

7.11.2013

Corporate Income Tax

FINLAND

Decision 2013:169 of the Supreme Administrative Court

The Finnish Supreme Administrative Court ruled that when a branch office of American company A Inc. transferred all its assets, liabilities and reservations to a newly established Finnish company, which issued new shares to A Inc. as a contribution, the principle determined in Article 52 d of Business Income Tax is applicable, so the transfer of assets did not generate direct tax implications. The tax losses could not be transferred since this is not possible to domestic parties, either.

Advance ruling 042/2013 by the Central Tax Board KVL 042:2013

The applicant was obligated to CCP clearing according to regulation of the European Parliament and of the council on OTC derivatives, central counterparties and trade repositories (N:o 648/2012). The applicant had entered into an agreement with Bank X about CCP clearing of derivatives. Within the CCP clearing, the positive or negative change in value was calculated on each banking day and the settlement of net value was absolute and definitive. According to the Central Tax Board, the settlement of net value corresponding to the positive change in value was considered as income to the tax year in which the settlement of net value was determined. The settlement of net value corresponding to the negative change in value was regarded as cost of the tax year, during which the amount of the settlement of the net value was determined.
The decision is not final.

RUSSIA

Further clarification on the tax deductibility of certain charges paid abroad

The Russian Ministry of Finance has issued a second letter (Letter No. N 03-03-06/2/41278) regarding the tax deductibility of certain charges paid abroad by Russian tax payers on 4 October 2013. The letter seeks to confirm the Ministry's new position in favor of the deductibility of the taxes, duties and charges paid abroad, which was expressed by the previous letter. The previous letter was discussed in Tax Express 16/2013 earlier this year.

Information on the proposed new real estate tax

The Russian Budgeting and Tax Committee has approved the basic criteria based on which legal entities will be required to pay real estate tax on 21 October 2013. The taxable base will be determined based on the book value or the cadastral value of the real estate. The proposed rates are between 1% and 2% depending on the year and region in question.



IRELAND

Proposed amendments to corporate taxation

The Irish government has proposed several amendments to corporate taxation in October 2013. The amendments were proposed within the Budget for 2014 and the Finance Bill 2013. Most important of the proposed amendments concern corporate exit taxation, double tax relief, R&D tax credit and company residency rules.

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Corporate Law

Electronic sale of real estate enabled as from the beginning of November

In the beginning of November the main changes to the Code of Real Estate (540/1995) concerning electronic sale of real estate, real estate liens and registration procedures came into force. These legislation changes aim to enable the use of electronic documents and promote electronic dealings in matters concerning real estate.

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