



RAHANDUSMINISTEERIUM

OECD/IF project on global minimum taxation

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Population 1 323 824 (01.01.2019)

Total area 45 227 km²

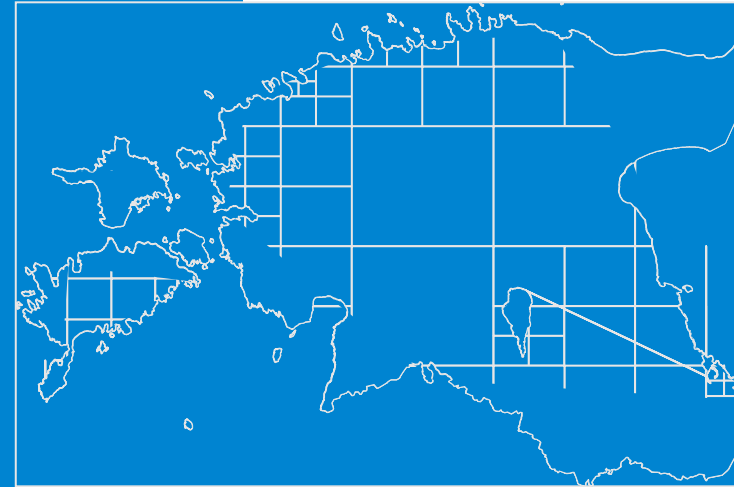
Average salary 1 600 EUR
(2021)

GDP growth (est 2021) 9,5%

GDP (nominal, 2021 est) 34,97billion USD

GDP per capita 26,460 USD
(nominaal, 2021 est)

Tax collection efficiency – 53cents spent for
collecting 100€



Estonian position on pillar 2

- Proposal for global minimum tax in 2018 -> to resolve remaining BEPS issues
- At 2021 -> to put a floor to the tax competition
- Estonian proposal at 2020 – facts and circumstances based carve-out
- GloBE rules at 2021 – system applies equally to all the companies in the range

Estonian position on pillar 2

- Main concerns:
- Sovereignty – extraterritorial taxation, tax mix
- Possibility to continue with our distribution tax system
- Need to change the CIT system, administer parallel systems?

Estonian position on pillar 2

- OECD/IF Statement 1st of July 2021 – government's position:
- Minimum tax rate not more than 15%
- GloBE threshold not less than 750mln euros
- Distribution tax 'special rule' – 6-8 years
- Meaningful carve-out – to exclude 'real economic activities'

Main administrative challenges

- MNE headquarters in EE – 2 in 2021, possibly 4 in 2022 – need special rules -> IT solutions
- Subsidiaries (~350) in EE – obligation to distribute every year? -> special rules -> IT solutions
- Need to allocate extra resources – not certain if will result in extra tax revenue
- Accounting know-how in ETCB
- Transfer pricing



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Thank you for your attention

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