

Finland passes Act to implement Mandatory Disclosure Rules

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Executive summary

The Finnish Parliament approved, on 16 December 2019, the Finnish Government's bill implementing the European Union (EU) Directive on the mandatory disclosure and exchange of cross-border tax arrangements (referred to as DAC6 or the Directive).¹ The legislation was ratified by the President of the Republic of Finland on 30 December 2019.

The Finnish legislation entered into force on 1 January 2020 and will be effective from 1 July 2020. In accordance with the Directive, the legislation will also be retrospectively effective to arrangements where the first step is implemented or will be implemented on or after 25 June 2018.

The final Finnish Mandatory Disclosure Rules (MDR) legislation is broadly aligned to the requirements of the Directive.²

Key highlights

In comparison to the Finnish bill released in October 2019, the final legislation is in line with the draft legislation.

For a more detailed description of the Finnish legislation, see EY Global Tax Alert, [Finland publishes draft proposal on Mandatory Disclosure Rules](#), dated 26 November 2019.

Next steps

The Finnish Tax Authority is expected to publish guidelines on interpreting the law and reporting procedures during March-April 2020.

Determining if there is a reportable cross-border arrangement raises complex technical and procedural issues for taxpayers and intermediaries. Taxpayers and intermediaries who have operations in Finland should review their policies and strategies for logging and reporting tax arrangements so that they are fully prepared for meeting their obligations within the deadlines.

Endnotes

1. For background on MDR, see EY Global Tax Alert, [EU publishes Directive on new mandatory transparency rules for intermediaries and taxpayers](#), dated 5 June 2018.
2. DAC6 sets out a minimum standard. Member States can take further measures; for example, (i) introduce reporting obligations for purely domestic arrangements; (ii) extend the scope of taxes covered; (iii) bring forward the start date for reporting.

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