Questions and answers

1. Do the rules of exchange of platform-related information essentially mean a new tax?

No, the rules of exchange of platform-related information do not lead to the imposition of a new tax. These are reporting rules according to which platform operators will periodically submit information to the Tax and Customs Board about the identity of the sellers and service providers operating on their platform and the income earned by them. Platform operators are obliged to provide information about the taxpayers of all Member States and partner jurisdictions. The Tax and Customs Board forwards the information received, which concerns taxpayers from other Member States and partner jurisdictions to the relevant competent authorities by means of an automatic exchange of information. In turn, the competent authorities of other Member States and partner jurisdictions collect information from platform operators in their jurisdiction, and if this data contains information about Estonian taxpayers, they forward it to the Tax and Customs Board.

2. A platform operator must provide information on the payments made to a seller. As a seller who is a natural person, am I still obliged to declare the payments in the income tax return of a natural person?

The reporting obligation of a platform operator does not exempt a natural person from the obligation to declare the income received, but gives the tax authority an additional opportunity to verify the correctness of the declared data. A natural person has the obligation to declare the earned income in the income tax return of a natural person. A natural person is not required to add to the income tax return any data that has already been pre-filled in the income tax return (e.g. remuneration paid to the natural person for the service provided through a platform; salary, etc.). A pre-filled tax return must be verified by a natural person. Any additional income not included in the pre-filled tax return must be entered in the tax return by the natural person.

3. I sell my personal phone on a platform. Is the platform operator obliged to inform the tax authority about it within the framework of automatic exchange of platform-related information (DAC7)?

As an exception, the platform operator does not have a reporting obligation under DAC7 if the seller has concluded less than 30 transactions through the platform in the current calendar year and the total amount of the fee paid or credited to the seller does not exceed 2000 euros (**clause 4 of subsection 3 of § 20^{22} of the Tax Information Exchange Act**).
The application of the exception is excluded if:

- ✓ a seller has concluded less than 30 transactions, but the total amount of the fee paid or credited to the seller exceeds 2000 euros;
- ✓ a seller has concluded more than 30 transactions (it does not matter whether or not the total fee paid or credited for the transactions exceeds 2000 euros or not).

However, the above does not impose on a natural person an income tax liability or an obligation to declare the income received, since the resale of goods in personal use is not subject to the income tax of a natural person.

More on sales through internet (in Estonian)

In addition, it should be borne in mind that the above exception for a limited number of transactions and the total amount of fees applies only to the sale of goods. The provision of services through a platform is not subject to the exception. It should also be borne in mind that the remuneration paid for a service provided by a natural person must be taxed by the platform operator when the payment is made (see the answer to the following question for more information).

4. A platform operator pays a natural person wages or remuneration for a service provided through the platform. Will the platform operator become subject to DAC7 reporting obligations?

If a platform operator pays to a natural person remuneration from employment or remuneration for a service provided through the platform or rental income, the platform operator will be obliged to declare the payment in Annex 1 (resident) or Annex 2 (non-resident) to the declaration of income and social tax, unemployment insurance premiums and contributions to mandatory funded pension (form TSD) and pay all labour taxes on the remuneration from employment or service provided, and only income tax on the rental income.

The amounts declared by a platform operator are pre-filled in table 5.1 (wages, salaries and other remuneration) and 5.4 (rental income and royalties) of the income tax return of a natural person. A person should make sure that the data is correct and, if necessary, complete it.

The data on payments declared in Annex 1 and Annex 2 to form TSD are exchanged by the Tax and Customs Board within the framework of DAC1, which is why this data is no longer submitted to the tax authority with the DAC7 report and is not exchanged with other countries within the framework of DAC7.

5. A platform operator makes a payment to a self-employed person (FIE), private limited company (OÜ) or an entrepreneur account owner. Will the platform operator become subject to DAC7 reporting obligations?

Yes, the platform operator will become subject to DAC7 reporting obligations. Payments made to a self-employed person (FIE), private limited company (OÜ) or an entrepreneur account owner must be reported in the DAC7 report. Both payments made to Estonian residents and non-residents must be reported.

In addition, it is important to bear in mind that the reporting obligation of a platform operator does not affect the taxation rules of a self-employed person (FIE), private limited company (OÜ) or an entrepreneur account owner.

6. If platform operator has calculated a fee for a seller in December 2024, but actually pays the fee in January 2025. Must this income be reported in the DAC7 report of 2024 or 2025?

The platform operator must report to the tax authority the total amount paid or credited to the reportable seller for each quarter of the calendar year. Information on the fee and other amounts paid or credited to the reportable seller must be reported for the quarter of the calendar year in which the fee was paid or credited. Credited fee means, in essence, the fee calculated for the seller but not yet transferred. **Therefore, if the platform operator has calculated the seller's fee in December 2024, then the fee must be reported in the DAC7 report for Q4 2024**. The same logic applies to fees calculated in the last months of other quarters.

7. Does platform operator have to submit a report if less than 30 rental transactions of immovable property were brokered during the year or if the total amount of remuneration paid or credited for the transactions did not exceed 2000 euros?

According to clause 4 of subsection 3 of § 20^{22} of the Tax Information Exchange Act, a person or legal arrangement that has concluded less than 30 transactions for the sale of things through the platform in the current calendar year, and the total amount of the fee paid or credited to whom does not exceed 2000 euros is excluded from reporting. The exclusion does not apply to the rental or lease services of immovable property.
The rental or lease service of immovable property or a part thereof is subject to an exclusion, according to which a legal person that has provided rental or lease services related to immovables or parts thereof located at the same address and belonging to the same owner more than 2000 times in the current calendar year are excluded from reporting; (see clause 3 of subsection 3 of § 20^{22} of the Tax Information Exchange Act).

8. In the case of rent or lease of immovable property, legal persons who have provided rental or lease services related to immovable property located at the same address and belonging to the same owner on more than 2000 occasions in the current calendar year are excluded from reporting. Is the threshold of 2000 transactions calculated solely on the basis of transactions carried out through a particular platform operator, or is the total volume of activity of the seller in a calendar year taken into account?

The number of transactions of a seller registered on a particular platform is reviewed, as one platform operator may not know whether and how many transactions the seller makes with that property on other platforms. The platform operator must collect data, information or documents about the excluded seller that prove that the properties or parts thereof located at the same address (and leased or rented out more than 2000 times) by that seller belong to the same owner.

9. If I don't have reportable sellers, do I have to submit a blank DAC7 report?

If during the reporting year there were no sellers operating on the platform whose transactions were intermediated through the platform, the DAC7 report does not have to be submitted. In this case, please send an e-mail to **dac7@emta.ee**. This notification must be made by the deadline by which the information should normally have been submitted, i.e. by 31 January of the calendar year following the calendar year in which the due diligence measures were applied.

10. A seller is a self-employed person (FIE). Does a natural or legal person have to be indicated as the seller?

Since FIE is a self-employed natural person, a natural person must be indicated as the seller. Self-employed persons and the operation belonging to them as an economic unit through which the self-employed persons operate are not legal persons. More information on self-employed persons can be found from the webpage “**For self-employed persons**”.

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