



UPDATED MARCH 2015

**VAT IN THE EUROPEAN COMMUNITY**

**VADEMECUM FOR THE ELECTRONIC  
REFUND PROCEDURE TO TAXABLE  
PERSONS NOT ESTABLISHED IN THE  
MEMBER STATE OF REFUND BUT  
ESTABLISHED IN ANOTHER MEMBER  
STATE (COUNCIL DIRECTIVE 2008/9/EC)**

**NOTE**

**THIS DOCUMENT COLLATES A RANGE OF  
BASIC INFORMATION ON THE  
APPLICATION OF THE REFUND  
ARRANGEMENTS IN THE MEMBER  
STATES WHICH HAS BEEN OBTAINED  
FROM THE TAX AUTHORITIES  
CONCERNED.**

**THIS DOES NOT REFLECT THE VIEWS OF  
THE COMMISSION OF THE EUROPEAN  
UNION, NOR DOES IT SIGNIFY APPROVAL  
OF THE LEGISLATION.**

## FINLAND

### VADEMECUM FOR THE ELECTRONIC REFUND PROCEDURE TO TAXABLE PERSONS NOT ESTABLISHED IN THE MEMBER STATE OF REFUND BUT ESTABLISHED IN ANOTHER MEMBER STATE

#### General

#### **1. Where could a non-established taxable person (NETP) find information on your laws and guidelines?**

The NETP finds information on the web site [www.tax.fi](http://www.tax.fi).

More detailed information about the refund procedure on the web site [www.tax.fi](http://www.tax.fi) > Companies and organisations > Precise information: Value added tax > Special VAT refund to foreign taxpayers > Refund of VAT to foreign businesses established in other EU countries

The Finnish VAT Act is available in Finlex in Finnish and Swedish, [www.finlex.fi](http://www.finlex.fi).

Contact information:

Uusimaa Corporate Tax Office

Postal address: P.O. Box 34, FIN-00052 VERO, FINLAND

Tel. +358 20 697 063

Fax + 358 9 7311 4392

#### **2. Eligibility for a refund**

To be eligible for a refund the applicant must be a taxable person established in the EU making taxable supplies in his own Member State (the Member State of Establishment). He must have incurred VAT on expenses in a Member State in which he has no establishment (the Member State of Refund), and he must have made no supplies within that Member State other than reverse charge supplies, or certain exempt transport services, during the refund period.

#### **3. What can be refunded**

VAT relating to business activities carried out outside the Member State of Refund if those activities would be subject to tax or exempt with a right to deduct in the Member State of Refund if they had been made there, and VAT relating to supplies on which the reverse charge is applicable in the Member State of Refund.

#### **4. What cannot be refunded**

VAT incurred which relates directly to activities which are exempt without the right to deduct.

VAT incurred on expenses on which there are restrictions on the right to deduct in the Member State of Refund.

In VAT Act, the following purchases are listed as non-deductible and thus nonrefundable for VAT purposes:

- A unit of immovable property that the taxable person or his staff uses as a residence, a nursery or a recreational or leisure facility, as well as goods and services connected with it or its use,
- Goods and services related to transportation between the residence and place of work of the taxable person or his staff,

- Goods and services used for business entertainment purposes,
- Postage stamps or other comparable rights, if the sale of the transport service is not subject to tax on the basis that the service takes place abroad,
- Passenger cars, multipurpose cars, motorcycles, caravans, vessels intended for recreational or sports purposes, and aircraft with a maximum permissible take-off weight not exceeding 1,550 kilograms, as well as goods and services related to their use.

The following purchases are included in acquisitions that do not qualify for refund:

- Purchases intended for the private consumption of the business entrepreneur or his personnel. Such a purchase is e.g. breakfast in connection with hotel accommodation.
- Purchases for business entertainment purposes, e.g. restaurant, business gifts.
- Purchase of a passenger car and purchase of goods and services related to passenger cars (e.g. fuel, lubricants, maintenance, repair, parts) when the passenger car has not been purchased for purely tax-deductible use. Consequently, the VAT included in the rental costs of a passenger car is refundable only on the condition that the car is used for business purposes entirely.
- Expenses linked to the sale of tax-exempt investment gold.

Tax-exempt purchases, such as international airline flights, do not qualify for refund.

Due to the VAT margin scheme of travel agency services, foreign travel-service companies are not entitled to refunds for purchases of goods and services, for direct benefit of the passengers, made in the name of the travel-service company from other business enterprises.

No refund will be payable for invoices that should be VAT exempt but erroneously include VAT. Thus, if the seller has raised an invoice for goods or services with VAT, but no VAT should be payable in the circumstances, the tax authority will not pay refund. Instead, the buyer should contact the seller to request for refund of incorrect VAT.

## **5. Proportional deduction**

Where the taxable person is only able to deduct a proportion of his input tax because he makes taxable and exempt supplies, that person can only have the amount refunded according to the rules on proportional deduction in his Member State.

## **Procedures in the Member State of Establishment**

### **6. What is the application procedure?**

The applicant submits the refund application through ALVEU service. The applicant gain access to the portal via [www.tax.fi/alveu](http://www.tax.fi/alveu). The Katso ID is used for signing in. A sole trader/self-employed entrepreneur may use bank User ID and Password, or a HST card issued by the Population Register Centre to sign in to [tunnistus.fi](http://tunnistus.fi).

You can find further information on Katso ID on [www.vero.fi](http://www.vero.fi) > Asioiverkossa > Katso-tunnistus > In English

### **7. Are there any particular requirements for an agent to be able to submit a claim on behalf of the applicant?**

It is possible to use a representative/agent to submit the application.

The representative/agent submits the application in ALVEU service. To gain access to the ALVEU service the representative/agent needs Katso ID. Further information on Katso ID is available on [www.vero.fi](http://www.vero.fi) > Asioiverkossa > Katso-tunnistus > In English

## **8. Content of the application:**

The application should contain the following information:

- the applicant's name
- the applicant's VAT identification number or tax reference number
- the applicant's full address including country code (the address which is on record in Member State of Establishment)
- e-mail address
- a description of the applicant's business activity for which the goods and services are acquired via NACE v.2 codes
- the refund period covered by the application
- declaration by the applicant that he has supplied no goods and services deemed to have been supplied in Member State of Refund during the refund period, with the exception of the supply of specific transport services and services ancillary thereto or supplies to which the reverse charge mechanism is applicable in Member State of Refund
- bank account details including IBAN and BIC codes

In addition, the following details of each invoice or importation document

- name and full address of the supplier;
- the VAT identification number or tax reference number of the supplier except in the case of importation
- the prefix of the Member State of Refund (except in the case of importation)
- date and number of the invoice or importation document
- taxable amount and amount of VAT expressed in the currency of Member State of Refund
- the amount of deductible VAT calculated expressed in the currency of Member State of Refund
- where applicable, the deductible proportion expressed as a percentage
- nature of the goods and services acquired according to the codes 1 to 10
- Where requested, further information on the nature of the goods and services acquired according to the sub-codes of 1 to 10.

## **9. The circumstances under which a Member State of Establishment will not send an application to the Member State of refund.**

- If the details in point 8 above are not filled in.
- The applicant is not a taxable person during the refund period.
- The applicant only carries out exempt supplies in the Member State of establishment during the refund period.
- The applicant is covered by the exemption for small businesses.
- The applicant is covered by the flat rate scheme for farmers.

#### **10. Minimum refund limits**

- 400 EUR or the equivalent in national currency if the refund period is between 3 months and less than a calendar year
- 50 EUR or the equivalent in national currency if the refund period is of a calendar year, or the remainder of a calendar year.

#### **11. Time limit**

The application must be submitted to the Member State of Establishment by 30 September of the calendar year following the refund period. The application is only considered as submitted if the applicant has filled in all the required information.

#### **12. Is an applicant able to correct an error on an application which has been forwarded to a Member State of Refund?**

The applicant can correct the application on ALVEU service. The applicant, who wants to make changes to the application, can select a previous application on ALVEU service and simply edit it and then submit it.

The applicant can correct most of the information in the application. As a correction the applicant can't fill in new purchase information or import information.

### **Procedures in the Member State of Refund**

#### **13. Are copies of invoices required?**

The applicant should attach scanned files showing the relevant invoices where the taxable amount is 1 000 euro or more.

#### **14. The maximum size limit for an attachment has been agreed at 5 mb. What is the applicant to do if they exceed this limit?**

Maximum total size of all attachments to one application form is 5MB. For this reason, please keep file sizes reasonable when you scan your invoices. To avoid oversized files, only the following formats are permitted: Tiff, Jpeg and Pdf. We recommend to use the Pdf format.

If changing the format does not solve the problem, there is possible to send the attachment by mail to Uusimaa Corporate Tax Office. The address is on the top of the document.

**15. As a Member State of refund, do you require additional documentation for claims submitted by an agent?**

The applicant may appoint an agent to submit the application on behalf of the applicant. Applications can equally be filed by Finnish as well as foreign representatives (agents). The application should include a Power of Attorney showing that the agent has been appointed, and specifying the agent's powers. It should be made clear in the Power of Attorney whether the agent only is appointed for submitting the application or whether he also is entitled to receive the payment in his bank account. A model of a Power of Attorney can be found on [www.tax.fi](http://www.tax.fi) > Companies and organisation > Precise information: Value added tax > Special VAT refund to foreign taxpayers > Refund of VAT to foreign business established in other EU countries > point 5.4. Engaging the services of an agent or representative. However, a Power of Attorney drafted by the applicant, will also be accepted if it contains the same information as the model. Period of validity is regarded as indefinite, i.e. the Power of Attorney will remain valid until the applicant terminates its validity. Thus, the first application submitted by an appointed representative (agent) should have a scanned Power of Attorney, with indefinite validity, as a mandatory enclosure. After that, future applications by the same appointed representative (agent) can be submitted without this enclosure, unless changes in the Power of Attorney has taken place. Mandatory information in the application on the appointed representative/agent are the representative's/agent's name, complete address including country code, e-mail address and VAT identification number or tax reference number (TIN).

**16. Can payments be made to agents?**

Payments can be made to representatives (agents). It should be made clear in the Power of Attorney whether the agent only is appointed for submitting the application or whether he also is entitled to receive the payment in his bank account.

**17. How will the Member State of Refund communicate with the applicant?**

Uusimaa Corporate Tax Office communicates with the applicant via mail or e-mail. Finnish Tax Administration sends the Application Receipt to the applicant via Member State of Establishment.

**18. Time limits for the processing of an application**

The Member State of refund has four months from the date of receipt of an application to notify the applicant of its decision to approve or refuse the application, or to ask for further additional information. Where additional information is required, it has a further two months from receiving that information. Where it has asked for further information, it shall, in any case, notify the applicant of its decision within 8 months of the receipt of the application.

Where the refund application is approved, payment should be made within 10 working days.

**19. Procedure for sending additional information to the Member State of Refund**

Member States can ask for additional information from persons other than the applicant. In all cases, the information should be provided to the Member State of Refund within one month of the date on which the request is received by the addressee.

The additional information can be in Finnish, Swedish or English.

## **20. The refund period**

An application for VAT refund should relate to a time period that cover at least three consecutive months within the same calendar year, and at most, one full calendar year (in other words, required period length is 3-12 months within same calendar year), full calendar months only. Some businesses might purchase goods and services during November and December, i.e. the last months of the calendar year. Because the application should relate to months within the same calendar year, the application for the end year may be shorter than three months e.g. only cover December.

## **21. Number of applications accepted per year.**

An application for VAT refund should relate to a time period that cover at least three consecutive months within the same calendar year, and at most, one full calendar year (in other words, required period length is 3-12 months within same calendar year), full calendar months only.

## **22. What is the procedure for appealing against a decision? Are there any time limits for appeals?**

Refund and debiting decisions may be appealed against by lodging a written complaint to the Helsinki Administrative Court. The appeal should be addressed to the Helsinki Administrative Court but sent to the Uusimaa Corporate Tax Office. Letters of appeal cannot be submitted electronically. The brief must be in either Finnish or Swedish.

If the applicant uses a representative an original Power of Attorney, drafted for the purpose of the appeal should be attached.

Appeals should be submitted before three years have elapsed since the end of the calendar to which the refund period belongs. The appeal period is always at least 60 as of the date when the decision was communicated to the applicant (excluding the notification day).

## **23. Incorrect applications**

If an amount has been recovered in a fraudulent or incorrect way, Member States may recover those amounts.