

**ANNUAL INFORMATION
RETURN ON PAYMENTS OF CAPITAL
REFUNDS, TAXABLE AS GAINS
(VSPAOPAL)
DATA FORMAT SPECIFICATION 2017**

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Change history

Date	Version	Description
2.1.2017	1.0	First release concerning the 2017 taxable year. Codes have now been given to all reportable data elements, which enables filers to use the name:value format.
2.2.2017		Removed unnecessary check "One of data elements Business id of the company (010) or Account operator's business id (080) must always be given." as one of these data elements is always mandatory. The previously used direct links to various documents are now shown as paths. The general description of e-filing has been updated.
22.5.2017	1.1	The data element for Send date and time (198) has been changed to Software-generated timestamp, which is a mandatory field. ID changes 051 → 020 ja 050 → 083. Beneficiary's and payor's IDs must not be the same.
29.8.2017	1.2	Update of the paths that lead to the pages of the Tax.fi
23.11.2017	1.3	More guidance is added for the Date of acquisition (249) data element
2.2.2018	1.4	New check #1394

1 INTRODUCTION

This guidance explains the structure of the required inbound file and the check procedures that follow. For more information, see [tax.fi > About us > Information and material on taxation > IT developers > e-Filing guidance > Electronic filing of information returns General description](#).

Electronic filing is the only available method of submitting the information discussed in this memorandum. There is no paper-printed form available for the purpose.

2 DESCRIPTION OF THE INFORMATION FLOW AND SUBMITTAL OF FILES

For more information on how filers must identify themselves electronically, on the requirements on Katso ID and Katso Role, and on the information flow's check routine for authorizations, click [here](#).

To pay out refunds of corporate capital means that shareholders receive a distribution of the funds that have accumulated in the equity. In balance-sheet accounting, refunds may either show as reductions of the reserves of retained earnings or as reductions of other reserves pertaining to restricted corporate equity such as the reserve fund of received share premiums (ylikurssirahasto in Finnish) or the other reserve fund called vararahasto.

The tax treatment of a distribution from the reserves of retained earnings is usually the same as that of dividends. If the distributing company is not stock-exchange listed, the distribution is treated as a disposition of assets, on the condition that a certain set of requirements are met. However, the recently amended rules contain no changes to the tax principles with regard to distributions of corporate capital and other restricted capital.

The VSPAOPAL annual information return is only for the refunds that are taxable under the rules that govern disposals of securities and the capital gains derived from them.

Starting 2014, all distributions of retained earnings by **companies that are listed** on a stock exchange are taxed as dividends, and the rules governing dividend tax are applied accordingly. They must be reported on the information return on dividends (VSOSERIE, VSOSVYHT), with 04 as the Type of Payment (dividends paid out of retained earnings).

Distributions of retained earnings by **non-listed** companies are taxed as dividends and the rules governing dividend tax are applied accordingly. However, refunds of capital are taxed **in the same way as capital gains**, inasmuch as the shareholder-beneficiary has reported the following facts and information:

- It must be proven that he is getting back the investment of capital he has made to the same company, and
- no more than 10 years has elapsed since his investment.

The same conditions are applied on situations where an estate of a deceased shareholder has received a refund of capital.

Distributions by non-listed companies must be reported on the information return on capital refunds (this return) only if they actually are refunds, taxable under the rules that govern disposals of securities (capital gains). This treatment requires that the money being refunded is what the shareholders had invested in the company. When working out the capital gain, the amount to be subtracted is the same euro amount as was received as a refund, however, not more than the acquisition cost of the shares.

Some retained earnings may be booked in the balance sheet account called 'invested retained earnings' (sijoitetun oman pääoman rahasto) and other similar accounts going by various names. Whenever a distribution is made from such reserves, it is taxed as receipts of dividends.

If the transaction is not taxable as a disposal (i.e. disposition, conveyance or sale, resulting in capital gains), any distributions by non-listed companies out of retained earnings are taxed as dividends and must be reported on the appropriate information return (VSOSERIE, VSOSVYHT) as dividends paid out of retained earnings.

In the case of capital refunds resulting in a taxable gain, the amounts of the gain must be computed separately for each share held by the shareholder so that the acquisition cost of each share (its purchase price or similar) is deducted from the capital refund paid on it. However, the maximum amount to be deducted in this way cannot be higher than the refund itself. There can be no capital loss.

All distributions of retained earnings made 1 January 2016 or later are taxed as dividends under the general rule. If the beneficiary shows proof of having received back an investment that he or she made into the same company during the 10 years that precede the date of the refund, the transaction is taxed as a disposal and the rules governing capital gains are applied.

Note: Other forms of distributions to the shareholders – such as share buyback and share redemption – are not discussed in this memorandum.

For more information (in Finnish and Swedish), a specific guidance is available at the tax.fi website, "Distributions of profits from an unrestricted reserve of retained earnings", dated 11 Dec 2015 — Vapaan oman pääoman rahaston varojenjako verotuksessa, 11.12.2015.

Cooperative societies must report their distributions of profit surplus and of retained earnings, not taxable as capital gains, using the specific annual information return

format for the purpose (VSOKERIE and VSOKVYHT). Receipts of a distribution (of profit surplus) from a non-listed cooperative society is held as a disposal (capital gains) under the same requirements and conditions as in the case of a limited liability company.

Upon termination of membership, when a member of a cooperative society receives a distribution from the unrestricted-equity reserve instead of receiving a refund of their paid-in membership fee, it is treated as a disposition of assets, subject to tax, up to the amount that corresponds to the paid-in membership fee. Filers can use the Type of Refund 0 = Unknown financing method of the refund. When this entry is made, the automatic checks do not prevent the reporting of a refund more than 10 years old.

As provided in § 15, Act on Assessment Procedure, everyone who has either made payments or acted as an intermediary of payments is concerned by the information-reporting requirement. And pursuant to § 17, subsection 10, Act on Assessment Procedure, it specifically concerns account operators or agents who possess information on transactions with securities, purchases and shares of corporate stock, because this information is necessary for computations of a taxpayer's taxable capital gains or capital losses.

The extent of the information-reporting requirement has been defined in the Official Decision of the Finnish Tax Administration on common obligations to submit tax-related information where it is specifically noted that account operators or agents, within the meaning of the Act governing the Book-Entry System (Laki arvo-osuusjärjestelmästä 826/1991), are required to report any capital refunds to the Tax Administration if they have handled them when utilizing the book-entry system when managing their clients' shares and holdings. This way, because account operators and agents possess information on taxpayers' transactions, they must report it to the Tax Administration so as to facilitate the computations necessary for determining a taxpayer's taxable capital gains or capital losses. Account operators and agents are expected to report all the information that they have. Joint-stock companies with limited liability (abbreviated as 'Oy' or 'Ab') are also required to report their capital refunds as instructed by the Official Decision of the Finnish Tax Administration on common obligations to submit tax-related information. However, if an account operator or agent has reported the information the joint-stock company is not required to do it. **As a result, in order to avoid duplication, only one report must be submitted for one refund of capital paid to a taxpayer.**

The information-reporting requirement is restricted to only concern beneficiaries who are Finnish tax residents.

There is no requirement to report any capital refunds paid to Individual Retirement Accounts (within the meaning of the Act governing long-term savings) in situations where the account holder owns shares that are deposited in the account.

It is normal that shareholder-taxpayers have acquired their shares in several acquisitions, not just one. Capital refunds may be payable to the entire holding of shares. If this is the case, each acquisition and each capital refund must be reported separately (and separate itemizations must be filed). If you are not aware of how many acquisitions your client has made when he or she obtained the shares on which capital refunds are paid, you can simply file only one itemization.

If payment was made in another currency, not the euro, you must make a foreign-exchange conversion: use the European Central Bank rate of the date of payment to convert the amount to €.

3 MAKING CORRECTIONS

For more information, see the article called Making corrections to submitted annual information ([tax.fi > About us > Information and material on taxation > IT developers > e-Filing guidance > Making corrections to e-filed submittals of information returns](#)).

4 PERIOD OF VALIDITY

This specification sets out the requirements of file formatting that come into force 23 November 2017 and continue to be in force until a new version of this specification is released.

Submit the annual information for the 2017 calendar year by 31 January 2018.

5 CHANGES ON THE PREVIOUS YEAR

Version	ID	Data element	Description
1.0	158-171/198	Send Date and Time – populated by the service provider	Added as a separately shown data element.
	124-131/249	Date of acquisition	Description changed. Removed text 'If you do not know the date of acquisition, fill the entire field with zeros.'
1.1	158-171/198	Software-generated timestamp	Data element has a new name and is now mandatory
	72-101/020	Name of company paying the refund of capital	ID changed 051 → 020
	11-12/083	Business id or personal id of beneficiary	ID changed 050 → 083
	102-112/010 11-21/083	Payor's ID Beneficiary's ID	New check: IDs must not be the same
1.3	124-131/249	Date of acquisition	More guidance for data entry is added. If you do not know the date of acquisition, fill the entire field with zeroes regardless of the "PPKKVVVV" format rule.

6 DATA FORMAT SPECIFICATION

Position	ID	P/V	L/T	Description	Format	Values
1-8	000	P		Identifier	AN8	VSPAOPAL
9	084	P		Document type 0 = addition (original record) 1 = deletion (deletes the original record) 2 = addition for correction (replaces the deleted original record)	N1	0, 1, 2
10	121	P		Type of company, valid on the date of company decision to distribute the capita refund 1 = stock-exchange listed company (§ 33a.2, Income Tax Act.) 2 = other type of company, not publicly listed 3 = cooperative society 0 = do not know	N1	0, 1, 2, 3
11-21	083	P	*	Business id or personal id of beneficiary	YTUNNUS HETU	
22	241	P	*	Type of refund	N1	0, 7, 8, 9

				7 = distribution of retained earnings (Type of company cannot be 1 = Stock-exchange listed company) 8 = distribution through decreasing the value of the share capital 9 = distribution from the share-premium or reserve funds of the balance sheet 0 = unknown financing method of the refund		
23-37	242	P	*	Amount refunded See 9.1 Reporting monetary values	+N15	
38-47	243	P/V		Foreign tax withheld at source See 9.1 Reporting monetary values	+N10	
48-55	244	P		Date of commencement of the payment This date must fall on the calendar year of reporting.	PPKKVVVV	
56-69	245	P		The quantity of shares (pcs) for which refund was paid See 9.2 Quantity of shares	+N14	
70-71	127	P		Security type code 01 = Finnish share 51 = foreign share Report the shares listed at the Helsinki Stock Exchange as Finnish, other listed shares as foreign.	N2	01, 51
72-101	020	P/V	*	Name of company paying the refund of capital	AN30	
102-112	010	P	*	Business id of the company	YTUNNUS	
113-123	080	P/V		Account operator's business id If the filer of this information return is an account operator acting on the payor's behalf this is a mandatory field.	TIHOYHTEIS O	
124-131	249	P		Date of acquisition If you do not know the date of acquisition, fill the entire field with zeros.	PPKKVVVV	
132-146	250	P		Deductible acquisition price This data element, pos. 132 – 146/250, is for the acquisition price only, and the data element below, pos. 148 – 157/252, is for the expenses associated with the purchase of the shares. Note: their sum total cannot exceed the amount of the capital refund itself. See also 9.1 Reporting monetary values	+N15	
147	251	P	*	Deductible acquisition price is known / is not known 0 = you know the acquisition price 1 = you do not know it	N1	0, 1
148-157	252	P		Deductible transaction expenses relating to the acquisition See 9.1 Reporting monetary values	+N10	
158-171	198	P		Software-generated timestamp	PPKKVVVV HHMMSS	

999	P	Final identifier	+N8
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7 AUTOMATED CHECK PROCESSES

New/ Chan ged	ID	Description of rule
	241 121	Filer Role (121) must not be stock-exchange-listed company if the capital refund is of type 7 (241). #967; If the capital refund is of type = 7, Filer Role cannot be 1 (stock-exchange-listed company).
	242 250 252	The sum of Acquisition cost (132-146/250) and Acquisition expenses (148-157/252) cannot be higher than Refund of capital (23-37/242) #499; The sum of Acquisition cost (132-146) and Acquisition expenses (148-157) cannot be higher than Refund of capital (23-37)
	251 250	Position 147 (251) can have value 1 only if positions 132-146 (250) are filled with zeros. #500; Position 147 can have value 1 only if positions 132-146 are filled with zeros
	010 020	Distributing company's name (020) is a mandatory field because you entered a dummy identity code in the Business ID (010) field #1108; Distributing company's name is a mandatory field because you entered a dummy identity code in the Business ID field
	244 249	If the Type of refund is 7 = Distribution of retained earnings, the time that has elapsed cannot be more than 10 years between Date of commencement of the payment (244) and the Date of acquisition (249). #1281; Type of refund is 7 = Distribution of retained earnings, and the time elapsed between Date of commencement of the payment (244) and Date of acquisition (249) is longer than 10 years. If more than 10 years have elapsed, you must use the annual information return for Dividends for reporting (the VSOSERIE and VSOSVYHT flows)
	010 083	IDs (010 ja 083) must not be the same. #1308; IDs must not be the same (010 ja 083).
New	010 080	If the Business ID of the Company (010) is a dummy ID, you must enter the Account operator's Business ID (080). #1394; If the Business ID of the Company (010) is a dummy ID, you must enter the Account operator's Business ID (080).

8 MESSAGES

Not applicable to this information flow.

9 INSTRUCTIONS AND EXAMPLES

9.1 Reporting monetary values

Enter leading zeros in the fields where you report amounts of money. Write the euros and cents with no separator characters in between. Example: For 1,681 euros and 89

cents, write 168189. If you do not know the amount of money, fill the field with zeros. Do not write any minus or plus signs. Amounts of money cannot be negative.

Justify on the right, pad with leading zeros, do not include a plus or minus sign.

Additional instructions regarding monetary values:

- If you are aware of the amount of Foreign tax withheld at source (38-47/243) you must report it.
- If Deductible acquisition price is zero or if you do not know it, fill with zeros.
- If there are no Deductible transaction expenses relating to the acquisition or you do not know their amount, fill with zeros.

9.2 Quantity of shares

Right-justify, pad with leading zeros, implied decimal (i.e. no decimal separator characters). Use the accuracy of 6 decimals.

Example: For a quantity of 1500 shares, write 00001500000000 and for '0.765 shares', write 00000000765000.