

## TAXATION

*The below overview is based on Finnish tax laws, as in effect and applied as at April 2025. Applicable taxation practice and guidelines issued by the Finnish tax authorities, as available and in force as at April 2025, has been taken into consideration in the overview. Changes in tax laws, taxation practices and guidelines issued by the Finnish tax authorities may change the conclusions set out in the overview and may also have a retroactive effect on the taxation.*

*The below overview is not exhaustive and does not address the tax laws of other countries than Finland. The below overview is applicable to Finnish tax resident private individuals and Finnish limited liability companies only.*

*Each prospective investor should consult its own tax adviser as to the Finnish or the tax consequences under foreign laws resulting from the trading of CFDs and cryptocurrencies.*

### **Taxation of CFDs**

#### ***Finnish tax resident private individuals***

There are no specific provisions regarding the taxation of CFDs in the Finnish Income Tax Act. Based on established court and taxation practice, CFDs that are not subject to public trading on a regulated marketplace, are not subject to the rules on derivatives in the Finnish Income Tax Act. Therefore, income (profits) on CFDs is treated as taxable capital income for individuals (but does not qualify as capital gains). Losses on CFDs may, in turn, not be set off against or deducted from any other capital income received by the individual, neither does it qualify as a tax-deductible capital loss. Accordingly, Finnish tax resident private individuals trading CFDs, can lose the entire capital that they have invested and still be liable to pay tax for any profit (capital income) they make on CFDs.

Currently, all capital income of individuals is taxed at a rate of 30 % and 34 % for capital income exceeding € 30,000 annually.

Finnish tax resident private individuals must ensure that profits on CFDs for each calendar year are appropriately reported in their pre-filled income tax return (which should be corrected/amended when necessary).

#### ***Finnish limited liability companies***

The following applies only to such limited liability companies that are subject to tax under the Finnish Business Income Tax Act.

Limited liability companies established under the laws of Finland are generally liable to tax in Finland on their world-wide income. The corporate income tax rate is currently 20 %.

Any profits on CFDs constitutes part of a limited liability company's taxable income. Similarly, a loss related to CFDs should result in the recognition of the loss as a tax-deductible expense, assuming that the company is engaged in revenue-generating activities.

#### ***Transfer tax***

CFDs and the payment of the associated cash position (settlement price) is not subject to any Finnish transfer tax.

## **Taxation of cryptocurrencies**

### ***Finnish tax resident private individuals***

There are no specific provisions regarding the taxation of cryptocurrencies in the Finnish Income Tax Act. Based on established court and taxation practice, cryptocurrencies are considered as property under the Finnish Income Tax Act, the disposal of which are subject to the general tax rules applicable to capital gains and losses.

Transactions such as selling cryptocurrencies against euros, exchanging one cryptocurrency for another, or using cryptocurrency in a barter transaction are considered as disposals of cryptocurrencies for tax purposes. Such disposals may result in the taxpayer realising taxable capital gains or deductible losses for tax purposes.

Cryptocurrencies are generally subject to the FIFO (*First In - First Out*) principle, meaning that when calculating gains or losses, cryptocurrencies are considered disposed in the order they were acquired, unless the taxpayer provides a basis for deviating from this order.

Capital income is currently taxed at a rate of 30 percent. However, if the total amount of capital income exceeds 30,000 euros during the calendar year, the tax rate on the excess amount is 34 percent. The presumptive acquisition cost method can also be applied when calculating capital gains realized from cryptocurrency. When using the presumptive acquisition cost method, the acquisition cost is presumed to be 20 percent of the transfer price if the asset has been owned for less than 10 years, and 40 percent if it has been owned for at least 10 years.

Natural persons generally taxable in Finland must add information about profits and income from cryptocurrencies obtained during the calendar year to their pre-filled tax returns.

### ***Finnish limited liability companies***

The following applies only to Finnish limited liability companies taxed under the Act on the Taxation of Business Income. Limited liability companies established under Finnish law are generally taxable in Finland on their worldwide income.

The corporate tax rate in Finland is currently 20 percent. Income or profit derived from cryptocurrencies are treated as part of the taxable income of the company's business operations.

Similarly, losses or expenses incurred from cryptocurrency are deductible in the company's taxation, provided that the company is considered to be engaged in business activities.

### ***Transfer tax***

No transfer tax is levied on the purchase, sale, or other transfer of cryptocurrencies.