

Finland

1. Finland was first reviewed during the 2017/2018 peer review. This report is supplementary to Finland's 2017/2018 peer review report (OECD, 2018^[1]). The first filing obligation for a CbC report in Finland applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

2. Finland's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017^[2]).

Part A: The domestic legal and administrative framework

3. Finland has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard¹ (the "CbC Act") establishing the necessary requirements, including the filing and reporting obligations. Guidance has also been published.² Finland has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. Finland's 2017/2018 peer review included a general monitoring point concerning the fact that there was no specific process that would allow it to take appropriate measures in case Finland is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Finland has provided updated information, explaining that, in such a situation, the Large Taxpayers' Office in Finland Tax Administration will be in charge of sending the notification to the Reporting Entity. In addition, Finland has a penalty regime in place that would impose a penalty on the Reporting Entity in case of late filing or for filing information with substantial

deficiencies or inaccuracies. In view of this update and specific process, the monitoring point is removed.

9. No other changes were identified with respect to the effective implementation.

Conclusion

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Finland since the previous peer review. Finland meets all the terms of reference (OECD, 2017^[2]) relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 May 2019, Finland has 62 bilateral relationships in place for the exchange of CbC reports, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Finland has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.³ Regarding Finland's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. Finland has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

(c) Completeness of exchanges

13. Finland has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

(d) Timeliness of exchanges

14. Finland has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

15. Despite these procedures, Finland indicates that a number of CbC reports were exchanged late. These late exchanges were due to an automated system error which has since been corrected, therefore no recommendation is required.

(e) Temporary suspension of exchange or termination of QCAA

16. Finland has written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to those procedures.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

17. Finland has written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those procedures.

(g) Format for information exchange

18. Finland confirms that it uses the OECD XML Schema and User Guide (OECD, 2017^[3]) for the international exchange of CbC reports.

(h) Method for transmission

19. Finland indicates that it uses the Common Transmission System to exchange CbC reports.⁴

Conclusion

20. Finland has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Finland meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

21. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

22. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

Conclusion

23. Finland meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

¹ Primary law consists of the Country-by-Country report for taxation included in Sections 14(d), 14(e) and 32(5) of the Act on Tax Assessment Procedure (1558/1995), as amended in Act 1489/2016: www.finlex.fi/fi/laki/ajantasa/1995/19951558#L4P32 and the Act implementing the EU Council Directive 2016/881/EU as regards mandatory automatic exchange of information in the field of taxation (DAC4). Secondary law consists of a Decision (Number A260/200/2016) by the Finnish Tax Administration regarding the obligation to provide CbC information: www.vero.fi/fi-FI/Syventavat_veroohjeet/Verohallinnon_paatokset/Verohallinnon_paatos_verotuksen_maakohta.

² See guidance on the Finnish Tax Administration website at https://www.vero.fi/en/businesses-and-corporations/about-corporate-taxes/transfer_pricing/countrybycountry_report_and_notificatio/. See the more specific online guidance of the Finnish Tax Administration regarding CbC at www.vero.fi/syventavat-vero-ohjeet/ohje-hakusivu/49771/verotuksen-maakohtainen-raportti/. See guidance concerning XML (under the heading “Technical guidance”) at www.vero.fi/en/About-us/it_developer/data-format-specifications/specifications__direct_data_transfers_a/.

³ No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

⁴ Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).



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