

Member States capabilities in fighting tax crimes

Relevant legal definition(s) of tax-related offences

Estonia	Tax avoidance is understood as a legal act - unless deemed illegal by the tax authorities or, ultimately, by the courts - of using tax regimes to one's own advantage to reduce one's tax burden.	Tax evasion is defined as an illegal act of evading taxes by concealing income, earned either legally or illegally, from detection and collection by the tax authorities.	Money laundering refers to acts involving the processing of proceeds of crime to conceal their illegal origin and bring them back into the legal economy.
Legal text	N/C	<ul style="list-style-type: none"> • Taxation Act § 153 • Penal Code § 389 	<ul style="list-style-type: none"> • Penal Code (Money laundering) § 394 • Penal Code (Money laundering agreement) § 394¹
Nature of the offence	N/C	<ul style="list-style-type: none"> • Criminal • Misdemeanour There are no administrative offences in Estonia.	Criminal
Objective element	N/C	<ul style="list-style-type: none"> • Misdemeanour: Failure to submit information to a tax authority intentionally or submission of false information if the tax or withholding obligation is decreased thereby or the claim for refund is increased • Criminal: Failure to submit information or submission of incorrect information to tax authorities for the purpose of reduction of an obligation to pay a tax or obligation withhold, or increase a claim refund, if a tax liability or obligation to withhold is thereby concealed or a claim for return is unfoundedly increased by an amount corresponding to or exceeding major damage (damage between 40 000€ and 400 000 €) 	Money laundering: The concealment or disguise of the true nature, source, location, disposition, movement, right of ownership or other rights related to property derived from criminal activity or property obtained instead of such property, the conversion, transfer, acquisition, possession or use of property derived from criminal activity or property obtained instead of such property for the purpose of concealing or disguising the illicit origin of the property or of assisting a person who is involved in criminal activity to evade the legal consequences of his or her action. Money laundering agreement: Conclusion of an agreement for the purpose of execution of money laundering
Mental element	N/C	N/C	N/C
Sanction	N/C	<ul style="list-style-type: none"> • Misdemeanour: Fine up to 300 fine units (up to 32 000 € if committed by a legal person) • Criminal: Pecuniary punishment or imprisonment up to 5 years (only pecuniary punishment if committed by a legal person) 	<ul style="list-style-type: none"> • Fine or • Imprisonment up to 5 years • Money laundering agreement: pecuniary punishment or imprisonment up to 1 year
Other tax-related crimes	/	<ul style="list-style-type: none"> • Failing to fulfil legal obligations relating to excise duty, tampering with or removal or replacement of a meter or preventive measure without permission of a tax authority • Failure to comply with the obligations of the information provider and information source provided for in the tax information exchange act • Obstruction of activities of tax authority 	/
Aggravating / mitigating circumstances	N/C	Criminal: Damage above 400 000 €	<ul style="list-style-type: none"> • Committed by organised criminal group • Repetition • On a large scale basis

Legal persons/natural persons			<p>If money laundering is committed by a legal person, it is punishable by a pecuniary punishment.</p> <p>If by a natural person, it is punishable by pecuniary punishment or imprisonment.</p> <p>Money laundering agreement is punishable only to natural person.</p>
Other information			<p>A Court may, pursuant to the provisions of § 83 of Penal Code, apply confiscation of a property which was the direct object of the commission of money laundering. Court also may impose extended confiscation of assets or property acquired by the criminal offence pursuant to the provisions of § 83`2 of Penal Code.</p>

Court Cases							
Total number of proceedings started							190
Number of pending/unresolved court cases							10
Total number of convictions							180
Including of natural persons convicted							
Including of legal persons							
Number of court cases resolved with an acquittal							
Number of court cases resolved in another way							
Number of court cases resolved in sentences							54
Amount of seized financial means							Only 1/3 of the convictions resulted in sentences.
Including natural persons							32
Including corporate bodies							7
Including fines							12
Amount of fines							Courts imposed pecuniary punishments from 4.000€to 40.000€
Including imprisonment							27
of which, conditional sentence							
of which, unconditional imprisonment							

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Estonia	Interventions in response to the publication of the Panama Papers
Processing and analysing the Panama Papers data	
Supervisory activities	
Investigations initiated	
(Pre) trial proceedings initiated	<p>There are not any proceedings commenced or planned currently by the prosecutor's office, although Tax and Customs Board is currently commencing pre-trial proceedings in one case related to Panama papers leakage. Pursuant to § 26 subsection 1 of the Taxation Act, the tax authorities and officials and other staff thereof are required to maintain the confidentiality of information concerning taxable persons, including all media (decisions, acts, notices and other documents) concerning the taxable persons, information concerning the existence of media, business secrets and information subject to banking secrecy, which is obtained by the authorities, officials or other staff in the course of verifying the correctness of taxes paid, making an assessment of taxes, collecting tax arrears, conducting proceedings concerning violations of tax law or performing of other official or employment duties. Therefore it is not currently possible for the Tax and Customs Board to disclose more specific information about this case.</p>
Fines and sentences	
Other information	