

Ukrainian-Estonian Business Forum, April 2021

Name of the company:

Ukrainian-Estonian Chamber of Commerce (UECC)

Dealing with:

Nonprofit organization, which aims to develop the bilateral business and cultural contacts between Estonian and Ukrainian organizations and individuals

Contact:

E-mail: info@uecc.ee

www.uecc.ee



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Estonia

- ❖ Nordic country with Scandinavian business culture
- ❖ world class business environment
- ❖ home of global startups – Bolt, Skype, Transferwise, and Playtech
- ❖ e-Estonia



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Estonia

- ❖ Estonia is the leading country in Central and Eastern Europe
- ❖ bridge between East and West
- ❖ 3-hour flight from most major European and Scandinavian cities
- ❖ highest credit ratings in the region (Fitch IBCA, Standard & Poor's, Moody's).
- ❖ Member of EURO area since 2011



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word class business environment



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- ❖ Estonian law is harmonised with the EU legislation.
- ❖ Workforce is highly educated and motivated.
- ❖ good infrastructure (ports, roads, telecommunications, warehouse facilities)
- ❖ Estonia has highly-developed electronic communications: good access to internet, digital signatures, ID cards, web-based projects.

word class business environment



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- ❖ Estonia is the most transparent and the least corrupt country in the CEE region (Transparency International Corruption Perceptions Index 2019, 18 st out of 180 countries).
- ❖ Estonia's economic freedom is regarded as one of the highest in the World and the best in the CEE region (Economic Freedom World Ranking 2020, 10th out of 180 countries).



TAX system



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Estonia ranks 1st overall on the 2020 International Tax Competitiveness Index, the same as in 2019, and for the seventh consecutive year.

Strengths of tax system

- ❖ Estonia's corporate income tax system only taxes distributed earnings, allowing companies to reinvest their profits tax-free.
- ❖ The VAT applies to a broad base and has a low compliance burden.
- ❖ Property taxes only apply to the value of land.



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Simple tax system

- ❖ corporate income tax – 0%
- ❖ Corporate income tax on distributed profits – 20% (or 14%)
- ❖ VAT – 20%
- ❖ Personal income tax – 20%
- ❖ Social security – 33%
- ❖ All taxes can be declared online via e-tax



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Sinu ettevõtlustugi Euroopas

Home of global startups

Estonia has the highest number of unicorn companies per capita than any other country in the world.

Taxify, Skype, Transferwise, and Playtech are private companies valued at over \$1bn US dollars – so called ‘unicorn companies’.



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Sinu ettevõtustugi Euroopas

e-Estonia

Estonia also ranks 1st on the 2020 Digital Economy and Society Index - Digital Public Services

The top performers are Estonia, Spain, Denmark, Finland and Latvia



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Sinu ettevõtlustugi Euroopas

e-Estonia

- ❖ 99% of people use internet banking services
- ❖ 95% complete their income tax return over the internet
- ❖ 98% companies established online
- ❖ In the 2019 parliamentary elections 38% of all participants voted over the internet.



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Only marriage and divorce cannot be
done online

e-Estonia



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Estonia hosts both the cyber security center of NATO and the IT-agency of the European Union.



e-Estonia e-Residency



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Since 2015 non-residents may apply for e-Residency which is a state-issued secure digital identity that allows:

1. digital authentication and
2. digital signing of documents

e-services

- E-Authentication
- E-signature
- E-elections
- E-school
- E-Tax board
- E-Customs
- E-Health
- E-Notary
- E-police
- E-parking
- E-Population Registry and much more



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Thank you!

Vitali Galitskihh

Management board member of
Ukrainian-Estonian Chamber of Commerce
(UECC)

E-mail: info@uecc.ee

www.uecc.ee



Sinu ettevõtlustugi Euroopas