

BUSINESS GUIDE

HOW TO SET UP BUSINESS IN FINLAND

**BUSINESS
FINLAND**

**INVEST IN
FINLAND**



WELCOME TO DO BUSINESS IN FINLAND

The Business Guide has been specifically created for companies planning to establish in Finland. It is a compilation of general and basic information sourced from Finnish official authorities, their websites as well as expert interviews.

The Business Guide can serve as your primary source of information. As Finnish legislation and business practices are constantly under review and development, some information in this booklet can eventually become outdated. Please visit the official websites and contact the relevant authorities to consult and validate the information, especially concerning legal, accounting and taxation issues, before taking action.

A list of expert organizations can be found at the end of each chapter and at the end of this guide.

Whatever your needs are, Business Finland's experts are ready to help.

Our services are free of charge and always tailored to meet your specific needs.

- Data collection – finding relevant information to aid fact-based decision-making.
- Opportunity analysis – finding solutions for your business needs.
- Matchmaking – opening the doors for you.
- Evaluation of entry alternatives – helping you find the most suitable market entry strategies.
- Location management – helping you select the perfect site.
- Setting up a business – providing tools and plans for establishing or expanding a business in Finland.
- Aftercare – helping your company to enhance or expand operations in Finland.

At your service,
[Invest in Finland team](#)

**Welcome to a country
of hardworking, happy,
and highly educated
people. Welcome
to a community of
entrepreneurship,
diversity, and
openness. Welcome to
do business in Finland.**

**BUSINESS
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DOING BUSINESS IN FINLAND

Finland is a thriving economy. Although it is an established, well organized business environment, it also has its own practices and regulations that you need to be aware of. Establishing a business is made as easy as possible and practices and regulations aimed at fluent and predictable everyday operations.





DOING BUSINESS IN FINLAND

Finland is one of the wealthiest countries and most stable societies in the world. Finland is at top of many international economic, technological, and social rankings.

Finnish government is business friendly, and the country has a well-developed infrastructure, a skilled workforce, and competitive operating costs. According to Transparency International, Finland is one of the least corrupted countries in the world – the red tape is minimal. As a member state of EU Finland adheres national legislation and EU directives.

Foreign-owned companies can benefit from government investment incentives and the latest research stemming from extensive cooperation between Finnish universities and the private sector. Companies also benefit from the clusters and centers of high-level expertise in various sectors that aim to maximize the benefits of research and international cooperation. As one of the most competitive and open economies in the world, Finland has a great deal to offer foreign investors.

FINNISH BUSINESS CULTURE

Finnish customs and manners are Pan-European, but Finns also have a strong sense of national identity. English is a common business language. Most Finns working in business speak fluent English. According to Education First, Finns have the 3rd best English skills among adults around the world.

Communication style is polite, yet very straightforward and somewhat informal. A firm handshake is used to say hello and goodbye and eye contact is deemed important. Meetings tend to get straight down to business after greetings around. They are preferably short and to the point, and everyone is expected to join well-prepared. Appointments with Finnish associates should be set up in advance and contact information is readily available on company websites.

In Finland, all people are equal in the eyes of the law regardless of age, sex or occupation. Equality in Finnish working life is evident, for example, in the relatively high number of women holding advanced positions, but also in

the way everyone calls each other by first name, regardless of position. Work has an important role and is highly valued in everyday life. Observing timetables and respecting agreements are important. A signature makes an agreement binding, so read all documents carefully before signing any contracts.

Legally, a verbal agreement is usually as binding as a written one. Official contracts are always drawn up for more significant agreements like rental, employment, co-operation etc. but smaller arrangements can be handled via email or by phone.

Many company processes are performed in Finland via electronic services (i.e., invoicing, newsletters, marketing, recruiting and customer service), and payments/money transfers are usually handled via online bank services. Public authorities also offer electronic services that require electronic identification, requiring either the Suomi.fi-identification service or your bank's sign-in system.

#1

THE HAPPIEST COUNTRY IN THE WORLD

UN World Happiness Report 2020

#1

BUSINESS ENVIRONMENT IN THE WORLD

Global Innovation Index 2020

#1

OVERALL QUALITY OF INSTITUTIONS

World Economic Forum, Global Competitiveness Report 2019

ECONOMICAL FIGURES

As a proof of macroeconomic stability, Finland tops global credit rating agencies; Fitch Ratings, April 2021: AA+, Moody's, July 2020 AA1 and S&P Global Ratings, September 2021, AA+.

Within the Finnish economy, the services sector is the largest at 70%, followed by manufacturing and refining at 27% and primary production at 3%. Finland's primary industrial products are paper and board, electronics, and metal products. Engineering and high technology industries are the leading branches in manufacturing.

Finland is well-known for offering world-class expertise in sectors like cleantech, forestry, metal and machinery manufacturing, ICT industry and services, and health and well-being.

CURRENCY

EURO (€, EUR)

(=100 cents)

MONTHLY EARNINGS (MEDIAN)

€2 958

(2020/12)

GDP

€240bn

(2019)

GDP PER CAPITA:

€44,231

(2019, at current prices)

GDP (CHANGE)

+1.3 %

(2019)

UNEMPLOYMENT RATE

7.8 %

(2020)

Source: Statistics Finland

FAQ: DOING BUSINESS IN FINLAND



Where can I find the official current exchange rate?

[The official Central Bank of Finland](#)



What are typical working hours in Finland?

Normal working hours usually do not exceed eight hours per day and forty hours a week. During a given week the number of working hours may be higher but the average workweek should not exceed forty hours. The maximum length of a working day or week is established by either legislation or binding collective labor agreements, often configured as an average for a period of two or three weeks.

SOURCES AND FURTHER INFORMATION

[Invest in Finland](#)

[This is Finland](#)

[Infobank – Finland in your language](#)

[Finland Chamber of Commerce](#)

[Passport to Trade 2.0](#)

[Focus Economics](#)

[Bank of Finland \(Bulletin\)](#)

[Statistics Finland](#)

STARTING UP A BUSINESS IN FINLAND

In many ways Finland is a great place to establish or expand your business. In addition to providing a stable and safe environment, competent work force, efficiency, and high quality of the services, as well as a general progressive mindset – it's just a nice place to live and run a business.



STARTING UP A BUSINESS IN FINLAND

International companies are warmly welcomed and enjoy high return on investment in Finland. They can access the same benefits as Finnish companies. Opening a legal entity takes only a couple of weeks.

4 QUICK STEPS TO SET UP A BUSINESS IN FINLAND

STEP 1:

Select a name for your company. To gain exclusive rights to the name, you should submit it to the Trade Register which is maintained by the Finnish Patent and Registration Office (PRH).

STEP 2:

Open a bank account for your business. The company requires a bank account to pay share capital, process payment transactions and support accounting.

STEP 3:

File a start of the business notification. Establishing and registering a business requires that a notification be filed with the Trade Register and various Tax Administration registers. This can be done easily using a single form (“Y form”).

STEP 4:

Take advantage of online tools. You can establish a limited liability company online through the Business Information System online service. You can also create a workspace at My Enterprise Finland. The My Enterprise Finland service gives you access to a wealth of useful services. These online services require you to log in with your online banking credentials.

SUBSIDIARY

A subsidiary is a separate entity controlled by its board of directors. Liability is limited to the share capital of the subsidiary. Shareholders in general are not liable for acts of the subsidiary company but directors may personally be liable. A subsidiary is regarded as a more substantial presence and is helpful, for example, in opening a bank account in Finland, obtaining a lease or other contracts, attracting personnel and entering into commercial agreements.

The procedure of registering a subsidiary in Finland is very simple and usually takes no longer than one week. First the subsidiary must check the availability of its name. Next, the articles of association, the list of shareholders, the nature of the contribution and a statement regarding the value of the contribution in kind, and details regarding their contribution must be deposited along with the decision to open.

Limited company

All types of business can be set up as a limited company and one or more people or organizations can establish a limited company.

When setting up a company, the founders register all the company's shares. There is no specified share capital required for private limited companies. Public limited companies must establish a share capital of at least €80 000.

The Finnish Companies Act does not specify anything about the residence or domicile of the shareholders, i.e., the founding shareholders of a limited company may also be from outside the EEA area.

The shareholders are liable for the company's commitments only to the extent of the capital that they have invested in the company unless they have guaranteed loans on its behalf. The shareholders have the power to make decisions on issues relating to a limited company. Shares equal votes, so the number of shares corresponds to the number of votes a shareholder has.

A limited company is required to have a board of directors appointed by the shareholders. The board is responsible for managing and representing the company. The board may elect a managing director to handle the day-to-day management of the company. However, the appointment

of a managing director is optional. If a limited company has appointed a managing director, the appointment shall be indicated in the Memorandum of Association. If the board of a limited company is comprised of less than three members, at least one deputy member must be appointed.

NOTE that at least one of the board members and one of the deputy members (reviewed separately) must have permanent residence in the EEA area. If they do not, a license must be sought from the Finnish Patent and Registration Office (PRH) for all ordinary members or deputy members who are from outside the EEA area.

BRANCH

Foreign companies have the possibility of performing economic activities through branches in Finland. It is worth noting, that this form of business is not considered a legal entity and the parent company remains liable for its actions.

A branch of a foreign company is defined as a part of a foreign organization or foundation that runs a continuous business or trade from a permanent place of business in Finland in the name of and for the benefit of a foreign organization or foundation.

The branch must operate in the same line of business as the parent company. The name of the branch must include the name of the foreign trader in the registered form together with an addition that indicates it is a branch. The addition can be, for example, “sivuliike Suomessa” (branch in Finland), “filial in Finland” or “filial”.

A Finnish branch must be registered at the Finnish Trade Register by either a representative of the parent company or an individual granted with power of attorney. Registration requires some specific documents such as the memorandum of association, the articles of association, a certificate of registration, and a standard application containing the following: the branch’s name and its postal address, the type of performed business (same as the foreign company), the foreign company’s name, company type, the name of the register where the foreign company was registered, and the name of the person entitled to represent the branch.

If the procedure is respected and all the documents are in good order, the registration process of the branch shouldn’t take longer than seven working days.

In branch, the parent company remains liable for its actions.



**MORE
INFO**

You can find more specific information:

[Finnish patent and registration office](#)

COMPANY REGISTERS

The Finnish Trade Register is the official public register for information about enterprises. As a rule, all businesses must be enrolled in the register. Enrolment is achieved via a notification and is subject to charge. As the Trade Register, which is maintained by the Finnish Patent and Registration Office (PRH), has a joint notification procedure and information service with the Finnish Tax Administration, a business will only need to submit one notification to be enrolled in the trade, prepayment, employer, and VAT registers and there is no separate charge.

Prepayment register

As a general rule, starting up business operations requires that the business is enrolled in the prepayment register maintained by the Finnish Tax Administration. You can enroll in the prepayment register using the same form that is used for notifying the Finnish Trade Register of your new business. For more information and details about the prepayment register, please view the chapter on taxation.

Employer register

The employer register is maintained by the Finnish Tax Administration. A business must enroll in the employer register when it starts regular salary payments if it has:

- 1) at least two permanent employees during the calendar year or

- 2) at least six temporary employees at one time. If the payment of salaries and wages is temporary, or they are paid to only one employee, the business does not need to enroll in the employer register.

VAT register

Businesses that are subject to value added tax (VAT) enroll in the Finnish Tax Administration's register via their declaration of foundation. At registration, they need to state the date of commencement of the operations that are subject to VAT. For more information and details about the VAT register, please view the chapter on taxation.

**CHARGE FOR
REGISTRATION (2021)**

€275

**You can enroll all
mandatory company
registers by a single
form.**



**MORE
INFO**

The necessary registration forms are available at:
[The business information system YTJ](#)

OPENING A FINNISH CORPORATE BANK ACCOUNT

A bank account can be opened for a registered company. In certain situations, an account is necessary even before the company is entered in the Trade Register. A bank account may be needed for example for the payment of share capital, clearing payment transactions, and to support accounting processes.

If the person opening a bank account for a company has the required documents when visiting the bank, the process typically runs smoothly. For companies/persons residing outside the EEA, it may take a little longer. We recommend booking an appointment for this purpose and preparing all the required documents in advance to speed up the process.

Information is required to optimize the account type and financing alternatives for the new customer company. The bank is obligated by law to know its customers, for which reason it may request separate documentation regarding the company's activities, financial position, services and the use and purpose of banking services. The law requires

banks to ask for clarification about the origin and purpose of funds transferred to a customer's account.

All banks operating in Finland are listed on the website of the [Financial Supervisory Authority](#).

The largest banks in Finland are:

- [Nordea Bank Finland](#)
- [OP-Pohjola Financial Group](#)
- [Danske Bank Group](#)

As a rule, various bank groups adhere to similar practices and the following documents and measures are typically required when opening a corporate bank account. Requirements can vary from bank to bank, and we recommend you confirm the requirements of your potential bank before the initial meeting.

- An extract from the Finnish Trade Register (not older than 90 days).
- In the process of forming a limited company, the extract from the Trade Register is replaced by a forma-

tion package for limited companies, available at the website of the Business Information System [www.ytj.fi](#). Alternatively, the extract from the Trade Register can be replaced by

- a register certificate indicating that a declaration of establishment has been submitted
- documents of incorporation (for example, for a limited company: memorandum of association, articles of association and the minutes of the constitutive meeting of shareholders)
- An extract from the minutes of the company's decision-making body (the Board of Directors), which indicates the names of those officials of the company authorized to use the account and their authorizations, the decision to open an account, and possible lending and submitting of collateral. A decision of the Board of Directors stating the account users is required, e.g. "It was decided to authorize the below-mentioned persons to use account no 123456- 12345: [names and personal identity numbers]."

- An explanation of the nature and volume of payment transfers: an account of incoming and outgoing payments; size of individual payments
- A more specific and concrete explanation than the mission statement of the nature of the company's business activities, their extent, and the grounds for using banking services.
- Other company accounts
- An extract from the Articles of Association
- A list of shareholders including names, social security IDs or dates of birth, nationality if not Finnish, and the percentage of stocks and voting rights of each shareholder. If there are companies on the shareholders list, a full description of the group structure including company type, company ID number and country of registration.
- It is also necessary to identify the natural persons at the end of the ownership chain.
- For the beneficial owners, who directly or indirectly through other companies own more than 25% of the company, a notarized passport copy and a proof of residence (utility bills with home address or equivalent)

in Latin alphabet is needed.

- If a person doesn't have a Finnish social security number, passport photocopies of bank account users and proof of residence is needed.
- Letter of recommendation from a Finnish company
- Certificate of the origin of the assets and foreign banking connections
- If the account opener is unknown, a letter of reference from another bank considered reliable by the bank opening the account (not all banks require this).

The required documents and information can be submitted either in Finnish, Swedish or English. The person who signs an agreement on behalf of a company, association or foundation must be registered in the trade register as a representative authorized to sign for it. Likewise, a person granted the right to use an account must be an authorized representative. S/he must also present an identity document or a passport. When opening bank accounts for a general or limited partnership, the signature of one general partner is enough, unless otherwise stated in the company rules.

NOTE that it is essential to open a corporate bank account right at the beginning, as the share capital must be paid at the registration of a public limited company.

ACCOUNTING AND FINANCIAL TRANSACTIONS

One of the most important tasks for any company is managing the bookkeeping process. Accounting means recording the sums of money involved in business transactions resulting from business operations. Accounting collects complete financial documentation and registers information on business transactions, following a specific method. The result is financial statements on the company's finances. Accounting comprises the company's revenue, expenses, property, assets, and debts. Financial statements prepared based on accounting reveal the operating result. Company management is responsible for establishing and managing accounting.

Finnish accounting act and financial statements

According to the Accounting Act, all enterprises and private persons engaged in business or professional activity are subject to an accounting obligation. The obligation commences from setting up a business. Accounting arrangements are therefore among the primary duties of a new company.

Companies in Finland often require the outside expert help for accounting tasks and outsourcing is very common. Companies have monthly, quarterly, and annual notification obligations to authorities. In addition, employer companies submit information on paid wages to their employment pension and accident insurance companies and apply for reimbursement for their occupational healthcare expenses.

Audit

According to the Auditing Act a company must elect an auditor and carry out an audit of the accounts. Auditing forms a part of the business control system. It is therefore advantageous to take advantage of the services of a professional auditor to ensure that the financial statements and possible annual report provide correct, sufficient and consistent information. Auditors check the accounts of the company at least once a year.

According to the Auditing Act, a company need not appoint an auditor if certain conditions are met. Private en-

trepreneurs (i.e., those working under a business name) are not required to appoint an auditor. Small companies (limited companies, general partnerships, limited partnerships, cooperatives) are exempted from auditing. An auditor must be appointed if the company meets two of the following criteria:

- Balance sheet total exceeds 100 000 euros.
- Net sales or corresponding earnings exceed 200 000 euros.
- There are more than three employees on average.

The limits apply to both the concluded and the preceding accounting period. If the articles of association, partnership agreement or rules of the organization include a provision on appointing an auditor, an auditor must be appointed (or the relevant provision in the articles of association must be changed).

Auditors should be qualified and authorized. Auditors for large enterprises and companies listed on the stock exchange should possess additional qualifications. The Trade

Register must be notified of the auditor. The Finnish Patent and Registration Office (PRH) oversees and approves auditors.

A person who has passed the HT examination can specialize in audits of public interest entities (PIE) by passing a KHT examination and/or in audits of public administration and finance by passing a JHT examination. The auditor must be a KHT auditor or a firm if the corporation is subject to public trading or if at least two of the following conditions were met by the corporation or foundation in the last completed fiscal year:

- The balance sheet total exceeds 25 000 000 euros according to the financial statements of the previous accounting
- Net sales or comparable revenue exceeds 50 000 000 euros according to the financial statements of the previous accounting period.
- The average number of employees exceeds 300 during the accounting period.

Outsourcing financial management

A company can manage its own accounting or outsource financial management services from an expert accounting firm. If there are a significant number of commercial operations, it is advisable to use the services of a third-party accounting bureau or hire an in-house certified accountant.

If a company decides to partially or completely outsource financial management, it should select a professional, preferably authorized accounting firm. Regardless, accounting firms operate on the basis of professional responsibility: they are responsible for ensuring that the work is done in the manner agreed with the client based on the material submitted by the client.

When choosing the right accounting services for a business, matters to consider include:

- Which sectors of financial management the company wishes to outsource and which the company will manage on its own. (Invoicing, accounts payable and receivable, payment transactions, payroll calculations, business accounting, inventory management, budget, cash flow and funds statements)

- Monthly business volumes
- What kind of cost center and budget monitoring is required (product groups, departments) and what requirements are set on reporting (accuracy of monthly reporting, for instance as regards financial statements)
- Potential electronic solutions (including sales invoices, purchase invoices, payment transactions, debt collection)
- In many cases, small enterprises manage invoicing and payment transactions themselves. On the other hand, they frequently outsource accounts payable and receivable, payroll calculations and debt collection as well as accounting.

The following quality issues should be considered when selecting an expert accounting firm:

The KLT accounting examination is the expert qualification of professionals in the accounting sector. Candidates are required to have a university level commercial degree and several years' practical experience of diverse financial management duties.

The Association of Finnish Accounting Firms has almost 800 members. An accounting firm can be accepted as a member of the Association only if its management has passed the KLT accounting examination. Authorized accounting firms comply with the professional standards prepared for the industry by the Association of Finnish Accounting Firms aimed at minimizing risks to clients and ensuring a high-quality service relationship.

The largest bookkeeping companies in Finland by turnover:

[Accountor Group](#)

[Rantalainen](#)

[Talenom](#)

[Administer](#)

[Aallon Group](#)

For a newly established company or entrepreneur without bookkeeping experience in Finland, an outsourced partner can help navigate financial legislation and ensure professional interaction with the tax department and other authorities.

The website of the Association of Finnish Accounting Firms offers a search service for finding local authorized accounting firms in a specific area. The site also provides a form for requesting a quotation and a template for a formal written agreement on assignments. You should always draw up a written agreement and comply with its terms and the agreed deadlines because any delays in submitting receipts can prove costly, either in the form of overtime compensation or penal interest paid to the Tax Administration.

INTELLECTUAL PROPERTY RIGHTS

Safeguarding of key ideas can be done in accordance with legislation on intellectual property rights.

Options for protection include: a patent for a technical invention (valid for 20 years), a utility model (i.e., a four-year “small patent”), a trademark (a symbol that distinguishes the goods and services of a company) or a design right that protects the appearance of a product or a part of a product. Copyright protection is the only one that is not applied for separately. Non-disclosure agreements are one way to prevent a customer or collaborative partner from disclosing your unprotected business ideas.

When planning a business, the free-of-charge databases of the Finnish Patent and Registration Office (PRH) offer an easy and quick way to check the industrial rights of other actors: trade names, trademarks, design rights, utility models and patents. The database can be used to check, among other things what has been protected, where and for how long.

In other words, are there any obstacles for the manufacture or marketing of your product or service or is your invention or solution unique and possibly patentable.

#1

**FINLAND IS A GLOBAL LEADER IN
INTELLECTUAL PROPERTY RIGHTS.**

International Property Rights Index 2021

The Patent Prosecution Highway (PPH) is an agreement between patent authorities. Its aim is to provide the applicants with a quick and efficient alternative to obtain a patent by filing a second application corresponding a first application with any of the PPH-participating offices. The PRH has made PPH agreements with several patent offices. The agreements also involve information exchange, resulting in less overlapping search and examination, and improved patent quality.

You may request a fast-track examination of your application at a second office based on a Finnish patent application, if PRH has already found your claims allowable. Reciprocally, if another office has found your patent claims allowable, you may request a fast-track examination from PRH.

FORM OF PROTECTION	USAGE	VALIDITY
Patent	Protects a product, equipment or method	<u>20 years, in some cases 25 years</u>
Utility model	Protects a product or equipment	<u>10 years (4+4+2)</u>
Trademark	Distinguishability on the market	<u>Perpetual, renewal at 10- year intervals</u>
Design right	Protects the design of a product	<u>25 years (5+5+5+5+5)</u>
Trade name	Protects the name of the business	Perpetual, if business is in operation
Copyright	Protects an intellectual work	Lifetime + 70 years
Trade secret	Protects information of economic significance	Until published



**MORE
INFO**

Further information to help you in IPR planning:

[Finnish patent and registration office](#)

INDUSTRIES REQUIRING A BUSINESS LICENSE OR NOTIFICATION

Finland has freedom of trade, which means that you may engage in business operations that are lawful and in accordance with good practice without requiring a business license from the authorities. However, in certain industries, a business license is required to protect the community, the environment and consumer safety. In other fields, notifying the authorities is sufficient, and an official business license is not required.

Before commencing operations, it is always important to check whether a special business license or declaration is needed and what other requirements apply in your chosen field. Business licenses are granted by local authorities (municipalities and cities) and regional administration

offices along with government departments, local environmental protection authorities and other licensing authorities.

A business license is generally granted for a fixed period, and it can be revoked if the person does not comply with the provisions of the license. Application for a business license is usually subject to a charge. In some cases, a business license is needed from many different authorities. For example, in the catering industry, hygiene certification and licenses to serve food and alcohol are required, and declarations must be made to the health inspector, the rescue services and local building supervision authorities, amongst other things.

It's always important to check whether a license is needed in your operations.

Industries requiring a business license or notification

INDUSTRY	LICENSE/NOTIFICATION/REGISTRATION	ORGANISATION/ AUTHORITY
Beauty parlors, hairdresser-barbershops	Notification pursuant to section 13 of the Health Protection Act	Municipal health protection authority
Brokerage of real estate	Notification of the commencement of brokerage of real estate	Regional State Administrative Agencies
Brokerage of rental apartments	Notification of the commencement of brokerage of rental apartments	Regional State Administrative Agencies
Driving schools	Driving school license	Trafi
Electrical works (electrical installations and repair of electrical appliances)	Notification of electrical work (form SL1)	Tukes
Exploration	Registration of a travel agency	Tukes
Food establishments (grocery stores, restaurants, kiosks)	Notification of a food establishment	Municipal food control authority
Garage operations	www.trafi.fi >Road> Licenses and approvals > Garages	Trafi
Gold panning	Gold panning permit Notification of operations	Tukes
Goods transport (domestic goods transport and goods transport within the EU economic area)	Domestic goods transport license / Community license	South Ostrobothnia Centre for Economic Development, Transport and the Environment
Grocery stores	Notification of a food establishment, retail trade license for alcohol, retail trade license for nicotine products	Municipal food control authority, Regional State Administrative Agencies, Municipal authority
Import of alcoholic beverages (holders of licenses for serving and retail sales of alcoholic beverages)	Import notification	Valvira
Industrial handling and storage of (dangerous) chemicals	License for plants dealing in large-scale industrial handling and storage	Tukes
Insurance agents and brokers	Registration as an agent / registration as an insurance broker	Financial Supervisory Authority
Laboratories	Land extraction permit, notification on the hearing of neighbors, notification pursuant to section 23 a of the Land Extraction Act	Finnish Food Safety Authority Evira
Land extraction	Reservation notification, exploration permit, gold panning permit	The municipal authority in charge
Lifts and lift installations	Notification of electrical work (SL1)	Finnish Safety and Chemicals Agency, Tukes
Manufacture and import of chemicals	Chemical notification Environmental permit	Tukes, Municipal environment protection authority
Manufacturers and sellers of precious metals	Application for responsibility mark	Tukes South Ostrobothnia
Mining	Reservation notification, mining permit, mining safety permit, Environmental permit	Tukes, Regional State Administrative Agencies
Operation of debt collection (on behalf of another)	License for a collection business, notification of operations	Regional State Administrative Agency of Southern Finland, Data Protection Ombudsman

INDUSTRY	LICENSE/NOTIFICATION/REGISTRATION	ORGANISATION/ AUTHORITY
Operation of taxi services	Taxi license, notification of commencement of taxi services	Centres for Economic Development, Transport and the Environment
Opinion polls and market surveys	Permit for sales as well as signposts for the seasonal sales operations	Data Protection Ombudsman
Pharmacies, pharmaceutical industry, pharmaceutical wholesalers	Pharmacy and subsidiary pharmacy licenses/medicinal product manufacturer's license and pharmaceutical wholesale license	Finnish Medicines Agency Fimea
Private health care services	Application for license to provide private health care services	Operations within the region of one AVI Agency: AVI , operations within the region of two or more AVI Agencies: Valvira
Private security services	Private security company license, approval as a key person	National Police Board, supervision of the security sector
Private social welfare services (other than round-the-clock)	Notification of the provision of social welfare services	The municipality where the service is provided
Private social welfare services (round-the-clock)	License to provide round-the- clock social welfare services	Regional State Administrative Agencies
Production of alcoholic beverages for commercial purposes	License to produce alcoholic beverages	Valvira
Professional waste carriage and brokerage	Application for approval of activity in a waste management register	Centres for Economic Development, Transport and the Environment
Public transport services in Finland and the EU	Public transport license / Community license for passenger transport	Centre for Economic Development, Transport and the Environment
Refrigeration and fire extinguisher operators	Laboratory approval	Tukes
Retail sales of alcoholic beverages	Retail trade license	Regional State Administrative Agencies
Sales along the roads	Registration application of trust and company services, register application for foreign exchange transactions	Centres for Economic Development, Transport and the Environment
Serving of alcoholic beverages	License to serve alcoholic beverages	Regional State Administrative Agencies
Slaughterhouses and facilities connected thereto as well as game processing facilities	Approval of a food establishment as a facility	Evara , reindeer slaughter facilities: Regional State Administrative Agencies
Technical inspection of vehicles	Technical inspection license of vehicles	Trafi
Telecommunications, programs, video-on-demand and pay TV services	Telecommunications notification / Program broadcasting notification / VOD notification / Pay TV service notification	Finnish Communications Regulatory Authority
Tour operators and retailers	Notification of operations	Finnish Competition and Consumer Authority
Trust and company services, foreign exchange transactions	Registration application of trust and company services, register application for foreign exchange transactions	Regional State Administrative Agency of Southern Finland
Undertakings engaged in web server renting	Notification of operations	Data Protection Ombudsman
Wholesale of alcoholic beverages	Alcoholic beverage wholesale license	National Supervisory Authority for Welfare and Health, Valvira

Professional approvals and qualifications

PERSON(S)	APPROVAL / QUALIFICATION	ORGANIZATION/ AUTHORITY
Accountants	HT examination as well as KHT and JHT qualification examinations	Henkilö- ja yritysarviointi SETI Oy
Driving instructors	Driving instructor permit	Trafi, Service provider Ajovarma Oy
Goods inspectors (HTT)	HTT examination	Goods Inspection Board of Finland Chamber of Commerce
Health care professionals	Application to practice as a licenced professional/use a protected occupational title	Valvira
Hot work professionals	Hot work card	Finnish National Rescue Association SPEK
Letting agents (LVV)	LVV examination	Board of Examiners for Real Estate Agents
Person acting as the responsible manager or his/her substitute in licensed premises	Licence to serve alcohol (alcohol passport)	Educational establishments offering the alcohol passport examination, Valvira
Persons who handle unpackaged perishable foodstuffs in their work	Food Hygiene Proficiency Certificate (Hygiene passport)	Proficiency examiners
Persons working in joint work sites	Occupational safety card	The Centre for Occupational Safety
Private health care service providers	Notification of private health care service provision	Regional State Administrative Agencies
(Private) persons working in the (private) security sector	Approval as a security guard (security guard licence) /approval as a security officer (security officer licence) / approval as a security steward (security steward licence)	Municipal police department
Professionals in Building, HVAC and Real Estate sector	Qualification of Professionals in Building, HVAC and Real Estate sector	FISE Qualification of Professionals in Building, HVAC and Real Estate sector
Property valuers (AKA and KHK)	AKA and KHK examination	Property Valuation Board of Finland Chamber of Commerce
Real estate agents (LKV)	LKV examination	Board of Examiners for Real Estate Agents
Supervisors of electrical work and lift work	Certificate of electrical and lift qualification	Henkilö- ja yritysarviointi SETI Oy
Taxi drivers	Taxi driver licence	Applications to Ajovarma Oy , licences Trafi
Transport of dangerous goods	ADR licence	ADR training organisation Trafi

Other permits and notifications

	APPROVAL/ QUALIFICATION	ORGANIZATION/ AUTHORITY
Abnormal transport	Abnormal transport permit	Pirkanmaa Centre for Economic Development, Transport, and the Environment
Work carried out in road areas	Permit for work carried out in road areas	Centres for Economic Development, Transport and the Environment

SETTING UP A BUSINESS THROUGH ACQUISITION

Restrictions on the purchase of Finnish companies may be imposed when required by the national interests of Finland (for example fair competition, national defense, security of supply, and functions fundamental to society). In such cases, foreign buyers are obliged to request permission from the [Ministry of Economic Affairs and Employment](#).

More specific information on restrictions can be found [here](#).



More information and answers to questions regarding acquisitions:

[Invest In Finland](#)

[Local Regional Development Companies](#)

[ELY Centre](#)

More information about companies for sale:

[Finnish Company Acquisition Ltd](#)

[Search service of the Federation of Finnish Enterprises](#)

FAQ: STARTING UP A BUSINESS IN FINLAND

“ What businesses require a special permit from the Finnish ministry of economic affairs and employment?

In Finland, businesses involved in activities such as real estate, pharmaceuticals, public catering, freight or passenger transportation, banking and insurance need a special permit from the Ministry of economic affairs and employment.

“ In which industry sectors are merger and acquisition (M&A) deals most common in Finland?

Finnish know-how attracts leading international actors from various fields. However, most M&A deals are observed in the sectors of business services, healthcare and wellbeing, cleantech and ICT. Companies have become especially active in technology deals. This can be explained by growth in digitalization and the Internet of Things (IoT) as it has become more integrated into industrial processes and products. Good target companies in this field can be found among the numerous Finnish startups.

“ Which countries are making the most investments in Finland?

Top countries investing in Finland include Sweden, USA, Great Britain, Denmark, and Germany.

“ What are important steps the buyer should consider before signing a deal?

The preparation process usually involves several stages but the main items worth noting are:

- Economical and legal due diligence – reviewing all documentation and liabilities of the target company. Usually, this step is performed with the help of an external advisor.
- Consulting the Tax Debt Register to see whether the target company is up to date on its taxes.

You will find the most complete information package at [PRH](#).

SOURCES AND FURTHER INFORMATION

[Invest in Finland](#)

[European Union official website](#)

[Financial Supervisory Authority](#)

[Finnish Enterprise Agencies](#)

[Finnish Patent and Registration Office](#)

[Finnish Taxation office](#)

[Ministry of Finance](#)

[Tietoyhteiskunnan kehittämiskeskus ry](#)
[TIEKE](#)

[Nordea Bank Finland](#)

[OP Financial Group](#)

[Danske Bank Group](#)

[The Business Information System](#)

[Guide to Doing Business in Finland](#)
[\(LexMundi, Roschier Attorneys Ltd\)](#)

[Finnish Company Acquisition Ltd](#)

[Federation of Finnish Enterprises](#)

[Finlex database](#)

[Suomi.fi](#)

[Expat Finland](#)

TAXATION

The tax system in Finland is among the most developed and efficient in the world. Fully digitized, most transactions can be managed online.

Finnish Tax Administration has unique business friendly, predictable approach and strongly focuses on modern pre-emptive approach instead of retrospective traditional tax audits. The Finnish Tax Administration has a dedicated team helping companies in tax matters, free of charge.





TAXATION

Finns are happy to pay tax to provide top-level public health care, free schooling and other valuable public services to all residents in the country.

Taxation is being harmonized within the European Economic Area. However, the individual states have extensive autonomy in taxation, and it has a central role in national economic policy.

Business taxation in Finland varies by company type. The profit of private businesspersons and self-employed persons is taxed as entrepreneur's income. The profit of a business partnership is taxed as income of the joint owners in accordance with the regulations on the taxation of joint owners of business partnerships. Corporations such as limited companies are taxpayers themselves, and they pay a corporation tax on their profit. A dividend paid by a corporation is taxed as income of the shareholders.

The amount of tax is calculated based on a company's profit and its net assets. Taxpayers are expected to make advance payments on their projected income, to be derived from the operation of a trade or business, agriculture, or other activity in order to generate income, including rental operations and receipts of capital gains. A company needs to be able to present receipts, invoices, and other reliable documents from all business operations.

Value-added tax must, almost without exception, be paid for the sale of goods and services through business operations in Finland. VAT taxpayers have reporting and payment obligations and are expected to submit periodic tax returns to report all VAT information for each taxable peri-

od. The frequency of submitting periodic tax returns and making payments is dependent on the agreed length of reporting periods. The alternatives are monthly, quarterly, and yearly. To work out VAT payable, subtract the total input VAT on monthly purchases from the sum total of VAT that has been added to the prices of sold goods and services during the month.

Tax payments are made to bank account of the Tax Administration. Some tax payments are based on an official decision sent to the taxpayer (the exact amount and due date in the decision). Other payments are based on self-initiated, unprompted action. The taxpayer should calculate the exact amount and ensure payment by the correct due date.

Altogether, the taxation of a business consists of tax payments and declarations:

- Value added tax must be paid on sales.
- Taxes withheld at source and social security contributions must be paid from wages paid by companies.
- A company's income tax is determined as based on profit.

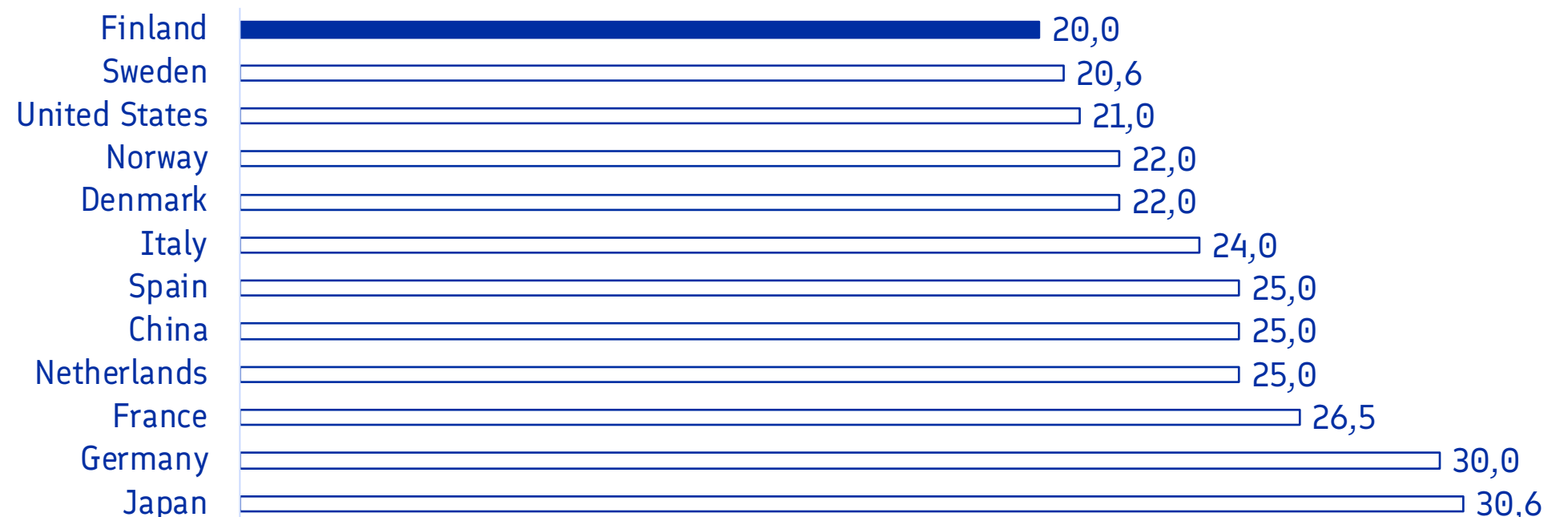
A company must disclose VAT and income taxation information to Tax Administration.

In addition, entrepreneurs must pay personal income tax from their wages and dividends.

Taxation varies by type of company and because of different circumstances. Please find more detailed information from your accountant or from the [Finnish Taxation office](#).

Tax payments are made to bank accounts of the Tax Administration.

Corporate tax % 2021



VALUE ADDED TAX (VAT)

VAT is a consumption tax that the seller of goods or services will add to the price. The seller thus collects this tax from customers to remit it to the state.

Liability to pay VAT concerns anyone who sells goods and services, rents out goods, or is engaged in similar commercial operations on an on-going basis. Goods are defined not only as tangible property, commodities, and goods but also electric power, gas, energy for heating, cooling and other similar purposes. The definition of services refers to everything else that can be supplied or sold in the course of business.

VAT is payable each time a sale of goods or services occurs. However, VAT is designed to be paid by the consumer. For this reason, the seller has the right to deduct the input VAT of his purchases of goods and services for business purposes, if another VAT taxpayer has supplied them to him.

In this way the VAT that is included in the actual consumer prices is only the VAT of the last seller in the supply chain.

If a company operates a business for which VAT is payable, requesting for VAT registration will be mandatory. However, no registration is required if turnover for the accounting period (12-month) remains below €10,000. The company with turnover below €10,000 can voluntarily be VAT registered if it operates its business commercially on an on-going basis. Additionally, some sectors have been left outside the scope of VAT taxation. These sectors are expressly listed in the legislature, and they include selling real estate and apartments or flats in housing companies, healthcare services, and social services.

If a business company only sells these goods or services, it will not be deemed liable to pay VAT.

RATES OF VAT IN 2021

24%

General rate of VAT, effective for most goods and services

14%

Food, animal feed, restaurant services, meal catering services

10%

Books, medicine, services relating to physical exercise and sports, movies, entrance to cultural events and to entertainment events, transport of passengers, accommodation, and TV licenses.

To figure out the amount to add to the net price, the seller should multiply the tax base (= the net price without VAT) with the applicable rate. Tax base is the price payable by the buyer, in which no VAT is included.

INCOME TAXATION

The form of corporate entity of your company or organization will largely determine the company's income-tax obligations. Some entity forms, including limited companies and cooperative societies, are independently liable to pay income tax as taxpayers. Their receipts of income are taxed as income attributable to the entity itself. Corporate income tax rate is 20 %. If a limited company distributes dividend to its shareholders, the shareholder-beneficiaries will be taxed as provided by specific rules.

Profits are fully taxable as income of the owner shareholder in the case of a self-employed professional individual, a self-employed business entrepreneur or a general or limited partnership. The taxable income attributable to the operation of the trade or business is divided between a capital income portion and an earned income portion. Capital income is assessed at a 30-percent rate (> €30,000/34%). Earned income is assessed using a progressive scale.

Entrepreneur's income tax

Earned income is considered to include wage income and the earned income portion of business income as well as pension

and other taxable social benefits. In state and municipal taxation, taxable income is determined separately based on gross income and deductions therefrom. The taxes paid for each type of earned income are defined as based on taxable income and the tax rates and tax-like payments to which it is subject.

- If you receive a wage or salary income from other employers, they will declare your earnings to the Tax Administration.
- If your company pays you a wage, kilometer allowances or dividends, the company must pay taxes withheld at source based on your tax card.

- At the end of the year, the company must declare the paid wages to the Tax Administration in an annual return.
- The Tax Administration will send a pre-filled tax return including the information of the above-mentioned and other payers. Check the tax return and make changes, if necessary.

SOURCES AND FURTHER INFORMATION

[Taxation in Finland](#)

[Finnish Customs](#)

[Ministry of Finance](#)

[European Union official website](#)

PERMITS AND REGISTRATION

As a member of the European Union, any citizen of a member country can reside and work here without a special permit. And other nationals only need a passport or other required proof of identity to request a visa for a visit, a residence permit or work permit to start their career here.





PERMITS AND REGISTRATION

Those intending to work or employ themselves in Finland usually need a residence permit. A residence permit is generally required when a foreign national stays in Finland for longer than three months. EU-citizens and residents are not required residence or work permits in Finland. The same applies to citizens of Iceland, Liechtenstein, Switzerland and Norway – they need to, however, register their residence with the proper authorities within three months of arrival.

A residence permit is also required for a stay lasting less than three months if a foreign national intends to work and a residence permit for an employed person is required for the work in question. For a residence permit or visa to be issued, the applicant must have a valid passport, or another travel document accepted by Finland.

The Finnish Immigration Service investigates whether the person meets the preconditions for residence in Finland. The permit application is submitted to a Finnish diplomatic mission abroad or to the Finnish Immigration Service, Migri.

VISA

A visa is issued for a short, temporary stay lasting no more than 90 days. A foreign national arriving in Finland on business or for a convention, needs a visa if s/he is the citizen of a country whose citizens are required to present visas to enter Finland.

The Schengen states have jointly agreed which countries' citizens are required to present a visa. Each Schengen state decides which passports and travel documents it accepts from the citizens of different countries.

Even if a person does not need a visa to visit Finland, one needs a valid passport, or some other travel document accepted by Finland. It must be valid for at least ninety days

after the intended date of departure from the Schengen area.

If you do not need a visa, you can stay in Finland or within the territory of another Schengen state for ninety days in any 180-day period. Visas are issued by Finnish diplomatic missions abroad. Visa application forms and more information are available at Finnish diplomatic missions and on the website of the Finnish Ministry for Foreign Affairs. You should submit your visa application and all needed documentation (photo, passport, and other supporting documents) at a mission or visa center in person. An application cannot be sent by e-mail or telefax.

FEES FOR VISA (2020)

€80/€40

(for countries on the visa facilitation agreement list)

NOTE that this general information about residence permits does not necessarily apply to every individual situation. For example, EU citizens will not require a residence permit for Finland. The regulations concerning free movement apply also to the citizens of Iceland, Liechtenstein, and Norway, based on the EEA Agreement, and Switzerland, based on a special agreement with EU. Citizens of these countries are free to reside and work in Finland for up to three months. If a person is staying longer, he/she must register his/her right to residence before the end of the three-month period with the local police.



**MORE
INFO**

Visa application forms and more information on what travel documents are accepted in Finland:

[Finnish Ministry for Foreign Affairs](#)

RESIDENCE PERMIT FOR AN EMPLOYED PERSON

A residence permit for an employed person is needed if a person is not allowed to work with another residence permit or without one. Before a person may apply for a residence permit for an employed person, he/she must have a job waiting in Finland.

A person may not begin work until he/she has been granted a residence permit for an employed person. Only the employee may apply for a residence permit for an employed person but the employer must confirm that he or she will employ the person by signing an employment contract. The employer needs to confirm the information by filling in and by signing a form issued by the Ministry for Economic Affairs & Employment.

An employer must also always verify that a foreign employee has the required residence permit for an employed person or that the employee does not need a residence permit. The residence permit shows what kind of work the employee may do and how many hours a week he or she may work.

If an employer employs a foreigner who does not have a right to work, the employer may be committing an offence or a crime. A residence permit for an employed person is also required for short and fixed-term employment relationships. There are, however, certain cases where a residence permit for an employed person is not required if the employment lasts for less than 90 days.

A person may not begin work until he/she has been granted a residence permit for an employed person.



**MORE
INFO**

Application forms for a residence permit are available from:
[The Finnish Immigration Service](#)

RESIDENCE PERMIT FOR CERTAIN TYPE OF WORK

If you are entering Finland to work in any of the following expertise, you will not need a residence permit for an employed person. You will, however, need a residence permit granted by the Finnish Immigration Service. The permit will be granted separately for each case mentioned below.

- A specialist
- A researcher
- An employee for a religious or non-profit association
- An athlete, coach or trainer, or sports judge or referee
- A traineeship or a transfer within a company for no longer than a year
- A person who has completed a degree or qualification in Finland
- Work in the top or middle management for a company
- A visiting teacher, lecturer, instructor, consult, or research worker, and the duration of your job is no longer than one year
- Work in the field of science, culture, or arts (does not apply to musicians playing in restaurants)
- Work in an international organization or in a position related to official co-operation between states
- Work in the field of mass media, and your employer does not have an office in Finland
- Tasks that involve the studying of markets, preparation of a company's location to Finland, negotiation for or acquisition of orders, supervision of the delivery of orders, or the performance of other similar tasks, and your employer does not have an office in Finland
- Tasks that are part of the delivery contract for an individual machine, device, production line, or expert system that has been imported to or is to be exported from Finland, if the job takes no longer than six months

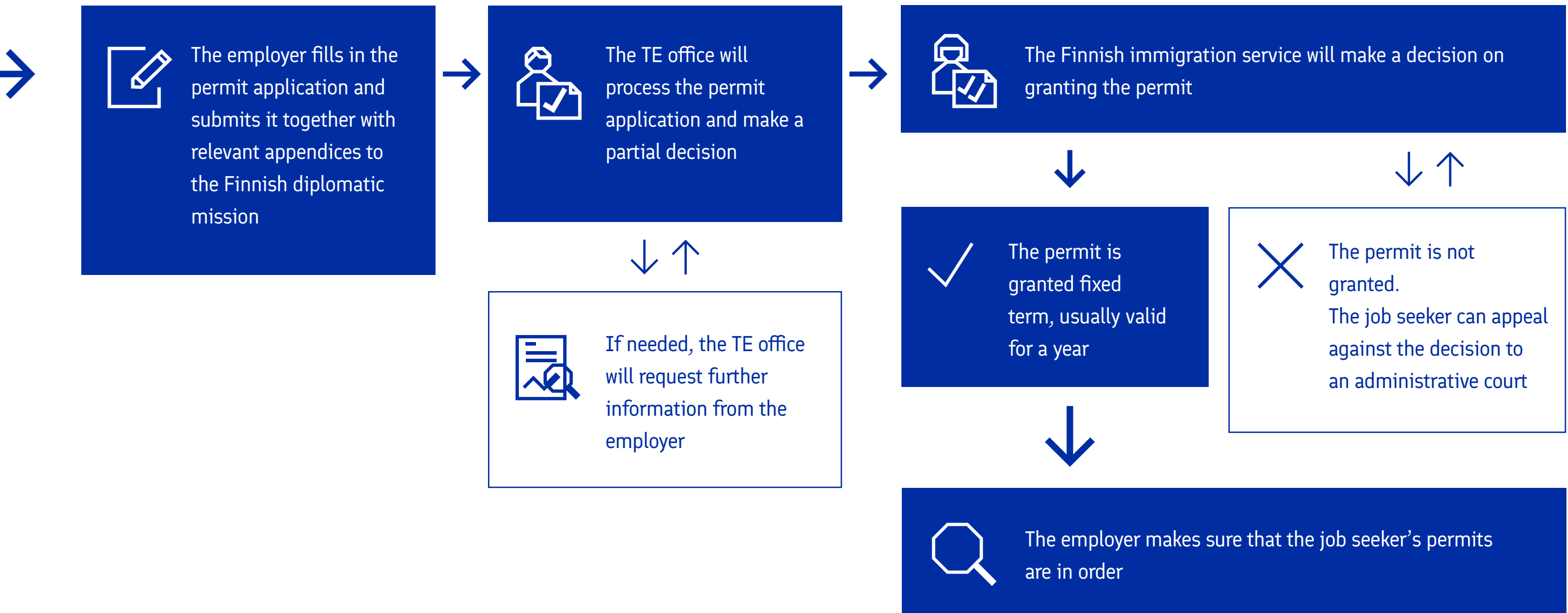


**MORE
INFO**

Application forms for a residence permit are available from:

[The Finnish Immigration Service](#)

APPLICATION PROCESS



FINNISH STARTUP PERMIT

This permit is meant for innovative startup founders coming from countries outside the European Union. Before sending your Startup Permit application to the Finnish Immigration Service, you need to get a favorable assessment from Business Finland. Business Finland evaluates wheth-

er your business model, team and resources show potential for rapid international growth. After the assessment you will receive an Eligibility Statement to be attached to the Startup Permit application.

STEP 1: Eligibility Statement from Business Finland

Before submitting the application to the Finnish Immigration Service, you need to ask for an Eligibility Statement from Business Finland. There are no set deadlines for submitting the request. Describe your business plan according to the instructions given by [Business Finland](#).

Submit your Eligibility Statement Request and other necessary documents to Business Finland by using the [secure e-mail service](#).

STEP 2: Application to the Finnish Immigration Service

If you receive a positive Eligibility Statement from Business Finland, you can submit your application for the Finnish Startup Permit to Finnish Immigration Service. The Eligibility Statement is valid for 2 months. You need to submit the Eligibility Statement as an attachment to your residence permit application.

More information about applying for the residence permit can be found at [Finnish Immigration Service](#). **STEP 3: Establish a company in Finland**

After founding your company in Finland, you can benefit from the versatile services of the Finnish startup ecosystem. Read more about Business Finland's services [here](#).

FAQ: PERMITS AND REGISTRATION

“ How long does it take to obtain a Visa?

You should submit your visa application at a Finnish mission or a visa center no later than 15 days prior to travel. The application can be submitted at the earliest 90 days before the intended visit.

“ Do I need a work residence permit if I already have another type of residence permit in Finland?

If you already have a residence permit in Finland based on some non-working grounds (i.e., family ties), it may imply the right to work. In this case, you will not need to obtain a working residence permit. Check your residence permit card and your residence permit decision to see whether you already have the right to work in Finland. If you have been granted a residence permit on the grounds of being a victim of human trafficking, you have the right to work in Finland without limitations.

“ Do I need a work permit for a part-time job?

If you are a student and a Nordic or EU/EEA national, you do not need any special permits for working in Finland during your studies and in this case, there are no restrictions as to how many hours per week you are allowed to work. For non-EU residents, however, a work permit is necessary even for a part-time job. Non-EU students in Finland can work up to 25 hours per week part-time with their student residence permit during term times. During holidays, there is no limitation of working hours. You do not need a work permit if your part-time work stays within these limits but a student residence permit is obligatory in such instances.

“ Do I have to apply for a work residence permit if I have a degree from Finland?

If you have completed a degree or qualification in Finland and you have a job, you must apply for a residence permit on the basis that you have a degree from Finland. If you have completed your degree in Finland, you can also receive a temporary residence permit for job application. This permit can only be granted as an extension to a student residence permit before it expires. This extension can be granted only once and for a maximum of 12 months.

SOURCES AND FURTHER INFORMATION

[Finnish Ministry for Foreign Affairs](#)

[Finnish Immigration Service](#)

[TE-Services](#)

[This is Finland](#)

[Infobank](#)

[Suomi.fi](#)

[Expatriate Finland](#)

EMPLOYMENT

Finnish people have excellent ICT and language skills, over 90% of Finns under thirty speak English and they are known for their high work ethics and reliability. According to World Economic Forum Finland has the second most skilled workforce in the world.

Suprisingly the labour costs are lower in Finland compared to the other Nordic countries.





EMPLOYMENT

Employment of staff requires careful planning and organizing. The process of finding the best suitable candidate can take time.

You can start recruitment by reporting a vacancy and scanning the listings of available employees in public employment and business services (www.te-service.fi). These services are free and commonly used in Finland.

Employment contracts in Finland are free of form but a written contract is always recommended. An employment contract can be fixed term or of indefinite duration. A fixed-term contract must always have justifiable grounds, such as substitution, seasonal work, or training, for example. An employer has the obligation to present written information on the principal terms of work in a contract, written or otherwise (primary duties, location of work, payment of

wages, relevant dates, working hours, calculation of annual leave etc.).

An employment relationship in Finland must comply with the minimum terms set forth in legislation regarding employment (The Employment Contracts Act, The Working Hours Act and The Annual Holidays Act) as well as with collective agreements.

Before concluding an employment contract, find out if there is a generally applicable collective agreement concluded for the main business sector of your enterprise, the Finlex database is a good source.

A minimum wage has not been determined in the legislature but there exists an expectation of reasonable remuneration for work considered normal in the sector (can also be indicated in the generally applicable collective agreement).

The most used payment systems are fixed monthly salary and commission payment. During the first year of employment an employee will earn annual leave at the rate of 2 days/month; after the first year, the rate will increase to 2.5 days/month. A collective agreement may provide for a holiday bonus.

If work is performed abroad for a minimum period of one month, the information must include the duration of the work, the currency in which the monetary pay is to be paid, the monetary remunerations and fringe benefits applicable abroad, as well as the terms for the repatriation of the employee.



#1

DIGITAL SKILLS IN THE WORLD

Global Competitiveness Report 2020



#2

BEST SKILLED WORKFORCE IN THE WORLD

World Economic Forum, Global Competitiveness Report 2019



#3

BEST ENGLISH SKILLS IN THE WORLD

EF EPI 2020

**MORE
INFO****Information about occupational wages, salaries, labor costs and legislature:**[Statistics Finland](#)[Invest in Finland](#)[Finlex](#)

LEGAL OBLIGATIONS OF AN EMPLOYER

- Pay wages during the sick leave of an employee (the collective agreement may obligate for the payment of wages also during a maternity leave and during a short-term absence to care for a sick child)
- Arrange preventive occupational healthcare for employees
- Take out employment pension insurance (TyEL)
- Take out group life insurance (in connection with the statutory workers' compensation insurance through a non-life insurance company)
- Pay unemployment insurance contributions, which are withheld from an employee's wages
- Insure employees against occupational injuries and occupational diseases

Indirect staff costs in addition to wage:

- Employees' pension insurance
- Employer's health insurance contribution
- Unemployment insurance contribution
- Accident insurance premiums
- Group life insurance premiums

EXAMPLE CALCULATION OF LABOUR COSTS IN 2021

Monthly wage for employee	€3,000
Employer's health insurance contribution 1.53%	€45.9
Small employer with insurance contract, pension contribution 25.3 % of which the employer's pension contribution (average) is 16.95 %	€508.5
Occupational accidents, injuries and diseases insurances premium, on average 0.7 %	€21
Employers unemployment insurance contribution 1.42 %	€42.6
Group life insurance premium in the private sector, on average 0.06 %	€1.8
TOTAL	€3,619.8

HIRING NEW EMPLOYEES

In some cases, it is easier to buy the necessary staff resources from another enterprise. A staffing enterprise pays the salary of the employee and handles all other employer obligations.

Apprenticeship training is another way of obtaining skilled employees trained specifically for a company's needs. Apprenticeship training is suitable for basic and advanced vocational education and training. An apprenticeship training agreement is a fixed-term employment contract.

In some instances, an employer may be eligible for a pay subsidy when hiring an unemployed jobseeker whose employment may be hindered by reasons such as a prolonged period of unemployment, lack of professional skills, a disability, or an illness.

Public employment and business services can help you find employees and support you in recruitment issues.

A guide to apprenticeship training can be found at Oppisopimus-website.

FIND INTERNATIONAL TALENTS TO ACCELERATE THE INTERNATIONAL GROWTH OF YOUR BUSINESS.

Business Finland provides funding and networks for hiring international talents.

EURES

EURES is a European job mobility network that provides information, guidance, and recruitment/placement services to employers, jobseekers and any citizen wishing to take advantage of the freedom of movement for workers.

It covers the transparency of job vacancies, job applications and any related information for applicants and employers, and the development of services for the recruitment and placing of workers in employment and cross-border partnerships. The European Commission project (EURES) helps employers in recruiting young employees from another EU member country, Norway, or Iceland.

It aims to match hard to fill vacancies with motivated young candidates across Europe. Employers must pay a salary and social security or other benefits in accordance with the national labor laws. They must also provide a written work contract for a duration of at least six months. The employee must be aged 18 to 35 years.

Financial support may be granted to small and medium sized (SMEs) companies to cover some of the costs of induction training and integration to the new country. The amount of support granted to the employer is determined based on the type of integration program provided. The amount of support is about 872–1090 euros/employee and the support is tax-free.

NOTE that the same employment terms and occupational safety requirements apply both to foreign and Finnish employees. As an employer, you must also ensure that your employees receive sufficient induction training for their work tasks.

Also note that there are certain professions that must receive permission to practice their profession in Finland. For example, in the healthcare sector, a decision of recognition by the National Supervisory Authority for Welfare and Health (Valvira) is mandatory.

When your employee arrives, help him or her with practical arrangements and remind him or her that s/he should register with the Local Register Office, open a bank account, and acquire a tax card. Your responsibilities include arranging insurance policies, social security payments and occupational healthcare.



**MORE
INFO**

More information and support for foreign recruitments:

[European Union](#)

[EURES advisors at TE services](#)

FAQ: EMPLOYMENT

“ What is the duration of annual leave?

Based on legislation (the Employment Contracts Act, the Working Hours Act and the Annual Holidays Act), during the first year of employment an employee will earn annual leave at the rate of 2 days/month; after the first year the rate will increase to 2.5 days/month. It is worth noting, that collective agreements may also have additional terms, which may provide for a holiday bonus. A regular salary is paid to employees during annual leave.

“ What are the terms of maternity leave in Finland?

Maternity leave can begin 50-30 working days before the expected due date. Maternity allowance is paid for 105 working days during maternity leave. Parental leave begins after maternity leave. During parental leave, Kela pays a parental allowance for 158 working days. Either the mother or the father can take a parental leave, or the parents can divide it between them. For more information, please visit www.kela.fi.

“ What is the duration and conditions for sick leave?

According to labor legislation, an employee who is unable to work due to an illness or accident has the right to take paid sick leave. The employer is responsible for continuing to pay a full salary during the first 10 days of an employee's sick leave. After that if the employee is covered by Finnish social security Kela pays sickness allowance to compensate for loss of earnings.

An employment contract may also list other conditions and the employee may continue receiving a full salary for a longer period. An employer has the right to ask an employee to provide a doctor's certificate confirming the illness.

An employee should notify his or her supervisor of the need for sick leave immediately. The supervisor will let the employee know whether a doctor's certificate is required immediately or only on the fourth day of sick leave.

Remember, that occupational health services must be made available to all employees. Besides occupational health services, employers may also provide their employees with access to medical services.

SOURCES AND FURTHER INFORMATION

[Invest in Finland](#)

[Finnish Immigration Service](#)

[Suomi.fi](#)

[Finnish Enterprise Agencies](#)

[Finnish Tax Administration](#)

[Infobank](#)

[Statistics Finland](#)

[Public employment and business services \(TE-services\)](#)

[The Social Insurance Institution of Finland](#)

[Talentboost](#)

A COMPANY'S LOCATION AND BUSINESS PREMISES

Finnish infrastructure is modern and well-maintained, and the rental property market is active. Technological capability is high and covers practically every corner of the country. Transportation between locations is rapid due to a relatively high level of public transportation and great coverage of the nation by air and rail.





A COMPANY'S LOCATION AND BUSINESS PREMISES

Foreign companies can lease or acquire business premises in Finland.

You can either lease or purchase premises for your business or build a new facility on a site. Before deciding between leasing, buying, or building business premises, you should find out where the ideal location for your line of business is and clarify your essential needs. For example, should the premises be in an industrial area or in a more central location? How much space is needed? Is adequate storage space available? Is there room to expand? How are the logistics to be handled?

A comparison between leasing and purchasing premises is very sensible. Owning premises ties up company capital, detracting it from the actual business and core competencies, but it may also be a sound investment. Leasing premises can improve the ability to react quickly to changes in the company's need for space. On the other hand, owning the premises will ensure the undisturbed continuance of business. Additionally, the rental costs of business premises can be very high in certain areas.

If real estate or a housing unit is purchased, the buyer becomes the owner. In Finland, the right of ownership is protected by the constitution, and it can only be taken away from the owner or their heirs following procedures defined specifically in the legislation. In practice, this may take place if, the property is redeemed by the state or municipality for full compensation.

Leasing is always a fixed-term arrangement and, therefore, not a permanent solution. However, leases of real properties are also covered by legal protection and the rights and obligations are prescribed by law. A lease-agreement is binding on the contracting parties, but it may also be binding on a third party. Therefore, the right to lease land, for example, is also binding on the new owner of the property if it is sold. A lease agreement on a housing unit is also binding on the new owner of the unit until the owner terminates the lease agreement.

Before concluding a rental agreement or sales contract, it is important to determine the suitability of the premises for your line of business and the need for any type of permits (for example building- or environmental permits). Depending on your line of business, other arrangements and modifications may be needed - for example, if the air conditioning solutions are not sufficient. If you are planning on building a new property for business operations, contact your local Building Control Department for more information and guidance before signing any agreements.

**MORE
INFO****More about vacant premises and business environments:**[Local Regional Business Development](#) [Real estate for business](#)

ORGANISING THE INFRASTRUCTURE FOR PREMISES AND FOR INDUSTRIAL OPERATIONS

In Finland electricity and water connections are quite easy to obtain. There are ready-to-use interfaces and connections for electricity and water in business premises and in new building lots. You can tender out your consumable electricity with different providers but note that you still need to pay for local electricity company transmission fees. Water is a part of municipal services and therefore consumption prices can vary remarkably in different areas.

The Finnish Energy Authority promotes and monitors the energy market and advocates the reduction of emissions, energy efficiency and the use of renewable energy. Operating under the administrative sector of the Ministry of Employment and the Economy, the Energy Authority verifies the functionality of the converging electricity and gas markets and monitors network service pricing.

Case example:

When choosing premises for your business, it is important to follow industry-specific requirements and guidelines.

For example, in the case of a café or restaurant business it is important to choose premises that are deemed suitable for café or restaurant use by building inspection.

For a café or a restaurant, the ventilation and air conditioning systems need to be efficient enough to accommodate people inside the premises. Modifying an existing ventilation system or building a new one can be quite costly (more than €15,000) if the premises have not been used for operating a café or restaurant before.

In such a case, it would be more cost effective to find a place where such systems already exist. The same goes for the electricity connection as installation work is quite expensive in Finland and can only be undertaken by certified specialists. A sufficient pre-existing electricity system might save you as much as €10,000 in installation costs. A café or restaurant is also required to provide enough restrooms for customers: one restroom for every 25 customers.

PRICES OF WATER

3.32€/m³ cold

6.36€/m³ warm

Average water prices in Helsinki area 2021

PRICES OF ENERGY

7.59cents/kWh

Average nationwide energy price in Finland in H2/2020 for non-household consumers

SOURCES AND FURTHER INFORMATION

[Federation of Finnish Enterprises](#)

[National Land Survey of Finland](#)

[Ministry Of Justice, Finland](#)

[Finnish Energy](#)

[Energy Authority](#)

[Finlex](#)

[Invest in Finland](#)

[Finnish Food Safety Authority Evira](#)

[National Supervisory Authority for Welfare and Health, Valvira](#)

PUBLIC BUSINESS SUPPORT AND FUNDING

Support of startup as well as establishing businesses is provided through various national, regional, and local organisations. Advisory services are actively offered by capable and experienced agencies and individuals.



BUSINESS FINLAND

Business Finland is the Finnish innovation funding, trade, investment, and travel promotion organization, headquartered in Helsinki. Business Finland is fully owned by the Finnish Government.

Business Finland's 600 experts work in 40 offices globally and in 16 regional offices around Finland. Business Finland is part of the Team Finland network.

Business Finland is an accelerator of global growth. We create new growth by helping businesses go global and by supporting and funding innovations. Our top experts and the latest research data enable companies to seize market opportunities and turn them into success stories.

Business Finland offers funding for research, product development, and many kinds of business development needs, especially for small and medium-sized companies. Large companies and research organizations can receive funding for joint projects with smaller companies.



**MORE
INFO**

More information on Business Finland:

[Business Finland](#)

FINNVERA

Loans granted by a bank or Finnvera are common sources of financing for entrepreneurs. Finnvera is a specialized financing company owned by the State of Finland. It provides financing for the start, growth, and internationalization of enterprises and guarantees against risks arising from exports. Businesses that meet the prerequisites to maintain profitable operations but do not have the down payment or collateral required by banks, may be granted a loan or a security by Finnvera. Contact your local Finnvera office for more information about different financing options for your company and its needs.

ELY CENTRES

ELY Centres (The Centres for Economic Development, Transport, and the Environment) are responsible for the regional implementation and development tasks of the central government. ELY Centres support the establishment, growth, and development of small and medium-sized enterprises by providing advisory, training, and expert services. ELY Centre experts assist entrepreneurs in matters concerning inventions and intellectual property rights and grant funding for investment and development projects.



**MORE
INFO**

More information on financing:

[Finnvera](#)

[ELY Centre](#)

REGIONAL BUSINESS PARTNERS

Free business advice is available to everyone in Finland. Advice, assistance, and support for company establishment processes are offered in almost every city in Finland. Finnish enterprise agencies, regional development companies, and, in some cities, business development functions provide guidance for people planning to start a business.

Experts at these agencies can help, for example, with business plans, market research, profitability calculations, financing, and finding suitable premises.

Southern Finland

Espoo region – [Enter Espoo](#)

Helsinki region – [Helsinki Business Hub](#)

Kerava, Järvenpää, Tuusula region – [Keski-Uudenmaan Kehittämiskeskus Oy KEUKE](#)

Kotka & Hamina region – [Kotkan ja Haminan seudun kehittämissyhtiö Cursor Oy](#)

Kouvola region – [Kouvola Innovation Oy Kinno](#)

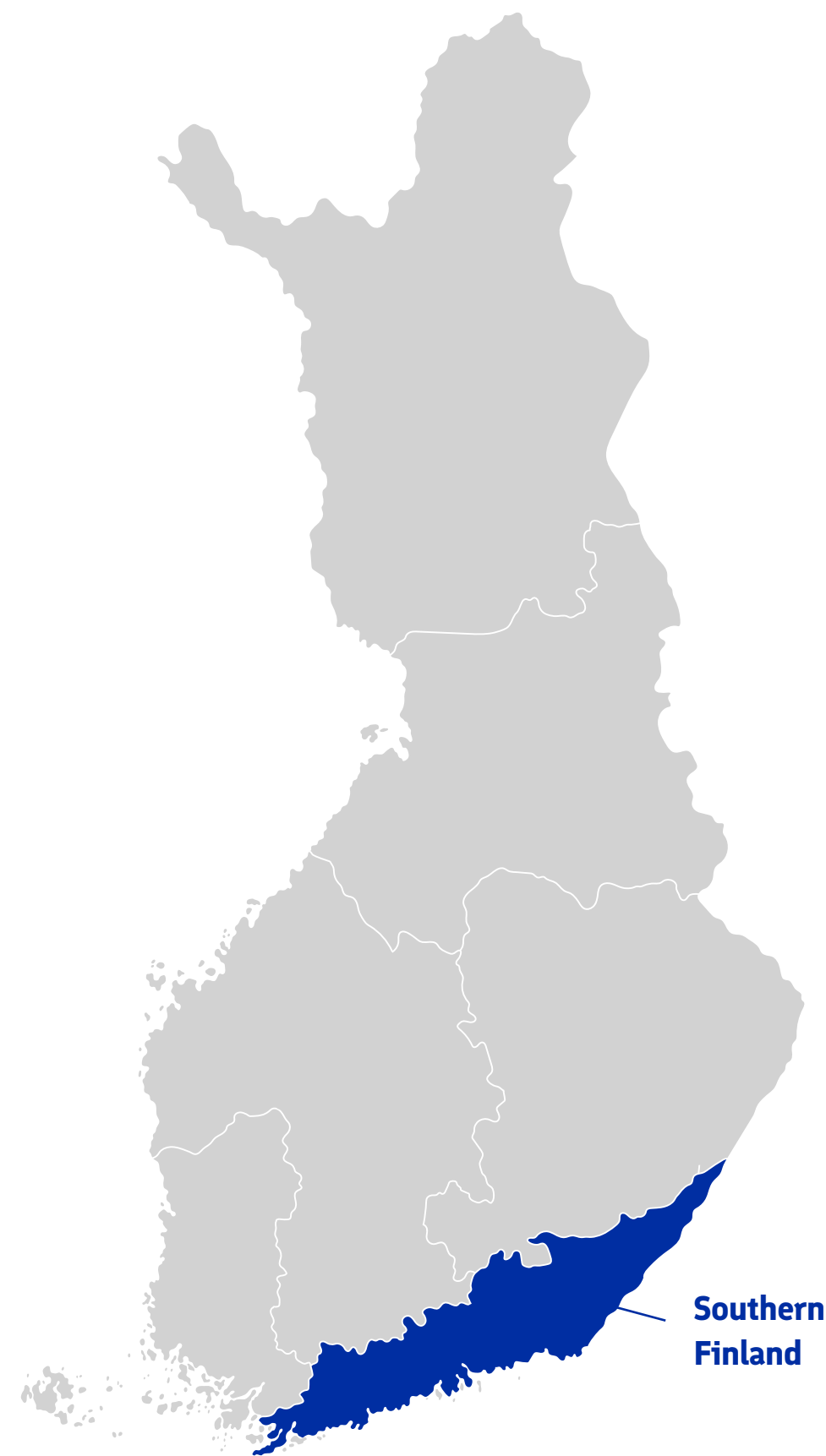
Lahti region – [Lahden Seudun Kehitys LADEC](#)

Lappeenranta region – [Wirma Lappeenranta Oy](#)

Lohja region – [Länsi-Uudenmaan NOVAGO yrityskehitys Oy](#)

Mäntsälä region – [Mäntsälän Yrityskehitys Oy](#)

Porvoo region – [Itä-Uudenmaan kehitysyhtiö Posintra Oy](#)



Western and Central Finland

Alajärvi, Soini and Vimpeli region – [Järvi-Pohjanmaan Yrityspalvelut Oy JPYP](#)

Jämsä region – [Jämsän seudun kehittämissyhtiö Jämsek Oy](#)

Hämeenlinna region – [Hämeenlinnan, Linnan Kehitys Oy](#)

Karstula region – [Kehittämissyhtiö Karstulanseutu Oy](#)

Kaustinen region – [Kaustisen seutukunta](#)

Keuruu region – [Kehittämissyhtiö Keulink Oy](#)

Kokkola region – [Kokkolanseudun Kehitys Oy KOSEK](#)

Mänttä-Vilppula region – [Mänttä-Vilppulan, MW-kehitys Oy](#)

Pietarsaari region – [Pietarsaaren seudun kehittämissyhtiö Concordia Oy](#)

Saarijärvi region – [Saarijärven kehitysyhtiö SSYP Oy](#)

Seinäjoki region – [Into Seinäjoki Oy](#)

Suupohja region – [Suupohjan Elinkeinotoimen kuntayhtymä](#)

Tampere region – [Business Tampere](#)

Vaasa region – [Vaasanseudun Kehitys Oy VASEK](#) , [Vaasa Parks](#)

Viitasaari region – [Kehittämissyhtiö Witas Oy](#)

Ääneseutu region – [Ääneseudun Kehitys Oy](#)

Southwest Finland

Forssa region – [Forssan yrityskehitys Oy](#)

Kaarina region – [Kaarinan kehitys Oy](#)

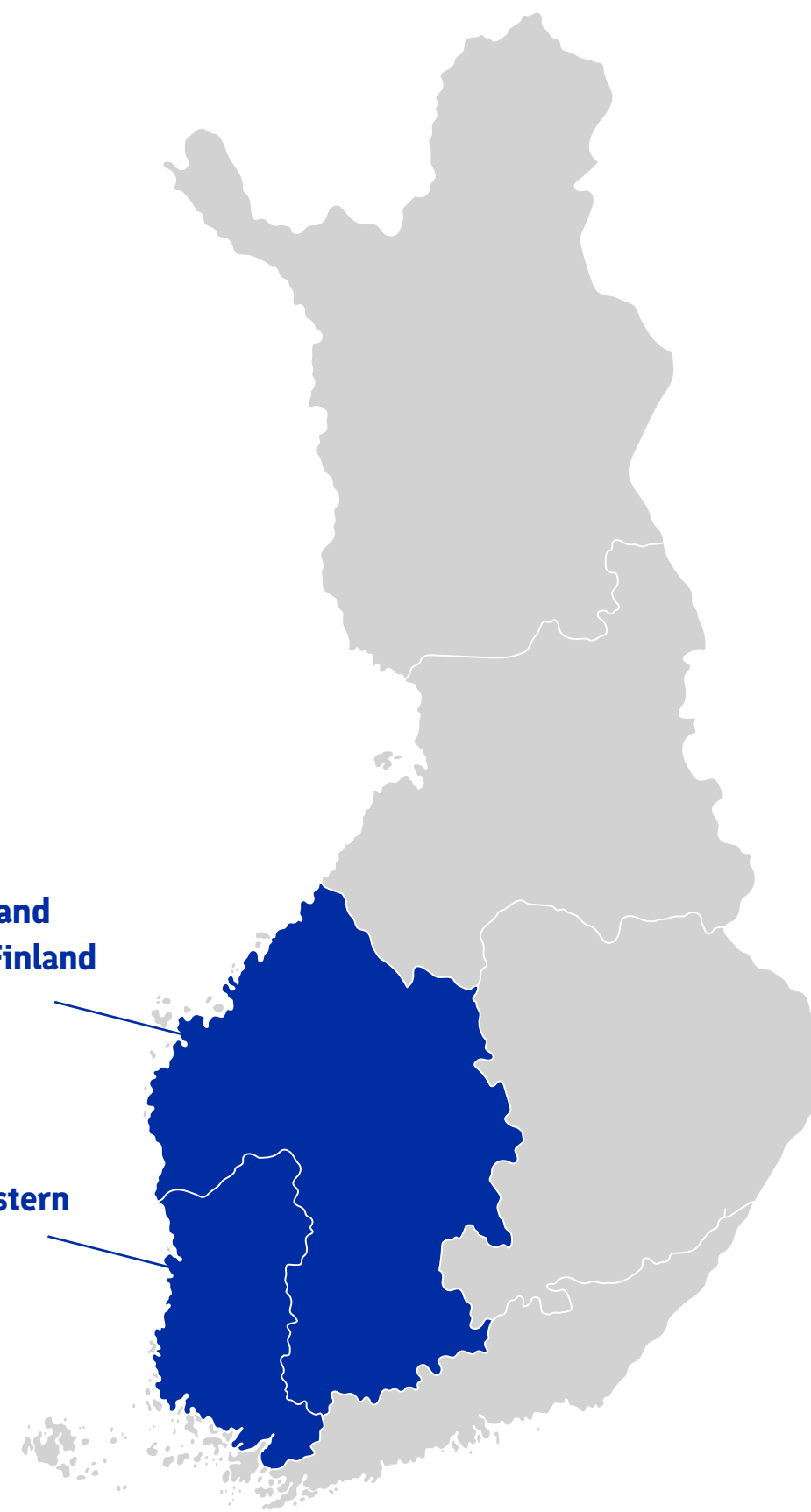
Pori region – [Satakunnan elinkeinoyhtiö Prizztech Oy](#)

Salo region – [YritysSalo](#)

Turku region – [Turku Business Region](#)

Western and
Central Finland

Southwestern
Finland



Eastern Finland

Imatra region – [Imatran seudun kehitysyhtiö Kehy Oy](#)

Joensuu region – [Joensuun seudun kehittämissyhtiö Josek Oy](#) , [Joensuun tiedepuisto](#)

Keitele region – [Kehitysyhtiö Savogrow Oy](#)

Kitee region – [Keski-Karjalan kehitysyhtiö Oy KETI](#)

Lieksa region – [Lieksan teollisuuskylä](#)

Mikkeli region – [Mikkelin kehitysyhtiö Miksei Oy](#)

Pielinen region – [Pielisen Karjalan Kehittämiskeskus Oy PIKES](#)

Savonlinna region – [Savonlinnan Yrityspalvelut SYKE](#)

Varkaus region – [Navitas Kehitys Oy](#)

Northern Finland

Kuusamo region – [Koillis-Suomen kehittämissyhtiö Naturpolis Oy](#)

Nivala-Haapajärvi region – [Nivala-Haapajärven seutu NIHAK ry](#)

Oulu region – [Business Oulu](#)

Raahe region – [Raahen seudun yrityspalvelut](#)

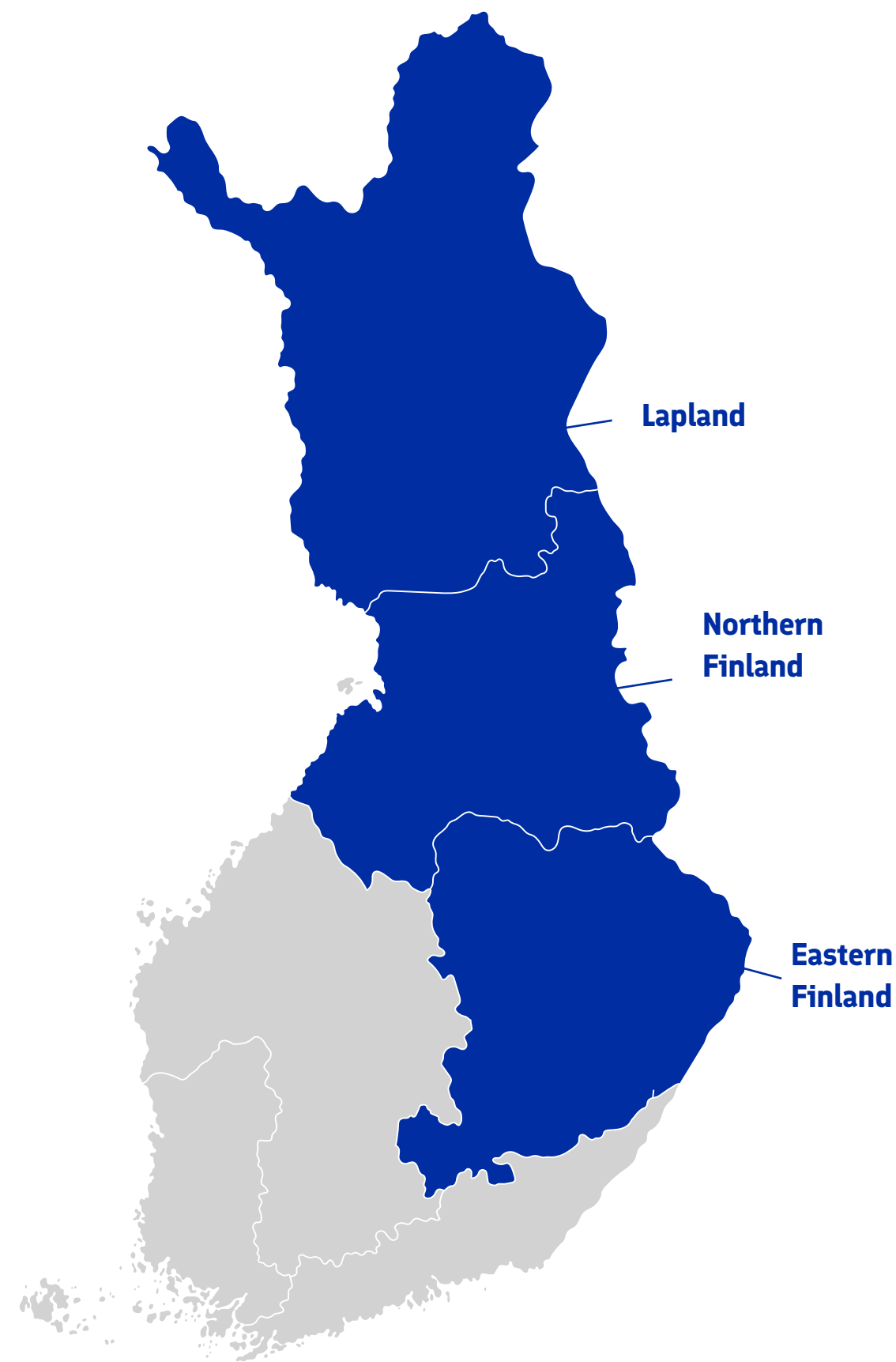
Lapland

Inari region – [Inarin elinkeinot & kehitys Nordica](#)

Kemi region – [Kemin Digipolis Oy](#)

Rovaniemi region – [Rovaniemen Kehitys Oy](#)

[House of Lapland](#)



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