

INFORMATION - Finland

Use and Enjoyment - VAT Directive 2006/112/EC - Article 59a

In Finland, there are no use and enjoyment rules applicable to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons in accordance with Article 59a of Directive 2006/112/EC.

Time of supply / chargeability - Deferment and Cash Accounting Scheme - VAT Directive 2006/112/EC - Article 66

In Finland, telecommunications, broadcasting and electronic services provided to non-VAT taxable persons become generally chargeable when the service is delivered. However, VAT becomes chargeable, when a payment is made on account before the service is supplied. Over an accounting period, a taxable person may choose that VAT becomes chargeable when the invoice is issued.

Reference to the above may be found in Article 136 (periodisation) and Article 15 (the time at which the liability to pay VAT arises) of the Finnish VAT Act (1501/1993).

Time of supply / chargeability - Continuous supplies - VAT Directive 2006/112/EC - Article 64(2)

In Finland, continuous supplies of services are regarded as being completed on expiry of the periods to which statements of account or payments relate. However, VAT becomes chargeable, when a payment is made on account before the service is supplied. Over an accounting period a taxable person may choose that VAT becomes chargeable when the invoice is issued.

Reference to the above may be found in Article 15 of the Finnish VAT Act.

Re-valuation of services at open market value - VAT Directive 2006/112/EC - Article 80

In Finland, the taxable amount for telecommunications, broadcasting and electronic services provided to non-VAT taxable persons may be deemed to be the open market value, if there is a relationship with common interest between the seller and the purchaser.

According to the Finnish VAT Law, a relationship with common interest between the seller and the purchaser means family members or relatives, a person who owns part of the capital of the seller's company, employees or person in a supervision or managerial role in the seller's company. This also include entrepreneurs and legal persons, where the legal person directly or indirectly holds more than 50 % of voting rights in the seller's company or if there is some other close attachment between the seller and the purchaser.

Reference to the above may be found in Article 73 c-e. of the Finnish VAT Act.

Bad Debt relief - VAT Directive 2006/112/EC - Article 90

Bad debt relief is available in Finland; the necessary adjustments can be made in accordance with Generally Accepted Accounting Principles, i.e. when it has become evident that the payment will most likely not be received.

Reference to the above may be found in Article 78 of the Finnish VAT Act.

Application of reduced VAT rates - VAT Directive 2006/112/EC - Article 98

In Finland, no reduced VAT rates apply with respect to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

Reference to the above may be found in Article 84 of the Finnish VAT Act.

Standard VAT Rate - VAT Directive 2006/112/EC - Article 96-97

In Finland the standard VAT rate is 24%. Reference may be found in Article 84 of the Finnish VAT Act.

Release from payment of insignificant amounts of VAT - VAT Directive 2006/112/EC - Article 212

Finland has not implemented rules under its domestic legislation whereby taxable persons are released from the payment of the VAT where the amount due is insignificant.

Invoicing Obligations - Obligation to issue an invoice - VAT Directive 2006/112/EC - Articles 217-249

In Finland, there is no obligation arising from VAT legislation to issue a VAT invoice for telecommunications, broadcasting and electronic services provided to private individuals. An invoice has to be issued for services supplied to non-taxable legal persons.

Invoicing Obligations - Content of an invoice - VAT Directive 2006/112/EC - Articles 217-249

In case a VAT invoice is issued, it should be issued in accordance with Directive 2006/112/EC. All languages are accepted, a translation in Finnish or Swedish may be requested in case of an audit from the VAT authorities.

Reference to the above can be found in Articles 209 e and f. of the Finnish VAT Act.

Invoicing Obligations - Time limit for issuing an invoice - VAT Directive 2006/112/EC - Articles 217-249

Not applicable given that there is no obligation arising from VAT legislation to issue a VAT invoice in relation to telecommunications, broadcasting and electronic services provided to private individuals.

Invoicing Obligations - Summary Invoices - VAT Directive 2006/112/EC - Articles 217-249

Not applicable given that there is no obligation arising from VAT legislation to issue a VAT invoice in relation to telecommunications, broadcasting and electronic services provided to private individuals.

Invoicing Obligations - Electronic invoices - VAT Directive 2006/112/EC - Articles 217-249

Not applicable given that there is no obligation arising from VAT legislation to issue a VAT invoice in relation to telecommunications, broadcasting and electronic services provided to private individuals.

Invoicing Obligations - Batch of electronic invoices - VAT Directive 2006/112/EC - Articles 217-249

Batches of electronic invoices are accepted in Finland.

Additional obligations deemed necessary for collecting VAT and preventing evasion (anti-avoidance measures) - VAT Directive 2006/112/EC - Article 273

Finland has not implemented any rules or anti-avoidance measures that may directly impact telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

Stand-still scheme - Derogations for States which were members of the Community on 1 January 1978 - VAT Directive 2006/112/EC - Articles 370-391

N/A

Stand-still scheme - Derogations for States which acceded to the Community after 1 January 1978 - VAT Directive 2006/112/EC - Articles 370-391

There are no provisions which are applicable under a Stand-still Scheme in the Finnish VAT legislation or subject to common practice in Finland that may be relevant for telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

VAT Treatment of vouchers

There are no specific rules related to vouchers in the Finnish tax legislation.

In practice, a voucher is generally treated as an advance payment if it can be connected to one specified good or service (single purpose voucher).

Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (E-learning activities)

In Finland, the supply of education by an eligible body (i.e. comprehensive school, college, vocational school, university) that is supervised by the Government and/or financed by the State of Finland is an exempt supply with no right to input VAT recovery. E-learning services are in principle taxable in Finland, unless provided by an eligible body. Reference to the above can be found in Articles 39 and 40 of the Finnish VAT Act.

Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (Gambling activities)

In Finland, the organizing and dealing with lottery activities is VAT exempt.

Reference to the above may be found in Article 59 2k of the Finnish VAT Act.

However, there is no clear guidance in Finland regarding the scope of VAT exempt gambling activities.

Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (General)

There are no further exemptions in the Finnish VAT legislation under which the supply of telecommunications, broadcasting and electronic services provided to non-VAT taxable persons may apply and should be considered.

VAT Registration Process

Registration under the MOSS may be made electronically via the Finnish Tax Administration's websites:

<http://www.tax.fi/en-US/Erityisjarjestelma> or [http://www.vero.fi/en-US/Erityisjarjestelma/Electronic_services__Tax_Administration\(34187\)](http://www.vero.fi/en-US/Erityisjarjestelma/Electronic_services__Tax_Administration(34187)). In order to apply for the registration the taxable person should have a Finnish Katso ID number, further information on Katso identification:

http://www.vero.fi/en-US/Precise_information/eFiling/Katso_Identification

Access to web-portal and contact details of the local VAT Authorities

The VAT Special Scheme e-service is available on the website of the Finnish Tax Administration:

[http://www.vero.fi/en-US/Erityisjarjestelma/Electronic_services__Tax_Administration\(34187\)](http://www.vero.fi/en-US/Erityisjarjestelma/Electronic_services__Tax_Administration(34187)).

General contact and contact VAT obligations and reimbursements:

Finnish Tax Administration

Tel: 00358 29 497 051

Appointment of a VAT Agent

According to the Finnish Tax Authority's instructions, a foreign taxable person may appoint an agent to file VAT returns under the MOSS on his behalf.

Penalties for non-compliance (Failure to register and late registration)

The possible penalty for failure to register is a fine.

Reference to the above may be found in Article 134 r of the VAT Act and in Article 37 of the Act on Tax Assessment Procedure of Self-assessed Taxes.

In principle the failure to register or late registration under the MOSS may result in the taxpayer having to register under the standard procedure.

Penalties for non-compliance (Non-payment and late payment of VAT)

In the case of non-payment or late payment, a surtax has to be paid upon the taxpayer's own initiative or when imposed by the Tax Administration.

Reference to the above may be found in Article 134 m of the VAT Act.

In some circumstances, taxable persons may ask for a payment arrangement.

As a result of repeated defaults the taxable person may be removed from the MOSS register. Reference may be found in Article 133g in the Finnish VAT Act.

Penalties for non-compliance (Non-submission and late submission of VAT returns)

If Finland is the Member State of identification, a reminder will be issued. As a result of repeated defaults the taxable person may be removed from the MOSS register. Reference may be found in Article 133g in the Finnish VAT Act.

If Finland is the Member State of consumption, the tax payable will be assessed and a surtax will be charged.

Reference to the above may be found in Article 134 r of the VAT Act and in Article 37 of the Act on Tax Assessment Procedure of Self-assessed Taxes.

Penalties for non-compliance (Incomplete and incorrect VAT returns)

A taxable person is allowed to provide a corrective VAT return within three years from the due date or if Finland is the Member State of consumption, three years from the end of the accounting period.

If Finland is the Member State of consumption, the tax payable will be assessed and a surtax will be charged based on the rules mentioned above in section "penalties for non-compliance (Non-submission and late submission of VAT returns)".

Reference to the above may be found in Article 176, 177 and 182 of the VAT Act). As a result of repeated defaults the taxable person may be removed from the MOSS register.

Penalties for non-compliance (Non-compliance with invoicing and accounting obligations)

Failure to comply with VAT compliance obligations are subject to discretionary penalties. This can also lead to a tax audit that may result in tax increase and penalties.

Reference to the above can be found in para 182 of the VAT Act and para 2 of the "Laki veronlisäyksestä ja viivekorosta" (special act for tax increases and penalty interests 1556/1995).