

Tax contribution 2013

Neste Oil provides a tax and duty overview. Company has published voluntary reports of taxes already for several years. This developed report includes material taxes and duties divided by type and by split between Finland and other countries.

The tax strategy of the company is to support Neste Oil's business decisions and ensure their proper implementation also from tax perspective. Tax planning follows the business changes and rationale of the company and taxes and duties are paid, collected, remitted as well as reported according to respective local laws. Neste Oil is committed to follow local laws as well as OECD Transfer Pricing Guidelines and transfer prices are based on public quotations whenever applicable quotation is available. High-quality tax compliance is the corner stone of Neste Oil's tax management. Company contributes continuously to tax law drafting and practice development and is in favour of fair, clear and consistent tax system.

Neste Oil has active companies in a couple of low tax jurisdictions because of sound business reasons. The captive insurance company in Guernsey pays corporate income tax in Finland according to Finnish tax laws. The income derived from shipping joint ventures in Bermuda is taxed according to Finnish tax laws in Finland only when the funds are repatriated to Finland.

The report includes such taxes and levies which Neste Oil is liable to pay or collect according to local law. However, such taxes or levies which are included in the purchase price of a product or a service are not reported in this overview unless Neste Oil is liable to report such tax or levy. If a foreign Group company was liable to pay tax in Finland, such tax is reported among Finland in our figures, and not in corresponding foreign figures.

Taxes of 2012–2013

Taxes borne, MEUR	2012	2012	2012	2013	2013	2013
	Finland	Other countries	Group in total	Finland	Other countries	Group in total
Corporate income tax	25	34	59	76	18	94
Real estate tax	1	5	6	1	6	7
Employer's charges	5	8	13	4	7	11
Environmental taxes	22	0	22	23	1	24
Customs duty	7	1	8	2	1	3
Total taxes borne, MEUR	60	48	108	106	33	139
Taxes collected, MEUR						
VAT/GST, remitted	1,214	184	1,398	997	214	1,211
Excise taxes	2,024	237	2,261	1,480	204	1,684
Withholding taxes	65	10	75	69	8	77
Employee's social security	14	3	17	15	3	18
Total taxes collected, MEUR	3,317	434	3,752	2,561	429	2,990

	2012	2012	2012	2013	2013	2013
Total taxes borne and collected, MEUR	3,377	482	3,860	2,667	462	3,129

Key term definitions:

Corporate income tax – All current taxes that are based on the taxable profit of a company during the respective calendar year and current tax adjustments for prior years (deferred taxes are excluded).

Customs duty – Legislative duties levied on imports and exports payable to EU or to governments in other customs territories during a fiscal year.

Environmental taxes – Taxes and levies imposed for environmental reasons.

Excise taxes – Taxes collected for certain products delivered for consumption or taken into use for the periods of a fiscal year. Excise taxes include strategic stockpile fees.

Real estate tax – Any taxes and duties paid based on ownership, possess, or usage of real estates as defined in respective legislation.

Taxes – Material, compulsory taxes, duties, charges, and levies payable to government and governmental body.

Taxes borne – Taxes that the Group is obliged to pay to governments and governmental bodies on its own behalf.

Taxes collected – Taxes which the Group is obliged to pay to governments and governmental bodies on behalf of another person or corporation, such as withholding taxes collected from the salary of personnel.

VAT/GST, remitted – Net amount amounting to VAT payable less the VAT deductible remitted to governments for the VAT periods of a fiscal year. VAT includes similar sales taxes.

Withholding taxes – Tax charged on salaries, dividends, royalties and interest on behalf of individual or corporation.