**E-Residency - A Fast Track To Estonia Fintech Innovation**

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Estonia has the unique power of attracting business people worldwide while at the same time opening doors for them to the European Union. The credit goes to the digital programme called e-Residency of Estonia (also known as virtual residency or just e-Residency), launched by the Estonian government itself on 1 December 2014.

The programme is available to anyone in the world with an interest in administering a location-independent remote business online; while also enables secure and convenient digital services such as company formation, banking, payment processing and taxation that build credibility and trust for online customers. Its target was towards location-independent entrepreneurs like digital nomads, freelancers or start-ups because of their needs to sign legally binding contracts online, managing bank account or communicating with the tax offices, all of which could be administered from anywhere in the world.

Experts expect the number of Vietnamese citizens applying for the e-Residency to rise significantly over the upcoming years as awareness of the programme increases.

**Benefits of e-Residency:**

1. **Be location independent:**

* Applicant can start their business 100% online from anywhere in the world.
* It allows the applicant to travel and run their business remotely.
* The application also has the option to move abroad without having to re-establish their company.

1. **Start a company in the EU:**

* The applicant’s EU-based company can be registered entirely online.
* Only payments are accepted through providers like Paypal.
* No need for a local director where you wish for your company to establish.

1. **Grow the company remotely:**

* The applicant can now sign, authenticate, encrypt and send documents digitally.
* Business taxes can be declared online.
* Gives access to the EU Single Market and cross-border capital.

1. **Be part of a global community:**

* E-residency is a network with e-residents across more than 165 countries.
* The applicant can connect with several service providers in a growing marketplace.
* The perfect environment for the applicant to learn and discover new ways to grow their business.

**How to obtain an e-Residency?**

First, the applicant would need to obtain these documents: a copy of their government-ID (resident permit, national identity card, passport), a passport-style digital photo (please make sure the photo is of good quality and untampered), a motivation statement explaining why they are applying and a Visa or Mastercard.

The second step is to simply submit their application via e-resident.gov.ee. The applicant would be required to pay a state fee of €100. If they receive a confirmation email, it means their application is successfully submitted. However, there can be additional fees due to their chosen pick-up location for your e-Residency card. If the applicant choose to pick up in an office located in Estonia, there shall be no extra fee. If they choose a foreign representation of Estonia, they would be charged an extra €20 when applying. The applicant would also have the option to choose between Seoul, Tokyo or San Francisco as the pick-up point on the condition that they pay a service fee of €30euros to the service provider upon collecting their document.

The final step is to collect their e-Residency kit at your chosen location. The collector shall be required to bring the government-issued ID that they submitted in their application, and their fingerprints would also be collected at the collecting point.

Please note that the e-Residency kit must be picked up within 6 months since available. An arrangement to pick up the kit in another country is also available. Applicants must also make sure that they are legally permitted to enter their chosen country to pick up the kit.

**Risks and limitations:**

In a world where technology is advancing each day, allowing people to do incomprehensible things, facing risks when doing transactions, sending documents and running your business entirely online is unavoidable.

Concerns mainly revolve around Fintech - Financial Technology – a term used to describe a new tech that seeks to improve and automate the delivery and use of financial services, a core service that e-Residency provides. The convenience of technology in digital banking and transactions also bring loop-holes and opportunities for hackers and scammers. Many also expressed concerns that the nature of the e-Residency would attract criminals to run their business in Estonia without having to fear prosecution, as they do not reside in Estonia but abroad. Fortunately, there has not been any report of criminals or illegal actions on the e-Residency community since its establishment.

Another major concern of users is security breach, which raised alarms after the Estonian government froze the digital ID cards of the e-Residency programme in 2017 due to a major security flaw that allowed identity theft. All old ID cards were suspended until the residents updated to a new security certificate by March 2018. However, this also proves the quick response of the government itself and the providers in case of breaches and emergencies, which should ensure users of their safety.

**Conclusion:**

To conclude, we believe that the e-Residency programme is a great scheme for start-ups and businessmen wishing to expand their business to hew horizons. Security concerns are to be expected in our daily life, especially when the world is opting to run everything online. Hence, it is more important to focus on the measures being carried out by the service providers and the founders of e-Residency in protecting users. The convenience that the e-Residency programme is also undeniable and continue to attract a great amount of users and interest every year.

With the increasing awareness about the e-Residency programme, we are certain that Vietnam and any of its dynamic city will grasp this opportunity and prove themselves in the competitive business world. We hope to see the number of Vietnamese entrepreneurs to rise in the upcoming year.

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