



Latvia is preparing to launch the Register of Natural Person (hereafter – Register). The scheme is not ‘e-residency’ in the literal meaning of the term, nevertheless, its operating principles conform to those of e-residency. On 28 June 2021, the Register will begin to operate in Latvia and foreigners will be able to register, obtain his identification code and proceed to use national electronic services, such as electronic signature and e-address, as any resident.

## Estonia was the first country to introduce and offer the e-residency scheme

### ESTABLISHMENT AND OPERATION OF THE E-RESIDENCY SCHEME

Estonia was the first country to introduce the e-residency scheme – **the program was launched on 1st December 2014. As said, the number of e-residents in Estonia is more than 63 000, so the concept of e-residency is popular.** Meanwhile, in Latvia and Lithuania, the system is not yet operational. In July 2019, the Lithuanian parliament passed a law on establishing an e-residency scheme. **Lithuania was to launch the e-residency scheme in January 2021, but the launch was delayed since the State agencies of Lithuania had to update and adapt their systems and platforms.** In fact, currently the e-resident system is not operating yet. For comparison, **on 28 June 2021, the Register will begin operating in Latvia. Currently, State agencies are supplementing the existing Population Register, to make it suitable for the inclusion of foreigners.** Afterward, opportunities for foreigners in Latvia to obtain an electronic signature and access administrative, public and commercial services will be increased. Currently, the Latvian system is also not yet operational.

### SERVICES AVAILABLE TO A FOREIGNER WHO HAS ACQUIRED THE STATUS OF AN E-RESIDENT

The electronic ID is key to all the Estonian e-services that require authentication. Thus, the ID can be used for many services, including registering an Estonian company (and keeping the business in the EU) 100 % online from anywhere in the world, applying for a business bank account and conducting secure e-banking, accessing international payment service

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### E-RESIDENCY SCHEMES IN THE BALTIC STATES

Estonia was the first country to introduce and offer the e-residency scheme and it is open to individuals from all countries who work digitally, are location-independent, and want to start and run an EU company. **Lithuania and Latvia, following the example set by Estonia, are also launching their own e-programs.** Therefore, the year 2021 will come with some significant electronic opportunities for foreigners to receive unique electronic IDs through which they can access national electronic services as any other resident in Lithuania or Latvia. To give better insight into the upcoming (or already operating in Estonia) e-residency reforms, LEA DELL law offices have prepared a comparative overview of the most important facets and changes.

### KEY ASPECTS

**Estonia was the first country to offer e-residency scheme which is open to individuals from all countries.** Most e-residents are entrepreneurs who work digitally, are location-independent, and want to start and run an EU company. By now, Estonia has more than 63 000 e-residents from 174 countries, who have established over 16 000 companies - thus it is operating. The amount of the state fee depends on the pickup location applicant chooses in the application, but it is between **EUR 100-120.**

**Lithuania was to launch the e-residency scheme in January 2021, but the launch was delayed since the State agencies of Lithuania had to update and adapt their system and platforms – thus the system is not operating.** Once the e-residency scheme is launched it will allow foreigners to obtain the status of e-resident and they will be able to set up companies, open bank accounts, and declare taxes online, remotely. The public fee for issuing an electronic identification and electronic signature device in Lithuania amounts to **EUR 90.**

providers (PayPal, Braintree, etc.), digital signing transmission of the signed documents, declaring taxes, accessing digital e-files (for legal procedures and communication with courts), etc. Meanwhile, **in Latvia and Lithuania, once the systems begin to operate, they will also allow foreigners to access various administrative, public, and commercial services.** In Lithuania, foreigners will be able to set up companies, open bank accounts, and declare taxes online and remotely. Similarly to Estonia, the Latvian system will allow foreigners to be assigned an individual personal identification code for identification of the person, thus ensuring the possibility to fully use the state e-services, electronic signature, e-address, etc.

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#### **WHO CAN APPLY FOR GRANTING AN E-RESIDENT STATUS**

In Lithuania, a foreigner of at least 18 years old who wishes to use national e-services can apply for granting an e-resident status. Meanwhile, In Estonia and Latvia, the requirements are more specific. In Estonia – a person who has a justified interest in using the e-services of the Estonian state and who is: (i) an alien who does not have a residence permit or right of residence in Estonia; (ii) is not an alien who is staying in Estonia under the International Military Co-operation Act and holds a valid identity card or residence permit. For comparison, in Latvia, a foreigner who has a legal relationship with Latvia; wishes to receive a Latvian electronic identification card to promote the development of economic, scientific, educational, or cultural relations; or who wishes to receive State administration services in Latvia electronically.

#### **EXAMINATION OF AN APPLICATION FOR AN E-RESIDENT STATUS**

The decision on granting the status of an e-resident is made automatically and immediately in Lithuania.

Meanwhile, in Latvia, an employee of a state institution who inputs the information regarding a person in the Register will **check the conformity of such information with the personal identification documents which have legal force in Latvia** (unless the documents have been signed with a device of electronic identification issued in EU, EEA or Swiss Confederation). However, in **Estonia, the median processing time is 20 calendar days, but PBGB (Police and Border Guard Board) reserves the right to extend it as they deem necessary in each case.** During this time, PBGB may contact the applicant by email for additional information during their background check. If the applicant fails to provide such information, the PBGB has the right to dismiss the application.

#### **GROUND FOR REFUSING TO GRANT AN E-RESIDENT STATUS**

In **Latvia, the status is not granted to a person who does not meet the criteria** listed under the “Who can apply for e-resident status?” section and for a person who does not have a long-term legal relationship with Latvia. In the same time, in **Lithuania, the status is not granted if another Schengen state has entered an alert in the central system** for refusal of entry concerning the foreigner or he/she is included in the national list of foreigners prohibited from entering the Republic of Lithuania. Analogically, in **Estonia the issue shall be refused if the person poses a threat to public order or national security;** there is a basis for the prohibition on economic activities; a person is not identified.

#### **THE DURATION OF GRANTING THE STATUS OF AN E-RESIDENT**

While **Lithuania** (in the absence of grounds for not granting the status) grants the status of an e-resident to a foreigner for **3 years**, **Estonia** has established a period of validity for e-Resident’s digital ID which is **5 years**. It is advised to apply for a new document at least 2-3 months before the expiration of the current document. In **Latvia**, on the other hand, the Law on the Register stipulates **that the identification of natural persons and data processing is not limited**, henceforth, data maintenance into the Register does not have a set duration.

**Lithuania grants the status for 3 years.**

## "STEP BY STEP" SUBMISSION OF AN APPLICATION

LITHUANIA	LATVIA	ESTONIA
<p><b>1. Submit the application online:</b> a foreigner must fill in an application for granting the status of an e-resident of the Republic of Lithuania through the Lithuanian Migration Information System (MIGRIS) and submit it to the Migration Department.</p> <p><b>2. Payment for e-resident:</b> before applying, a foreigner must pay a public fee for accepting the application for granting the status of an e-resident of the Republic of Lithuania and issuing an electronic identification and electronic signature means, which amounts to EUR 90.</p> <p><b>3. Submission of documents:</b> foreigner must appear in person at the chosen external service provider within 4 months from the day of filling in the application, and a foreigner legally staying in the Republic of Lithuania must arrive at the Migration Department and submit:</p> <ul style="list-style-type: none"> <li>• a valid travel document;</li> <li>• a document granting the right to be or stay in the Republic of Lithuania;</li> <li>• biometric data for identity verification.</li> </ul>	<p><b>1. Submit the application:</b> a foreigner shall provide his/her information and data to the Office of Citizenship and Migration Affairs (OCMA) and its affiliated institutions (local governments, Enterprise Register of the Republic of Latvia, State Revenue Service, etc.).</p> <p><b>2. An entry in the Register:</b> one of the institutions mentioned above will make an entry in the Register based on an application from the foreigner. Documents can typically be submitted in person, by post, or electronically.</p> <p><b>3. The legitimacy check:</b> Information on foreigners will be included if the identity documents have legal force in Latvia, thus, they are identified in an institution, representative office, a Latvian sworn notary, or electronically within the framework of the eIDAS Regulation.</p> <p><b>4. If a foreigner is abroad:</b> in case a foreigner is abroad and wishes to be included in the Register without arriving in Latvia, then the foreigner should submit an application form with the necessary information to the Latvian diplomatic or consular mission, which will verify the person's identity and later forward documents for inclusion of information in the Register.</p>	<p><b>1. Gather the documents:</b> a copy of the applicant's travel document (passport or European Union identity card); digital photo, a written explanation as to why the applicant applies for e-Residency, CV; information about applicants' previous business activity; credit card (for paying state fees).</p> <p><b>2. Submit the application online:</b> Create an account on <a href="http://eresident.politsei.ee">eresident.politsei.ee</a>, using applicant's e-mail (this must be done personally, applying through an intermediary (law firm, other service providers) is not allowed. In the application form, the applicant has to select a pick-up location from where he/she will pick up the e-residency kit.</p> <p><b>3. Application processing:</b> generally, takes between 8-30 calendar days. An applicant can view and track the status of his/her application online by logging in to the application environment.</p> <p><b>4. Pick up e-Residency kit:</b> once the applicant's e-Residency kit has arrived at the selected pick-up location (pick-up points are located all over the world, including official embassies), an applicant may collect the kit within 6 months once it has arrived. The applicant has to collect the kit in person as his/her fingerprints are required.</p>