Republic of Estonia
Tax and Customs Board

Tax information exchange

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Automatic exchange of platform-related information (DAC7)

Platform operator’s obligations

Platform operators have the obligation to collect and annually submit to the Estonian Tax and Customs Board **data on the sellers and service providers operating on their platform and the income earned by them**.

The Estonian Tax and Customs Board also asks Estonian platform operators to submit information about persons taxable in **other Member States of the European Union** (hereinafter ‘Member States’) operating on their platforms and forwards the information to the competent authorities of the respective countries by automatic exchange of information. The competent authorities of other Member States collect information about persons taxable in Estonia from the platform operators in their jurisdiction and forward it to the Estonian Tax and Customs Board.

Platform operators must:

- ✓ collect and verify information by **31 December** of the current calendar year,
- ✓ forward the information to the Estonian Tax and Customs Board by **31 January** of the following calendar year.

Member States' tax authorities exchange information between themselves by **the last day of February**.

Platform operators are required to forward information on income earned in 2023 to the Estonian Tax and Customs Board by 31 January 2024.

Useful to know

Income from the transfer of items in personal consumption **is exempt from tax**.
Platform operators do not need to transmit data on sellers and their earned income when payments have been declared in the form TSD of income and social tax, mandatory funded pension contributions and unemployment insurance premiums.
The data on payments declared in the form TSD is exchanged by the Estonian Tax and Customs Board within the framework of DAC1.
Questions and answers

Help information

If you have any questions, please contact **dac7@emta.ee**.

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Definitions

A platform is software that enables its users to engage in activities covered by the reporting obligation, as well as an arrangement for collection and payment of fees related to such activities.

A platform operator is an economic operator that ensures the functioning of the platform and decides on granting access to the platform.

A platform operator:

- is a legal person or a legal arrangement.
  A natural person (or a sole proprietor in the Estonian context) cannot be a platform operator, but all kinds of legal persons and other formations without the status of a legal person (e.g. partnerships) can be platform operators.
- enters into a contract with a seller; the object of this contract is, inter alia, access to the platform or a part thereof.

The creation of the obligation to report information presupposes that the platform operator is also a "reporting platform operator" (so-called platform operator with additional characteristics) for the purposes of the directive.

A non-Union platform operator. Platform operators who do not have any of the characteristics provided for in subsection 2 of § 20^{23} of the Tax Information Exchange Act, which would link them to Estonia or other Member States, but who nevertheless mediate the revenue-generating activities of sellers subject to the reporting of taxable persons in the EU, are also included in the scope of the reporting rules. If sellers covered by reporting operate on platforms of a non-Union platform operator, such platform operator must register itself for reporting purposes in a Member State of its choice. The non-Union platform operator will provide information to the Member State of registration. Such registration process is limited to non-Union platform operators. Platform operators of the EU cannot choose their Member

State of registration. For more information on the submission of data as a non-Union platform operator, please refer to "**Exceptions to reporting**".

A seller is both a seller and a service provider.

A person is a seller if all the following conditions are met:

- the person is a natural or legal person or any other legal formation (e.g. a partnership);
- the person is registered on the platform;
- the person is engaged in activities covered by the reporting obligation;
- the person is paid or credited a fee related to the activity covered by the reporting obligation.

A sellers covered by reporting. A seller is covered by reporting if it has one of the following characteristics in addition to the characteristics of a seller:

- the seller is a resident of a Member State (a seller covered by reporting does not necessarily have to be a resident of the Republic of Estonia; in order to qualify as a seller covered by reporting in Estonia, the seller may be a resident of any Member State); or
- the seller leases or rents out immovable property located in any Member State.

Only information concerning the sellers covered by reporting must be submitted to the Estonian Tax and Customs Board within the framework of reporting.

Sellers excluded from reporting are:

- government entities for the purposes of clause 2 of Division C of Subchapter 1 of Annex 5 to the Directive;
- companies whose shares are regularly traded on the regulated securities market, as well as entities related thereto;
- legal persons or legal arrangements that have provided, more than 2000 times in the current calendar year, rental or lease services related to immovables or parts thereof located at the same address and belonging to the same owner. These are mainly hotels, motels and other

- accommodation establishments, but also, for example, operators that offer the rental of parking spaces.

- persons or legal arrangements that have 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.

Information providers have the following characteristics:

- they are platform operators,

- they are Estonian residents

- or if they are not Estonian residents, then:

  - they have been established on the basis of the Estonian law, or

  - their place of management is in Estonia, or

  - they have a permanent place of business in Estonia.

Due diligence measures. Platform operators must apply the following due diligence measures:

- identify the sellers covered by reporting operating on their platform by 31 December of the current calendar year;

- collect information on sellers and immovables or parts thereof leased or rented and verify the reliability of the information.

Due diligence measures pursuant to § 20^{24} of the Tax Information Exchange Act and the list of information to be submitted to the Estonian Tax and Customs Board pursuant to § 20^{25} are established by a **regulation** of the minister in charge of the policy sector.

A fee is the amount that a seller can keep after fulfilling financial obligations to a platform operator.

Activity covered by reporting obligation

Activities covered by reporting obligation are

- **renting or leasing immovable property**. The renting or leasing of immovable property includes the renting or leasing of the immovable property as a whole, as well as part of the immovable property (for example, a hotel room). The type of immovable property as such is irrelevant and includes all imaginable immovables and parts thereof, including dwellings, commercial premises, parking spaces, etc. It does not matter for which purpose, personal or commercial, the immovable property or part thereof is used.

- **provision of time- or task-based service**. This includes all kinds of gig work provided to a buyer for a fee. It does not matter whether the work is carried out by one or more individuals, whether they do so independently or on behalf of an entity, whether the work is carried out online or physically offline, whether it is short-term or long-term, etc. A time- or task-based service can be, for example, a transport service, an online language course, courier service, childcare, etc.

  It is important that the provision of the service is carried out at the initiative of the buyer for his/her personal use (so-called “personal service”). If the seller does not offer a service that the buyer can specifically order for personal use on the basis of his or her wishes, it is not a personal service.

  Example
  If the buyer orders a taxi service via platform, the buyer decides when the service is needed and determines the starting point and destination. In this case, it is a personal service, since the taxi service is carried out on the basis of the order of the particular buyer. However, it is not a personal service if the buyer purchases a public transport ticket via the platform because the bus travels according to a specific timetable and the transport service does not depend on the order of the individual buyer (i.e. it is a public transport service).

- **transfer of tangible property**. The provision will henceforth use the term "goods" as a synonym and abbreviation for tangible property. However, the term “tangible” means that it does not cover the transfer of intangible goods, such as the granting of different copyrights and licences, nor does it cover the transfer of goods that exist in electronic form, such as digital computer games, digital books, etc. In essence, "tangible property" must be understood as tangible goods.

- **leasing or renting out a means of transport**. This means a service where, for a fee, a person is given possession of a means of transport which he or she drives or organises somebody to drive. This does not include a transport service, i.e. a service where the means of transport is accompanied by a driver. The term "means of transport" is non-exhaustive and covers all conceivable means of transport.

In order to be covered by the **reporting obligation**, a listed activity must be provided **for a fee**.

Useful to know

Where a seller engaged in activities covered by the reporting obligation uses the platform to communicate with other users, the platform operator must collect data on the seller and provide it to the tax authority. Among other things, information on the total amount of fees paid or credited to the seller must be provided to the tax authority.

However, the reporting obligation of a platform operator does not exempt the seller from its own legal obligation to provide data on the income earned.

Questions and answers

Last updated on 08.01.2025

Information collected and reported

On a seller who is a natural person

As a general rule, a platform operator must collect and provide the Estonian Tax and Customs Board with the following information concerning a seller who is a natural person:

- first and last name;
- date of birth;
- address in the country of residence or jurisdiction;
- personal identification code, where available, and other tax identification numbers, or their

- functional equivalents, issued to the natural person and each country or jurisdiction that issued it;
- VAT identification number, where available;
- if the seller does not have a personal identification code nor another tax identification number or its functional equivalent, information concerning the country of birth or jurisdiction of the seller must be collected.

If a seller who is a natural person is excluded from reporting, information about the seller is not collected.

On a seller who is a legal person or legal arrangement

As a general rule, a platform operator must collect and provide the Estonian Tax and Customs Board with the following information concerning a seller who is a legal person or legal arrangement:

- legal name;
- address of registered location;
- commercial registry code, where available;
- a permanent establishment through which an activity covered by the reporting obligation is carried out in the EU, where available, and the Member State in which that permanent establishment is situated;
- VAT identification number, where available;
- all other tax identification numbers issued to the person. If there is no tax identification number, the functional equivalent of the number and each issuing country or jurisdiction must be provided, where available.

If a seller who is a legal person or arrangement is excluded from reporting, information about the seller is not collected.

Additionally about a seller who is either a natural person, legal persons or a legal arrangement

In addition, the following information must be submitted to the Estonian Tax and Customs Board concerning a seller who is either a natural person, legal persons or a legal arrangement.

- Each country or jurisdiction in which the seller is considered to be a resident.

- A unique identifying number or reference available to an information provider of the bank account or other similar payment services account to which the fee is paid or credited, unless the competent authority of the country or jurisdiction of the seller has indicated that it does not wish to collect such information. If the seller is not the holder of the corresponding payment account, the name of the payment account holder, if available to the information provider, as well as any other financial identification information known to the information provider about the payment account holder must be provided.

- The total amount of fees paid or credited to the seller in each quarter of the calendar year and the number of activities covered by the reporting obligation for which the fees were paid or credited. Also any fees, commissions or taxes charged or withheld by the information provider each quarter of the calendar year.

Specifications for collection of information concerning immovables

In addition to the above information, the following information must be provided to the tax authority if immovable property or part thereof is leased or rented out.

- The address of the immovable property or part thereof and, where available, the property number or other equivalent number, in accordance with the law of the country or jurisdiction in which the immovable property or part thereof is situated.

- Documents, data or information concerning each seller provided for in clause 3 of subsection 3 of § 20^{22} of the Tax Information Exchange Act which certify that immovables or parts thereof leased or rented out by such seller more than 2000 times belong to the same owner.

- For each immovable property leased or rented out, or part thereof, the number of days on which it was rented or leased in the calendar year, if known, and the type of each immovable property or part thereof. The number of activities covered by the reporting obligation for each immovable property or part thereof for which remuneration has been paid or credited must also be reported for each quarter of the calendar year.

Specifications for collection of information concerning sellers

- A platform operator may limit the collection of information about a seller to the first, last or business name if it it relies on direct confirmation of the identity and residence of the seller through an

- identification service made available by a Member State or the EU to ascertain the identity and tax residence of the seller.

- A platform operator is not obliged to collect seller's tax identification number or its functional equivalent if the country or jurisdiction of the seller does not require it to be collected.

Last updated on 08.01.2025

Submission of a report

There are two options for submitting the report:

- filling in the form in the DAC7 application in the e-services environment e-MTA. The instructions for filling in the form can be found on the web page **"Teenuste tehniline info"** ("Technical information of services").

- uploading the report with an XML file, the instructions for creating and technical specifications of which can be found on the web page **"Teenuste tehniline info"** ("Technical information of services").

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Access permissions for using the e-service

Representatives of economic operators need access permissions to use the service of platform information report (DAC7).

A separate access permission can be granted for using the service.

Access permission name and code	Allows the following
Submission of platform information report (DAC7) (code DAC7_CLIENT)	submit reports, view and edit information

This access permission can be used (including granted) only on behalf of a legal person and to a natural person.

This separate access permission is not included in the “Package for legal person's representative”.

Additional information

Granting and termination of access permissions

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Exceptions to reporting

Please note that you do not need to submit a report to the Estonian Tax and Customs Board (ETCB) if:

1. due diligence procedures were carried out and no reportable sellers were identified on the platform or
2. you are a platform operator who is registered in Estonia or has a connection with Estonia, but your data is reported to another EU Member State.

If you do not submit information to the ETCB for one of the above reasons, please inform the ETCB thereof by the due date for submission of the report, which is 31 January. Please send the notification by e-mail to **dac7@emta.ee** (please refresh the page to see the e-mail address).

If you are a platform operator registered in Estonia or connected with Estonia, but your data is reported to another EU Member State, please indicate in the notification in which Member State your data will be provided.

Non-Union platform operators

The DAC7 report must be submitted by a person who is a platform operator. A non-EU platform operator operating in the Union may choose one Member State of its choice for the submission of the report. If such a platform operator has chosen Estonia for the submission of the report, in order to comply with the reporting obligation, the platform operator must first register with the ETCB by submitting the application **form R_INFO**.

The application can be submitted by a board member or an authorised person of the platform operator.

Submit with the application:

- a copy of platform operator's registration certificate, a copy of the registry card or other document proving the existence of a legal person;
- in the case of an authorised person, a notarised power of attorney signed by a member of the management board;
- a copy of the principal's (board member's) document;
- la contract with a tax representative if the non-Union platform operator has a tax representative to whom access permission for submitting the DAC7 report are to be granted.

The application can be submitted:

- digitally signed to the e-mail address **emta@emta.ee**
- at the **service bureau**
- by post to Lõõtsa 8a, 15176 Tallinn

The ETCB issues the non-resident's code to the e-mail address indicated in the economic operator's application.

NB! he platform operator or its representative must have the access permission (authorisation) to submit the DAC7 report in the e-services environment e-MTA. The access permission for submitting the DAC7 report does not have to be applied for separately, it is granted to economic operator's representative by the ETCB on the basis of the submitted application and the documents attached.

Please make sure in advance if the person authorised to submit the report has **access to the e-services**

environment of the ETCB.

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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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