



REDUCTION OF THE TAX GAP IS OUR MAIN OBJECTIVE

The Tax Administration combated the shadow economy in many ways, teaming up with other authorities and cities.

THE AUTHORITIES ARE JOINING FORCES TO LAUNCH A NEW WEBSITE ABOUT THE SHADOW ECONOMY

The site – called Grey Economy & Economic Crime – provides information on combating the shadow economy and on current phenomena. Twenty-one authorities and ministries cooperated in the production of the site. The site will be fully launched in spring 2018. The site implementation project is part of the national strategic programme for combating the shadow economy and economic crime confirmed for 2016-2020.

VAT REFUND CONTROL PERMANENTLY UPGRADED TO WORK IN REAL TIME

In 2017, the Tax Administration boosted the efficiency of efforts to combat VAT fraud in the shadow economy. In particular, VAT refund control has been permanently upgraded to function in real time, in order to detect abuses preventatively and protect tax revenue. The latest challenge is posed by the reform of the VAT process for imports, effective as from the beginning of 2018. This reform may usher in new abuses, and the Tax Administration has also focused its efforts on detecting and preventing such abuses.

For many years now, the shadow economy in Finland has been internationalising rapidly – and this also involves VAT fraud. To detect and combat increasingly advanced, harder-to-detect fraud mechanisms, we need ever-more advanced analytics. The Tax Administration has made a concerted effort to step up its reaction speed when controlling phenomena and targeting controls. We are also developing an even more efficient analysis system for cross-border fraud as part of Eurofisc, the anti-VAT fraud network of EU Member States.

THE TAX ADMINISTRATION AND CITIES INVEST IN COMBATING THE SHADOW ECONOMY

The Tax Administration works with cities to combat the shadow economy. A particular focus involves efforts to increase knowledge of various shadow economy phenomena and the detection of corruption.

In cooperation with the Competition and Consumer Authority, the Tax Administration helps cities to develop their efforts to combat the shadow economy and to identify shadow economy phenomena in their various forms. For instance, corruption can be efficiently thwarted by paying attention to procurement decision practices.

FROM A WORLD OF BINDERS TO THE DIGITAL ERA

The world is going digital – and tax audits are keeping pace. The Tax Auditing Unit of Northern Finland began a trial of remote e-commerce control – and this has proven to be so successful that we want to expand it to other types of tax control.