

25 March 2015

FAQ

Breakdown into domestic sales and sales abroad

We are a transport company and we have both domestic and foreign customers. How should we report our sales to your inquiry?

The domestic sales and sales abroad which the sales inquiry asks about are determined by the **target country of the customer**. All services sold to domestic customers are reported under domestic sales irrespective of whether or not the sales are subject to value added tax. Correspondingly, the value of services sold to customers abroad is reported under sales abroad. If it is difficult to separate sales abroad from the value of sold services, it should be estimated for the inquired month.

Commission trade

I am an auctioneer and sell goods in my own name but on behalf of their owners to the final customers. I sell my principal's painting to a customer for EUR 200, of which I get EUR 50 as commission and my principal gets the remaining EUR 150. What is regarded as my company's turnover in the sales inquiry?

Your turnover is the EUR 50 commission from which VAT is deducted.

Sales subject to marginal tax (used automobiles)

Are sales subject to marginal tax also included in turnover in the sales inquiry?

Yes. Turnover subject to marginal tax must also be reported in the sales inquiry. Marginal taxation may be applied to trading in second-hand goods, and in items of fine art, collectables and antiques. A typical case is the reselling of second-hand cars. A car dealer buys a used car from a private person and then sells it on. The sales price contains hidden the value added tax that was included in the purchase price of the item. The car dealer then pays tax on the profit margin he receives, i.e. on the difference between the sales price and the purchase price of the item.

If you are correcting your data retrospectively, please remember to give the reason for the correction in the additional information field.

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Sales of goods and services from abroad to abroad

What does sales from abroad to abroad mean? Is it the same as triangulation?

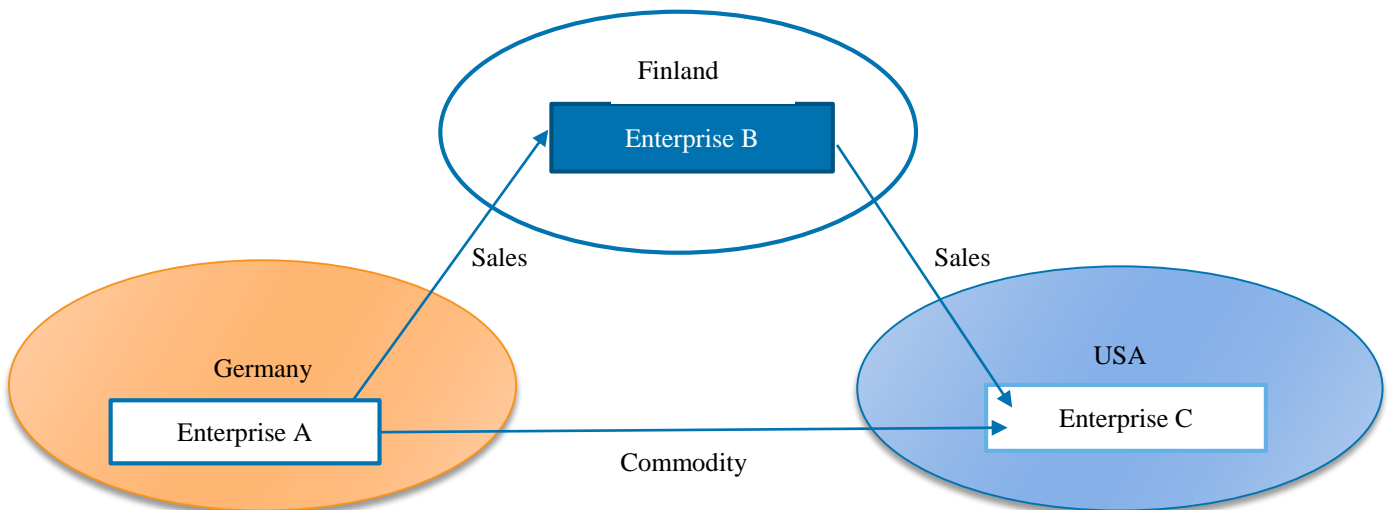
Sales from abroad to abroad refers to cases in which goods or services move direct from country to country abroad but the seller is an enterprise located in Finland. The sales are included in the turnover of the enterprise located in Finland.

Sales from abroad to abroad could also be referred to as merchanting. It is defined as a transaction in which an economic unit located in Finland purchases a good or service from or has a good or service made by an economic unit located in another country and then sells the good or service to an economic unit located in a third country (or in the same second country). During the process, the good or service does not enter or leave Finland.

For example, enterprise B located in Finland buys a commodity from enterprise A located in Germany and then sells it on to enterprise C in the USA. In the sales inquiry, the enterprise B located in Finland reports the sales under sales abroad and under its sub-item of sales from abroad to abroad.

The so-called triangulation is a narrower concept in value added taxation than the sales from abroad to abroad in the sales inquiry. Sales from abroad to abroad also comprise transactions outside the area of the European Union which match the definition. In addition, sales from abroad to abroad also cover sales of services.

Figure 1. Sales of goods and services from abroad to abroad



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Excise duties

Our enterprise's turnover in the profit and loss account contains excise duty. Is excise duty reported in the sales inquiry?

Excise duty is not reported in the sales inquiry. Thus, excise duties form an exception to the main rule of the responding instructions of the sales inquiry (data on turnover according to profit and loss account).

Excise duties are collected from a manufacturer, producer or importer of goods subject to excise duty. The payer of the duty includes the excise duty in the price of a product whereby it becomes payable by the consumer. Each excise duty is subject to its own legal provisions which define the liability for the duty and the basis on which the duty is levied.

Excise duties are levied on:

- Alcohol and alcoholic beverages
- Tobacco products
- Liquid fuels
- Electricity and certain fuels
- Confectionery, ice cream and soft drinks
- Beverage packages
- Waste delivered to municipal landfills
- Lubrication oil (waste oil charge).

If you cannot separate excise duty from turnover, please remember to mention it in the additional information field.