

STATUS OF FOREIGN FORCES IN ESTONIA

ENGLISH

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INTRODUCTION

This information has been compiled first of all for members of the armed forces of foreign states, civilian components of these armed forces and families of the foregoing persons who arrive and stay in Estonia. The aim of this document is to provide information on the application of international agreements valid in Estonia and applicable to said persons in the light of the Estonian national law and thus give the opportunity to arrange for the arrival and stay in Estonia on a more informed basis.

When reading this document, one should bear in mind that amendments could be introduced to both the international agreements (primarily through the entry into additional agreements) and to the national law of Estonia in the future, for which reason the information provided herein need not be fully valid at all times. However, the Baltic Defence College and the Estonian Ministry of Defence will endeavour to update this information on a regular basis. One should also consider that the state authorities or agencies of local governments of Estonia come across the need to apply the special regulation described in this document quite rarely and therefore servicing persons might sometimes need to clarify and coordinate circumstances within or between authorities. When buying goods or services from persons in private law, one should take into account that these persons are even less aware of the special regulation described in this document. However, the authorities of Estonia will try to keep such persons informed of the special regulation should such a need arise in individual cases.

The structure of this informative material is as follows: first the general framework of the regulation applicable to members of the armed forces of foreign states, civilian components of these armed forces and the dependants of the foregoing persons is described, and thereafter the most important issues that these persons usually come across when arriving or staying in Estonia are discussed.

GENERAL FRAMEWORK

As a rule, persons staying in the territory of a state are subject to the legal system of that state (the receiving state). This means that all persons, irrespective of their citizenship, residence or position, are obliged to respect that legal system. Among other things, it should be borne in mind that the immunities and privileges provided by international agreements are generally intended to enable the relevant persons to effectively exercise their functions and should not be construed as an excuse for intentional disregard of rules.

A number of provisions have been established for certain categories of persons by international agreements, which are more advantageous than the general provisions of international or national law and the aim of which is to ensure more efficient fulfilment of the functions of such persons. These categories include, first of all, diplomats and members of the armed forces, civilian components of the armed forces and the dependants of the foregoing persons. It is important to note that the exceptional provisions established by international agreements which are more advantageous when compared to the general provisions of national law are, as a rule, related to the fulfilment of said persons' official functions and are not intended to favour these persons in terms of their private matters.

When it comes to members of the armed forces, civilian components of the armed forces and their dependants, one should consider that the preferential status in relation to the national law of the receiving state can be conferred by bilateral agreements between states or by more comprehensive multilateral international agreements. In the absence of such agreements the legal system of the receiving state is applied similarly to its application to the citizens or permanent residents of the receiving state, except provisions applying exclusively to such categories of persons. As regards the introduction of the "preferential regulation" applicable in Estonia, this informative material builds primarily upon the agreements of the States Parties of NATO and PfP on the status of the armed forces (London 1951 and Brussels 1995) which are hereinafter collectively referred to as 'NATO SOFA'. As Estonia has not entered into more detailed agreements on the implementation of the NATO SOFA (the only exception is the Estonian-German Visiting Forces Agreement), one should take into

account that unlike in, e.g. Germany and Belgium, no provisions which are more advantageous than the regulation of the NATO SOFA apply in Estonia.

The scope of application of the NATO SOFA includes members of the armed forces and civilian components of the armed forces of relevant foreign states who stay in Estonia in connection with their official duties (i.e. not as tourists), as well as their dependants. Civilian components of the armed forces are only deemed to include the persons who are employed by the armed forces of a foreign state and who are nationals of a State Party to the NATO SOFA and who are not citizens or permanent residents of Estonia. According to the NATO SOFA, members of a civilian component and dependants must be so described in their passports. In Estonia, pursuant to the regulation of the NATO SOFA, the dependants of members of the armed forces and civilian components of the armed forces are deemed to include the spouses of members of the armed forces or of the civilian component, or children of such members depending on the members for support, and in addition, under the International Military Cooperation Act of Estonia, also the persons who have an appropriate notation in their passports or whose status as dependant has otherwise been verified by the state sending the armed forces. A spouse is the person with whom a member of the armed forces of a foreign state or of the civilian component of the armed forces has entered into marriage under the law of the given state.

As regards the issues discussed below all persons covered by the NATO SOFA should consider that according to Article 2 of the NATO SOFA they are required to respect the law of the receiving state, and to abstain from any activity in the receiving state, political or other, which is inconsistent with the spirit of the NATO SOFA.

ENTRY INTO ESTONIA, STAYING IN ESTONIA AND WEARING UNIFORMS

As a rule, a visa is required to enter into Estonia, unless states have agreed upon the waiver of the visa requirement or unless Estonia has unilaterally waived the visa requirement. For persons covered by the NATO SOFA, a more convenient solution for entry into Estonia within

the scope of their official duties has been envisaged. Article 3 of the NATO SOFA establishes that subject to compliance with the formalities established by the receiving state relating to entry and departure of members of the armed forces, the members are exempt from customary national passport and visa regulations and immigration inspection (e.g. immigration quotas) on entering the territory of a receiving state.

To enter Estonia, members of the armed forces must have on them an identification document – passport of the citizen of a given country or identity card of a member of the armed forces. Citizens of the Member States of the European Union and the European Economic Area and of the Swiss Confederation are permitted to enter into Estonia with their identity cards. In all cases, members of the armed forces must have on them an individual or collective movement order at least in English, issued by an appropriate agency of the sending state or of NATO and certifying the status of the individual or group as a member or members of the armed forces and the movement ordered.

The International Military Cooperation Act prescribes that for arrival in Estonia a member of the armed forces of a foreign state or of the civilian component of the armed forces must have a permit which may be issued for single or multiple border-crossings. The same Act establishes that in the context of implementation of a defence cooperation project the grant of such a permit is decided by the Minister of Defence or an official authorised by the Minister of Defence. That permit constitutes the legal basis for stay in Estonia for members of the armed forces of foreign states or of civilian components of the armed forces. The permit is also important for dependants, giving them the right to stay and work in Estonia during the period of validity of the permit (in principle, the permit substitutes the residence permit required for working in Estonia).

When a member of the armed forces or civilian component or a dependant of such member enters Estonia (or later, subject to the arrangements of the receiving authority), the Police and Border Guard Board enters a notation in that person's passport concerning the basis and time of stay in Estonia on the basis of the permit. When the permit is extended or a new permit is issued, a new notation is entered in the passport. That notation must also be entered in the passport in the case of citizens of States Party to the Schengen Agreement (certain Member

States of the European Union and the European Economic Area, and Switzerland).

A member of the armed forces should take into account that the NATO SOFA and the Estonian law presume that the uniform is worn both during border-crossing and when staying in Estonia. In practice, however, Estonia allows members of the armed forces of foreign countries to observe the principles applicable in their own country to border-crossing, i.e. border-crossing in civilian clothes is acceptable. When staying in Estonia, members of the armed forces are entitled to wear the uniform in accordance with the principles effective in their respective countries.

REGISTRATION OF THE STAY IN ESTONIA

Under Article 3 of the NATO SOFA, the stay in Estonia need not be registered, as members of the armed forces are exempt, among others, from the regulations of registration of foreigners in the receiving state. However, the basis and duration of stay in Estonia need to be entered in the passport as discussed in the previous section. As according to the International Military Cooperation Act the permit issued by the Minister of Defence is the legal basis for staying in Estonia for members of both armed forces and civilian components, and as the dependant's right to stay in Estonia is also related to that permit, the regulations of registration of foreigners are not applied to them. In connection with the circumstance that the stay need not be registered one should bear in mind that staying in Estonia under the International Military Cooperation Act is not interpreted as the creation of permanent residence in Estonia. That principle is relevant, inter alia, in the context of taxation. It is therefore important that members of the armed forces or of the civilian component of the armed forces sent from a Member State of the European Union or the European Economic Area or from Switzerland, as well as the members' dependants, observe the basis of stay in Estonia under the International Military Cooperation Act and do not take steps to acquire the right of residence as a EU citizen or equivalent person. In the latter case, Estonia may become the person's permanent place of residence, which may involve, for example, the obligation to pay income tax on wages.

In the case that a person who is not covered by the regulation of the International Military Cooperation Act and who is not a citizen of a Member State of the European Union or the European Economic Area or of Switzerland enters into a contractual employment relationship in Estonia, the standard regulation under the national law applies, which means that the person needs a residence permit to work in Estonia. The residence permit should generally be sought through a foreign representation office of Estonia before arrival in Estonia. In the exceptional cases listed in the Aliens Act (e.g. in the case of citizens of Japan and the United States of America), it is possible to apply for a residence permit in Estonia, turning directly to the Police and Border Guard Board. Residence permits required for working are initially issued for a term of up to two years and can be extended by up to five years at a time. Additional requirements (e.g. the permit of the Estonian Unemployment Insurance Fund) apply to certain jobs.

In the described case, the spouse and children who are not citizens of a Member State of the European Union or the European Economic Area or of Switzerland also need the residence permits, but the basis for application is somewhat different in their case. One should also take into account that, as a rule, the spouse and adult children must prove insurance cover for payment, on equal footing with persons covered by Estonian health insurance, of medical treatment costs arising due to illness or injury during the term of validity of the residence permits being applied for.

The residence of a person has to be registered with the Population Register of Estonia within one month of the issue of the residence permit. As a rule, procedures relating to the Population Register are carried out by local governments (city and rural municipality governments). If a person is not the owner of the residence indicated in the notice of residence, the person must append to the notice of residence a copy of the document certifying his or her right to use the residence (e.g. a lease agreement) or the permission of the owner of the residence to enter the data specified in the notice of residence in the Population Register (there is a specific standard form for that).

Citizens of Member States of the European Union or the European Economic Area or of Switzerland who are not covered by the regulation of the International Military Cooperation Act need a temporary right to reside in Estonia. After such persons have lived continuously in Estonia

for five years they can, if desired, apply for the permanent residence right, submitting a relevant application to the Police and Border Guard Board. If a person does not apply for the permanent residence right, the current temporary right will be automatically extended for five more years.

To obtain the temporary residence right, a person needs to register his or her place of residence in the appropriate city or rural municipality government. The place of residence must be registered within three months of entering Estonia. Within one month after the registration, the person needs to turn to a service office of the Police and Border Guard Board to apply for an identity card (ID card) that certifies the temporary residence right. The card will be issued within a month. The same procedure applies to spouses/cohabitees and children. This is a mandatory procedure.

ESTONIAN PERSONAL IDENTIFICATION CODE, IDENTITY CARD AND RESIDENCE CARD

While persons covered by the International Military Cooperation Act are not obliged to register in the Population Register of Estonia, other persons obtain the registration and the resulting personal identification code through proceedings that entail the acquisition of the residence permit or residence right. However, for practical reasons, it is reasonable for persons falling within the scope of the International Military Cooperation Act to also apply for an Estonian personal identification code or, if desired, an identity card or residence card (containing the Estonian personal identification code). The issuance of an Estonian personal identification code to persons falling within the scope of the International Military Cooperation Act will not give rise to their official residence in Estonia, but will only facilitate the use of local services. When applying for an identity card or residence card as an alternative to the personal identification code, it is important to specify that the card is sought for a person who stays in Estonia under the International Military Cooperation Act, so as to avoid giving rise to official residence in Estonia.

Having an Estonian personal identification code makes it easier for a person to quickly perform public acts (most of the acts are electronic and require the entry of an Estonian personal identification code), and also make the person a more reliable (more permanently related to Estonia) partner in the eyes of private service providers. It may happen that some entities offering goods/services require foreigners to have a personal identification code of Estonia, because there have been cases where foreigners consume services or acquire goods in Estonia, and then leave Estonia without complying with their contractual obligations. Cross-border enforcement of contractual claims is often complex and expensive, and taking such risks might therefore be avoided in certain cases.

To apply for an Estonian personal identification code, a person falling within the scope of the International Military Cooperation Act should turn to the nearest County Government and fill in the relevant application form. The personal identification code can also be obtained from a foreign representation office of Estonia, if there is a need for the personal identification code before travelling to Estonia. As a rule, there is no such need.

Persons falling within the scope of the International Military Cooperation Act who stay in Estonia for a longer period are advised to apply for an identity card or residence card of Estonia (a smart card) for themselves and for their dependants, as this card grants convenient access to numerous electronic services (digital signature, electronic banking, public transport tickets, public registers, etc.), enables the person's identity to be checked quickly and conveniently and contributes to quicker servicing by entities in public and private law.

Citizens of a Member State of the European Union or the European Economic Area or of Switzerland falling within the scope of the International Military Cooperation Act can apply for Estonian identity cards for themselves and their dependents; citizens of other countries can apply for residence cards. It should be noted once again that when applying for either of the documents one must be sure to specify that the basis for stay in Estonia is a permit issued under the International Military Cooperation Act. This is important in terms of avoiding the application of alternative bases of applying for an identity card or residence card, which could give rise to unwanted permanent residence in Estonia.

HEALTH INSURANCE

In the case of an illness or accident it is important to have health insurance cover in Estonia. The health insurance cover can be obtained primarily through an employment relationship that is subject to Estonian national law, or an insurance contract.

In the case that a person is not a citizen of a Member State of the European Union or the European Economic Area or of Switzerland and his or her health insurance cover does not derive from an employment relationship which is subject to Estonian national law, the person is not automatically covered by Estonian health insurance and should enter into an insurance contract himself or herself or rely on insurance cover arranged by the sending state that extends to Estonia.

If a person works in Estonia on the basis of a residence permit, he or she is generally automatically covered by Estonian health insurance, provided that the employer has sent the relevant data to the Health Insurance Fund of Estonia. As regards such person's spouse and adult children who live in Estonia on the basis of residence permits and who do not work in Estonia, the issuance of the residence permits is conditional upon the entry into an insurance contract that would cover medical treatment costs arising due to illness or injury during the term of validity of the residence permits being applied for. Upon issuance of residence permits, children younger than 19 years are considered covered by health insurance in Estonia. The following persons who live in Estonia on the basis of a residence permit or right of residence are also covered by health insurance: students of up to 21 years of age acquiring basic education, students of up to 24 years of age acquiring general secondary education, persons in vocational training without the requirement of basic education, and pupils and students acquiring vocational education on the basis of basic education or secondary education in educational institutions of Estonia founded and operating on the basis of legislation, as well as higher education students who are permanent Estonian residents. However, for the insurance cover to take effect, the relevant information must be provided to the Estonian Health Insurance Fund. This can be done by persons themselves or, in the case of students of an educational institution of Estonia, through the Ministry of Education and Research.

In the case that a person who is a citizen of a Member State of the European Union or the European Economic Area or of Switzerland does not have the health insurance cover of Estonia by virtue of an employment relationship under the law of Estonia, his or her health insurance cover depends on whether or not the person has health insurance cover in the sending state. If the person has health insurance cover in the sending state, he or she needs the European health insurance card during the stay in Estonia which ensures the provision of health care services on the same conditions as those applied to the citizens of Estonia. It is also recommended to ask the E106 form from the sending state which provides a broader insurance cover than the European health insurance card, i.e. entitles the person to any kind of medical assistance equally to persons insured in Estonia. Additional voluntary health insurance cover from insurance companies may prove to be useful for persons who fall ill frequently, as it generally allows faster access to specialist care.

There are both state or local government-owned and purely private capital-based healthcare providers in Estonia. As the majority of healthcare providers have agreements with the Health Insurance Fund, the services provided by private capital-based healthcare providers need not be substantially more expensive. The Health Insurance Fund assumes the obligation of an insured person to pay for healthcare services if the services are included in the list of healthcare services of the Health Insurance Fund and the provision thereof is therapeutically justified. It should be noted that the Health Insurance Fund has not signed agreements with all the healthcare providers operating in Estonia. Healthcare providers may provide paid-for services in the case of patients who are not covered by health insurance, as well as in the case that no agreement for financing healthcare services has been signed with the Health Insurance Fund or the agreement, if signed, does not cover all the services provided. Also in the case of state or local governmentowned healthcare providers the visit fee of 5 euros is generally charged for seeing a specialist doctor and it is officially possible to get an appointment outside the waiting list if the healthcare services are paid for by the patient himself or herself or under the voluntary health insurance contract.

Health care services are well accessible and the services provided are of a high level. In the case of a longer stay in Estonia it would be reasonable to register with a particular family physician. Family physicians see patients covered by health insurance free of charge. A family physician is obliged to include a person in his or her list of patients, if the person proves health insurance coverage, presenting either the European health insurance card or a certificate of insurance. In the former case the family physician will issue invoices for visits to the Health Insurance Fund and in the latter case to the relevant insurance company. The patient will not be charged for health care services. In the case that a family physician refuses to include a person in his or her list of patients, stating that the number of patients already exceeds the limit prescribed by the legislation, the person may request that another family physician be appointed by the Health Board.

CUSTOMS CLEARANCE

Customs clearance is required only for goods delivered into Estonia from states outside of the European Union, as the European Union constitutes a single customs area.

Article 11 (1) of the NATO SOFA stipulates the general standard according to which members of the armed forces and of the civilian component of the armed forces as well as their dependants are subject to the customs regulations of the receiving state, except in the special cases established in the NATO SOFA. The NATO SOFA provides explicitly that customs authorities of the receiving state have the right to search members of the armed forces and of the civilian component of the armed forces as well as their dependants and to examine their luggage and vehicles, and to seize articles pursuant to the general conditions laid down by the laws and regulations of the receiving state.

According to Article 11 (5) of the NATO SOFA, a member of the armed forces or civilian component may, at the time of his first arrival to take up service in the receiving state or at the time of the first arrival of any dependant to join him, import his personal effects and furniture free of duty for the term of such service. In addition, members of the armed forces or civilian component may import temporarily free of duty their private motor vehicles for the personal use of themselves and of their dependants. However, these temporarily imported objects must be

declared; upon the declaration the official certificate of exemption from customs duties is issued. The declaration process is currently based on a standard customs declaration. In addition, a person is required to prove his or stay in Estonia under the International Military Cooperation Act. The relevant stamp in the declarant's passport is considered as proof. In future it is intended to apply a special procedure to the declaration process, whereby the declaration would be replaced by a special form approved by the Ministry of Defence or the Ministry of Foreign Affairs of Estonia. The form would be completed in several copies, one of which will be returned to the customs authority in the case that the objects concerned will later be taken out of Estonia into a country outside the European Union.

The general rule is that goods which have been brought into a receiving state free of customs duties may not be transferred by way of selling or donating in the receiving state. Subsection 57 (3) of the Customs Act of Estonia states that where goods have been imported with customs preference, such goods may not be given for use free of charge or for a charge, used as security or transferred within three years of the date of release of such goods for free circulation, except to another person who enjoys the same preferential treatment. Any giving for use free of charge or for a charge, use as security or transfer before the expiry of said term shall entail payment, per full or partial month remaining until the expiry of the term, of one thirty-sixth of the total amount of import duties that would have been payable upon the release of the goods for free circulation if the person concerned had not been entitled to be exempted from import duties. In such a case, the responsible person is required to submit a customs declaration (an additional declaration) completed pursuant to the procedure established in customs regulations.

In the case of goods purchased in Estonia and taken outside of the European Union, the customs clearance is carried out in accordance with the regulations effective in Estonia. When taking such goods out of Estonia one should acknowledge that the law of the destination country may provide for the taxation of the goods with a customs duty in the destination country.

To persons not covered by the NATO SOFA who bring goods into Estonia which originate from countries outside of the European Union the standard regulation of customs clearance is applied. Imported

goods which are subject to customs clearance must be declared and customs duties must be paid on them, if charged.

REGISTRATION OF VEHICLES AND VALIDITY OF DRIVING LICENCE

As to the registration of vehicles, the registration of personal vehicles brought into Estonia from abroad has practical relevance. This is generally defined as temporary importation of vehicles referred to in Article 11 (6) of the NATO SOFA.

Under subsection 6 (1) of the Terms and Procedure for Registration of Power-Driven Vehicles and Their Trailers, any vehicle imported into Estonia for temporary use must be registered, if the vehicle has been in Estonia for an uninterrupted period of more than a year and the owner of the vehicle does not live permanently in Estonia. If such a vehicle is used for driving outside of Estonia at least once a year, the registration obligation does not apply to the vehicle. On the other hand, a vehicle can voluntarily be registered in Estonia, if a person so wishes.

If the registration obligation or desire exists, the vehicle imported into Estonia for temporary use is registered for a period that ends on the final date of stay in Estonia as indicated in the customs declaration, the form substituting the customs declaration or in the passport of the person covered by the NATO SOFA. A vehicle brought into Estonia from a country outside the European Union can be registered in the Traffic Register of Estonia subject to the Tax and Customs Board's confirmation of duty waiver, which is indicated either in the customs declaration or on the form substituting it. A vehicle brought into Estonia from another Member State of the European Union, on which the value-added tax has not been paid in the country of purchase, is not subject to the value-added tax in Estonia if the vehicle is used in Estonia temporarily (temporary registration in the Estonian Traffic Register).

Before a vehicle can be registered, a pre-registration inspection of the vehicle must be carried out in a Traffic Register Office of the Road Administration in the course of which the conformity of the vehicle to the documents presented with regard to it and to requirements established in Estonia are verified. In the case of vehicles produced for markets other than the European Union and owned or possessed by persons falling within the scope of the NATO SOFA the Road Administration issues a type approval for the individual vehicle pursuant to a simplified procedure. Such vehicles must be technically operational and meet basic security requirements for safe traffic. In the case of vehicles produced for left-side traffic, the lighting devices must be readjusted to right-side traffic.

Upon temporary registration of a vehicle that has been registered in a foreign state, the Road Administration will take the registration plate and the registration certificate of that state into custody and return the same when the vehicle is taken out of Estonia. In the case that the registration plate needs to be returned immediately in the vehicle's country of origin, a corresponding application must be submitted to the Road Administration. In such a case the Road Administration will not take the registration plate into custody. Within the European Union, the institution that issues a new registration plate and registration certificate for a vehicle in the given Member State will return the registration certificate of the vehicle to the relevant institution of another Member State upon request. The registration plate must be returned to the institution of that Member State by the person himself or herself, if necessary.

Upon registration of a vehicle one should know that the vehicle is registered in the name of the owner, but if several persons will use the vehicle their names can be indicated in the registration certificate of the vehicle. In this case, a person need not carry the registration certificate of the vehicle on him or her. If the data of a person to be entered in the registration certificate as a user have not been entered in the Population Register of Estonia, the user's identification document and residence data must be presented for the registration of the user.

A motor third party liability insurance contract must be signed with regard to a vehicle in Estonia, unless the vehicle already is covered by insurance valid in Estonia at the time of being brought into Estonia (e.g. the so-called green card in the case of Member States of the European Economic Area). A vehicle registered with the Estonian Traffic Register can only be insured by an insurer who is a member of the Estonian Traffic Insurance Fund, which usually means that after the vehicle is registered with the Estonian Traffic Register an insurance contract is

signed with an insurer established in Estonia. A similar principle applies in other European Union Member States. A motor third party liability insurance contract can be signed in virtually any insurance company in Estonia.

The driving permit or licence or military driving permit issued by the sending state or a sub-division thereof to a member of the armed forces or civilian component covered by the NATO SOFA, or to a dependent thereof, is recognised in Estonia without a driving test or charge. A driving license issued in a foreign country must be accompanied by a document that certifies the person's right to stay in Estonia under the International Military Cooperation Act (passport with the respective stamp). According to the International Military Cooperation Act, the regulation covers licences issued for driving cars, aviation and navigation licences, and licences for driving other vehicles.

In the case of persons not falling within the scope of the NATO SOFA, the following driving licences are recognised: a driving licence issued in a Member State of the European Union or the European Economic Area or in Switzerland, a driving licence issued in a contracting state of the 1968 Vienna Convention on Road Traffic which conforms to the Convention, a driving licence issued in a contracting state of the 1949 Geneva Convention on Road Traffic with an international driving licence, or a foreign driving licence issued in a state that has an international agreement with Estonia on mutual recognition of driving licences. Thus, for example, in the case of a person not falling within the scope of the NATO SOFA the driving licence issued in the United States of America is recognised only with an international driving licence, because the USA is a contracting state of the 1949 Geneva Convention on Road Traffic. The fact that failure to present an international driving licence does not always result in application of liability should not, however, be understood that this is a general practice.

An international driving licence essentially constitutes a translation of the driving licence into seven languages and is only valid with the relevant national driving licence. It must be taken into account that the same regulation also applies to dependants who do not hold a driving licence issued in a Member State of the European Union or the European Economic Area.

When a person not falling within the scope of the NATO SOFA permanently settles in Estonia, the person should be aware of the need to replace the existing driving licence with an Estonian driving licence within a certain period of residence in Estonia. That period is 24 months in the case of driving licenses issued in the Member States of the European Union or the European Economic Area or in Switzerland, and 12 months in the case of driving licenses issued in the contracting states of the Conventions mentioned above. Within the relevant period, a driving license is replaced without tests, except in the case of driving licences issued in the contracting states of the 1949 Geneva Convention on Road Traffic. In the latter case, both a theory test and a driving test must be passed.

TAXATION

In the case of members of the armed forces and the civilian component of the armed forces and their dependants, taxation issues are relevant when buying goods and services in Estonia (value-added tax, excise duties) and also as regards the taxation of such persons' income (income tax and other possible taxes). Customs-related taxation issues are discussed in the 'Customs clearance' section above.

As to buying goods and services in Estonia, the underlying general standard is established in Article 9 (1) of the NATO SOFA, according to which members of the armed forces and of a civilian component and their dependants may purchase locally goods and services under the same conditions as the nationals of the receiving state. Article 9 (8) of the NATO SOFA establishes that these persons do not enjoy any exemption from taxes or duties relating to purchases and services chargeable under the fiscal regulations of the receiving state. In principle, exemption from or a refund of value added tax can be obtained for goods or services bought by the armed forces for an official purpose, but not for purchases made by members of the armed forces or of the civilian component of the armed forces or their dependants for a personal purpose. Thus, when buying a new vehicle, TV set or furniture in Estonia, value-added tax must be paid thereon and no refund of the tax can be claimed.

Exceptions to this rule can be laid down in international agreements signed by Estonia. For example, the Supplementary Agreement to the Paris Protocol on the Status of International Military Headquarters set up pursuant to the North Atlantic Treaty provides for certain tax exemptions applicable to the staff of NATO's military headquarters in Estonia. Thus, by way of an exception, the staff of an organisation afforded the status of an international military headquarters (e.g. NATO Cooperative Cyber Defence Centre of Excellence) enjoy certain tax exemptions when buying goods in Estonia.

Members of the armed forces or of civilian component or their dependants usually have a certain income when staying in Estonia. As long as such income (mostly wages) is received from a foreign state, taxes need not to be paid on the income in Estonia under Article 10 (1) of the NATO SOFA. Likewise, taxes need not to be paid on any tangible movable property which is brought into Estonia from a foreign state solely due to the persons' temporary stay in Estonia. This is because according to the above provision of the NATO SOFA the period of the aforementioned persons' stay in Estonia is not considered as a period creating a change of their current domicile or residence for the purposes of taxation.

In the case that a member of the armed forces or of the civilian component of the armed forces or the their dependant is engaged in profitable enterprise in Estonia other than the official duties, income from such enterprise is subject to taxation in Estonia, provided that such income is taxable in the case of non-residents.

As regards taxation, one should take into account that where a member of the armed forces or of the civilian component of the armed forces or their dependant (also) has Estonian citizenship, he or she is taxed in accordance with the legislation of Estonia and international agreements.