

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. As of 1 January 2017, companies with a turnover of a maximum of EUR 500 000 may apply the cash accounting scheme, where the VAT becomes chargeable when payment is received.

Reference to the above may be found in Articles 136-137 (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. Supplies of services in accordance with Article 65 (of the Finnish VAT Act) for which VAT is payable by the customer in accordance with Article 9,1 (of the Finnish VAT Act), which are supplied continuously over a period of more than one year and which do not give rise to statements of account or payments during that period, shall be regarded as being completed on expiry of each calendar year until such time as the supply of services comes to an end. 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 and the consideration agreed is lower than the open market value. According to the Finnish VAT Law, a relationship with common interest exists between family members and relatives between a company and its owners, employees or persons in a supervision or managerial role in that company, or the family members or relatives of the aforesaid. A relationship with common interest can also exist if there is some other close connection 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 bad debt relief 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 is VAT exempt when the education is provided in accordance with the relevant legislation or the education is financed by the State. Unless e-learning services are provided as part of VAT exempt education, they are in principle taxable in Finland. 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, which are further defined in the Finnish Lottery Act and Lottery Tax Act, is VAT exempt. VAT exempt activities include e.g. casino games, sports betting and similar gambling activities. Lottery activities are strictly regulated and organizing of lottery activities in Finland requires a permit.

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

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: <https://www.vero.fi/en/e-file/vat-special-scheme-e-service>. 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: <https://www.vero.fi/en/e-file/vat-special-scheme-e-service>.

General contact and contact VAT obligations and reimbursements:

Finnish Tax Administration

Tel: 00358 29 497 051

Appointment of a VAT Agent

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 penalty charge.

Reference to the above may be found in Article 39 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 late-payment interest 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 and 133n 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 and 133n in the Finnish VAT Act.

If Finland is the Member State of consumption, a punitive tax increase or a penalty charge may be imposed for non-submission or late submission of VAT returns.. Reference to the above may be found in Article 134 r of the VAT Act and in Articles 35 and 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 beginning of the year following the accounting period.

If Finland is the Member State of consumption, a punitive tax increase may be charged for filing incomplete or incorrect VAT returns.

Reference to the above may be found in Article 134r of the VAT Act and in Article 37 40 of the Act on Tax Assessment Procedure of Self-assessed Taxes. 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 Article 39 of the Act on Tax Assessment Procedure of Self-assessed Taxes and para 2 of the "Laki veronlisäyksestä ja viivekorosta" (special act for tax increases and penalty interests 1556/1995).