Finland

1. Types of tax

Although there is actually only one tax that is based on the Inheritance and Gift Tax Act (1940), the tax has 2 clearly distinguishable tax objectives. For this reason, the taxation of inheritances and bequests and the taxation of gifts are treated separately in this section and the 2 names for the taxes are used accordingly. Inheritance tax and gift tax are imposed solely by the state.

1.1 Inheritance tax

Scope of application

Inheritance tax is levied on the individual share of each beneficiary and not on the estate of the deceased as a whole. Inheritance tax is levied on the following property received as an inheritance or a bequest:

- Any property provided the deceased or the person who receives the property as an inheritance or a bequest was a resident in Finland at the time of death
- Real property situated in Finland and shares or other rights in a corporate body where more than 50% of the total gross assets of that corporate body consists of real property situated in Finland.

Insurance claims paid out to a beneficiary or estate under a personal insurance scheme in the event of the death of the benefactor, as well as any similar economic subsidy paid by the government, a municipality or any other statutory body or a pension institution, are subject to inheritance tax only if they are not subject to income tax and the benefit or subsidy of a beneficiary or heir for a single death exceeds €35,000. Half of the total amount of such claims or economic subsidies and amounts up to €35,000 are tax-exempt for widowers and widows.

No inheritance tax is levied on the value of a right to annual income or on the value of a usufruct.

No inheritance tax is payable when, on being dissolved, the property of an association is transferred in accordance with its articles of association. If the inheritance tax should be levied on the same property on the basis of 2 or more deaths that have occurred within 2 years, the inheritance tax is levied only once and on the basis of the most remote relationship.

Credit for foreign inheritance tax

To avoid double taxation, the tax paid on an inheritance by a Finnish resident to a foreign state on property mentioned in item 1 is credited against the inheritance tax due in Finland on the same property.

The maximum credit is the lesser of either the amount of foreign inheritance tax or an amount based on the following calculation (ordinary credit):

$$\frac{\text{value of foreign property x Finnish inheritance tax}}{\text{value of total property (including foreign property)}}$$

1.2 Gift tax

A gift tax is levied on the following types of property received as a gift:

- Any property, provided the donor or the beneficiary was a resident in Finland at the time the gift was made.
- Real property situated in Finland and shares or other rights in a corporate body where more than 50% of the total gross assets of that corporate body consist of real property situated in Finland.

Insurance claims that are paid without consideration under a beneficiary clause and that are not subject to income tax are also treated as gifts. However, they are exempt if their total amount over 3 years does not exceed €8,500.

No gift tax is levied on ordinary household effects intended for the beneficiary's (or his or her family's) personal use and with a maximum value of €4,000, or on amounts used by a person for another person's (beneficiary's) education or maintenance where that other person does not have the possibility to use the donated amount for other purposes and on other gifts whose value is less than €4,000. If a person receives such gifts from the same donor within a period of 3 years, the gifts are aggregated for the purpose of computing the €4,000 limit and the gift tax is imposed on the exceeding amount. If a person has received 1 or more taxable gifts from the same donor within 3 years before their tax liability has begun, these gifts must be taken into account when the tax is calculated. The gift tax paid earlier is credited in such cases.

The gift tax is similar to the inheritance tax in the following areas:

- Credit for foreign gift tax
- Exempt persons
- Class I gift tax rates (applied if the provisions of the Income Tax Act concerning spouses are applicable to the donor and the donee)
- The valuation of property

The liability to pay gift tax begins when the beneficiary takes possession of the gift. In cases where the financial consideration in a contract of sale or exchange does not exceed three-quarters of the current price of the property sold or exchanged, the difference between the current price and the consideration is regarded as a gift.

Currently, the Finnish government has proposed in their 2013 budget that a new bracket both for gift tax and inheritance tax be implemented. This new bracket would be applicable for gifts or inheritance exceeding €1 million. In tax class I, the tax would be 19% and in tax class II, the tax would be 35%.

Further, the government proposes that the tax-free insurance payment of €8,500 be abolished and the estate taxation be changed so that the country of residence of the deceased, the heir or the testee would not impact the taxation.

The above mentioned is currently only at the proposal stage for the tax legislation of 2013.

1.3 Real estate transfer tax

Transfer tax on real estate is 4% of the purchase price or value of other remuneration. The tax must be paid before seeking legal confirmation of possession or registration of the tenancy, which must be sought within 6 months of making said transfer contract. The local survey office of the municipality of the location will confirm possession. Applicants must present a receipt, or other documentation, to prove that the payment of transfer tax has occurred.

When real properties are exchanged, this constitutes for 2 separate transfers, which obliges both transferees to pay the transfer tax relating to the received acquisition.

If legal confirmation of possession and registration is not sought within 6 months of the transfer in question, the tax will be increased by 20% for each 6-month period of delay. However, the maximum total increase is 100%.

1.4 Endowment tax

Since trusts are not recognized in the Finnish taxation system because there isn't any specific endowment tax, assets moved into trusts are taxed according to the regulations concerning gift tax (see Sections 1.2. and 7).

1.5 Securities transfer tax

Transfer tax is 1.6% of the purchase price or other remuneration of the transfer of securities. The buyer shall pay the transfer tax and report the procedure to the tax office of his or her domicile. The tax and the report shall be made within 2 months of signing the transfer agreement. To report the transfer, one must use the form supplied by the tax administration. The buyer must also present a receipt of payment, as well as the conveyance or other agreement of transfer.

When trading bonds and securities, 2 transfers take place. Both acquiring parties must pay transfer tax and report the transfer.

1.6 Net wealth tax

Net wealth tax is no longer a part of the Finnish taxation system. Despite that, a person's net wealth shall be declared to the tax authorities in connection with filing an annual tax return.

2. Who is liable?

Finland levies inheritance tax on the estate of a deceased person separately on each beneficiary in respect of his or her share to the estate. Similarly, Finland levies gift tax on each donee.

2.1 Residency

Inheritance or gift tax must be paid if the deceased person or donor or the beneficiary or donee was a resident of Finland at the time of death or donation. The tax liability covers all immovable and movable property situated in Finland or abroad. Inheritance or gift tax must be paid for immovable property situated in Finland and shares in a company if more than 50% of its assets comprise immovable property situated in Finland, even if neither the deceased donor nor the beneficiary donee was a resident of Finland. The double taxation agreement may limit Finland's taxation rights (see Section 11.1).

An individual is a resident of Finland if his or her main residence is in Finland. The sole fact that an individual stays in Finland for a longer period does not constitute residence for inheritance and gift tax purposes as it does for income tax purposes. Similarly, there are the same prerequisites for nationals and non–nationals as there are for income tax purposes. A Finnish national who recently moved abroad may be a Finnish resident for income tax purposes, but not for inheritance- and gift-tax purposes.

2.2 Domicile

Certain special groups of individuals are liable to pay inheritance or gift tax only on real property situated in Finland and on shares or other rights in a corporate entity if more than 50% of the total gross assets of the company consist of real property situated in Finland. This special scope of tax liability applies to persons serving in Finland at foreign diplomatic missions, other similar representations or consular posts headed by career consular officers, as well as members of their families and their private servants who are not Finnish nationals. The same scope applies to persons serving in Finland as employees of the United Nations (UN), its specialized agencies or the International Atomic Energy Association (IAEA), as well as members of their families and their private servants who are not Finnish nationals.

3. Rates

Rates of inheritance and gift tax are determined on the basis of 2 classes of relationships between the beneficiary (the donee) and the deceased (the donor).

Tax class I

Spouses, direct heirs in an ascending or descending line, spouses' direct heirs in a descending line and fiancé(e)s receive a certain allowance on the basis of the Code of Inheritance. The concept of direct heirs in an ascending or descending line includes persons in adoptive relationships and foster children in certain cases. Class I rates also apply if the provisions of the Income Tax Act concerning spouses are applicable for the year of death of the deceased and an individual who had lived with the deceased in free union. In other words, class I rates apply to spouses who previously have been married to each other or who have (or have had) a child together.

Tax class II

All other cases (relatives or nonrelatives):

Taxable inheritance and gift	Basic tax amount	Rate within brackets
Rates of inheritance tax for class I		
€20,000–€40,000	€100	7%
€40,000–€60,000	€1,500	10%
€60,000–€200,000	€3,500	13%
€200 000 and above	€21,700	16%
Rates of inheritance tax for class II		
€20,000–€40,000	€100	20%
€40,000–€60,000	€4,100	26%
€60,000 and above	€9,300	32%
Rates of gift tax for class I		
€4,000–€17,000	€100	7%
€17,000–€50,000	€1,010	10%
€50,000–€200,000	€4,310	13%
€200,000 and above	€23,810	16%
Rates of gift tax for class II		
€4,000–€17,000	€100	20%
€17,000–€50,000	€2,700	26%
€50,000 and above	€11,280	32%

4. Exemptions and reliefs

The following persons are exempt from inheritance tax when they receive an inheritance or a bequest:

- The state and its institutions, municipalities, joint municipal authorities, religious communities and nonprofit-making organizations.
- Persons serving in Finland at foreign diplomatic missions, other similar representations or consular posts headed by career consular officers and persons serving in Finland as employees of the UN, its specialized agencies or the IAEA, as well as members of their families and their private servants who are not Finnish nationals. However, these persons are liable to pay inheritance tax on real property situated in Finland and shares or other rights in a corporate body in which more than 50% of the total gross assets of the company consist of real property situated in Finland (see Section 2).

No inheritance tax is payable when a widower or widow is entitled by law to retain the undistributed estate of the deceased spouse in his or her possession.

5. Filing procedures

Inheritance taxation is based on an estate inventory deed or a tax return. The estate inventory deed must be filed in the tax office of the residence of the deceased within 3 months of the death. Finnish resident beneficiaries must file a tax return if the deceased person was not a resident of Finland at the time of death. The person who possesses the property in Finland must file the tax return if no beneficiary is a resident of Finland. The tax return of the estate must be filed within 3 months of the death in the Helsinki area tax office.

All assets and debts of the deceased should be itemized in the estate inventory deed. The tax office may conduct a reassessment of taxation for the previous 5 calendar years. The tax authorities may impose punitive sanctions to the estate on income that the settlor has not reported in Finland.

With regard to gifts, the beneficiary prepares and signs the gift tax return. The gift tax return must be filed in the tax office of the residence of the donor within 3 months after the gift is received. If the donor does not live in Finland, the tax return is to be filed in the Helsinki area tax office. Should the gift be of less than €4,000 in value, a tax return is not needed, unless specifically required by the tax office.

6. Valuation and deductions

The basis of inheritance tax is the current value of the property at the moment. The current value means the probable alienation price. The value of a gift that must be taken into account in the distribution of an inheritance is included in the value subject to inheritance tax. The value of any other gift received during the last 3 years before the death of the benefactor is also included in the value subject to inheritance tax under the condition that it is not gift tax exempted, as:

- Ordinary household effects intended for the beneficiary's (or his or her family's) personal use and with a maximum value of €4,000 or
- An amount used by a person for another person's (beneficiary's) education or maintenance in such a way that the other person does not have the possibility to use the donated amount for other purposes

Previously paid gift tax is deducted from inheritance tax in these cases.

Deductions are given for previously paid transfer tax when for a real property's registration title whose gift tax was earlier sought and not deducted. The part of gift tax that exceeds inheritance tax is not refunded. Deductions are allowed for all debts, including taxes relating to the lifetime of the deceased, but excluding inheritance tax. It also includes funeral and tombstone costs and expenses incurred in drawing up an estate inventory, up to reasonable amounts. Expenses incurred in distributing estates are not allowed as deductions.

In addition, the spouse or any person to whom the provisions of the Income Tax Act concerning spouses are applicable for the year of death, is entitled to a deduction of €60,000 from the chargeable share of the inheritance (spouse allowance). The provisions of the Income Tax Act relating to spouses do not apply in instances in which the spouses have lived the whole tax year apart or have moved to separate dwellings during the tax year in order to live permanently apart. The same applies in the case of a married couple where either of the spouses is a nonresident.

Individuals living together in free union are, for the purposes of income taxation, considered spouses if they have been married to each other previously or if they have had or are having a child together.

Heirs in direct descending line (including adopted persons) who are under 18 years and entitled to inherit the deceased person's estate at the time of the person's death are entitled to a deduction of €40,000 (minority allowance). If the value of an heir's share of the estate or the same value after deducting the spouse allowance and minority allowance is less than €20,000, it is exempt from tax. Inheritance tax is not levied on the ordinary household effects used by the deceased or his or her family for the part that does not exceed €4,000.

7. Trusts

Status as a legal person for tax purposes

Trust institutions are not recognized in the Finnish tax or civil law. In a tax practice, trusts have usually been compared to the Finnish foundations and have been taxed as separate entities. However, recognizing a trust as a separate entity for tax purposes in Finland is open to interpretation. The decision-making is based on the case-specific circumstances.

If a trust is considered to be a separate legal person and it is resident in Finland for tax purposes, the trust is liable in Finland for its worldwide income. If such a trust is not resident in Finland for tax purposes, it is liable in Finland for Finnish source income only and beneficiaries pay taxes in Finland only on income distributed from the trust. However, Finnish-controlled foreign companies legislation may apply.

If a trust is not considered to be a separate legal person, the income received from the trust is considered the settlor's, estate's or beneficiary's taxable income, as they would have received it directly.

Inheritance taxation

There are very few legal cases and nonestablished tax practices in Finland with regard to inheritance and gift taxation, as well as income taxation, when a trust is involved.

The trust's assets received by the heirs after the settlor has passed away may be regarded as part of the settlor's estate and thus subject to inheritance taxation in Finland in the hands of beneficiaries. The inherited right to the yield of a trust (as beneficiaries) may be exempted from tax in Finland. Even if a part of the foundation's assets is not distributed to the beneficiaries, the total amount of assets in the trust may be considered subject to inheritance tax, depending on the rules of the trust and the circumstances.

The inheritance taxation is not entirely clear on whether the beneficiaries can receive the trust's assets under certain suspensive conditions. While inheritance taxation may occur if the beneficiaries receive the assets in their possession, however, there is also a tax practice against this position. The tax office's decision on whether a suspensive condition is acceptable in order to postpone the inheritance taxation in Finland is final after an appeal has been rejected.

Income received from a trust

If the acquisition is not based on the death of the settlor, the income and assets received by the beneficiaries from the trust may be regarded as a gift from the settlor. This is because the tax authorities may consider the assets as received directly from the settlor and not from the trust as a separate entity.

If the beneficiaries are deemed to receive a gift, they may be regarded as having received the gift from the settlor already when the settlor set up the trust. However, if the beneficiaries did not have any rights or do not have any control over the assets (or income from the trust), they may be taxed once they have received the assets.

When beneficiaries receive income from a trust's assets, it is considered their personal capital income because the assets in the trust have accrued income.

Taxation as a separate legal entity

Whether a trust is treated as a separate legal person or not depends entirely on the discretion of the Finnish tax authorities.

If a trust is not treated as a separate entity, however, all income earned by the trust is taxed in the hands of the beneficiaries as they would have received the income directly.

If the trust is treated as a separate legal person and is a resident in Finland for tax purposes (i.e., registered or otherwise established under the domestic law of Finland (for example, a corporate entity that has its place of management in Finland does not make it Finnish)), it has unlimited tax liability in Finland and is thus subject to tax for its global income or both for Finnish and foreign-source income. A legal person subject to unlimited tax liability is liable to file a tax return for his or her global income. The tax treatment of foreign-source income largely corresponds to the tax treatment of the Finnish-source income. However, some foreign-source income items are taxed differently. Certain foreign-source items may be tax exempt because of a specific domestic tax law, European Union (EU) tax law or tax treaty provision.

Legal persons subject to limited tax liability (legal persons registered abroad or otherwise established under foreign law — foreign legal persons) are subject to taxes in Finland only for Finnish-source income and need to file a tax return for their Finnish-source income. The Income Tax Act includes an exemplary list of the items regarded to be Finnish-source. Certain items may be tax-exempt according to a special provision even though they are Finnish-source items. For example, Finnish-source interest income of a nonresident is largely tax exempt.

Taxation as the estate's or beneficiaries' income

Estates are taxed on income as a separate entity until the distribution of the estate. Beneficiary income from trusts may be taxed as the estate's income if the trust is not recognized as a separate entity for tax purposes. The estate remains until all assets of the estate have been distributed to the beneficiaries. Finland does not tax the foreign-source dividends of nonresidents.

Income taxation after the dissolution of the trust

When the trust is dissolved and all assets are distributed to the beneficiaries, capital gains tax applies if the trust is regarded as a separate legal entity. If a trust is not taxed as a separate entity, dissolution should not have any income tax effect. The estate should declare these assets on its tax return for as long as the estate is not distributed to the beneficiaries.

8. Grants

Grants are not taxable income if they are:

- Scholarships or other grants given for studies or scientific research or the arts
- Awards given for the benefit of scientific work, work in the arts or work for the public good
- Pensions or family pensions given by the state before 1 January 1984, for work mentioned in 1 and 2
- Grants given for professional athletes with the purpose of encouraging training or coaching

Grants are given by public sector entities, such as the state, the municipality or the Nordic Council. (Note: The Nordic Council was formed in 1952. The Council has 87 elected members from Denmark, Finland, Iceland, Norway, Sweden, the Faroe Islands, Greenland and Åland. For more information, visit www.norden.org/en/nordic-council/the-nordic-council.)

Due to the recent university law (558/2009), as of 2010, universities are no longer seen as public entities and are therefore not treated as public entities in regard to taxation. Grants given by foreign states and public entities in foreign states are not subject to the above-mentioned regulation and are therefore taxed as income.

If a grant is paid by the employer, it is considered taxable income, even if the purpose of the grant is one of those mentioned above.

A grant given by a private person is seen as taxable income when the amount, combined with the grants given by public entities or the Nordic Council, student grant and other grants combined exceed the annual amount of the artist grant given by the state. In 2008, the artist grant was €15,848.16.

The artist grant was changed in the beginning of 2009, when artists were allowed to accumulate pensions. Currently, there are 2 types of artist grants: 1 with Social Security and 1 without it. The artist grant including the Social Security arrangement was €19,444.88 in 2012, while the artist grant without it was €17,175.68. The latter is paid to long-term recipients of artist grants (known as 15-year grants) and to recipients of 5-year grants given prior to 1 January 2009. These 5-year grants already include a pension security.

9. Life insurance

Paid indemnities from life insurance must be listed and accounted for in the estate inventory.

If the estate inventory is made before such payment, the beneficiary may report the indemnity to the tax authorities. Insurance companies are also obliged to inform the tax authorities of paid indemnities, which means that estate tax is never avoided by not reporting receipt of a payment from life insurance.

If the beneficiary is defined in the life insurance agreement, the payment does not belong to the estate. If the beneficiary is not stated in the agreement, then the payment belongs to the estate. This has led to most insurance policies being written with the inclusion of a predetermined beneficiary.

Inheritance tax must be paid if the beneficiary is the estate or another determined beneficiary. The part of the indemnity that is accounted for as income under income taxation is free from inheritance tax.

The beneficiary can either be listed as a specific beneficiary or a general beneficiary in the insurance agreement. If the beneficiary is a specific person, it means that the indemnity goes straight to him or her. If the beneficiary is generated using a more flexible term, such as "next-of-kin," then it is up to the estate to determine the beneficiaries. Payments from life insurance are free from inheritance tax up to the amount of €35,000 per beneficiary per death. If the beneficiary is the widow, the tax-free amount is half of the indemnity, or at least €35,000.

It is not a requirement of the tax–free indemnities that the beneficiary is an heir to the deceased. If the beneficiary is not a relative, for example a friend, the entire indemnity is considered to be taxable income and no inheritance tax is imposed.

Calculating the total indemnities

The tax-free insurance payment and other economic aid comparable with life insurance payments are calculated individually for each beneficiary for each indemnity payable upon death. If the calculation proves that the beneficiary receives less than €35,000, the entire sum is tax free. The calculation in question must be incorporated in the estate inventory.

If the calculations conclude that none of the beneficiaries receive more than €35,000, this must be stated in the estate inventory. It has to be clear that said statement cannot be confused with taxable assets in the estate inventory. The most common way to go about this is to combine the statement with the statement about possible gifts that the deceased have or have not given.

Taxable indemnities

If the total sum of insurance payments and other economic aid comparable with the payment exceeds €35,000, this must be mentioned specifically in the inventory of the estate.

Taxable assets are only the sum exceeding the tax-free indemnities. A calculation of the payments from insurance and other economic aid must be attached with the inventory of the estate.

The beneficiary has to be mentioned by name since the estate may include several shareholders and only one may have received such a high indemnity that it exceeds the tax-free limit. The other shareholders' inheritance tax is determined by the assets of the estate in accordance with their relative share. If the person receiving the taxable indemnity is an heir, the lawful share and the taxable indemnity are added together when calculating the inheritance tax.

10. Civil law on succession

10.1 Estate planning

The taxation of gifts and inheritance was changed in 2009. The first tax class was lowered by 3% regarding gift and estate tax. Also, there are new tax brackets for the first and second tax class in regard to gift and inheritance tax. It is important to calculate whether it is more tax efficient to give a gift or inheritance advance, as this varies from one case to another.

It is most common to give gifts to one's children, and these gifts are generally considered to be an inheritance advance, unless it is stated otherwise in the deed of the gift. An inheritance advance is always added to the deceased's assets, whereas a gift is only considered part of the estate if the gift is given within 3 years prior to the death.

10.2 Succession

Under the universal succession principles, title and possession of the estate transfers automatically at death to the heirs. The heirs' liabilities to the deceased's debts are limited. Only when the estate is not surrendered to an estate administrator or into bankruptcy upon filing of a petition within 1 month of the estate inventory will the shareholder of the estate be held liable for the debts of the deceased. The shareholder may only be held liable for debts he or she knew of at the time of the inventory. If a new debt is discovered after the estate inventory and the property is not surrendered either to an estate administrator or into bankruptcy within 1 month of discovery, the shareholder will also be liable for this debt.

An heir and a beneficiary under a testament are entitled to renounce their rights after the death of the decedent, unless they have already undertaken measures that indicate that they have taken possession of the inheritance. The renunciation shall be effected in writing.

An heir and a universal beneficiary under a testament may transfer their shares in the estate to another estate. Such a transfer shall be effected in writing.

10.3 Forced heirship

The Finnish Code of Inheritance statutes forced heirship to the direct heir, adoptive children of the deceased, and the descendants of the direct heir, and the children of the adoptive children or direct heir. The lawful share is one–half of the value of the share of the estate that, according to the statutory order of succession, passes down to the direct heir.

Also, persons whom the deceased has disinherited in a testament, or that for some other legal reason are not to inherit, shall be taken into account when establishing the lawful share.

When determining the lawful share, due note shall also be taken to the value of property that is to devolve from the surviving spouse to the heirs of the deceased spouse, or to be paid to the surviving spouse.

Obligations in the form of a promise of a gift to be given from the assets of the estate shall not be deducted, in addition to amounts that are to be paid for future fulfillment of the deceased's statutory maintenance obligation.

In the absence of special reasons to the contrary, advancements given by the decedent and gifts given by the deceased shall be added to the assets of the estate. The value of the property shall be considered to be its value when received, unless the circumstances require otherwise.

10.4 Matrimonial regimes and civil partnerships

Chapter 3 of the Finnish Code of Inheritance regulates the inheritance of spouses and registered partners.

A spouse or registered partner has the right of possession of the estate and may possess the entire estate undivided.

If the deceased has no direct heirs, the entire estate goes to the spouse. The estate forms a common property together with the property of the surviving spouse.

If the deceased does not have secondary heirs (father, mother, brother, sister, stepbrother or stepsister, or their descendants) the spouse gets unlimited property rights to the estate.

The deceased may have either limited or extended the amount of secondary heirs using a testament. Also, institutions may be secondary heirs of an estate.

The surviving spouse may use the common property, sell it, lease it or lodge it as security without the consent of the secondary heirs. Nonetheless, the surviving spouse may not include property that is due to the secondary heirs after the death of the surviving spouse in a valid testament.

10.5 Intestacy

A will is a legal document that regulates an individual's estate after death. For a will to take effect in Finland, it must be in writing and have the signatures of 2 witnesses. These witnesses must sign the will simultaneously and witness the testator sign the will before signing it themselves. The witnesses must know the document is a will, but it is up to the testator to decide whether they can see the contents of the will. The above-mentioned rules are to ensure that the will is made with due consideration and reflects the last will of the testator.

In the case of intestacy, the estate passes under predetermined rules known as intestate successions. The intestate succession is as follows:

- Spouse or registered partner and children inherit first.
- When there are none of the above, parents and their descendants inherit.
- Grandparents and their descendants are third in order.
- Great-grandparents and their descendants are fourth in order.

Any relatives other than the above-mentioned cannot inherit. If there are no relatives and no will, the state inherits.

10.6 Probate

After the death of the testator, the beneficiary of the will must inform the heirs and other shareholders of the estate of the will. This can be done either through a writ-server or in another verifiable way. The heirs and shareholders of the estate shall be presented with a verified copy of the will.

If the sole heir of the testator is the surviving spouse, then the secondary heirs mentioned in Section 10.5 will have to be informed of the will in the same manner as primary heirs and other shareholders of the estate. The state must be informed of the will in the same manner if the testator had no heirs whatsoever.

If there are several beneficiaries of the will, the information delivered by one of these beneficiaries is binding for the others.

If an heir wishes to contest the will, he or she must bring a suit against the will within 6 months of receiving notice of the will. If the heir has accepted the will or has relinquished his or her rights to contest the will in a verifiable manner, the heir loses all rights to bring suit against the beneficiary of the will.

11. Estate tax treaties

11.1 Double taxation treaties

Finland has concluded double taxation agreements concerning taxes on inheritance with France (1958), the Netherlands (1954), Switzerland (1956) and the United States (1952).

In addition, Finland concluded double taxation agreements concerning taxes on inheritance and gifts with the other Nordic countries (Denmark, Iceland, Norway and Sweden) in 1989.

The Nordic treaty largely follows the Organisation for Economic Development and Co-operation (OECD) model. The other treaties date before the OECD model. However, the other treaties are also based on similar principles to the OECD model in the division of the taxing right between the contracting states. The US treaty deviates the most from the OECD model.

Under the US treaty, both the state of residence of the deceased person and the state of residence of the beneficiary have a taxing right. Each of the states must deduct in its taxation the tax paid in the other state with respect to property situated in that state.

Finland also has a tax treaty on gift taxes with Greece that concluded in 1995. The Greece treaty requires that no gift tax be levied on real estate situated in one of the states and donated to the other state or a public body of it, for purposes of public interest.

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