



# Legislative change: nominee-registered shares

Online meeting, 26<sup>th</sup> of February 2020

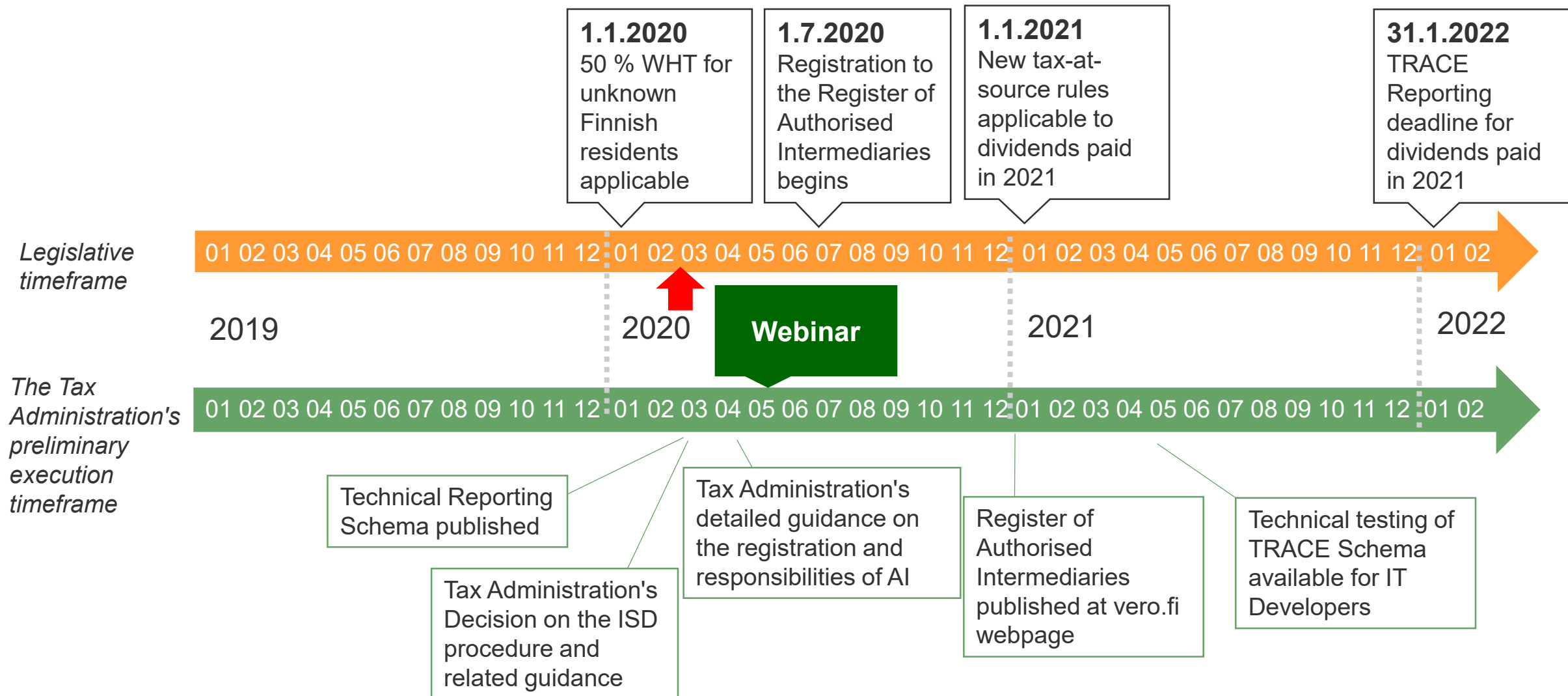


# Agenda

- The progress of the legislative change and its implementation
- Updated publication schedule of upcoming guidance
- Frequently asked questions
  - General questions on legislative change
  - 50% preliminary withholding
  - Electrification of tax-at-source cards and refunds
- Questions and answers
- Next online meetings



# Where are we now?



# Published guidance and instructions

- How to withhold tax on dividends paid to a Finnish tax resident shareholder when the underlying shares are nominee-registered
- Application for refund of tax withheld and application for tax-at-source cards
  - Technical guidance
  - XML Schema
  - Example XML files
  - Available: IT developers - Specifications - Direct data transfers and other e-filings

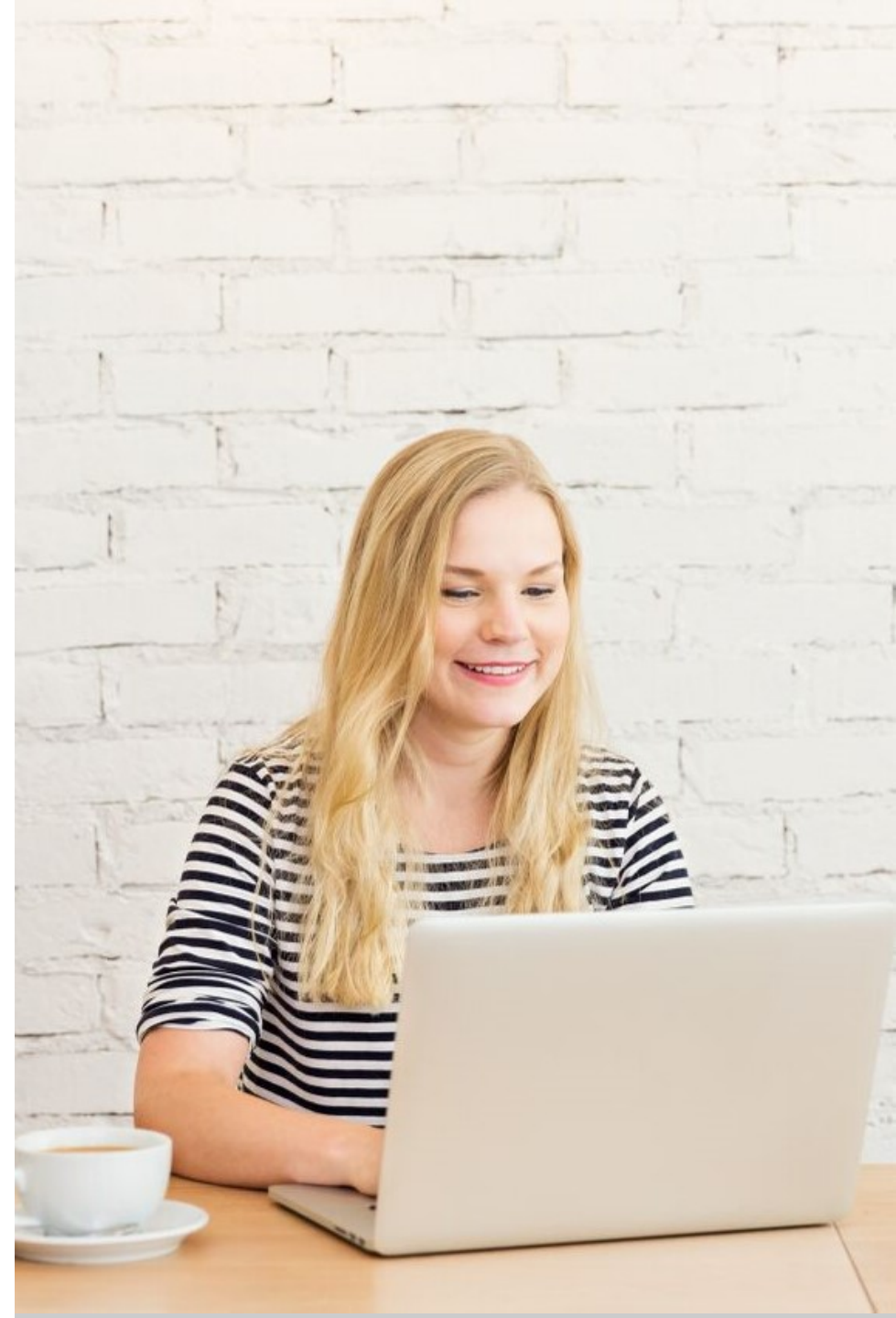




# Publication schedule

Upcoming guidance and instructions:

- OECD's version of the [TRACE XML Schema](#)
- Investigating and identifying dividend beneficiaries and the Investor Self Declaration (ISD) procedure (official instructions)
- Responsibilities and liabilities of an authorised intermediary (official instructions)



# Frequently asked questions

## ■ General

- Will there be any changes to the necessary relief at source documentation?
- What differences are there between the OECD TRACE model and the Finnish model?
- What is the timeline for providing beneficial owner information?
- What is the difference between the new tax-at-source rates 35% vs. 30%?



# Frequently asked questions

- 50% preliminary withholding
  - If the dividend beneficiary is a foreign entity (*other than Finnish entity*), can it be treated as a nonresident and tax at source be withheld? Or are some further actions required?
    - If the dividend beneficiary is a foreign entity, is it also required to investigate whether the beneficial owners of the entity are Finnish tax residents or nonresidents?
  - The custodian closest to the dividend beneficiary has received a valid self-certification for CRS reporting or the W8-ben certificate for taxation in the US, which declares that the beneficiary is not a Finnish tax resident.
    - Is any further due diligence procedure required in order to investigate whether the beneficiary is a Finnish tax resident?
    - What are the consequences for the payor and the dividend beneficiary, if the Finnish Tax Administration later observes that the beneficiary is in fact a Finnish tax resident?





# Frequently asked questions

- Electrification of applications for refund of tax-at-source and tax-at-source cards
  - Will paper applications still be available?
  - Is the electronic application only available to agents representing refund applicants, such as custodians and consultancy firms?
  - Can attachments such as certificates of residence also be sent electronically?
  - Will there be any changes to documentation requirements?
  - When can we start submitting electronically?





Questions?



## Next online meetings

- The next online meeting is March 25<sup>th</sup>, 3-4 pm
- All online meetings this spring will be held in English
- Skype links and conference call details the same for all meetings in the Spring
- No need to preregister, instructions to join will be provided on the same page as this meeting:
  - [Legislative change: nominee-registered shares - Online meeting](#)





# Any other questions?

Send any further questions to [financialsector@vero.fi](mailto:financialsector@vero.fi)

