



MAKSU- JA TOLLIAMET

# Registration as a VAT payer

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# Person liable to value added tax

## Legal basis

### § 3 of the Value Added Tax Act (VAT Act)

For the purposes of subsection 1 of § 3 of the VAT Act a **person liable to value added tax** (hereinafter taxable person) is a person who is engaged in business (a natural or legal person, both resident and non-resident), including a legal person in public law or a state, rural municipality or city authority, and is registered or required to register as a taxable person (§ 19). A taxable person of a foreign state or another Member State is a person, including a pool of assets or association of persons without the status of legal person, who is treated as a person liable to value added tax according to the legislation of the state concerned.

An Estonian or a foreign person means a person whose registered seat or principal place of residence is Estonia or a foreign country, respectively, and who, according to the legislation of the respective country, is regarded as a person liable to value added tax.

A **foreign taxable person** is not deemed to be an Estonian taxable person due to its permanent business establishment located and engaged in business in Estonia if the foreign person does not participate in a transaction or act subject to taxation through its permanent business establishment located in Estonia (subsection 3<sup>1</sup> of § 3 of the VAT Act).

A foreign person is not regarded as a taxable person in the Member State where his permanent establishment is registered as a taxable person if the transactions do not relate to his permanent establishment. Therefore, the taxation and reporting of cross-border transactions must be based on the persons involved in the transaction. If the actual consumer of the service or the recipient of the goods is a foreign taxable person in his Member State who is also registered as a taxable person in Estonia, the transaction is taxed at a 0 per cent rate, i.e. the reverse charge is carried out and the tax liability is transferred to another Member State.

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# Deletion of a taxable person from the register

## Upon application by the taxable person

**NB! The conditions for deletion from the register on the basis of an application of a taxable person have changed since 1 January 2025.**

A taxable person may submit an application for deletion from the register if the supply of the transactions specified in subsection 3 of § 19<sup>1</sup> of the VAT Act, the place of supply of which is Estonia, has not not exceed 40,000 euros in the current or previous calendar year and, according to the calculations of the taxable person, does not exceed the 40,000 euros threshold in the following 12 months (subsection 1 § 22 of the VAT Act). **Therefore, upon submitting an application for deletion from the register, it is no longer possible to rely solely on taxable person's calculations that the supply for the following 12 months will not exceed the registration threshold, but the amount of the actual supply for the previous and current calendar years is also relevant.**

A person of another Member State engaged in business may submit an application to the tax authority for deletion of the person from the register if all the following conditions are complied with (subsection 2 of § 22 of the VAT Act):

- ✓ the person carries out intra-Community distance selling from another Member State to Estonia or provides electronic communications services or electronically supplied services to a person with seat or residence in Estonia who has not been registered as a taxable person or a taxable person with limited liability in any of the Member States;
- ✓ the person has been registered as a taxable person on the basis of subsection 2 of § 20 of the VAT Act before the registration obligation provided for in subsection 4 of § 19 of the VAT Act was created;
- ✓ the person has been registered as a taxable person for at least two calendar years;
- ✓ the supply of the transactions specified in subsection 3 of § 19<sup>1</sup> of the VAT Act carried out by the person, the place of supply of which is Estonia, **has not exceeded in the current or previous calendar year** and, according to the calculations of the person, does not exceed the threshold provided for in subsection 1 of § 19 (40,000 euros) or subsection 4 of § 19 (10,000 euros) of the VAT Act during the following 12 months (**this condition has been amended from 1 January 2025**).

In case a person of another Member State engaged in business who has been registered as a taxable person in accordance with subsection 4 of § 19 or subsection 2 of § 20 of the VAT Act before the registration obligation provided in subsection 4 of § 19 of is created registers in another Member State

as the implementer of the special arrangement for imposing value added tax on the transfer of goods through a service, intra-Community distance selling and online marketplace (OSS), the person is deleted from the register as a taxable persons based on the application of the person, provided that the supply of the transactions, specified in subsection 3 of § 19<sup>1</sup> carried out by the person, the place of supply of which is Estonia, **has not exceeded the threshold** provided in subsection 1 of § 19 of the VAT Act (i.e. 40,000 euros) **in the current or previous calendar year** and according to the calculations of the person does not exceed the threshold in the following 12 months (subsection 2<sup>1</sup> of § 22 of the VAT Act, also amended from 01.01.2025).

### At the initiative of the tax authority

The tax authority has the right to delete a taxable person from the register if the taxable person has failed to submit a VAT return for the last six consecutive taxable periods (subsection 3 of § 22 of the VAT Act). Before deletion from the register, the tax authority will contact the taxable person.

The tax authority has the right to delete from the register a taxable person who does not engage in business in Estonia. If the proof provided concerning the person's business is insufficient, the tax authority will have the right to request that the person submit additional proof or collect such proof on its own initiative. The tax authority will give the taxable person written notice of the intention to delete the taxable person from the register and set a term for providing proof concerning the taxable person's business. If the taxable person fails to provide proof of business within the prescribed term, the tax authority will delete the taxable person from the register of taxable persons. (Subsection 3<sup>1</sup> of § 22 of the VAT Act)

Before deciding on the deletion of a taxable person from the register the tax authority will, if necessary, audit the economic activities of the person (subsection 1 of § 22 of the VAT Act). A person is deemed to have been deleted from the register as of the date specified in the relevant decision (which due to the duration of the process – verification, etc. – may be later than the taxpayer wished).

If a taxable person or his activities have been dissolved and the registration of the dissolution has entered into force and the tax authority has received a notice to that effect, the tax authority will delete the taxable person from the register (subsection 4 of § 22 of the VAT Act).

### Obligations upon deletion from the register

Upon deletion from the register, the taxable person must pay VAT on goods not yet transferred if the person has deducted the input VAT on such goods upon acquisition. The acquisition cost or, in the absence thereof, the cost price of the goods is the taxable value of the goods. **The input VAT deducted upon acquisition of fixed assets not yet transferred must be adjusted pursuant to provisions of subsection 4 of § 32 of the VAT Act.** (Subsection 10 of § 29 of the VAT Act)

# Obligation to register as taxable person

The following does not apply to a foreign person engaged in business who does not have a permanent establishment in Estonia and to a person who owns an online marketplace in the case of the supply specified in subsection 1<sup>3</sup> of § 4 of the VAT Act.

If a person's supply for a calendar year provided for in subsection 3 of § 19<sup>1</sup> of the VAT Act, the place of creation of which is Estonia, exceeds 40,000 euros as of the beginning of the calendar year, the person is required to register as a person liable to VAT.

If margin-based accounting is used, for example, the special arrangement for second-hand goods (§ 41 of the VAT Act) or the special arrangement for travel services (§ 40 of the VAT Act), the total amount received for the goods or services, not just the margin, is considered as supply (**Judgment of the Court of Justice in Case C-388/18**).

The registration obligation does not arise if the entire supply of the person during a calendar year is the supply exempt from tax and supply taxable at the 0 per cent VAT rate, except intra-Community supply of goods.

For example, a foreign economic operator whose entire activity consists of the export of goods or who engages only in goods transactions in a customs warehouse need not be registered as a taxable person. At the same time, an economic operator has the right to register on the basis of an application even if it is not yet subject to registration.

The principles for calculating the threshold changed from 1 January 2025, which can be found in the section "**Threshold calculation from 1 January 2025**".

## Example

If a person exceeds the threshold of 40,000 euros on the 2nd day of the month, on Friday, he must submit an application for registration as a taxable person no later than on the 7th day of the month, on Wednesday. However, account must be taken of the fact that the tax authority registers a person as a taxable person from the day on which the threshold was exceeded, that is to say, from the 2nd day. In order to make such a decision, the legislator has given the tax authority five working days as of the receipt of the application (subsection 3 of § 20 of the VAT Act), which means that in the example given, the decision to register the person as a taxable person must be made no later than on the 14th day of the month, on Wednesday, and at the latest on the next working day, i.e. on the 15th day of the month (Thursday), the person must be notified about the decision (subsection 5 of § 20 of the VAT Act).

It is preferable that a person registers as a taxable person a little earlier than when the legal supply threshold is exceeded (see the section "**Possibility of registering as a taxable person**"). This will help to avoid problems that inevitably arise from the sudden obligations at a time when the tax authority's

decision has not reached the taxpayer yet and the VAT identification number is not yet known. However, if such a situation arises, VAT must still be calculated on the supply generated at that time and, if possible, the corresponding invoices must be issued later (invoices are issued within 7 days). Invoices issued during the so-called transition period and incompatible with the requirements of § 37 of the VAT Act must be brought into conformity with the requirements of the Act. This is, among other things, in the interests of customers, since input tax cannot be deducted on the basis of an invoice which is incompatible with the requirements.

In addition to the calculation of the supply threshold as of the beginning of the calendar year, similar accounting must also be kept if the data of the taxable person has been deleted from the register on the basis of an application specified in subsection 1 of § 22 of the VAT Act (i.e. if the supply of the taxable person did not exceed the threshold of 40,000 euros in the current or previous calendar year or, according to the calculations of the taxable person, will not exceed the threshold during the following 12 months either). In this case, the calculation of 40,000 euros begins on the day following the date of deletion from the register within the same calendar year (subsection 2 of § 19 of the VAT Act).

The process of filing and handling an application for registration is similar to that described above (three working days for the taxpayer to submit the application and five working days for the tax authority to make a decision).

From 01.01.2025, foreign small enterprises, the supply of which in the European Union is less than 100,000 euros and which do not exceed the tax-exempt threshold in the countries where they operate, will be able to use the special scheme for small businesses. More information in the section "[Special scheme for small businesses](#)".

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## Threshold calculation from 1 January 2025

From 1 January 2025, the following is included in the 40,000 euro threshold for registration for VAT purposes:

- ✓ taxable supply of goods and services, including 0 per cent taxable supply, except the transfer of fixed assets;
- ✓ supply of real estate transactions ([clauses 2, 3 and 6 of subsection 2 of § 16 of the VAT Act](#)), except the transfer of fixed assets and occasional transactions;

- ✓ supply of insurance services (**clause 1 of subsection 2 of § 16 of the VAT Act**) and financial services (**subsection 2<sup>1</sup> of § 16 of the VAT Act**), except occasional services.

Only supply the place of creation of which is in Estonia is included in the threshold.

If a person's total supply is either exempt from tax or subject to 0% VAT (and it does not include intra-Community supply of goods), the registration obligation does not apply regardless of the amount of the supply.

All transactions specified in clauses 2, 3 and 6 of subsection 2 of § 16 of the VAT Act are included in real estate transactions – sales transactions, lease and rental transactions as well as, for example, membership in a building association.

Reinsurance and insurance intermediation services are also included in the insurance services to be included in the threshold.

The financial services included in the threshold include the services referred to in **subsection 2<sup>1</sup> of § 16 of the VAT Act**:

1. deposit transactions for the receipt of deposits and other repayable funds from the public;
2. borrowing and lending operations, including consumer credit, mortgage credit and other transactions for financing business transactions;
3. leasing transactions;
4. payment services within the meaning of the Payment Institutions and E-Money Institutions Act, with the exception of transactions with commemorative coins within the meaning of Regulation (EU) No 651/2012 of the European Parliament and of the Council on the issuance of euro coins (OJ L 201, 27.07.2012, pp 135–137) or with commemorative coins of third countries (hereinafter commemorative coins) that are not investment gold;
5. issue and administration of non-cash means of payment, such as electronic payment instruments, electronic money, traveller's cheques and bills of exchange;
6. guarantees and commitments and other transactions creating binding obligations to persons;
7. transactions for their own account or for the account of clients in traded securities provided in **clauses 1–7 of subsection 1 of § 2 of the Securities Market Act** and in foreign exchange and other money market instruments, including transactions in cheques, exchange instruments, certificates of deposit and other such instruments;
8. transactions and acts related to the issue and sales of securities specified in clause 7;
9. money broking;
10. negotiation services related to the services specified in clauses 1–9;
11. management of investment funds provided for in the Investment Funds Act and other investment funds of a Contracting Party to the EEA Agreement and subject to financial supervision, including the provision of services related to the management of funds to the funds in the case of transfer of duties of a management company.



In order to assess whether a financial transaction constitutes supply within the meaning of the VAT Act, it is necessary to pay attention to whether it is a supply of services in the course of an independent economic activity of a person, i.e. whether a person can have a say in determining the price of his or her service. For example, deposit interest is in principle a consideration for money lent to a bank, but since the recipient of deposit interest cannot determine the amount of interest itself, it cannot be regarded as supply within the meaning of the VAT Act. If one company grants a loan to another, interest is agreed upon, the service provider sets the price and it is a business that generates supply.

The supply of financial services must therefore include, for example, the sale of various securities and the interest yielded by the granting of loans, provided that these are not occasional transactions. In addition to interest on deposits, interest on bonds, receipt of dividends and redemption of bonds, for example, are not included in the supply of financial services.

Other tax-exempt services, such as health care or education services, will remain excluded from the calculation of the threshold from 1 January 2025.

In addition, sales of fixed assets and real estate, financial and insurance transactions as occasional transactions are not included in the threshold. Occasionality cannot be judged on the basis of frequency, amount or proportion alone. A transaction is usually occasional if a company has invested its available funds, granted a loan, etc., but the company has been created for some other activity.

The Ministry of Finance has explained an occasional transaction as follows:

*“A transaction is occasional when the transaction concerned is not related to the principal activity, the day-to-day business of the taxable persons. For example, an occasional transfer occurs when securities are transferred by a company that had acquired them for investment purposes but does not carry out securities transactions as its principal activity, or when a loan is granted by a company whose activity is not the granting of loans, etc. When defining an occasional transaction, account must also be taken of whether and to what extent input VAT is used for that transaction (C-378/15).”*

### Example 1

An Estonian company generates supply in the amount of 42,000 euros within a year only by renting out dwellings.

Since only tax-exempt supply is generated, there will be no obligation to register as a VAT payer from 2025.

### Example 2

Since the beginning of the calendar year, an Estonian company has tax-exempt supply of 38,000 euros from renting out a dwelling as a main activity and, in addition, taxable supply of 2,500 euros from the provision of training services.

The company has both taxable supply and tax-exempt supply related to immovable property (which is not an occasional transaction) and as of the day when the total supply of the calendar

year exceeds 40,000 euros, the obligation to register as a taxable person for VAT purposes arises. In addition, it is necessary to start taking into account the proportion upon deducting input VAT.

### Example 3

A company manufactures toys. Their supply is 38,000 euros in a calendar year. The company creates extra resources with which it will grant a one-time loan and earns 3,000 euros of interest. Next year, the company plans to use the loan paid back and the interest received to invest in the development of a toy factory.

In this case, the financial transaction can be considered as occasional and although the 40,000 threshold was exceeded with the tax-exempt supply generated by the interest, there is no registration obligation.

### Example 4

A company's area of activity is the purchase and sale of securities. The tax-exempt supply from the sale of shares is 300,000 euros and the taxable supply from consulting services is 1,000 euros.

Starting from 1 January 2025, it is mandatory to register as a VAT payer if the threshold of 40,000 euros is met. If the company has only tax-exempt supply since the beginning of the calendar year, the registration obligation arises from the day on which taxable supply arises.

### Example 5

A company provides tax-exempt health care services in the amount of 500,000 euros and, in addition, it sells training services in the amount of 2,000 euros.

There will also be no obligation to register for VAT in 2025, as healthcare is included in the exemption for goods and services of social nature, which is not included in the threshold.

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## Possibility of registering as a taxable person

If the threshold of taxable supply is exceeded, a person has a legal obligation to register as a taxable person. At the same time, a person has the option to voluntarily register as a taxable person even if his taxable supply does not exceed the threshold of 40,000 euros or if he has not yet received taxable supply. A person also has the right to submit an application for registration as a taxable person upon intra-Community acquisition of goods exempt from tax or upon export (subsections 1 and 2 of § 20 of the VAT Act).

Upon submission of the application for registration, the person must prove that he or she is already engaged in business in Estonia or is about to commence business in Estonia. If the proof provided concerning the person's business or commencement of business is insufficient, the tax authority will have the right to request that the person submit additional proof or collect such proof on its own initiative. The proof is any information which confirms that the person submitting the petition has either commenced business at the place of business indicated in the application or that the commencement of business is planned. Such proof may be, for example, a business plan, preliminary contracts, contracts (lease, procurement, delivery, work, etc.), objects of work to be carried out, etc. The tax authority will decide on registration within five working days as of the receipt of the proof. The tax authority will not register the person if the person is neither engaged in business nor about to commence business (subsection 4<sup>1</sup> of § 20 of the VAT Act).

If business activity is proven, the person will be registered as a taxable person as of the date of receipt of the application or, at the request of the submitter, a later date.

If a person indicates in his application submitted on the basis of subsection 2 of § 20 of the VAT Act a date earlier than the date of submission as the desired starting date of registration as a taxable person, the person is still registered as a taxable person according to the VAT Act as of the date of submission of the application and not as of the earlier date indicated (subsection 4 of § 20 of the VAT Act).

The person who is registered as a taxable person must prove that he is engaged in business or commenced business both upon voluntary registration and obligatory registration.

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## Registration at the initiative of the tax authority

If the taxable person has not submitted a registration application within the time limit laid down by law (does not submit the application at all or submits it late), the tax authority will register the person retroactively on its own initiative from the date on which the supply exceeded 40,000 euros and will notify the taxable person of the corresponding decision within three working days as of the date on which the decision was made (subsection 10 of § 20 of the VAT Act).

If a taxable person has submitted an application for registration and is also registered as a taxable person, but it becomes evident after registration that the application was submitted late and that the supply threshold was actually exceeded earlier, the tax authority will issue a new registration decision. The tax authority will repeal its original decision retroactively and the person will be registered with a

new decision as of the date on which the taxable supply in the corresponding amount arose. In this case, the tax authority will also forward to the person the decision made on the registration of the person within three working days as of the date on which the decision is made (subsection 11 of § 20 of the VAT Act).

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## Person with no permanent business establishment in Estonia

If a foreign person engaged in business with no permanent business establishment in Estonia creates taxable supply in Estonia but such supply is not taxed in Estonia upon the acquisition of goods or receipt of services by a taxable person or taxable person with limited liability, the registration obligation will arise for the person as of the date on which the taxable supply is created.

This means, for example, that if a foreign person provides a service in Estonia (on which VAT needs to be calculated and paid in Estonia) to a person who is not subject to VAT in Estonia, the foreign person must immediately register as a taxable person in Estonia (and tax the service in Estonia). However, if he provides the service to an Estonian taxable person, he does not have to register as a taxable person in Estonia, because the Estonian taxable person will reverse charge the service received on his own VAT return (form KMD).

The registration obligation will not arise if all the taxable supply of the person is supply taxable at the 0 per cent VAT rate, unless it is intra-Community supply of goods and the supply which is created upon the transfer of goods to a person holding online marketplace in the case the person is considered the acquirer of the goods pursuant to subsection 1<sup>3</sup> of § 4 of the VAT Act.

Therefore, a foreign person is required to immediately register as a taxable person in Estonia if he generates taxable supply in Estonia which is not subject to reverse VAT. At the same time, a foreign person can be required to register in Estonia only if the other party to the transaction is a person not registered as a taxable person or taxable person with limited liability in Estonia, because a taxable purchaser always becomes subject to a reverse charge obligation upon the acquisition of goods or the receipt of services from a foreign person who is not registered as a taxable person in Estonia (general reverse charge obligation – clause 5 of subsection 4 of § 3, and subsection 5 of § 3 of the VAT Act).

Similarly, a taxable person of another Member State and a non-Community person engaged in business

do not have the obligation to register upon the supply of services, intra-Community distance sales and the transfer of goods via an online marketplace if the person is registered in another Member State as implementing the special scheme for charging VAT (§ 43 of the VAT Act) for the supply of services, intra-Community distance sales and online marketplaces and such supply is subject to taxation under this special scheme (subsection 3 of § 19 of the VAT Act).

If, in the case specified in subsection 1<sup>3</sup> of § 4 of the VAT Act, a third country person holding online marketplace, whose company has a seat outside the Community and who does not have a permanent business establishment in the Community, has a taxable supply in Estonia, but the person has not registered as a taxable person or as the implementer of special arrangements for imposing VAT on the transfer of goods through a service, intra-Community distance selling and online marketplace (§ 43 of VAT Act), the person from whom he acquired the goods is jointly and severally with the person liable for payment of the VAT with regard to the supply which has been incurred until the third country person is registered as a taxable person.

If the supply of goods (intra-Community distance sales) and services (electronic communications services and electronically supplied services), specified in subsection 3 of § 10<sup>1</sup> of the VAT Act, of a taxable person of another Member State engaged in business exceeds 10,000 euros in total in the calendar year, the registration obligation will arise for the person as of the date on which the supply reaches the specified amount. This limit also includes intra-Community distance sales of excise goods (subsection 4 of § 19 of the VAT Act).

Distance sales are the transfer and delivery of goods (other than a new means of transport or goods to be installed or assembled) by or on behalf of the transferor to another Member State to a person not registered there as a taxable person or taxable person with limited liability. Intra-Community distance selling will also take place where the transferor of the goods indirectly intervenes in the transport of goods specified in subsection 9 of § 2 of the VAT Act to another Member State to a person who is not registered there as a taxable person or a taxable person with limited liability (subsection 9 of § 2 of the VAT Act).

Foreign persons are registered as taxable persons by the Tallinn service bureau (Lõõtsa 8a, 15176 Tallinn). Applications of foreign persons are also accepted by other regional service bureaus and forwarded to the Tallinn bureau for registration.

A person of another Member State engaged in business with no permanent business establishment in Estonia has the right, upon registration as a taxable person, to appoint a tax representative, specified in the Taxation Act, who has been approved by the tax authority. A third-country person engaged in business who does not have a permanent business establishment in Estonia must, upon registration as a taxable person, appoint a tax representative specified in the Taxation Act who has been approved by the tax authority. The provision does not apply in the case specified in subsection 22 of § 43 of the VAT Act, according to which a third-country person engaged in business who uses special arrangement for the provision of services to a non-taxable person established in the Community cannot appoint a tax representative.

However, if a third country person whose business is located outside the Community and does not have a fixed establishment in the Community makes intra-Community distance sales from Estonia or allows a third-country person engaged in business through an online marketplace to transfer goods located in Estonia to a person not registered as a taxable person or taxable person with limited liability in Estonia, such person must register as a taxable person in Estonia and appoint a tax representative (subsection 6 of § 20 of the VAT Act).

As of 1 January 2022 **there is no obligation to appoint a tax representative for VAT purposes in Estonia by a non-Community economic operator who does not have a permanent establishment in Estonia and whose country of residence the European Union has concluded an agreement on mutual assistance in the field of administrative cooperation in the field of value added tax, combating fraud and recovery of claims.** At present, such non-EU countries are Norway and Great Britain.

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## Reminder for VAT payers

As of the date of registration as a taxable person, a person must perform the obligations of a taxable person, including (subsection 1 of § 24 of the VAT Act):

1. adding the amount of value added tax to the taxable value of the goods transferred or services provided;
2. calculating the amount of value added tax due pursuant to the procedure provided for in § 29 of the VAT Act;
3. paying value added tax pursuant to the procedure provided for in § 38 of the VAT Act;
4. preserving documents and maintaining records pursuant to the provisions of § 36 of the VAT Act;
5. and issue invoices in accordance with the requirements of § 37 of the VAT Act.

The above obligations also apply to foreign persons registered in Estonia as taxable persons who create supply in Estonia, except in cases specified in subsection 3<sup>1</sup> of § 3 of the VAT Act and in the case the person of a foreign state registered in Estonia has no permanent business establishment in Estonia through which the taxable person engages in business in Estonia (subsection 2 of § 24 of the VAT Act).

The taxable person has the right to deduct from his or her VAT liability the VAT due on goods and services purchased for taxable supply in the same tax period (input VAT). If there is no business activity or if the goods and services have been acquired for the purposes of supply exempt from tax, the input VAT cannot be deducted.

## VAT payer's calendar

| Date                          | Obligation                                                                                                                                                                                                                                                                                          | Who                                                                                                                    |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>20th day of each month</b> | Submission of VAT return (form KMD) and the annex to the VAT return (form KMD INF)                                                                                                                                                                                                                  | All persons liable to VAT                                                                                              |
|                               | <b>Payment of VAT</b>                                                                                                                                                                                                                                                                               |                                                                                                                        |
| <b>20th day of each month</b> | Submission of report on intra-Community supply (form VD)                                                                                                                                                                                                                                            | Persons liable to VAT who sell goods or provide certain services to persons liable to VAT in other countries of the EU |
| <b>10th day of each month</b> | Submission of declaration of income and social tax, unemployment insurance premiums and contributions to mandatory funded pension (form TSD).<br><b>A person liable to VAT does not have to submit form TSD, if he did not have any tax liability or circumstances affecting the tax liability.</b> | Persons liable to VAT required to submit form TSD                                                                      |
|                               | <b>Payment of taxes and contributions on the basis of the form TSD</b>                                                                                                                                                                                                                              |                                                                                                                        |

If the due date prescribed for performance of the obligation falls on a public holiday or other holiday, the first working day following the day off shall be deemed to be the due date.

Within six months of registration, the Estonian Tax and Customs Board informs all new taxable persons by e-mail of the due dates for submitting forms KMD and TSD.

### About the submission of tax returns

- ✘ The VAT period of taxation is a calendar month.
- ✘ If the number of calendar days of the first taxation period is less than 15 (for example, if you are registered for VAT purposes from the 18th day), the supply from the first period may be declared together with the supply from the following taxation period by submitting one VAT return for two taxation periods.
- ✘ All return forms can be submitted electronically in the e-services environment e-MTA. In order to use the e-services, access permissions are required. Information on access permissions can be found on the web page about [granting access permissions](#).

- ✘ The submission of a VAT return (form KMD) and its annex (KMD INF) on paper is allowed only to persons who have been taxable persons for VAT purposes for less than 12 months and do not include more than 5 invoices in the annex to the VAT return. Persons who have been liable to VAT for more than 12 months and/or reflect more than 5 invoices in the annex to the VAT return may submit the VAT return and the annex thereto on paper only on the basis of a reasoned application submitted to the Estonian Tax and Customs Board.
- ✘ Submission of form TSD on paper is permitted only if no more than 5 lines have been completed in Annex 1 to the TSD, i.e. no more than five recipients are declared.

## Validation of VAT identification numbers of business partners

- ✘ **Estonian VAT number validation (KMKR)**
- ✘ **European Union VIES VAT number validation**

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