

Transfer Pricing Country Profile
(to be posted on the OECD Internet site www.oecd.org/ctp/tp/countryprofiles)

Name of Country: FINLAND Date of profile: October 2012

1. Reference to the Arm's Length Principle

Act on Assessment Procedure § 31.

2. Reference to the OECD Transfer Pricing Guidelines (if any)

No reference in the legislation.

However, the OECD TPG have been referred to in the Government Bill (107/2006 vp.) introducing transfer pricing documentation requirements.

3. Definition of related parties

Act on Assessment Procedure § 31.

4. Transfer pricing methods

No relevant legislation.

However, TP methods have been referred to in the Government Bill (107/2006 vp.). The TP methods are applied in line with the OECD TPG including the hierarchy of the methods.

5. Transfer pricing documentation requirements

Act on Assessment Procedure §§ 14a-14c effective from 1 January 2007.

6. Specific transfer pricing audit procedures and / or specific transfer pricing penalties

No specific transfer pricing audit procedures.

Act on Assessment Procedure § 32 on penalties.

For noncompliance of documentation requirements, the tax authorities may impose a penalty of an amount not exceeding €25,000. Documentation-related penalty may be imposed even if there is no need for a transfer pricing adjustment.

7. Relevant regulations on Advance Pricing Arrangements

Unilateral APAs may be reached on the basis of Act on Assessment Procedure §§ 84 and 85.

8. Link to relevant Government Internet sites

www.vm.fi (the Ministry of Finance)
www.vero.fi (the Tax Administration)

9. Other relevant information

The National Board of Taxes has published a tax return form on transfer pricing which was introduced as of tax year 2009.

Legislation on Advance Pricing Arrangements is in preparation.

Note

1. Relevant provisions of domestic legislation referring to the Arm's Length Principle.
2. Reference if any to the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations in domestic legislation or regulations.
3. Relevant legislation or regulations containing a definition of related parties or associated enterprises.
4. Relevant legislation or regulations containing guidance on transfer pricing methods including hierarchy among them if any.
5. Relevant regulations if any in relation to transfer pricing documentation requirements.
6. Relevant regulations if any on specific transfer pricing audit procedures and / or specific transfer pricing penalties.
7. Relevant regulations if any on Advance Pricing Arrangements.
8. Addresses of the Internet sites of the relevant authorities in charge of transfer pricing policy, its administration and Advance Pricing Arrangements.
9. Other relevant information, for instance having gone through a peer review, or having new transfer pricing regulations in preparation.