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Cyprus vs Estonia: company formation compared

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In short: Cyprus: private company limited by shares, corporate tax 15%, registration usually one to two weeks. Estonia: OÜ, corporate tax 0% / 22%, registration often within one working day online. Cyprus and Estonia have a double tax treaty. Figures as of November 2026.

This page compares the standard private company in Cyprus and Estonia. Each figure links to the official source; the full rules, step-by-step registration and FAQs are in the Company formation in Cyprus and Company formation in Estonia guides.

Side by side

	Cyprus	Estonia
Common form	Private company limited by shares (Ltd)	OÜ (osaühing, private limited company)
Registry	Registrar of Companies [1]	Commercial Register (via the Company Registration Portal) [3]
Minimum capital	No statutory minimum	€0.01
Directors	1 director and a company secretary	1 management board member
Local director	Not required by law; management in Cyprus for tax residency	Not required; a local contact person and address are
Corporate tax	15% (since 1 January 2026) [2]	0% on retained profit; 22% on distributions [4]
VAT / sales tax	19%	24%
Typical timeline	Usually one to two weeks	Often within one working day online
Tax treaties	67 treaties [5]	60 treaties [6]

	Cyprus	Estonia
Currency	Euro (EUR)	Euro (EUR)

Tax treaty between Cyprus and Estonia

A double tax treaty caps the withholding tax one country may charge on payments to a company resident in the other. Where two rates are shown (for example 5/15), the lower rate applies only if conditions are met, usually a minimum shareholding.

Payment	Dividends	Interest	Royalties
From Cyprus to Estonia [5]	0%	0%	0%
From Estonia to Cyprus [6]	0%	0%	0%

Cyprus withholds at most 0% on dividends, 0% on interest and 0% on royalties paid to a company resident in Estonia. Estonia withholds at most 0% on dividends, 0% on interest and 0% on royalties paid to a company resident in Cyprus.

Treaty benefits require proof of tax residence and are subject to anti-abuse rules. See corporate tax residence and permanent establishment.

Frequently asked questions

Is there a double tax treaty between Cyprus and Estonia?

Yes. Cyprus withholds at most 0% on dividends, 0% on interest and 0% on royalties paid to a company resident in Estonia. Estonia withholds at most 0% on dividends, 0% on interest and 0% on royalties paid to a company resident in Cyprus. Rates from PwC Worldwide Tax Summaries (reviewed 4 August 2026 and 29 May 2026).

What is the corporate tax rate in Cyprus and Estonia?

Cyprus: 15% (since 1 January 2026). Estonia: 0% on retained profit; 22% on distributions. The effective burden also depends on reliefs, the type of income and when profit is distributed.

How long does it take to register a company in Cyprus compared with Estonia?

Cyprus: usually one to two weeks. Estonia: often within one working day online. Opening a bank account and tax registrations often take longer than registration itself.

What is the minimum share capital in Cyprus and Estonia?

Cyprus: no statutory minimum. Estonia: €0.01.

Do I need a local director in Cyprus or Estonia?

Cyprus: not required by law; management in Cyprus for tax residency. Estonia: not required; a local contact person and address are.

See also

- Company formation in Cyprus
- Company formation in Estonia
- Cyprus vs Ireland: company formation compared
- Estonia vs Georgia: company formation compared
- Poland vs Estonia: company formation compared
- UAE vs Cyprus: company formation compared
- Comparison of all 222 countries

References

1. Official Registrar of Companies . Cyprus. Accessed November 2026.
2. Official Tax authority of Cyprus . Cyprus. Accessed November 2026.
3. Official Commercial Register (via the Company Registration Portal) . Estonia. Accessed November 2026.
4. Official Tax authority of Estonia . Estonia. Accessed November 2026.
5. Cyprus: Corporate – Withholding taxes (reviewed 4 August 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
6. Estonia: Corporate – Withholding taxes (reviewed 29 May 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.

General information, not legal or tax advice. Figures as of November 2026; confirm with the official registry, the tax authority or a qualified adviser before filing.

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