

# The Finnish Tax Administration in 2022: For sustainable taxpayers

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## 1 FOREWORD BY DIRECTOR GENERAL MARKKU HEIKURA

Here at the Finnish Tax Administration, our mission is to ensure tax revenue for Finnish society as effectively as possible. At the same time, our activities need to be transparent and useful for the environment and society. We can have an impact on surrounding society, and here we lean on the UN's Sustainable Development Goals.

A significant part of our sustainability mindset has been targeted at the future. We help taxpayers act correctly and sustainably. We are engaged in active cooperation with our stakeholders to steer our operating environment in an even more digital direction. We develop our activities so that we can be effective and have an impact. At the same time, we ensure that any negative impact we cause is as low as possible.

Our key sustainability act is that we enable wellbeing in society by ensuring the revenue required for it.

## 2 THE FINNISH TAX ADMINISTRATION IN BRIEF

The mission of the Finnish Tax Administration is to collect the right amount of tax at the right time to ensure funding for public services. Each month, we allocate collected taxes to parties that maintain public services: the state, municipalities, the Social Insurance Institution of Finland (Kela), parishes and forest management associations.

Our customers include both private taxpayers as well as companies and organisations. Our goal is to help our customers take care of their tax matters independently and correctly. The MyTax service is our primary electronic service channel.

At the end of the year, we employed 5,183 people. The three main units of the Finnish Tax Administration are the Taxation Unit, the Customer Relations Unit, and the Product Management Unit. Tax offices and our customer service belong to the Taxation Unit, which employs some 4,100 people. The Finnish Tax Administration has offices in 55 locations across Finland.

### **We are customer-driven**

Our operations are based on genuine customer orientation: we use customer understanding in operations, guidance and development to make customers' tax transactions easier and ensure the tax revenue.

We want to be even more customer-driven and make tax transactions as simple and easy as possible for our customers. Our customer-driven operations are based on three principles: improving the customer experience, reducing the need for services, and ensuring the tax revenue.

### **We improve our operations continuously**

We continuously renew our competence and focus on comprehensive customer understanding. We work in close cooperation with companies, stakeholders and the public administration, and we are open to new ideas for improvement. We allocate our resources based on verified effectiveness. We utilise management by objectives, knowledge and coaching. We improve the agility of our operations by increasing self-direction and utilising models of agile development.

## **We ensure the tax revenue**

In 2022, we collected record-breaking €81.4 billion in taxes for society.

At the end of the year, unpaid taxes totalled €3.73 billion, roughly at the previous year's level. Similarly, the VAT gap, meaning the unreceived share of the legal VAT revenue, remained stable and was low on an international scale at around 3%.

## **Basis of our sustainability activities**

Our sustainability activities are based on our statutory tasks and strategy. Our handprint can especially be seen in the area of financial sustainability.

Sustainability is an integral part of our strategic goals: positive customer experience, fair taxation, and ensuring tax revenue.

Building trust, working together and embracing new ways of working are values that guide our activities. We develop our services in cooperation with our customers and stakeholders: we listen to our customers, aim to predict their needs, and respond to them. We act for the good of Finnish society in accordance with the central government's shared principles. We play an active role in building and developing public services.

Our strategy and activities have a specific impact on the achievement of the four selected UN Sustainable Development Goals: decent work and economic growth (SDG 8); reduced inequalities (SDG 10); peace, justice and strong institutions (SDG 16); and partnerships for the goals (SDG 17).

In the next sections, we will discuss the achievement of the SDGs through our strategic goals. We have raised one of our values – working together – as the fourth perspective alongside them.

## **3 POSITIVE CUSTOMER EXPERIENCE**



Ensuring tax revenue, fair taxation and a positive customer experience are our strategic goals.

Our aim is to create a positive customer experience in all tax-related matters. We base our operations on genuine customer orientation, customer understanding and customer engagement. We want to make our customers' tax transactions as simple and easy as possible, and we make every effort to fulfil or even exceed our customers' expectations. A positive customer experience also maintains and strengthens tax compliance.

The handprint of our operations described in this section has a particularly positive impact on achieving the UN's Sustainable Development Goal 8. It helps achieve sustainable economic growth, full and productive employment and decent work for everyone. The Finnish Tax Administration promotes this goal by

providing effective services for society. We develop our service channels and use digitalisation. We invest in responsible and interactive high-quality communication.

### **3.1 Smooth and equal services**

A positive customer experience is created when customers can take care of their tax matters smoothly, are satisfied with services, and feel that they are treated equally.

#### **The use of electronic services continued to increase**

Our aim is to improve the customer experience by developing more customer-driven electronic services and increasing their use.

In 2022, we made progress in the targeted direction:

- MyTax was used by some 3.3 million customers (2021: 3.1 million). The service had 32 million logins (2021: 28 million), and 5.5 reports were submitted in it (2021: 5.8 million).
- Changes to tax cards or prepayments were requested roughly 2.5 million times, of which MyTax accounted for 77% (2021: 76%).
- Some 1.3 million individual taxpayers made changes to their pre-completed tax return, of which 89% made their changes in MyTax (2021: 88%).
- By the end of 2022, roughly 319,000 employers had registered in the Palkka.fi service, which makes the payment of wages easier for small employers (2021: 299,000). The amount of wages and fees calculated through the service increased to more than €2.4 billion (2021: €2.3 billion). Through the service, employers submitted some 1.4 million earnings payment reports and 0.44 million separate reports to the Incomes Register.

The processing status of advance rulings requested by customers for taxation and the estimated processing time were added to MyTax as a new feature. It will be expanded to claims for adjustment and other applications during 2023.

#### **Interfaces make the payment of taxes easier**

Our vision is that taxation will be a seamless part of the everyday life of people and businesses in the future, as the information required for taxation will be generated automatically during each tax transaction. Here, application programming interfaces (APIs) are at the core, as they form a link between the Tax Administration's systems and the financial management software used by companies or their accounting firms.

The number of the Tax Administration's APIs nearly doubled during the year. By the end of the year, our Vero APIs had been used a total of 122 million times.

APIs also provide companies with opportunities to develop their activities and also make life easier for taxpayers. In 2022, the new API for tax credit for household expenses was completed, through which the Tax Administration obtains the information required for the tax credit directly from the company that carried out the work in question. This has a significant potential in making people's lives easier, as one of the rare reports still requiring people's own initiative is about to be eliminated.

#### **Customers are satisfied with the telephone service**

In our telephone service, the answering rate has been high at around 80% throughout the 2020s. The number of answered calls was roughly two million.

Approximately half of all calls were answered within two minutes (2022: 47%; 2021: 57%). We have systematically collected feedback on our telephone service, according to which our customers have been very satisfied with the service.

### **Communication to different target groups**

Communication helps build interaction with customers, lower the threshold to take care of tax matters, and encourage customers to take the correct steps at the correct time to ensure the tax revenue. Communication has also contributed to the increase in the use of MyTax. Clear and current customer instructions and other content, combined with interaction on social media, also aim to create a positive customer experience. Communication addresses the needs of different customer groups and provides abundant information not only in Finnish and Swedish, but also in English.

Internal and external communication channels include vero.fi, newsletters, online information, social media, and communication in media services and the working community. The vero.fi website offers comprehensive instructions for taking care of tax matters and using MyTax. In 2022, vero.fi pages were loaded a total of 88.5 million times (2021: 86.5 million). Of this figure, Swedish pages were loaded 5.2 million and English pages 3.8 million times. As roughly half of all visitors landed on the website through search engines, search engine optimisation plays a key role in helping customers find their way to correct instructions.

In social media channels, the number of followers and interactions showed variation from one channel to the next in 2022. The channels had 222,000 followers (2021: 177,000). Content was displayed roughly 19.4 million times (2021: 22 million), and the number of different reactions was 1.3 million (2021: 1.2 million).

The Tax Administration's media service was used by 356 media representatives in 2022 (2021: 399). In the business communication 2022 survey conducted by Taloustutkimus, the Tax Administration's media service was given the score of 3.65/5.0 (2021: 3.67). The Tax Administration's communication was ranked the third best in the public sector.

Communication in the working community strongly supported our modernisation which was also reflected in improved scores in VMBaro's job satisfaction survey. The areas of interaction, knowledge of the Tax Administration's values, communication, and the internal employer image showed positive development. The intranet site and internal social media channels were developed further to be more interactive and serve the working community better.

## **3.2 Metrics and goals**

We monitor our successes and develop our operations using the following metrics and goals:

Metric	Realised figure for 2020	Realised figure for 2021	Target for 2022	Realised figure for 2022
Percentage of tax card changes made online (%)	74	76	≥ 77	77
Percentage of electronic income tax returns, individual taxpayers (%)	86	88	≥ 85	89
Effectiveness of telephone services, percentage of answered calls (%)	80	81	≥ 80	80
Percentage of customers satisfied with telephone services, SMS survey (%), all	92	90	≥ 85	91
Percentage of customers who are happy to pay their taxes (%) <sup>1)</sup>	-	79	≥ 80	82
Percentage of customers who consider they can trust the Tax Administration (%) <sup>1)</sup>	-	88	≥ 90	91

1) Customer attitude survey, October 2022 (n = 1,005). The 2022 survey differed from previous surveys in that it used a five-step response scale including a neutral option (neither agree nor disagree), whereas previous surveys used a four-step scale without any neutral option. The realised figures have been converted into a statistically comparable format.

### 3.3 Case: Customer-driven development recognised with the Ornamo Award

[The design community Ornamo gave the Finnish Tax Administration a significant recognition](#) for the use of design in the development of customer-driven services.

According to the jury, we have applied the advantages of design in an innovative way that increases the trust shown by citizens, companies and associations towards society.

We have invested not only in technically smooth and logical e-services, but also in a clear and understandable content. We have become a genuine service organisation which makes the payment of taxes easy. Our customer-driven services range from the vero.fi website and MyTax to telephone and in-person services.

## 4 FAIR TAXATION



Fair taxation means that our activities are nationally harmonised, of a high quality and predictable for taxpayers. Fair taxation is one of our strategic goals.

#### SDGs 8, 10 and 16

Fair taxation also has a positive impact on the UN's Sustainable Development Goal 8. We promote this goal by monitoring any shortcomings, for example. Eliminating the shadow economy and any violations in working life, and ensuring fair competition enable work and economic growth.

The UN's Sustainable Development Goal 10 seeks to reduce inequalities in and between countries. Target 10.3 has been defined as follows: Ensure equal

opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

We promote these goals by means of effective tax processes, guidance and control. Furthermore, tax control and guidance aim to ensure that all taxpayers know how to and are able to fulfil their obligations.

The UN's Sustainable Development Goal 16 seeks peace, justice and strong institutions. Target 16.3 aims to promote the rule of law at the national and international levels and ensure equal access to justice for all.

The Finnish Tax Administration builds trust between business partners and in public procurement. Measures include monitoring the registration of companies and the fulfilment of obligations, combating the shadow economy and maintaining the public tax debt register.

We promote the accuracy of taxation internationally. We are involved in developing the international exchange of information, and carry it out in the best possible manner.

In addition, we ensure that obtaining information on taxation is guaranteed as required by law. We disseminate public taxation information, maintain and publish statistics on taxation, and publish our financial statements.

## **4.1 Harmonised high-quality activities**

Our processes ensure that our customer and employee guidance is harmonised and nationwide. Customers can see this as equal and even-handed processing.

Our customer service model addresses each customer as an individual without any discrimination. We have already trained more than 1,000 employees regarding the model.

We respond to our customers' individual needs by providing a broad service channel range and constantly developing customer solutions based on customer understanding and targeted at different customer groups, including young people and immigrants. We develop our services with our stakeholders.

Our equality and non-discrimination plan for our customers is available at the [vero.fi](https://vero.fi) website.

### **Automation improves the efficiency of taxation**

The use of automation is a necessity in taxation due to the large data volumes processed. Automation improves the equal treatment of customers and the efficiency of taxation. We have estimated that, if it were not for automation, we would require new employees equalling roughly 2,000 annual work units. This would cost at least €110 million a year.

The automation used by the Finnish Tax Administration is based on precise pre-defined processing rules. We can only solve cases using automation if the decision does not require any specific consideration.

The new legislation prepared in 2022 and confirmed in 2023 ensures a legal basis for automated decision making in the Finnish Tax Administration. As a result, we can also expand the use of automation to car taxes and excise duties, and to decisions on claims for adjustment. By reducing necessary routines, employees can focus on more demanding and complex tasks that require consideration and assessment.

### **Tax control is effective**

The Finnish Tax Administration's control and supervision cover tax audits, the monitoring of incoming tax returns, and the provision of information and guidance.

In our tax control, we uncovered €534 million in undeclared taxes, up by 36% from 2021.

The highest amount of taxes was levied based on tax audits, totalling €329 million. This showed an increase of roughly 50% from the previous year.

Even though the number of tax audits has decreased, their total amount has increased for years now. The reason for this is that we have been able to target audits more accurately. In addition, tax auditors conduct certain audits as lighter control or guidance measures which helps allocate more time to audits that produce the highest benefits. As a result, customers who follow the correct procedures or simply require guidance can avoid any laborious administrative measures.

Most of our control measures originate from the monitoring of incoming tax returns and other tax control conducted in conjunction with regular tax assessments. In the monitoring of tax returns, more than €200 million in undeclared taxes were uncovered, up by roughly 20% from the previous year.

### **Certain tax information is public**

Only tax information defined separately in legislation is public. As a rule, tax documents and the information they contain are confidential.

With regard to individual taxpayers, we have needed to coordinate the publicity of tax information with the EU General Data Protection Regulation, which protects personal data. Public information about individual taxpayers is available on customer terminals at tax offices and by telephone.

According to the standard practice, we provide media services with information about individuals with more than €100,000 in earnings after the publication of income taxation for journalistic purposes. In 2022, the Supreme Administrative Court defined that taxpayers cannot object to the disclosure of their information to media services.

Public information about the income taxes of corporate entities is published at vero.fi in a downloadable and reusable format. We also compile extensive statistics on taxation.

In 2022, a legal amendment was made to expand the scope of publicity to reviewed tax decisions. Information on reviewed tax decisions will be public regarding the 2023 tax year, and the legal amendment will be applicable from September 2024. The publicity of information on reviewed tax decisions improves the quality and accuracy of public information, promotes the better fulfilment of personal data protection, and improves taxpayers' legal protection.

## **4.2 Metrics and goals**

We monitor our successes and develop our operations using the following metrics and goals:



Metric	Realised figure for 2020	Realised figure for 2021	Target for 2022	Realised figure for 2022
Confirmed tax decisions (Assessment Adjustment Board) (%)	91	86	≥ 85	90
Customers who consider tax control to be effective (%) <sup>1)</sup>	-	81	≥ 80	91

1) Customer attitude survey, October 2022 (n = 1,005). The 2022 survey differed from previous surveys in that it used a five-step response scale including a neutral option (neither agree nor disagree), whereas previous surveys used a four-step scale without any neutral option. The realised figures have been converted into a statistically comparable format.

Metric	2020	2021	2022	Change 2021–2022
Number of tax audits (qty)	2,057	1,773	1,444	-18.6%
Tax impact of audit measures, all tax types (€ million) <sup>1)</sup>	138	220	329	+50%

1) The calculation method was changed from 2022 so that the figure includes the actual debiting of income tax from audited natural persons considering progressive taxation, whereas an assumed tax rate of 20% was previously applied to income increases made during tax audits. Furthermore, the direct impact of capital gain tax findings was not addressed previously. Considering the calculation changes above, the adjusted tax impact of measures carried out in 2021 would have been €234 million.

### 4.3 Case: Congestion in claims for adjustment subsiding

In recent years, the transition to the flexible and individual preparation in individual taxation and the deployment of off-the-shelf software for taxation have decelerated the development of our productivity. The congestion in the processing of claims for adjustment started to subside in 2021, and the reduction of the backlog has made good progress. The total number of claims for adjustment in the backlog decreased by roughly 40%, and the share of claims for adjustment processed within six months increased from the previous year's 22% up to 50%.

During the year, we received some 135,000 new claims for adjustment (2021: 154,000), and 179,000 claims were completed or removed as unnecessary. The number of employees in processing tasks has been increased temporarily to reduce the backlog. We have analysed the underlying reasons for claims for adjustments and found ways to reduce their number by further developing tax processes and the use of MyTax services.

Administrative courts issued 1,459 decisions on claims for adjustment in taxation. Decisions issued by the Assessment Adjustment Board were confirmed in 90% of cases.

## 5 ENSURING TAX REVENUE



Ensuring tax revenue for society is our most important task. We give attention to the effortlessness and reliability of taxation. We acquire and use tax data comprehensively. We fight the shadow economy and thereby eliminate unhealthy competition. By improving our ways of working, we also secure the accrual of tax revenue in the future.

Our success in creating a positive customer experience and achieving the strategic goals of fair taxation helps us achieve our third strategic goal: ensuring tax revenue for society.

These comprehensive activities contribute to the UN's Sustainable Development Goal 16: peace, justice and strong institutions.

## 5.1 Safeguarding funding for society

The tax gap indicates how much of the legal tax revenue remains unreceived for various reasons. In recent years, no significant changes have been identified in the VAT gap. According to the Tax Administration's most recent calculations, the 2021 tax gap was €500–600 million as in previous years, accounting for roughly 3% of the legal VAT revenue. On an international scale, Finland's VAT gap is relatively low.

### **We predict the future**

The Tax Administration's proactive operations monitor the changes and risks that affect our activities and provide information about them. This information helps us predict any phenomena and changes that affect the tax revenue, and therefore safeguard it.

Digitalisation is a constantly advancing megatrend, and not all of its development paths and impacts on society or taxation can be predicted. Digital business and capital can easily be transferred from one location and country to the next, including virtual environments. New models of business and earnings build economic growth, while the entry of income flows within the scope of taxation must be ensured.

### **Resources for more effective operations**

From the end of 2022, operational changes will focus on reducing mandatory work stages and strengthening expertise. Here, mandatory work stages mean tasks that result from the service needs of Tax Administration's customers or tax assessments and related investigations and that the Tax Administration is legally obligated to carry out, but that the Tax Administration can also reduce. The lowered need for services requires less effort from customers and reduces the Tax Administration's tasks so that we can allocate the released resources to more significant activities to ensure the tax revenue.

The project for reducing mandatory work stages is a joint strategic effort across the Tax Administration's unit boundaries, whose goal is to reduce 300 annual work units in mandatory work stages by the end of 2024 and to reallocate the released resources to more significant activities. The solutions laid down in the upcoming automation legislation and safeguarding the Tax Administration's right to obtain information will be key in the project's success.

## 5.2 Metrics and goals

We monitor our successes and develop our operations using the following metrics and goals:

Metric	Realised figure for 2020	Realised figure for 2021	Target for 2022	Realised figure for 2022
Percentage of taxes paid at the right time (%) <sup>1)</sup>	91	93	≥ 92	93
VAT gap (%) <sup>2)</sup>	3	3	-	-

1) The realised figure for 2020 does not include car taxes and excise duties transferred from Finnish Customs.

2) The VAT gap has been estimated using a calculation method developed by the Tax Administration and based on tax control results.

### 5.3 Case: Shadow economy audits targeted at misconduct

The annual value of undeclared work is estimated to be €900–1,400 million in Finland. As a result of undeclared work, roughly €300–480 million in taxes and social insurance contributions remain unpaid every year. This reduces the amount of funding for society.

The Finnish Tax Administration uses various tools to combat the shadow economy and investigate tax offences.

The most effective way is to prevent the shadow economy proactively. We communicate what harm the shadow economy causes and how to do the right thing especially to young people and immigrants taking their first steps in working life.

Suspending fraudulent activities effectively is also important. This leads to healthy competition between companies.

We monitor registrations of companies and the accuracy of the information they report. In 2022, we prevented unfounded prepayment and VAT registrations, and deregistered 1,660 companies that should not have been registered. An act on tax numbers entered into force in the shipbuilding industry, causing an increase in foreign workers in the Tax Administration's registers.

The exchange of taxation information in Finland and internationally, including between the tax administrations of different countries, also plays a significant role. During the year, various provisions on the exchange of information between the authorities were amended.

We target tax audits at parties that involve significant tax risks. In 2022, we conducted 610 tax audits in combating the shadow economy. We were able to target our tax audits accurately at misconduct: 91% of the audits resulted in further measures (2021: 94%) and 87% were forwarded for the consideration of a crime report (2021: 86%). Based on the shadow economy audits, roughly €70 million in taxes were levied.

## 6 COOPERATION AND PARTNERSHIPS



The UN's Sustainable Development Goal 17 – partnerships for the goals – signifies strategically important targets and operating methods for us.

We develop our services in cooperation with our customers and stakeholders: we listen to our customers, aim to predict their needs, and respond to them. Together, we can ensure effortless tax services.

Our goal is to be an active member of society. We act for the good of Finnish society in accordance with the central government's shared principles. We help build and develop public services and are an active member in the tax ecosystem.

In addition, we have an impact through international cooperation in taxation and the international exchange of information. We support the mutual exchange of information and share technological competence. We have taxation-related development cooperation projects in Africa.

## **6.1 More effective society as a goal**

We work with our stakeholders by listening to their needs and goals, and by engaging them in the development of our services. During the year, we had hundreds of cooperation meetings, most of which were held with the Social Insurance Institution of Finland (Kela), the Digital and Population Data Services Agency, and the Federation of Finnish Enterprises. As many as 58 long-term networks and projects were in progress with other organisations.

Through stakeholder cooperation, we also aim to help increase the digitalisation and automation rate in taxation and make legislation support smooth tax assessments.

### **Joint development in ecosystems**

Ecosystems mean services generated by private service providers and the authorities. We are active members in ecosystems related to taxation. The goal of our ecosystem activities is to build seamless and smooth services in cooperation for customers to respond to each situation.

Easier services for death estates and the development of digital finances for companies are examples of ecosystems in which we develop solutions and services with other organisations. The idea is to build services that are so seamless for customers that they rarely or never need to contact the authorities. The digital compass led by the Ministry of Finance speeds up cooperation between the authorities.

### **Productive joint monitoring with other authorities**

We worked actively with other authorities in combating the shadow economy. In 2022, we monitored 721 taxi, construction and festival companies in cooperation between multiple authorities. In addition, we are constantly engaged in cooperation by building various predictive operating models to combat the shadow economy.

Regarding projects under the action programme for the prevention of the shadow economy and economic crime in 2020–2023, the project regarding identity and refund fraud was particularly significant for the Finnish Tax Administration. This helped us develop our capability to detect any abuse more effectively than before. The project also revealed challenges and development needs related to registrations and the activities of register authorities. In the subsequent project

(ID2), we summarised the current state of the registration of foreign employees, and the associated risks and challenges, and proposed corrective measures in cooperation with different authorities and ministries.

As part of the action programme, we also initiated a project to monitor unit-linked life insurance and prepared investigations of aggressive tax planning with independent research organisations.

### **Information about the shadow economy from the Grey Economy Information Unit**

In its reports on the shadow economy, the Grey Economy Information Unit assesses different shadow economy phenomena and their impact and prevention, and examines the effectiveness of legislation. The reports support the tasks of supervisory and permit authorities.

We published extensive shadow economy reports on the amount of undeclared work. In total, 150 reports, statements and other data provision tasks were completed during the year.

Demand for the obligation compliance report service, provided in support of official tasks, remained high (700,000 requests). As a result of legal amendments, the number of service users increased by seven, with the service supporting 36 different official tasks at the end of the year. The snapshot service coordinated by the Grey Economy Information Unit produced 59 current publications on the Grey Economy and Economic Crime website.

### **International cooperation**

We participated in more than 140 regularly convening international working groups and projects. Cooperation forums included the OECD, the EU, the Intra-European Organisation of Tax Administrations (IOTA), and the Nordic Agenda.

The OECD focused on the project to reform international corporate taxation and Tax Administration 3.0, the future operating policy of national tax administrations. We participated actively in both projects. The EU continued the development of the Central Electronic System of Payment information (CESOP) system, and we chaired the expert team that supports its implementation. The European Trust and Cooperation Approach (ETACA), a cross-boundary risk analysis for major corporations in the EU, moved on to the piloting phase in summer 2022.

In combating the shadow economy internationally, we participated in the OECD's sub-committee for professional assistants and coordinated the preparation of Nordic training to identify corruption.

The development cooperation project with the tax administration of Tanzania, started in 2018, came to a close in December, but cooperation will continue under a new project set for 2023–2026. At the end of the year, we started a new development cooperation project with the tax administration of Kenya. In this three-year project, we will develop customer registrations for the Kenyan tax administration. We also continued to support the tax administration of Cyprus in building off-the-shelf software.

## **6.2 Case: A communication campaign for young people and everyone entering working life**

In recent years, we have communicated information to young people and others entering the Finnish job market to increase understanding of the importance of tax payments. We use fairly unusual methods to explain why taxes should be

paid. The communication project is part of the Government's action programme for the prevention of the shadow economy and economic crime, and it will continue until the end of 2023.

We built the Happy Taxpayer concept in 2021. At the [website](#), which resembles a streaming service, visitors can identify how tax revenue is used through film-like titles. The novel concept has also received positive feedback internationally.

During 2022, we cooperated with six social media influencers. They used their own channels to explain the use of tax revenue through maternity packages, child health clinics and free school books, to name a few. Videos were watched a total of 600,000 times in the channels of influencers and the Finnish Tax Administration.

The concept will also be launched in our TikTok channel in which we have increased interaction especially with young social media users.

We made two videos on TikTok with the "taxes on/off" slider theme. We highlighted the perspective of what it would look like if services provided using tax revenue, including outdoor exercise areas and libraries, suddenly disappeared. The videos were watched a total of 112,000 times in different channels.

## **7 FOOTPRINT OF SUSTAINABILITY**

The footprint of operations consists of the negative ecological, social and financial impact of the organisation and its activities on the operating environment. One of the goals of our sustainability activities is to minimise this negative impact.

In accordance with the central government's guidelines for sustainability reporting, we also present information about our personnel in this context.

### **7.1 We take care of our employees and the environment**

The number of annual work units in the Finnish Tax Administration increased by 113 AWUs to a total of 5,126 (2021: 5,013). AWUs increased especially as a result of our significant investments in reducing the backlog of reviewed tax decisions using temporary personnel. Additional personnel resources were also required for the preparation of the positive credit register.

We will strengthen our expertise through the proactive recruitment and training of specialists to prepare for the expected retirements. In other words, new specialists will be recruited before our current employees retire. With this arrangement, we want to ensure that we have skilled professionals in even more demanding positions.

During 2023 and 2024, we will recruit some 130 individuals with a university level degree in training programmes focused on different themes in accordance with the needs indicated in the strategic personnel plan. As part of this training, we will also allocate resources to congested customer-initiated tasks. This will enable us to complete customer-initiated tasks in accordance with our goals.

#### **The wellbeing of employees is important to us**

In the job satisfaction survey (VMBaro), we achieved a new record-high score of 3.77 (2021: 3.70). A slight positive development can be seen in all areas of the survey.

With regard to sick leave, short absences showed a general increase due to COVID-19 and an increase in other infections following the pandemic.

We require that all personnel are treated equally and without any discrimination in everything we do. We update our equality and non-discrimination plan with our personnel every two years. Through communication, we increase our personnel's awareness and knowledge of the plan's goals and monitoring. In addition, the themes of equality and non-discrimination are included in the induction provided for new employees.

### **We build security together**

We develop the reliability and continuity of the Finnish Tax Administration's services proactively and by addressing the perspective of security.

The security snapshot supports our decision making in which we use internal and external data flows as comprehensively as possible. To react more effectively to any security incidents, we have expanded the services of our information and data security control rooms into 24/7 services.

We have also invested in risk management at the level of units and the Finnish Tax Administration as a whole. We have built a shared risk register to better identify risks and improve our resilience.

Each employee plays a significant role in building security in our operating environment. Based on our survey, our personnel's experience of our security management was nearly excellent (8.8 out of 10).

We held more than 130 training, briefing and practice events with more than 3,000 participants to develop our personnel's security skills. A total of 86% of our personnel participated in our ongoing phishing training.

### **The carbon footprint remained at the previous year's level**

We have calculated our carbon dioxide emissions since 2010 when we joined the WWF Green Office system. The purpose of the Green Office system is to address environmental perspectives in daily activities, communicate them, and calculate and report the carbon footprint annually.

Between 2017 and 2025, the Finnish Tax Administration is committed to reducing:

- electricity consumption by 7.5%
- paper consumption by 30%
- business travel by 32%
- waste volumes by 18%

The Finnish Tax Administration's carbon footprint in 2022 was 3,999 tCO<sub>2</sub> (2021: 3,929 tCO<sub>2</sub>), which consisted of CO<sub>2</sub> emissions from energy, paper, waste and business travel. Even though emissions increased slightly after the exceptional coronavirus pandemic, the trend has been downward in the long term.

The decreased use of facilities as a result of the pandemic and increases in remote working was reflected in a lower consumption of electricity and heat. The national Down a Degree campaign helped reduce electricity and heat consumption.

Our paper consumption decreased during the year. The number of letters mailed decreased by roughly 750,000 and the volume of printing paper decreased by

4%. However, employees worked more at the office than in 2021 which was reflected in an increase in the waste volume (+31%).

Business travel increased considerably after the slow coronavirus year, significantly increasing our CO<sub>2</sub> emissions. Air travel increased by 3,700 and train travel by 8,600 trips. The State Travel Regulations guide us to use trains in place of short flights.

Key points in 2022

- 260,250 kilometres driven using company cars
- 4,523 flights
- 162,730 sheets of printing paper
- 745,000 fewer letters mailed than in the previous year
- 2,313 AWUs of remote working (we worked 45% from home)

## 7.2 Metrics and goals

We monitor our successes and develop our operations using the following metrics and goals:

**Change in carbon dioxide emissions (CO<sub>2</sub> index, compared to 2017)**

Metric	2017	2018	2019	2020	2021	2022
Business travel	100	118	131	19	11	58
Paper consumption	100	109	83	80	67	65
Energy consumption	100	103	92	61	57	44
Waste volume	100	109	105	80	68	89
Total	100	107	98	56	50	51

Metric	Realised figure for 2020	Realised figure for 2021	Target for 2022	Realised figure for 2022
Job satisfaction (VMBaro total index, 1–5)	3.76	3.70	≥ 3.70	3.77
Employer image and values, VMBaro	4.08	4.03	≥ 4.05	4.08

## 7.3. Case: Jointly used customer service and work facilities becoming more common in the public sector

Customer visits to the locations of the Finnish Tax Administration and other authorities alike are decreasing at the same pace as digital services and people's digital skills are increasing. However, the opportunity to visit locations in person must be guaranteed for everyone who are unable or do not know how to use digital service channels.

We are involved in the central government's service and facility network reform, the goal of which is to provide in-person services in the public sector's joint customer service locations and make the central government's facility network more compact. By providing the services of different authorities in joint facilities, we can better maintain the service network and expand the range of services provided in each location.



In addition, workspaces will be built in joint customer service facilities for the personnel of the organisations participating in the reform. Remote working has reduced working at the office, and in this way we can use offices more effectively.

During 2022, the deployment of the first joint customer service and office facilities under the service and facility network reform was prepared in Lahti and Lappeenranta. A more extensive transition to the central government's joint work environments will take place in stages by 2030.

In addition, the Tax Administration's facilities were modified into joint work environments in several locations after our partner organisations (including the Digital and Population Data Services Agency, the National Land Survey of Finland and the Social Insurance Institution of Finland) moved into our facilities.

## **8 SUSTAINABILITY REPORTING**

We have developed our sustainability reporting and activities based on the State Treasury's guidelines and good practices. This report has been prepared in accordance with the central government's reporting framework. Our sustainability reporting is kept separate from the financial statements of accounting units. We publish our sustainability report annually.

Last year, we made sustainability an even more visible part of the Finnish Tax Administration's strategic goals. We developed the content of the report and added measurable goals and their achievement to it. In preparing the content, we used information obtained from our action and financial plan, financial statements, personnel report and Green Office report, as well as the report on international activities.

The report for 2023 will be published in spring 2024.

More information about the sustainability report: [viestinta@vero.fi](mailto:viestinta@vero.fi)