

## Estonia

1. Estonia was first reviewed during the 2017/2018 peer review. This report is supplementary to Estonia's 2017/2018 peer review report (OECD, 2018<sub>[1]</sub>). The first filing obligation for a CbC report in Estonia applies to reporting fiscal years commencing on or after 1 January 2016.

### Summary of key findings

2. Estonia's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017<sub>[2]</sub>).

### Part A: The domestic legal and administrative framework

3. Estonia has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard<sup>1</sup> establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.<sup>2</sup>

#### *(a) Parent entity filing obligation*

4. No changes were identified with respect to the parent entity filing obligation.<sup>3</sup>

#### *(b) Scope and timing of parent entity filing*

5. No changes were identified with respect to the scope and timing of parent entity filing.

#### *(c) Limitation on local filing obligation*

6. No changes were identified with respect to the limitation on local filing obligation.

#### *(d) Limitation on local filing in case of surrogate filing*

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

#### *(e) Effective implementation*

8. No changes were identified with respect to the effective implementation.<sup>4</sup>

### **Conclusion**

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Estonia since the previous peer review. Estonia meets all the terms of reference relating to the domestic legal and administrative framework.

## Part B: The exchange of information framework

### *(a) Exchange of information framework*

10. As of 31 May 2019, Estonia has 67 bilateral relationships in place, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Estonia has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding Estonia's exchange of information framework, no inconsistencies with the terms of reference were identified.

### *(b) Content of information exchanged*

11. Estonia has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

### *(c) Completeness of exchanges*

12. Estonia has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

### *(d) Timeliness of exchanges*

13. Estonia has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

14. Despite these processes, Estonia reports that a number of CbC reports were exchanged late.<sup>5</sup> However, Estonia also indicates that it has taken steps in order to ensure that any future exchanges of CbC reports be carried out in accordance with the timelines provided for in the relevant QCAAs and terms of reference and therefore no recommendation is made.

### *(e) Temporary suspension of exchange or termination of QCAA*

15. Estonia has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

### *(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance*

16. Estonia has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

***(g) Format for information exchange***

17. Estonia confirms that it uses the OECD XML Schema and User Guide (OECD, 2017<sup>[3]</sup>) for the international exchange of CbC reports.

***(h) Method for transmission***

18. Estonia indicates that it uses the Common Transmission System to exchange CbC reports.<sup>6</sup>

***Conclusion***

19. Estonia has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Estonia meets all the terms of reference regarding the exchange of information.

**Part C: Appropriate use**

20. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

21. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

***Conclusion***

22. Estonia meets all the terms of reference relating to the appropriate use of CbC reports.

## Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

## Notes

<sup>1</sup> Primary legislation for Country-by-Country Reporting consists of the Tax Information Exchange Act that implements the BEPS Action 13 minimum standard and the Council Directive (EU) 2016/881 of 25 May 2016 (the “DAC4”). Secondary legislation consists of the regulations to the Tax Information Exchange Act.

<sup>2</sup> Guidance was published as Annex 15 of the secondary legislation on 18 December 2017. Guidance includes the instructions relating to the format of a country-by country report and the procedure for submission. See [www.riigiteataja.ee/tolkelisa/5230/1201/8002/Annex15.pdf#](http://www.riigiteataja.ee/tolkelisa/5230/1201/8002/Annex15.pdf#).

<sup>3</sup> Estonia’s 2017/2018 peer review included a monitoring point relating to the threshold calculation rule which would be applied in a manner consistent with the OECD guidance on currency fluctuations (paragraph 8 (a) ii. of the terms of reference). This monitoring point remains in place.

<sup>4</sup> Estonia’s 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case Estonia is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

<sup>5</sup> Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

<sup>6</sup> Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).



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