Colloquium organized by the Council of State of the Netherlands and ACA-Europe

“An exploration of Technology and the Law”

The Hague 14 May 2018

Answers to questionnaire: Estonia
Digital decision-making

1. Do administrative bodies in your country make use of automated decision-making? By ‘automated decision-making’ we mean decisions based on automated files or computer models.

   Yes

Please provide an example.

The Tax and Customs Board uses automated decision-making in several different procedures. For example, after a natural person submits an online income tax return form (which is pre-filled), the refunding of the amount of tax overpaid usually follows after an automated control by the data processing system. When a person wishes to register as a VAT payer and submits the online application, then if that person is a known reliable taxpayer, the risk assessment is done automatically by the data processing system and the registration occurs immediately. When a person applies online for the payment of tax arrears in instalments, then under certain conditions, the decision along with the relevant interest claim is generated automatically in the data processing system. When a VAT payer files a VAT return form, automated risk assessment follows and low-risk claims are fulfilled automatically.

In addition, automated decision-making occurs for instance in the determination of the municipal school of residence in the city of Tartu based on the child’s address registered in the Estonian population register (after which the child’s parents may apply for a change of school based on other circumstances) and in offering automatically once a year on the basis of an automatic queue for a child of pre-school age a place in a kindergarten preferred by a parent or in the nearest kindergarten to it in the city of Tartu, in deciding on the payment of a pensioner’s living alone allowance etc.

Please also indicate what consequences automated decision-making has for you when assessing decisions in a judicial capacity and/or what particular aspects you have to consider when drafting advisory opinions on legislative proposals relating to this topic.

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1 See also https://www.emta.ee/eng/private-client/declaration-income/refund-income-tax-and-additional-income-tax-due (in English).
2 See also https://www.emta.ee/et/uudised/ettevotja-saab-kaibemaksukohustuslase-numbri-nuud-auomaatselt (in Estonian).
3 See also https://www.emta.ee/eng/private-client/payment-taxes-and-claims-tax-arrears/payment-tax-liabilities-instalments (in English).
4 See also https://www.emta.ee/et/ari klient/maksukorraldus-maksude-tasumine/mida-teada-kontrolli-sattumisel (in Estonian).
The Supreme Court of Estonia has not had the occasion to decide on these questions. The automated decisions mentioned before are all positive decisions based on a person’s application, so there would not normally be any need to contest these decisions. In the case when it is not possible for the data processing systems to make an automatic positive decision, the end decision will be made by an official. However, since the legislation in the aforementioned cases does not differentiate between contesting an automated decision and a decision made by an official, there should be no differences in judicial procedure. In any case, the respondent in administrative cases is usually the administrative authority as a whole, not a specific official (Section 17 of the Code of Administrative Court Procedure). Most likely, if an automated decision would be made due to an error in the data processing system, that would have to be accepted by the administrative authority and the matter would not reach the stage of a court judgment.

Do you consider this topic suitable for a more detailed exchange of ideas at the Colloquium and, if so, what aspects of this topic warrant discussion?

It would be helpful to know of other members’ experiences with dealing with these types of decisions in judicial proceedings. Connections with the regulation 2016/679 may also be interesting to discuss. Presumably, due to political and economic considerations, the volume of automatic decision-making will grow in the near future, and decisions with adverse consequences for persons might also begin to be made automatically. The legal limits of such decisions warrant discussion, for instance whether to allow automatic decisions only in cases where the authority does not have any discretionary power.

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Digital proceedings

2. Are digital (paperless) forms of legal proceedings used in your country? Is it possible in your country to conduct proceedings digitally, for example online? If so, is this optional or mandatory?

Yes

Please describe your experiences, positive and/or negative.

Digital proceedings in administrative courts are regulated by the Code of Administrative Court Procedure (CACP)\textsuperscript{9}, as well as the Code of Civil Procedure (CCP)\textsuperscript{10} which the CACP refers to in some provisions.

An action may be brought either in writing by post or by delivering to the court, or by electronic means (Section 40(1) of the CACP). For advocates and other representatives possessing a higher legal education, tax or accountancy consultants, procurists, as well as all legal persons or administrative authorities, the electronic format for all declarations to the court is mandatory in the absence of valid reasons for a different format (Section 53(1) of the CACP). Electronic documents are submitted either by e-mail or through the portal created for the purpose. If documents can be submitted through the portal, they shall not be submitted by e-mail, unless there is a good reason therefor. Electronic documents shall bear the digital signature of the sender or be transmitted in another similar secure manner which enables the sender to be identified (Section 336 of the CCP).

The court may also serve procedural documents electronically through the designated information system by transmitting a notice to the e-mail address and phone number of the addressee – both ones given to the court by the addressee, and ones found by the court in state databases (Section 311\textsuperscript{1}(1) of the CCP); or also through social networks (Section 311\textsuperscript{1}(2) of the CCP). The document is deemed to be served when the recipient opens it in the information system or confirms the receipt thereof in the information system without opening the document (Section 311\textsuperscript{1}(3) of the CCP). If the recipient cannot be expected to be able to use the information system, or in case of technical problems, the court may also serve procedural documents to the recipient electronically in another manner, in which case the recipient must confirm they have received the document (Section 311\textsuperscript{1}(4)–(5) of the CCP). Advocates, notaries, bailiffs, trustees in bankruptcy and state or local government agencies are obliged to use the designated information system (Section 311\textsuperscript{1}(6) of the CCP).

While the court file is generally kept on paper and electronic documents printed, the file may also be maintained, in whole or in part, in digital form (Section 57 of the CCP). At the moment, most files are kept in both forms. However, there are plans for a transition to the maintenance of only digital files, and right now, there are certain types of administrative cases where no paper file is kept anymore (cases where the court grants permission for the taking of an administrative measure - certain tax law matters and the detention of aliens and applicants for international protection). Even in those cases, though, paper documents may also be submitted and are then digitalised by the court.

In addition to the aforementioned options, the administrative courts may hold court sessions in the form of procedural conference, such that a participant in the proceeding or his or her representative or adviser has the opportunity to stay at another place at the

\textsuperscript{9} Available in English: https://www.riigiteataja.ee/en/eli/528082017002/consolide.
\textsuperscript{10} Available in English: https://www.riigiteataja.ee/en/eli/524072017001/consolide.
time of the court session and perform the procedural acts in real time at such place, or a witness or expert who stays in another place may be heard (Section 350 of the CCP).

For people who own an Estonian ID card\textsuperscript{11} and have easy access to the Internet, the possibility to submit and receive documents in electronic format makes participation in court proceedings easier than in paper form. Also, the participants in the proceedings surely appreciate having access to the file without needing to visit the court, and the possibility to participate in a court session from another place may be very useful and lessen transport problems (and costs). The existence of all procedural documents in electronic format also makes the work of courts more efficient, for instance it allows several people to work with a file at the same time, makes remote work much easier, and looking for a specific document in the information system may often be easier than in a paper file. The automatic registration of the receipt of a document through the information system reduces the possibility of a participant in the proceedings delaying the proceedings by not accepting a document sent to them, and there is no need for the use of postal services, which reduces the costs of proceedings.

However, there have also been some problems with the digitalisation of proceedings. Most of the issues are related to malfunctions of the information system, as well as simply not enough cooperation and understanding between the users and the creators of the information system, leading to some inefficient or unsuitable functionalities in the system. Occasionally, there are also participants in the proceedings who, while willing to use the electronic format, do not have the technical skills for the use of digital signatures or the information system in general. These instances require either instruction by court personnel or flexibility in offering the participant other options for communication with the court. As outside of certain professions, written form is still accepted instead of electronic, and members of these professions generally do have the necessary skills, this problem is not severe.

Do you consider this topic suitable for a more detailed exchange of ideas at the Colloquium and, if so, what aspects of this topic warrant discussion?

Discussion of other members’ experiences, possible issues and the solutions they have found to them would definitely be interesting and might help change and develop existing regulation and systems for the better.

\textsuperscript{11} An Estonian citizen over 15 years of age residing in Estonia shall hold an identity card (Section 5 of Identity Documents Act; available in English: https://www.riigiteataja.ee/en/eli/521062017003/consolide).
Digital dispute settlement in the public sector without involving the courts

3. In your country, are you aware of parties using computer systems within the public domain in the settlement of disputes prior to possible court proceedings? Examples may include systems that predict the outcomes of new cases on the basis of case law analysis, allowing parties to decide whether or not to pursue legal proceedings or settle out of court.

o No

Would you like to see such systems introduced? Is this under consideration? Is there a public debate in your country on this issue? What advantages and disadvantages have been identified?

While we are not aware of any such complete systems which would actually predict the outcomes of new cases, some systems are being developed which have a similar purpose. Mostly, the attention at the moment seems to be on creating more efficient legal databases that would better connect law (both national and EU law), court practice (with the addition of the practice of some institutions dealing with pre-trial proceedings) and legal research, to make analysis of existing sources easier and reduce the need to search several different databases.\(^\text{12}\) In addition, the Estonian Data Protection Inspectorate is planning to develop a system for processing notifications of personal data breaches where the notifier would receive information on the severity of the breach immediately when filling in the notification form by answering multiple-choice questions.

There is not a lot of public debate on this issue. It might be interesting to mention that the Estonian Bar Association and IT Law Programme of the University of Tartu, supported by several governmental institutions, law firms and IT companies organise the “Robot Judges Competition” this year to generate ideas on how to automate answering legal questions together with making answers highly accurate.\(^\text{13}\)

Do you consider this topic suitable for a more detailed exchange of ideas at the Colloquium and, if so, what aspects of this topic warrant discussion?

While these technological developments are interesting, I think it would be more practical to discuss other topics more related to the courts’ own work.

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Technology-neutral legislation

4. Does your country have experience of legislation framed in a way that is technology-neutral or that otherwise takes account of future technological developments?

○ Yes

Please provide an example in the context of your legislative advisory role and indicate whether or not the legislation in question succeeded in this regard, and why.

The electronic form is widely used in Estonia because of its flexibility and convenience and because of its wide availability. Digital signature is common in everyday use. According to the General Part of the Civil Code Act (Section 80), in Estonia a transaction in electronic format being electronically (also: digitally) signed is deemed to be equal to a transaction in written format unless otherwise provided by law.

In general, in Estonian administrative procedure electronic operations are legally deemed equal to written operations (Administrative Procedure Act (APA), Section 5(6)). Legal acts and authorisation documents may be issued in electronic form in the cases provided by an act or regulation. A document shall be delivered in the cases when delivery is prescribed by an act or regulation, but in other cases, providing information concerning the document in a chosen form is sufficient (Section 25(3) of the APA). As for the manners of delivery, the APA stipulates that administrative acts, summonses, notices and other documents shall be delivered to participants in proceedings pursuant to the procedure prescribed by law or a regulation or according to the choice of delivery indicated in the application either by post, by the administrative authority which issued the document or electronically. In the cases provided by law, documents shall be delivered to a summoned participant in proceedings against his or her signature or published in a newspaper (Section 25(1)–(2) of the APA).

The electronic delivery is the preferred form of delivery for many administrative organs, like the Tax and Customs Board. Still, according to law a document shall be delivered to a person by electronic means only if the person has given a consent thereto (Section 27(2) of the APA) and an administrative act in writing may be issued in electronic form only if the addressee consents thereto and the administrative act is not subject to publication. The requirements set for written administrative acts apply to electronic administrative acts, taking into account the specifications arising from the electronic form of documents (Section 55(3) of APA).

14 In 2016, 96% of entrepreneurs used computers every day and 95% used Internet; in the last three months, 87% of people at age of 16 to 74 years used Internet and 88% of Internet-users used it every day. The use of mobile instead of fixed Internet has rapidly increased. In 2016, 75% of enterprises used mobile Internet and 22% had bought cloud services. See Ait/Pärson. Information technology. Quarterly Bulletin of Statistics Estonia. 2/2017, pages 121-122. Available bilingually: https://www.stat.ee/publication-2017_quarterly-bulletin-of-statistics-estonia-2-17?highlight=bulletin.
Currently an initiative of the Ministry of Justice to amend the Administrative Procedure Act has reached the Parliament of Estonia. According to this initiative, the regulation of electronic administrative procedure in the Administrative Procedure Act will be updated in order to better fulfil the needs of the e-government. The delivery of an electronic document (e-document) will be legally equal to delivery by post, so that the aforementioned Section 5(6), Section 25(1), Section 27 and Section 55(3) of the APA will be amended respectively. Accordingly, no (prior) consent of an addressee to deliver him/her a document electronically or issue an administrative act in electronic form is needed: administrative acts, summonses, notices and other documents may be delivered to a person by electronic means equal to the possibility to choose to send it by post or to deliver it by the administrative authority itself.

Does the lack of such legislation cause problems in your society or in other respects? Please provide an example.

Since most of the provisions of the Administrative Procedure Act stem from the beginning of the first decade of the 2000s, and the electronic delivery of documents is not regulated thoroughly enough, there have been occasional problems in administrative and court practice with interpreting the delivery provisions in the APA in the context of electronic delivery. For instance, the question of the notions of an original and a copy of a digitally signed administrative act was raised in the case no. 3-3-1-80-159. In both that case and case no. 3-3-1-75-0720, the administrative authorities had delivered a digitally signed administrative act to the addressee by email without attaching the digital signature container, and there was a dispute about the validity of such delivery. The Administrative Law Chamber of the Supreme Court stressed in the judgement of the case no. 3-3-1-80-15 that the provisions of APA concerning electronic delivery of a document and electronic communication need to be amended due to the development of technology and the prevalence of electronic communication in Estonia (p 14).

5. How do the courts (administrative or otherwise) in your country deal with legislation that is framed in terms of specific technologies? Do they apply strict interpretations in such cases or is it possible, or even customary, to apply a broader interpretation in order to resolve a problem? Is there any form of debate on this topic, for example with regard to fundamental rights?

The methods of interpretation used by the courts depend on the legislation in question and the circumstances of the case. In certain cases, the existing legislation can quite easily be interpreted to include new technologies, while in others, it may not be possible.

The Administrative Law Chamber of the Supreme Court has recently interpreted the right of the Financial Intelligence Unit of the Police and Border Guard Board to exercise supervision over a person selling and buying bitcoins case no. 3-3-1-75-1521. In 2008, the Money Laundering and Terrorist Financing Prevention Act22 (MLTFPA) came into force. In 2014, the applicant registered a website enabling the sale and purchase of the virtual...
currency called bitcoin. According to Section 3(1), Section 10 and Section 6(2)4) of the MLTFPA, a financial institution that is the provider of services of alternative means of payment may be an obligated person for supervision. A provider of services of alternative means of payment is a person who in their economic or professional activities and through a communications, transfer or clearing system buys, sells or mediates funds of monetary value by which financial obligations can be performed or which can be exchanged for an official currency (Section 6(4) of the MLTFPA). The Administrative Law Chamber found that the fact that the virtual currency bitcoin did not exist at the time of entry into force of the MLTFPA does not mean that the provider of services of alternative means of payment cannot be applied to the providers of exchange services of virtual currency and that trading with bitcoins as an economic activity corresponds to the notion “providing of services of alternative means of payment” (p-s 16–17 of the judgement).

In case no. 3-3-1-5-1523, the applicant doubted if the Agency of Medicines correctly identified the electronic cigarettes (e-cigarettes) the applicant wanted to sell in Estonia as medicines. Relying on the case law of the European Court of Justice, the Administrative Law Chamber found that the Agency of Medicines unreasonably ignored the fact that the e-cigarettes lack the generally beneficial features inherent to a medicine. In the Supreme Court’s opinion, the Agency of Medicines had mistakenly compared e-cigarettes with nicotine containing medicines that need marketing authorisation, not with normal cigarettes that do not need marketing authorisation and to which no strict restrictions on sales apply (p 25). The Supreme Court conceded that the existing legislation did not enable the Agency of Medicines to restrict the sale of e-cigarettes in a manner similar to normal cigarettes, or require the seller to inform consumers of the dangers of using e-cigarettes, but explained that this did not justify the Agency of Medicines’ qualification of the e-cigarettes as medicines.

The bitcoins case was discussed in the media as putting too heavy a burden on the relatively small traders with bitcoins, as the law did not differentiate between them and large banks.24 However, the issue was also acknowledged by the Supreme Court, who explained in the judgment that the legislator should consider amending the law to create more flexibility in the rules concerning providers of services of alternative means of payment (p-s 26–28 of the judgment).

As an example of how preference for a specific technology may be considered to violate fundamental rights, it is worth noting the judgment of the Constitutional Review Chamber of the Supreme Court in case no. 3-4-1-20-1325. In that case, the Supreme Court checked the constitutionality of a provision, according to which the state fee for turning to court was lower if the claim was filed electronically. The Supreme Court considered this provision to be contrary to the right of recourse to the courts in conjunction with the right to equal treatment and the protection of property.

Do you consider this topic suitable for a more detailed exchange of ideas at the Colloquium and, if so, what aspects of this topic warrant discussion?

Discussion of other members’ experiences, possible issues and the solutions they have found to them would definitely be interesting and might help raise knowledge and awareness of the legal problems caused by the development of technology. Hearing of different examples and how they were handled might be especially helpful since similar issues might also crop up in other countries.
6. Do you know of cases in your country where automated data analyses are used for enforcement-related purposes, for instance to identify risk profiles? Perhaps the tax authorities use data analysis from various sources, for example, to perform targeted audits?

Yes

Please provide an example. What specific angles of approach do you, as a legislative adviser and/or administrative judge, consider important in this regard?

Like in the Netherlands, tachographs are used on lorries and automated speed checks conducted on motorways, with cautionary fines issued on the basis of the results. As another example, the Tax and Customs Board uses automatic risk analysis in a variety of procedures (see also answer to question 1).

When dealing with a court case where part of the evidence is the result of some form of automated data analysis, it is of course important to make sure there is a legal basis for the data analysis and, in the case when there is a certain methodology prescribed for the data analysis, that this methodology has been followed. In case of an automated speed check, for instance, the regulation referred to above prescribes that the measuring device must be verified by a competent body.

Do you consider this topic suitable for a more detailed exchange of ideas at the Colloquium and, if so, what aspects of this topic warrant discussion?

Considering the increased use of automated data analysis in different administrative procedures, it would be useful to discuss the issues that have occurred in different member states connected to the use of automatically collected data as evidence. While there have been no such cases in our court yet, it would be a good opportunity to learn from others’ experiences.

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26 See Traffic Act, available in English: https://www.riigiteataja.ee/en/eli/504092017011/consolide - Sections 131-139 on the use and control of tachographs; Section 262 on cautionary fines, and Section 199 along with this regulation: https://www.riigiteataja.ee/akt/122042015035 (in Estonian) on speed checks.
Open-ended question for administrative jurisdictions

Are there technological developments (other than those already mentioned) that you believe will soon have far-reaching consequences for administrative courts (particularly developments you have already encountered or expect to encounter)?

Problems may occur if the technology used for digital identification is not safe. If it is not certain that only the person who the ID belongs to is able to use it, actions taken digitally may not have legal consequences. For example, recently an international team of researchers pointed to a possible security vulnerability that had been discovered in the Estonian ID-card chip. That prompted (or rather restarted, since these questions have been asked before without such known dangers) a public discussion on the safety of using the digital ID connected to the ID-card for digital signatures. Since in Estonia, it is also possible to vote electronically, using the ID-card, the question arose whether electronic voting should be disabled for the municipal elections coming this autumn.

A conservative political party contested the decision of the National Electoral Committee to not stop the electronic voting. The Committee had reasoned that the danger was hypothetical and that no actual breaches of security had been identified. The Supreme Court agreed with the decision and considered that, based on the data available at the moment, the amount of time and resources needed to actually realise the security risk is such that, even if the risk would actualise, it would be unlikely to significantly affect voting results. In case of new information, the Committee will need to reassess the situation.28

Please list these developments in order of importance and explain why you consider them significant. Please also indicate whether you would like to discuss one or more of these topics in more detail in The Hague.

I am not sure if the security of digital identification would be a useful issue to discuss in The Hague, since it is more a technological than a legal topic.

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27 See more: http://www.id.ee/?id=30519&read=38099 (in English).
28 Judgment of the Constitutional Review Chamber of the Supreme Court, 21.09.2017, case no. 5-17-29/4, available in Estonian: https://www.riigikohus.ee/et/lahendid/?asjaNr=5-17-29/4. The Supreme Court has also previously had occasion to solve disputes involving the constitutionality of certain aspects of electronic voting. See, for instance, judgment of the Constitutional Review Chamber of the Supreme Court, 01.09.2005, in case no. 3-4-1-13-05, where the Court examined upon the petition of the President of the Republic the conformity of the possibility provided for in the Local Government Council Election Act to change one's vote, given by electronic voting, with the constitutional principle of uniformity of elections (available in English: https://www.riigikohus.ee/en/constitutional-judgment-3-4-1-13-05).