Annual information returns 2021

Teams clinic for software developers

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Welcome

- In this clinic we will go through new and changed 2021 annual information returns.

- Focus on the returns that are submitted by financial institutions e.g. Account Operators, banks and investment service companies.

Feedback on year 2020

- Statistics show that almost 79 000 000 itemizations were submitted

  -> Largest data flow is Purchase and sale itemization for Securities and Derivatives (VSAPUUSE) 48 000 000.

- Taxation of personal customers can be provided with this information

  -> Great! Thank you!

Timetables

- Data file specifications 2021 have been published in January 2021

- Forms and instructions for filling in have been published in March 2021
  - as well as language versions

- Data reception has started on 1.3.2021

Deadlines 2021

- When is annual information reported?
  - Annual information returns must be filed once a year.
  - In most cases, **the deadline for filing is January 31** after the end of the year when the payments were made**.**

  - In addition, the following annual information return has an exceptional filing deadline:
    - **15 February 2022**: Interest income subject to tax at source (VSKTVYSL)
  - If the filing deadline falls on a Saturday, Sunday or other holiday, the deadline for when the return must arrive at the Tax Administration is extended to the next business day.

  - We may grant you more time for filing your annual information return for a valid reason.

Annual information returns & Instructions - vero.fi

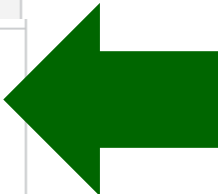Electronic filing of information returns General description (pdf)   NOTE!

How to report annual information

Making corrections to electronically filed submittals of information returns, reporting year 2020 (pdf) 6.11.2020

Making corrections to itemizations — deleting an earlier filing, adding a new filing (pdf) 9.5.2016

Data file specification

Name	Data Record (pdf)	Form (pdf)/ Link to return instructions
Annual Information Return concerning Payments governed by Income Tax Act (TVL) **(VSTVERIE)**	2021 2020 *(7 September 2020)* 2019 *(7 September 2020)* 2018 *(6 August 2018)* 2017 *(20 November 2017)* 2016	7805

Instructions, paper form, other info

Annual information returns & Instructions - vero.fi

- Electronic filing of information returns General Description in english

  - for example questions like: What format HETU allows?

HETU	Finnish personal identity code (HETU) is permitted, and an integrity check (without validity checking) is run.	Dummy codes are permitted, too: ddmmyy-UUUU, may be useful for registration of foreign citizens/individuals	For more information, see Integrity checks The recommended entry for ddmmyy is the individual's date of birth. If you don't have the date of birth available, enter the 010101-UUUU dummy value.

- How to make corrections

- Making corrections to annual information returns for tax year 2020 (year 2021 instruction will be published later)

Remember to give "voluntary" fields

- Give always voluntary data if you have some reportable data available for it.
- Leave it empty only when you don't have data
- Marked with a **V** in the data file specification

528-540	318	V		Tax withheld at source	R10,2	

- – 'After your company has withheld an amount of tax from a payment to someone, you must inform the Tax Administration of that amount even though the specification indicates that this is a voluntary data element ('amount withheld')'

Correction, replacement, deletion

- Each individual itemization must differ from the others by some identifying information
- A replacement return with the identical identifying details replaces the previous one
- Identifying details are marked with a **T** in the data file specification
- **ET** in the data file specification means that the information is **conditional identification**
  - If the original return contains information in the conditional identification field -> the same information must also be provided in the correction return in order for the return to replace the original.
- If there is an **error in an identifying detail**, a deletion file must be issued
  - In the case of a deletion return (082: D):
    - the identifying details must be the same as in the original return and
    - in addition only the information 048, 198 and 999 may be provided. For example, the amount fields must be cleared.

Correction deadlines

- Remember the following deadlines when filing corrections electronically to annual information returns for 2020:

  – If you make your corrections by 15 March 2021, they can be included on individual taxpayers' **pre-completed tax returns**.

  – If you make your corrections by 29 April 2021, they can be included on individual taxpayers' **tax decisions** even if they cannot be included on the pre-completed tax returns.

  – If you make corrections after 29 April 2021, the corrections will still be taken into account in **tax assessment**. If necessary, the taxes of the individuals concerned will be reassessed and their tax decisions will be adjusted.

- The dates for the correction of the 2021 data will be set later, but they will be almost the same as for 2020

- Ask for instructions if you are repairing older years

Authorised Intermediary's annual information return (**WRP101**)
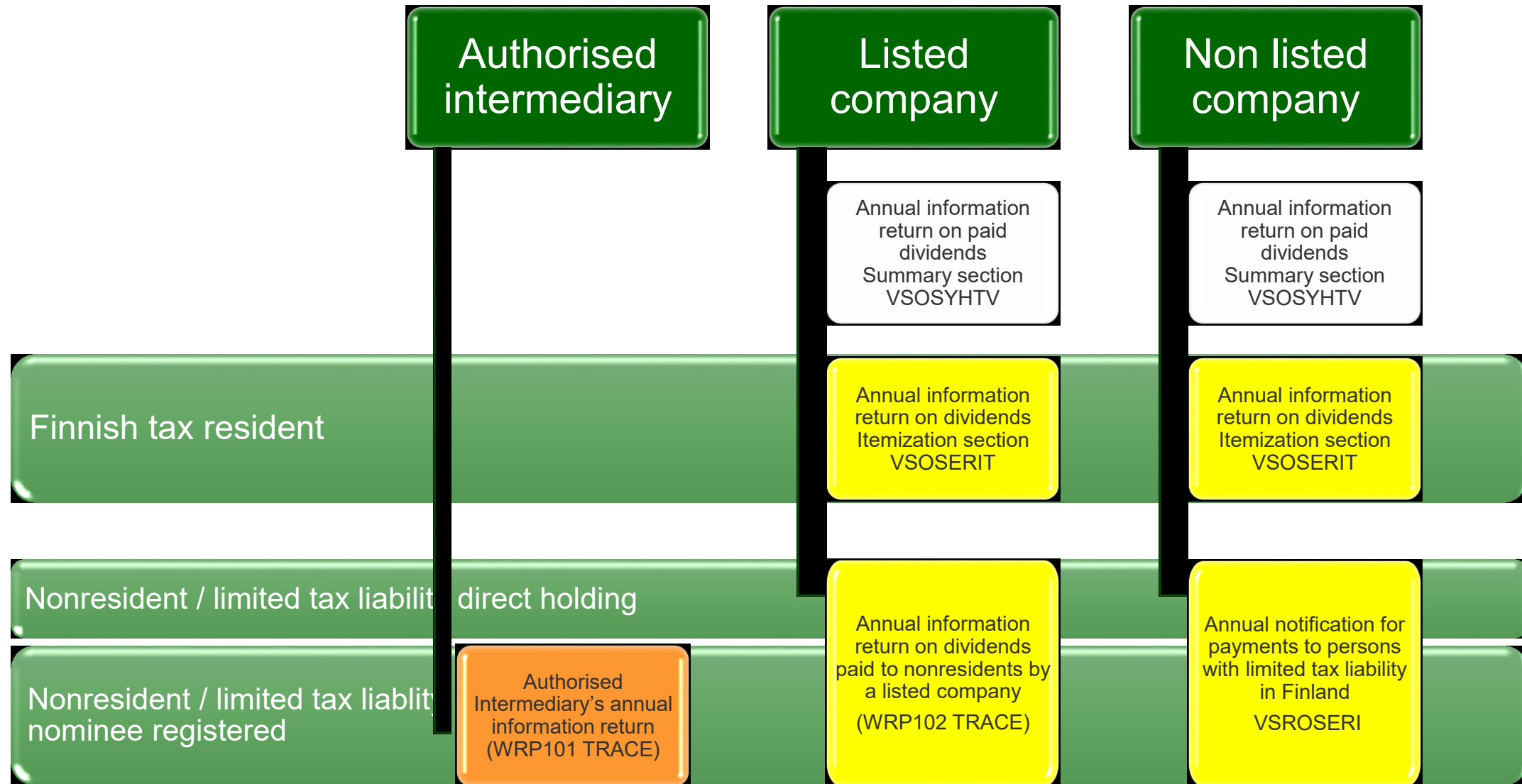
New data flow

- OECD's TRACE XML-schema is used for reporting

- Dividend beneficiary information is reported directly to the Tax Administration

- AI reports information on dividends paid by Finnish *publicly listed companies* to nominee-registered shares

  - beneficiary information of those AI has taken responsibility for

  - information of the dividends AI has forwarded to another AI

- Only the non-resident beneficiaries in Finland are reported

  - which are granted tax-at-source benefits and

  - dividends of which tax withheld is 20%, 30% and 35%

- Finnish residents are reported by the issuer (Account Operator on behalf of the issuer) on VSOSERIT (Annual information return on dividends, the itemization section)

Annual information return on dividends paid to nonresidents by a listed company (**WRP102**)

New data flow

- Annual information return on dividends paid to nonresidents by a publicly listed company
  - Actually given by an Account Operator on behalf of issuer

- On this return a listed company reports all dividend payments to non-resident beneficiaries
  - dividend payments for nominee registered shareholders <u>and</u>
  - dividend payments based on direct investments / direct holding

- Issuer must provide information on the dividend beneficiary or on the Authorised Intermediary that has taken responsibility for forwarding the information on the dividend payment.

Annual information returns on dividends

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	Authorised intermediary	Listed company	Non listed company
		Annual information return on paid dividends Summary section VSOSYHTV	Annual information return on paid dividends Summary section VSOSYHTV
Finnish tax resident		Annual information return on dividends Itemization section VSOSERIT	Annual information return on dividends Itemization section VSOSERIT
Nonresident / limited tax liability direct holding		Annual information return on dividends paid to nonresidents by a listed company (WRP102 TRACE)	Annual notification for payments to persons with limited tax liability in Finland VSROSERI
Nonresident / limited tax liablity nominee registered	Authorised Intermediary's annual information return (WRP101 TRACE)		

KONSERNIVEROKESKUS

Changes 2021: Annual information return on dividends, the itemization section (VSOSERIT)

- **New data flow (VSOSERIT)**

  – Earlier VSOSERIE remains available on vero.fi (for corrections to 2020 and earlier years)

- **New data**

  – Type of payment (code 084)

    - 08 = non-cash dividends

  – Non-cash dividend distribution (code 246) paid as

    - 1 = shares (plus the company's business ID, code 247)

    - 2 = other assets than shares (plus description of assests, code 248)

- **New automated check**

    - the number of shares (236) cannot be zero

Changes 2021: Annual information return on dividends, the itemization section (VSOSERIT)

- According to the example in the description of the data file the beneficiary's personal identity code is reported in the data element 232
  - Number of the data element is incorrect; it should be 083
  - The example will be amended soon

Changes 2021: Annual information return on dividends, Summary section (VSOSYHTV)

- Euroclear Finland Oy files the summary sections on behalf of the companies that are within the book-entry system

- **New data flow VSOSYHTV**
  - Earlier VSOSVYHT remains available on vero.fi (for corrections 2020 and earlier years)
  - Type of payment is not reported at summary section anymore
- **New data elements**:
  - Accounting period for which dividends were paid: start date (code 448)
  - Accounting period for which dividends were paid: end date (code 449)
  - Total amount of dividends agreed to be distributed (code 120)
  - Total dividends paid to resident taxpayers (code 451)

Changes 2021: Annual information return on dividends, Summary section (VSOSYHTV)

- "What is the difference between what is expected to be populated in data element 450 (Gross Dividend Payment in Total) and data element 120 (The total amount of dividends agreed to be distributed)?"

- Data element 120

  – Total amount of the dividends that the company decided to distribute as indicated in the company decision referred to in the data element 111 (date of corporate decision)

- Data element 450

  – Total amount of dividends that the company decided to distribute (120) minus the sum total of the following items:

    - Total amount of payable dividends that the shareholders have not cashed by the end of the calendar year (122)

    - Total amount of dividends reported in earlier calendar years for the same tax year (123)

    - Dividends distributed on shares deposited in Finnish residents' Individual Retirement Accounts (PS) under long-term savings contracts (126), and

    - Dividends distributed on shares deposited in equity savings accounts, held by Finnish residents (127)

- Further instructions: Annual information return on dividends, instructions 2021 - vero.fi

Changes 2021: Annual information return on dividends, Summary section (VSOSYHTV)

- **Data elements only submitted by companies within the book-entry system**:
  - Record date of dividends (code 452)
  - Total dividends paid on nominee-registered shares held by Finnish resident taxpayers (recipient is not known) (code 453)
  - Total withholding on dividends paid on nominee-registered shares held by Finnish resident taxpayers (recipient is not known) (code 454)
  - ID code of the central securities depository where the share was issued (code 455)
  - Name of the central securities depository where the share was issued (code 456)

- Euroclear Finland Oy submits these data elements

Changes 2021: nonresident beneficiaries

- **Following payments are reported to the Incomes Register:**
    - pensions (payment types B1-B5, B7-B9 and B0)
    - benefits (payment types AE and RE)
    - losses (payment types J2-J5)
- **Old Annual notification for payments to persons with limited tax liability in Finland (VSRAERIE) is divided into three new ones:**
    - Annual information return on dividends paid to nonresident beneficiaries (**VSROSERI**),
    - Annual information return on interest payments, made to nonresident beneficiaries (**VSRKOERI**) and
    - Annual information return on other payments made to nonresident beneficiaries (**VSRMUERI**).
- **Payments based on long-term savings contracts (type of payment P4-P7) are reported in VSMUUAPT (Vuosi-ilmoitus muista ansio- tai pääomatuloa olevista suorituksista).**

Three new data flows

Changes 2021: Annual information return on dividends paid to nonresident beneficiaries (VSROSERI)

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- **Dividend paid by a non-listed company and profit surplus of a cooperative enterprise are reported in VSROSERI**

  - Types of payment:

    - EA Dividend according to the parent-subsidiary directive (previous E1/VSRAERIE)

    - EB Direct-investment dividends according to tax treaty (previous E1/VSRAERIE)

    - EC Dividends, if the underlying shares are nominee-registered but the information of the actual final beneficiary, i.e. the owner, is reported (previous E2/VSRAERIE)

    - ED Dividends other than above (previous E4/VSRAERIE)

    - EF Payment of dividends to final beneficiaries if the withheld tax has later been refunded by the payor (previous E5/VSRAERIE)

    - EG Dividend paid to the final beneficiary, on which tax at source was withheld or – based on the beneficiary's tax-at-source card – was not withheld (previous E8/VSRAERIE)

    - EH Dividends in-kind, in forms other than cash (New!)

    - EJ Mixed in-kind and cash dividends (New!)

    - EY Distribution of profit-surplus of cooperative enterprise (New!)

New data flow

Changes 2021: Annual information return on dividends paid to nonresident beneficiaries (VSROSERI)

- **New data elements concerning payment types EH ja EJ:**
  - Non-cash dividend distribution paid as (246)
    - 1 = shares
    - 2 = other assets than shares (such as real estate property, an automobile, etc.)
  - The company's business ID, if shares were distributed (247)
  - Dividends, other than shares, paid in the form of (such as real estate property, an automobile, etc.) (248)
  - Amount of dividends paid in cash (gross amount) (254)
  - Value of the non-cash distribution of dividends (255)

Changes 2021: Annual information return on interest payments (VSRKOERI) and other payments (VSRMUERI) made to nonresident beneficiaries

- **Annual information return on interest payments, made to nonresident beneficiaries (VSRKOERI)**

  – Includes payment types C2-C8 (same as in VSRAERIE)

  New data flow

- **Annual information return on other payments made to nonresident beneficiaries (VSRMUERI)**

  – Includes payment types D1 ja D2 (same as in VSRAERIE)

  New data flow

Updated data file specifications (VSROSERI, VSRKOERI and VSRMUERI) have been published

- **Some changes vs. 26 Jan 2021 published first versions.**

- **VSROSERI**

  - **Changes concerning data element 097:**

    - Name ISIN of the share

    - Format ISINKOODI

    - ET (conditional identification)

  - Automated check #1133 has been eliminated.

  - Automated check #1704 has been changed: #1704; If the Business ID of the account operator or other third-party filer that submits the return (080) is populated, then the value of Filer's role (158) must be 1= account operator, 2= securities depository, or 3= 3= other foreign filer of annual information.

  - Automated check #1730 has been changed: #1730; Dividends/surplus (gross amount) (317) must be equal to Gross amount of dividends paid in cash (254) and Value of the non-cash distribution of dividends (255) combined

Updated data file specifications (VSROSERI, VSRKOERI and VSRMUERI) have been published

- **VSRKOERI**

  - **Changes concerning data element 097:**

    - Name ISIN of the payment

    - Format ISINKOODI

    - ET (conditional identification)

  - Transaction code or other identifier (049) has been changed as voluntary data (V)

  - Automated check #1133 has been eliminated.

  - Automated check #1704 has been changed: #1704; If the Business ID of the account operator or other third-party filer that submits the return (080) is populated, then the value of Filer's role (158) must be 1= account operator, 2= securities depository, or 3= 3= other foreign filer of annual information.

Updated data file specifications (VSROSERI, VSRKOERI and VSRMUERI) have been published

- **VSRMUERI**
  - Automated check #1704 has been changed: #1704; If the Business ID of the account operator or other third-party filer that submits the return (080) is populated, then the value of Filer's role (158) must be 1= account operator, 2= securities depository, or 3= other foreign filer of annual information.

Changes 2021: Filer's role (code 158)

- In addition to Account operator's/Third-party filer's Business ID (code 080) Filer's role is added

- New data to data flows

  – Annual information return on dividends, the itemization section (**VSOSERIT**)

  – Annual information return on dividends paid to nonresident beneficiaries (**VSROSERI**)

  – Annual information return on interest payments, made to nonresident beneficiaries (**VSRKOERI**)

  – Annual information return on other payments made to nonresident beneficiaries (**VSRMUERI**)

  – Annual Information Return concerning Payments governed by Income Tax Act (TVL) **(VSTVERIE)**

  – Annual Information Return concerning Interest calling for Taxation at Source **(VSKTVYSL)**

- new data: Filer's role (code 158):

- 1 = account operator

  2 = central securities depository
  3 = other foreign filer of annual information

AND **Name** (code 067) and **ID code** (code 068) of the central securities depository where the share was issued (This is usually Euroclear Finland and 1061446-0)

Changes 2021

- **Code 048** has become **mandatory**
  - Purchase and sale itemization for Securities and Derivatives **(VSAPUUSE)**
  - Annual Information Return On Issued Loan Principal, and On Receipts of Interest (**VSLAINAE**)
  - Annual Information Return of those who charge Asset Management fees (**VSOMHOIE**)
  - Annual information return about equity savings accounts (**VSOSAKET**)
  - Annual Information Return concerning Refunds of capital **(VSPAOPAL)**

| 048 | P | | | Software application that produced this file | AN35 |

Changes 2021

- New automated check:

- Annual information return about equity savings accounts (VSOSAKET)

New	357, 358	#1737; One annual information return can only have a non-zero value in Withholding on profit (357) or in Tax withheld at source on profit (358), not both.

- Annual Information Return concerning Refunds of capital (VSPAOPAL)

56-69/245	The quantity of shares (pcs) for which refund was paid	Data element is now part of identification data.

Changes 2021

- Annual information return concerning transferred foreign dividends

VSULKOSE:

Added a new voluntary data element:

The shares' total mathematical value or market value (293)

Indicate the total value of the dividend beneficiary's holding of corporate stocks, either by their mathematical value or by market value. This value can be populated if the Type of the dividend-distributing company at decision date is "Other".

- value of the shares in euros and cents (market value as on the last day of the previous tax year).

Contact information

- PLEASE give codes 041 Name of the contact person and 042 Telephone number of the contact person
  - it helps a lot when we need to ask something

Questions

- How does one know if a security is unlisted?
  - ➢ Public web pages, Infinity system or TaxMill if security is in the book-entry system
- How to get the date of decision to distribute the dividend
  - ➢ Public web pages, Euroclear messages, Infinity system or TaxMill if security is in book-entry system

Thank you!

Questions: Ohjelmistotalot@vero.fi

For You.

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