

## Goods trade between Åland and the rest of Finland for businesses

*This is a compilation of the Finnish Customs' and the Finnish Tax Administration's instructions. The instruction will be updated when necessary. To ensure that you always have access to the latest information, we recommend that you contact the relevant authority.*

### Initially on Åland's status in the EU

The Åland Islands belong to the EU and the EU customs territory, but are outside the EU fiscal territory (VAT, excise). As a result of this status, Åland has a fiscal border ("tax border") towards the rest of the EU, including the rest of Finland. For tax purposes, Åland is therefore considered a third area, which means that trading with goods across the tax border is export and import and customs formalities are applied.

Within Finland, the importer must submit an import declaration. Export declaration isn't applied within the country. Thus, a company that delivers goods from other parts of Finland to Åland only needs to invoice the Åland consignee without VAT, and the Åland consignee submits an import declaration – and vice versa.

### VAT procedure between Åland and the rest of Finland

For tax purposes, trade in goods across the tax border is export and import – even between Åland and the rest of Finland. Export sales are tax-free, i.e. the seller sells without VAT (0 %) and the importer pays the taxes upon import.

Non-VAT-registered companies and private persons pay the VAT to the Finnish Customs (Tulli) together with the import declaration, while VAT-registered companies declare the import to Customs and the import VAT in their VAT return to the Finnish Tax Administration (Verohallinto).

### VAT return in Finland

The seller reports export sales in the field "turnover subject to 0 % VAT" of the [VAT return](#).

The importer must declare the imports in following fields of the VAT return:



1. "Imports of goods from outside the EU" – the total taxable amount of all imports during the tax period is declared here. The taxable amount must also be declared for imports that are exempt from tax.
2. "Tax on imports of goods from outside the EU" – declare here the total taxes for all imports during the tax period, regardless of the tax rate applied to individual imports.
3. The tax may be deducted under "Tax deductible for the tax period", to the extent that the goods have been imported for business activities qualifying for deduction.

**NB!** Even if it says "outside the EU", trade with Åland is declared here, as Åland is a third area for tax purposes.

### Customs formalities between Åland and the rest of Finland

For goods traded over the tax border between Åland and the rest of Finland, the importer must submit a tax border (customs) declaration to Customs. No export declaration needs to be submitted within the country. Thus, a company in Finland that delivers goods to Åland only needs to invoice the Åland consignee without VAT, and the Åland consignee submits an import declaration – and vice versa.

All types of customs declarations for companies concerning Åland–Finland are submitted in [Customs clearance service](#) or through [Message exchange](#).

### EORI Number

Companies receiving or sending goods across the tax border are required to have an EORI Number, which is needed in almost all customs matters. [Read more about the EORI Number here](#).

### Presentation of goods to Customs

As a rule, a presentation notification for goods must be submitted to Customs and it is the responsibility of the transporter (transport company or other transporter) to submit the notification. The notification must be submitted at the latest when the goods are transported across the tax border.

However, a presentation notification is not required if:

- the transport company has received information that a national tax border declaration has been lodged for the goods consignment. Such information can be the MRN of the declaration.
- a customs declaration is submitted for the consignment at the point when the goods are imported across the tax border.

For more information, see [presentation of goods to Customs](#) on Customs' website.

### **One-stage declaration procedure**

All businesses can submit a tax border declaration in one stage. The declaration can be submitted at the earliest 30 days in advance and at the latest when receiving the goods. The Customs decision on release must be notified to the transporter before they can deliver the goods to the destination. Ask your transport company what they need and when and how they want to receive the information. For more information, see [one-stage declaration procedure](#) on Customs' website.

If the importer transports goods across the tax border himself, this type of declaration is recommended to use. In such cases, the importer submits a tax border declaration at the latest when the goods are transported across the tax border, after which no presentation notification needs to be submitted.

### **Two-stage declaration procedure**

VAT-registered businesses can submit the tax border declaration even in two stages. In this type of declaration, when receiving the goods, the importer makes an entry in the records in stage 1. In stage 2, the importer submits a periodic declaration, for all goods received during the last month from the same supplier, to Customs. In other words, a periodic declaration is submitted per supplier per month.

The periodic declaration must be submitted to Customs at the latest on the last day of the following month, i.e. for goods received in for example June a periodic declaration must be submitted at the latest on the last day of July. For more information, see [two-stage declaration procedure](#) on Customs' website.

## Tax border number

A VAT-registered business selling to private persons and non-VAT-registered businesses between Åland and the rest of Finland can apply for a [tax border number](#) and thus become a tax border customer. As a tax border customer, the seller can charge VAT in the price of the goods and submit the buyer's import declaration and pay the VAT to Customs on behalf of the customer.

Both a company in mainland Finland selling to customers in Åland and a company in Åland selling to customers in mainland Finland can become a tax border customer.

## Tax border counselling

The Åland Chamber of Commerce' Tax Border Office (Ålands Näringslivs skattegränskontor) offers guidance on customs clearance and other tax border-related issues free of charge. Welcome to contact us!

*Please note that the tax border guidance on the Åland tax border provided free of charge by the Åland Chamber of Commerce is not personal tax advice, but a general information service. The Åland Chamber of Commerce does not guarantee the accuracy, completeness or usefulness of the information provided within the framework of the tax border advice. The Åland Chamber of Commerce is not responsible for the results of the information provided. The user of the information service understands that the application of the information provided depends on several factors, including the user's own actions and decisions. The user understands and accepts that all decisions based on the information provided are the user's own responsibility. If the User wishes to receive individual tax or border tax advice, the User must contact Customs, the Tax Administration or a professional tax advisor.*