Global Template Configuration

Finland

Last Updated: December 2018
## Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision Notes / Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>04-Dec-2018</td>
<td>2019 Rate Updates for Travel Allowance and Mileage</td>
</tr>
<tr>
<td>12-Dec-2017</td>
<td>2018 Rate Updates for Travel Allowance and Mileage</td>
</tr>
<tr>
<td>04-Jan-2017</td>
<td>2017 Rate Updates for Travel Allowance and Mileage</td>
</tr>
<tr>
<td>09-Dec-2015</td>
<td>Update to 2016 Partial Allowance Rate from 18 EUR to 19 EUR</td>
</tr>
</tbody>
</table>
Disclaimer

The Concur Global Template consists of Expense configurations designed to support the most commonly known configuration and statutory requirements for supporting T&E best practices. The system includes support for specific statutory requirements based on our understanding of “common interpretation” gathered from our experience of in-country legislation through the deployment of Concur into this market. The Country Template represented in this guide is intended to provide customers with a starting point to aid in the deployment of their T&E solution, and should in no way be construed as tax or compliance advice for your business. The template configuration may need to be adjusted to match the requirements of your business, and any legal or statutory requirements should be confirmed with your company’s tax accounting and/or compliance departments before being authorized for configuration into your Concur Expense system.

Updates

Rates and/or regulatory requirements provided as part of the Templates are not guaranteed to be up to date, so any information provided should always be verified by the customer against the current government regulations. Updates are applied through on-going partnership with in-country Concur product marketing teams, liaison with implementing customers, and through collaboration across the various Concur implementation teams deploying in these countries.

The timing of updates can vary by country and feature. For example, certain countries provide regular annual updates to statutory travel allowance and mileage rates, while the rates in other countries are less frequently updated. VAT rate updates are typically less frequent or predictable and can occur at any time and are quite often dependent on broader economic situations. Tax authorities do however typically provide advanced warning where VAT rate or rule changes come into effect to allow businesses time to prepare.

Every effort is made to ensure that where updates are known to Concur that these are applied to the latest version of the template in a timely fashion. Where updates have been applied these will be reflected in any available template documentation.
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Best Practice VAT Configuration Options

VAT Considerations

The intention is to pre-configure the VAT within the Template environment using pre-configured elements to support the statutory VAT requirements in Finland. This will assist with ensuring that users enter the correct information before auditing to ensure compliance with the tax regulations for reclaiming VAT.

Concur will provide recommended best practices for configuring the environment for Finland based on the following model:

- Best Practice configuration options - specific data entry fields and audit rules (where applicable) to control compliance before the expense claim is audited or processed
- 3 Receipt Types (Tax Receipt, Receipt and No Receipt)

The standard VAT rate in Finland is 24%. Additional Reduced rates of 14% and 10%, while a number of expenses are VAT exempt.
Expense Types with Special VAT Handling

Special VAT conditions and data entry requirements for which we include special pre-configured tax handling in the template system

Airfare

VAT is only applicable on Airfare expenses where the destination is domestic and the ticket is purchased within Finland. The VAT applied to domestic flights is at the reduced rate of 10%. Even if the City of Purchase selected by the user is within Finland in providing the necessary information to calculate VAT on Airfare the user will be required to select from the following options in a drop-down field:

- Domestic Trip
- International (No VAT)

Based on the selection of the value the system will calculate the VAT. Based on the selection of the Receipt Status (Tax Receipt) the system will calculate whether the VAT is reclaimable.

Non-Reclaimable Expenses

The following expenses have the standard rate of VAT applied however these are non-reclaimable. These expense types will be setup in a separate VAT Group which sets the reclaim to 0% irrespective of the Receipt Type is selected.

- Entertainment - Clients
- Gifts - Clients
- Laundry
Expense Types without Special Handling

Standard 24%
- Alcoholic Beverages
- Car Maintenance/Repairs
- Car Rental
- Courier/Shipping/Freight
- Entertainment - Staff
- Fuel
- Gifts - Staff
- Internet/Online Fees
- Marketing/Promotional Costs
- Mobile Phone
- Office Equipment/Hardware
- Office Supplies/Software
- Parking
- Postage
- Printing/Photocopying/Stationery
- Seminar/Course fees
- Telephone/Fax
- Tuition Reimbursement

Reduced 14%
- Breakfast
- Dinner
- Individual Meals
- Lunch

Reduced 10%
- Hotel
- Newspapers/Magazines/Books
- Professional Subscriptions
- Public Transport
- Taxi
- Train

Zero/Exempt 0%
- Airline Fees
- Bank Fees
- Currency Exchange Fees
- Fixed Meals
- Miscellaneous
- Passports/Visa Fees
- Personal Car Mileage
- Relocation Expenses
- Tips/Gratuities
- Tolls/Road Charges
Exclusions
Special VAT conditions for which we do not include special tax handling conditions:

None

Expense Types Not Activated

The following are a list of standard Expense Types not activated for Finland:

- Alcoholic Beverages
- Company Car Mileage
- Ex Pat Expenses
- Medical fees
- Non Reimbursable Expense
- Staff Awards/Incentives

Customers who wish to activate these expense types must request this via their Readiness Consultant or Implementation Project Manager.
Travel Allowance

Common Practice

The Finnish travel allowance model compensates the employee for meals and incidentals and does not include lodging expenses (which are reimbursed at the actual expense amount). The system is based on the number of hours of travel for each day of the trip.

The typical method of reimbursement is fixed allowances for meals and actual expenses for lodging.

Our standard template for Travel Allowances includes the following additional features:

- Fixed Meals Allowances based on Government Published Tax Free Rates
- Inclusive of Provided Meal Deductions

For more information please see the section Allowance Rules Overview

Allowance Rates

The Finnish government publishes the meals allowance amounts on an annual basis for all domestic locations and specific international countries.
Allowance Rules Overview

The following is a brief overview of the core rules and calculations provided as part of the standard Finland travel allowance solution. For further information, or to review the rules in greater detail, please refer to the Travel Allowance Configuration Guide for Finland.

- The Finnish travel allowance model compensates the employee for meals and incidentals and does not include lodging expenses (which are reimbursed at the actual expense amount). The system is based on the number of hours of travel for each day of the trip.

- A day of travel is defined as a period of no more than 24 hours beginning from the time that the employee sets out on a business trip from his workplace or home. A day of travel ends at 24 hours (when the next day commences) or when the employee returns from a business trip to his workplace or home.

- The allowance location is based on the location where the day of travel ends. (This is based the location of the traveller at 23:59 at night.)

- The day of return travel uses the travel allowance rate of the last location visited (where the traveller spent the previous night).

- If an international trip lasts less than 10 hours, then the trip is considered domestic and the domestic allowance rate is used.

- The basis for the meals allowance is that the traveller is entitled to an allowance for each 24-hour period from the time the trip starts until it ends.

- A trip that is less than 24 hours in total duration receives an allowance calculated on the number of hours duration for the entire trip:

<table>
<thead>
<tr>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 up to 24 hours</td>
<td>10 up to 24 hours</td>
</tr>
<tr>
<td>6 up to 10 hours</td>
<td>Full International country allowance</td>
</tr>
<tr>
<td>Less than 6 hours</td>
<td>6 up to 10 hours</td>
</tr>
<tr>
<td></td>
<td>Less than 6 hours</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>19.00 EUR (partial allowance)</td>
</tr>
<tr>
<td></td>
<td>42.00 EUR (full allowance)</td>
</tr>
</tbody>
</table>

- For any day of the trip during which the employee receives free meals or meals included in the price of a travel ticket or lodging, the maximum travel allowance shall be 50% of the allowance amount specified. "Free meals" means two free meals in the case of a full travel allowance and one free meal in the case of a partial travel allowance. The allowance amount is reduced to 50% based on the nature of the trip (domestic or international) and the number of provided meals.

- The allowance for the last day of a multi-day trip is based on the number of hours for the day.

<table>
<thead>
<tr>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 up to 24 hours</td>
<td>10 up to 24 hours</td>
</tr>
<tr>
<td>2 up to 6 hours</td>
<td>Full International country allowance</td>
</tr>
<tr>
<td></td>
<td>2 up to 10 hours</td>
</tr>
<tr>
<td></td>
<td>50% international country allowance</td>
</tr>
<tr>
<td></td>
<td>19.00 EUR (partial allowance)</td>
</tr>
<tr>
<td></td>
<td>42.00 EUR (full allowance)</td>
</tr>
</tbody>
</table>
Special Considerations

Night Travel

The employee is entitled to an additional allowance for night travel if:

- At least 4 hours (during a day of travel for which the employee is entitled to a travel allowance) are between the hours of 9:00 P.M. and 7:00 A.M.
- AND -
- There is no reimbursement for accommodation or for a sleeping car berth, and the employer does not arrange any free accommodation for the employee.

**NOTE:** By default Night Travel is not activated. If customers wish to configure travel allowance to support Night Travel calculations this will require working with your Concur Implementation Consultant to scope the additional configuration work required.

Exclusions

None
Mileage Rates

Personal Car Mileage

Personal Car Mileage in Finland is pre-configured with the following rates:

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Rate Per KM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Car</td>
<td>0.43 EUR</td>
</tr>
</tbody>
</table>

Update as of 1/1/2019

Company Car Mileage

No statutory Company Car Mileage rates are configured as part of the Template for Finland.

Exclusions

Personal Car Mileage (Additional Vehicle Types)

A single rate Personal Mileage configuration exists to support only the vehicle type of Personal Car. Rates for additional vehicle types are published by the government however these are not commonly used. These are:

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Rate Per KM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motorcycle</td>
<td>0.33 EUR</td>
</tr>
<tr>
<td>Moped</td>
<td>0.18 EUR</td>
</tr>
<tr>
<td>Personal Car + trailer</td>
<td>0.50 EUR</td>
</tr>
<tr>
<td>Personal Car + caravan</td>
<td>0.54 EUR</td>
</tr>
<tr>
<td>Personal Car + mobile canteen</td>
<td>0.65 EUR</td>
</tr>
<tr>
<td>Personal Car + machinery &gt;80kg</td>
<td>0.46 EUR</td>
</tr>
<tr>
<td>Personal Car + dog</td>
<td>0.46 EUR</td>
</tr>
<tr>
<td>Personal Car on forest roads/construction sites</td>
<td>0.52 EUR</td>
</tr>
<tr>
<td>Motorboat up to 50hp</td>
<td>0.76 EUR</td>
</tr>
<tr>
<td>Motorboat over 50hp</td>
<td>1.10 EUR</td>
</tr>
<tr>
<td>Snowmobile</td>
<td>1.05 EUR</td>
</tr>
<tr>
<td>All Terrain Quad bike</td>
<td>0.98 EUR</td>
</tr>
<tr>
<td>Other Means of Transport</td>
<td>0.10 EUR</td>
</tr>
</tbody>
</table>

Update as of 1/1/2019

NOTE: If customers wish to configure any of these additional vehicle rates this will require working with your Concur Implementation Consultant to scope the additional configuration work required.