FINNISH IMPORT RESTRICTIONS

Modification of Restrictions

The following communication has been received from the Government of Finland.

1. The Finnish Government gave instructions on 22 September 1967 to the Licensing Office to the effect that no new import licences shall be granted under the global quota No. 61 (passenger cars) and for delivery vans under the global quota No. 62 (lorries, delivery vans, etc.) until Parliament has passed a Bill amending the Act on the tax on automobiles and motor-cycles of 13 July 1962. It has to be emphasized that this measure is a temporary one and will come to an end after the entry into force of the new legislation, and in any case by 31 December 1967 at the latest. Licences issued before the said decision will be honoured.

2. This temporary cessation in import licensing was found necessary in order to prevent import transactions of a speculative or improper nature, likely to take place pending the parliamentary approval of the Bill. Clearly, it is of utmost importance to forestall any unforeseen additional spending of foreign exchange which would mean a new drain on currency reserves and an increased pressure against the weak balance-of-payments position.

3. The licensing position as of 16 September 1967 was as follows:

   Global quota No. 61 (passenger cars)
   Fmk 144.9 million (quota for 1967 Fmk 140 million)

   Global quota No. 62 (lorries, delivery vans, etc.)
   Fmk 26.5 million (quota Fmk 26 million) of which the share of delivery vans about 67 per cent.

4. Two changes as compared with the present practice are being envisaged in the Government proposals. The Act now in force stipulates that purchasers of certain vehicles used in professional traffic and transportation, such as taxis, delivery vans and cars of driving schools, will benefit from tax remissions: under certain conditions they have the automobile tax refunded. The new Bill aims at abolishing this tax remission. The only exception would be cars for disabled persons. The second change to the present practice concerns the calculation of purchase tax. It is proposed that the basis for calculation should be altered so that the taxable value of vehicles would comprise the c.i.f. price added by import duty and the amount of automobile tax, the taxable value being at present c.i.f. price added by the import duty only. This change would bring the levying of the purchase tax on these vehicles more into harmony with the general practice followed in the indirect taxation in Finland.