

e-Residency

What is e-Residency?

Estonia is the first country to offer e-Residency – a transnational digital identity available to anyone in the world interested in running a global EU company fully online.

Why does Estonia offer e-Residency to foreign nationals?

The Estonian government launched the e-Residency programme to make Estonia bigger and help unleash the world's entrepreneurial potential. The country has already developed an advanced digital infrastructure that makes everyday life and entrepreneurship easier for citizens and residents. The next step was to offer

e-Residency so that everyone worldwide can benefit from the same platform through a secure government-issued digital identity. It's Estonia's gift to the world – the opportunity for anyone, anywhere to succeed as an entrepreneur.

How many e-residents does Estonia have today and how many of them have registered a company in Estonia?

The programme was launched in public beta mode in 2014 so that improvements could be made based on the experience of real e-residents around the world. As of 2020 there are more than 77,000 Estonian e-residents from over 160 countries. Together they run more than 15,000 companies in total. A significant

proportion of those who have already signed up also have plans to open a company in future. Further improvements to the programme have the potential to grow the number of e-residents exponentially.

How can I open a company via e-Residency?

- Apply for e-Residency and collect your digital ID card from one of the Estonia's representations around the world
- Contact a virtual office service provider to obtain a legal address in Estonia
- Establish your company online using the e-Business Register or the help of a virtual office service provider (recommended)
- Open a digital business banking account (please read carefully the instructions from e-Residency webpage). E-Residency does not guarantee a digital business banking account. Opening the account is at the sole discretion of the banks and service providers.
- Digitally sign contracts with partners and clients, and digitally submit your company's Estonian tax declarations to e-Tax Board

How can I apply to e-Residency?

It takes four simple steps, about one month and 100 euros.

- Apply online – e-resident.gov.ee. It takes 10-15 minutes to fill in the application form
- Wait for the background check and approval e-mail
- Pick up your digital ID card at one of the Estonian foreign representations
- Gain immediate access to the e-services of e-Residency platform

Do all e-residents want to start companies?

The primary purpose of e-Residency is to establish and manage a location-independent company, but more uses for e-Residency are discovered as more people discover e-Residency. For example, the secure digital identities used by e-residents are also a valuable solution

for many companies, such as investment platforms and blockchains service providers, that require KYC (know your customer) procedures. In addition, some e-residents apply because they are fans of the idea behind building a new borderless digital nation.

Where do e-residents pay their taxes?

E-Residency is not tax residency. When e-residents pay taxes in Estonia, it is because of what e-Residency has enabled them to do and not because they are an e-resident. E-residents must consult a qualified tax professional in order to determine their tax obligations.

International taxation is often complex, but e-Residency can be an important part of the solution by providing more transparency and making it easier to pay taxes where they are owed.

What is the future of e-Residency?

In future, it is believed that countries will compete for e-residents based on the quality of their public e-services and their business environment. Several other countries have already taken the first steps to learn from Estonia and introduce similar programmes. However,

the e-Residency programme has incorporated services from partners in a range of different countries and continues to do so. As the community of e-residents grows, so does the entrepreneurial system around them.