Non-profit law, taxation and registers in Estonia

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Main principles

- * Legal environment is kept as uniform as possible for registered legal entities in Estonia
- * Requirements for establishing and operating, as well as for taxation and reporting are rather similar for business and for non-profit organizations
- * This gives more legal clarity and makes it easier to switch between for and not-for profit fields - for actors, lawyers, policymakers etc
- * Freedom of association is guaranteed by constitution: everyone has the right to form non-profit associations and federations. Only such organizations are prohibited that aim to change the constitutional order, and only a court may suspend the activities of such organizations (never happened in Estonia).

Main principles

- * Law regulates mainly:
 - * relations between governing bodies and members of NGOs
 - * obligations for the state reporting, taxes
- * Stricter regulation can be applied by NGO itself with statute
- * Possible to operate even without registration as a community or network and call yourself however you want, but then can not have most kinds of contractual relationships since no passive legal capacity

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Types of NGOs

- * Non-profit Associations Act membership based (32,500 registered) www.riigiteataja.ee/en/eli/504022016003/consolide
 - * ca 15 subcategories (short special acts for most of them): trade unions, different types of housing associations, different types of religious organizations, artistic associations, political parties etc.
 - * most are "regular" NGOs, either for private or for public interest, no difference by law
- * Foundations Act no members, established to administer or use assets to achieve its objective (ca 800 registered) www.riigiteataja.ee/en/eli/504022016004/consolide
- * Civil law partnerships (Law of Obligations Act) not registered as legal entities but rather a kind of contract between natural persons to achieve a mutual objective suitable for smaller operations, no reporting and accounting

Non-profit association

- * The objective or main activity can not be earning of income from economic activity
- * At least two members natural and/or legal persons, citizenship not important (general assembly the highest body)
- * At least half of management board has to reside in European Economic Area or Switzerland waived from 2018
- * Memorandum of association; articles of association (statute)
- Application to the register online with digital signature or through notary
- * State fee 20 €
- * Registered usually within 5 working days

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Foundation

- Founder(s) or on the basis of a will
- * Supervisory board (at least 3 members)
- Management board
- * External audit or compulsory review if revenue or assets exceed 15 000 €
- * Foundation resolution; articles of association (statute)
- * Application to registrar, only through notary
- ★ State fee 20 €

Responsibilities

- * Both non-profit association and foundation are limited liability organizations members are not responsible for organization's obligations
- * Members of management board can be held responsible if not performing obligations with the diligence normally expected joint and several liability (solidarity)
- * Solidarily liable are also members of civil law partnership

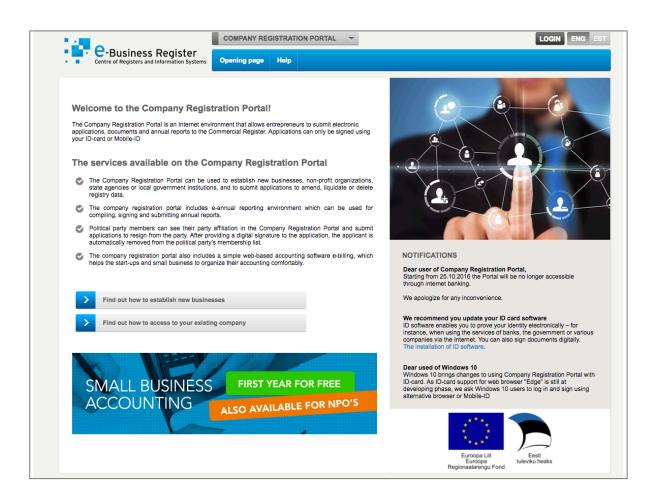
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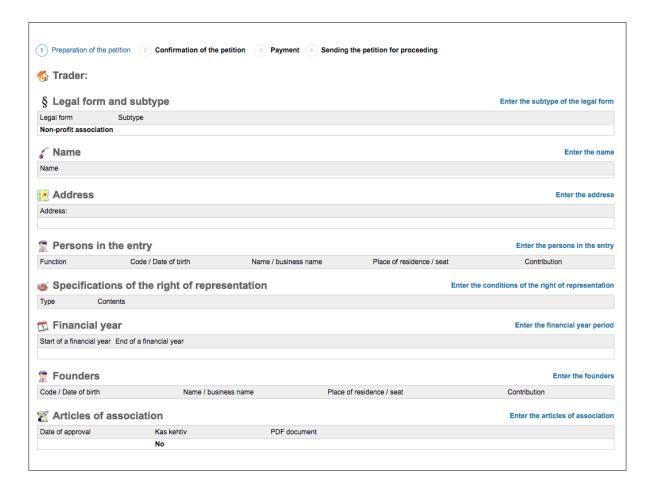
Administrative burdens

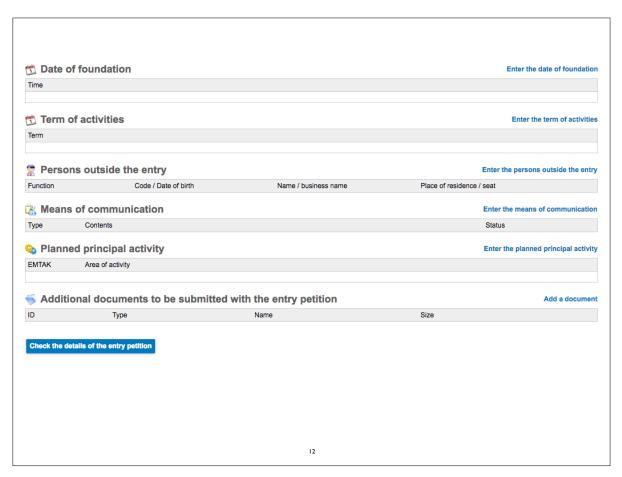
- * Minimal obligation for any NGO in Estonia is to submit annual reports even if no activities can be done only online from 2010
- * Tax declarations only when there is anything to tax
- * Accrual method of accounting for all legal entities, not just revenue-expenditure
- * No bookkeeping or reporting for civil law partnerships
- * Government cannot ask same information twice if it's in the databases, they have to check there
- * Zero-bureaucracy project since 2015 less reporting through more efficient data exchange between business register, tax board, statistics office etc

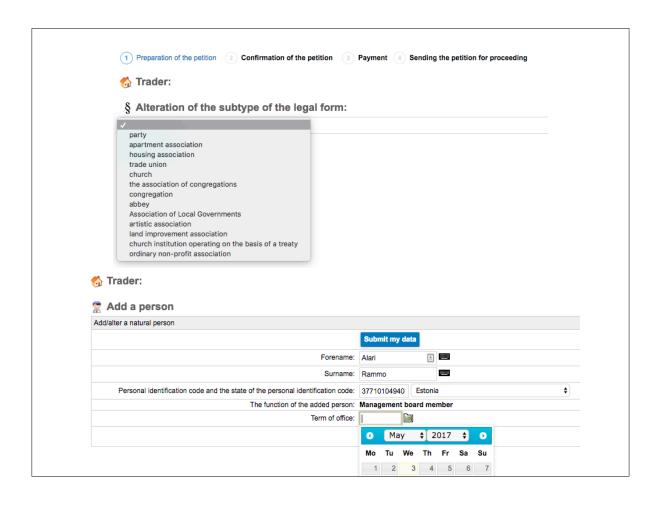
Managing the register

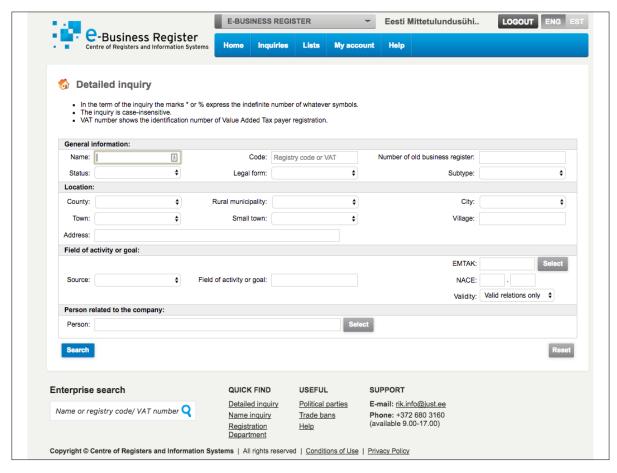
- * From 1995 business register centrally managed by courts
- * Strong register: all changes in the register data are made with ruling on entry by assistant judge. Third persons can and have to rely on the information
- * Administration in one County Court and its registry department ca 20 assistant judges and 20 registry secretaries
- Databases and technical solutions Centre of Registers and Information Systems (Ministry of Justice)
- * Code of Civil Procedure Chapter 58: www.riigiteataja.ee/en/eli/510012017004/consolide#para591
- * Internal rules of registry department: www.riigiteataja.ee/akt/ 111022016009 (Estonian only)











filter Entrepreneur: Eesti Mittetulundusühingute ja Sihtasutuste Liit (80005069)

Print PDF

Registry code	Business name	Invalid names	Number of old business register	usiness		Status	Address	
80005069	Eesti Mittetulundusühingute ja Sihtasutuste Liit	Mittetulundusühing Eesti Mittetulundusühingute ja Sihtasutuste Liit	01154343	Non-profit association	01.03.1997		Telliskivi tn 60a, Põhja-Tallinna district, Tallinn city, Harju county, 10412	

Info about person liable to value added tax

Valid value added tax identification number does not exist. Registration history

Receipt of e-invoices

The entity does not accept e-invoices.

Tax Debt Information

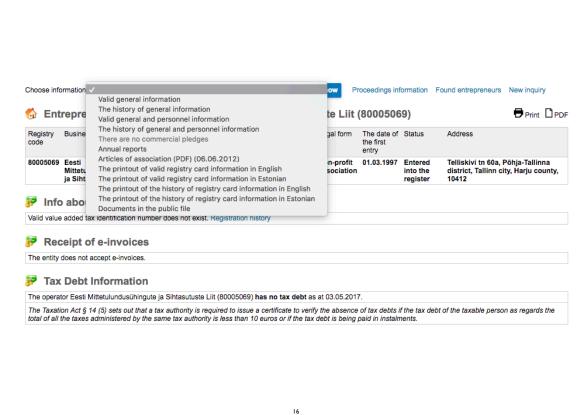
The operator Eesti Mittetulundusühingute ja Sihtasutuste Liit (80005069) has no tax debt as at 03.05.2017.

The Taxation Act § 14 (5) sets out that a tax authority is required to issue a certificate to verify the absence of tax debts if the tax debt of the taxable person as regards the total of all the taxes administered by the same tax authority is less than 10 euros or if the tax debt is being paid in instalments.

Annual report submissions

Year	Period	Status	Date of submission
2015	01.01.2015 - 31.12.2015	Submitted	30.06.2016
2014	01.01.2014 - 31.12.2014	Submitted	27.05.2015
2013	01.01.2013 - 31.12.2013	Submitted	09.06.2014
2012	01.01.2012 - 31.12.2012	Submitted	04.06.2013
2011	01.01.2011 - 31.12.2011	Submitted	25.05.2012

The existence of the international financial sanction is possible to search here.



Print DPDF

The registry card is machine translated and may contain information in Estonian. To order an official translation, please contact a sworn translator. Details of sworn translators: http://www.just.ee/en/sworn-translators; http://www.vandetolgid.ee.

Printout of Effective Data from Non-profit Associations and Foundations Register as at 03.05.2017 at 11:12

Non-profit associations register card No. 1 has been opened in Tartu County Court Registration Department in respect of Eesti Mittetulundusühingute ja Sihtasutuste Liit (registry code 80005069):

Name and address

- Entry 12: Name is Eesti Mittetulundusühingute ja Sihtasutuste Liit
- Entry 16: Address is Telliskivi tn 60a, Pōhja-Tallinna district, Tallinn city, Harju county, 10412

Right of representation

Entry 14: Management board member is Maris Jõgeva, personal identification code 47911260303

* Every member of the Management Board may represent the non-profit association in concluding all transactions.

- Entry 1: Legal form is mittetulundusühing [non-profit association]
- Entry 8: Non-profit association subclass is ordinary non-profit association
- Entry 12: Articles of association have been approved on 25.05.2012
- Entry 13: Financial year begins on 01.01 and ends on 31.12

Entry 1: Reg. No. of the enterprise register 01154343

List of entries

Entry 16: Aadressiandmed on muudetud äriseadustiku § 511¹ alusel.

List of entries

Entries made in Harju County Court Registration Department:

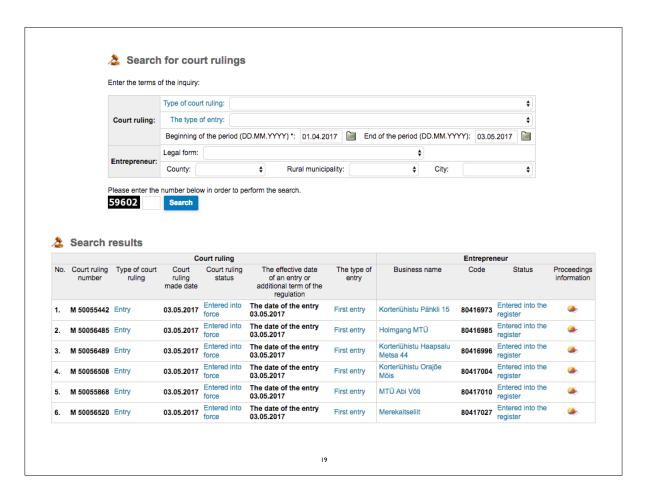
- Entry 1: Approved on 01.03.1997
- Entry 8: Approved on 31.05.2007 (amending entry)
- Entry 12: Approved on 06.06.2012 (amending entry)
- Entry 13: Approved on 23.05.2013 (amending entry)
 Entry 14: Approved on 09.09.2013 (amending entry)
 Entries made in Tartu County Court Registration Department:
 - Entry 16: Approved on 12.09.2016 (amending entry)

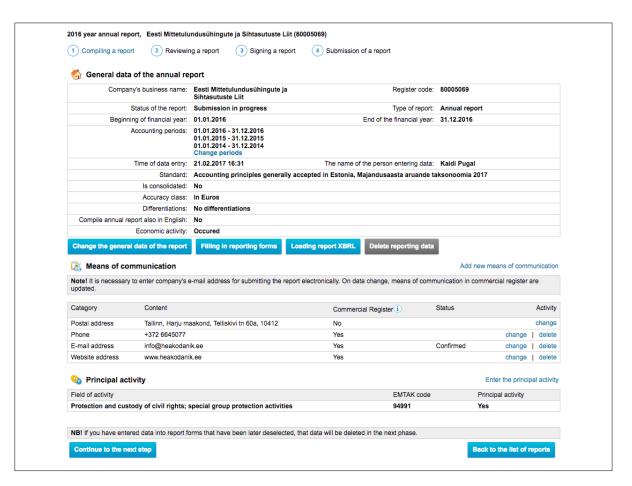
Entry on the amendment: § 525 (2) of the Commercial Code

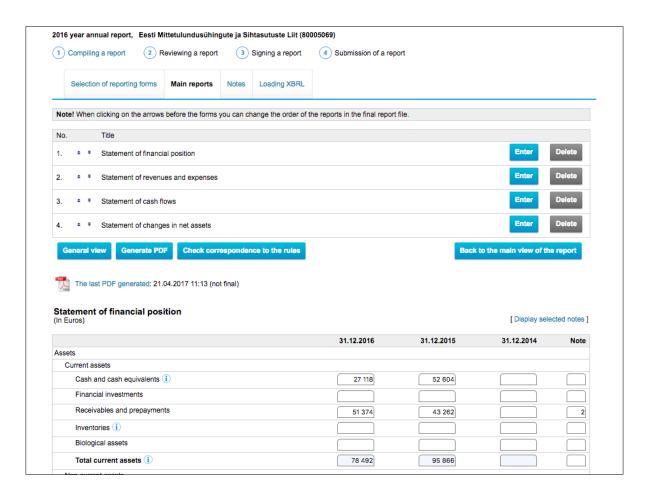
End of printout

(Commercial registry code: 80005069				Number of old business register: 01154343						
Status: Entered into the register Legal form: Non-profit association						he first entry: 01.03.1997					
					Date of foundation:						
	Address:	Telliskivi tn 60a, Pöhja-Ta	llinna distri	ct, Tallinn	city, Harju county	, 10412					
Submitte	ed documents (la	st 6 months)									
The date Ti of submission and status	The type of the document The code of a notary's trans		insaction	Court ruling Type of court ruling number and made date		Type of court ruling	Court ruling The type of ent status		e of entr		
17.11.2016 P	etition										
Dissolved											
🏖 Court ru	lings										
Court ruling number			r	Court uling nade date	Court ruling status	The effective date of an entry or additional term of the regulat					
M 10010155 / M10	Ruling		2	9.08.2016	Entered into ford	ce 29.08.2016					
M 10010155 / 16	A negative ruling of ent	ry: failure to eliminate def	iciencies (4.09.2013	Entered into ford	ce 19.09.2013					
M 10010155 / M9	A ruling on the elimination of the deficiencies			5.08.2013	Entered into force		Supplementary deadline 25.08.2013				
M 10155 / M8	A ruling on the eliminat	ion of the deficiencies	C	2.06.2009	Entered into force	ce 02.06.2009	Suppleme 02.07.2009		adline		
M 10155 / M7	A ruling on the elimination of the deficiencies that is to delivered			8.05.2007	Entered into force	Supplementary deadline 30.06.2007					
M 10155 / M6	delivered	ion of the deficiencies tha					Suppleme 15.06.2007	7			
M 10155 / M5	1 10155 / M5 A ruling on the elimination of the deficiencies that is to delivered		it is to be 2	3.10.2006	The deficiencies 01.11.2006	Supplementary deadline 01.12.2006					
M 10155 / 5	Negative judgement on	entry	2	1.03.2002	Entered into ford	ce 21.03.2002					
M 10155 / 5 Entries Entry The type of	Negative judgement on	entry	The date of			te 21.03.2002 Type of court ruling		Card	Card		
no				Í	number	•		seq no			
16 Amending	•		12.09.201	-	M 10010155 / 19	•		1	MTÜ		
-	e amendment: § 525 (2) o	of the Commercial Code	27.09.201		M 10010155 / 18			1	MTÜ		
14 Amending	•		09.09.201		M 10010155 / 17	•		1	MTÜ		
13 Amending	entry		23.05.2013	3	M 10010155 / 15	Entry		1	MTÜ		
13 Amending											

Entry







Resources

- * Main acts for NGOs:
 - * Non-profit Associations Act
 - * Foundations Act
 - * General Part of the Civil Code Act
 - * Income Tax Act
 - * Value Added Tax Act
 - * Law of Obligations Act
 - * Accounting Act
- * Translations in English: www.riigiteataja.ee/en/
- * Estonian civil society in English: www.heakodanik.ee/en

Taxation

- * No corporate income tax for legal entities in Estonia
- * Uniform taxation rules for all legal entities mostly labour taxes (social tax 33%, income tax 20%) etc
- NGOs can make profit (surplus) but cannot share it –
 must be used in relation to the objectives of statute
- * Possible exemptions from VAT 20% (legal entity should register as liable to value added tax if the turnover from goods or services exceeds 16,000 € in a year, 40,000 from 2018)
- * Income of NGO can be seen different from businesses and no obligation to register
- * Tax exemptions only for donors and for public benefit organizations (PBO) 23

Tax benefits

- * NGOs can apply for a status of public benefit and charitable with tax incentives published as a list of names on Tax and Customs Board's website
- * Income Tax Act: www.riigiteataja.ee/en/eli/516012017002/
 consolide#8ca7c1e9-18e5-4c74-9d44-87a0c204f659
- * Procedural act (Estonian): www.riigiteataja.ee/akt/119122014014
- * Additional guidelines of the tax authority: www.emta.ee/eng/registration-business/association-list-associations-benefiting-income-tax-incentives/instructions-0

Tax benefits for donor

- * Natural persons can deduct donations to PBOs from their taxable income, limits apply from 2016 max 1200 € for all deductions (previously 1920-3200 € + 5% ceiling)
- Other deductions (home loan interests, costs for education) may not leave anything to deduct from donations
- * Legal persons pay income tax from donations that are not PBOs or when exceeding following limits:
 - * 10% of recent profit
 - * **or** 3% of current year's salary fund (expenses subject to social tax)

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Tax benefits for NGO

- * Several expenses are not taxed for NGO itself:
 - * catering, accommodation, transport, entertainment; scholarships for studies, culture, sports, science; covering costs of volunteers
 - * transactions to other legal persons for fullfilling statutory obligation support funds
- * Tax-free limits for some expenses:
 - * material assistance for natural persons ca 300 €/mo
 - * souvenirs/prices in sports, youth camps 32 €
 - * advertising goods 10 € per piece

Criteria for status

- * Public benefit no legal definition, but almost no disputes either. Guidelines from 1990s, ICNL
- * Charitable offering goods, services or other benefits primarily free of charge or in another non-revenue seeking or publicly accessible manner
- * Other restrictions:
 - * active at least for 6 months, annual report filed
 - * cannot support persons involved with NGO
 - * upon dissolution the assets go to another PBO or legal person in public law (in statute)
 - * administrative expenses and salaries reasonable and no bigger than in business sector
 - * reports and declarations filed in time, no current debts

Applying procedure

- * Now a lot easier than previously, tax officials more reasonable, court disputes helped with interpretations
- * Application short overview of vision, activities, target groups, list of members
- * Financial information is taken from annual reports
- * From 2007 expert committee of 11 10 NGO representatives, 1 chamber of commerce advisory role. Possibly eliminated in the future.
- * Applying for the status twice a year, 01.03, 01.09. Amendments to the list also biannually 01.07, 01.01

Applying procedure

- * Negative desicions have to be written, well reasoned and delivered to applicant
- * Possible to file a challenge to the desicion or appeal to administrative court
- * Before removal from the list NGO has to be warned and given time to eliminate deficiencies first
- * Removal desicion also appealable

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Additional reporting

- * Two extra forms for Tax and Customs Board
 - * 01.02: received donations, names, codes, sums used in prefilled personal tax declaration
 - * 01.07: more detailed income statement than in annual report sources of income and how spent. Separately and namely paid stipends, given gifts etc (misused a lot previously)