

EHHA Comments to the Finnish Ministry of Finance on the Transposition of the VAT in the Digital Age (ViDA) Directive – Platform Economy

20 March 2026

The European Holiday Home Association (EHHA) welcomes the opportunity to provide written comments on the forthcoming Finnish proposal for a law transposing the EU Directive on VAT in the Digital Age (ViDA) for the platform economy.

EHHA represents online short-term rental (STR) platforms, STR property owners, and managers across Europe. Our members fully support fair, transparent, and efficient taxation and have demonstrated a strong commitment to compliance with DAC-7 obligations. However, we are concerned that Finland may move toward implementing the Deemed Supplier Regime (DSR) for STRs without first addressing key uncertainties and assessing its broader impacts in the Finnish context.

We therefore respectfully urge the Finnish authorities to **exempt STRs from the scope of the DSR** — either through the Special SME scheme (Article 28a(4)) or through Article 135(2)(aa) of the Directive — and in any case, to apply the **latest possible start date of 1 January 2030**. Before implementing the DSR, the Finnish Ministry of Finance should conduct a **comprehensive, evidence-based assessment addressing key uncertainties**, including how platforms (including Finnish platforms) would have to collect and verify VAT numbers or not, how many STR hosts would newly register for VAT and if there would actually be a proportional or net VAT gain of introducing the DSR, whether platforms would need to modify contractual arrangements, and how the new rules would affect business models and costs for platforms (including Finnish), hosts, and consumers. The assessment should also consider the significant administrative burden for the Finnish Tax Administration, which may be required to design and administer a specific VAT treatment for a segment of STR activity and likely have to audit more STR hosts that would be incentivized to VAT register.

Finally, the Ministry should rely on empirical data from DAC-7 reporting (under Council Directive (EU) 2021/514 on administrative cooperation in the field of taxation) and from Regulation 2024/1028 on data collection and sharing relating to short-term accommodation rental services (STR Regulation) to assess the size, structure, and tax compliance levels of the Finnish STR market. Policy decisions regarding the DSR should therefore be grounded in this evidence rather than in unverified general assumptions about under-taxation or market distortion, while also taking into account the broader implications for Finnish tourism competitiveness, regional development, and the hospitality sector.

Below we set out EHHA's key comments regarding the future Finnish proposal.

1. Structural Complexity of STR Booking Processes

DSR, as currently designed, is premised on a relatively linear and simplified STR booking model, whereby a guest books STR accommodation through an online platform, the platform processes the payment to the host, and the platform can therefore be treated as a single and reliable point for collecting and remitting VAT:

Guest → Online platform → Host

This assumption does not reflect the operational reality of the STR market. As demonstrated in the EHHA STR Ecosystem (Annex 1), STR bookings are generated through multiple, and often overlapping booking pathways, involving a wide range of actors and contractual arrangements. These pathways include, among others, direct booking channels (such as hosts' own websites, trade association portals, social media and

listings-only platforms), online STR platforms acting as disclosed agents, property management companies acting either as disclosed or undisclosed agents, meta-search engines that merely redirect traffic, as well as travel agents, tour operators, relocation companies, serviced apartment agencies, and hotel-operated STR channels. In addition, many properties are operated through co-hosts, nano-property managers, investment vehicles, or hybrid hospitality models. As a result of this complexity, there is frequently no single entity that controls the entire transaction chain. In many cases:

- the entity receiving the guest's payment is not the underlying accommodation provider,
- the online platform does not control, process, or even see the final financial settlement,
- the host is not the contractual supplier vis-à-vis the guest, and
- several intermediaries may be involved sequentially or in parallel in the same STR booking.

Treating “the online platform” as a single, identifiable and reliable point for collecting VAT therefore ignores the structural reality of the STR ecosystem.

VAT-relevant transactions in the STR sector are inherently fragmented across multiple parties, each performing distinct roles such as marketing, distribution, payment facilitation, property management, and guest services. In many scenarios, online platforms act primarily as marketing or distribution intermediaries, while payments are handled by local property managers or directly between guests and hosts, often outside the platform's technical or contractual control.

Applying a DSR in this context presumes a level of transactional visibility and control that platforms frequently do not have and, in many cases, cannot realistically obtain. The entity that markets the accommodation is not always the entity that receives payment, manages the property, or acts as the contractual supplier of the accommodation service for VAT purposes.

A proportionate VAT policy framework should therefore be grounded in a realistic understanding of how the STR market actually operates, rather than in a simplified platform-centric model that does not reflect the diversity and operational complexity of real-world STR booking processes.

2. Counterproductive Effects of the DSR and Channel-Based Discrimination

A further concern is that the DSR could introduce channel-based discrimination, whereby identical STR accommodation services are taxed differently depending solely on whether the booking occurs through an online platform or directly between the STR host and the guest. Under a broad DSR model, STR accommodation booked via a platform would be subject to VAT collected by the platform, while the same STR accommodation booked directly—by phone, email, personal websites, or social media sites—could remain outside the mechanism if the STR host does not exceed Finland's €20,000 VAT registration threshold. This unequal tax treatment of identical services contradicts the principle of VAT neutrality, which requires comparable transactions to be taxed equally regardless of the distribution channel.

In the Finnish market, where a share of STRs consists of micro-scale hosts, occasional cottage rentals, and family-run accommodation providers, such a distinction would create strong incentives to avoid platform intermediation. Instead of improving compliance, applying the broadest possible version of the DSR to all platform-transacted STR activity could push legitimate transactions away from transparent online platforms and into less traceable channels, such as direct bookings by phone or email, cash payments, or

informal arrangements via social media¹. Some smaller STR providers may also withdraw from the hospitality market altogether, particularly in rural and seasonal tourism destinations where margins are limited and compliance costs are proportionally higher.

These behavioural shifts would likely reduce rather than increase tax transparency and revenue collection, as once transactions move off-platform they become significantly harder to monitor. This would undermine the transparency gains already achieved through DAC-7 reporting and the STR Regulation, both of which rely on data provided by online platforms.

Moreover, the DSR could trigger a substantial increase in micro VAT registrations², as hosts may register in order to reclaim input VAT on costs such as cleaning, maintenance, or furnishing. This would create additional administrative workload for the Finnish Tax Administration (Vero), potentially generating thousands of low-value VAT accounts that produce limited net revenue while requiring ongoing oversight. The resulting administrative burden could divert resources from higher-risk compliance activities and reduce the overall efficiency of the Finnish VAT system. This may run counter to the Finnish Government's drive for fiscal responsibility.

For these reasons, extending the DSR indiscriminately to all platform-transacted STR activity risks penalising digital intermediation, weakening transparency mechanisms, and unintentionally encouraging a shift toward less formal booking channels, ultimately shrinking rather than strengthening the formal tax base.

3. Disproportionate Impact on Micro STR Accommodation Providers

The Finnish accommodation market includes a significant number of private individuals who offer accommodation services on an occasional basis. These STR providers often rent out a second home, a cottage, or part of their primary residence for limited periods of the year, frequently in connection with seasonal tourism demand. In many cases, such activity represents supplementary household income rather than a primary commercial business, and it contributes to maintaining accommodation capacity in areas where traditional hotels or professional operators may not be economically viable.

¹ See: VAT in the Digital Age - Final Report presented to the EU Commission - On the impact of smaller providers planning to VAT register - see pages 146 and following: *Focusing on the second dynamic effect, already today any provider needs to balance the costs of using a platform (i.e. the facilitation fees) with the benefits (i.e. the network effects or, in simpler words, the efficient access to a vast range of potential customers). Once the deemed supplier regime is in place, the application of VAT on the final price comes on top of the existing cost-benefit balance and may spur more providers to use traditional channels. Whether and to what extent this impact materializes depends also on the net VAT impact.* https://taxation-customs.ec.europa.eu/document/download/a00e04a0-f236-494a-9d1f-b877ab57fcd4_en?filename=VAT%20in%20the%20Digital%20Age_Final%20Report%20Volume%202.pdf

² See: VAT in the Digital Age - Final Report presented to the EU Commission - See Figure 40 and on the impact of smaller providers planning to VAT register - see pages 146 and following:

With regard to the first dynamic effect, which is fully tax driven, the choice for small and occasional suppliers to opt for VAT registration depends on the trade-off between the benefits from input tax deduction and the additional compliance costs. Table 33 below shows the average output and input VAT in three sectors covered by the deemed supplier regime, based on the available information from the fiscal registers of eight Member States (red: these Member States are Czechia, Croatia, Cyprus, Ireland, Lithuania, Malta, Poland and Slovenia). Although the rates and sectoral structures vary across countries, the ratio of input VAT to turnover appears to be stable.

*Considering the typical compliance cost savings for taxable operators covered by the VAT SME scheme – in the range of EUR 1,100 to 1,400 per year – very small occasional suppliers are unlikely to register for VAT. Table 34 below provides an estimate of the turnover threshold over which the input VAT gains overcome additional compliance costs. Importantly, the threshold does not capture additional hassle costs of VAT registration, but rational economic agents are likely to forego positive but very small monetary gains which require additional hassle from compliance with the VAT regulation. Hence, a more realistic threshold is shown at the bottom of the table, which is 25 percent higher than the minimum and generates a total gain of several hundred EUR following VAT registration. The threshold is around EUR 10,000 for passenger transport, **EUR 14,000 for short-term accommodation** and EUR 12,500 for professional services.* https://taxation-customs.ec.europa.eu/document/download/a00e04a0-f236-494a-9d1f-b877ab57fcd4_en?filename=VAT%20in%20the%20Digital%20Age_Final%20Report%20Volume%202.pdf

Under Finnish VAT legislation, businesses whose annual turnover remains below €20,000 may benefit from the VAT exemption. This threshold reflects a long-standing policy objective of reducing administrative burdens for micro-entrepreneurs and occasional service providers whose economic activity is limited in scale. A substantial proportion of micro STR providers fall within this category.

If the DSR were applied broadly to all platform-facilitated STR accommodation transactions, these providers could effectively lose the practical benefit of the VAT exemption. Under the DSR model, VAT would be collected and remitted by the platform on the underlying accommodation transaction, regardless of whether the individual host falls below the VAT registration threshold. While the host would technically remain outside the VAT system, the economic effect would be that VAT is nevertheless applied to the accommodation service supplied through the platform. This situation could produce several unintended consequences.

First, micro STR hosts could face higher effective tax burdens than larger professional accommodation providers. Professional operators are typically registered for VAT and can therefore deduct input VAT on expenses such as cleaning, maintenance, furnishing, renovation, and other operational costs. Micro STR hosts benefiting from the VAT exemption cannot recover input VAT, meaning that the VAT applied through the platform may effectively become an additional cost embedded in the transaction.

Second, the compliance framework could become unnecessarily complex for occasional STR providers. Even if the platform is responsible for collecting VAT, hosts may still face uncertainty regarding their own tax obligations, including the interaction between platform reporting, VAT treatment, and income taxation. For individuals who rent out accommodation only occasionally, this added complexity may create confusion or discourage participation in the formal market.

Third, the measure could have negative implications for local tourism ecosystems, particularly in rural, seasonal, or sparsely populated regions. In many parts of Finland, micro-scale STR providers play an important role in supplementing limited accommodation capacity and enabling tourism activity during peak seasons or events. If regulatory and fiscal conditions become less favourable for occasional STR hosts, some may reduce or discontinue their activity, potentially limiting accommodation supply in areas where tourism infrastructure is already limited.

More broadly, such an outcome would run counter to the objectives of EU SME simplification policies, which aim to reduce administrative burdens for micro-enterprises and support their participation in the internal market. It would also be inconsistent with Finland's long-standing policy approach of encouraging small-scale entrepreneurship, supporting regional economic development, and promoting sustainable tourism in rural areas.

The following example illustrates how the DSR may create an uneven fiscal outcome between a micro occasional STR host and a professional accommodation provider operating in the same Finnish tourism market.

Example: Occasional Cottage Rental – Private Host below the Finnish VAT Threshold

In many Finnish regions—particularly lake districts, Lapland, and other seasonal tourism areas—accommodation supply consists of a mix of professional operators and micro private STR providers. While professional businesses often run year-round cabin rental operations, private individuals frequently rent out cottages or second homes on an occasional basis, particularly during peak tourism seasons.

For example, a private individual may occasionally rent out a cottage through an online platform and earn €12,000 per year from STR activity. Because the host's annual turnover remains below the €20,000 VAT

registration threshold, they qualify for the Finnish VAT exemption and therefore do not charge VAT on the accommodation supply.

Under the DSR, however, the online platform becomes the deemed supplier for VAT purposes and must charge 13.5% VAT on the accommodation supplied to the guest. The host receives the agreed rental income (minus platform commission) but remains outside the VAT system and therefore cannot deduct input VAT on operating costs such as cleaning, maintenance, electricity, or furnishing.

By contrast, a professional accommodation provider registered for VAT may deduct input VAT on business costs.

Scenario:

- Annual rental income: **€12,000**
- VAT rate for accommodation: **13.5%**
- Annual operating costs: **€3,000** (cleaning, utilities, maintenance) at standard VAT rate of 25.5%
- The host remains **below the €20,000 VAT registration threshold**
- The host cannot deduct input VAT
- The professional operator is **VAT-registered**

Tax Comparison

Item	Micro STR Host	Professional Operator
VAT rate	13.5% (charged via platform under DSR)	13.5%
VAT deduction	None	Full
Input costs	€3,000 (VAT embedded and non-deductible)	€3,000 (VAT deductible)
Recoverable VAT on costs	€0	€609.56
Net accommodation value (from €12,000 price at 13.5%)	€10,572.69	€10,572.69

Result: Although the micro STR host formally remains outside the VAT system, the STR accommodation supplied through the platform is effectively brought into the VAT chain, while the host cannot recover VAT on expenses. The professional operator, by contrast, may deduct input VAT on operating costs. The combined effect is that the VAT exemption loses much of its intended economic benefit for micro STR hosts using platforms. While the professional operator can offset VAT on inputs, the micro STR host bears the VAT embedded in operating costs without access to the deduction mechanism. For micro-hosts operating on narrow margins, this can significantly reduce the net benefit of occasional rental activity. In practice, the host may either absorb the cost, reducing income, or increase prices, potentially reducing demand in price-sensitive segments and rural tourism markets.

4. Limited Evidence Supporting Application of the DSR

At present, there is limited empirical evidence demonstrating that the STR sector in Finland suffers from significant VAT compliance gaps that would justify the application of the DSR. While discussions around

the taxation of platform-based activities sometimes refer to risks of underreporting or uneven tax treatment, publicly available data for Finland has not demonstrated a systemic VAT collection problem in the STR sector that would warrant the introduction of a complex VAT collection mechanism at platform level.

At the same time, Finland already benefits from several existing transparency and reporting mechanisms that significantly improve the visibility of STR-related economic activity. In particular, DAC-7 reporting obligations require online platforms to collect and transmit detailed information on the income generated by STR hosts to national tax authorities, including data on host identity, the number of transactions, and total income earned through platforms. These rules already provide tax authorities with a structured and standardised dataset on STR activity facilitated through digital platforms.

Further improvements in transparency are expected through the STR Regulation. From 20 May 2026, the regulation will begin providing comprehensive and comparable data on the scale, geographic distribution, and intensity of STR activity across the EU, including Finland should the country decide to apply the EU framework.

Taken together, these mechanisms will significantly increase regulatory visibility into the STR market, enabling authorities to identify patterns of activity, assess compliance levels, and detect potential irregularities using reliable data sources. Until this evidence is properly analysed, claims of distortion or under-taxation remain largely speculative. Introducing a complex and resource-intensive VAT mechanism without such analysis risks duplicating existing oversight systems, generating unnecessary administrative burdens for Finnish tax authorities and platforms (including Finnish), and imposing disproportionate compliance costs on micro STR providers. In some cases, the compliance cost per transaction for micro STR providers may even exceed the VAT revenue collected, raising questions about the economic efficiency of the measure.

Existing EU-level analysis also suggests that the fiscal benefits of the DSR may be limited. The VAT in the Digital Age – Final Report³ (Vol. 2: The VAT Treatment of the Platform Economy) indicates that the potential VAT gains from applying the DSR in the accommodation sector are minimal. According to the study's own data (Table 33, p. 146), the average input VAT (12.2%) is nearly equal to the average output VAT (12.5%), representing a differential of only 0.3 percentage points. In practical terms, this means that for every €100 in transactions, the potential additional VAT revenue would amount to approximately €0.30. Bearing in mind Finland has a reduced (output) VAT rate of 13.5% for accommodation and a standard (input) VAT rate of 25.5% relating to most costs incurred the difference in Finland may even be smaller or negative.

At the same time, tax authorities could be required to register and monitor hundreds of thousands of small suppliers (Figure 40, p. 138), many of whom may subsequently deduct input VAT if they become VAT-registered. As a result, a significant share of the limited additional revenue could be offset by VAT deductions claimed by newly registered suppliers. The report further assumes that the DSR would generate very limited compliance costs (p. 150), an assumption that appears unrealistic given the scale of administrative, technological, and IT adjustments required from both tax administrations and digital platforms. Implementing such a system would likely require substantial system development, transaction monitoring, and ongoing compliance management.

Before introducing such a complex VAT collection mechanism, it would therefore be crucial for the Finnish authorities to evaluate the data generated by existing reporting frameworks and forthcoming STR

³https://taxation-customs.ec.europa.eu/document/download/a00e04a0-f236-494a-9d1f-b877ab57fcda_en?filename=VAT%20in%20the%20Digital%20Age%20Final%20Report%20Volume%202.pdf

datasets, and to assess whether additional measures are necessary and proportionate in the Finnish context. In particular, policymakers should:

- evaluate existing DAC-7 data to determine whether significant VAT or income tax gaps actually exist in the STR sector;
- assess the potential fiscal gains from the DSR against the administrative, technical, and IT investments required to implement it; and
- ensure proportionality of public spending, verifying that the costs of implementation and enforcement are aligned with the expected additional revenue.

A transparent and data-driven impact assessment would allow the government to determine whether applying the DSR to STR transactions is justified, proportionate, and economically sound. Without such analysis, early implementation risks high public expenditure for minimal fiscal return while placing unnecessary burdens on micro taxpayers and potentially distorting competition in the accommodation sector.

5. Administrative and Technological Burden

The implementation of the DSR would require substantial operational, technological, and administrative adjustments for both tax authorities and online platforms facilitating STR transactions.

For online platforms, implementation would involve significant modifications to existing systems and processes. In particular, platforms would need to:

- Adapt payment and billing systems to ensure that VAT is correctly calculated, charged to the guest, and remitted to the relevant tax authorities in accordance with the deemed supplier rules;
- Implement transaction-level VAT determination, including the correct application of VAT rates based on the location of the accommodation, the tax status of the supplier and the guest (B2C / B2B), and the specific structure of the transaction;
- Develop mechanisms for verification of VAT numbers and supplier status, including determining whether hosts fall within SME exemption thresholds or are VAT-registered, and maintaining up-to-date records across potentially thousands of individual suppliers;
- Adjust cross-border VAT reporting systems, particularly in cases where platforms operate across multiple jurisdictions and must comply with differing national implementation rules, reporting formats, and audit requirements.

These changes would likely require significant investment in IT infrastructure, system development, and ongoing compliance management, especially for platforms operating at scale and across multiple EU Member States. While this would be a significant additional cost and burden for platforms of all sizes, for smaller European platforms, including Finnish STR platforms with more limited financial and technical resources, the cost and complexity of implementing DSR would be particularly challenging and potentially disproportionate to their operational scale. Such requirements could therefore represent a significant barrier to compliance and may place smaller platforms at a competitive disadvantage compared with larger international platforms that possess greater capacity to absorb and manage these compliance costs.

For tax authorities, the introduction of the DSR could also create substantial administrative implications. In particular, the DSR may lead to:

- A significant increase in the number of VAT registrations, as some micro STR providers may choose to register voluntarily in order to recover input VAT on operating costs;
- Higher administrative workloads related to monitoring and managing a number of micro taxpayer accounts, many of which may generate relatively low levels of VAT revenue;
- The need to develop new monitoring, auditing, and data-processing systems capable of handling platform-generated transaction data, verifying supplier status, and ensuring consistent application of the DSR.

These operational changes may require additional public investment in administrative capacity, digital infrastructure, and compliance oversight.

Without a comprehensive impact assessment, it remains unclear whether the expected fiscal benefits of the DSR would outweigh the administrative and technological costs associated with its implementation. Careful evaluation is therefore necessary to ensure that the DSR achieves its intended objectives without creating disproportionate burdens for public administrations, platforms (including Finnish), or micro accommodation providers operating within the STR sector.

6. Timing: The Case for a Later Application Date

Under the ViDA framework, Member States may apply the DSR to platform-facilitated STR accommodation services from 1 July 2028. However, the Directive also allows Member States to postpone application until 1 January 2030, provided that national legislation transposing the Directive is adopted by 30 June 2028.

Given the technical and administrative complexity of the DSR, early implementation would be premature and potentially counterproductive. The DSR represents a fundamental change to VAT collection processes in the tourism and accommodation sectors, with far-reaching implications for micro STR accommodation providers, digital platforms, and tax administrations. Implementing the DSR would require substantial adjustments to IT systems, payment infrastructures, reporting mechanisms, and compliance procedures across multiple actors in the STR ecosystem.

At the same time, the European Commission is still preparing the Explanatory Notes for the DSR, which are currently scheduled for publication only in Q1 or Q2 2027. These notes are expected to provide essential guidance on the interpretation and practical application of the new rules. Introducing the DSR before this clarification is available could create legal uncertainty, increase the risk of inconsistent implementation in Finland, and lead to costly system adjustments if changes become necessary once the Commission's guidance is published.

Moreover, the potential impact of the DSR on tax compliance, market competitiveness, and tax revenues has not yet been comprehensively assessed in the Finnish context. New datasets will soon become available that can significantly improve the evidence base for policymaking. In particular, DAC-7 reporting obligations and the STR Regulation—which will begin generating structured data on STR activity from May 2026—will provide valuable insights into the scale, structure, and geographic distribution of platform-facilitated STR accommodation activity.

Evaluating these datasets before implementing the DSR would allow policymakers to determine whether the regime is necessary, proportionate, and economically justified, especially given the substantial administrative and financial investments required to establish and operate the new system.

The latest possible implementation timeline (1 January 2030) would therefore allow Finland to:

- analyse DAC-7 and STR Regulation data (subject Finland chooses to apply it) to better understand the scale and compliance dynamics of the STR sector;
- conduct a comprehensive impact assessment evaluating the fiscal benefits of the DSR against the administrative, technological, and compliance costs associated with its implementation;
- consult stakeholders across the tourism and platform ecosystem, including hosts, property managers, platforms, and regional tourism actors.

While we advocate for the short term rental sector to be ultimately exempted from the DSR regime in Finland, delaying its application to any sector until 1 January 2030 would allow sufficient time for this analysis and consultation while still meeting the EU's transposition deadline. Such an approach would demonstrate important fiscal governance and respect the principles of proportionality, subsidiarity, and administrative efficiency, while ensuring that policy decisions are grounded in evidence and practical experience before introducing a far-reaching new VAT regime for the platform economy.

Recommendations

EHHA encourages the Finnish Ministry of Finance to adopt a proportionate and evidence-based approach to the implementation of the DSR. Given the structural characteristics of the Finnish STR market and the administrative complexity of the DSR, policy decisions should be grounded in robust empirical analysis and a careful assessment of potential economic and administrative impacts.

Specifically, EHHA recommends that the Finnish Ministry of Finance considers the following steps:

1. Conduct a comprehensive impact assessment

Before implementing the DSR, the Finnish Ministry of Finance should undertake a transparent impact assessment evaluating the potential consequences of the DSR across the tourism and digital platform ecosystem. In particular, the analysis should consider the effects on:

- Micro STR accommodation providers, including occasional hosts and micro-entrepreneurs benefiting from the VAT exemption;
- Tourism demand and pricing, including potential impacts on consumer prices and regional tourism competitiveness;
- Online platforms (big and small/European and Finnish), which would need to adapt payment systems, VAT calculations, and reporting processes;
- Public administration costs, including system development, monitoring, and enforcement requirements.

Such an assessment would help determine whether the expected fiscal benefits of the DSR are proportionate to the administrative and economic costs associated with its implementation.

2. Use DAC-7 and STR Regulation data

New data sources will soon provide significantly improved visibility into the STR sector. DAC-7 reporting already requires platforms to transmit detailed information on STR host income to tax authorities. In addition, the EU STR Regulation will generate structured data on the scale, geographic distribution, and

intensity of STR activity across the EU. These datasets will allow the Finnish Ministry of Finance to assess the actual size and compliance dynamics of the STR market in Finland. Policy decisions regarding the DSR should therefore be based on analysis of this evidence. In this respect, we also want to make you aware of the impact of DAC-7 type of (voluntary) data sharing had in Denmark, i.e. where it was found that the data sharing reduced hosts' propensity to list property on the platform by 14%, while increasing listing prices by 11%. The results indicate that platform exits were mostly limited to single-property hosts, i.e. those that would be impacted by the DSR⁴.

3. Consider exemption options for STRs and publish more detailed guidance timely

The DSR provides flexibility for Member States to mitigate disproportionate impacts on STR providers. In particular, Member States may exempt certain STR transactions or suppliers through:

- the Special SME scheme (Article 28a(4)), or
- Article 135(2)(aa) of the VAT Directive.

Using these options would help ensure that STRs, including micro-scale and occasional hosts, are not disproportionately affected, particularly where their activity remains below the VAT threshold.

4. Delay application until 1 January 2030

Finally, the Finnish Ministry of Finance should consider delaying the application of the DSR until 1 January 2030, while transposing the directive by 30 June 2028 as required. This timeline would allow sufficient time to analyse new data, conduct impact assessments, consult stakeholders, and analyze Commission's Explanatory notes scheduled for Q1 or Q2 2027. Such an approach would support efficient public administration, legal certainty, and evidence-based policymaking.

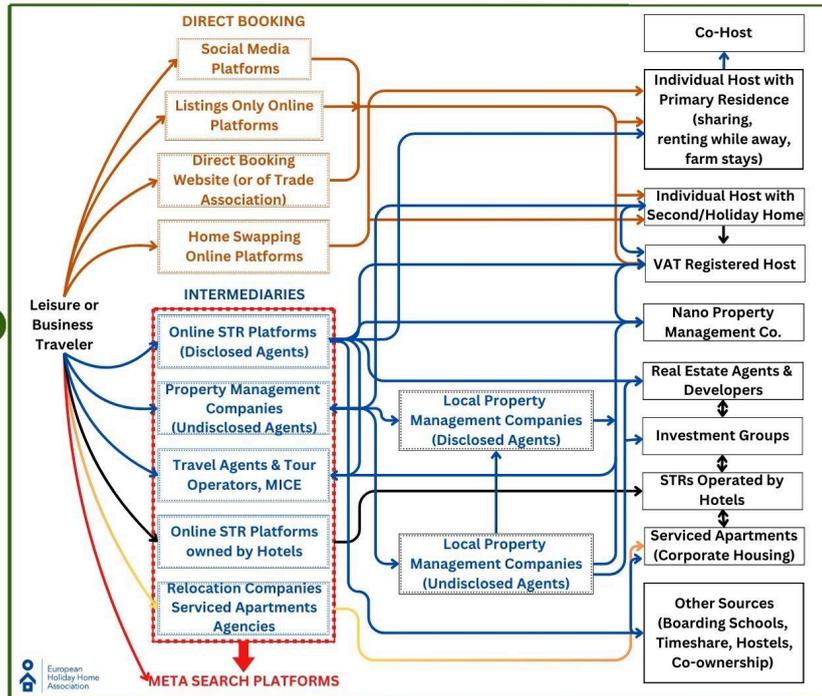
EHHA remains committed to constructively engaging with the Finnish Ministry of Finance and stands ready to further contribute to the ongoing dialogue, including by providing industry expertise and practical insights that can support the development of workable and proportionate implementation measures.

⁴ Please see: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4319945

ANNEX 1. STR Ecosystem

LOCAL ECONOMIC IMPACT TRAVELER EXPENDITURE

- Boutiques and Specialty Stores
- Grocery Stores and Markets
- Artisan Markets
- Antique Shops
- Restaurants and Cafés
- Food Trucks and Street Vendors
- Cooking Classes and Culinary Tours
- Public Transit and Local Transport Services
- Bike Rentals and Tours
- Museums and Galleries
- Live Performances and Events
- Adventure and Eco-Tourism
- Fishing and Boating Excursions
- Nature Parks and Reserves
- Local Tours and Excursions
- Craft Workshops and Art Classes
- Winery and Brewery Tours
- Gourmet Delis and Bakeries
- Cinema and Theaters
- Sports Events
- Yoga and Meditation Retreats
- Holistic and Alternative Therapies
- Spa and Wellness Services
- Volunteering Activities
- Cultural Workshops and Lectures
- Tourist Tax



LOCAL ECONOMIC IMPACT SUPPORTING (ANCILLARY) SERVICES

- **Property Management Technology Providers**
 - Property Management System Providers
 - Channel Management Providers
 - Revenue Management Providers
 - Digital Marketing Providers
 - Data Aggregators
- **Providers of Property Operations**
 - Maintenance Providers (cleaning, linen, repair, etc.)
 - Guest Verification Providers (Digital and Physical)
 - Payment/Accounting Solution Providers
- **Guest Experience Enhancers**
 - Access Control Automation & Hardware Providers
 - Communication Automation Providers
 - Property Automation Providers
- **Other Providers**
 - STR Consultants, Lawyers
 - STR Education Providers
 - STR Event Organisers
 - STR Media/News Channels