### Information on residency for tax purposes

**Section I – Criteria for Individuals to be considered a tax resident**

An individual is deemed to be resident in Finland if he has his main abode in Finland or if he stays in Finland for a continuous period of more than six months. This rule implies that a person can be regarded as resident in Finland for part of the year and non-resident for the rest of the year. The stay in Finland may be regarded as continuous in spite of a temporary absence from the country. A resident national who has left Finland (and surrendered his place of main abode here, if any) is, however, considered to be resident in Finland even if he is not physically present in Finland for a continuous period of more than six months within any period of time until three years have elapsed from the end of the year in which he left the country, unless he can produce evidence that he has not maintained substantial ties with Finland during the tax year in question (the "three-year rule"). Unless there is evidence to the contrary, a Finnish national is not deemed to be resident in Finland after the end of the three-year period.

In addition, a Finnish national who takes up position at a Finnish diplomatic mission, consular post or special mission and who is not resident in the foreign country in question at the time when he commences the period of service, is deemed to be resident in Finland.

Non-residents employed on board Finnish ships or aircraft are liable to tax only on wage income derived from work done on board and work done tempo rarely elsewhere for the ship or aircraft by the employer’s order, pension income which is directly or indirectly based on such wage income, as well as income derived from Finland. Foreign ships and aircraft leased with only a minor crew or without any crew (bare boat leasing) by a Finnish employer are considered to be Finnish for tax purposes.

The Income Tax Act does not contain provisions defining the meaning of "residence" with regard to corporate bodies but according to present practice a corporate body is regarded as resident in Finland if it is registered (incorporated) here or otherwise established under Finnish law. A general or limited partnership registered in Finland or otherwise established under Finnish commercial law is, following the same principle as applied in the case of corporate bodies, regarded as resident. The Income Tax Act contains express rules only on the residence of undistributed estates of deceased persons which are regarded as residents in Finland if the deceased was resident here at the time of death.

A person who is resident in Finland for only a part of the year is taxed as a resident on income attributable to that part of the year and as a non-resident on income attributable to the rest of the year.

**Section II – Criteria for Entities to be considered a tax resident**

In most circumstances, an entity will be tax resident in Finland where it is incorporated or managed and controlled in Finland.

If the entity is managed and controlled in Finland, but incorporated elsewhere (or vice versa) then the residence of the entity may be determined by treaty, or the entity may be ‘dual resident’, a tax resident of more than one country or jurisdictions.

**Section III – Entity types that are as a rule not considered tax residents**

For the purposes of reporting under the terms of the Common Reporting Standard a reportable entity also includes entities that are typically tax transparent (partnerships etc.). For reporting purposes, an entity will be held to be ‘tax resident’ there even if the law of that country or jurisdiction does not treat
the entity as a taxable person, e.g. a partnership managed and controlled in Finland will be ‘tax resident’ in Finland even though the taxable persons are the partners rather than the partnership itself.

Section IV – Contact point for further information

Tax service (individual taxpayers): Calls from Finland: 029 497 050
Calls from outside Finland: +358 29 497 050
Weekdays at 9.00–16.15 (GMT +2 h), in July 9.00–15.00.

Tax service for specific International tax situations:
- Individuals, students, workers, professional employees
- Questions regarding income from sources outside Finland
- Relocations from Finland to another country.
Calls from Finland: 029 497 024
Calls from outside Finland: +358 29 497 024

Tax service for businesses:
- Small businesses, private traders and self-employed professionals
- Limited liability companies (Oy)
- New business entrepreneurs (with new Business IDs)
- Persons or companies liable for Value-added tax = VAT
- Persons or companies who have employed someone.
Calls from Finland: 029 497 051
Calls from outside Finland: +358 29 497 051
Weekdays at 9.00–16.15 (GMT +2 h), in July 9.00–15.00.