



EURONEXT SECURITIES

FISCAL GUIDE

FINLAND

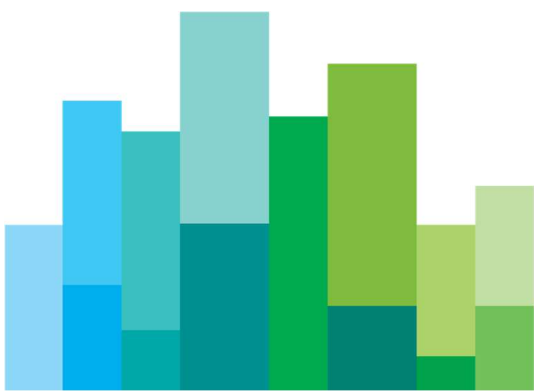
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FINNISH MARKET



1.1 Securities

Below you find the types of securities involved and the procedure/s in place.

Securities	Relief at source	Quick refund	Standard refund
Domestic debt securities	Available (DTA only)	Not applicable	Not applicable
Equities	Not available	Not available	Available

Securities	Procedure	Eligible subjects	Required documents	Deadline	Appendix		
Equities	Standard Refund	Residents in a country that has a DTA in place with Finland (Appendix A)	FI – ES-MIL552 (B,C,D)	31 October of the third calendar year from 1 January of the year after which the dividend was paid	Appendix 1		
			FI – Power of Attorney (B,C,D) (For more details you can refer to POA section)		Appendix 2		
			DTA table - Equities				
			FI – separate certificate of tax residence issued by the beneficial owner's tax authorities for the same year as the dividend payment date. (B,C,D)		Refer to section certificate of residence		
		EEA residents (not Liechtenstein (see notes below))	Corporate entities (Finnish companies or charities)	FI – credit advice (B,C,D). It is requested a credit advice for each intermediary in the chain of payment. For more details you can refer to credit advice section	The Finnish Tax Authorities will only process Standard Refund applications after the end of the year in which the dividends were paid	Appendix 3	
				Explanation to detail why the BO is exempt (D)	-		
					FI – form VEROH 6163E (B,C,D) – non individual beneficial owners)		Appendix 4
					FI – form VEROH 6164E (B,C) – individual beneficial owners)		Appendix 5
FI – form VEROH 6167E for more than one requests					Appendix 7		
Bonds	Relief at source	Residents in a country that has a DTA in place with Finland (Appendix A)	One-time certificate (clients cannot hold bonds on behalf on Finnish residents) €	Within the first payment date	Appendix 6		

1.2 Standard Refund – DTA rate procedure

1.2.1 Eligibility criteria

You may obtain application of the DTA rate of withholding tax through Standard Refund if you hold Finnish equities on behalf of beneficial owners resident in a country that has a DTA in place with Finland.

For a list of DTA countries, consult the DTA table - Equities.

1.2.2 Documentation requirements

To apply for a Standard Refund, you must send us the following documents:

- an application for refund of Finnish withholding tax - non-individual (**VEROH6163e**), if the claimant is a non-individual beneficial owner or an application for refund of Finnish withholding tax - individual (**VEROH6164e**), if the claimant is an individual beneficial owner
- a separate **certificate of tax residence** issued by the beneficial owner's tax authorities for the same year as the dividend payment date.
- a credit advice, as proof of the final distribution of the dividends (net of withholding tax)
- power of attorney, if you execute the claim for repayment or declaration form on behalf of the beneficial owner.

Note:

All VEROH forms can be completed and printed from the website of the Finnish tax authorities. You can access the forms under the heading 'all forms' in In English > Forms > all forms on www.vero.fi.

1.3 Standard refund and special rules for EEA residents

1.3.1 Eligibility criteria

Due to a change in the Finnish law, beneficial owners that are corporations or exempt charities domiciled in the European Economic Area (EEA) - except Liechtenstein - can claim exemption from withholding tax on Finnish dividends.

Companies entitled are:

- Finnish corporations
- Finnish charitable organizations

1.3.2 Documentation requirements

To apply for a Standard Refund, you must send us the documentation mentioned in section 4.2 plus a detailed explanation form to state why the BO is to be considered exempt.

1.3.3 Deadline for receipt of documentation

To be effective, our tax team must receive your documentation as soon as possible and no later than 31 October of the third calendar year in which dividend has been paid and withholding tax applied.

1.3.4 Corporate entities

If the recipient of the payment is a corporate entity, the maximum withholding tax can be either 20% or 15%. The corporate entities eligible are:

- a joint-stock limited company, cooperative society, savings bank, investment fund, university, mutual insurance company, ideological or economic association
- a State
- a federation of municipalities
- a special collection of assets designed to fulfill a specific purpose

1.3.5 20% rate

A withholding tax rate of 20% may be applied if the full disclosure of the beneficial owners of the securities is provided. The following conditions also apply:

- the beneficial owner's country of residence does not have a DTA in place with Finland (and 30% tax would be withheld) **or**
- the DTA rate is between 20% and 30%

To submit the application for the Standard Refund the documentation mentioned either in section 4.2 and 5.2 should be provided.

Note:

Any request from the Finnish Tax Administration to provide additional information in relation to the claim will be treated separately.

1.3.6 15% rate

A withholding tax rate of 15 % may be applied if the recipient is a corporate entity domiciled in a European Economic Area (EEA) country (except Liechtenstein) and the country is mentioned in paragraph 3, subparagraph 5 of the Act on the Taxation of Non-Residents' Income and Capital (627/1978 as amended). One of the following conditions must also apply:

- the shares of the company paying the dividend belong to the portfolio investment of the recipient and the recipient itself is not a company mentioned in the Parent – Subsidiary Directive
- the company paying the dividend is a publicly-listed company and the recipient is not a publicly-listed company and holds less than 10% of the shares of the company paying the dividend

To submit the application for the Standard Refund the documentation mentioned either in section 4.2 and 5.2

1.4 Investment funds

Investment funds seeking exemption must send, in addition to Veroh 6163e:

- a **certificate of residence**, including the possible basis for tax exemption in the country of residence for each year for which a tax reclaim is submitted
- a **fact sheet/prospectus of the investment fund** applying for tax redemption, including:
 - the law regulating the investment fund and its date of constitution
 - details on the legal capacity of the fund and its association rules; for example: unit trust or articles of association, and in which legal form the fund is practicing co-investments
 - if the fund is a UCITS-fund
 - if the beneficial owners, who invested in the fund, is assigned shares or fund units
 - if the fund gives its shareholders share certificates
 - how the fund is governed
- Information about the tax treatment of the fund and it's shareholders tax treatment in the funds' country of residence
- if the fund is an independent, taxable entity in its country of residence or not.

1.5 Further details on additional documentation

1.5.1 Certificate of residence

A separate certificate of tax residence. produced by the tax authorities for the same year as the dividend payment date, should be provided when the claimant is not an individual beneficial owner.

If the claimant is an individual beneficial owner the dedicated form (**VEROH 6164e**) may be used to certify the tax residence as well, by asking the tax authorities to fill in the relevant section.

1.5.2 Credit Advice

When the beneficial owner is the custodian participating at ES-MIL (property account) no credit advice is necessary by the custodian itself; this due to the fact the payment chain is

ES-MIL to its participant only, therefore the credit advice is directly created and submitted by ES-MIL.

When the beneficial owner is an underlying client (either individual or non individual) of the custodian participating at ES-MIL (third party account), a credit advice by the custodian itself is necessary to report the payment to the beneficial owner; ES-MIL will provide to generate the credit advice to certify the payment to its custodian and include in the refund request both credit advices.

1.5.3 Power of Attorney

Based on the new information received from the Finnish Tax Authority (30/07/2021) it is necessary in any case to provide the Power of Attorney chain from the beneficial owners to ES-MIL.

In general has to be created:

- 1) original PoA from the beneficial Owner in favour of the custodian participating in ES-MIL.
- 2) Another PoA from the custodian participating in ES-MIL in favour of ES-MIL

