

Finland

Finland has met all aspects of the terms of reference (OECD, 2017^[3]) (ToR) for the calendar year 2019 (year in review) and no recommendations are made.

Finland can legally issue four types of rulings within the scope of the transparency framework.

In practice, Finland issued rulings within the scope of the transparency framework as follows:

- 42 past rulings;
- For the period 1 April 2016 - 31 December 2016: 13 future rulings;
- For the calendar year 2017: 19 future rulings;
- For the calendar year 2018: eight future rulings; and
- For the year in review: 32 future rulings.

Some rulings are published on the Finland Tax Administration's website, at the discretion of the Central Tax Board.¹

No peer input was received in respect of the exchanges of information on rulings received from Finland.

A. The information gathering process

387. Finland can legally issue the following four types of rulings within the scope of the transparency framework: (i) preferential regimes;² (ii) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (iii) permanent establishment rulings; and (iv) related party conduit rulings.

388. For Finland, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2014 but before 1 April 2016; or (ii) on or after 1 January 2010 but before 1 January 2014, provided they were still in effect as at 1 January 2014. Future rulings are any tax rulings within scope that are issued on or after 1 April 2016.

389. In the prior years' peer review reports, it was determined that Finland's undertakings to identify past and future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In addition, it was determined that Finland's review and supervision mechanism was sufficient to meet the minimum standard. Finland's implementation remains unchanged, and therefore continues to meet the minimum standard.

390. Finland has met all of the ToR for the information gathering process and no recommendations are made.

B. The exchange of information

391. In the prior years' peer review reports, it was determined that Finland's process for the completion and exchange of templates were sufficient to meet the minimum standard. With respect to past rulings, no further action was required. Finland's implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

392. Finland has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[4]) ("the Convention"), (ii) the Directive 2011/16/EU with all other European Union Member States and (iii) bilateral agreements in force with 89 jurisdictions.³

393. For the year in review, the timeliness of exchanges is as follows:

Future rulings in the scope of the transparency framework	Number of exchanges transmitted within three months of the information becoming available to the competent authority or immediately after legal impediments have been lifted	Delayed exchanges		
		Number of exchanges transmitted later than three months of the information on rulings becoming available to the competent authority	Reasons for the delays	Any other comments
	40	26	See below	Finland exchanged the delayed rulings in January and February 2020 as soon as the issue was identified.

Follow up requests received for exchange of the ruling	Number	Average time to provide response	Number of requests not answered
	0	N/A	N/A

394. During the year in review, Finland experienced some delays for future rulings. Finland explained it was due to technical reason that the file name generated automatically had been incorrect and the rulings were stuck in the transfer folder. Finland has resolved this technical error and conducted the outstanding exchanges in January and February 2020 as soon as they identified the issue. Finland has committed to monitor the transfer folder in the future to ensure that such delays do not occur again. As such, no recommendation is made, given that the issue was quickly identified and has been resolved, and is therefore not expected to be a recurring issue.

Conclusion on section B

395. Finland has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Finland has met all of the ToR for the exchanges of information process and no recommendations are made.

C. Statistics (ToR IV)

396. The statistics for the year in review are as follows:

Category of ruling	Number of exchanges	Jurisdictions exchanged with
Preferential regimes	0	N/A
Cross-border unilateral advance pricing agreements (APAs) and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles	39	Czech Republic, Denmark, Estonia, Germany, Hungary, Latvia, Lithuania, Netherlands, Poland, Slovak Republic, Sweden, United Kingdom
Permanent establishment rulings	<i>De minimis rule applies</i>	N/A
Related party conduit rulings	0	N/A
<i>De minimis rule applies</i>	1	
Total	40	

D. Matters related to intellectual property regimes (ToR I.4.1.3)

397. Finland does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015^[1]) were imposed.

Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
Finland experienced some delays in exchanging information on future rulings due to technical reason.	No recommendation is made because Finland completed the exchanges on the delayed future rulings quickly after the issues were identified and resolved, and this is not a recurring issue.

References

- OECD (2017), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <http://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [3]
- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264241190-en>. [1]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264115606-en>. [4]

Notes

¹ Available at: <https://www.vero.fi/syventavat-vero-ohjeet/ennakkoratkaisut/>.

² With respect to the following preferential regime: shipping regime.

³ Parties to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Finland also has bilateral agreements with Argentina, Armenia, Aruba, Australia, Austria, Azerbaijan, Bailiwick of Jersey, Barbados, Belarus, Belgium, Bermuda, Bosnia and Herzegovina, Brazil, British Virgin Islands, Bulgaria, Canada, Cayman Islands, China (People's Republic of), Cook Islands, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Faroe Islands, France, Georgia, Germany, Greece, Guatemala, Guernsey, Hungary, India, Indonesia, Ireland, Isle of Man, Israel, Italy, Japan, Kazakhstan, Korea, Kosovo, Kyrgyzstan, Latvia, Lebanon, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Moldova, Monaco, Montenegro, Morocco, Netherlands, Netherlands Antilles, New Zealand, North Macedonia, Norway, Pakistan, Panama, Philippines, Poland, Portugal, Romania, Russia, Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Tajikistan, Tanzania, Thailand, Turkey, Turkmenistan, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan, Viet Nam and Zambia.



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