

For non-residents who wish to apply for the special scheme for small business in Estonia

The special scheme for small businesses is intended for entrepreneurs who wish to use the VAT exemption for small businesses in other Member States where they do not have a permanent establishment.

A small business of another Member State can use the special scheme in Estonia if:

1. the supply in the calendar year in Estonia does not exceed 40,000 euros in the current year or did not exceed it in the previous year;
2. the total supply in the calendar year throughout the European Union, including the Member State of its location, does not exceed 100,000 euros.

A small business can submit in its country of location the application for applying the tax exemption in Estonia. The decision on granting or refusing the tax exemption in Estonia, which you will be informed about by the country of location, will be made within 35 working days.

If the company is also registered in Estonia as a VAT payer, then after obtaining the right to use the special scheme for small businesses in Estonia, the company must submit an application to be deleted from the Estonian VAT register. A company cannot be a registered VAT payer and use the VAT exemption under the special scheme for small businesses at the same time. More information on how to [delete the VAT registration](#).

If a company reaches the Estonian supply threshold of 40,000 euros and the company is not a user of the OSS special scheme, the company must register as a VAT payer in Estonia. More information on how a non-resident can [register as a VAT payer](#).

If a company reaches the VAT exemption threshold of 40,000 euros in Estonia, then, similarly to the European Union threshold of 100,000 euros, the implementation of the special scheme for small businesses will be suspended for one calendar year. This means that if a company exceeds the supply threshold in Estonia on 1 May 2025, the company can again apply for the implementation of the special scheme for small businesses from 1 January 2027.

If a user of the special scheme for small businesses makes transactions in a currency other than the euro, the exchange rate published by the European Central Bank on the first day of the calendar year will be used as the basis for both the special scheme application and the reports, or if no exchange rate has been published for that day, then the exchange rate of the next publication day.