

Importation of
Personal and Household Effects
and
Private Motor Vehicles
as Removal Goods
into Finland

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Importation of Removal Goods into Finland

This guide deals with customs duties and taxes on removal goods, including motor vehicles, imported by immigrants, i.e. persons moving permanently to Finland. The following three basic questions are addressed:

- **Importation of removal goods from member states of the European Union**
- **Importation of removal goods from outside the European Union**
- **Importation of motor vehicles from abroad as part of removal goods.**

The guide also contains information for persons moving to Åland.

Information on the importation of temporary visitors' belongings and vehicles free of customs duties and taxes is given in separate customer bulletins ("Customs Instructions for Passengers" and "Temporary Use of Motor Vehicles in Finland"). There is also available a bulletin for those who import a used motor vehicle into Finland otherwise than as removal goods ("Importation of Used Motor Vehicles into Finland").

I Who is an immigrant

An immigrant is a person who moves from abroad to Finland and stays as a permanent resident. A person whose permanent place of residence is abroad and who arrives in Finland for a temporary stay, e.g. as a tourist or for studies or temporary employment, is not an immigrant.

People may also originally come to Finland temporarily but later decide to stay permanently. These persons, too, are on certain conditions entitled to bring in a vehicle as part of removal goods within the meaning of the Car Tax Act .

2 Where shall removal goods be declared

Removal goods, including motor vehicles, imported from outside the EU must be declared for the customs procedure of release for free circulation to the customs authorities of the place of importation.

Importation of removal goods from within the EU is free of customs duty.

Irrespective of whether they come from within or from outside the EU, persons importing a vehicle must immediately at their arrival in Finland notify Customs of the importation of the vehicle as part of removal goods. The vehicle may be used in Finland only under a permit of the authorities in cases provided for by law.

More detailed information on the implementation of taxation can be obtained from the Customs Districts (for VAT, see section 5.8).

3 Removal goods imported from EU countries (see also section 5 for importation of motor vehicles as part of removal goods)

When a person moves to Finland from another EU country, his personal property is, with certain exceptions, admitted free of customs duties, taxes and other restrictions applied to importation. The only restrictions are the prohibitions referred to in Article 36 of the Treaty of Rome and justified by e.g. public morality, public policy or public security, or the protection of health of animals or plants.

The member states of the European Union

are Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom.

4 Removal goods imported from outside the EU (see also section 5 for importation of motor vehicles as part of removal goods)

When a person moves to Finland from outside the EU, the EU Regulation on reliefs from customs duty and the Finnish Value Added Tax Act are applied to his removal goods. By virtue of these statutes, the personal property, i.e. the removal goods, of an immigrant coming from outside the EU may be exempted from customs duty and VAT.

According to the EU Regulation on reliefs from customs duty, personal property means goods intended for the personal use of the persons concerned or for meeting their household needs i.e. household effects, cycles and motorcycles, private motor vehicles and their trailers, caravans, pleasure boats and private aeroplanes. Household provisions appropriate to normal family requirements, household pets and saddle horses, as well as the portable instruments of the applied or liberal arts, required by the person concerned for the pursuit of his trade or profession, also constitute personal property. Personal property must not

be such as might indicate, by its quantity, that it is being imported for commercial reasons. Household effects are considered to comprise personal effects, household linen, furnishings and equipment intended for the personal use of the persons concerned or for meeting their household needs.

Relief from customs duty and VAT is not granted for alcoholic products, tobacco and tobacco products, commercial means of transport and articles for use in the exercise of a trade or profession, other than portable instruments of the applied or liberal arts.

Certain goods, such as live animals, animal products, plants and parts of plants as well as firearms and ammunition, may be imported only on special conditions. More information on these import restrictions can be obtained from the customs authorities, if necessary.

Removal goods are exempted from customs duty and VAT on the following conditions:

- Relief from customs duty on removal goods may be granted to persons whose permanent place of residence has been outside the EU for at least 12 months. In justified special cases, if applied for in advance, the National Board of Customs may grant an exception to this rule if the intention of the person concerned was to stay outside the EU for an uninterrupted period of at least 12 months.
- The goods have been under the ownership of the immigrant or in his possession under conditions leading to ownership, outside

the EU for 6 months. In the case of non-consumable goods, the goods must also have been in his use at his previous permanent place of residence for at least 6 months before the date on which he ceased to be permanently resident in the country concerned outside the EU. In justified special cases, if applied for in advance, the National Board of Customs may grant exceptions to the time limit.

- The goods are intended for the same use at the new permanent place of residence.
- Relief from customs duty is granted only in respect of goods declared to Customs for release for free circulation within 12 months from the date on which the immigrant establishes his permanent place of residence in Finland. The goods may be imported in several consignments within the period of 12 months. In justified special cases, if applied for, the National Board of Customs may grant exceptions to the time limit. See section 5 for the conditions for reduction of car tax and for the time limits.

The goods may not be lent, given as security, hired out or otherwise transferred to another person, whether for a consideration or free of charge, until 12 months after the date on which their entry for free circulation was accepted. If the immigrant is going to do one of these actions, he must immediately inform the Customs District concerned.

If the goods are lent, given as security,

hired out or otherwise transferred before the expiry of the above mentioned time limit of 12 months, customs duty and VAT are collected. See section 5.3.5 for the time limit relating to car tax.

Exceptions:

- If a person undertakes to move permanently to Finland within 6 months, he can be allowed to import goods free of customs duty and VAT into Finland in advance. This permission is granted by the Customs District through which the goods are imported. The immigrant must provide a security determined by the Customs District.
- If a person leaves his permanent place of residence in a country outside the EU owing to occupational commitments without immediately moving to the customs territory of the EU on a permanent basis, duty-free admission can be granted for his removal goods. This is granted by a Customs District on condition, however, that the person undertakes to move to the customs territory of the EU at a later stage within a period of time of a length set by the Customs District depending on the circumstances. He may also be required to give a security as in the above case.
- If a person has to transfer his permanent place of residence from a country outside the EU to Finland owing to exceptional political circumstances, the National Board of

Customs may, on application, grant him exceptions to some of the above provisions (e.g. the requirement that the goods have been used for 6 months outside the EU).

5 Motor vehicles as removal goods

Motor vehicles imported from within the EU are subject to the Finnish Value Added Tax Act and Car Tax Act. When vehicles are imported as removal goods from outside the EU, these two national Acts as well as the EU Regulation on reliefs from customs duties are applied.

Before an imported taxable vehicle is registered or brought into use in Finland, car tax must be paid for it in accordance with the provisions of the Car Tax Act. Car tax must always be paid unless the vehicle is non-taxable by virtue of that Act.

5.1. Transfer permit

A vehicle not registered in Finland may not be used on the road except in cases specified by law. **A particular permit given by Customs is always** needed and usually also a transfer permit (transfer permit + transfer marks + insurance) granted by the Finnish Vehicle Administration AKE. The Customs permit is not necessary when a person residing permanently in some other state than Finland temporarily imports a vehicle, registered outside Finland, for his own need for a continuous period of at most six months or for a non-continuous period of at most twelve months. More information on

temporary tax-free use of vehicles is available from customer bulletin No. 5 "Temporary Use of Motor Vehicles in Finland".

A vehicle for which no tax has been paid but which is going to be registered in Finland may be used under a transfer permit or the 30-day rule explained below only on condition that a separate permit granted by Customs has been acquired.

As stated above, a transfer permit given by the Vehicle Administration AKE is normally needed in addition to the permit of Customs. The immigrant may, however, use his vehicle on the road in Finland for his own purposes without a transfer permit for a period of 30 days before the vehicle is registered in Finland **if the vehicle has a valid foreign registration**. The time limit is counted from the importation if the owner of the vehicle arrives in Finland with the intention to stay as a permanent resident. For those deciding to become permanent residents after a temporary stay, the time limit is counted from the date on which the owner, after his arrival, is considered to have remained permanently in Finland. After these 30 days a transfer permit is required.

Transfer permits are granted by the vehicle inspection stations and Customs upon application. The application must give e.g. the chassis number and the previous registration number of the vehicle, the necessary details about the vehicle and the applicant as well as the purpose and route of the transfer. Under the transfer permit, the vehicle may only use the route stated in the permit, e.g. from the place of importation to the customer's place of residence or from the place of residence to Customs.

5.2 Taxable and non-taxable vehicles

Taxable vehicles are passenger cars, vans and other motor cars with an unladen weight of less than 1 875 kg, motorcycles (categories L_{3e} and L_{4e}) as well as tricycles and quadricycles (categories L_{5e} and L_{7e}). For example, a camper the unladen weight of which is at least 1 875 kg and inside height at least 190 cm is free of car tax. The camper must also fulfil the conditions stated in Decision No. 1207/1990 of the Ministry of Transport and Communications, as amended.

Mopeds of categories L_{1e} and L_{2e} and certain other three- or four-wheeled vehicles (L_{6e}) with engines with a cylinder capacity not exceeding 50 cubic centimetres are not taxable. (Details of the categories are given in the Vehicle Act No. 1090/2002.)

More detailed information on how the taxable value and the amount of tax are determined as well as examples of calculating the tax are available from customer bulletin No. 20 "Importation of Used Motor Vehicles into Finland".

5.3 Tax reduction for motor vehicles imported as removal goods

5.3.1 General

According to the Finnish Car Tax Act, car tax is collected before the vehicle is registered or taken into use irrespective of whether the vehicle has been imported from within the EU or from outside the EU.

The car tax on one taxable private motor

vehicle imported by an immigrant in connection with moving to Finland is reduced by a maximum of 13 450 euro provided that

- the immigrant has been abroad for an uninterrupted period of at least one year immediately before moving to Finland
- the vehicle has been under the ownership of the immigrant or his married spouse, or in their possession under conditions leading to ownership, and in the use of the immigrant abroad for a period of at least six months immediately before his moving to Finland, and,
- if the immigrant has earlier imported a vehicle with reduced tax or free of tax, the time limit after which that vehicle may be transferred to another person without payment of tax has expired before his moving to Finland.

NOTE! If the immigrant has transferred a vehicle, imported as removal goods, to an insurance company in Finland because of damages or transferred the vehicle for use abroad and later intends to import another vehicle as removal goods, the above time limits concerning importation of the latter vehicle begin to run only after 30 months from the date on which tax reduction was granted for the vehicle brought in earlier.

Unmarried partners are not equivalent to married spouses for the purposes of ownership and use of the vehicle abroad. Therefore an un-

married partner is not allowed to import his or her partner's vehicle from abroad with reduced car tax as removal goods even though he or she had used the vehicle abroad. Persons having registered their partnership are comparable with married couples for the purposes of tax legislation.

If there are questions of interpretation in some respect, it is recommended to contact in advance the customs office at which the vehicle will be declared for taxation. In these situations, the National Board of Customs can be asked to give an advance ruling as to how the Car Tax Act will be applied to the case concerned (see section 5.9).

An immigrant may bring in only one taxable vehicle with a reduced tax, e.g. one passenger car or one van or one motorcycle.

Tax reduction can be granted for a taxable vehicle also in the case that the immigrant imports a non-taxable vehicle, e.g. a camper, at the same time.

If the car tax is more than 13 450 euro, the exceeding tax amount and VAT on it are collected.

Example of calculating the reduced tax

Price generally asked for a similar used car in Finland	60 000.00 euro
Usual discounts (5% and 750 euro)	<u>- 3 750.00 euro</u>
General retail sale value	56 250.00 euro
Car tax (29% x general retail sale value)	16 312.50 euro
Tax reduction for importation as removal goods	<u>- 13 450.00 euro</u>
Car tax to be paid	2 862.50 euro
VAT on car tax (22%)	<u>629.75 euro</u>
Car tax and VAT collected in total	3 492.25 euro

5.3.2 Importation of vehicle in connection with removal

The Car Tax Act requires that the vehicle is imported to Finland in connection with the removal. In practice, this means that the importation of the vehicle is caused by the removal and takes place at the same time. It is taken into account, however, that the vehicle and the immigrant cannot always come to Finland at the same time, e.g. because there are problems of transport owing to the distance between Finland and the country concerned.

A vehicle is considered to be imported in connection with removal if it is imported within six months from the person's removal to Finland. If the vehicle is imported before the person's removal, an interval of about 2 to 3 months between the importation and the removal is allowed.

5.3.3 Use of vehicle immediately before removal

The requirement concerning the use of a vehicle, which is a condition of granting the car tax reduction at importation as removal goods, is considered to be met if the vehicle has been used by the immigrant or can be deemed to have been in his use for at least six months before the removal. A vehicle is deemed to have been in the immigrant's use if it has been duly registered and insured for use on the road in the former country of residence.

5.3.4 Visits to Finland while living permanently abroad

The immigrant shall have stayed abroad for an uninterrupted period of at least one year immediately before moving to Finland. However, tax reduction is granted also in the case that the immigrant, before moving to Finland, has visited Finland for reasons of acquisition of a residence

or work, or for reasons which are to be considered as compelling bearing in mind his situation, or for reasons of an ordinary holiday trip, temporary work or other comparable short visit and after that returned back abroad.

It is an established taxation and legal practice that an average of 72 days' stay in Finland owing to a normal holiday trip is allowed during the period of one year preceding moving to Finland. This time limit may usually be exceeded only if the person concerned explains his stay in Finland by reasons that are to be considered as compelling or by other comparable reasons. A reason has been assessed to be compelling if it has been unforeseeable and beyond the immigrant's control and from a subjective point of view compelled him to stay in Finland. The immigrant's own illness has in some cases been considered to be a compelling reason on certain conditions. This has been possible if the illness has been serious and the patient has been in acute need of medical care. It is also required that the treatment of the illness particularly in Finland is justifiable.

Reasons of work have not been considered as compelling. Besides, a stay allowed for reasons of work must be occasional and of short duration. According to the established decision practice, a stay of at most 40 to 50 days has been accepted.

A vehicle entered in the export register (for details see section 5.7) may be used for visits to Finland, but not, however, during one month immediately after moving from Finland or one month immediately before moving back to Finland.

5.3.5 Use of vehicle and transfer to another person after removal to Finland

A vehicle which has been granted tax reduction as removal goods may not, without payment of the tax in full, be sold, hired out or otherwise transferred to another person, nor be put at the disposal of persons other than members of the immigrant's family, whether for a consideration or free of charge, before the vehicle has been under the ownership of the immigrant or his spouse or in their possession under conditions leading to ownership and in the use of the immigrant for in all **three years, of which, however, after the removal at least one year in Finland.**

The time during which the vehicle **prior to the person's moving to Finland** has been in a free zone or elsewhere in Finland is not considered as time of use. However, the use of the vehicle during visits to Finland referred to in section 5.3.4 counts as time of use. If the vehicle has been granted tax reduction by virtue of the provisions on taking up permanent residency after temporary stay (see section 5.4.1), the period from the date of the person's arrival in Finland for a temporary stay to the date of the tax decision granting a reduced tax for the vehicle does not count as time of use.

The period of use in Finland **after the person's moving to Finland** is considered to begin on the date of the tax decision by which the vehicle was granted the tax reduction referred to in Section 25 of the Car Tax Act. Only that period during which the immigrant

and the vehicle are in Finland at the same time counts as time of use. Thus the time limit runs in Finland only when the vehicle is used by **the immigrant** in Finland. For example, if the vehicle is removed from the register or when the immigrant stays abroad, the time limit ceases to run. It runs, however, during the arrangement that the vehicle is not used but is registered and insured at a reduced rate in winter between 11 November and 30 April.

The family of the immigrant comprises his married spouse living in the same household with him as well as his and his spouse's unmarried children who also live in the same household with him. So, for example, the immigrant's parents, brothers and sisters do not belong to the immigrant's family although they lived in the same household with him. Couples of the same sex having registered their partnership are comparable with married couples.

A person of the opposite sex who is permanently living together with the immigrant in the same household without their getting married but under circumstances similar to a marriage is in this connection considered equivalent to a married spouse and is entitled to use the vehicle after the immigrant's moving to Finland also during the ban on transfer of the vehicle.

If the vehicle has been imported from outside the EU, it is also subject to other restrictions on transfer concerning removal goods brought from outside the EU (see section 4 Removal goods imported from outside the EU).

As an **exception** from that stated above, the immigrant may, before the expiry of the time limit, transfer a vehicle deleted from the reg-

ister free of tax either to an insurance company if the vehicle has been damaged, or for use abroad. The vehicle has to be deleted from the Finnish register before such transfer. It is also to be noted that if the vehicle is registered anew or used on the road in Finland, the normal car tax is collected. In such cases the tax has to be paid by the person who takes the vehicle into use or registers it in Finland.

5.4 Special cases

5.4.1 Persons staying as permanent residents after temporary stay

A person who has stayed in Finland temporarily before moving to Finland permanently is entitled to the tax reduction granted in respect of a vehicle imported as part of removal goods if he can show that the requirements for the reduction have been fulfilled immediately before his arrival in Finland for a temporary stay. In assessing whether the requirements have been fulfilled, arrival in Finland means the date on which the person arrives in Finland for the first time for a temporary stay.

For getting the tax reduction, it is also required that the vehicle **is declared** for taxation as removal goods **within six months from the beginning of the temporary stay**. If the vehicle has been in Finland temporarily free of tax as a so-called tourist car within the meaning of the second subsection of Section 2 of the Car Tax Act and the time limit for the tax-free use of the vehicle has been extended by a written permit

of the Customs District concerned, the declaration may be lodged before the extended period expires but not later than within 18 months from the beginning of the temporary stay.

The above-mentioned obligation to declare is a condition for granting the vehicle tax treatment as removal goods. Thus a vehicle which has been used in Finland but which has not been declared for taxation as removal goods within the prescribed time is not considered being imported as removal goods.

5.4.2 Students

Tax reduction is not granted to a person who at the time of his moving to Finland is under 18 years old or to a person who has earlier lived in Finland and during the one-year period preceding his moving has stayed abroad mainly for study purposes. However, tax reduction is granted to the latter if he can prove that the conditions of tax reduction for removal goods have been met during uninterrupted stays abroad during which he has not studied.

According to that stated above, a vehicle may be imported as removal goods if the immigrant can prove that he has stayed abroad for an uninterrupted period of at least one year for purposes other than studies and that he has also owned and used the vehicle without interruption for at least six months during which he has not studied. Part of the period required may elapse also during the last year preceding the person's moving to Finland if he has not studied during that particular time.

Studies referred to above are studies pre-

paring for a performance within the scope of the curriculum of a university or other educational institute as well as practical training, including on-the-job training, relating to these studies, unless the activity is to be considered as independent research work. For example, preparing a doctoral or licentiate thesis is considered to be independent research work. On the other hand, training organised by the labour market authorities and on-the-job learning in that connection are not regarded as studies within the meaning of the relevant provisions.

5.5 Documents needed at importation of vehicle

The immigrant must prove with documents that the conditions for freedom from tax or for tax reduction are met.

The stay abroad can normally be proved e.g. with a certificate given by the employer or the population registration authorities of the foreign country concerned or, in some cases, with entries in the passport.

The ownership and possession of a vehicle usually appear from the purchase invoice or other documents on transfer or registration. The use of the vehicle must be proved by presenting, inter alia, a certificate of motor liability insurance.

If requested, the immigrant must produce also other evidence to prove eligibility for freedom from tax.

5.6 Car tax declaration and collection of tax

Before the vehicle is registered or taken into use in Finland, the immigrant must submit a car tax declaration to the tax authorities. The declaration shall contain details for identifying the vehicle as well as details about the standard of its equipment and about how long the immigrant has owned and used the vehicle. This information is needed e.g. for determining the taxable value of the vehicle.

The importer of the vehicle must be prepared for the possibility that Customs examines the vehicle when the tax declaration is submitted. The vehicle is always examined if the immigrant uses his right to demand that the particular characteristics of his vehicle are taken into account because he considers that they are of essential importance for the general retail sale value of the vehicle.

The tax authorities carry out taxation on the basis of the declaration, and after the taxes have been paid, they give permission to register the vehicle. If car tax remains to be paid, a VAT of 22 % on the car tax is also collected. The vehicle may not be used in Finland before the taxation has been carried out, unless Customs has granted a temporary driving permit or a transfer permit.

A car tax declaration must be lodged for all vehicles, i.e. also in case no car tax remains to be collected.

Taxation is the responsibility of Customs when a vehicle is registered or brought into use for the first time. After that, the Vehi-

cle Administration AKE carries out the taxation which may become necessary owing to changes in the construction, purpose of use or ownership of the vehicle. However, if a vehicle imported as removal goods is transferred contrary to the conditions of exemption from tax or the conditions of tax reduction, the taxation is carried out by Customs (see section 5.3.5 "Use of vehicle and transfer to another person after moving to Finland").

5.7 Inspection and registration of vehicle

Information on the inspection and registration of vehicles can be obtained from **the Vehicle Administration AKE and the vehicle inspection stations**. It is recommendable to contact these already prior to moving to Finland and ask for information about e.g. EU type approval and the requirements to be met by the vehicle.

A new vehicle acquired in Finland and intended to be taken into use abroad may be exported from Finland as a so-called **export-registered** vehicle. Export registration is valid for one year from the end of the month in which the registration decision was given.

It depends on the legislation of the country to which the vehicle is taken whether the vehicle must be registered there during the period of one year that the export registration is valid. Information and guidance on export registration can be obtained from the Vehicle Administration AKE. An export-registered vehicle may not be used in Finland during one month im-

mediately after moving from Finland or during one month immediately before moving back to Finland.

If an export-registered vehicle is used for visiting Finland, the visitor must ask the customs authorities to enter the dates of arrival and departure in the documents.

The postal address of the Vehicle Administration AKE is PO Box 120, 00101 Helsinki, tel. 0100 7800 (0.08 euro/min + local call).

5.8 Customs duty and value added tax

No customs duty or VAT is collected on a vehicle imported for private use as part of removal goods from a country outside the EU, with the exception of VAT collected on the car tax which possibly remains to be paid.

Trade in new means of transport from one EU member state to another is subject to special provisions as regards VAT. If a new means of transport referred to by the Finnish VAT Act is purchased in another member state and imported into Finland, the buyer has to pay VAT in Finland on the intra-Community purchase of the vehicle. In this connection, a means of transport is considered to be new if it has been sold at most six months after being brought into use for the first time, or if it has travelled at most 6 000 kilometres.

Example: a passenger car is a new means of transport if it has been brought into use for the first time eight months ago and has travelled 4 000 kilometres.

If, according to the Car Tax Act, car tax has to be paid for such vehicle, the Customs Dis-

trict collects the VAT on the intra-Community purchase of the new vehicle at the same time as the car tax, provided that the importer is not liable to pay VAT for other activity (for VAT on car tax, see section 5.6 Car tax declaration and collection of tax). Otherwise the VAT on intra-Community purchases of new means of transport is collected by the Tax Office. Further information can be obtained from the publications of the National Board of Taxes No. 180e.04, 1 September 2004: *Private individual buys a new means of transport in another EU member state* and No. 179e.04, 1 September 2004: *VAT instructions on new means of transport – instructions for VAT liables*. Both are available on the Internet at address www.vero.fi.

When a Finnish person moving to another EU member state buys a new vehicle in Finland, e.g. a tax-free one with export number plates, and takes it to that member state, the latter member state shall collect VAT on the vehicle on the basis of the Sixth VAT Directive of the EU. Therefore the person moving has to contact the tax authorities of that country for payment of the VAT on the intra-Community purchase. Further information can be obtained from the publication of the National Board of Taxes No. 170e.04, 1 September 2004: *Export of new car to another EU member state by individuals*. When such vehicle is brought back to Finland after the stay abroad, Customs requests the person concerned to present documents indicating whether the VAT on the purchase price has been paid in the other member state or not.

5.9 Advance ruling and tax relief

If the matter is of special importance to the person concerned, the National Board of Customs may, upon application, give an **advance ruling** on how the Car Tax Act and the VAT Act are applied to the taxation of his vehicle before it is registered for the first time.

Advance rulings are given on questions of interpretation of the law. Advance rulings are given for concrete situations on the basis of the facts presented by the applicant, not on questions of a general nature. No advance ruling is given on the calculation of the amount of car tax or VAT or, because not provided for by the Community legislation, on the amount of customs duty or on exemption from customs duty.

An advance ruling decision given to a private person is subject to a charge, which in 2006 was 110 euro. Advance rulings are appealable.

By virtue of Section 50 of the Car Tax Act, the National Board of Customs may, upon application and on conditions determined by the Board, grant **relief from car tax** for special reasons. A corresponding provision on relief from VAT is in Section 210 of the VAT Act.

When applying for tax relief, it should be born in mind, however, that relief can be granted only in certain special cases. Decisions on tax relief are free of charge. They are not appealable.

Also applications for exceptions provided for by the EU Regulation on reliefs from customs duty are treated by the Board of Customs as applications for tax relief (see section 4 Re-

moval goods imported from outside the EU).

Both advance rulings and tax reliefs can be applied for with freely formulated applications addressed to the National Board of Customs, PO Box 512, 00101 Helsinki.

6 Åland Islands and removal goods

6.1 Declaration of removal goods when moving to Åland

Persons bringing removal goods, such as household effects, boats or vehicles, to Åland from the EU or from countries outside the EU shall immediately at their arrival notify the customs authorities of the importation of the goods at the place of arrival. After that the goods are sent under the customs transit procedure to Mariehamn Customs. There the goods are declared for the customs procedure of release for free circulation. The conditions for importation of removal goods are given in section 4.

If the conditions for importation as removal goods are not met, normal taxation is carried out. In that case, VAT is collected on goods brought in from within the EU territory and also customs duty on goods brought in from outside the EU (see Act No. 1266/1996 laying down exceptions to VAT and excise legislation concerning the Province of Åland). As regards car tax on vehicles imported as removal goods and VAT collected on car tax, that stated in section 5 is applied, as appropriate.

6.2. Removal goods between Åland and the Finnish mainland

Persons moving from Åland to the Finnish mainland, or vice versa, should contact Mariehamn Customs in questions concerning VAT on removal goods (see the Act on exceptions mentioned above).

The following basic requirements must be met in order that goods (e.g. household effects, boats and vehicles) can be regarded as removal goods between Åland and the Finnish mainland (see also section 4 Removal goods imported from outside the EU)).

- The immigrant must have had his permanent place of residence on the other side of the tax border for at least 12 months
- The goods must have been owned by the immigrant and, with the exception of consumer goods, been in his use for at least 6 months
- The goods may not be lent, given as security, hired out or transferred to another person, whether for a consideration or free of charge, until 12 months after importation.

If these requirements are not fulfilled, VAT is collected on the goods and also excise duty on excisable goods.

Further information on inspection and registration of vehicles in Åland can be obtained from the Motor Vehicle Office of Åland, address

Motorfordonsbyrån, Möckelövägen 58, 22120 Mariehamn, tel. (018) 525 840

7 Enquiries

Further information on importation, customs clearance and car taxation of removal goods and the necessary documents is available e.g. from the customs offices listed below and the Customs Information Service of the National Board of Customs, tel. 020 391 100. The Information Service also answers enquiries on the Internet, address: <http://www.tulli.fi>.

Texts of acts and decrees (in Finnish and Swedish) can be bought at Edita Oyj and its bookshops.

**Car Taxation Advice,
tel. 020 690 601**

**Customs Information Service,
tel. 020 690 600
fax 020 492 1812**

address
PO Box 512, 00101 Helsinki

**Enquiries about car taxation
by e-mail: autohki@tulli.fi**

www.tulli.fi

www.ake.fi

Southern Customs District

Car taxation

Vilhonvuorenkatu 12 B
PO Box 62, 00501 HELSINKI
tel. 020 690 602

Hanko Customs

Vapaasatama, 10900 HANKO
tel. 020 492 3608, 020 492 3609
(advice on removal goods
by appointment, if needed)

Lahti Customs

Jussilankatu 4
PO Box 110, 15101 LAHTI
tel. 020 492 3940
(advice on removal goods
by appointment, if needed)

Western Customs District

Turku Customs

Satamakatu 22
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Annex

Provisions on motor vehicles imported as removal goods (Sections 6, 6a, 8, 10 a, 25–27 a, 30 and 35 a) of the Car Tax Act (Statute Book of Finland No. 1482/1994 and amendments Nos. 413/1997, 1160/1998, 421/2001, 925/2001, 266/2003 and 1126/2005)

(Unofficial translation)

Car Tax Act 1482/1994

Section 6

(266/2003) *The tax on a vehicle to be taxed as new, or a vehicle manufactured after the year 2002 and taxed as used is*

1) *28 per cent of the taxable value, reduced by 650 euro in respect of a passenger car and another car referred to in the first subsection of Section 10 a, if the vehicle is powered by an energy source other than diesel oil. The tax is 28 per cent of the taxable value, reduced by 450 euro, if the car is powered by diesel oil;*

2) *the tax on a motorcycle and another taxable vehicle of category L is based on the cylinder capacity or the energy source used, as follows:*

Cylinder capacity	Tax percentage
<i>not more than 130 cc</i>	<i>8</i>
<i>131–255 cc</i>	<i>10</i>
<i>256–355 cc</i>	<i>13</i>
<i>356–505 cc</i>	<i>16</i>
<i>506–755 cc</i>	<i>18</i>
<i>756 cc or more</i>	<i>20</i>
<i>Electric vehicle of category L</i>	<i>10</i>

When paragraph 1 of the first subsection is applied,

the amount to be deducted from the tax on a car which shall be taxed as used, is reduced per month, on the basis of the car's age, by 0.8 per cent of the residual value calculated at the end of each preceding month.

Section 6 a

(266/2003) *The tax on a passenger car manufactured before the year 2003 and taxed as used, on another car referred to in the first subsection of Section 10 a, on a motorcycle and on another taxable vehicle of category L is the proportion of tax included in the general retail sale value of similar vehicles when those vehicles were new. The proportion of tax is calculated according to the general tax base laid down in the car tax act in force when the vehicles concerned were new. The proportion of tax can be calculated on the basis of the proportion of tax included in the general retail sale value of more than one vehicle model, taking account of information concerning the taxation and the prices of cars of the same make.*

The National Board of Customs determines the proportion of tax in tables published by the Board. The proportion of tax set out in the table shall apply to taxation cases initiated not less than 14 days after the publication of the table concerned. However, the proportion of tax set out in the table may be applied already from the day of publication, if the proportion

of tax according to the table is lower than the proportion calculated according to the third subsection.

If the proportion of tax has not been published in the table, or if less than 14 days have passed since its publication, the proportion of tax is the following:

1) 29 per cent of the taxable value in respect of a passenger car and another car referred to in the first subsection of Section 10 a, if the vehicle is powered by an energy source other than diesel oil. The tax is 30 per cent of the taxable value, if the vehicle is powered by diesel oil;

2) The tax on a motor cycle and another taxable vehicle of category L is based on the cylinder capacity or the energy source used, as follows:

Cylinder capacity	Tax percentage
not more than 130 cc	9
131–255 cc	12
256–355 cc	15
356–505 cc	19
506–755 cc	21
756 cc or more	23
Electric vehicle of category L	12

If the amount of tax calculated according to the third subsection exceeds the tax included in the residual value of a corresponding vehicle on the market, the excess part of tax shall not be levied.

Section 8

(266/2003) The tax on a van and on another vehicle referred to in the second subsection of Section 10 a, which is taxed as used, is the tax levied on a cor-

responding new vehicle, reduced per month, on the basis of the vehicle's age, by 0.8 per cent of the residual value of the tax calculated at the end of each preceding month.

Nevertheless, no more tax is levied than the proportion of tax included in the general retail sale value of similar vehicles which were taxed according to general car taxation principles, when those vehicles were new. The procedure prescribed in Section 6 a shall apply for the purpose of calculating the proportion of tax so that the tax referred to in the third subsection of Section 6 a shall be 16 per cent of the vehicle's taxable value in respect of vans taxed at a reduced rate and service cars as well as in respect of vehicles of category M_1 with an unladen weight of 4 500–5 999 kilograms. The tax referred to in the third subsection of Section 6 a shall be 30 per cent of the vehicle's taxable value in respect of vans other than those taxed at reduced rates.

The provisions of Sections 23 and 24 apply in respect of the preconditions for taxing a van at reduced rates, irrespective of the time when the vehicle was manufactured.

Section 10 a

(266/2003) The taxable value of a passenger car (M_1) with an unladen weight of less than 4 500 kilograms, of a bus (M_2) with an unladen weight of less than 1 875 kilograms, of a motorcycle (L_{3c} and L_{4c}) and of another taxable vehicle falling within category L is the general retail sale value referred to in Sections 11 b and 11 c (general retail sale value based taxation). When the second subsection of Section 8 applies, the general retail sale value of other

vehicle categories shall be determined on the same grounds.

The taxable value of a new van (N_1), of a service car with an unladen weight of not less than 1 875 kilograms, of a vehicle of category M_1 with an unladen weight of 4 500–5 999 kilograms and of a vehicle other than one referred to in the first subsection is the acquisition value referred to in Section 11 in the hands of the person liable to pay tax (acquisition value based taxation). If a used van or another used vehicle is taxed on the basis of the provisions of the first subsection of Section 8, the taxable value of a corresponding new vehicle shall nevertheless be determined according to the provisions of Section 11 a.

If a vehicle, which has already been taxed in Finland has to be re-taxed, or if additional tax has to be levied, the taxation shall be based on the acquisition value or on the general retail sale value, according to the principle applied when the vehicle was taxed for the first time in Finland. However, a vehicle which shall be re-taxed by virtue of Section 3 shall be taxed according to the provisions of the first subsection of Section 9.

Section 25

(421/2001) The tax on one taxable vehicle imported by a person moving to Finland in connection with the removal and forming part of that person's private household, is reduced by not more than 13 450 euro (925/2001), provided that the following conditions are fulfilled:

1) the person concerned has been abroad for

an uninterrupted period of not less than one year immediately before moving to Finland;

2) the vehicle was under the ownership of the person moving, or of his or her married spouse, or the vehicle was in their possession under conditions leading to ownership, and was used by the person moving for a period of not less than six months immediately before the person's moving to Finland; and

3) if the person moving has earlier imported a vehicle with reduced tax or free of tax to Finland, the time limit laid down after which it may be transferred free of tax has expired before the person's moving to Finland.

A person who at the time of his or her moving to Finland is under 18 years old or a person who has earlier lived in Finland and during the period of one year preceding his moving has stayed abroad mainly for study purposes is not entitled to the reduction referred to in the first subsection. However, tax reduction is granted for the latter if he or she can prove that the requirements laid down in the first subsection have been met during uninterrupted periods abroad during which he or she has not studied.

The tax reduction referred to in the first subsection is granted also to a person who has stayed in Finland temporarily before moving to live permanently in Finland, if he or she can show that the requirements laid down in the first subsection have been fulfilled immediately before his or her arrival in Finland for a temporary stay. In that case it is also required that the vehicle is declared for taxation as part of removal goods within six months from the beginning of the temporary stay. If the vehicle has been in Finland temporarily free of tax within the meaning of the second subsection of Section 2

of the Car Tax Act and the time limit for the use of the vehicle free of tax has been extended in the manner laid down in Section 32, the declaration can be lodged before the extended period expires but not later than within 18 months from the beginning of the temporary stay.

Section 26

Notwithstanding the provisions of paragraphs 1 and 2 of the first subsection and the provisions of the third subsection of Section 25 concerning the stay and the use of the vehicle abroad by the person moving to Finland, the tax reduction is granted also in the case that the person has visited Finland before moving or before the beginning of the temporary stay referred to in the third subsection of Section 25, for reasons of acquisition of a residence or work, or for other reasons, which are to be considered as compelling, bearing in mind the situation of the person concerned. The tax reduction is also granted if the reason for the visit to Finland is an ordinary holiday or temporary work, or a short term stay for other comparable reasons. **(421/2001)**

Studies in order to prepare for a performance within the scope of the curriculum of a university or other educational institute and relating practical training are considered to constitute studies referred to in Section 25, unless the activity is to be considered as independent research work.

Section 27

A vehicle imported in connection with a removal, for which a tax reduction or exemption has been granted by virtue of the provisions of Section 25, must

not, without payment of tax, be sold, hired out, or otherwise transferred to another person, nor be put at the disposal of a person not forming part of the moving person's family, whether for a consideration or free of charge, before the vehicle has been under the ownership of that person, or of his or her married spouse, or the vehicle has been in their possession under conditions leading to ownership, and has been in the use of the person moving, for a period of not less than three years and during that period not less than one year in Finland. **(413/1997)**

The married spouse and the unmarried children of a person moving to Finland constitute his or her family, referred to in the first subsection. A person of the opposite sex, living permanently together with the person moving to Finland in the same household, without their getting married, but under conditions similar to a marriage, is equivalent to a married spouse.

For the purposes of this Section, the period of time during which the vehicle prior to the person's moving to Finland has been in a free zone or elsewhere in Finland is not included in the period of use, except in the case of a temporary visit referred to in the first subsection of Section 26. If the vehicle has been granted tax reduction by virtue of the third subsection of Section 25, the period from the date of the person's arrival in Finland for a temporary stay to the date on which the tax decision granting reduction of tax for the vehicle was given does not count as time of use. The period of use in Finland after the person's moving to Finland is considered to begin on the date of the tax decision by which the vehicle was granted the tax reduction referred to in Section 25 of the Car Tax Act. However, after the person's moving to Finland, only the period during which

the person and the vehicle are in Finland at the same time counts as time of use. **(421/2001)**

Section 27 a

(421/2001) Notwithstanding Section 27, the person moving may, before the expiry of the time limit laid down in Section 27, transfer a vehicle, deleted from the register, free of tax to an insurance company if the vehicle has been damaged, or transfer it for use abroad. If a vehicle transferred in this way is taken into use or registered anew, the person taking it into use or registering it shall pay tax on the vehicle as provided in the third subsection of Section 30.

If a person who has transferred a vehicle in the way referred to in the first subsection imports again a vehicle in connection with moving to Finland, that vehicle may be granted tax reduction notwithstanding the provisions of paragraph 3 of the first subsection of Section 25. In that case it is considered, however, that the periods laid down in paragraphs 1 and 2 of the first subsection of Section 25 concerning the moving person's stay abroad as well as the use and ownership of the vehicle begin to run only after 30 months from the date on which reduction of tax under Section 25 was granted for the vehicle brought in earlier.

Section 30

(413/1997) If a vehicle for which tax has been collected by virtue of the present Act, or by virtue of the Act on Car and Motor Cycle Tax (482/1967) and which has been deleted from the register, is registered anew, or should be registered anew in Finland, car

tax is collected only to the extent that it would exceed the tax which has previously been collected on the vehicle and which has not been refunded, or reduced. Changes in exchange rates, or in the tax base, are not taken into account in the application of the present Section.

The Finnish Vehicle Administration AKE charges the tax referred to in the first subsection.

The above provisions of this Section shall not apply to a vehicle earlier registered in Finland and for which tax reduction has been granted on importation as removal goods in accordance with Section 25 but for which the time limit for transfer free of tax laid down in Section 27 has not expired before the vehicle is registered anew. If such vehicle is registered or should be registered in Finland, that part of the tax which exceeds the tax earlier paid for the vehicle shall be collected in accordance with the bases laid down in this Act. In that case the tax is charged by Customs. **(421/2001)**

Section 35 a

(1126/2005) A vehicle which a person has acquired for his or her own use and on which a car tax declaration has been lodged may be used temporarily without payment of tax under a permit granted by the customs authorities for at most three months from the granting of the permit. The permit can also be granted on condition that a car tax declaration is submitted within five days from the granting of the permit. The validity of the permit expires 10 days after the tax decision is given. The permit expires also if the ownership of the vehicle is transferred or if the inspection for registration of the vehicle is not started within 10 days from the grant-

ing of the permit.

If the tax declaration referred to in paragraph 1 or the tax decision is cancelled in the way referred to in Section 43, the person liable to pay the tax is charged not only with the payment for the advance ruling but also an additional payment, which is at most one tenth of the tax which should have normally been paid for the vehicle.

The Vehicle Act and the provisions laid down pursuant to that Act are applied to the use of the vehicle on the road.

Provisions on entry into force

Notwithstanding Section 10 of this Act, a vehicle to be taxed before 1 January 2007 is taxed in accordance with the provisions on used vehicles if the vehicle has before importation been registered or used on the road outside Finland for at least six months.

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