

# FINLAND DOMESTIC REVERSE CHARGE

## NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH  
AUGUST 2020 CONTENT UPDATE #1

---

### Introduction

The authority of Finland Domestic Reverse Charge has been added to ONESOURCE Determination, including rates, catch-all rules and cross-border logic. It has been created in accordance with the Finland VAT Act to account for Domestic Reverse Charge on the sale of some of the specific products listed in Article 8 of the referred legislation.

The reverse charge for the specific Goods will be driven by the establishment of the buyer in the Ship From location. Therefore, in order to trigger the Domestic Reverse Charge authority, it is necessary to set the establishment of the buyer in the Ship From location to "Yes".

As for the specific Services products, the Domestic Reverse Charge authority will require Physical Performance or Customer Location Services transaction type and will be triggered by the Tax Code of "DRC".

## PART I – UPDATES TO DETERMINATION

### Zone

The authority of Finland Domestic Reverse Charge has been attached to the country-level zone of Finland.

ZONE NAME	PARENT ZONE	ZONE LEVEL	3-CHAR CODE	DEFAULT PRODUCT GROUP
FINLAND	EUROPEAN UNION	Country	FIN	Harmonized

## Registration Mask

The following registration mask was added:

REGISTRATION MASK	
^FI\d{8}\\$ ^EU	

## Authority Options

NAME	CONDITION	VALUE	START DATE
AT - Ancillary Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Chain transaction Transport	None	Either	01/01/1901
CL - Customer Location Reverse Charge	Both	Registration Required	01/01/1901
CR - Registration Required	Both	Registration Required	01/01/1901
DS - Default Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
ER - Establishment Required	None	Yes	01/01/1901
ES - Electronic Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Filling Groups Goods	None	No	01/01/1901
Filling Groups Customer Location Service	None	No	01/01/1901
Filling Groups Physical Performance	None	No	01/01/1901
GS - Goods Reverse Charge	Domestic Transaction	Registration Required	01/01/1901

NAME	CONDITION	VALUE	START DATE
Intra-Company tax free sale - Goods	None	Yes	01/01/1901
Intra-Company tax free sale - Customer Location Service	None	Yes	01/01/1901
Intra-Company tax free sale - Physical Performance	None	Yes	01/01/1901
PP - Physical Performance Reverse Charge	Domestic Transaction	Registration Required	01/01/1901
PRL - Parent Registration Lookup	None	Yes	01/01/1901
SI - Supplied and Installed Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Turn Off Authority	None	Yes	01/01/1901
Triangulation Simplification	None	Not Established in Ship To	01/01/1901
TS - Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
UE - Used and Enjoyed	Both	None	01/01/1901
WG - Work on Goods Reverse Charge	Not Applicable	Not Applicable	01/01/1901

## Authority Specific Messages

The following messages have been adjusted in the authority of Finland Domestic Reverse Charge:

DPI	NEW MESSAGE
EUBG16	Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki
EUBG25	Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki
EUSG14	Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki
EUBPP1	Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki
EUBPP2	Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki
EUSPP1	Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki
EUBCL1	Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki
EUBCL2	Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki
EUSCL1	Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki

## Rate Updates

The following rates have been added in the authority of Finland Domestic Reverse Charge:

RATE CODE	RATE DESCRIPTION	RATE	START DATE
SR	Standard Rate	24%	01/01/2020
LR	Super Reduced Rate	10%	01/01/2020
NL	Not Liable	0%	01/01/2020
ZR	Zero Rate	0%	01/01/2020

## Catch-all Rules

The following catch-all rules have been added in the authority of Finland Domestic Reverse Charge:

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
5000	None	Acquisition	No Tax	01/01/2020
5001	None	Import	No Tax	01/01/2020
5002	None	Zero Rate Export	No Tax	01/01/2020
5003	None	Zero Rate	No Tax	01/01/2020
5004	None	European Community Dispatch	No Tax	01/01/2020
5005	None	Triangulation	No Tax	01/01/2020
5006	None	EC Sales List Services	No Tax	01/01/2020
5007	None	Taxable Export	No Tax	01/01/2020
5008	None	Distance Sale	No Tax	01/01/2020
5009	None	Intra-EU Reverse Charge	No Tax	01/01/2020
5010	None	Intra-Company	No Tax	01/01/2020
5011	None	VAT Groups	No Tax	01/01/2020
10000	None	Any	No Tax	01/01/2020

Also, a new no tax rule with an authority rule qualifier has been added in the authority of Finland to prevent the system returning two tax blocks when the rules contained in the authority of Finland Domestic Reverse Charge are applied.

The rule added to the authority of Finland is the following:

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
5000.0001	None	Any	No Tax	01/01/2020

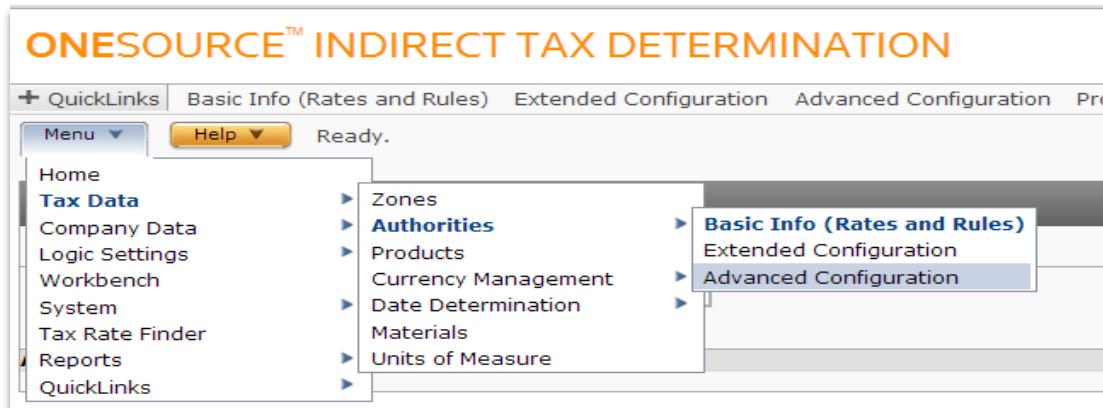
The authority rule qualifier added to the above-mentioned rule is the following:

CONDITION EXPRESSION	OPERATOR	VALUE	START DATE
Finland Domestic Reverse Charge	NOT_APPLIED_TAX_TYPE	S	01/01/2020

## PART II – USING THE AUTHORITIES

### Turning On the authority

The Finland Domestic Reverse Charge authority is turned off by default. To turn it on, select Tax Data, then Authorities, then Advanced Configuration.



On the Advance Configuration screen, search for the authority and select it.

Authority Name	Product Group
Finland	Harmonized
Finland Domestic Reverse Charge	Harmonized
Finland Private Copy Levy	Harmonized

Select the Options tab and then click the Actions button and select Add from the drop-down menu. Select the name of the option “Turn Off Authority” and set the condition to None, the value to No and the start date of 01/01/2020. The image below shows the screen with the selected options.

Name	Condition	Value	Start Date	End Date
Turn Off Authority	- None -	No	01/01/2020	31

## PART III – TAX RESULT EXAMPLES

### Test 1: Shipment of goods subject to Domestic Reverse Charge from Finland to Finland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Goods
Ship From	Finland
Ship To	Finland
Seller Registration	FI12345678
Buyer Registration	FI87654321
Buyer Establishment in Ship From	Yes

The example below shows the Buyer for the shipment of goods from Finland to Finland.

Tax Calculation Results							
Scenario 2020 August 1st Update - Finland DRC (New authority):							
View Results: 1	Zone	Gross Amount: 100.00	Eff%: 0%	Invoice Desc	Type	Dir Fee	Rate
	Authority				RC	O	24%
Country: FINLAND	Finland Domestic Reverse Charge			Domestic Reverse Charge 2012.811292 -- Unwrought; waste and scrap; powders (Art.8 (d) VATA)			24.00
Country: FINLAND	Finland Domestic Reverse Charge			Domestic Reverse Charge 2012.811292 -- Unwrought; waste and scrap; powders (Art.8 (d) VATA)	RC	I	24%
							0.00
							USD
Authority Messages:							
Authority	RuleOrder	Message					
Finland Domestic Reverse Charge	6595.7446	EUBG16: Kaännetty verovelvollisuus - Art. 8 Arvonlisäverolaki					
Finland Domestic Reverse Charge	6595.7446	EUBG25: Kaännetty verovelvollisuus - Art. 8 Arvonlisäverolaki					

The example below shows the Seller for the shiptment of goods from Finland to Finland.

Tax Calculation Results							
Scenario 2020 August 1st Update - Finland DRC (New authority):							
View Results: 1	Zone	Gross Amount: 100.00	Eff%: 0%	Invoice Desc	Type	Dir Fee	Rate
	Authority				RC	O	0%
Country: FINLAND	Finland Domestic Reverse Charge			Domestic Reverse Charge 2012.811292 -- Unwrought; waste and scrap; powders (Art.8 (d) VATA)			0.00
					RC	I	0.00
							USD
Authority Messages:							
Authority	RuleOrder	Message					
Finland Domestic Reverse Charge	6595.7447	EUSG14: Kaännetty verovelvollisuus - Art. 8 Arvonlisäverolaki					

## Test 2: Supply of customer location services subject to Domestic Reverse Charge from Finland to Finland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Customer Location Services
Seller Primary	Finland
Buyer Primary	Finland
Seller Registration	FI12345678
Buyer Registration	FI87654321
Tax Code	DRC

The example below shows the Buyer for the supply of customer location services transaction.

Tax Calculation Results							
Scenario 2020 August 1st Update - Finland DRC (New authority):							
View Results: <input checked="" type="checkbox"/>	Gross Amount: 100.00	Eff%: 0%					
Zone	Authority	Invoice Desc		Type	Dir	Fee	Rate
Country: FINLAND	Finland Domestic Reverse Charge	Domestic Reverse Charge CONSTRUCTION (Art. 8 (c) VATA)	RC	O	24%	24.00	
Country: FINLAND	Finland Domestic Reverse Charge	Domestic Reverse Charge CONSTRUCTION (Art. 8 (c) VATA)	RC	I	24%	24.00	
							0.00 USD
Authority Messages:							
Authority	RuleOrder	Message					
Finland Domestic Reverse Charge	6959.9855	EUBCL1: Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki					
Finland Domestic Reverse Charge	6959.9855	EUBCL2: Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki					

The example below shows the Seller for the supply of customer location services transaction.

Tax Calculation Results							
Scenario 2020 August 1st Update - Finland DRC (New authority):							
View Results: <input checked="" type="checkbox"/>	Gross Amount: 100.00	Eff%: 0%					
Zone	Authority	Invoice Desc		Type	Dir	Fee	Rate
Country: FINLAND	Finland Domestic Reverse Charge	Domestic Reverse Charge CONSTRUCTION (Art. 8 (c) VATA)	NL	O	0%	0.00	
							0.00 USD
Authority Messages:							
Authority	RuleOrder	Message					
Finland Domestic Reverse Charge	6959.9856	EUSCL1: Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki					

## Test 3: Supply of physical performance services subject to Domestic Reverse Charge in Finland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Physical Performance
Supply	Finland
Seller Registration	FI12345678
Buyer Registration	FI87654321
Tax Code	DRC

The example below shows the Buyer for the supply of physical performance services transaction.

Tax Calculation Results							
<b>Scenario 2020 August 1st Update - Finland DRC (New authority):</b>							
View Results: <input checked="" type="checkbox"/>	Zone	Gross Amount: 100.00	Eff%: 0%	Invoice Desc	Type	Dir	Fee
	Authority			Domestic Reverse Charge CONSTRUCTION (Art. 8 (c) VATA)	RC	O	24%
Country: FINLAND	Finland Domestic Reverse Charge			Domestic Reverse Charge CONSTRUCTION (Art. 8 (c) VATA)	RC	I	24%
Country: FINLAND	Finland Domestic Reverse Charge						24.00
							<b>0.00 USD</b>
<input type="checkbox"/> Authority Messages:							
Authority	RuleOrder	Message					
Finland Domestic Reverse Charge	6959.9855	EUBPP1: Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki					
Finland Domestic Reverse Charge	6959.9855	EUBPP2: Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki					

The example below shows the Seller for the supply of physical performance services transaction.

Tax Calculation Results							
<b>Scenario 2020 August 1st Update - Finland DRC (New authority):</b>							
View Results: <input checked="" type="checkbox"/>	Zone	Gross Amount: 100.00	Eff%: 0%	Invoice Desc	Type	Dir	Fee
	Authority			Domestic Reverse Charge CONSTRUCTION (Art. 8 (c) VATA)	RC	O	0%
Country: FINLAND	Finland Domestic Reverse Charge			Domestic Reverse Charge CONSTRUCTION (Art. 8 (c) VATA)	NL		0.00
							<b>0.00 USD</b>
<input type="checkbox"/> Authority Messages:							
Authority	RuleOrder	Message					
Finland Domestic Reverse Charge	6959.9856	EUSPP1: Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki					

## CONCLUSION

This guide explains changes made in ONESOURCE Indirect Tax Determination in connection with the authority of Finland Domestic Reverse Charge. Please contact Customer Support with any additional questions.