

# The Finnish Tax Administration in 2023: For sustainable taxpayers

## CONTENTS

1	Foreword by the Director General: Collaboration, trust and sustainability in taxation.....	2
2	The Finnish Tax Administration in brief .....	3
3	Basis of our sustainability activities .....	4
4	Positive customer experience.....	4
4.1	Smooth services and fluent communication .....	5
4.2	Metrics and goals.....	6
4.3	Case: Customer service model aims for a positive customer experience.....	7
5	Fair taxation .....	7
5.1	We work fairly and openly.....	8
5.2	Metrics and goals.....	9
5.3	Case: Statistics make the tax system more transparent.....	10
6	Ensuring tax revenue .....	11
6.1	Tackling the grey economy .....	11
6.2	Metrics and goals.....	13
6.3	Case: We act as a gatekeeper for false registrations .....	13
7	Cooperation and partnerships .....	14
7.1	Cooperation in Finland and globally.....	14
7.2	Case: An ecosystem to help over-indebted people find the services they need .....	15
8	Sustainability footprint .....	16
8.1	We take care of our employees and the environment .....	16
8.2	Metrics and goals.....	17
8.3	Case: New code of ethics tells us what we expect of ourselves.....	17
9	Sustainability reporting.....	18

## 1 taxation

### Foreword by the Director General: Collaboration, trust and sustainability in

Public authorities operate sustainably when they carry out their core responsibilities properly and efficiently. The Tax Administration's most important responsibility is to ensure tax revenue for use by society.

Still, it is not enough that we simply fulfil our legal responsibilities. We must demand more from ourselves: our operations have to be ethically sustainable, as well. That is what the people of Finland expect from their Tax Administration. We endeavour to promote good governance, prevent conflicts of interest, and ensure that our employees are not hampered by outside influence. Sustainability and responsibility go hand in hand in our everyday conduct.

Although we are the foremost experts in taxation, we could not succeed in our work without the support of our numerous collaborators and partners. With their help, we can carry out our primary responsibilities even better. They enhance our sustainability with fresh perspectives and new competencies.

For example, we have long been a part of an active cooperation network of public authorities and stakeholders combatting tax avoidance and non-compliance on both national and international levels. We also contribute to measuring the effectiveness of legislation. The Tax Administration's Grey Economy Information Unit investigates how tax avoidance affects society and provides information on how to fight against unwanted economic phenomena.

When someone comes from abroad to work in Finland, they need a tax card. As the institution responsible for issuing tax cards, the Tax Administration has registered more foreign workers in Finland than any other public authority in the past few years. Providing ready access to the permits required for working in Finland is one part of fostering a sustainable society, too. Unfortunately, we have also seen an increase in identity theft. In response, we have developed our capabilities and tools for identifying fraudulent operators.

Smooth and seamless taxation promotes a prosperous and secure society. We want to do our part in advancing Finland's societal development, which is why we produce research and statistics to support decision-makers in their work. This way, we also enable wide-reaching public discussion on taxation matters. Establishing a dialogue with our customers – the taxpayers – is extremely important. In addition to ensuring tax revenue and fair tax assessment, fostering a positive taxpayer experience is one of our strategic goals.

In our vision of the future, taxation is a seamless part of the everyday life of people and businesses and it does not require any extra effort from anyone. However, the information needed for taxation should be generated automatically during each taxable transaction, and there is still a lot of work to be done for that to become a reality.

This is not an easy time for furthering grand visions and faraway goals. Strict economic austerity is a test for how well we can balance the need to streamline our operations with our continuing strive towards improved collaboration, trust, and sustainability.

Markku Heikura  
Director General  
Tax Administration

## 2 The Finnish Tax Administration in brief

The mission of the Finnish Tax Administration is to collect the right amount of tax at the right time to ensure funding for public services. Each month, we allocate collected taxes to parties that maintain public services: the state, municipalities, the Social Insurance Institution of Finland (Kela) and parishes.

Our customers include both private taxpayers and companies/organisations. Our goal is to help our customers take care of their tax matters independently and correctly. The MyTax service is our primary electronic service channel.

At the end of the year, we employed 5,315 people. The three main units of the Finnish Tax Administration are the Taxation Unit, the Customer Relations Unit, and the Product Management Unit. Tax offices and our customer service are part to the Taxation Unit, which employs 4,165 people. The Finnish Tax Administration has offices in 56 locations across Finland.

### **We are customer-driven**

Our operations are based on genuine customer orientation: we use customer understanding in our operations, guidance and development to make customers' tax transactions easier and ensure the tax revenue.

We want to be even more customer-driven and make tax transactions as simple and easy as possible for our customers. Our customer-driven operations are based on three principles: improving the customer experience, reducing the need for services, and ensuring the tax revenue.

### **We improve our operations continuously**

We continuously renew our competence and focus on comprehensive customer understanding. We work in close cooperation with companies, stakeholders and the public administration, and we are open to new ideas for improvement. We allocate our resources based on verified effectiveness. We utilise management by objectives, knowledge and coaching. We improve the agility of our operations by increasing self-direction and utilising models of agile development.

### **We ensure the tax revenue**

In 2023, we collected €81.6 billion in taxes for society, and 93% of the taxes were paid on time.

At the end of the year, unpaid taxes totalled €3.86 billion, which is slightly more than the previous year. Of the year-end tax debts, 34% were being recovered through debt collection in 2023. Similarly, the VAT gap, meaning the unreceived share of the legal VAT revenue, remained stable and was low on an international scale. The assessment method used indicates the minimum VAT gap in the country concerned, and in Finland's case it was assessed that the gap was at least 3%.

### 3 Basis of our sustainability activities

Our sustainability activities are based on our statutory tasks and strategy. Our handprint can especially be seen in the area of financial sustainability.

Sustainability is an integral part of our strategic goals of a positive customer experience, fair taxation and ensuring tax revenue.

The building of trust, working together and embracing new ways of working are the values that guide our activities. We develop our services in cooperation with our customers and stakeholders: we listen to our customers with the aim of predicting their needs and responding to them. We act for the good of Finnish society in accordance with the central government's shared principles. We play an active role in building and developing public services.

Our strategy and activities have a specific impact on the achievement of the four selected UN Sustainable Development Goals: decent work and economic growth (SDG 8); reduced inequalities (SDG 10); peace, justice and strong institutions (SDG 16); and partnerships for the goals (SDG 17).

To launch sustainability reporting on the current scale, we arranged a series of internal workshops on the strategy, our operations and the SDGs in the spring of 2021. As a result of this work, we proposed a set of SDGs that the Finnish Tax Administration can best promote to be included in the report. Management of the Finnish Tax Administration reviewed and confirmed the selected SDGs as the basis for the reporting.

In the next sections, we will discuss the achievement of the SDGs through our strategic goals. This year, we raised one of our values – working together – as the fourth perspective alongside them.

### 4 Positive customer experience



One of our strategic goals is to build a positive customer experience in the management of tax matters. We base our operations on a genuine customer orientation, customer understanding and customer engagement. We want to make our customers' tax transactions as simple and easy as possible. A positive customer experience also maintains and strengthens a positive attitude towards taxes.

The handprint of our operations described in this section has a particularly positive impact on achieving the UN's Sustainable Development Goal 8. The global goal promotes sustainable economic growth, full and productive employment and decent work for everyone. The Finnish Tax Administration promotes this goal by providing effective services for society, among other measures. We develop our service channels and use digitalisation. We invest in responsible and interactive high-quality communication.

## 4.1 Smooth services and fluent communication

A positive customer experience is created when customers can take care of their tax matters smoothly, are satisfied with the services and feel that they are being treated equally.

### E-service

- There were more than 33.5 million logins to MyTax, and 5.5 million different reports and notifications were submitted through the service. We received 175,000 messages through MyTax (+18%). We responded to 71% of the messages within five working days.
- Changes to tax cards or prepayments were requested roughly 2.6 million times.
- Some 1.5 million individual taxpayers made changes to their pre-completed tax return, and 89% of the changes were made through MyTax.
- A total of 85% of the people who replied to the survey on how their visit to MyTax went stated that their experience was good.
- Roughly 31,000 employers used the Palkka.fi service each month. The service makes the payment of wages easier for small employers. The service was used to pay around €2.4 billion in wages and fees, as well as to submit some 1.4 million earnings payment reports and some 0.44 million separate reports to the Incomes Register.

### Telephone service

- We answered around 1.8 million calls at a response rate of approximately 78. The number of incoming calls has decreased every year since 2019.
- The matter at hand was resolved or its processing was started in 93.8% of the calls.
- A total of 92% of callers were satisfied or extremely satisfied with the telephone service they received.

### APIs

Our vision is that taxation will be a seamless part of the daily life of people and businesses in the future, as the information required for taxation will be generated automatically during each tax transaction. Application programming interfaces (APIs) are the key here, as they form a link between our systems and the financial management software used by companies or their accounting firms.

By the end of 2023, we offered more than 70 APIs for different purposes. These APIs were used a total of 251 million times, i.e. their use more than doubled from the previous year. The most popular API is the Withholding Percentage Request API through which the payer can retrieve the recipient's withholding rate for the payment of wages, for example.

### Communication

Communication helps build interaction with customers, lower the threshold in taking care of tax matters and encourage customers to take the correct steps at the correct time to ensure the tax revenue. Communication also has an impact on the increased use of MyTax and the e-service. Through

communication, we increase our employees' understanding and commitment to their work, as well as boost their sense of relevance.

We also aim for a positive customer experience through clear customer guidance that is kept up to date, as well as interaction on social media. In communication, we take into account the needs of different customer groups, providing information not only in Finnish and Swedish but also in English. Our internal and external communication channels include vero.fi, newsletters, online information, social media, media services and our interactive intranet.

The vero.fi website offers comprehensive guidance on taking care of your tax matters and using MyTax. The customer guidance is systematically developed with specialists.

In 2023, pages on vero.fi were loaded a total of 85.8 million times (2022: 88.5 million). Of this figure, Swedish pages were loaded 5.2 million and English pages 3.8 million times. During the year, the vero.fi website was the subject of several denial of service attacks. Operational reliability of the site was improved towards the end of the year.

We had nearly 265,000 followers on our social media channels (2022: 222,000). Content was displayed roughly 25 million times (2022: 19.4 million), and the number of different reactions was 1.3 million (2022: 1.3 million).

Our media service handled 376 media contacts (2022: 356). In the 2023 business communication survey by Taloustutkimus (Yritysviestintä23), our media service was given the score of 3.94/5 (2022: 3.65). Among public sector organisations, the best scores for communication were given to the Finnish Tax Administration and the Finnish Meteorological Institute. Our social media recruitment communication won the Creative Ideas category of Magnet Awards Finland. The category focused on employer image campaigns and content that redefine traditional industry patterns.

Our customer communications focused on:

- Tax cards and keeping them up to date throughout the year
- Checking and completing your tax return
- Paying the correct amount of taxes at the right time
- Topical issues and legislative amendments due to issues such as the energy crisis, e.g. the tax credit for electricity

### Survey highlights

**77%** of respondents agree with the statement "Guidance by the Finnish Tax Administration assists people in doing the right thing".

**66%** of respondents completely or to some extent agree that the Finnish Tax Administration has considered its activities from the customers' point of view.

**81%** of respondents completely or to some extent agree that it is easy to find instructions on how to report and pay taxes when you need it.

*Source: The Finnish Tax Administration attitude survey 2023*

## 4.2 Metrics and goals

We monitor our successes and develop our operations using the following metrics and goals:

Metric	Actual 2020	Actual 2021	Actual 2022	Goal 2023	Actual 2023
Percentage of tax card changes made online (%)	74	76	77	≥ 76	76
Percentage of electronic income tax returns, individual taxpayers (%)	86	88	89	≥ 88	91
Smoothness of telephone service, response rate for tax card calls (%)		77	75	75–80	76
Smoothness of telephone service, response rate for non-tax card calls (%)		81	82	78–82	79
Percentage of customers satisfied with the telephone service, an SMS survey (%), individual taxpayers		93	93	≥ 93	93
Percentage of customers satisfied with the telephone service, an SMS survey (%), corporate taxpayers		85	88	≥ 85	90
Percentage of customers who feel they can trust the Finnish Tax Administration (%) 1)	n/a	88	91	≥ 90	91

1) *Customer attitude survey, October 2023 (n = 1,000). Since 2022, the survey has differed from previous surveys in that it uses a five-tier response scale including a neutral option (neither agree nor disagree), compared to a four-tier scale without any neutral option in the previous surveys. The actual figures have been converted into a statistically comparable format.*

### 4.3 Case: Customer service model aims for a positive customer experience

*Our strategic goal is to ensure that our customers have a positive customer experience in the management of tax matters. To achieve this goal, we have created a customer service model.*

The customer service model specifies what a positive customer experience means in daily encounters and what it requires from us. The model applies to service through different channels: telephone, letters, messages on MyTax and face-to-face encounters.

When serving a customer, key aspects include the ability to listen to the customer and to ensure equality and understandability. The model starts with anticipation before the customer encounter and progresses to the customer's positive experience after the tax matter has been dealt with.

We will adopt the common model in stages. Most of our employees working with taxation had completed the training on the model by the end of 2023. In future, we will train all new taxation employees in the use of the model.





Fair taxation means that our activities are nationally harmonised, of a high quality and predictable for taxpayers. Fair taxation is one of our strategic goals.

### **SDGs 8, 10 and 16**

Fair taxation also has a positive impact on the UN's Sustainable Development Goal 8. We promote this goal by monitoring any shortcomings, for example. Eliminating the shadow economy and any violations in working life, and ensuring fair competition enable work and economic growth.

The UN's Sustainable Development Goal 10 seeks to reduce inequalities in and between countries. Target 10.3 has been defined as follows: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

We promote these goals by means of effective tax processes, guidance and control. Tax control and guidance aim to ensure that all taxpayers know how to meet their obligations and are able to do so.

UN Sustainable Development Goal 16 aims for peace, justice and strong institutions. Target 16.3 aims to promote the rule of law at the national and international levels and ensure equal access to justice for all.

We build trust between business partners and in public procurement. The measures we use include monitoring the registration of companies and the meeting of obligations, tackling the grey economy and maintaining the public tax debt register.

We promote the accuracy of taxation internationally. We are involved in developing the international exchange of information, and carry it out in the best possible manner.

In addition, we ensure that obtaining information on taxation is guaranteed as required by law. We disseminate public taxation information, maintain and publish statistics on taxation, and publish our financial statements.

## **5.1 We work fairly and openly**

Our processes ensure that our customer and employee guidance is harmonised and nationwide. Customers can see this as equal and even-handed processing.

We have been using automated decision-making in tax assessment for a long time now. The automated decision-making is based on precise predetermined processing rules. A matter can only be decided automatically if it does not require any case-by-case consideration or if a staff member will decide on any issues that require specific consideration. Legislation on automated decision-making entered into force in 2023. It expanded the manner in which we tell our customers about the automated decision-making.

Fairness is also promoted by the guidance and supervision we use to ensure that everyone meets their tax liabilities.



## Control and supervision

Most of our control measures involve the monitoring of incoming tax returns and other tax control realised in connection with regular tax assessments.

We use our tax audit resources flexibly to tackle tax risks or risk phenomena in line with our control and supervision plan. We choose the most appropriate measures, ranging from lighter preventive measures to tax audits, according to the nature and significance of the tax risk.

The control of income tax returns generated more than €300 million in taxes, which is about a third more than in the previous year.

A total of 5,372 different types of control measures were completed (2022: 4,742). The increase is mostly due to a control project where control measures that are lighter than tax audits were utilised.

Of the control measures, 1,371 were tax audits (2022: 1,444). In 2023, the total impact in euros of all measures taken based on tax audits was €163 million (2022: €329 million). During the comparison year, 2022, the euro amount was increased by individual cases of exceptional importance, of which there were none in 2023.

## Publicity of tax information

According to the standard Finnish practice, after the publication of income taxation we provide the media with information about individuals who have earned more than €100,000 to be used for journalistic purposes. The public information about the income taxation of corporate entities is published on vero.fi in a downloadable and reusable format.

We also produce detailed statistical data on taxation in a manner that is unique in international comparison. We provide municipalities with information on real estate and income taxation so that they can ensure that they receive the tax revenue they are entitled to. We actively communicate information about issues and changes affecting the payment of taxes to tax recipients via the Veronsaajien palvelut website, for example.

## Survey highlights

- **83%** of respondents completely or to some extent agree that they can trust in the accuracy of the tax decisions they receive.
- **67%** feel that the Finnish Tax Administration treats all citizens equally.
- **78%** disagree with the statement “The Finnish Tax Administration makes a lot of mistakes”.

*Source: The Finnish Tax Administration attitude survey 2023*

## 5.2 Metrics and goals

We monitor our successes and develop our operations using the following metrics and goals:

Metric	Actual 2020	Actual 2021	Actual 2022	Goal 2023	Actual 2023
Confirmed tax decisions (Assessment Adjustment Board) (%)		86	90	≥ 85	87
Customers who consider tax control to be effective (%) 1)	-	81	91	≥ 90	91

1) Customer attitude survey, October 2023 (n = 1,000). Since 2022, the survey has differed from previous surveys in that it uses a five-tier response scale including a neutral option (neither agree nor disagree), compared to a four-tier scale without any neutral option in the previous surveys. The actual figures have been converted into a statistically comparable format.

Metric	2020	2021	2022	2023	Change 2022-2023
Number of tax audits (qty)	2,057	1,773	1,444	1371	-5.1%
Tax impact of audit measures, all tax types (€ million) 1)	138	220	329	163	-50.5%

1) In 2022, the calculation method was changed so that the figure includes the actual debiting of income tax from audited natural persons, considering progressive taxation, whereas an assumed tax rate of 20% was previously applied to income increases made during tax audits. The direct impact of capital gain tax findings was not addressed previously either. Considering the calculation changes above, the adjusted tax impact of measures carried out in 2021 would have been €234 million.

### 5.3 Case: Statistics make the tax system more transparent

*The statistics we produce allow citizens to have a debate on taxation based on reliable and objective information.*

The publication of tax statistics improves the transparency of the tax system and enables citizens to assess the fairness and impact of existing laws. In addition, several parties use the statistics of the Finnish Tax Administration as a basis to support their decision-making. The level of detail and speed at which tax statistics are published are unique internationally. For example, the statistics show how much income tax is accrued for different income categories, how much different taxes are declared and paid, and to which extent tax deductions are used.

Since 2015, we have been collaborating on statistics with Statistics Finland. We submit tax data and definitions related to statistics to Statistics Finland, which compiles them into statistics. We distribute the statistics via PXWeb, which is also used by Statistics Finland and several other authorities that produce statistics. The collaboration also enables the utilisation of Statistics Finland's registers for the Finnish Tax Administration statistics. From the user's point of view, this has the advantage of improving the comparability of the Finnish Tax Administration's statistics with those prepared by Statistics Finland. The collaboration also allows us to use some background classifiers in our statistics that we would not be able to produce based on our own data.

The most comprehensive and detailed information is available about the income and real estate taxation of individual and corporate taxpayers. We publish accrual statistics for all the taxes we collect at least every month.

We produce different types of articles and newsletters based on the statistics to provide more information about matters such as legislative amendments, phenomena and development trends that affect taxes. The statistics are available on [vero.fi](https://vero.fi).

## 6 Ensuring tax revenue



Ensuring tax revenue for society is our most important task. We give attention to the effortlessness and reliability of taxation. We acquire and use tax data comprehensively. We tackle the grey economy and thereby eliminate unhealthy competition. By improving our ways of working, we also secure the accrual of tax revenue in the future.

Our success in the two strategic goals – creating a positive customer experience and achieving fair taxation – helps us achieve the third strategic goal of ensuring tax revenue for society.

These comprehensive activities contribute to the UN Sustainable Development Goal 16: peace, justice and strong institutions.

### 6.1 Tackling the grey economy

The grey economy reduces the amount of funds available to society. We use a variety of tools to tackle the grey economy and investigate tax offences.

The targeting of grey economy tax audits improved from the already good level of the previous year, with 93% of audits resulting in measures (2022: 91%) and 86% of the audit targets (2022: 87%) forwarded for the consideration of a report of an offence. We prevented unjustified registrations in the prepayment and VAT registers and removed inappropriate entries: a total of 2,437 such tasks were processed (2022: 2,145). When controlling cases of tax refund fraud by bankrupt companies, we rejected the withholding of persons responsible for such companies and their related parties amounting to nearly €1.5 million. We also monitored 1,005 operators in industries such as the taxi, restaurant, construction and festival industries in cooperation with other authorities (2022: 721).

#### Grey Economy Information Unit

As part of the Finnish Tax Administration, the Grey Economy Information Unit assesses the impact and prevention of different grey economy phenomena and the effectiveness of legislation. The unit also prepares reports on phenomena to support the operations of control and licensing authorities, as well as produces digital compliance reports as an information service to support the tasks of public authorities.

In a report on audits, we examined non-compliance with audit obligations and the impact of tax risks on the likelihood of non-compliance. We assessed the size of the tax gap caused by the grey economy through quantification

studies, which identified abuse of the tax credit system for household expenses and domestic companies operating outside the registers. In total, 150 reports on different phenomena, statements and other information provision tasks were completed during the year.

The use of the obligation compliance reporting service continued to expand to support new tasks of the public authorities, and the service was used in 37 public authority tasks by the end of the year. More than 700,000 obligation compliance reports were commissioned.

Coordinated by the Grey Economy Information Unit, the situational picture on the grey economy and economic crime maintained an up-to-date situational picture by publishing 61 information products on the *Grey economy and economic crime* website.

### **Action plan for tackling the grey economy and economic crime**

Most projects under the action plan for tackling the grey economy and economic crime for 2020–2023 were completed by the end of 2023.

A project on the misuse of identities and tax refund fraud was of particular importance. It improved our capability of identifying misuse and the tools we use. More broadly, the project highlighted challenges with the registration of foreign employees in Finland. In 2024, we will continue to develop the tool created by the project.

An insurance wrapper control project highlighted not only control development needs but also the need for legislative amendments. We launched research on aggressive tax planning with four research organisations, which we will continue in 2024 and 2025. We investigated the opportunity to more widely utilise criminal record data in the tackling of the grey economy. We also investigated the possibility of developing the powers and auditing rights of the Finnish Tax Administration and Finnish Customs to correspond with the powers of other national authorities and international developments. This matter cannot be advanced further without a political decision.

Within the scope of the grey economy action plan, we also realised a research project on international safeguards and enforcement measures, legal remedies and administrative assistance available to tax authorities and stakeholders, and EU regulation.

We proactively prevented the grey economy through a three-year communication project aimed at young people and immigrants entering the labour market. The project created a communication concept ([happytaxpayer.com](http://happytaxpayer.com)), reformed the [verokampus.fi](http://verokampus.fi) website and reached out to young people through a variety of social media channels.

Several legislative amendments were made during the programme period, resulting in an expansion of the Grey Economy Information Unit's obligation compliance reporting service to support ten new tasks of the authorities.

During the programme period, the Finnish Tax Administration completed a total of 12 projects, of which five were implementation projects and seven research projects. We performed a self-assessment, in which the effectiveness of the projects in terms of tackling the grey economy and economic crime received a (median) score of 8 on a scale of 4 to 10. We gave the project a score of 9 in the implementation of the grey economy and economic crime prevention strategy. The flexibility of the action plan, i.e. the possibility to launch new projects if the situation so requires, was rated at 9. On the other hand, the importance of funding for the action plan was given the

score of 10: without separate funding, the implementation of several projects would not have been possible.

Overall, most of our projects for the programming period progressed according to plan. Individual projects, such as a legislative amendment concerning the Grey Economy Information Unit, were not implemented due to lack of time or resources, or for other reasons.

### Survey highlights

- **10%** of respondents completely or to some extent agree that they could refrain from declaring at least part of their income if the risk of being caught was low.
- **90%** feel that the Finnish Tax Administration effectively controls the declaration of income and the payment of taxes.

*Source: The Finnish Tax Administration attitude survey 2023*

## 6.2 Metrics and goals

We monitor our successes and develop our operations using the following metrics and goals:

Metric	Actual 2020	Actual 2021	Actual 2022	Goal 2023	Actual 2023
Percentage of taxes paid at the right time (%) 1)	91	93	93	≥ 93	93
VAT gap (%) 2)	3	3	3		

1) *The actual figure for 2020 does not include car taxes and excise duties transferred from Finnish Customs.*

2) *The VAT gap has been estimated using a calculation method developed by the Tax Administration and based on tax control results.*

## 6.3 Case: We act as a gatekeeper for false registrations

*Misuse of identity provides a variety of opportunities for criminals to commit fraud. The keys to fraudulent activity are provided by one authority, but the fraud may be detected in the course of another authority's control measures.*

In recent years, the Finnish Tax Administration has registered more foreign nationals than any other authority in Finland. We have therefore developed our registration procedures to better identify, already in connection with the registration, actors who seek to use fraudulently obtained or stolen personal identity codes or Business IDs for fraudulent purposes.

The development work has been carried out as part of a project on the misuse of identity and tax refund fraud (the ID project), which was part of the action plan for tackling the grey economy and economic crime that was concluded at the turn of the year. The ID project can be considered one of the action plan's most important projects, as it highlighted the need for highly significant cross-administrative improvements involving matters such as the overall coordination of public authorities.

The growing internationalisation of fraud leads to significant tax losses and has a wide-ranging impact on our welfare state. The prevention of fraud is part of our responsible operations. We want to collect taxes for society to use and guarantee fair competition for honest operators by preventing dishonest or fraudulent activities.

## 7 Cooperation and partnerships



The UN's Sustainable Development Goal 17 – partnerships for the goals – signifies strategically important targets and operating methods for us.

We develop our services in cooperation with our customers and stakeholders: we listen to our customers, aim to predict their needs, and respond to them. Together, we can ensure effortless tax services.

Our goal is to be an active member of society. We act for the good of Finnish society in accordance with the central government's shared principles. We help build and develop public services and are an active member in the tax ecosystem.

In addition, we have an impact through international cooperation in taxation and the international exchange of information. We support the mutual exchange of information and share technological competence. We have taxation-related development cooperation projects in Africa.

### 7.1 Cooperation in Finland and globally

We work with our stakeholders by listening to their needs and goals, and by engaging them in the development of our services. Through stakeholder cooperation, we also aim to increase the digitalisation and automation rate in taxation and ensure that legislation supports smooth tax assessments.

#### **International working groups and projects**

In 2023, we participated in almost 150 regularly convening international working groups and projects. The cooperation forums included the Organization for Economic Cooperation and Development (OECD), the EU, the Intra-European Organisation of Tax Administrations (IOTA) and the Nordic Agenda.

A three-year project to support the Cyprus Tax Department in the implementation of firmware was completed. We started a new development cooperation project with the Tanzania Revenue Authority, focusing on issues such as the development of control measures, the customer experience, change management and behavioural science experiments. The work builds on a previous successful project. A project to develop customer registration by the Kenya Revenue Authority had to wait a whole year for approval from the National Treasury of the Republic of Kenya, and will not start until the beginning of 2024.

All our projects focus on building institutional capacity, which means improving processes and creating standards, for example. We focus on areas where we have strong expertise and work on a peer-to-peer basis.



Finland's efforts to strengthen the revenue base of developing countries are assessed by an objective and autonomous international team. We are one of the many parties that implemented the Finnish Taxation for development action programme in 2016–2023. One of the team's findings was that Finland succeeded in strengthening the Tanzania Revenue Authority.

### **Cooperation in tackling the grey economy**

We were also engaged in active cooperation with national and international authorities and stakeholders in the tackling of the grey economy. Together with other authorities or ministries, we worked on and finalised several projects included in the national action plan for tackling the grey economy and economic crime.

Examples of international activities include training on the joint Nordic risk assessment (NATA2023) and corruption offences prepared in cooperation with the other Nordic tax authorities, which can also be utilised by other national authorities. The tackling of the grey economy is also closely involved in the OECD sub working group on professional assistants, the ENFIN project to develop multi-agency supervision of organised crime and the development of the FCInet tool. The results of the international cooperation have been actively implemented in the prevention of economic crime at the national level.

Real-time exchange of information between Estonia and Finland started in 2023. An agreement and a system enable the request and receipt of predetermined register-based information in real time between the Estonian Tax and Customs Board and the Finnish Tax Administration using a gateway. We can use the information in all our taxation activities and disclose it to other authorities for the purpose of collecting taxes or investigating tax offences.

### **Survey highlights**

- **79%** of respondents agree that the Finnish Tax Administration has been able to change with the rest of society.

*Source: The Finnish Tax Administration attitude survey 2023*

## **7.2 Case: An ecosystem to help over-indebted people find the services they need**

*Over-indebtedness is a major societal challenge. To tackle the issue, we collaborated with several partners to put together an ecosystem of customer-centred services for over-indebted people.*

Default in payment has become more common: more than 8% of Finns over the age of 18 have defaulted on their payments. At the end of 2023, Finns had tax debt totalling €3.85 billion.

Having identified indebtedness as a life event, we set out to study the phenomenon in more detail with the goal of reducing over-indebtedness and improving financial welfare. We wanted to identify the different types of over-indebted people and the most appropriate services for each group, as well as ensure seamless cooperation between those working on the issue.

To be successful, we needed to understand the underlying structures and patterns influencing the phenomenon. We brought together parties working on the issue to increase our knowledge and understanding of each other's services and perspectives. We coordinated the over-indebtedness ecosystem for a total of 18 months.



Our chosen target group were over-indebted families with children who had debt under public law in distraint among their other debts. We interviewed over-indebted families and the professionals who assist them and diversified our understanding of the customers' situations through surveys.

After gaining more understanding and summarising the issues identified, we started to brainstorm experiments. One of the experiments was a virtual financial advice service where a customer who is concerned about their financial situation can talk to several specialists at the same time. We will analyse the trials during the spring of 2024 and plan the next steps accordingly.

## 8 Sustainability footprint

The footprint of operations consists of the negative ecological, social and financial impact of the organisation and its activities on the operating environment. One of the goals of our sustainability activities is to minimise this negative impact.

In accordance with the central government's guidelines for sustainability reporting, we also present information about our personnel in this connection.

### 8.1 We take care of our employees and the environment

At the end of 2023, we employed 5,315 people in 56 locations all over Finland.

Job satisfaction remained at a good level (3.78 on a scale of 1 to 5), nearly unchanged from the previous year. Of the subcategories, the highest scores were given to the work community culture (4.13), the employer image and values (4.04), and the working and operating environment (3.98).

We had 9.6 days of sick leave per annual work unit (in 2022: 11.0 days/AWU), which is the lowest score over a longer period of time, except for the years of the COVID-19 pandemic. The fall in sick leave from the previous year was largely due to a reduction in infectious diseases. Most sick leaves were less than 10 days, which accounted for 6.3 days/AWU, or over 65% of all sick leaves.

According to the VMBaro job satisfaction survey, the experience of gender equality at the workplace was at a very high level (4.30). The trend has been favourable since 2016, when the score was 3.87.

The employees also feel that equality in the work community has improved. The VMBaro statement "Equality is realised in my work community" was given a score of 3.6 in 2016, compared to 4.16 in 2023.

We monitor the gender wage gap using an equal pay index. We are able to achieve good gender wage equality in the same or equally demanding positions. In equally demanding positions, the gender wage gap is small and can be explained by the wage component based on personal performance.

#### **Carbon footprint has been reduced**

We started calculating our carbon footprint in 2010. Our employees find the reduction of our carbon footprint and our other environmental targets important.

Between 2017 and 2025, we are committed to reducing:

- Electricity consumption by 7.5%
- Paper consumption by 30%
- Business travel by 32%
- Waste volumes by 18%

The Finnish Tax Administration's carbon footprint in 2023 was 3,822.70 tCO<sub>2</sub> (2022: 3,999 tCO<sub>2</sub>), consisting of CO<sub>2</sub> emissions from energy, paper, waste and business travel. The carbon footprint has continued to decrease after a slight increase following the COVID-19 pandemic.

The decrease in the use of facilities and the permanent increase in working from home have decreased the use of electricity and heat. Waste volumes have risen from the previous year but are still lower than before the pandemic.

### Survey highlights

- **3.76** (on a scale of 1 to 5) is how employees rate the extent to which the workplace values are realised in their daily lives. The average score has increased from 3.41 in 2016.

Source: The Finnish Tax Administration job satisfaction survey 2023

## 8.2 Metrics and goals

We monitor our successes and develop our operations using the following metrics and goals:

### Change in carbon dioxide emissions (CO<sub>2</sub> index, compared to 2017)

Metric	2017	2018	2019	2020	2021	2022	2023
Business travel	100	118	131	19	11	59	54
Paper consumption	100	109	83	80	67	65	63
Energy consumption	100	103	92	61	57	45	44
Waste volume	100	109	105	80	68	89	95
Total	100	107	98	56	50	51	50

Metric	Actual 2020	Actual 2021	Actual 2022	Goal 2023	Actual 2023
Job satisfaction (VMBaro total index, 1–5)	3.76	3.7	3.77	≥ 3.70	3.78
Employer image and values (VMBaro, 1–5)	4.08	4.03	4.08	≥ 4.00	4.04

## 8.3 Case: New code of ethics tells us what we expect of ourselves

*Compliance with laws and commitments is not enough: we must demand more from ourselves. We also want to do the right thing from the ethical viewpoint, and that is what Finnish citizens expect of us.*

In November 2023, we published our code of ethics, which specifies how we want the Finnish Tax Administration to operate.

Our code of ethics is based on respect for our employees and the work community, acting fairly and ethically, and the Finnish Tax Administration

values of trust, working together and embracing new ways of working. We want to ensure good governance, prevent conflicts of interest and ensure the objectiveness of our employees.

Any behaviour that is perceived unethical would undermine the reputation of the Finnish Tax Administration and erode the trust our customers and stakeholders, which in turn would make it harder for us to perform our core task of collecting taxes to maintain the welfare state.

We created the code of ethics to support our day-to-day work and to guide us, especially when we make decisions or interact with our stakeholders. The code is explained in more detail in an online training course that is mandatory for all employees of the Finnish Tax Administration. The code of ethics is also covered during the induction of our partners.

We regularly communicate information about the code of ethics to the employees. In addition, we have introduced an internal whistleblowing channel through which anyone working in the Finnish Tax Administration can confidentially report suspected misconduct or unethical behaviour.

#### **Our code of ethics:**

- We comply with the law and our commitments
- We respect human rights and the rights of our employees
- We are a responsible employer
- We take care of the assets within our responsibility and appropriately process data
- We take environmental responsibility into account as part of our operations
- Our procurement is sustainable
- We avoid conflicts of interest
- We do not condone any bribery, corruption or misuse
- We act ethically during our collaboration with other public authorities
- We respect our obligation to remain silent and our obligation not to benefit from non-disclosable information
- We comply with the principles of good and ethical governance
- We tackle corruption and the grey economy in society
- We report causes for concern and malpractice

## **9 Sustainability reporting**

We have developed our sustainability reporting and activities based on the State Treasury's guidelines and good practices.

Last year, we made sustainability an even more visible part of the Finnish Tax Administration's strategic goals. We also emphasised sustainability in the daily lives of our employees by publishing various sustainability topics on a weekly basis in our internal communication channels.

This report has been prepared in accordance with the central government's reporting framework. Our sustainability reporting is kept separate from the financial statements of accounting units. We annually publish the report in pdf format and a summary of its content on [vero.fi](http://vero.fi). The key figures for the year are also made available on the website.

In preparing the report, we made use of information obtained from our action and financial plan, financial statements, personnel report and Green Office report.

The report for 2024 will be published in the spring of 2025.

More information about the sustainability report: [viestinta@vero.fi](mailto:viestinta@vero.fi)