

Estonia and Liechtenstein Initial Tax Treaty

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Report from IBFD Tax Treaties Unit

On 17 November 2023, Estonia and Liechtenstein initialled an income and capital tax treaty. The new treaty is in line with the latest international standards, following the OECD/G20 Base Erosion and Profit Shifting (BEPS) recommendations.

Within the treaty, in order to promote cross border investment, dividends, interests and royalties are exempt from withholding tax between legal entities. The withholding tax is also reduced to 10% for dividends and interests, and 5% for royalties. Furthermore, the treaty contains an arbitration clause for complicated double taxation cases. Further developments will be reported as they occur.

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