

## ***Corporate Income Tax***

### **FINLAND**

#### **Limitation of deductibility of interest expenses for intragroup loans was applicable to interests arising from a construction time**

The Central Board of Taxation ruled on the applicability of regulation limiting deductibility of interest expenses for intragroup loans in a situation where a company provided overall planning, financing and maintenance services for a public road or railway.

The Central Board of Taxation stated in its preliminary ruling given on 18 December 2013 that the limitation rules were to be applied to the interest expenses arising from the construction time. The ruling is not yet legally valid.

#### **The treaty between Finland and Panama on exchange of information on tax matters into force in January 2014**

The government has passed a decree, by which the treaty between Finland and Panama on exchange of information on tax matters is implemented. The decree became into force on 17 January 2014. Generally, the treaty will be applied as of 20 December 2013.

#### **Tax Administration will send new advance tax slips**

According to the Tax Administration's announcement dated 20 January 2014, recalculated advance tax slips will be sent to corporate tax payers because of the corporate income tax rate change from 24.5% to 20%. In the new tax slips, the amount of advance tax payable per month is recalculated. The installment for February is the first installment which will be changed. Installment for January remains unchanged.

#### **Tax Administration has published draft guidance regarding withholding tax on dividends**

According to the announcement given on 21 January 2014, the Tax Administration has sent a draft for guidance regarding withholding tax on dividends and related declarations for comments. The parties involved may comment the draft until the end of January 2014 and the final guidance will be published after that.

### **AUSTRIA**

#### **Ministry of Finance issues draft law on changes to corporate taxation**

The Austrian Ministry of Finance has published a draft version of the Tax Law Amendment Act 2014 (*Abgabenänderungsgesetz 2014*) on 9 January 2014. The proposed draft is currently in an expert appraisal. The Law, if enacted, provides several changes to corporate taxation the most important of which include changes to group taxation, losses and other deductions, profit allowance and capital duty levied on certain transactions.





## **CANADA**

### **New program to pay informants for information regarding international tax non-compliance**

The Minister of the Canada Revenue Agency (CRA) has launched a new program called the Offshore Tax Informant Program on 15 January 2014. The Program seeks to fight tax evasion and avoidance. According to the Program, individuals with information about major international tax non-compliance receive a share of tax that was collected as a result of the individual's information.

## **ITALY**

### **New tax credit for R&D expenses**

A new Law Decree (No. 145/2013) on tax credits from R&D expenses was published in the Official Gazette No. 300 on 23 December 2013 and was subsequently presented to the Parliament. According to the Law Decree, companies investing annually at least EUR 50,000 in R&D activities will, during tax years 2014-2016, receive a tax credit equal to 50 % of the annual increase in R&D expenses up to EUR 2,500,000 per tax year.

#### **For further information, please contact**

Eija Kuivisto, tel. +358 (0)20 787 7876, [eija.kuivisto@fi.pwc.com](mailto:eija.kuivisto@fi.pwc.com)

## ***Corporate Law***

### **New Model Terms and Conditions for Corporate Bonds**

The new model terms and conditions for corporate bonds, issued by the Confederation of Finnish Industries and the Finnish Securities Markets Association, were published in the end of December 2013. The purpose of the model terms is to increase the number of companies issuing debt instruments and to provide non-investment grade companies with new alternative financing opportunities by reducing the documentation related costs and speeding up the actual issuance process. In addition to standard terms and conditions for a non-investment grade issue, the model terms include also a set of alternative model conditions for commercial undertakings. Conveniently, NASDAQ OMX has launched the new First North bond market in Finland on 27 January 2014. This alternative marketplace is offering companies the same services as the Main market but with lower listing requirements.

#### **For further information, please contact**

Mikko Reinikainen, [mikko.reinikainen@fi.pwc.com](mailto:mikko.reinikainen@fi.pwc.com), tel. +358 (0)20 787 7463  
Mika Puurunen, [mika.puurunen@fi.pwc.com](mailto:mika.puurunen@fi.pwc.com), tel. +358 (0)20 787 7778