

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
^F\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

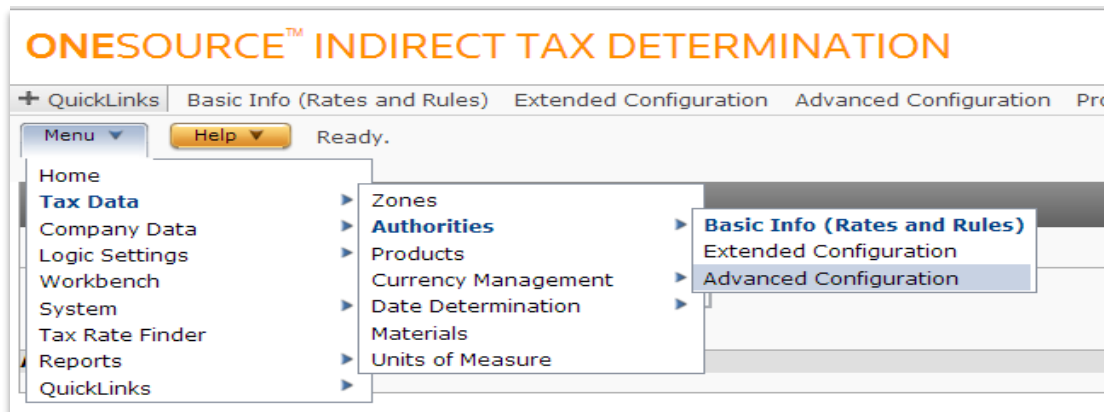
The authority rule qualifier added to the above-mentioned rule is the following:

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.

Advanced Configuration Search Options Logic Mappings

Selected Authority: Finland Domestic Reverse Charge Search Actions

Search for Authorities:

Tax Data Type: Authority Name: Templates: ☐ Custom: ☐

Search Results:

Authority Name	Product Group
Search Results	
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.

Advanced Configuration Search Options Logic Mappings

Selected Authority: Finland Domestic Reverse Charge **Selected Authority Option:** (Creating a new authority option) Submit Actions

Custom Authority Options:

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

No Custom Authority Options Found

Tax Data Provider Authority Options:

Name	Condition	Value	Start Date	End Date
AT - Ancillary Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901	31
Chain Transaction Transport	- None -	Either	01/01/1901	31
Customer Location Reverse Charge	Both	Registration Required	01/01/1901	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: <div><div></div></div>		Gross Amount: 100.00		Eff%: 0%						
Zone		Authority		Invoice Desc		Type	Dir	Fee	Rate	Tax Amt TT IT
Country: FINLAND		Finland Domestic Reverse Charge		Domestic Reverse Charge 2012.811292 -- Unwrought; waste and scrap; powders (Art.8 (d) VATA)		RC	O		24%	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%	24.00
									0.00 USD	
<div><div></div> Authority Messages:</div>										
Authority		RuleOrder		Message						
Finland Domestic Reverse Charge		6595.7446		EUBG16: Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki						
Finland Domestic Reverse Charge		6595.7446		EUBG25: Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki						

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

Tax Calculation Results										
Scenario 2020 August 1st Update - Finland DRC (New authority):										
View Results: <input type="button" value="1"/>		Gross Amount: 100.00	Eff%: 0%							
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT	
Country: FINLAND	Finland Domestic Reverse Charge	Domestic Reverse Charge 2012.811292 -- Unwrought; waste and scrap; powders (Art.8 (d) VATA)	NL	O		0%	0.00			
							0.00 USD			
 Authority Messages:										
Authority	RuleOrder	Message								
Finland Domestic Reverse Charge	6595.7447	EUSG14: Käännetty 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: 3 ▾		Gross Amount: 100.00		Eff%: 0%							
Zone		Authority		Invoice Desc		Type	Dir	Fee	Rate	Tax Amt	TT IT
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: 3		Gross Amount: 100.00	Eff%: 0%											
Zone		Authority	Invoice Desc					Type	Dir	Fee	Rate	Tax Amt	TT	IT
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

Scenario 2020 August 1st Update - Finland DRC (New authority):

View Results: 2

Gross Amount: 100.00

Eff%: 0%

Zone

Authority

Invoice Desc

Type

Dir

Fee

Rate

Tax Amt

TT

IT

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

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												
Scenario 2020 August 1st Update - Finland DRC (New authority):												
View Results: 2		Gross Amount: 100.00		Eff%: 0%								
Zone		Authority		Invoice Desc		Type	Dir	Fee	Rate	Tax Amt	TT	IT
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	EUSPP1: Käännetty verovelvollisuus - Art. 8 Arvonlisäverolaki									

CONCLUSION

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