

# **XBRL Finland update – the view of Tax Administration**

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# Corporate taxpayers: 322 000 customers

- 182,000 limited liability companies, cooperatives
- 106,000 housing and real estate companies
- 24,000 associations, foundations
- 10,000 foreign corporate entities, branches located in Finland of foreign enterprises, bankruptcy estates, estates of deceased individuals, joint partnerships etc.

# Corporate income tax returns

- **Corporate taxpayers must complete their tax returns within 4 months after the closing date of their accounting period**
- **Corporate taxpayers tax assessment process will continue up to the date when 10 months have passed after the end of the month when the accounting period has closed**
- **The tax return filing is comprised of the main form and its enclosure forms. Additionally, other enclosures may be added**

# Corporate taxpayers: Electronic filing

- Submittal of reports and returns (periodic tax returns, income tax, annual information returns and VAT recapitulative statements):
  - Corporation Tax Online at [vero.fi/yhteisonveroilmoitus](http://vero.fi/yhteisonveroilmoitus) (income tax returns)
  - Tax Account Online at [vero.fi/verotili](http://vero.fi/verotili) (periodic tax returns and recapitulative statements for VAT)
  - Ilmoitin.fi (Income tax returns, periodic tax returns)
  - TYVI Services (depends on service provider which reports)
  - Palkka.fi (periodic tax returns, for smaller companies)
  - *Tilinpäätös 2.0 (financial statements and income tax returns XBRL-format) 9/2016*
- Plus an e-service for establishing a limited liability company via the website shared between the Finnish Tax Administration and the Trade Register at [ytj.fi](http://ytj.fi).
- About 75 % of the income tax returns of limited companies are already received electronically



# What is Tilinpäätös 2.0 service?

- a new **electronic service for companies to submit their financial statements and tax returns to authorities electronically in structured XBRL-format**
- **the introduction takes place in stages**
- **in the first stage reporting possible to Finnish Tax Administration and Patent and Registration Office**
- **first stage project started in the end of year 2014 – limited use in production in autumn 2016**

# Background, premises for the implementation

- **Standard Business Reporting Code Set**

- developed in the project of Fully Integrated Accounting (FIA) in 2009-2010 as a part of Real Time Economy (RTE) -program
  - private – public cooperation
- listing all the reporting requirements set to the companies
- can be used as a chart of accounts
- mapping to income tax returns and other reports

<http://www.raportointikoodisto.fi/>

- **Finnish SBR Taxonomy**

- includes financial statements-, tax- and statistics reporting
- private – public cooperation

<http://www.tieke.fi/display/XBRL/SBR+Taksonomia>

# Goals

- **to make the process chain easier and more efficient**
  - automated process from the source of information to the further use of the information
- **reduce the administrative burden for companies**

# Benefits

- **better data quality**
- **more efficient access to data**
- **more efficient re-usability of data**
- **transparency**
- **information available on more timely basis**
- **reduced administrative burden**

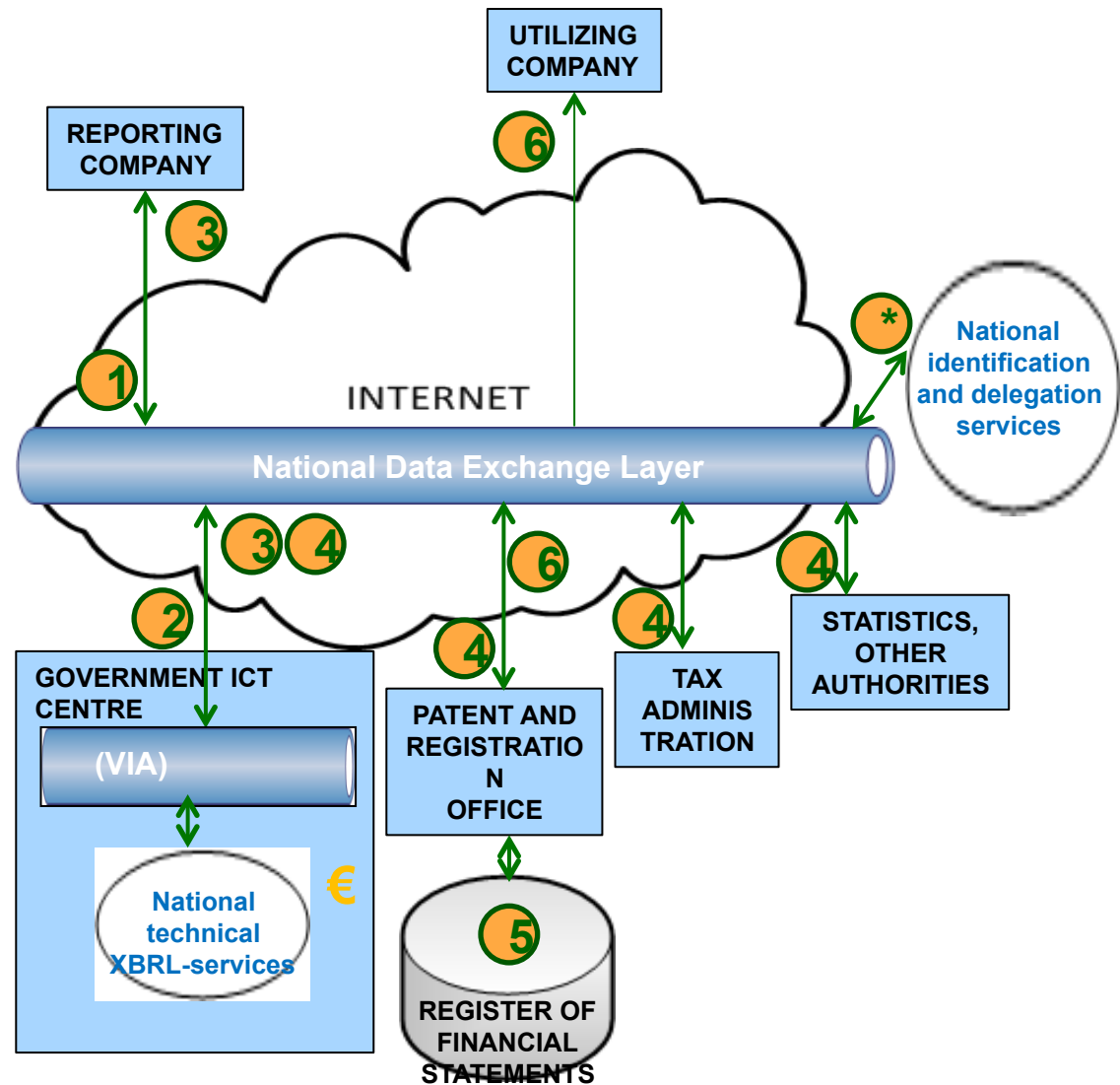


# Financial statements to trade register electronically straight from the new service

Today	Aim
Companies submit the financial statements as enclosure of income tax return to Tax Administration or in paper to Patent and Registration Office	Financial statements and income tax returns are obtained directly from customers accounting system and are submitted electronically
Tax Administration submits financial statements to Patent and Registration Office in pdf-format	Patent and Registration Office receives confirmed financial statements straight via the new service electronically in XBRL-format
Patent and Registration Office publishes financial statements (that can be not confirmed) in pdf-format in trade register	Patent and Registration Office publishes financial statements (that are confirmed) in electronical XBRL-format or in visualized format in trade register
Users of financial statement data type the data manually to their own systems	Users of financial statement receive the data in electronical XBRL-format

# The target stage

1. Reporting company submits the data in XBRL format to National Data Exchange Layer
2. Government ICT Centre Valtori receives the data and does the identification, validation, modifications and error handling
3. If the data is technically ok, Government ICT Centre will send confirmation message to the sender or ask to make corrections
4. Government ICT Centre will submit the data to Finnish Patent and Registration Office, Finnish Tax Administration and Statistics Finland in the form they need. There is a centralized register of financial statements.
5. Utilizing company retrieves the data of financial statements via National Data Exchange Layer.



# Tilinpäätös 2.0 service, first stage

- **limited use**
  - can be used by limited liability companies and cooperatives
  - 7 software houses and their some customers involved
  - includes financial statements and the main 'form' of the income tax return and 2 its enclosure 'forms'
    - reporting to Tax Administration and Patent and Registration Office
  - file downloading and possibility to type the information via user interface
  - testing ongoing
    - also 7 software houses have the possibility to test the service
  - in production in autumn 2016

# The introduction takes place in stages, preliminary plan



- Limited companies and cooperatives
- Limited content of information
- Limited customers
- Downloading of XBRL-files and possibility to fill certain information via the user interface

- Expanded content of information for limited companies and cooperatives (more 'enclosure' information)
- System to system interface
- Can be used by all customers that are limited companies or cooperatives
- National data exchange layer?
- Statistics reporting?

- Expanded content of information: can be used also by other corporate entities

- Expanded content of information
- Taltio (General Ledger)?
- Centralized register of financial statements?

**DEMO**

**Any questions or comments?**

**Thank you!**

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