AQUASANDS

THE WOLF SERIES · Nº 08

The e-Residency Playbook

Estonia: an OÜ run from your laptop, 0% while profits stay in the company, and the one question that decides whether it works for you: where is it really run from?

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Stop being a pigeon.
Join the wolves.

BEFORE YOU READ

A digital key. Not a new home.

Estonia promises a company run entirely online and no tax as long as profits stay in the company. That is accurate. But e-Residency is neither a residence permit nor tax residence, and that is where most mistakes are made.

WHAT YOU GET

- What e-Residency does, and the three things it does not.
- How 0% on retained profits really works, and what distribution costs.
- The place of effective management trap, in plain words.
- Contact person, address, bank and accounting: the published prices.
- The seven traps, and a scorecard for your own case.

WHAT IT IS NOT

- Not a do-it-yourself kit. Where *you* live, where the company is run from and how your home country reads it are decided one to one.
- Not tax or legal advice. It is general information, stated as at November 2026.
- Not a promise of 0%. Deferral is not exemption, and your personal tax follows you.

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WHAT E-RESIDENCY IS, AND IS NOT

01

A login to a state. Not a seat in it.

The pigeon version: "become an e-resident, open an Estonian company, pay 0%." The wolf version: e-Residency is a digital identity that lets you run an Estonian company remotely. It says nothing about where you live.

WHAT IT DOES

Available since **2014**, e-Residency lets you manage an Estonian company from anywhere: signatures, filings and formalities are done online.

The usual vehicle is the **Osaühing (OÜ)**, the Estonian private limited company, entered in the **e-Business Register**.

WHAT IT DOES NOT DO

- It is **not a residence permit**. It does not allow you to live in Estonia.
- It is **not tax residence**. It does not move your personal tax.
- It does **not move the company's management**. The company is run from wherever you sit.

2014
e-Residency available since, for remote management

2–3 weeks
incorporation time recorded on our Estonia profile

OÜ
private limited company, the usual form

PIGEON VS WOLF

The pigeon thinks the card in his wallet makes him Estonian for tax. The wolf knows it is a **key to an online administration**, nothing more. Residence is decided by where you live; the company's tax home, by where it is really run. Neither is decided by a card.

DECIDED ON THE CALL

Whether an Estonian OÜ fits your life at all, given where you actually live and work. Sometimes the honest answer is a different country, or no new company. Book the 45-minute call →

0% UNTIL YOU DISTRIBUTE

02

A deferral, not an exemption.

Estonia does not tax profits when they are earned. It taxes them when they leave the company. The design rewards one behaviour only: reinvesting.

PROFITS KEPT OR REINVESTED

0%

on retained and reinvested profits

While the money stays in the company, to hire, build or wait, Estonia levies nothing.

PROFITS DISTRIBUTED

22/78

of the amount distributed, on distribution

For every 78 paid out, 22 goes to the tax office. The **company that distributes pays** it, at the moment of distribution.

Then comes your side

The dividend lands with you, wherever you are tax resident. Your government decides how it taxes it, and some countries also look at low-taxed companies their residents control, even before anything is distributed.

	ESTONIA · OÜ	BULGARIA · OOD	UNITED KINGDOM · LTD
Company tax	0% on reinvested profits, 22/78 on distribution	10% flat rate, 5% on dividends	19 to 25% depending on profit
Management	Remote via e-Residency; place of effective management still enforceable	Must be exercised from Bulgaria to benefit fully from the rate	Directors' identities verified and public
Set-up time	2–3 weeks	3–5 weeks	2–3 days
Formation	From €3,290	From €3,290	From €1,490

Formation prices published by AquaSands, government fees included. Estonian rates recorded on 21 September 2026, official source checked on 30 September 2026.

DECIDED ON THE CALL

Whether you will reinvest or need to pay yourself every year, and what that does to the choice between Estonia, Bulgaria or the UK. The answer depends on your cash needs and on how your home country taxes dividends. Compare for your case →

RUN REMOTELY, TAXED WHERE YOU SIT

03

A company lives where it is run.

Estonia lets you run the OÜ from anywhere. Your government does not have to agree that it is Estonian. If the company is really managed from your country of residence, that country's tax authority may treat it as taxable there.

PLACE OF EFFECTIVE MANAGEMENT

Where the key decisions are really taken. If they are taken at your kitchen table at home, the registration in Tallinn does not stop your government from claiming the company. This is the limit our Estonia profile points out, and the one that turns a sound structure into a tax reassessment.

PERMANENT ESTABLISHMENT

A related risk: a director who remains in his home country, and runs the business from there, may create a taxable presence of the company in that country, without ever having declared it. The profits attributed to it are taxed there.

Three profiles, three readings

- [ ] **You live at home and run the OÜ from home.** The classic trap: you remain taxed personally at home, and the company may be too.
- [ ] **You have genuinely moved your tax residence** elsewhere. Then the question becomes how that country reads an Estonian company you run from there.
- [ ] **You move constantly, with no clear home.** The hardest case: someone, somewhere, may still claim you. It has to be mapped, not assumed.

THE RULE THAT SAVES YOU

Residence first, company second, bank third. When you move, the company can follow you. When you stay, it usually stays with you, whatever its registration says. e-Residency changes where you click, not where you live.

DECIDED ON THE CALL

Where your OÜ would really be managed from, and how your country of residence reads it. This depends on where you live, who decides, and the treaty between the two countries. Check your case →

CONTACT PERSON, ADDRESS, CAPITAL

04

An address is mandatory. It is not substance.

An Estonian OÜ run through e-Residency needs two things on the ground: an Estonian contact person and a legal address. Both are mandatory, and both are included in our service.

THE CONTACT PERSON

Mandatory, together with the legal address, and both are part of our service. Neither makes the company Estonian for tax. If you ever change provider, a change of agent is published **from €999**.

THE CAPITAL

Since **2023**, no minimum share capital needs to be locked up to form an OÜ. We still recommend **€2,500**: a company with real capital reads better to a bank and to a client than one with almost none.

Four levels of address

LEVEL	WHAT IT GIVES YOU	AQUASANDS, GOVERNMENT FEES INCLUDED
Registered office	The official address on the register and your legal documents.	From €999, then €999/year
Office and mail	The same, plus mail scanned within one business day.	From €999, then €999/year
Virtual office	Adds a local number answered in your company's name, where it makes sense.	From €999, then €999/year
Real office	Physical premises, with a lease in your name.	From €2,990, then €2,990/year

PIGEON VS WOLF

The pigeon buys an address and calls it presence. The wolf knows **an address answers "where is it registered?", never "where is it run?"** A desk in Tallinn exists too, on quotation.

DECIDED ON THE CALL

Which address level your activity, your clients and your bank actually need, and how much capital to put in. Over-buying wastes money; under-buying costs you the account. Size your set-up →

THE BANK

05

Online company. Offline bankers.

Forming an OÜ is digital. Opening its account is human. Our assessment: access is good on the fintech side, but traditional Baltic banks remain reluctant without a local link.

FINTECH SIDE

The natural first door for an OÜ with no activity or ties in Estonia. An account opens more easily there than with a traditional bank, provided the file tells a clear story.

TRADITIONAL BALTIC BANKS

Reluctant without a local link. Approached without one, and without a file, they are where unprepared founders collect refusals.

What any bank reads in your file

- The activity: what the OÜ really sells.
- The clients: their countries, contracts and invoices.
- The flows: expected volumes, in and out.
- The source of funds behind the capital.
- Who runs the company, and from where.
- Consistency: every document telling the same story.

THE RULE

A company without an account is a receipt, not a business. **We only incorporate once we have checked that the activity is bankable** in the jurisdiction envisaged, and if it is not, we do not sell the structure.

€4,590

AquaSands Estonia bank account opening, from, government fees included

2 banks

minimum the file is presented to, with support at the meetings

Means

an obligation of means, never of result: no approval is guaranteed

DECIDED ON THE CALL

Which institution to approach first for your profile, and the file we build so the first application is the right one. One refusal stays on record; we prepare before, not after. Prepare your file →

ACCOUNTING AND THE REAL BUDGET

06

0% to pay is not 0 to file.

An OÜ that distributes nothing still keeps books, files its reports and updates its registers.

What the yearly cycle covers

- [ ] **Bookkeeping and financial statements** under the Estonian framework.
- [ ] **Tax and VAT filings** at local deadlines.
- [ ] **Statutory audit** where the threshold requires it.
- [ ] **Annual filings and registers**, with the beneficial ownership register updated at every change.
- [ ] **Coordination** with your accountant at home, if you keep one.

The published prices, line by line

SERVICE · ESTONIA	FIRST YEAR	THEN
Company formation	From €3,290	One-off
Registered office	From €999	€999 per year
Bank account opening	From €4,590	One-off
Accounting, filings and audit	From €1,890	€1,890 per year
Renewal and upkeep	From €999	€999 per year
Compliance, KYC and beneficial owners	From €999	€999 per year

Government fees included, excluding capital and travel. Should you leave later: dissolution and strike-off from €999; redomiciliation from €11,990.

THE WOLF READING

Budget the second year before you sign the first. The formation price is the smallest decision; the yearly lines, and the cost of distributing, are what the structure really costs you.

DECIDED ON THE CALL

Which lines your case really needs, whether an audit applies, and your firm year-one and year-two quote. It depends on your activity, your volumes and your plans to distribute. Get your quote →

THE SEVEN TRAPS

07

Where pigeons get caught.

01 **Believing e-Residency makes you resident.** It is neither a residence permit nor tax residence. You stay taxed where you live.

02 **Running the OÜ from your kitchen table at home.** The place of effective management remains enforceable: your government may tax the company as its own.

03 **Calling 0% an exemption.** It is a deferral. The day you distribute, the company pays 22/78, and the dividend meets your home tax.

04 **Choosing Estonia while needing every euro each year.** If you will distribute everything, the deferral buys you little. Compare before you form.

05 **Mistaking the legal address for substance.** The contact person and the address satisfy the register. They do not show where the company is run.

06 **Walking into a traditional bank with no local link.** Reluctance is the norm. Start where the door is open, with a complete file.

07 **Budgeting only the formation price.** Office, accounting, upkeep and compliance come back every year, distribution or not.

THE PATTERN

Every trap comes from the same mistake: buying a company before deciding where you live. Estonia is an excellent tool for the right person. The wrong person pays for it twice.

THE SAME OÜ, TWO OWNERS

The pigeon forms it online, runs it from home, pays himself every month and calls it 0%. His government sees a local business with a foreign registration.

The wolf settles his residence first, decides where the company is really managed, reinvests what he does not need, and distributes knowing the cost on both sides.

YOUR SCORECARD

08

Are you ready, or about to pay twice?

Tick honestly. This is for you, not for us.

I know e-Residency does not change my residence or my personal tax.	Yes ☐	No ☐
I know where I am tax resident, and will be next year.	Yes ☐	No ☐
I know from which country the OÜ would really be managed.	Yes ☐	No ☐
I plan to reinvest profits rather than distribute them all each year.	Yes ☐	No ☐
I know how my home country taxes the dividends I would receive.	Yes ☐	No ☐
I can document where my starting capital comes from.	Yes ☐	No ☐
I know which institution I will apply to first, and what it expects.	Yes ☐	No ☐
I have a full year-one budget: formation, address, bank, accounting, upkeep.	Yes ☐	No ☐

8 YES

You are ready to execute. A call gets you a firm quote and a named executing party.

5 TO 7 YES

You are close. The gaps are usually management and dividends: 45 minutes closes them.

4 OR FEWER

Do not form an OÜ yet. Book the call first; it may save you the whole budget.

BRING THESE TO YOUR CALL

Write down every "No" above. They are the agenda of your 45 minutes, and the answers you leave with.

WHAT THIS PLAYBOOK LEAVES OUT ON PURPOSE

The last 20% is yours alone. That is where we come in.

You now know the logic. What a document cannot do is apply it to your passport, your clients, your family and your money. These are the decisions we make with you:

- Whether an Estonian OÜ fits you, or Bulgaria, the UK or no new company fits better.
- Where your company would really be managed, and how your home country reads it.
- Your address level, your capital and the substance your activity needs.
- Your first bank, and the file that gets the account opened.
- Your real year-one and year-two budget, as a firm quote with government fees included.

BOOK YOUR 45-MINUTE CALL

aquasands.net/request

At the end, we tell you what we would do in your place, including building nothing at all. The answer is often no, and we would rather say so before billing anything.

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HOURS
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French and English

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