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## TAX INFORMATION NOTE - CAPITALISATION FINLAND

 **FOYER GROUP**

The following general information on taxation is intended for persons fiscally resident in Finland.

The information herein is without prejudice to future changes in legislation during the life of the contract. It does not take into account the particular features of individual situations.

We therefore recommend that you seek advice from an independent legal and fiscal advisor, who will take into account your personal situation.

Our products are designed for specific countries and the features of each product are based on the Law and Regulations of a specific country. It is important to check if all characteristics of your capitalisation contract and as a consequence its tax treatment comply with the law and regulations of your country of habitual residence.

The taxation applicable to the capitalisation contract is generally that of the country of your habitual and fiscal residence.

**You or the legal taxpayer are solely responsible for declaring and paying all required taxes or making any other required declaration with regard to this capitalisation contract.**

### **Insurance Premium Tax**

There is currently no insurance premium tax applicable to capitalisation contracts in Finland.

### **Taxation of benefits or surrenders**

In case the benefit is paid to the client, an increase in the contract value is "capital income". The basis for calculating the capital income is to subtract the amount of premiums paid from the value of the underlying assets at the time of surrender.

For natural persons, such capital income is taxed at a rate of 30% for capital income amounts up to EUR 30,000 per year and 34% for capital income amounts above EUR 30,000 per year.

For legal entities, an increase in the contract value is to be taxed as capital income at a rate of 20%.

### **Inheritance Tax**

In case of death of the client the contract value is included in the taxable total estate value. If the beneficiary of such an indemnity is a more distant relative or a non-relative, the receipt of indemnity is taxed as capital income, and the beneficiary will have to pay income tax. In these circumstances, no assessment of inheritance tax is involved.

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Nothing herein shall be deemed legal or tax advice. To the best of our knowledge and belief the information in this information note is true and correct as of December 2017. Nevertheless any information included in this note is subject to amendments to the applicable insurance and tax regulations. This document is solely for general information purposes.

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