning of the calendar year exceeds 40 000 EUR.
- The person shall have the right to submit an application to the tax administrator for the registration as a VAT payer when the obligation for registration has not yet arisen, but in that case, the person should prove that it is engaged in business or starts business in Estonia.

The following documents can confirm the activity:

- Business plan;
- Contracts with buyers and suppliers, draft contracts, written agreements, correspondence with the suppliers/clients, which reflect the intention to purchase and sell goods or services;
- Bank statement, which shows that payments from customers or payments have been received or the payments to suppliers have been made;
- Website of the company, which lists the goods and services offered by the company.

Our specialists are ready to provide professional support and assistance in filing of application for VAT number for your company.

Legal address: 500 EUR per year, starting from the second year.



Accounting services:

The cost depends on the number of transactions per month and the activity of the company. Approximate costs:

- Drawing up of annual accounts from 200 EUR.
- Accounting for the companies that do not have VAT number, but pay wages starting from 40 EUR per month.
- Accounting for companies with VAT number: from 60 EUR per month

Why it is worth choosing PREMIUM LEGAL SOLUTIONS for the registration of a company in Estonia:

- Opportunity to register or buy a company in Estonia without personal presence;
- Fast registration of the companies;
- Opportunity to buy a ready-made company in Estonia;
- Opportunity to appoint nominee directors and shareholders;
- After the registration of the company, we provide services for its further support;
- Personal lawyer for each client;
- Full confidentiality;