

Documents tabled on 7 February 2007:

National Interest Analysis [2007] ATNIA 2

**with attachments on consultation and
background information on relevant international tax issues**

**Agreement between the Government of Australia and the Government of Finland
for the Avoidance of Double Taxation with respect to Taxes on Income
and the Prevention of Fiscal Evasion, and Protocol
done at Melbourne on 20 November 2006
[2006] ATNIF 26**

Regulation Impact Statement

Background information:

Country political brief and fact sheet

List of other treaties with that country

List of treaties of the same type with other countries

NATIONAL INTEREST ANALYSIS: CATEGORY 2 TREATY

SUMMARY PAGE

Agreement between the Government of Australia and the Government of Finland for the Avoidance of Double Taxation with respect to Taxes on Income and the Prevention of Fiscal Evasion, and Protocol, done at Melbourne on 20 November 2006 [2006] ATNIF 26

Nature and timing of proposed treaty action

1. The proposed treaty action is to bring the Agreement between the Government of Australia and the Government of Finland for the Avoidance of Double Taxation with respect to Taxes on Income and the Prevention of Fiscal Evasion (the Treaty) into force. The Treaty will enter into force, pursuant to Article 28, 30 days after the date of the last notification that the relevant domestic requirements of each Party have been completed. The provisions of the Treaty will generally have effect from 1 January or from the beginning of the year of income in the year following entry into force. However, Article 25 (which deals with exchange of information) will have effect from the date of entry into force of the treaty, and the Parties must specifically identify in an exchange of notes when Article 26 (which relates to assistance in collection of tax debts) will come into effect.

2. The existing Australia-Finland Agreement and [First] Protocol, signed in 1984 [1986] ATS 6, as amended by the [Second] Protocol in 1997 [2000] ATS 24, will terminate and be replaced by this Treaty upon entry into force.

Overview and national interest summary

3. The key objectives of the proposed Treaty are to: (i) meet Australia's 'most favoured nation' (MFN) obligations with Finland under the existing Australia-Finland Agreement; (ii) promote closer economic cooperation between Australia and Finland by reducing barriers to trade and investment caused by overlapping taxing jurisdictions of the two countries; and (iii) upgrade the framework through which the tax administrations of Australia and Finland can prevent international fiscal evasion.

4. The Treaty is generally consistent with Australia's tax treaty policy approved by the Government. Key differences from the existing Australia-Finland Agreement include: reduced rates of withholding taxes (WHT) on dividends, interest and royalties; alignment of the capital gains tax treatment more closely with the Organisation for Economic Co-operation and Development (OECD) practice and improved integrity measures, in particular, rules to allow for the cross-border collection of tax debts and rules for the exchange of information on tax matters.

5. The Treaty is expected to reduce barriers to bilateral trade and investment caused by overlapping taxing jurisdictions of Australia and Finland. In particular, reduced WHT rates on interest and royalty payments will make it cheaper for Australian businesses to obtain business loans and intellectual property from Finland. The Treaty will also reduce the WHT rate on dividend payments from an Australian subsidiary to its Finnish parent company. This is expected to encourage Finnish businesses to make direct investments into Australia.

Reasons for Australia to take the proposed treaty action

Meets Australia's international obligations with Finland

6. The entry into force of Australia's 2001 United States (US) Protocol [2003] ATS 14 and the 2003 United Kingdom (UK) Convention [2003] ATS 22 triggered MFN obligation under the existing Australia-Finland Agreement, requiring Australia to enter into negotiations with Finland with a view to providing lower WHT rates for interest and royalty payments and to include rules that protect nationals and businesses from tax discrimination in the other country.
7. Australia's MFN obligations will be met when the new Treaty enters into force.

Reducing barriers to bilateral investment and trade

8. Australia has an important investment and trade relationship with Finland. See the accompanying background brief on Finland for further details.
9. The Treaty is expected to reduce barriers to bilateral trade and investment caused by overlapping taxing jurisdictions of Australia and Finland. This is to be done primarily by reducing WHT on dividend, interest and royalty payments between the two countries. Rather than taking unilateral action to reduce WHT under domestic law, Australia has adopted the approach of agreeing to any such reductions on a reciprocal, bilateral basis. This approach "locks-in" the WHT limits in both countries, ensuring a steady financial framework for business between the treaty partner countries. It also means that Australia is able to exclude "tax havens" from accessing these concessions. See **Attachment B** for an overview of how Australia's WHT rules work.
10. In particular, reduced WHT on interest and royalty payments is expected to make it cheaper for Australian businesses to obtain business loans and intellectual property from Finland. While the Finnish company is legally liable for the interest and royalty income earned in Australia, contracts are often structured so that the Australian company is required to absorb the tax (this commercial practice is often referred to as "gross up" clause arrangements). Consequently, lowered WHT on interest and royalties is expected to reduce costs for Australian businesses. See **Attachment C** for further details.
11. The Treaty is also expected to reduce WHT on dividend payments from an Australian subsidiary to its Finnish parent company. This is expected to encourage Finnish businesses to make direct investments into Australia. It has been recognised that inbound foreign direct investment (FDI) can bring significant economic benefits to Australia, including transfers of technology, formation of human capital, integration of Australian businesses to international trade, and the creation of a more competitive business environment in Australia. See **Attachment D** for further details.
12. More generally, the Treaty will provide important benefits to Australian businesses looking to expand into Finland. See **Attachment E** for further details.

Upgrade the frameworks to prevent international fiscal evasion

13. The Treaty enhances the existing treaty framework to prevent international tax evasion by updating the exchange of information rules to the 2005 OECD standard and including assistance in collection provisions to help in the recovery of tax debts from those Australian taxpayers who move to Finland.

14. The upgraded arrangements reflect the Government's desire to provide for more effective exchange of information on a broader range of taxes, for example, GST, and to provide for reciprocal assistance in collection of taxes.

Consistent with Government policy

15. Entry into force of the Treaty will further implement the Government's commitments, made in response to the *Review of Business Taxation* and the *Review of International Tax Arrangements*, to modernise Australia's tax treaties. The treaty incorporates all key aspects of Australia's current tax treaty policy and more closely aligns Australia's tax arrangements with Finland with international norms, as set out in the OECD's *Model Tax Convention on Income and on Capital*. It provides an outcome similar to Australia's recent treaties, including those with the USA and the UK.

Obligations

16. Article 22 of the Treaty sets out a general principle for the Parties to relieve double taxation on cross-border income. Article 23 contains a general non-discrimination principle, requiring each State to treat nationals of the other no less favourably than it treats its own nationals. Article 24 establishes procedures for dispute resolution by mutual agreement on issues that may arise under the Treaty, including a mechanism for individuals to present complaints on the operation of the Treaty to the relevant State.

17. Article 25 creates obligations for the exchange of information between the two States, including a specific obligation to gather and provide information upon request. Article 25(2) imposes a correlative obligation on the State receiving any such information to treat it in the same manner as information obtained under its domestic laws. Article 25(3) allows either State to decline to provide requested information on limited grounds, including where to do so would be contrary to law or public policy (*ordre public*).

18. Article 26 obliges each State to take certain action in its own territory to assist the collection of taxes owed to the other State, although the requirement to provide such assistance is not absolute, being subject to certain conditions and limitations.

19. The Treaty does not impose any greater obligations on residents of Australia than Australian domestic tax laws would otherwise require, and in some cases reduces the obligations of Australians operating or investing in Finland (Articles 10 (*Dividends*), 11 (*Interest*), and 12 (*Royalties*)).

Implementation

20. As the Treaty affects Commonwealth income tax legislation, enabling legislation must be enacted by the Commonwealth to give the proposed Treaty the force of law in Australia. This will be achieved by incorporating the text of the proposed Treaty as a schedule to the *International Tax Agreements Act 1953* prior to the proposed Treaty coming into force in Australia. No action is required by the States or Territories. There is no change to the existing roles of the Commonwealth, or the States and Territories, in tax matters that will arise as a consequence of implementing the Convention.

Costs

21. The cost to revenue arising from the Treaty is expected to be negligible.

22. No other material costs have been identified as likely to arise from the implementation of the Treaty. The closer alignment with international treaty practice would generally be expected to reduce compliance costs.

23. There would be a small, unquantifiable cost in administering the changes made by the Treaty, including minor implementation costs to the Australian Taxation Office (ATO) in educating the taxpaying public and ATO staff concerning the new arrangements. There are also ‘maintenance’ costs to the ATO and the Department of the Treasury in terms of dealing with inquiries, rulings and other interpretative decisions, mutual agreement procedures (including advance pricing arrangements) and OECD representation. However, these costs also apply to the existing Australia-Finland Agreement and will continue to be managed within existing agency resources.

Second round impact of the Treaty

24. The costings do not include second round impacts on taxation revenue that arise from the flow on effects of the Treaty. The second round impacts on revenue are the impacts that arise as the change flows through to prices, wages and activity in other areas of the economy, which in turn may affect taxation revenue.

25. Treasury has not estimated the second round impact of the Treaty. This is because Treasury does not quantify the second round impact of minor policy proposals as the benefits are too small to measure with any degree of certainty. However, Treasury expects that the proposed interest withholding tax rate changes will reduce the effective cost of borrowing as Australian borrowers bear the burden of tax through “gross up” clause arrangements (see paragraph 10).

26. As a result of the reduction in the cost of borrowing from Finland, Treasury expects that the proposed Treaty could lead to an increase in foreign investment in Australia and economic activity. The increase in economic activity is likely to lead to increases in other forms of tax collection.

Regulation Impact Statement

27. A Regulation Impact Statement is attached.

Future treaty action

28. The Treaty does not create obligations concerning the negotiation of future legally binding instruments. Nor does it contain any amendment procedure. However, Article 39 of the *Vienna Convention on the Law of Treaties 1969* makes it clear that a treaty may be amended by agreement between the Parties. Any amendments would be subject to the domestic treaty process, including tabling and consideration by the Joint Standing Committee on Treaties.

Withdrawal or denunciation

29. Article 29 of the proposed Treaty allows either country to give written notice of its intention to terminate at least six months before the end of any calendar year beginning after the expiration of five years from the date of entry into force. The Treaty will then cease to be effective for different types of income from either 1 January or 1 July in the next calendar year. Termination by Australia would also be subject to the domestic treaty process.

Contact details

Tax Treaties Unit
International Tax & Treaties Division
Department of the Treasury.

ATTACHMENT A

Agreement between the Government of Australia and the Government of Finland for the Avoidance of Double Taxation with respect to Taxes on Income and the Prevention of Fiscal Evasion, and Protocol, done at Melbourne on 20 November 2006, [2006] ATNIF 26

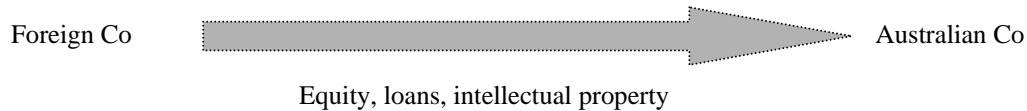
CONSULTATION

1. The Board of Tax consulted widely during the *Review of International Taxation Arrangements* on the direction of Australia's tax treaty policy. The Board's recommendations supported a move towards a more residence-based treaty policy in substitution for treaty policies (reflected in most of Australia's treaties, including the existing Australia-Finland Agreement) based on the source taxation of income.
2. The Minister for Revenue and Assistant Treasurer's Press Release No. C101 of 6 November 2003 invited submissions from stakeholders and the wider community in relation to issues that might be raised during negotiations with 'most favoured nation' countries such as Finland. Prior to this announcement, Treasury had already sought comments from the business community through the Tax Treaties Advisory Panel members of which include:
 - Business Council of Australia.
 - CPA Australia.
 - Corporate Tax Association.
 - Institute of Chartered Accountants.
 - International Fiscal Association.
 - Investment and Financial Services Association.
 - Law Council of Australia.
 - Minerals Council of Australia.
 - Taxation Institute of Australia.
3. In general, business and industry groups supported similar outcomes to those in the 2003 United Kingdom tax Convention [2003] ATS 22 and the 2001 United States Protocol [2003] ATS 14. The proposed Treaty with Finland provides such similar outcomes.
4. The State and Territory Governments have been consulted through the Commonwealth/State Standing Committee on Treaties. Information on the negotiation of this treaty was included in the schedules of treaties to State and Territory representatives from October 2003.

ATTACHMENT B

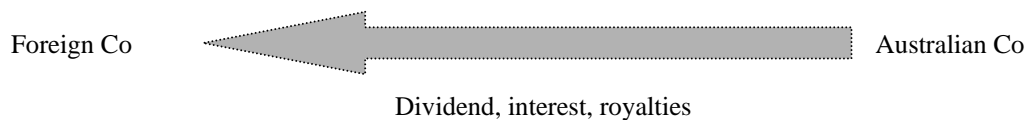
How do withholding taxes work?

Step 1



An Australian company (Australian Co) obtains equity, loans, and intellectual property from a Foreign company (Foreign Co).

Step 2



In return for equity, loans, and intellectual property, Australian Co pays dividends (for equity), interest (for loans), and royalties (for intellectual property) to Foreign Co.

Step 3



Foreign Co earned dividend, interest, and royalties from Australia, so it is liable to pay Australian tax on that amount.

However, it is difficult for the Australian Taxation Office to collect tax from Foreign Co, since it is located outside Australia. Rather than requiring Foreign Co to lodge an Australian tax return, Australian Co is instead required to collect tax, by “withholding” an amount from its payment of dividend, interest, and royalties to Foreign Co. This amount of tax is referred to as a “withholding tax”.

ATTACHMENT C

Economic benefits of lower interest and royalty withholding taxes

Withholding taxes on outbound interest and royalty payments – increased business costs for Australians

The Finnish recipients of outbound interest and royalty payments have the legal liability for withholding tax (WHT) on those payments. However, in commercial practice, those taxes will often be borne by the Australian payers. This is because:

- International lenders often have low profit margins. Consequently, they would not have an incentive to lend to Australian borrowers if those lenders had to bear the burden of interest WHT.
- An international owner of a unique intellectual property (for example, know-how, technology, etc) may be in a sufficiently strong bargaining position to demand that the Australian payer of the royalty also bear the cost of royalty WHT.

Under those circumstances, WHT on outbound interest and royalty payments will be borne by Australian businesses, effectively increasing their business costs.

Reduced withholding taxes under proposed Treaty

While interest WHT rates will continue to be 10 per cent, the proposed Treaty does provide an exemption (that is, a zero rate of WHT) for interest derived by Finnish financial institutions engaged in lending activities.

The general limit for royalties will be reduced from 10 to 5 per cent.

Expected economic benefits of lowered withholding taxes

Lowered interest WHT rates are expected to reduce the burden of repayment placed on the Australian borrowers of Finnish debt, since they often have to bear the burden of the interest WHT:

- This is expected to make it cheaper for Australian businesses to borrow from Finnish lenders.
- Other things being equal, this should lead to increased economic activity.
- In turn, this is expected to result in an increase in the annual tax revenue, which should offset the cost of the interest WHT component of the proposed Treaty.

Similarly, lowered royalty WHT rates are expected to reduce the cost to Australian businesses that make royalty payments to foreign owners, since they often have to bear the burden of the royalty WHT:

- This is expected to make it cheaper for Australian businesses to obtain intellectual property from Finland.
- Other things being equal, the cheaper cost of intellectual property should lead to increased economic activity.
- In turn, this is expected to result in an increase in the annual tax revenue, which should offset the revenue cost of the royalty WHT component of the proposed Treaty.

ATTACHMENT D

Encouraging foreign direct investment through lower dividend withholding taxes (WHTs)

The recognised economic benefits of inbound foreign direct investment

It has been recognised that inbound foreign direct investment (FDI) can bring significant economic benefits to Australia, including:

- *Transfers of technology:* Foreign direct investors may bring new production and product technologies, new management concepts, and improved institutional and governance standards.
- *Human capital formation:* Foreign direct investors may provide training and skill upgrading, improving the productivity of Australia's human capital resources.
- *International trade integration:* Inbound FDI may lead to increased exports and imports in the Australian subsidiary. This is done by expanding the Australian subsidiary's capabilities through transfers of technology and human capital formation, as discussed. It may also be done by providing the Australian subsidiary with access to world-wide product distribution systems.
- *More competitive business environment:* Entry of foreign enterprises may increase competition in Australia, ensuring efficient production methods and benefiting Australian consumers through lower prices.

The impact of lower dividend withholding taxes

The proposed Treaty will provide an exemption (that is, a zero rate of WHT) from dividend WHT, if its Finnish parent company directly holds at least 80 per cent of the voting power of the Australian subsidiary paying the dividend, subject to certain conditions. This exemption seeks to encourage Finnish parent companies to make FDI into Australia, by ensuring that dividend payments from the Australian subsidiary to the Finnish parent are not subject to WHT.

International flows of FDI are thought to be highly sensitive to country tax rates. Recent OECD economic research shows that a 1 per cent point reduction in tax rates can lead to a 4.28 per cent increase in inflows of FDI.¹ On that basis, it is expected that the exemption from dividend WHT would encourage Finnish investors to increase their FDI into Australia.

¹ Ruud A de Mooij and Sjef Ederveen, "How does foreign direct investment respond to taxes?", Study prepared for the OECD Working Party 2 meeting on 31 May to 2 June 2005, CTPA/CFA/WP2 (2005) 16/REV1.

ATTACHMENT E

How revised tax treaties can help Australian businesses expanding offshore

"...The tax treaty was in need of review because it was an impediment to the ability of Australian companies to optimise their business development in the US. The overall result was outstanding, a win for business and government and future economic ties between the two countries ..."

Charles Blunt, National Director of the American Chamber of Commerce and Industry, on the 2001 Protocol to the Australia-United States (US) tax treaty.

Many Australian businesses have found that recently-revised tax treaties provided a boost to their operations offshore.

- **Revised tax treaties allow easier repatriation of profits back into Australia.** Previously, many Australian businesses found it difficult to bring back their profits from their operations offshore, given the high rates of withholding tax (WHT) which would apply under the old tax treaties. According to Pricewaterhouse Coopers: *"...there was no doubt that the withholding tax issue led to a massive earnings lock-up in the US [before the 2001 Protocol to the Australia-US tax treaty] ... our firm's clients alone had profits locked up in excess of \$1 billion ..."*

This provided a disincentive to Australian businesses looking for lucrative commercial opportunities outside Australia.

The revised tax treaties, with reduced WHT rates, have largely resolved this problem. According to Amco: *"... the withholding tax was a disincentive to bring money back to Australia whereas now there is an incentive to bring money back if and when you need it ..."* Australian businesses now have greater freedom to look offshore for opportunities to maximise their earnings.

- **They provide greater certainty to Australian businesses looking to expand offshore.** Australian businesses have also welcomed the recently-revised tax treaties, which provide greater certainty in their tax positions as they expand offshore. Outdated tax treaties can create uncertainties for Australian businesses looking to expand offshore.

Revised tax treaties assist Australian businesses by providing greater certainty with respect to important new tax rules such as the capital gains tax rules, as they seek to expand offshore.

- **They provide a competitive advantage to Australian lenders and owners of intellectual property:** Australia's recently-revised tax treaties provide for lower interest and royalty WHT rates. The lower interest WHT will effectively remove obstacles for Australian banks seeking to expand offshore, thereby improving Australia's status as a global financial centre. The lower royalty WHT will make Australia a more attractive destination for overseas investment in research and development.

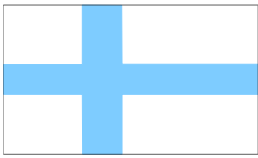
Political Brief on Finland

1. Australia and Finland enjoy a constructive and friendly relationship. We share common attitudes and goals on a number of important international issues such as global security, non-proliferation and UN candidacies.
2. The Republic of Finland is a parliamentary democracy with a unicameral parliament (Eduskunta) comprised of 200 members directly elected from 15 multi-member constituencies every four years. The next parliamentary elections will be held in March 2007. The President holds supreme executive power and is elected for six years by popular direct vote. The current President, and the first woman to hold this position, is Tarja Halonen, who was re-elected for a second term in February 2006. The current Finnish Government, a coalition led by the Centre Party, came to power following the April 2003 election. The Coalition holds 117 of 200 seats in Parliament and is led by Prime Minister Matti Vanhanen of the Centre Party (formerly Minister of Defence).
3. After a long period of 'neutrality' driven by its proximity to neighbouring Russia, Finland has taken a more activist approach to international engagement and international peace-making activities. Finland plays an active role in the promotion of peace and international development and is a strong supporter of the United Nations. Although not a member of NATO, Finland participates through Partnership for Peace activities and in EU-NATO Cooperation. Finland has strong peacekeeping credentials and over 12,000 Finnish nationals have served overseas over the last 50 years. Finnish peace monitors currently participate in efforts in Sri Lanka, Lebanon and in NATO's International Security Assistance Force in Afghanistan. Finland has also played a prominent role in peace efforts in Aceh and Kosovo.
4. Finland was listed as the world's most competitive economy for 2005-06 by the World Economic Forum and has been consistently ranked as one of the least corrupt countries in Transparency International's Perceived Corruption Index. Finland's strong economic growth throughout the 1990s was driven by global demand for information and communications technology (ICT) and principally led by Finnish ICT giant, Nokia. GDP growth remained steady at 2.1 per cent in 2005 but is forecast by the Bank of Finland to accelerate to an average of 3 per cent over 2006-2008. Inflation has declined since 2000 (0.8 per cent in 2005) but is expected to rise to a peak of 2.1 per cent this year. Unemployment levels have decreased to 8.1 per cent in 2006 after several years at higher levels. Reforming the labour market has been identified as key priority for the Finnish government which has also begun to build up pension fund reserves for its rapidly aging population.
5. Australia's trade relationship with Finland is significant. In 2005-06, two way trade totalled A\$1.63 billion. Finland is now Australia's 29th largest export destination. The balance of trade is marginally in Finland's favour (by A\$3.9 million). Australian exports amounted to A\$815 million, of which A\$397 million was derived from nickel ores. Finland also purchases 1.2 per cent of Australia's total uranium exports for use in its nuclear reactors. Imports from Finland totalled A\$819 million in 2005-06, the largest imports being paper and paperboard (A\$220 million) followed by civil engineering equipment (A\$116 million). Finnish students studying in Australia number 235 per year. Around 50 Finnish companies operate in Australia including Nokia, KONE and Outokumpu Oy. In 2005, Finnish investment in Australia totalled

A\$370 million and Australian investment in Finland amounted to A\$629 million (ABS, August 2006).

6. The Hon Alexander Downer, Minister for Foreign Affairs, visited Finland in September 2006 for bilateral discussions and EU Presidency consultations. Finnish President Tarja Halonen will visit Australia as a Guest of Government in February 2007, accompanied by a large business delegation. Previous high-level visits include travel by the Senator the Hon Richard Alston (then Minister for Communications, Information Technology and the Arts) and the Hon Philip Ruddock MP (then Minister for Immigration and Multicultural and Indigenous Affairs) to Finland, both in 2002, and the March 2005 visit to Australia by the Speaker of the Finnish Parliament, Mr Paavi Lipponen.

7. The Australian Embassy in Stockholm is accredited to Finland and there is an Honorary Consul in Helsinki. Finland maintains an Embassy in Canberra and a Consulate in Sydney.



FINLAND

Fact Sheet

General information:

Fact sheets are updated biannually; May and September

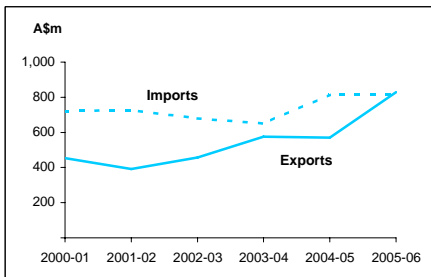
Capital:	Helsinki
Surface area:	338 thousand sq km
Official languages:	Finnish, Swedish
Population:	5.2 million (2005)
Exchange rate:	A\$1 = 0.5920 Euros (July 2006)

Head of State:
H.E. President Ms Tarja Halonen

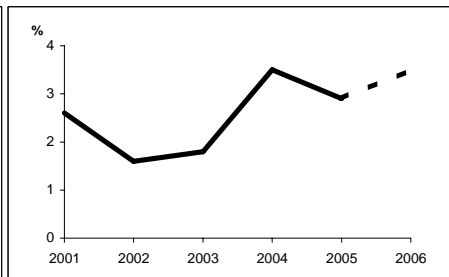
Head of Government:
Prime Minister Mr Matti Vanhanen

<i>Recent economic indicators:</i>	2001	2002	2003	2004	2005(a)	2006(b)
GDP (US\$bn) (current prices):	125.3	136.0	165.0	188.9	196.1	205.9
GDP PPP (US\$bn) (c):	135.3	140.7	147.0	156.3	163.1	171.8
GDP per capita (US\$):	24,145	26,147	31,658	36,192	37,504	39,332
GDP per capita PPP (US\$) (c):	26,071	27,047	28,199	29,952	31,208	32,822
Real GDP growth (% change YOY):	2.6	1.6	1.8	3.5	2.9	3.5
Current account balance (US\$m):	12,043	12,585	10,643	14,746	9,997	10,425
Current account balance (% GDP):	9.6	9.3	6.4	7.8	5.1	5.1
Goods & services exports (% GDP):	39.0	37.8	36.7	37.6	38.5	49.9
Inflation (% change YOY):	2.7	2.0	1.3	0.1	0.8	1.5

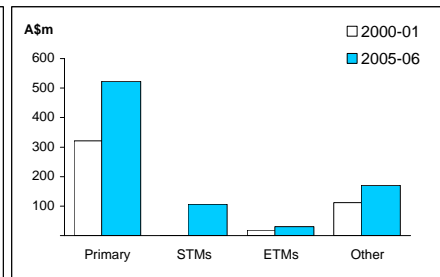
Australia's merchandise trade with Finland



Real GDP growth



Australia's merchandise exports to Finland



Australia's trade relationship with Finland (d):

Australian merchandise trade with Finland, 2005-06:

Exports to Finland (A\$m):	829
Imports from Finland (A\$m):	818
Total trade (exports + imports) (A\$m):	1,647

Total share:	Rank:	Growth (yoy):
0.5%	29th	45.3%
0.5%	32nd	0.4%
0.5%	32nd	18.9%

Major Australian merch. exports*, 2005-06 (A\$m):

Nickel ores	410
Metallic salts & peroxysalts	104
Coal	61
Copper ores	38

Major Australian merch. imports, 2005-06 (A\$m):

Paper & paperboard	220
Civil engineering equipment	116
Telecommunications equipment	59
Mechanical handling equipment	41

*Includes A\$169m of confidential items, 20% of exports

Australia's trade in services with Finland, 2005:

		Total share:
Exports of services to Finland (A\$m):	n.a.	n.a.
Imports of services from Finland (A\$m):	n.a.	n.a.

Finland's global merchandise trade relationships:

Finland's principal export destinations, 2005:

1	Russian Federation	10.8%
2	Sweden	10.7%
3	Germany	10.4%
22	Australia	0.8%

Finland's principal import sources, 2005:

1	Germany	14.8%
2	Russian Federation	14.0%
3	Sweden	10.4%
24	Australia	0.7%

Compiled by the Market Information and Analysis Section, DFAT, using the latest data from the ABS, the IMF and various international sources.

(a) All recent data subject to revision; (b) IMF/EIU forecast; (c) PPP is purchasing power parity; (d) Total may not add due to rounding.

n.a. Data not available.

Other bilateral treaties with Finland

Convention [between United Kingdom and Finland] regarding Legal Proceedings in Civil and Commercial Matters

[1935] ATS 3

Agreement between Australia and Finland concerning the Transfer of Nuclear Material

[1980] ATS 4

Treaty between Australia and Finland concerning Extradition

[1985] ATS 8

Agreement between Australia and Finland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, and Protocol

[1986] ATS 6

WHEN THE NEW AGREEMENT ENTERS INTO FORCE, IT WILL REPLACE THIS AGREEMENT AND PROTOCOL

Protocol between Australia and Finland amending the Treaty concerning Extradition done at Helsinki on 7 June 1984

[1987] ATS 23

Agreement between Australia and Finland on Medical Treatment for Temporary Visitors

[1993] ATS 24

Treaty between Australia and Finland on Mutual Assistance in Criminal Matters

[1994] ATS 12

[Second] Protocol to amend the Agreement with Finland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes and Income, and [First] Protocol, of 12 September 1984

[2000] ATS 24

WHEN THE NEW AGREEMENT ENTERS INTO FORCE, IT WILL REPLACE THIS PROTOCOL

February 2007

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Treaties of the same type with other countries:

Agreement with the Republic of Singapore for the Avoidance of Double Taxation and the
Prevention of Fiscal Evasion with Respect to Taxes on Income
[1969] ATS 14

Agreement with Japan for the Avoidance of Double Taxation and the Prevention of Fiscal
Evasion with Respect to Taxes on Income
[1970] ATS 9

Exchange of Notes constituting an Agreement with the Republic of Singapore Extending the
Operation of Article 18 (3) of the Agreement for the Avoidance of Double Taxation and the
Prevention of Fiscal Evasion with Respect to Taxes on Income of 11 February 1969
[1975] ATS 18

Agreement with the Federal Republic of Germany for the Avoidance of Double Taxation of
Income and the Prevention of Fiscal Evasion with respect to Taxes on Income and Certain Other
Taxes, and Protocol
[1975] ATS 8

Agreement with the Kingdom of the Netherlands for the Avoidance of Double Taxation and the
Prevention of Fiscal Evasion with Respect to Taxes on Income, and Protocol
[1976] ATS 24

Agreement with the French Republic for the Avoidance of Double Taxation and the Prevention
of Fiscal Evasion with Respect to Taxes on Income
[1977] ATS 21

Agreement with the Kingdom of Belgium for the Avoidance of Double Taxation and the
Prevention of Fiscal Evasion with Respect to Taxes on Income
[1979] ATS 21

Agreement with the Republic of the Philippines for the Avoidance of Double Taxation and the
Prevention of Fiscal Evasion with Respect to Taxes on Income
[1980] ATS 16

Convention with Canada for the Avoidance of Double Taxation and the Prevention of Fiscal
Evasion with respect to Taxes on Income
[1981] ATS 14

Agreement with Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal
Evasion with respect to Taxes on Income
[1981] ATS 15

Agreement with Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
[1981] ATS 18

Agreement with the Kingdom of Denmark for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
[1981] ATS 26

Exchange of Notes constituting an Agreement with Singapore to further extend the operation of Article 18(3) of the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income of 11 February 1969
[1981] ATS 31

Agreement with Switzerland for the Avoidance of Double Taxation with Respect to Taxes on Income, and Protocol
[1981] ATS 5

Convention with the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
[1983] ATS 16

Convention with the Kingdom of Norway for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital, and Protocol
[1983] ATS 19

Agreement with Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains
[1983] ATS 25

Convention with the Republic of Korea for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, and Protocol
[1984] ATS 2

Agreement with Malta for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
[1985] ATS 15

Convention between Australia and the Republic of Italy for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, with Respect to Taxes on Income, and Protocol
[1985] ATS 27

Protocol amending the Agreement with the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income of 13 October 1977
[1986] ATS 25

Agreement with Finland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, and [First] Protocol
[1986] ATS 6

WHEN THE NEW AGREEMENT ENTERS INTO FORCE, IT WILL REPLACE THIS AGREEMENT AND PROTOCOL.

Second Protocol Amending the Agreement with the Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, and Protocol, of 17 March 1976

[1987] ATS 22

Agreement with the Republic of Austria for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income

[1988] ATS 21

Exchange of Notes constituting an Agreement to Further Extend the Operation of Article 18(3) of the Agreement with the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income of 11 February 1969

[1989] ATS 26

Agreement with the Kingdom of Thailand for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

[1989] ATS 36

Protocol Amending the Agreement with the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income of 13 April 1976

[1990] ATS 26

Protocol amending the Agreement with the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income of 11 February 1969

[1990] ATS 3

Agreement with Fiji for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

[1990] ATS 44

Agreement with the People's Republic of China for the Avoidance of Double Taxation and the Prevention of fiscal Evasion with respect to Taxes on Income

[1990] ATS 45

Agreement with the Republic of Kiribati for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

[1991] ATS 34

Agreement with the Democratic Socialist Republic of Sri Lanka for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

[1991] ATS 42

Agreement with the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

[1991] ATS 49

Agreement with the Republic of Poland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

[1992] ATS 14

Agreement with the Republic of Hungary for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
[1992] ATS 18

Agreement with the Republic of Indonesia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
[1992] ATS 40

Agreement with the Kingdom of Spain for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, and Protocol
[1992] ATS 41

Agreement with the Socialist Republic of Vietnam for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
[1992] ATS 44

Agreement with the Czech Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income
[1995] ATS 30

Exchange of Notes constituting an Agreement to Amend [Article 23] of the Agreement with the Socialist Republic of Vietnam for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income of 13 April 1992
[1997] ATS 20

Agreement with New Zealand for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income
[1997] ATS 23

Exchange of Letters constituting an Agreement Prolonging the Effect of Certain Provisions of the Agreement with Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income of 20 August 1980
[1999] ATS 24

Agreement with the Republic of South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, and Protocol
[1999] ATS 34

Agreement with the Slovak Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income
[1999] ATS 35

[Second] Protocol to amend the Agreement with Finland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes and Income, and [First] Protocol, of 12 September 1984
[2000] ATS 24

WHEN THE NEW AGREEMENT ENTERS INTO FORCE, IT WILL REPLACE THIS PROTOCOL.

Protocol amending the Agreement with Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income of 20 August 1980
[2000] ATS 25

Agreement with Romania for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, and Protocol
[2001] ATS 4

Protocol amending the Convention between Australia and Canada for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income of 21 May 1980
[2002] ATS 26

Protocol Amending the Convention with the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income of 6 August 1982
[2003] ATS 14

Convention with the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the prevention of Fiscal Evasion with respect to Taxes on Income and on Capital Gains
[2003] ATS 22

Agreement with the Russian Federation for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
[2003] ATS 23

Exchange of Letters constituting an Agreement to Amend the Agreement with the Socialist Republic of Vietnam for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income of 13 April 1992, as amended by the Exchange of Notes of 22 November 1996
[2003] ATS 9

Second Protocol amending the Agreement with Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, as amended by the First Protocol of 2 August 1999
[2004] ATS 1

Agreement between the Government of Australia and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income
[2004] ATS 4

Protocol amending the Agreement with the Government of New Zealand for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income of 27 January 1995
[2005] ATNIF 26

Convention with the French Republic for the avoidance of double taxation with respect to taxes on income and the prevention of fiscal evasion, and Protocol
[2006] ATNIF 16

Convention between the Government of Australia and the Government of the Kingdom of Norway for the Avoidance of Double Taxation with respect to Taxes on Income and the Prevention of Fiscal Evasion, done at Canberra on 8 August 2006
[2006] ATNIF 17