



KPMG AEOI Updates & Tracking Service

FATCA/CRS Alert



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Finland: Updated Guidance on Negligence Fees for Third-Party Declarants

On 16 October 2025, the Finnish Tax Administration published updated guidance on negligence penalties for third-party declarants, relating to the obligations under Sections 14f and 17a–f of the Tax Procedure Act (VML) (found [here](#)), which include requirements under FATCA and CRS.

The key updates to the guidance are as follows:

- **Section 6.1 (General Information):** This section has been updated to clarify that penalties will increase if the same non-compliance occurs in consecutive reporting periods. The increase applies when previously imposed penalties have not led to corrective actions by the reporting entity.

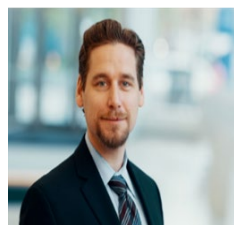
Non-compliance is assessed under Section 22a of the VML, which outlines varying levels of penalties based on the nature and severity of the failure:

- A penalty of up to EUR 2,000 may be imposed if the reporting entity submits notifications with minor deficiencies, files them late without a valid reason, or provides information in a manner not prescribed by law or determined by the Tax Administration.
- A penalty not exceeding EUR 5,000 may be imposed if the reporting entity submits incomplete or inaccurate notifications, or if it fails to provide notifications or complete required procedures until after receiving a formal request from the Tax Administration.

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- A penalty of up to EUR 15,000 may be imposed if the reporting entity intentionally or through gross negligence provides false information, fails to provide required notifications or documents, or neglects any obligations under Chapter 3 of the VML.
- **Section 6.2.1 (Imposing penalties for failure to comply with due diligence obligations):** This newly added section states that penalties for failure to comply with due diligence obligations are determined on a case-by-case basis, typically following inspections. These penalties are assessed based on factors such as the volume of data involved. Failure by reporting entities under FATCA and CRS to carry out proper due diligence procedures may create significant challenges for the Tax Administration in verifying the accuracy of reported data. The period for assessing non-compliance with due diligence obligations aligns with the reporting period used for reporting obligations.

The guidance further confirms that Section 22a of the VML applies independently to both reporting obligations and other obligations, including due diligence requirements. Accordingly, a separate penalty may be imposed for failure to comply with due diligence obligations, even if a penalty has already been levied for non-compliance with reporting obligations.

However, if failures to comply with both reporting and due diligence obligations relate to the same reporting instance, that is, where the failure to comply with due diligence directly results in non-compliance with reporting obligations, such failures will be assessed collectively for the purpose of determining the penalty.

Reference (Finnish): [Guidance on Negligence Fees](#)

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