

## Tax rate

The standard VAT rate in Finland in 2024 is 24%. This rate is applied to most goods and services.

### Reduced VAT rate

#### 14%

Groceries;  
Feed;  
Restaurant/catering services.

#### 10%

Books;  
Newspapers and periodicals;  
Pharmaceutical products;  
Physical exercise services;  
Film screenings;  
Entrance fees to cultural and entertainment events;  
Passenger transport;  
Accommodation services;  
Royalties for television and public radio activities.

#### 0%

The tax legislation provides for cases of applying a zero rate.

For example, tax-exempt sales of member's magazines and advertisements to non-profit corporations.

# Threshold

The introduction of the new rules has lowered the registration threshold to €10,000.

## Deductible VAT

As a taxpayer carrying out VAT-subject transactions, you can deduct VAT for any goods and services you buy from others. You can only deduct VAT if you have purchased goods or services for a purpose related to a commercial activity for which you are subject to VAT.

## Registration procedure

To register a foreign company, it is necessary to send a package of documents in paper form to the tax office.

The package of documents should include:

- Correctly completed registration forms;
- Power of attorney for signing, if the documents are signed by a third party;
- An extract from the commercial register, translated into Finnish or Swedish.

The tax authority may require additional documents, for example, the article of association.

## Tax representative

A foreign business without a branch in Finland is obliged to appoint a tax representative for registration.

## VAT returns filing and VAT payment date

Simultaneous filing of the declaration and payment of tax is assumed.

As a rule, a foreign company must file tax returns monthly. You can switch to quarterly payments and reports if your turnover is less than €100,000. If the turnover is below €30,000, you can choose an annual reporting period.

Periodic VAT declarations must be submitted electronically to the authorized tax authority by the 12th day of the second month following the tax period.

## **Penalty**

The penalty depends on the number of days of delay and the amount of tax. The penalty for late submission is €3 per day, but not more than €135 – if the delay is not more than 45 days.