

The place of supply of a service

Under the basic tax rule for the taxation of services, services are taxed in the recipient's country of residence. The recipient of the service pays VAT in his or her country, i.e. the services are subject to reversed tax liability. The VAT Act also specifies services that are not subject to reversed tax liability.

The determination of the place of supply of services is also influenced by whether the recipient of the service is a person who is not registered as a taxable person or a taxable person with limited liability or is a third country person not engaged in business.

If the service provider is registered as a person liable to VAT in Estonia and provides the service under an Estonian VAT registration number, the place of supply for these services is defined in accordance with the Estonian VAT Act. View the Summary of the definition of the place of supply of services and declaration in the VD report

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