

Estonian e-Residency as a unique worldwide concept

Estonia is widely known for its excellent e-government solutions. Since 1st of December 2014, Estonia gives access to all its e-services also to foreign individuals and companies. This is done through the concept of e-residency being a unique solution in the whole world. To this date at any place in the world, a person with an Estonian digi-ID can:

- Sign legally binding documents within minutes
- Establish a company within an hour in Estonia
- Make bank transfers within seconds
- Participate actively in the management of a company registered in Estonia
- Submit tax returns in Estonia with a few mouse clicks. Among others, as a side benefit these people may well take advantage of communicating with the Tax and Customs Board via Skype during the tax returns submission period.

E-residency will increase the attractiveness of Estonia both as a place of residence and business. People from outside the EU can create a central business base for themselves in the EU – establish a business in Estonia and participate actively in its management while residing in Brazil or Australia, for instance. **So for a foreigner, it is more preferable to register a business in Estonia than in other EU Member States.**

The Estonian Government will ensure that the use of the digital ID by an e-resident will be as convenient and secure as possible. The identification of people for the issue of the digital ID will be secure and reliable and the state will monitor its use for possible offences.

To start with, the prospective e-residents will have to physically travel to Estonia, to collect their e-resident ID card, visiting the Estonian Police and Border Guard Board. However, the plan is that from the second half of 2015, a person can obtain it from an Estonian embassy or a consulate abroad as well. The use of Estonian e-services is virtually free. There is only a state fee of 50 euros for the processing of the application for an e-resident's digi-ID. Estonia creates a digital identity (digi-ID) and issues digital credentials to the foreigner on the basis of his/her own identification from his/her country of citizenship. The decision will be made within the maximum of 2 weeks and the card will be issued to the applicant in person.

An e-resident's digital ID is similar to a smart-card ID or other media. It is usable only in a digital environment for identification and digital signatures. A physical plastic card with a microchip that holds biometrics data (eye, fingerprint) with security certificates will be issued. These enable the card to be used with a small piece of special free software installed in one's computer and a reader attached via USB. It works on two-factor authentication. To get access to a service or sign documents digitally, the person needs to enter secure PINs, which only the person will know. Since the document is not usable for visual identification (it cannot be used as a travel document, for example), the user's photo will not be added to it. It should be noted that having the Estonian digi-ID will not grant full legal residency or citizenship or right of entry to Estonia.

Digi-ID is an exceptional opportunity for foreign investors to obtain and operate their businesses to operate in Estonia, for foreign scientists, educators and students to work with Estonian universities in R&D, projects for the foreign clients and partners as well as employees of Estonian businesses to deal with the companies located here, or for foreigners in leadership or partnership positions in enterprises to launch business in Estonia.

Estonia is consistently ranked by IMD, World Bank and the World Economic Forum as one of the easiest and most efficient places to do business in the world. Estonia is ranked 7th out of 189 economies for the ease of Trading Across Borders. Especially, the rules on tax-free reinvested profit and the highly developed e-banking environment combined with a new concept of e-residency makes Estonia one of most attractive business environments within the EU.



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