

# VAT accounting and invoices

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# Obligations of taxable persons

A taxable person has the following obligations (Value-Added Tax Act, § 36 (1)):

- ✘ preserve copies of invoices issued by or on behalf the person (Value-Added Tax Act, § 37 (1)) and invoices for goods acquired or services received by or on behalf of the person in chronological order for 7 years as of the date of their issue or receipt. The information set out in an invoice shall be preserved in its original form, i.e. electronic invoices, for example, must be preserved electronically. Customs declarations certifying the import of goods shall be preserved for 7 years as of the beginning of the calendar year following customs formalities.  
A taxable person may choose the place at which invoices are preserved and the manner thereof on the condition that the person makes the invoices or information preserved therein immediately (within a reasonable time period) available at the request of the tax authority and in the case the amount of value added tax calculated on transaction or procedure set out in the invoice is subject to payment in another Member State also at the request of a competent authority of another Member State (Value-Added Tax Act, § 36 (4));
- ✘ pursuant to the procedure established by a regulation of the Minister of Finance, maintain daily records of taxable supply and supply exempt from tax, calculated value added tax and input value added tax payable on taxable supply acquired from other registered taxable persons or on goods and services specified in subsection 4 (2) of the Value-Added Tax Act and used for business purposes, and input value added tax calculated on the taxable value of received services or acquired goods specified in clauses 3 (4) 2)-5) of the Value-Added Tax Act, and input value added tax paid or to be paid on imported goods used for the purposes of business;
- ✘ keep records of goods dispatched or delivered to another Member State by or on behalf of the taxable person, provided that such goods are not treated as intra-Community acquisition of goods pursuant to subsection 7 (2) of the Value-Added Tax Act;
- ✘ keep records of movables specified in clause 8 (3) 3) of the Value-Added Tax Act and delivered to the taxable person to Estonia from another Member State with an accuracy which enables the movables to be identified;
- ✘ keep records of the transactions related to the reusable packaging specified in subsection 11 (7) of the Value-Added Tax Act and preserve the documentation concerning reusable packaging for a period of at least 7 years:
- ✘ keep records of transactions and acts related to call-off stock taking account of the provisions of clause 7 (1) 4) and clauses (2) 12)–14) and subsections 8 (6) and (7) of the Value-Added Tax Act.

Registered taxable persons who sell investment gold shall maintain records of all transactions relating to investment gold and of all purchasers of investment gold and shall preserve the documentation

relating to each transaction for 5 years as of the date of the transaction (Value-Added Tax Act, § 36 (2)).

## Obligations of taxable persons with limited liability

A taxable person with limited liability has the following obligations (Value-Added Tax Act, § 36 (3)):

- ✘ preserve copies of invoices for goods acquired or services received specified in clauses 3 (4) 2)-5) of the Value-Added Tax Act in chronological order for 7 years as of the date of their issue or receipt. The information set out in an invoice shall be preserved in its original form.  
A taxable person with limited liability may choose the place at which invoices are preserved and the manner thereof on the condition that the person makes the invoices or information preserved therein immediately (within a reasonable time period) available at the request of the tax authority and in the case the amount of value added tax calculated on transaction or procedure set out in the invoice is subject to payment in another Member State also at the request of a competent authority of another Member State (Value-Added Tax Act, § 36 (4));
- ✘ pursuant to the procedure established by a regulation of the Minister of Finance, maintain daily records of value added tax calculated on the taxable value of received services and imported or acquired goods specified in clauses 1 (1) 2) and 5) or clauses 3 (4) 2)-5) of the Value-Added Tax Act;
- ✘ keep records of goods dispatched or delivered to another Member State by or on behalf of the taxable person, provided that such goods are not treated as intra-Community acquisition of goods pursuant to subsection 7 (2) of the Value-Added Tax Act;
- ✘ keep records of movables specified in clause 8 (3) 3) of the Value-Added Tax Act and delivered to the taxable person to Estonia from another Member State with an accuracy which enables the movables to be identified.

# Issuance of invoices

A taxable person shall issue an invoice for the transfer of goods or provision of services **within seven calendar days** as of the date on which the goods are dispatched or made available to the purchaser or the services are provided. In case of provision of long-term services and goods sold on a regular basis or services rendered on a regular basis, an invoice must be issued within seven calendar days from the last day of the taxable period specified in § 11 (4) of the Value-Added Tax Act.

A taxable person may authorise to issue an invoice on its behalf by another person or buyer acting in the name and for the account of such taxable person. In such cases the taxable person must also ensure that the invoice is issued within the same term (seven calendar days) (Value-Added Tax Act, § 37 (1)). Taxable persons registered in Estonia are under the obligation to issue an invoice meeting the requirements of the Value-Added Tax Act valid in Estonia in the following cases (Value-Added Tax Act, § 37 (1<sup>1</sup>)):

1. If the place of supply of goods is Estonia;
2. If the place of supply is in a third country;
3. Upon the transfer of goods and provision of services which are subject to taxation in the Member State of the acquirer of goods or recipient of the service to a person who is registered as a taxable person or taxable person with limited liability in another Member State and the recipient has not issued an invoice to itself for such transaction.

An invoice must generally be issued by following the rules of the country where the seller of the goods or the provider of services is based. If the recipient of the goods or services is based in another Member State and issues to itself an invoice for the goods or services, the invoice is issued by following the rules of the country where the supply occurs.

If the supply is created upon receipt of full or partial payment for the goods or services, an invoice shall be issued within seven calendar days as of the date of receipt of full or partial payment for the goods or services (Value-Added Tax Act, § 37 (2)).

Whereas the general obligation is to issue an invoice within 7 calendar days from the date of supply, in case of intra-Community supply of goods and upon the provision of services specified in § 10 (4) 9) of the Value-Added Tax Act to a taxable person or taxable person with limited liability in another Member State, an invoice may be issued by the 15th day of the calendar month following the month that goods were dispatched or made available or services were provided (Value-Added Tax Act, § 37 (2<sup>1</sup>)).

An invoice meeting the requirements of § 37 of the Value-Added Tax Act need not be issued upon the transfer of goods or provision of services to a natural person for personal use, except in the case of distance selling, the transfer of a new means of transport or treating as exports the goods transferred to a third country natural person (tax-free sales). There is also no obligation to issue an invoice upon the sale of tax-exempt goods or provision of services specified in § 16 (1), (2) or (2<sup>1</sup>) of the Value-Added Tax Act if the corresponding supply is not subject to value-added tax (Value-Added Tax Act, § 37 (1) and (3)). Instead of the taxable person or foreign taxable person, the invoice may also be issued by the acquirer of

goods or the recipient of services (self-billing). The seller must accept the purchaser's issuance of the invoice because the seller must always ensure the on-time issuance of the invoice. In order to apply self-billing the purchaser and seller must have entered into a prior written agreement, including a provision in such agreement specifying in what manner the seller of the goods or provider of the services accepts an invoice issued by the purchaser (Value-Added Tax Act, § 37 (5)).

For example, the seller may approve an invoice issued by the purchaser and sent to the seller within an agreed-upon term by signature to denote acceptance, even though a signature is not a mandatory feature of an invoice. Alternatively, there may be an agreed-upon time period during which the seller is able to dispute an issued invoice and after the expiry of which the invoice is deemed accepted. As the seller is under the obligation to account for its supply and also retain the invoices issued on its behalf, another person will obviously not be able to issue an invoice on behalf of the seller without sending it to the seller.

A purchaser issuing the invoice is reasonable in cases where the seller lacks the information required for the issuance of the invoice when entering into the transaction. For example, it is sometimes used when agricultural products are sold to industries where the purchaser of the goods measures the quantity and determines the quality of meat, grains, etc. and accordingly calculates the price.

Documents, including credit invoices that amend the initial invoice and that contain a reference to such invoice are deemed an invoice, therefore such documents are also subject to requirements specified in § 37 of the Value-Added Tax Act on the content of invoices (Value-Added Tax Act, § 37 (4)). An invoice may be issued on paper or, subject to acceptance by the acquirer of goods or the recipient of services, by electronic means (Value-Added Tax Act, § 37 (6)). Electronic invoices are also subject to invoice retention requirements and upon request by the tax authority the tax authority must be permitted access to invoices stored electronically.

## Preparation of invoices

Information included on invoices References noted on invoices

### Information included on invoices

The following shall be set out in an invoice (Value-Added Tax Act, § 37 (7)):

1. the serial number and date of issue of the invoice;

2. the name and address of the taxable person and the person's registration number as a taxable person;
3. the name and address of the acquirer of goods or the recipient of services;
4. the registration number of the acquirer of goods or the recipient of services as a taxable person if the acquirer of goods or the recipient of services has tax liabilities upon the acquisition of goods or receipt of services;
5. the name or a description of the goods or services;
6. the quantity of the goods or extent of the services;
7. the date of dispatch of the goods or provision of the services or the date of receipt of full or partial payment for the goods or services if the date can be determined and differs from the date of issue of the invoice;
8. the price of the goods or services exclusive of value added tax and any discounts, if these are not included in the price;
9. the taxable amount broken down by different rates of value added tax together with the applicable rates of value added tax or the amount of supply exempt from tax;
10. the amount of value added tax payable, except in the cases provided by law. The amount of value added tax shall be indicated in euros.

Hence, the key requirements are the invoice number, date of issuance and information concerning the taxable person, the purchaser of the goods or services and the goods or services, as well as the price of the transaction, the taxable amount broken down by value-added tax rate and the amount of value-added tax payable in euros.

Invoices are subject to additional requirements in case of certain intra-Community transactions. If the date of issuance of the goods or provision of the services or the date of partial or full advance payment for services differs from the date of issuance of the invoice, either the date of issuance of the goods/provision of the services or the date of advance payment must be noted on the invoice if it is possible to determine.

In case of intra-Community supply of goods, it is important to include on the invoice the purchaser's registration number as a taxable person or a taxable person with limited liability in another Member State because only a valid purchaser's registration number entitles such sales to be deemed intra-Community supply taxable at the zero rate. If the seller fails to include the purchaser's valid registration number on the invoice, such supply must be reported and taxed as domestic supply. The purchaser's registration number as a taxable person can be looked [up here](#).

## References noted on invoices

In case of certain transactions there must be additional references added to invoices either to the relevant provision of the Value-Added Tax Act or provision of the VAT Directive. This requirement arises

from Article 226 of the VAT Directive and is specified in as much detail as possible in subsection (8) of the Value-Added Tax Act, specifying both the specific transactions and the required references for each transaction. The references are necessary for example in case of tax-exempt supply and supply taxable at the zero rate, for intra-Community transactions and in case of application of special arrangements.

The following tables in the menu below provide the references to be included on invoices pursuant to subsection (8) of § 37 of the Value-Added Tax Act.

## The place of supply of services is not Estonia

The place of supply of services is not Estonia and due to this fact the services are subject to value-added tax at the rate of 0%.

Nr	Service	Value-Added Tax Act	Directive 2006/112
1.	Provision of services to a person that is registered as a taxable person or a taxable person with limited liability in another Member State, except in cases referred to in § 10 (2) and § 10 (4) 1)–8) of the Value-Added Tax Act. (Value-Added Tax Act, § 10 (4) 9))	Reverse charge	
2.	Provision of services to a third country person engaged in business, except in cases referred to in § 10 (2) and § 10 (4) 1)–8) of the Value-Added Tax Act. (Value-Added Tax Act § 10 (4) 9))	§ 15 (4) 1)	
3.	Services connected with an immovable located in a foreign country, including construction, valuation and maintenance, and services for the transfer of the immovable, for preparing or coordinating construction works, and accommodation services. (Value-Added Tax Act, § 10 (4) 1))	§ 15 (4) 1)	



Nr	Service	Value-Added Tax Act	Directive 2006/112
4.	Cultural, artistic, sporting, educational, scientific or entertainment services or services connected with trade fairs or exhibitions are provided in a foreign country to a person who is not registered as a taxable person or taxable person with limited liability in any of the Member States or who is not a third country person engaged in business. The services also include the organisation of related events and provision of ancillary services. (Value-Added Tax Act, § 10 (4) 2))	§ 15 (4) 1)	
5.	Entrance services to cultural, artistic, sporting, educational, scientific or entertainment events or trade fairs or exhibitions or ancillary services related to entrance services are provided in a foreign country to a taxable person or taxable person with limited liability or to a third country person engaged in business. (Value-Added Tax Act, § 10 (4) 2 <sup>1</sup> ))	§ 15 (4) 1)	
6.	Work is performed with movables located in a foreign country or movables located in a foreign country are valued and services are provided to a person who is not registered as a taxable person or taxable person with limited liability in any of the Member States or who is not a third country person engaged in business. (Value-Added Tax Act, § 10 (4) 3))	§ 15 (4) 1)	
7.	Transport services related to the carriage of passengers, including their personal luggage and personal means of transport is provided outside Estonia. (Value-Added Tax Act, § 10 (4) 4))	§ 15 (4) 1)	
8.	Means of transport is hired or leased or a usufruct is established thereon in a foreign state on a short-term basis. (Value-Added Tax Act, § 10 (4) 4 <sup>1</sup> ))	§ 15 (4) 1)	
9.	Means of transport (except for pleasure or recreational craft) is hired or leased or a usufruct is established thereon to a person who is not registered as a taxable person or taxable person with limited liability in any of the Member States or who is not a third country person engaged in business and whose seat or place of residence is in a foreign country, except for short-term hire, lease or usufruct arrangements. (Value-Added Tax Act, § 10 (4) 4 <sup>2</sup> ))	§ 15 (4) 1)	

Nr	Service	Value-Added Tax Act	Directive 2006/112
10.	Pleasure or recreational craft are hired or leased or a usufruct is established thereon to a person who is not registered as a taxable person or taxable person with limited liability in any of the Member States or who is not a third country person engaged in business and the service provider's seat or permanent business establishment is in Estonia, except in the cases provided in § 10 (4) 4 <sup>1</sup> ) of the Value-Added Tax Act. (Value-Added Tax Act, § 10 (4) 4 <sup>3</sup> ))	§ 15 (4) 1)	
11.	Restaurant or catering services are provided during the carriage of passengers taking place in the Community territory on board of such a vessel or aircraft or in a train departing on an international route from another Member State. (Value-Added Tax Act, § 10 (4) 5))	§ 15 (4) 1)	
12.	Restaurant or catering services are provided in a foreign state, except in the cases provided in §10 (2) 5) of the Value-Added Tax Act. (Value-Added Tax Act, § 10 (4) 5 <sup>1</sup> ))	§ 15 (4) 1)	
13.	Transport services for goods from another Member State to Estonia or outside Estonia are provided, including the carriage of means of transport related to the carriage of goods, or such carriage of goods is organised to a person who is not registered as a taxable person or taxable person with limited liability in any of the Member States or who is not a third country person engaged in business. (Value-Added Tax Act, § 10 (4) 6))	§ 15 (4) 1)	
14.	Ancillary services related to transport of goods are carried out outside Estonia to a person who is not registered as a taxable person or taxable person with limited liability in any of the Member States or who is not a third country person engaged in business. (Value-Added Tax Act, §10 (4) 7))	§ 15 (4) 1)	
15.	A transaction or other act the place of supply of which is not Estonia is mediated and the intermediation service is provided to a person who is not registered as a taxable person or taxable person with limited liability in any of the Member States or who is not a third country person engaged in business. (Value-Added Tax Act, § 10 (4) 8))	§ 15 (4) 1)	
16.	Provision of services specified in § 10 (5) of the Value-Added Tax Act to a third country person not engaged in business.	§ 15 (4) 1)	

## Services are subject to the tax rate of 0%

Services are subject to the tax rate of 0%, except in the case specified in § 15 (4) 1) of the Value-Added Tax Act

No	Service	Value-Added Tax Act	Directive 2006/112
1.	The provision of services necessary for the journey to passengers on board vessels or aircraft during the international transport of passengers.	§ 15 (4) 2)	Art 37 (3)
2.	The provision of port services to meet the direct needs of vessels navigating international waters.	§ 15 (4) 3)	Art 148(d)
3.	The provision of navigation services and airport services directly connected to provision of service to aircraft used by an air carrier operating mostly on international routes.	§ 15 (4) 4)	Art 148(g)
4.	The repair, maintenance, chartering and hiring of or establishment of a usufruct on sea-going vessels navigating in international waters, except pleasure craft used for purposes other than business, and the repair, maintenance and hiring of or establishment of a usufruct on equipment used on such vessels.	§ 15 (4) 6)	Art 148(c)
5.	The repair, maintenance, chartering and hiring of or establishment of a usufruct on aircraft used by an air carrier operating mostly on international routes, and the repair, maintenance and hiring of or establishment of a usufruct on equipment used on such aircraft.	§ 15 (4) 6)	Art 148(f)
6.	Intermediation, if the place of supply of the transaction being mediated is a third country.	§ 15 (4) 7)	Art 153

No	Service	Value-Added Tax Act	Directive 2006/112
7.	<p>Intermediation, if the following goods are subject to intermediation:</p> <ul style="list-style-type: none"> <li>- exported goods;</li> <li>- sea-going vessels navigating in international waters (except pleasure craft used for purposes other than those of business interests), and equipment, spare parts, fuel and other supplies used on such sea-going vessels and goods to be transferred to passengers for consumption on board, except goods sold on board sea-going vessels during passenger transport in Community waters to be taken away;</li> <li>- aircraft used by an air carrier operating mostly on international routes and equipment, spare parts, fuel and other supplies used on such aircraft and goods to be transferred to passengers for consumption on board, except goods sold on board of such aircraft during intra-Community passenger transport to be taken away;</li> <li>- goods transferred and delivered to another Member State to a diplomatic representative, a consular agent (except an honorary consul), a representative or representation of a special mission or an international organisation recognised by the Ministry of Foreign Affairs, a diplomatic representation, a consular post, a special mission or a Community institution;</li> <li>- goods transferred and delivered to another Member State which is a Member State of the North Atlantic Treaty Organisation (hereinafter NATO) and intended for the performance of the duties of or provision of catering services to the armed forces of any other NATO Member State or the civilian staff accompanying them if such armed forces take part in the common defence effort;</li> <li>- gold transferred to Eesti Pank.</li> </ul>	§ 15 (4) 7)	Art 153

No	Service	Value-Added Tax Act	Directive 2006/112
8.	<p>Intermediation if the following services are subject to intermediation:</p> <ul style="list-style-type: none"> <li>- the provision of services necessary for the journey to passengers on board vessels or aircraft during the international transport of passengers;</li> <li>- the provision of port services to meet the direct needs of vessels navigating international waters;</li> <li>- the provision of navigation services and airport services directly connected to provision of service to aircraft used by an air carrier operating mostly on international routes;</li> <li>- the repair, maintenance, chartering and hiring of or establishment of a usufruct on sea-going vessels navigating in international waters, except pleasure craft used for purposes other than business, and the repair, maintenance and hiring of or establishment of a usufruct on equipment used on such vessels;</li> <li>- the repair, maintenance, chartering and hiring of or establishment of a usufruct on aircraft used by an air carrier operating mostly on international routes, and the repair, maintenance and hiring of or establishment of a usufruct on equipment used on such aircraft;</li> <li>- transport services for the export of goods, services for the organisation of transport of goods and ancillary services related to such transport of goods;</li> <li>- transport services for the import of goods, services for the organisation of transport of goods and ancillary services related to such transport of goods, if the cost of such services is included in the taxable value of the goods to be imported;</li> <li>- work with movables which are acquired from Estonia or brought to Estonia for the purpose of provision of such service and which are taken out of the Community after the service has been provided;</li> <li>- service provided to a person, representation, agency, special mission, Community institution or armed forces specified in clause (3) 5) or 6) of § 15 of the Value-Added Tax Act.</li> </ul>	§ 15 (4) 7)	Art 153
9.	<p>Transport service for goods placed under an external transit procedure, services for the organisation of such transport of goods and ancillary services related to such transport of goods if the carriage is a part of the carriage which begins or ends in a third country.</p>	§ 15 (4) 8)	
10.	<p>Transport services for the export of goods, services for the organisation of transport of goods and ancillary services related to such transport of goods.</p>	§ 15 (4) 9)	Art 146 (1) (e)

No	Service	Value-Added Tax Act	Directive 2006/112
11.	Transport services for the import of goods, services for the organisation of transport of goods and ancillary services related to such transport of goods, if the cost of such services is included in the taxable value of the goods to be imported.	§ 15 (4) 10)	Art 146 (1) (e)
12.	Carriage of goods to the Azores or Madeira or from the Azores or Madeira to Estonia or another Member State.	§ 15 (4) 11)	Art 142
13.	Work with movables which are acquired from Estonia or brought to Estonia for the purpose of provision of such service and which are taken out of the Community after the service has been provided.	§ 15 (4) 12)	Art 146 (1) (d)
14.	ECarriage of passengers services are provided in Estonia (specified in § 10 (2) 3) of the Value-Added Tax Act), including their personal luggage and personal means of transport, if the carriage of passengers in Estonia constitutes a part of international transport of passengers.	§ 15 (4) 13)	Art 382
15.	Service provided to a person, representation, agency, special mission, Community institution or armed forces located in a foreign state and specified in clause (3) 5) or 6) of § 15 of the Value-Added Tax Act.	§ 15 (4) 14)	Art 151(1)

## Services exempt from tax

No	Service	Value-Added Tax Act	Directive 2006/112
1.	Universal postal services within the meaning of the Postal Act and payment of state pensions, benefits, support and compensation pursuant to the procedure prescribed by the State Pension Insurance Act by means of post.	§ 16 (1) 1)	Art 132 (1) (a)

No	Service	Value-Added Tax Act	Directive 2006/112
2.	Health services within the meaning of the Health Service Organisation Act.	§ 16 (1) 2)	Art 132 (1) (b) and (c)
3.	Supply of an organ or tissue of human origin, human blood or blood product made from human blood and breast milk, as specified in the list approved by a regulation of the Minister of Social Affairs.	§ 16 (1) 2)	Art 132 (1) (d)
4.	Service provided by dental technicians in their professional activities.	§ 16 (1) 2 <sup>1</sup> )	Art 132 (e)
5.	Services provided by a non-profit association to its members free of charge or for a membership fee, and services provided by a non-profit association or foundation to natural persons relating to the use of sports facilities or sports equipment.	§ 16 (1) 3)	Art 132 (1) (f) or (l) or (m)
6.	Social services specified in clauses 1, 1 <sup>1</sup> , 1 <sup>2</sup> , 1 <sup>3</sup> , 1 <sup>4</sup> , 1 <sup>5</sup> , 1 <sup>6</sup> , 3, 4, 5, 5 <sup>1</sup> and 6 of § 10 of the Social Welfare Act and social services financed out of the state or local government budget specified in clause 2 <sup>1</sup> of § 10 of the Social Welfare Act.	§ 16 (1) 4)	Art 132 (1) (g)
7.	Services relating to shelters for the protection of children and young persons.	§ 16 (1) 5)	Art 132 (1) (h)
8.	Pre-school, basic, vocational, secondary and higher education, including learning materials transferred by the education service provider to the recipient of the services, private tuition relating to general education and other training services, except other training services provided for business purposes.	§ 16 (1) 6)	Art 132 (1) (i) or (j)
9.	Transportation of sick, injured or disabled persons in vehicles which are specially designed for such purpose and which correspond to the requirements established on the basis of the Traffic Act.	§ 16 (1) 7)	Art 132 (1) (p)
10.	Service provided by an independent association of persons to their members provided that the following conditions are met: 90% of the supply of the recipient of services is exempt from taxation or its activities are not subject to value-added tax; the service is directly necessary for the main activity of the member, the fee paid for the service does not exceed the costs incurred upon the provision of the service.	§ 16 (1) 8)	Art 132 (1) (f)

No	Service	Value-Added Tax Act	Directive 2006/112
11.	Insurance services, including reinsurance and insurance intermediation services.	§ 16 (2) 1)	Art 135 (1) (a)
12.	The leasing or letting of immovables or parts thereof, establishment of a usufruct on immovables or parts thereof.	§ 16 (2) 2)	Art 135 (1) (l)
13.	Securities	§ 16 (2) 6)	Art 135 (1) (f)
14.	Lottery tickets and the organisation of gambling, except the organisation of commercial lotteries and the organisation of such games of skill the only possible prize of which is the possibility to participate again in the same game.	§ 16 (2) 7)	Art 135 (1) (i)
15.	Services relating to the transfer of investment gold or entry into a corresponding transfer agreement, or services relating to the supply thereof which are provided by an agent acting in the name and for the account of another person.	§ 16 (2) 8)	Art 347



No	Service	Value-Added Tax Act	Directive 2006/112
16.	<p>Financial services specified in § 16 (2<sup>1</sup>) of the Value-Added Tax Act:</p> <p>1) deposit transactions for the receipt of deposits and other repayable funds from the public;</p> <p>2) borrowing and lending operations, including consumer credit, mortgage credit and other transactions for financing business transactions;</p> <p>3) leasing transactions;</p> <p>4) settlement, cash transfer and other money transmission transactions;</p> <p>5) issue and administration of non-cash means of payment, such as electronic payment instruments, electronic money, traveller's cheques and bills of exchange;</p> <p>6) guarantees and commitments and other transactions creating binding obligations to persons;</p> <p>7) transactions for their own account or for the account of clients in traded securities provided in § 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;</p> <p>8) transactions and acts related to the issue, sales and purchases of securities;</p> <p>9) money broking;</p> <p>10) negotiation services related to the services specified in clauses 1)–9) of this section;</p> <p>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.</p>	§ 16 (2 <sup>1</sup> ) corresponding clause	Art 135 (1) (b) to (g)
SPECIAL ARRANGEMENTS			
48.	Special arrangements for imposing value added tax on travel services.	Margin scheme - Travel agents	

## Goods subject to the 0% tax rate

No	Goods	Value-Added Tax Act	Directive 2006/112
1.	The transfer of goods to a taxable person or taxable person with limited liability of another Member State together with the transport of the goods from Estonia to the other Member State and the transfer of excise goods to a person of another Member State together with the transport of the goods or means of transport from Estonia to the other Member State.	§ 15 (3) 2)	Art 138
2.	The transport of goods from Estonia to another Member State for them to be used for business purposes there, including the transfer of goods between a company and its permanent business establishment located in another Member State. (the prerequisite is that the transport of goods is deemed by the other Member State as intra-Community acquisition of goods and the Estonian company has been registered as a taxable person in such other Member State).	§ 15 (3) 2)	Art 138
3.	The sale of natural gas or electricity, heating or cooling energy transmitted via network to a distributor or other person of another Member State that will not use such goods in Estonia. (Value-Added Tax Act, § 9 (2) 3)).	Reverse charge	
4.	Sea-going vessels navigating in international waters (except pleasure craft used for purposes other than those of business interests), and equipment, spare parts, fuel and other supplies used on such sea-going vessels and goods to be transferred to passengers for consumption on board (not applicable in case of goods sold on board to be taken away)	§ 15 (3) 3)	Sea-going vessels, equipment and spare parts art 148 (c). Sea-going vessels, equipment and fuel art 148 (a). Goods transferred for consumption on board art 37 (3).

No	Goods	Value-Added Tax Act	Directive 2006/112
5.	Aircraft used by an air carrier operating mostly on international routes and equipment, spare parts, fuel and other supplies used on such aircraft and goods to be transferred to passengers for consumption on board (not applicable to goods sold on board of such aircraft to be taken away).	§ 15 (3) 4)	Aircraft, equipment and spare parts art 148 (f). Aircraft equipment and fuel art 148 (e). Goods transferred to passengers for consumption on board art 37 (3).
6.	Goods transferred and delivered to another Member State to a diplomatic representative, a consular agent (except an honorary consul), a representative or representation of a special mission or an international organisation recognised by the Ministry of Foreign Affairs, a diplomatic representation, a consular post, a special mission or a Community institution.	§ 15 (3) 5)	Art 151 (1)
7.	Goods transferred and delivered to another Member State which is a Member State of the North Atlantic Treaty Organisation (hereinafter NATO) and intended for or for providing catering services to the armed forces of any other NATO Member State or the civilian staff accompanying them if such armed forces take part in the common defence effort.	§ 15 (3) 6)	Art 151 (1)
8.	Non-Community goods in a free zone or free warehouse (within the meaning of the Community Customs Code) if such goods have not been placed under any customs procedure and have not been consumed or used for any purposes other than prescribed for in the customs rules.	§ 15 (3) 7)	Art 156 (1) (b)

No	Goods	Value-Added Tax Act	Directive 2006/112
9.	Non-Community goods placed in free zone or free warehouse or other non-Community goods placed under customs warehousing procedure, inward processing (suspension system) customs procedure, transit customs procedure or customs procedure, or for temporary importation with full exemption from import duties, or non-Community goods in temporary storage under the condition that such goods have not been unlawfully removed from under customs supervision and have not been consumed or used for any purposes other than prescribed for in the customs rules.	§ 15 (3) 8)	Art 156 (1) (a) (b) (c)
10.	Community goods transferred and delivered to a free zone or free warehouse for export purposes and Community goods placed in a free zone or free warehouse which are exported directly from the free zone or free warehouse within two months as of the transportation to the free zone or free warehouse.	§ 15 (3) 9)	Art 156 (1) (b)
11.	Gold transferred to Eesti Pank.	§ 15 (3) 10)	Art 152
12.	The goods specified in Annex V to Council Directive 2006/112/EC if the goods are immediately placed in a tax warehouse or have been placed in a tax warehouse and the transaction does not involve termination of tax warehousing. (Except in cases where fuel released for consumption has also been placed in the excise warehouse).	§ 15 (3) 11)	Art 160
13.	Excise goods under excise duty suspension arrangement placed in an excise warehouse if the transaction does not involve taking the goods out of the excise warehouse, except transporting the excise goods from one excise warehouse to another.	§ 15 (3) 12)	Art 160 (1) (b)
14.	Treating as exports the goods transferred to a third country natural person.	§ 5 (2)	Art 147

## Goods exempt from tax

No	Goods	Value-Added Tax Act	Directive 2006/112
1.	Dentures transferred by dentists or dental technicians.	§ 16 (1) 2 <sup>1</sup> )	Art 132 (1) (e)
2.	Immovables or parts thereof. (Tax exemption is not applied to an immovable if an essential part thereof is a construction works within the meaning of the Building Act, or a part of a construction works and which is to be transferred prior to the commencement of use of the construction works or a part thereof; to an immovable if an essential part thereof is a construction works which has been significantly improved, or of such construction works which is to be transferred prior to the post-improvement resumption of use of the construction works or the part thereof, and to a plot within the meaning of the Planning Act if it contains no construction works)	§ 16 (2) 3)	Art 135 (1) (j) või (k)
3.	Valid postal payment means of the Republic of Estonia if sold at their nominal value.	§ 16 (2) 4)	Art 135 (1) (h)
4.	Investment gold.	§ 16 (2) 8)	Art 346
5.	Goods, upon the acquisition of which there was no right for deduction of input value added tax, unless the goods were acquired before the registration of the acquirer as a taxable person or if, at the time of acquisition of the goods, the input value added tax had been deducted in part.	§ 16 (2) 9)	Art 136

## Special provisions

No	Service	Value-Added Tax Act	Directive 2006/112
1.	Intra-Community sale of a new means of transport.	§ 15 (3) 2) + data as proof that the means of transport is new	Art 138 (2) (a) + data as proof that the means of transport is new
2.	In case of a triangular transaction, the seller of the goods. (a taxable person established in Member State A deeming the transaction intra-Community supply of goods)	§ 15 (3) 2)	Art 138
3.	The reseller of the goods in case of a triangular transaction.	Reverse charge	
4.	Taxation of the resale of second-hand goods under a special arrangement. (§ 41 and § 42 of the Value-Added Tax Act)	Margin scheme – Second-hand goods	
5.	Taxation of the resale of original works of art under a special arrangement. (§ 41 and § 42)	Margin scheme – Works of art	
6.	Taxation of the resale of collectors' items or antiques under a special arrangement. (§ 41 and § 42)	Margin scheme – Collector's items and antiques	
7.	Special arrangements for imposing value added tax on immovables, scrap metal and gold in cases specified in § 41 <sup>1</sup> of the Value-Added Tax Act. (Domestic reverse charge)	Reverse charge	

## Other references and notes

## Other references

- ✘ If a person of a foreign state engaged in business has appointed a tax representative (Value-Added Tax Act, § 20), such tax representative's registration number as a taxable person, name, address and reference to § 20 (6) of the Value-Added Tax Act or Article 204 of Directive 2006/112/EC
- ✘ When issuing an invoice pursuant to § 37 (5) of the Value-Added Tax Act, include "self-billing"

## Notes

- ✘ When applying tax-exemption and the 0% rate (except in cases where "reverse charge" must be included), references to the Value-Added Tax Act or the Directive may be replaced with another clear and unambiguous note.
- ✘ In case of the export of goods it is not necessary to include a reference to the provision forming the basis for the tax rate (except in cases where the goods transferred to a third country natural person is treated as export of goods).
- ✘ If supply is subject to reverse charge, the invoice must contain "reverse charge" regardless of whether such supply is tax-exempt supply or the supply is subject to the 0% rate. For example, when goods transport services related to the export of goods are provided to a taxable person of another Member State, the note "reverse charge" is added. In addition, the reference "reverse charge" is added to the invoice in cases where the place of supply is in another Member State where broad reverse charges are applied (pursuant to Article 194 of Directive 2006/112/EC) and therefore the seller of the goods or provider of the services has no obligation to register as a taxable person in the other Member State. For example, when providing services related to immovable property to a taxable person from another Member State in a Member State applying broad reverse charge the reference "reverse charge" will be added to the invoice.

# Issuance of simplified invoices

Pursuant to subsection (9) of § 37 of the Value-Added Tax Act it is possible to issue invoices meeting simplified requirements if invoices are issued upon the provision of transport services for passengers or in the case of invoices through parking meters, automated petrol stations and other similar machines. Such provision means above all that the taxable person receiving such services will be able to use such invoice meeting only the requirements of a simplified invoice as basis for deducting value-added tax. Simplified invoices may be issued when the **amount invoiced does not exceed 160 euros excluding**

**value-added tax.**

At least the following information must be set out in a simplified invoice: the date of issuance of the invoice, the name of the taxable person and registration number as a taxable person, the name or description of goods or services and the taxable amount and amount of value-added tax payable (Value-Added Tax Act, § 37 (10)).

A taxable person to whom a simplified invoice is issued shall indicate the name of the taxable person and the person's registration number as a taxable person on the invoice (Value-Added Tax Act, § 37 (11)).