

## Goods trade between Åland and mainland Finland for businesses

This is a compilation of several authority web pages. 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.

### General information about Åland Islands

The Åland Islands are part of the EU through Finland and belong to EU customs territory, but are outside the EU tax territory (VAT, excise). For tax purposes, Åland is therefore considered a third area when trading with the rest of the EU – in everyday language we say that Åland has a tax border with the rest of Finland and EU. This means that when trading with goods across Åland's borders, customs formalities are applied.

Within Finland, the importer must submit an import declaration. No export declaration needs to be submitted within Finland. Thus, a company in Finland that delivers goods to Åland only needs to invoice the Åland company without VAT, and the Åland consignee submits an import declaration – and vice versa.

### VAT procedure between Åland and the mainland

For trade in goods between Åland and mainland Finland, export sales are tax-free, i.e. the seller sells without VAT (0 %) and the importer pays the taxes at 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), according to the period they have (monthly, quarterly, annually).

### VAT return

The seller reports export sales in the field "turnover subject to 0 % VAT".

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 (24 %, 14 % eller 10 %) applied to individual imports.

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

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.

### Customs formalities between Åland and the mainland

For goods traded over the tax border between Åland and mainland Finland, the importer must submit a tax border (customs) declaration to Customs. No export declaration needs to be submitted within Finland. 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 carrier to submit the notification. The notification must be submitted to an approved place of presentation no later than when the goods are transported across the border, but it can also be submitted in advance. For more information, see Customs' website on [presentation of goods to Customs](#).

An approved place of presentation can be a port, airport, post terminal and archipelago ferry ports and quays, located at the place of arrival or departure of the transport, or another place designated by Customs. Unless Customs has announced that it will examine the goods, the goods can be transported from the place of presentation 30 minutes after the notification has been submitted.

Note that a presentation notification is not needed if:

- the importing company has submitted a one-stage tax border declaration in advance, or
- informed the carrier that they intend to do so at the latest when crossing the border. In these cases, the carrier should be given information about the declaration submitted – ask your carrier how, when and what they need.

### **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 carrier before they can deliver the goods to the destination. Ask your carrier what they need and when and how they want to receive the information. For more information, see Customs' web page [One-stage declaration procedure](#).

If the importer transports goods across the 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 border, after which no presentation notification needs to be submitted.

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

VAT-registered businesses can submit the tax border declaration in two stages. In this type of declaration, when receiving the goods, the importer makes an entry in the records in the first stage. In stage two, 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 Customs' web page [Two-stage declaration procedure](#).

### **Tax border number**

A 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.

[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.

*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.*