

NJORD Estonia explains: Four important tips on tax planning to hire foreign specialists

Need additional employees? Moreover, do you need a specialist, who isn't interested in moving to Estonia but prefers to work from their country of residence? Be sure to create a successful tax structure for both your company and the specialist!

In today's business environment it is often necessary and reasonable to hire foreign specialists to work for Estonian businesses. From time to time such specialists prefer to remain in their country of residence where they can stay close to their families and accustomed living arrangements. To ensure a successful business relationship and optimal tax burden for both parties, keep in mind the following:

- Pay attention to the responsibilities and rights given to the foreign specialist by the company, because those can determine if the business will be defined to have a permanent establishment abroad.
- Depending on the nature and the intellectual property of the company, there might be a need for license agreements between the company and the foreign employee.
- Find out whether the company must register itself as a non-resident taxpayer abroad.
- Don't forget the tax fringe benefits and social securities taxes, to ensure that all paper work is as convenient as possible for the foreign employee.

Since every specialist is an important asset to any company's success, but particularly to start-ups and transportation companies, it is important to value their contributions from the perspective of taxes too.

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