

# Estonia to Transpose Parts of Minimum Tax Directive Into Domestic Law

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The Ministry of Finance has sent a draft law amending the Income Tax Act for inter-ministerial coordination, thereby incorporating the [Minimum Taxation Directive \(2022/2523\)](#) (the Directive) into domestic law. The transposition is limited to the extent specified in article 50 of the Directive, as Estonia is implementing the transitional period specified in article 50 of the Directive (for details, see [Five EU Member States Delay Application of Pillar Two IIR and UTPR \(12 December 2023\)](#)).

The draft law imposes an obligation to provide information to the entity submitting the minimum tax declaration. In addition, the draft law establishes an obligation for a final parent company located in Estonia to designate the entity submitting the minimum tax declaration in another Member State, or if the group does not have a unit belonging to a branch group in another Member State, in a third country or jurisdiction with which Estonia has a valid agreement with competent authorities for the relevant financial year.

The draft law and explanatory memorandum can be found [here](#) (in Estonian only).