

# U.S. Country Commercial Guides



## Finland 2020

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## **Doing Business in Finland**

### **Market Overview**

Finland, an EU member since 1995, has redefined itself from a quiet agriculture and forestry-based economy to a trend setting global center for technology and design. The country is highly integrated into the global economy with international trade accounting for a third of its GDP. Finland's commercial clout far exceeds its modest population of 5.5 million. According to [Trade Policy Information System](#) data, in 2019 Finland's GDP was \$282 billion with nominal per capita GDP of \$50,900 (slightly higher than Canada or Germany) . It is the only Nordic country that uses the Euro.

Finland routinely ranks at the very top of international surveys on education, quality of life, competitiveness and transparency. It sits at the epicenter of Europe's "New North" – a unique intersection of geography, infrastructure, education, good governance, and high-technology industries. Helsinki, the second most northern capital in the world, has easy connections by rail, sea and air to Tallinn, St. Petersburg and Stockholm.

Finland shares an 833 mile long border and a complicated history with Russia. Despite Russia's occupation of the Crimea region of Ukraine and sanctions and counter sanctions affecting bilateral trade, Finland maintains an important commercial relationship with its larger, more populous neighbor. Many Finnish companies have successful longstanding business operations in Russia.

The European Union makes up more than 60 percent of Finland's total trade. Finland's largest bilateral trade flows (whether within or outside the EU) are with Germany, Russia and Sweden. Finland's key export sectors are transportation, electronics, forestry, machinery, and chemicals. Trade policy is managed by the European Union, where trade dependent Finland has traditionally been an advocate for free trade policies.

In 2019, the United States was the third largest market for Finnish exports and Finland's sixth largest source of imports. Two-way trade in goods and services between the United States and Finland was about \$13 billion. Two-way trade in goods totaled around \$8.0 billion, with U.S. goods exports to Finland totaling \$1.8 billion, chiefly computer and electronic products, minerals and ores, transportation equipment, chemicals, and non-electrical machinery. Finnish goods exports to the United States totaled \$6.4 billion, chiefly chemicals, non-electrical machinery, petroleum and coal products, paper, and transportation equipment. Two-way trade in services totaled \$3.8 billion, with U.S. service exports to Finland totaling \$2.0 billion and Finnish service exports to the United States reaching \$1.8 billion.

### **Market Challenges**

Finland's market is open and receptive to U.S. goods, services and investments. There are relatively few barriers to trade. The overall size of the Finnish domestic market is relatively small. Consumers have high expectations in terms of product innovation, design, quality, and price. High taxes, regulatory red tape, and labor inflexibility still pose challenges to new business.

### **Market Opportunities**

Finland offers opportunities for investment and collaboration in several industry sectors and also has a vibrant start-up scene highlighting high growth companies with Information and Communication (ICT) and eHealth solutions. The following developments represent market opportunities for U.S. companies:

- Driven by the need to conserve scarce energy resources, Finland has been involved in the development of low-energy and eco-efficient construction alternatives since the late 1980s.
- Growth in Finland's cleantech sector has been driven by smaller firms operating in the areas of new materials, smart grids, recycling, and measurement technologies.

- The development of renewable energy, especially biomass, in Finland is expected to offer opportunities for U.S. companies with innovative renewable energy technologies, processes, and equipment.
- Finland has many companies with expertise in developing software solutions in multiple applications that are eager to work with U.S. partners.
- The Finnish healthcare sector is open to state-of-the-art medical equipment and eHealth solutions.
- There are opportunities for U.S. companies in the defense and security sectors as Finland strengthens homeland defense capability in the face of novel threats, e.g. cyber security.
- Many Finnish firms, from major established multinationals to early-stage startups, are eager to partner with American firms and to engineer Made-in-USA innovations into their solutions. These Finnish firms often intend to take their solutions global, bringing their American partnerships and Made-in-USA technologies with them. American firms that approach the Finnish market often find that the real value of their engagement in Finland is not so much in sales to the Finnish market itself, but in the creation of partnerships for global growth.

### **Market Entry Strategy**

In addition to being an EU member, Finland is especially closely linked culturally and economically with the other Nordic countries: Denmark, Iceland, Norway, and Sweden. These economies are all advanced, high income, and highly connected. While each country has its own unique market and characteristics, there are certain synergies that tie together these highly innovative marketplaces. With an aggregate GDP of \$1.37 trillion and a combined population of 27 million people, the Nordic region represents excellent opportunity for U.S. companies with sophisticated high-quality products, technologies, and services.

In addition, many Finnish firms, from major established multinationals to early-stage startups, are eager to partner with American firms and to engineer Made-in-USA innovations into their solutions. These Finnish firms often intend to take their solutions global, bringing their American partnerships and Made-in-USA technologies with them. American firms that approach the Finnish market often find that the real value of their engagement in Finland is not so much in sales to the Finnish market itself, but in the creation of partnerships for global growth.

The U.S. Commercial Service team in northern Europe works regionally and collaboratively to offer cross border, multi-market advice and solutions for U.S. companies looking to identify local business partners or other market entry options in Finland, as well as throughout the Nordic-Baltic region and the rest of Europe.

## Leading Sectors for U.S. Exports and Investment

### Agriculture

#### Overview

Due to severe winters and a short growing season, Finland relies heavily on imports of agricultural and food products. In 2019 imports of agricultural and food products totaled \$7.2 billion and accounted for an estimated 10 percent of the value of all imports into Finland. Over 40 percent came from the Netherlands, Sweden and Germany. The United States, with an import value of \$65.3 million, was the fourth largest non-EU supplier (after Russia, Norway and Brazil). Though imports from the United States represent only 0.9 percent of total Finnish agricultural imports, the 2019 figure represented an increase of nearly 50 percent over the \$44 million figure in 2018.

Finland, the Best High-Value Products Prospects, \$1,000 (Table)

Product	Total imports in 2019	Imports from U.S. in 2019	U.S. Market Share	Key Constraints over Market Development	Market Attractiveness for USA
<b>Wine (HS2204)</b>	241,021	5,986	2%	Wines from New World (Chile, South Africa and Australia) and Old World countries are equally popular (Spain, Italy and France). The Finns are not too familiar with wines produced in states other than California.	Finland fully depends on imported wines and the Finns are among the most affluent consumers within the EU.
<b>Raisins (HS080620)</b>	6,124	3,994	65%	Growing competition from other dried fruit (dates and bananas) and nut mixes and other supplying countries such as Turkey.	Affluent consumer market, favorable image of products from the United States and growing awareness for healthy products.
<b>Whiskies (HS220830)</b>	27,345	2,220	8%	Alcoholic drinks are very expensive in Finland and the Finns are turning to drinks with a lower alcohol percentage.	There is a growing market for high-quality, new and innovative spirits like gins.
<b>Prunes (HS081320)</b>	4,036	2,368	59%	Growing competition from other dried fruit (dates and bananas) and nut mixes and other supplying countries such as Turkey.	Affluent consumer market, favorable image of products from the United States and growing awareness for healthy products.
<b>Enzymes (HS350790)</b>	54,067	9,779	18%	Competition from many other EU countries.	Enzymes can enrich flavor, improve texture, increase shelf life, and

					decrease the use of chemical food additives.
<b>Food preparations (HS210690)</b>	232,224	2,927	1%	Due to proximity, neighboring countries are leading suppliers of flavored or colored sugar, isoglucose, lactose, and glucose and maltodextrine syrups.	Food preparations are increasingly demanded by Finnish food processing companies.
<b>Ethyl alcohol (HS220720)</b>	26,163	18,045	69%	Ethanol is used as biofuel which is linked with sustainability requirements.	Domestic ethanol production is limited in the Nordic countries.
<b>Oils &amp; Fats (HS15)</b>	353,840	-	-	Oils and fats are in demand for the production of biofuels and therefor linked with sustainability requirements.	Production of advanced biofuels is expanding but availability of oils and fats is limited in the Nordic countries.
<b>Beer (HS2203)</b>	45,981	612	1%	Competition from Finland, Germany and the UK. The Finns love Finnish beer.	Demand for specialty craft beers from microbreweries.

Source: Trade Data Monitor

### Leading Sub-Sectors

Best prospects include alcoholic beverages, dried fruit, high-value ingredients for the food processing industry, healthy snacks, fresh produce, innovative and unique products, convenience food products, and organic and sustainable food stuffs.

### Opportunities

Finland is a sophisticated market with a high standard of living, knowledgeable consumers, and high per capita income levels. The Finnish consumer, while being very proud of products produced in Finland, has a high acceptance of new products and concepts. U.S. products are considered high quality and trendy, and packaging featuring iconic stars and stripes images have proven popular.

### Resources

The Foreign Agricultural Service (FAS) at the American Embassy in The Hague, the Netherlands represents the interests of the USDA's Foreign Agricultural Service (FAS) in the Nordic countries, including Finland. These responsibilities are principally accomplished via reporting commodity and trade developments to the USDA; coordinating policy issues with host government officials; and promoting the sale of U.S. food, agricultural, forestry and fishery products. The office provides trade services for local importing companies seeking U.S. products and U.S. companies wishing to develop markets in Finland. Please contact FAS by [e-mail](#).

## Energy and Environmental Technology

### Overview

Finland is the world's northern-most industrialized nation and Finland's energy consumption per capita and energy needs are high due to its energy-intensive industry, cold climate, and high standard of living.

Finland does not have its own fossil fuels – coal, oil or natural gas – but it does have wood-based fuels, rich reserves of peat, and extensive wood resources. Peat as an indigenous fuel has considerable effect on regional policy. Finland has committed to phasing out coal by 2029. While the coal market is decreasing, imports of coal continue, with approximately 50 percent of coal imports coming from Russia. Other coal suppliers include Australia, South Africa, Indonesia, China, Colombia, Poland and the United States. Natural gas consumed in Finland comes from Russia via pipeline, while liquified natural gas (LNG) is mainly imported from Norway.

On an international scale, both energy production and usage in Finland are quite efficient. Energy-intensive industries have long played a large role in the Finnish economy, and this has spurred the development of efficiency-driven energy systems.

Finland is a world leader in smart grid technology due to the early adoption of related technologies such as household specific, remotely readable, accurate electricity consumption metering and real-time power grid failure monitoring. This has led to improved energy use information for customers and real-time billing. Finland is now moving towards the next step of smart grid technologies to meet the increased volume of small-scale generation, customer-level energy storage, electric vehicles, and controllable loads with the intention of putting consumers “at the heart” and in control of their energy and efficiency measures.

### Energy Consumption by Energy Source

	2018		2019*	
	TWh	%	TWh	%
Total Energy Consumption	383.3	100 %	378.2	100%
Of which Wood fuels	100.4	27.2 %	105	27.8%
Of which Oil	86	22.4 %	86	22.6%
Of which Nuclear Energy	66	17.3 %	66	18.3%
Of which Coal	31	8.2 %	25	6.7%
Of which Natural Gas	21	5.5 %	20	5.3%
Of which Peat	17	4.5 %	15	4.1%
Of which Hydro and Wind Power	19	3.4 %	18	3.2%
Net Imports of Electricity	20	5.2 %	20	5.3%
Others	19	4.8 %	19	5%



Source: Stats.fi, \*preliminary information

Intertwined with the energy industry, the Finnish environmental technology and services sector has evolved into a dynamic area where production of new innovative technologies and services has expanded and gained international prominence.

Cleantech is one of the focal points of Finland's industrial policy and Finland is one of the leaders in the field of cleantech globally. Traditionally, the metals and the pulp and paper industries have been the two major investors in environmental technology. The primary technology investments for these industries have been air pollution and water protection technologies.

The value of the environmental goods and services market in Finland was \$47 billion in 2018 (\$46.7 billion in 2017) and the GDP share was around 7 percent. The most prominent industry within the environmental goods and services sector was construction with a turnover of over \$15 billion, representing one-third of the whole environmental goods and services sector. The bulk of this comes from the design and construction of renewable energy plant projects.

Measuring, controlling and analyzing instruments have been the most prominent product categories for imports of environmental technologies from the United States. According to Uljas (Finnish Customs) in 2019 imports from the United States of air pollution control goods totaled \$16 million (12 percent of total imports of environmental technologies from the United States); imports from the United States of waste water treatment technologies totaled \$22 million (15 percent); imports of other environmental technologies products totaled \$14 million (10 percent).

The key competitive factors in selling environmental technologies in Finland are quality and level of technology. Price is a secondary factor. Finding a Finnish partner or using a distributor/importer is highly recommended as they have direct distribution channels to end users, strong relations with various industry representatives, and direct access to municipalities.

Finland's Council of State approved the national Cleantech Strategy in May 2014, which points the way for Finland to develop into one of the world's leading countries in clean technology. It is estimated that there are about 3,000 environmental technology companies in Finland, operating in different segments of the market. The number of companies operating in the more traditional segments of environmental technology such as waste management and handling, recycling, and remediation is close to 800. About 20 percent of the companies have operations abroad. Most of the companies are small-to-medium size companies, but there are a few big global players as well.

### **Leading Sub-Sectors**

#### *Nuclear Power*

Finland has four operational nuclear reactors and in 2019 the nuclear reactors provided 35 percent (23 TWh) of the total electricity generated in the country. One new reactor (TVO's OL3) is currently being built, and another reactor (Fennovoima's Hanhikivi1) is in the planning stages. There are no inactive reactors in Finland.

The key sub-suppliers are gathering a wide network of subcontractor and U.S. companies can register as [subcontractors in Fennovoima's Hanhikivi 1 nuclear power plant project](#).

#### *Electricity Infrastructure and Grid Transmission Distribution*

The power system consists of power plants, the nationwide transmission grid, regional networks, distribution networks, and electricity consumers. Cross-border connections are also included in the Finnish electricity network and the power system is part of the inter-Nordic power system. Most of the imported electricity comes from Sweden and a significant amount of electricity is also imported from Norway and Russia. Electricity is traded through the Nord Pool electricity exchange.

The total length of high-voltage networks (110– 400 kV) is approximately 13,980 miles (22,500 kilometers), medium-voltage networks 86,991 miles (140,000 kilometers) and low-voltage networks 149,129 (240,000 kilometers). The high-voltage networks are built as overhead lines. Of the medium-voltage networks, 80 percent are overhead lines, 7

percent are aerial cables, and 13 percent are underground or underwater cables. Of the low-voltage network, 3 percent are overhead lines, 58 percent are aerial cables, and 39 percent are underground cables. Active conversion to underground cabling is ongoing throughout the country. There are 116 electrical substations in Finland.

In 2019, electricity production was 66 TWh and, of this, nuclear plants provided 23 TWh (35 percent), hydro plants 12.5 TWh (19 percent), coal and gas-fired plants 8.6 TWh (13 percent) and biomass plants 11.9 TWh (18 percent). After net imports of 20 TWh, total electricity consumption totaled 86 TWh, of which 39 TWh (46 percent) was used by industry.

### *Renewable Energy and Energy Efficiency (RE&EE)*

Finland is one of the world leaders in the use of renewable energy sources. The EU's Renewable Energy Directive of 2009 set a goal for Finland to increase the share of renewable energy to 38 percent by 2020. Finland reached that goal by 2014, and by 2017 had far surpassed it, renewable energy sources accounting for 47 percent of total generation.

The key target in promoting renewable energy is to reduce greenhouse gas emissions and move away from an energy system based on fossil fuels. The Energy and Climate Strategy published in November 2016 outlined actions that will enable Finland to attain the targets specified in the Government Program and adopted in the EU for 2030, and to systematically set the course for achieving an 80–95 percent reduction in greenhouse gas emissions by 2050. Finland has announced the phase-out of the use of coal for energy by 2029.

The most important form of renewable energy used in Finland is bioenergy: fuels from forest industry side streams and other wood-based fuels, hydropower, wind power, and geothermal power. Bioenergy is also generated from biodegradable waste and side streams of agriculture and industrial production and from municipal waste. Solar electricity has a growing role especially where on-site energy generation substitutes for energy bought from the grid. Solar heating is used as a supplement to the main heating system. Peat has also been defined as a slowly renewing biomass fuel. The share of peat in Finland's energy mix is four percent. As an indigenous fuel, peat has a considerable effect on regional policy.

### *Energy Efficiency*

Traditional Finnish energy efficiency strengths are in the areas of energy intensive industrial processes, power electronics, combustion and gasification technologies, combined heat and power production, and biomass-based fuels. Additional growth comes from smaller firms operating in the areas of new materials, smart grids, recycling, and measurement technologies. A new area to watch is power electronics, such as those used in automotive manufacturing.

To promote energy efficiency, Finland has employed a voluntary agreement scheme since the 1990s. The practical measures boosted by the agreements, such as energy audits and analyses subsidized by the Government, have provided companies and communities with a means of ascertaining their own energy usage and the scope for improving it, as well as integrating improvements in energy efficiency in their daily operations.

The new energy efficiency period for the Energy Efficiency Agreements was launched in the beginning of 2017 for the period of 2017–2025 and concerns four sectors. The sectors participating in the energy efficiency agreements for business and industry include the industry, energy, and private services sectors, while the other energy efficiency agreements concern the real estate sector, the municipal sector and the distribution of heating oils.

Finland has been involved in the development of low-energy and eco-efficient construction alternatives since the late 1980s. The basic principles of energy efficiency in buildings include: controlled ventilation and efficient heat recovery; improved thermal insulation of building skin; careful design and construction; using building structures as heating and cooling storage units; improved indoor climate quality; and innovative home automation systems.

Driven by a continuous challenge to decrease energy use and to meet new energy savings within the built-environment, the Finnish building industry is moving towards developing and searching for new high-performance building solutions and technologies.

### *Environmental Technology*

In 2018, resource management and environmental protection were the two largest subsectors. The biggest product categories of resource management were heat and energy saving, and management and production of energy from renewable resources. Waste water management and waste management were the biggest product categories for the environmental protection subsector.

### **Opportunities**

Finnish energy companies use open tenders as required by European Union (EU) regulations. Open tenders are listed at [TED \(Tenders Electronic Daily\)](#), the online version of the 'Supplement to the Official Journal' of the EU, dedicated to European public procurement.

The development of renewable energy in Finland is expected to offer opportunities for U.S. companies in innovative renewable and low carbon energy solution technologies. [Business Finland's Smart Energy Program](#) offers U.S. companies an opportunity to participate in the development of ecosystems and test platforms to validate their technologies for use in Finland and worldwide.

As part of the EU's [Green Public Procurement](#) (GPP) initiative, the European Commission and a number of European countries, including Finland, have developed [national GPP criteria](#). Although GPP is a voluntary instrument, it plays a key role in the EU's efforts to become a more resource-efficient economy. It intends to help stimulate a critical mass of demand for more sustainable goods and services which otherwise would be difficult to get onto the market. GPP seeks to thereby be a stimulus for eco-innovation. In Finland, the goal in all government procurements is to look for a comprehensive solution, which promotes energy and environmental goals and utilizes cleantech solutions in the most economically advantageous way. There is a national focus on public procurement of clean technology, resource efficiency, circular and bioeconomy and more detailed targets are set for different product areas including: construction, energy, vehicles and transport, food and catering.

In Finland, the necessity for utilizing the best available technology is included in the Water Act, the Air Pollution Control Act, the Waste Act, and the Sea Protection Act. In addition, the producer responsibility principle in waste management has increased reuse and recycling, offering new business opportunities.

The largest energy industry trade event [Energia 2022](#) will be held in Tampere, in the fall of 2022. This biennial event brings together energy production, power transmission and storing, energy users, and environmental and circular economy and real estate decision makers. The event will showcase sustainable, smart, productive, and modern solutions to the energy transition.

The annual [EnergyWeek](#) held in Vaasa, March 15-18, 2021 focuses on renewable energies, smart energy and gas energy. Topics include digitalization, batteries and storage, circular economy, future smart cities, energy regulation, business and innovation.

### **Resources**

[Statistics Finland](#)

[Statistics Finland, Environment and Natural Resources](#)

[mia.maki@trade.gov](mailto:mia.maki@trade.gov) (local contact)

## Health Technology

### Overview

In 2018, overall social protection expenditures in Finland amounted to 30 percent of GDP (\$82.9 billion), while social expenditures for healthcare accounted for 9 percent of GDP (\$24.91 billion). Universal health insurance coverage is accessible for all citizens and permanent residents in the country, with a range of comprehensive health services delivered primarily by publicly owned and operated providers. In 2018, approximately 75.8 percent of services and programs within the system were funded through public expenditure. Private financing accounted for 24.2 percent. The majority of Finnish hospitals are public. Private hospitals provide approximately five percent of hospital care in Finland. Private healthcare, excluding occupational services to prevent work-related illnesses and accidents, accounts for about six percent of total healthcare expenditure.

Finland boasts a rapidly growing ecosystem for health startups. International investors have taken notice of the potential of Finnish startups. In 2018 Finnish startups received a record amount \$218 of venture capital funding from domestic and foreign investors. Biotech and healthcare received about 14 percent of that funding. Read more in the [Venture Capital Association Finland report 2019](#).

Finland is the most advanced digital economy in the EU according to DESI 2020 – The Digital Economy and Societal Index - and this also extends to healthcare. National health registries have been held in databases since the 1960s. Today, the national digital patient data repository covers both the public and private healthcare sectors. All Finns have online access to their health records and their e-prescription history, which makes Finnish health data unique in terms of breadth and depth. The healthcare system has also accumulated blood and tissue samples in biobanks for many years. From the research point of view, the Finnish legislation on biobank operations is highly progressive, and it is being further revised and improved in a research-friendly manner. In the fall of 2017, a unique study that combines genome information with digital health care data, was launched. [FinnGen Research Project](#) plans to analyze up to 500,000 unique blood samples collected by a nation-wide network of Finnish biobanks. The project is expected to continue for six years, with a current budget of \$66 million. Funding research partners include several U.S. companies like Abbvie, Biogen, Celgene, Genentech, MSD, and Pfizer. This project has four main aims: to produce medical innovations by combining health registry and genome data; to support Finland in becoming a pioneer in biomedicine and personalized healthcare; to create a cooperation model between the public sector and the healthcare industry; and to provide early access to new personalized treatments and health innovations for all Finns. In March 2019 the Finnish Parliament accepted the [Act on the Secondary Use of Health and Social Data](#), which will facilitate easier and more efficient use of valuable material for research and development activities, for both domestic and foreign companies.

Finnish health technology is globally renowned. Finland is one of only seven countries in the world that exports more health technology than it imports. The value of Finland's exports of health technology products rose to \$2.6 billion in 2018, an increase of 3.4 percent over 2017. Imports of health technology products rose 6 percent to \$1.4 billion. The biggest contributor to the trade surplus in 2018 continued to be Finland's traditionally strong medical equipment segment, which contributed nearly 90 percent of the net total.

### Leading Sub-Sectors

#### *Medical equipment and supplies*

Medical equipment is the largest health technology segment in Finland. In 2018 exports of medical equipment rose 4.0 percent to \$9.58 billion, accounting for 71 percent of all health technology products exported from Finland. The United States is the biggest market for Finnish medical equipment, followed by Germany and Sweden. In 2018, exports of medical equipment to the United States accounted for 37.5 percent (\$1 billion) of total health technology exports. Imports of medical equipment, meanwhile, rose 4.9 percent to \$789 million. Imports from the United States in 2018 were \$726 million.

As a member of the EU, Finland's local legislation concerning medical equipment complies with EU directives. Medical trade is duty-free within the EU. Import duties are collected from production coming from non-EU countries.

The amount of duty for medical equipment exported from the United States varies by product, ranging from 5-12 percent. Medical equipment is required to have markings and instructions that ensure their safe use. Clinical investigations are used to determine the functioning and suitability for use of medical equipment, as necessary. Only medical equipment that conforms with existing regulations can be placed on the market or put into service in Finland. Product approvals, previously issued by Valvira, have since January 2020 been issued by the [Finnish Medicines Agency](#) (known as FIMEA), a centralized body operating under the Ministry of Social Affairs and Health.

#### *Pharmaceutical products*

In Finland, pharmaceutical wholesalers sell medicines mainly to pharmacies and hospitals. The largest share of wholesale sales to pharmacies is reimbursable medicines. Over the past few decades, Finnish domestic pharmaceutical production has decreased but not withered out. Finnish-based companies have been successful in developing medicines with strong global demand and medicines rank among the top ten products in export statistics. Bayer, Orion, Pfizer and Santen have large production facilities in Finland. These companies hold very strong positions in the market. Finland has been able to retain pharmaceutical manufacturing in the country due to specialized competence, which includes polymers in hormonal IUDs, septic production of ocular medicines, and production of hormonal medicines.

Finland accounts for about 1.3 percent of European pharmaceutical sales and less than half a percent of global sales. In 2017, pharmaceutical products were listed among the top eight products in import statistics. In 2017 Finland imported \$2.45 billion in pharmaceutical products, and exported \$1.9 billion, primarily to EU countries (33 percent), Russia (5 percent), and Switzerland (5 percent). In 2017, Finns spent an estimated \$3.3 billion on pharmaceutical products – approximately \$600 per capita. The largest sellers are cancer medicines, and nervous system drugs like antidepressants. A significant share of the specialized production is exported. In the first half of 2019 (Jan-July) import of pharmaceutical products from the United States rose by 24 percent to \$109 million.

The pharmaceutical market is closely regulated and intrinsically linked to the overall national social welfare and healthcare systems. Laws specify the way in which medicines may be marketed, adverse reactions monitored, and pharmacotherapies reimbursed. Manufacturing follows Good Manufacturing Practices (GMP) guidelines. Compliance is monitored by the [Finnish Medicines Agency](#) (Fimea).

#### *Biotechnology products*

Biotechnology has been a high priority sector in Finland since the mid-1980s. Currently, there are over 100 biotechnology companies in Finland, 75 percent of which were established in the 1990s. Many biotechnology companies in Finland are developing innovative antibody gene delivery technologies and gene vaccines for cancer immunotherapy as well as prevention and treatment of infectious diseases such as HIV. In addition, researchers have identified genes that seem to correlate with decreased plasma levels of amyloid-beta in Alzheimer's patients. Over the past decade diagnostics have been a success story for Finland. In 2018 exports of in vitro diagnostics rose 4.7 percent overall to \$645 million, while imports rose 9.4 percent to \$395 million.

Finnish legislation does not contain specific regulation for biologicals and combination products. These are primarily regulated by the Medicines Act and the Medical Devices Act. Several EU directives also apply to these products. Marketing authorization for biologicals and combination products is subject to the EU's centralized marketing authorization procedure coordinated by the European Medicines Agency (EMA).

The In Vitro Diagnostic Directive (IVDD) 98/79/EC directive facilitates the free trade of in vitro diagnostic products within the European Economic Area (EEA). The IVDD specifically addresses the safety, quality and performance of in vitro diagnostic medical equipment, to ensure that in vitro diagnostics do not compromise the health and safety of patients, users and third parties and attain the performance levels specified by the manufacturer.

## Opportunities

### Medical equipment and supplies:

High quality and technically sophisticated U.S. medical equipment has excellent market potential in Finland, especially equipment that increases efficiency and reduces occupancy rates in hospitals. The operating budgets of Finnish public hospitals have been reduced, and major hospital procurement is focused primarily on replacing older equipment. In the private healthcare sector, investments in new medical equipment are expected to continue to increase.

Best prospects for U.S. made medical equipment are in electronic medical records (EMR's), X-ray equipment, patient monitoring systems, mini-invasive surgery, video endoscopes, digital image processing, orthopedic equipment and picture archiving.

### Business Events:

Finland's largest event for dentistry professionals is the [Finnish Dental Congress and Exhibition](#), which will be held as a virtual event November 12-14, 2020. Finland's largest medical exhibition [The Finnish Medical Convention and Exhibition](#) is scheduled to be held January 13-15, 2021. [Digital Health Nordic 2021](#), scheduled for February 10, 2021, will provide a look at the role of technology in advancing modern medicine, healthcare and wellness.

### Pharmaceuticals:

Pharmaceutical imports to Finland exceed the country's pharmaceutical production and exports. Four companies have production operations in Finland. However, their production is not enough to meet the entire domestic demand. Imports from abroad guarantee national pharmaceutical services, ensuring that patients will have the necessary therapies for their diseases.

Changes in the reimbursement system affect medicine sales by pharmacies, which account for almost 70 percent of all medicines sales. The pharmacy medicine purchases are broken down to:

- 80 percent: reimbursable medicines
- about 13-14 percent: self-care medicines
- less than 10 percent: non-reimbursable prescription-only medicines.

Hospitals accounted for about 27 percent of the total sales of pharmaceuticals in 2017. Retail trade and other sales are only about 2 percent of the total sales of medicines.

### Biotechnology products:

Biological medicinal products are on the rise in Finland. Read more at [Pharma Industry Finland](#).

There is also a strong focus in Finland on vaccines, with flourishing biotech and life science clusters in the cities of Kuopio, Turku, Tampere and Oulu. In particular, innovative antibody gene delivery technologies and gene vaccines for cancer immunotherapy as well as for the prevention and treatment of infectious diseases are being developed here. These technologies have high demand in Finland, and there is also huge demand for collaboration to build novel biotechnology solutions and products through project cooperation between companies and research institutes in Finland.

The diagnostics industry is one of Finland's key strength areas in health technology. Finland is the home for the Global R&D Centers of Excellence for many leading companies in the field such as the American biotechnology company Thermo Fisher Scientific. Finnish in vitro diagnostic companies are committed to developing innovative yet affordable solutions, also through partnerships with other high technology companies and academics. There are no market barriers for U.S. in vitro diagnostic companies to export to or establish in Finland, or to partner with Finnish firms, provided they follow EU regulations.

Opportunities for U.S. companies include exporting their goods and services to Finland, as well as engaging in pilot and testbed projects to validate new innovations for use worldwide.

**Resources**

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## Information & Communication Technologies

### Overview

Finland is often called “the world's telecommunications test laboratory”. The advanced nature of the Finnish telecommunications market has led to many services and technologies introducing in Finland much earlier than elsewhere in the world. As a result, many international companies use Finland as a test laboratory for experimental launches of new products and services before going global.

To support these claims, for the second year in a row Finland ranks first in the EU Digital Economy and Society Index (DESI), a metric for digital performance and digital competitiveness. The great performance is credited to excellence in digital public services and the integration of digital technologies, both enabled by public and private sector cooperation and an active start up-scene.

Government support is considered future focused, with the government setting regulatory incentives and funding basic research. Finland is a member of the EuroHPC Joint Undertaking and will host one of the three pre-exascale supercomputers. Finland is also a signatory of the Declaration on European Blockchain Partnership and the Declaration on Cooperation on Artificial Intelligence. The Ministry of Finance has appointed a strategic group to create a plan of the development and management of the national AuroraAI program with a desire to create a test version of the AI network and a further implementation plan between 2019 and 2023.

Key figures supporting the great digital performance are a 99 percent 4G coverage for households; 154 mobile broadband subscriptions per 100 people; 76 percent of population has basic or above basic digital skills; and a 67 percent 5G readiness, measured as the percentage of assigned harmonized 5G spectrum. Key industry figures for 2019 are 77,000 employees and a revenue of \$16.5 billion.

Finnish companies are also quite far into the digital age. Nineteen percent of enterprises utilize big data and 50 percent utilize the cloud. Many Finnish companies are reported to be planning the evaluation of the benefits of 5G technology, automation and AI.

### Leading Sub-Sectors

Finland is a highly sophisticated market for computer hardware and components. Finland has one of the world's highest numbers of computers per capita connected to the Internet. This environment provides cutting-edge, high efficiency settings for all computer hardware-related businesses. Both consumers and companies alike seek reliable high-end products from trustworthy vendors.

This is indicative in U.S. Export statistics, where Computer & Electronic Products was the principal export category in 2019 with a share of 21.8 percent. To satisfy the needs of the high-tech industries electronic components are in-demand with total imports reaching over \$1 billion in 2019. Some 60 percent of all Finnish service imports are ICT related, amounting to around \$5.4 billion in 2019.

Total sales of computers were \$314 million in Finland in 2019 with an average sale price of \$866 per unit. For tablet devices, the respective numbers in 2019 were \$99 million total and \$331 per unit.

The Ministry of Transport and Communications is responsible for the operation of transport and communications markets and critical communications networks. The Transport and Communications Agency guides the use of the spectrum.

The Government of Finland is proposing a reform to the [Act on Electronic Communications Services](#). The objectives of the change include the improvement of the consumers' position, the promotion of both investments into communications networks and the availability of communications services as well as ensuring the security of communication networks better. Read more [here](#).

Telecommunications operators and their operations are regulated. Regulations concern targeted communications, such as telephone, text message, broadband and email services, and mass communications, such as cable television, IPTV,



terrestrial television and radio services. Detailed information can be found at [TrafiCom](#). For telecommunications services either a license or a notification requirement is required. Finland's Ministry of Transport and Communications or the Finnish Transport and Communications Agency grant these. Read more [here](#).

TrafiCom promotes competition and seeks to reduce entry barriers in all telecommunication markets. Read more [here](#).

Leading Sub-Sectors are broadband spectrum, fiber optics, and mobile broadband technology.

## **Opportunities**

As a high-tech country, Finland provides plenty of opportunities for the ICT industry. Components are needed to satisfy the needs of local manufacturing and R&D; ICT services, such as SaaS and cloud services, are demanded by the developing eGovernment and SMBs modernizing their operations; and increasing cybercrime puts a premium on cybersecurity offerings. As an example, the planned healthcare reform has spun multiple large patient database projects with a recent contract award being valued at \$320 million.

Finland is also a great launchpad to take 5G – and 6G – solutions global. Enabled by the strong network infrastructure and an innovative prospective partner pool, Finland has numerous 5G testbeds available for commercial use ranging from fully isolated 5G infrastructures to actual real-life test ranges. With a recently finished auction for 5G bandwidths, Finland is currently one of the few markets where all the 5G bands; low, mid and high frequency; are available for use. This means Finland has the same mmWave capabilities as the United States, but 5G solutions also have access to the other spectrums currently unavailable in the United States allowing to fully explore the possibilities of 5G-enabled products. Even 6G solutions can already be prototyped in Finland.

The 5G Test Network Finland ([5GNTF](#)) project, which consists of around 50 members from industry, academia and the Finnish public sector, offers testing, trial and piloting services, and ample opportunities for collaboration within the ecosystem. With varying focus areas at different sites, 5GNTF can cover a large variety of vertical industry use cases by providing support for high data rates, low latencies, reliable communications, and massive number of devices. 5GNTF is a joint initiative between the Finnish public and private sector. [5G Momentum](#) project is another one open for companies to participate in different trials and projects. To support industry in finalization of 5G there is also a 6G ecosystem, [6G Flagship Program](#), where opportunities vary from multi-partner projects to tailored company-focused projects.

## **Resources**

The pertinent ministry for ICT in Finland is the [Ministry of Transport and Communication](#). It is the umbrella ministry for all the agencies related to cyber security and telecommunications.

Government procurement opportunity listing site depends on the value of the contract. Procurements over the EU threshold are listed on the [Tender Electronics Daily](#). Procurements over a certain threshold are also listed on the [national listings site HILMA](#).

Finland has three main annual or bi-annual trade shows with heavy focus on ICT. The tradeshow are [Teknologia](#) in Helsinki, [Slush](#) in Helsinki and [Shift](#) in Turku. Due to COVID19 precautions, most shows have been postponed or have virtual activities. Visit the tradeshow websites for the latest information.

For more information on local resources, please contact the local commercial specialists, [Tiina Ketela-Juvonen](#) or [Tommi Venemies](#).

## Safety and Security

### Overview

Growing awareness of safety and security solutions, increased outsourcing of public security functions, and technology convergence and integration represent some of the biggest current changes in the safety and security industry. Security systems, products and services are increasingly becoming an integral part of day-to-day life, and the importance of the industry is growing. Today's safety and security industry is rapidly expanding beyond its traditional boundaries. Despite Finland's low overall crime rate, its safety and security market has grown continuously for the last ten to fifteen years and is expected to continue doing so. Crime involving the use of drones has emerged as a new phenomenon. Cybercrime volumes have increased. In particular, the number of cases of online fraud has grown. Police are constantly developing capabilities to investigate cybercrime.

Even if the numbers are still relatively low, the percentages in [Police of Finland](#) statistics show high growth rates, especially in information systems interference (+700 percent), hacking (+516 percent) and gross information systems interference (+300 percent) between the first quarter of 2019 and 2020. Problems have increased particularly in construction, transportation and logistics businesses.

General interest in private security products and services, public funding cutbacks in law enforcement resources, and outsourcing of safety and security related services by private and public entities have increased market demand. The safety and security sector is very scattered with over 400 companies in the market, mostly ranging from small to medium-sized companies. The largest security companies, which represent a minority in the market, nevertheless employ close to 80 percent of the industry's personnel, and generate most of the sector's turnover. There has also been some big company merges of already big safety and security actors.

Information security products and services, guard services, and structural security products are the largest sub-sectors, but new emerging business areas are security of logistics, home security, environmental and infrastructural security solutions, information security and work security. The largest industries contracting security services are the manufacturing industry, real estate and construction, and trade in general. U.S. made safety and security products have a good reputation and are considered to be of high quality. On the downside, some products – especially on the fire safety sector- are also seen as expensive and not compatible with EU standards.

### Leading Sub-Sectors

- Information security products and services
- Cloud based access management
- Integrated security technologies
- Biometric/3D identifiers
- Home/office security
- Wireless smart locks
- Security cameras

### Opportunities

There are no trade barriers for safety and security equipment. Customs duties vary between two to five percent. Products that are imported or exported within the EU must have CE marking and in some cases, must meet EU product standards. Companies offering private security services must have a license issued by the police, which works under the National Police Board. [The National Police Board](#) grants trade permits for dealing in firearms; permits for commercial export, import, transfer and transit. There are few safety related shows in Finland. The biggest, [FinnSec Expo](#), which is organized bi-annually.

### Resources

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## **Travel & Tourism**

### **Overview**

Prior to COVID-19 travel and tourism was traditionally a best prospect industry sector in Finland. However, in 2020 the sector was severely impacted by COVID-19. Visitor arrivals from Finland to the United States in January and February 2020 were on par with arrivals in 2019. But in March arrivals dropped from 13,110 in 2019 to 4,425 in 2020, a decrease of almost 67 percent. In April arrivals decreased from 12,692 in 2019 to only 15 in 2020, a decrease of over 99 percent. As of this writing (September 2020) arrivals have remained as similarly low levels. Please read [CBP's COVID-19 updates](#). For the latest information on DHS's response efforts, visit [DHS.gov/coronavirus](https://www.dhs.gov/coronavirus). For the latest health information, visit [CDC.gov](https://www.cdc.gov).

The United States has traditionally been one of the main long-haul destinations for Finns with over 147,000 Finnish arrivals in 2019. Florida, New York, and California were the best prospects for the U.S. travel industry. Finns find it easy to adapt to the American culture and are open to exploring new destinations and themes to travel to the United States. Although Finns generally favor “sun and sand” and city destinations, a growing number of travelers are looking for activity holidays. The trend is that more travelers are looking for individual travel packages and are interested in various activities such as local culture, nature, or sports. Thus, Finns have shown interest in destinations like Alaska, Arizona, Hawaii, Nevada, and New Mexico.

The Government of Finland imposes no restrictions on foreign travel for its citizens. Since October 1, 1991, Finland has been included in the U.S. Government’s Visa Waiver Program (VWP), allowing Finns to travel to the United States for tourism, business, or while in transit for up to 90 days without having to obtain a visa. Finnish passports have been machine-readable since 1987, and biometric passports were introduced in August 2006.

With an average of five weeks of annual leave, Finns take several holidays a year. Finns usually book their travel well in advance and take time to plan their holidays. Long-haul destinations are popular, and, with good English and other language skills, Finns are quite experienced travelers. New destinations, travel themes, and experiences are gaining interest. As an example, the Finnish travel magazine Mondo, with an estimated readership of 100,000, awarded Chicago as its best food destination in 2018.

Prior to COVID-19 Finnair, the national airline, offered seasonal direct flights from Helsinki-Vantaa airport to Chicago, Miami, Los Angeles, San Francisco and around-the-year flights to New York City. Other airlines offering connecting flights to the United States with their alliance partner networks included Icelandair, Lufthansa, KLM, Norwegian, and Scandinavian Airlines (SAS). With the advent of COVID-19, see airline websites for the latest on **flights to the United States**.

### **Leading Sub-Sectors**

The popularity of the United States as a travel destination for Finland is based on the large variety of activities the nation offers. The east coast receives the largest volume of travelers from Finland, and, in addition to New York, Washington, DC and Boston are of increasing popularity. Finnish travelers find it easy to combine various attractions – beach holidays, city tours, theme parks, culture, shopping, nature, road trips, etc. – into a single trip. First-time travelers, families with children, and senior citizens favor Florida attractions and beach holidays, whereas younger people and experienced travelers favor the West Coast – San Francisco, San Diego, and Los Angeles. For Finnish business travelers, New York City, Chicago, Boston, Los Angeles, Las Vegas, and Atlanta are the most common destinations.

### **Opportunities**

[Discover America Finland](#) is a membership-based marketing collective and network consisting of airlines, car rental companies, cruise lines, hotels, tour operators, visitors & convention bureaus and other organizations, promoting travel to the United States.

The annual [Matka Nordic Travel Fair](#) is the largest travel fair in Northern Europe bringing together travel trade professionals, destinations, and other tourism organizations. US pavilion is well represented each year at this travel fair.

**Resources**

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## Customs, Regulations and Standards

### Trade Barriers

Finland follows European Union (EU) internal market practices, which define Finland's trade relations both inside the EU and with non-EU countries. Restrictions apply to certain items such as products containing alcohol, pharmaceuticals, narcotics and dangerous drugs, explosives, etc. The import of beef cattle bred on hormones is forbidden. Other restrictions apply to farm products under the EU's Common Agricultural Policy (CAP). For more details, see the "Agricultural Sector" chapter of this report.

In March 1997 EU commitments required the establishment of a tax border between the autonomously governed, but territorially Finnish, Åland Islands and the rest of Finland. As a result, the trade of goods and services between the Åland Islands and the rest of Finland is treated as if it were trade with a non-EU area. The Åland Islands belong to the customs territory of the EU but not to the EU fiscal territory. The tax border separates the Åland Islands from the VAT and excise territory of the EU. VAT and excise are levied on goods imported across the tax border, but no customs duty is levied. In tax border trade, goods can be sold with a tax free invoice in accordance with the detailed taxation instructions of [the Finnish Tax Administration](#).

New or changing technical regulations in different countries can create unnecessary and unjustified technical barriers to trade. The European Commission attempts to prevent the creation of these barriers and help enterprises trade freely with the EU. The Commission manages two notification procedures: the 2015/1535 notification procedure at the EU level and the TBT notification procedure at the WTO level. Links to both the TRIS and TBT database can be found at [European Commission, Barriers to Trade](#) along with information regarding the benefits of the notifications procedures.

The Department of Commerce's Office of Trade Agreements Negotiations and Compliance (TANC) specializes in working with U.S. businesses to remove unfair foreign government-imposed trade barriers. Business can fill out a form found at [http://tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp) if their business is facing such barriers.

For information on existing trade barriers, please see the [2019 National Trade Estimate Report on Foreign Trade Barriers](#), published by USTR.

For more information and help with trade barriers please contact:

International Trade Administration

Enforcement and Compliance

(202) 482-0063

ECCcommunications@trade.gov

<http://trade.gov/enforcement/>

Key Links:

[Finnish Food Authority](#)

[FCTC Who Framework Convention on Tobacco Control](#)

[Ministry for Foreign Affairs for Finland](#)

[Finn Partnership's Guide on Exporting to the Nordic Countries](#)

### Import Tariffs

Finland applies EU customs laws and regulations, as well as common customs tariffs from the United States and other non-EU countries. When products enter the EU, they need to be declared to customs according to their classification in the Combined Nomenclature (CN). The CN document is updated and published every year, and the latest version

can be found on [the European Commission's](#). The Integrated Tariff of the Community (Tarif Intégré de la Communauté, TARIC) is a database designed to show the various rules which apply to specific products being imported into the customs territory of the EU or, in some cases, exported from it. The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily. The TARIC does not contain information relating to national levies such as Value Added Tax (VAT) rates. To determine if a license is required for a product, check the TARIC. To search current measures for certain goods, access the [TARIC portal](#).

Duties and other import taxes are levied on the customs value of the goods at the point of importation. The customs value is based on the transaction value of the goods imported. In practice, the C.I.F. (cost, insurance, freight) value is commonly used as the customs value. To assess customs value, the place of importation must be indicated. In the case of sea and air cargo, the place of importation is the unloading location. In surface transportation, it is the Customs Office at the frontier. The customs value is determined according to the General Agreement on Tariffs and trade (GATT) Valuation Agreement and the Community Customs Code (Council regulation 2913/92), and the Regulation Laying Down Provisions for Implementation of the Customs Code (Commission regulation 2454/93). Depending on the product and excluding foodstuffs, import tariffs range from 0-17 percent. Duties for non-EU countries are relatively low, especially for manufactured goods, ranging on average from 2.61 percent to 4.17 percent. However, textile and clothing items still have high duties and quotas.

Please consult [Finnish Customs](#) for more information regarding import tariffs.

### **Import Requirements and Documentation**

Exporting to Finland is subject not only to Finnish but also EU legislation. The EU's Union Customs Code (Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code) aims to complete the shift by Customs to a paperless and fully electronic and interoperable environment. The Union Customs Code came into force on May 1, 2016. This transition period currently lasts until 31 December 2020 at the latest, [but the Commission has recently proposed that the transitional period be extended](#) to 2025 for a small number of customs formalities managed by electronic systems that may not be fully completed until 2025. Certain items such as alcoholic beverages, foodstuffs, pharmaceuticals, firearms and other articles that could pose a potential threat to health, welfare, or spread animal and plant diseases are subject to restrictions. These import/export items need to meet special requirements and certifications set by the EU or Finnish standards. The Tarif Intégré de la Communauté (TARIC) database is available to help determine if a license is required for a product.

It is the responsibility of the importer or the authorized agent to declare imported goods to Finnish Customs. This can be done through the Single Administrative Document (SAD). The SAD form is an import declaration form for all EU Member States. More information on the SAD form can be found at [the European Commission, Taxation and Customs Union](#).

The following documents should be presented for imports into Finland:

- A customs declaration form endorsed by the National Board of Customs in Finland
- A valuation declaration for imports exceeding the value of EUR 5,045.64 (\$5752.03 in 2019)
- A copy of the commercial invoice

For further information, please visit [Finnish Customs](#).

For further information, please visit [the Union Customs Code](#).

### **Labeling and Marking Requirements**

Mandatory information must be provided in both of Finland's official languages: Finnish and Swedish. The country of origin --"made in (country)" --, must be clearly and durably marked on the label. Necessary information that must

be clearly marked on the retail packaging or marked on the product (a sticker, label, etc.) includes the name of the product, the name of the manufacturer, and the amount of contents (measured in the metric system).

When applicable, the following information should be provided to secure safe use of a consumer product:

- Product contents and size of contents.
- Batch number identifying the consignment.
- Instructions for assembly and information if the assembly requires specific qualifications for safe assembly.
- Instructions for use and storage.
- Warning labels and instructions for the use of any necessary personal safety devices.
- Washing, cleaning and care instructions.
- Instructions for disposal of the product and information on hazards of using the product

Labeling and marking requirements in Finland are based on the Act on Product Safety, which was enacted in accordance with the EU directive on general product safety.

[CE marking](#) is required across the European Union (EU). CE marking is the manufacturer's declaration that the product meets the requirements of relevant directives. A CE marking should be attached to certain goods falling under these categories like machinery, electric appliances, toys, personal protective equipment, and pressure equipment. Instructions for using the CE marking can be found in appropriate directives, and general instructions on the marking are included in EU Regulation 765/2008 Article 30, and decision 768/2008/EC.

Besides the CE Mark, the [Swan Label](#) indicates that a product burdens the environment less than other corresponding products without compromising performance characteristics. Additionally, the [EU eco-label](#) is a voluntary label, which U.S. exporters can display on products that meet high standards of environmental awareness.

European Standards Organizations develop standards under a mandate given by EU and EFTA in order to facilitate the manufacturing of products complying with directives. In Finland, the Finnish Standards Association implements these standards as SFS-EN standards.

Labeling requirements for foodstuffs in Finland are based on the Regulation of the European Parliament and of the [Council on the provision of food information to consumers](#) (1169/2011/EU).

For information on labeling and marking requirements, please visit the Finnish Standards Association, the Finnish Competition and Consumer Authority, the Finnish Food Safety Authority (Evira), and the Finnish Safety and Chemicals Agency (Tukes).

## **U.S. Export Controls**

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR.

Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of “red flags”, or warning signs, and compiled “[Know Your Customer](#)” guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of “dual-use” U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the [e-CFR](#) (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

## **Temporary Entry**

Temporary exemption from duty can be granted for goods intended for public displays at exhibitions and fairs, commercial samples, and professional tools and equipment. If the goods are put to unauthorized use or are not exported within the prescribed time they must go through normal customs clearance and become liable for relevant duties and taxes. In Finland, the ATA-Carnet, the international customs documentation for temporary duty-free admission, is issued by the Central Chamber of Commerce. ATA-Carnets are frequently used for temporary imports, e.g. samples, exhibition materials, and professional equipment (laptop computers, software), and are valid for one year.

## **Prohibited and Restricted Imports**

[The Tarif Intégré de la Communauté](#), TARIC, database is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes: CITES (Convention on International Trade of Endangered Species), PROHI (Import Suspension), and RSTR (Import Restriction). For information on how to access the TARIC, see the Import Requirements and Documentation Section. Restrictions on imported goods can be found through [TARIC consultation](#) and using the goods code and country of origin.



## Customs Regulations

[Finnish Customs](#) is a part of the customs system of the European Union (EU). In addition to customs regulation, it offers customs statistics service.

## Standards for Trade

### Overview

Products tested and certified in the United States to U.S. regulations and standards are likely to have to be retested and re-certified to EU requirements due to a different approach to the protection of the health and safety of consumers and the environment.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union which is often the case. For more on how the EU standards and regulatory system functions as a barrier to trade see page 177 in the [National Trade Estimate](#).

In general, the harmonization of a number of EU standards has greatly simplified technical regulation in Europe. Prior to harmonization, each country in the EU developed its own standards through their national standards body creating differing and conflicting standards, laws, and conformity assessment procedures. Thus, it became necessary to create a new, integrated, European system of standardization. The new system provided for three EU standards bodies to create standards on a Europe-wide level: (1) [The European Committee for Standardization](#) (CEN); (2) [The European Committee for Electrotechnical Standardization](#) (CENELEC); and (3) [The European Telecommunications Standards Institute](#) (ETSI). CEN/CENELEC activities are in the electrotechnical and other sectors, while ETSI specializes in telecommunications. CEN and CENELEC's principal members are member state national standards bodies. ETSI's membership has a broader range of interested parties. These three are the only recognized bodies from which a Harmonized European Standard (EN) can come. When the development of a European Harmonized Standard begins in one of these organizations, development of a national standard must stop. Harmonized Standards are standards that support European legislation. They (1) have been mandated by the European Commission, (2) have been developed by the European Standards Bodies above, (3) address essential health and safety requirements; and (4) notification of their development has been published in the Official Journal of the European Union.

Technically, the use of a Harmonized Standard is voluntary. That is, a manufacturer can elect to use a Harmonized Standard, or decide to use a non-Harmonized Standard (an American Standard, for example) to meet essential requirements. However, when using a Harmonized Standard, the manufacturer is presumed in conformity with the law (Presumption of Conformity). Specific EU harmonized standards which confer presumption of conformity are listed in the directive or regulation usually in Annex Z or ZZ. On the contrary, using a standard that is not a Harmonized Standard will impose additional responsibilities. The use of anything but an EU Harmonized Standard places a burden of proof upon the manufacturer that the product meets essential requirements. This proof may be provided by the manufacturer's Technical File, by the employment of a third party (consultant, testing house, etc.), or by a combination of the two.

Finland applies EU directives and standards. [The Finnish Standards Association](#), SFS is the central standardization organization that controls and co-ordinates national standardization work in Finland. SFS members include professional, commercial and industrial organizations as well as the state of Finland. SFS develops, approves and publishes national SFS standards. It also sells standards and communicates information about the standards and standardization to the public. In addition, SFS operates the national [WTO Enquiry Point](#). SFS is a member of the International Organization for Standardization (ISO) and the European Committee for Standardization (CEN). The majority of SFS standards are based on international or European standards. SFS prepares standards together with its 11 affiliates called 'standards writing bodies'.

Published National SFS Standards are sold in Finland through the [SFS on-line store](#). Distribution of SFS standards abroad is handled by national ISO member bodies. Standards have been published in almost every field. Standards are classified according to the International Classification of Standards (ICS).

[The National Electrotechnical Standardization Organization](#) (SESKO) represents Finland in the [International Electrotechnical Commission](#) (IEC) and [European Committee for Electrotechnical Standardization](#) (CENELEC). Its responsibility is to implement international standards in Finland and enforce them as national SFS standards.

[The Finnish Transport and Communications Agency](#) (Traficom) is responsible for telecommunications standardization in Finland. Traficom represents the national level standards in the [International Telecommunication Union](#) (ITU) and the [European Telecommunications Standards Institute](#) (ETSI).

### **Agricultural Standards**

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, and in January 2002 the EU publicized a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the [Foreign Agricultural Service](#).

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's [FAIRS Export Certificate Report](#).

### **Standards**

[The Finnish Standards Association](#) (SFS), works with 11 affiliates called 'standards writing bodies' that represent different economic sectors and participate in the development of standards. SFS itself is also a standards-writing body, and as such is responsible for some fields of standardization, including quality and environmental systems. The affiliated standards writing bodies are responsible for the development of standards in their respective fields.

EU standards are set by consensus-driven process initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European, or international level. Participation is open to all interested parties, not just those entities with a manufacturing presence, and non-governmental organizations such as environmental and consumer groups are strongly encouraged to actively participate in European standardization. The drafting of specific EU standards is handled by three European standards organizations; [CEN](#), European Committee for Standardization, handling all other standards, [CENELEC](#), European Committee for Electrotechnical Standardization, and [ETSI](#), European Telecommunications Standards Institute.

The members of CEN and CENELEC are the national standards bodies of the member states. [CEN](#) and [CENELEC](#) standards are sold by the individual member states standards bodies. [ETSI](#) differs in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and provides some of its individual standards at no charge on its website.

### **Testing, Inspection and Certification**

#### **Conformity Assessment**

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation found at [https://ec.europa.eu/growth/single-market/goods/building-blocks/conformity-assessment\\_en](https://ec.europa.eu/growth/single-market/goods/building-blocks/conformity-assessment_en) gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination, and a production quality control system, to a full quality assurance system. Conformity assessment bodies in individual Member States are listed in the [New Approach Notification and Designated Organizations information system](#), NANDO.

To promote market acceptance of the final product, there are many voluntary conformity assessment programs. CEN and Cenelec's certification system is known as the [Keymark](#). ETSI does not offer conformity assessment services.

#### Product Certification

The United States has a [mutual recognition agreement](#) with the EU which aims to benefit industry by providing easier access to conformity assessment. The agreement lays down the conditions under which the United States will accept tests performed by EU conformity assessment bodies.

#### Accreditation

Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

[The Finnish Accreditation Service](#) FINAS is the national accreditation body for Finland, responsible for assessing the competence and capability of organizations that provide certification, testing, inspection and calibration services. FINAS is the Accreditation Department within the [Finnish Safety and Chemicals Agency](#), Tukes. FINAS is a full member of [International Laboratory Accreditation Cooperation](#) (ILAC), [European co-operation for Accreditation](#) (EA), and [International Accreditation Forum](#) (IAF). Operators accredited by FINAS can use the international accreditation symbols (ILAC MRA and IAF MLA symbols) to communicate that they are covered by these international agreements. Companies can utilize these international agreements so that a company or authority operating in another country can confirm the recognition of FINAS's accreditation in their own country. Additionally, Finnish companies or authorities can confirm the recognition of an accreditation granted in another country.

U.S. exporters are required to apply [CE marking](#) whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU.

Products manufactured to standards adopted by [CEN](#), [CENELEC](#), or [ETSI](#), and referenced in the [Official Journal](#) as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements.

#### Publication of Technical Regulations

[Official Journal of the EU](#) is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, and studies by committees, among others. It also lists the standards reference numbers linked to legislation, [Harmonized Standards](#).

Additionally, [the Finnish Standards Association](#) publishes SFS and ISO standards which are available [on-line](#). The SFS serves as a [WTO Enquiry Point](#) providing information on technical regulations, standards and verification methods currently being prepared and adopted in WTO member countries.

#### National Institute of Standards and Technology's (NIST) Notify U.S. Service

Members of the World Trade Organization (WTO) such as the EU are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. [Notify U.S.](#) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users

receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Proposed EU member state technical regulations are published on the [EU Commission's](#) website to allow other countries and interested parties to comment.

### **Contact Information**

#### [U.S. Mission to the EU](#)

Rebecca Balogh, Standards Attaché

[Rebecca.Balogh@trade.gov](mailto:Rebecca.Balogh@trade.gov)

Tel: +32 2 811 42 44

#### [National Institute of Standard & Technology](#)

Gordon Gillerman Standards Coordination Office 100 Bureau Dr.

Mail Stop 2100

Gaithersburg, Maryland 20899

Tel: (301) 975-4000

#### [CEN- European Committee for Standardization](#)

Rue de la Science 23

B – 1040 Brussels, Belgium

Tel: 32.2.550.08.11

#### [CENELEC- European Committee for Electrotechnical Standardization](#)

Rue de la Science 23

B – 1040 Brussels, Belgium

Tel: 32.2.519.68.71

#### [ETSI- European Telecommunications Standards Institute](#)

Route des Lucioles 650

Sophia Antipolis

F-06560 Valbonne France

Tel: 33.4.92.94.42.00 200

### **Trade Agreements**

Finland has been a member of the World Trade Organization (WTO) since its foundation in 1995. The WTO creates binding agreements that set a regulatory basis for international trade. Finland's membership in the WTO enables them to make use of the multilateral trade system. Finland is a member of the Preferential Trade Agreements (PTAS) and Regional Trade Agreements (RTAS). Information regarding trade agreements are available at both the [RTA Database](#) and [PTA Database](#).

Additionally, Finland is a member of the [Agreement on Government Procurement](#) (GPA) and the [Informational Technology Agreement](#) (ITA).

For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see [EU Trade Agreements](#)

## **Licensing Requirements for Professional Services**

There are commercial activities in Finland that are subject to a license. The serving of alcohol, debt collection, and private security companies are all subject to a license. Some commercial activities require registration in a register that is kept by the authorities. [Business Finland](#) is a Finnish Government agency that can offer guidance on operating a business in Finland.

To check whether a business is subject to a license please refer to the [Suomi.fi](#) portal on permits and obligations. The portal includes information on activities and professions that require a separate license, notification or registration.

## **Selling US Products and Services**

### **Distribution & Sales Channels**

#### **Overview**

Diverse distribution channels available in Finland allow for a variety of market strategies. Consumer goods and similar merchandise can be sold directly to retail chains, department stores, and other retail outlets, but are more often imported through wholesalers and distributors. Goods requiring specialty installation, engineering, and maintenance/after sales service are often sold through engineering service firms, consultancies and other professional service providers. Due to the small size of the Finnish market, and the interconnectedness of Finland with other Nordic markets, it is common to appoint one or more agents or distributors to cover the entire Finnish, or even Nordic, market. Agents/distributors in Finland and the Nordics often represent several foreign firms, and it can be difficult to find an agent/representative that is qualified and experienced in a given market segment that does not already represent competing products. For more details on identifying and establishing relationships with prospective agents/distributors, see the “Using an Agent to Sell US Products and Services” chapter of this report.

There are many major distribution centers located around Finland. The largest commercial airport in Finland is Helsinki Airport in Vantaa. The largest commercial seaports in Finland are Hamina-Kotka, Helsinki, and Naantali. There are no major ports of entry for road or rail. Inside Finland, most cargo is transported throughout the country by truck, with the major distribution hubs in Helsinki, Tampere, and Joensuu.

#### **Using an Agent or Distributor**

While it is not legally required to use an agent or distributor, a well-selected one can be a vital asset in uncovering and approaching commercial opportunities throughout Finland and providing the level of attention and service often expected by Finnish customers. Consumer goods and similar merchandise can be sold directly to retail chains, department stores, and other retail outlets, but are more often imported through wholesalers or trading houses. Goods requiring specialty installation, engineering, and maintenance/after sales service are often sold through engineering service firms, consultancies, and other professional service providers. Due to the small size of the Finnish market, and the interconnectedness of Finland with other Nordic markets, it is common to appoint one or more agents or distributors to cover the entire Finnish, or even Nordic, market. Agents/distributors in Finland and the Nordic countries often represent several foreign firms, and it can be difficult to find an agent/representative that is qualified and experienced in a given market segment that does not already represent competing products.

Finns tend to prefer to do business with people they know and trust. A visit to Finland to meet with prospective agents/distributors prior to doing business is often needed to assess the suitability of each prospect and to begin the process of developing the customary level of familiarity and trust. An increasing body of information available online can assist in identifying and contacting prospective agents/distributors prior to such a visit. [The Finnish Commerce Federation](#), while on the one hand identifying itself as a lobbying organization, also serves as a central organization of 2200 companies and trade associations covering the bulk of foreign goods sold to Finnish trade and industry. It is a member of the [Confederation of Finnish Industries](#) (EK), which represents the Finnish industry through its 25 member associations. [The Finnish Foreign Trade Agent’s Federation](#) (FFTAF), provides fee-based services for creating trade partnerships with their membership of agents, distributors and importers. Additionally, [Internationally United Agents and Brokers](#) (IUCAB), provides fee-based access to its database, which serves as a B2B platform for establishing business relations between manufacturers/suppliers and commercial agents from around the world, including Finland.

Most Finnish importers attend major trade fairs in Europe and the United States to find new products and ideas, and new firms and brands to represent. Visit [Meet Expo](#) to find European trade shows and [Events in America](#) to find trade shows in the United States.

Not all Finnish agents or distributors are members of the above-mentioned associations. Furthermore, many Finnish firms are circumspect and unresponsive to unsolicited approaches from overseas. To overcome challenges in the identifying and meeting prospective agents/representatives, the U.S. Commercial Service in Finland offers [services to U.S. exporters](#) such as the International Partner Search (IPS), the Gold Key Service (GKS), and other networking and matchmaking activities,

Companies wishing to use distribution, franchising, and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration, and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

### **Establishing an Office**

Business Finland is the Finnish innovation funding, trade, investment, and travel promotion organization. Business Finland is fully owned by the Government of Finland. For more information about establishing an office in Finland, please contact [Business Finland](#).

For general business information on establishing an office in Finland, My Enterprise Finland is a public business service that provides companies with services and advice at the various stages of their lifecycle. [My Enterprise Finland](#) is a collaboration concept of the Ministry of Economic Affairs and the operator network of public services for businesses.

### **Franchising**

The Finnish franchising market is estimated to be worth over \$6 billion, with 250 to 300 franchising systems operating close to 7,000 units around the country. The franchise sector employs between 40,000 to 60,000 people. As of 2019, 79 percent of franchises in Finland were domestic and 21 percent were foreign, which shows an increasing trend towards domestic brands and that chains are getting bigger. Opportunities exist in all market sectors and their shares were retail 34 percent, restaurant 25 percent and services 41 percent. As of new chains in 2019, 54 percent were in services, 18 percent in retail and 28 percent in restaurants. In 2019 the annual growth rate in terms of revenue was 6.4 percent and in 2020 is expected to be 6.2 percent, with the biggest growth in the B2B (15.3 percent) and restaurant (9.3 percent) sectors. U.S. franchise companies in Finland are mostly fast food restaurants and automotive service businesses. U.S. franchises tend to have high brand recognition among consumers. There are some legislation concerning also franchising, ex. The Finnish Franchising Association's Code of Ethics (updated as of January 1, 2017). More on this at [The Finnish Franchising Association](#).

Event: [Franchise News Day](#), Helsinki, 22 September 2020.

### **Direct Marketing**

The direct marketing channels most commonly used in Finland are:

- Direct mail (Unaddressed Bulk Mail and Addressed Delivery)
- Telemarketing
- Face-to-face selling
- Internet marketing
- Direct-response advertising
- Catalogs/brochures

Direct mail is still in use, though it is not very effective. There is an increase in digital direct marketing with the expansion of eCommerce in Finland. Direct marketing campaigns are becoming more diversified and advertising is becoming more precisely segmented. Social media is used to reach new target groups, and the use of electronic messaging for marketing purposes is growing. Tailored services, omnichannel retailing, and targeted communication are closely related to the growth in eCommerce.

Companies should be aware of the [Finnish Personal Data Act](#) which requires companies to be transparent to consumers about the use of personal data. Additionally, electronic direct marketing requires express advance permission from the recipient under the Act on the Protection of Privacy Electronic Communications.

In addition, on May 25, 2018, the General Data Protection Regulation (GDPR) replaced the EU 1995 Data Protection Directive. The GDPR is broad in scope and applies to all companies who collect, process, and/or store the personal data of European citizens regardless if a company has a physical presence in Europe or directly provides goods or services to European customers. Marketing under the GDPR is regulated like any other data processing activity. See more at [Complete Guide to GDPR Compliance](#).

The [Data and Marketing Association of Finland](#) (ASML) can assist in navigating the marketing ecosystem of Finland. ASML is a member of the [World Federation of Direct Selling Associations](#) (WFDSA).

### **Joint Ventures/Licensing**

Joint ventures and license agreements may be useful options for setting up a business in Finland. Licensing is governed primarily by general contract law, competition law, and laws regulating intellectual property rights. Product licensing agreements are quite common in Finland because of the good quality of Finnish manufacturing, the small size of the market, and the relatively high cost of transporting goods to the country. Royalties and licensing fees may be freely transferred out of Finland.

Considerations in forming a joint venture or licensing agreement include possible tax implications, local legal systems, accounting principles, special permits, and registration procedures. Companies should be aware of the Finnish Competition Act when discussing the legal requirements for joint ventures. The Competition Act is intended to protect effective economic competition from harmful restrictive practices.

### **Express Delivery**

Express shipping times from the United States to Finland can vary between 2-5 business days. A package from New York to Helsinki can be guaranteed to arrive in 2 business days. Times may vary due to location in Finland or the United States. A number of international express mail couriers such as DHL, FedEx, and UPS operate in Finland. There are certain items that are banned for import in Finland and these import restrictions can be found through the individual carrier's websites.

Finland employs a de minimis value on the total purchase of the delivery for tax and duty assessments. The de minimis value for duty is EUR 150 and the de minimis value for tax is EUR 22, excluding alcohol and tobacco where duty/tax always apply. For more information please visit the [Finnish Tax Administration](#). Customs duties are generally ad valorem duties, meaning that they are calculated as a percentage of the customs value. Some goods are also subject to a specific duty based, for example, on their weight or number. Customs duties are determined based on the customs tariff code under which the goods are classified. For more information on duties, please visit the [Finnish Customs](#).

### **Due Diligence**

U.S. Companies should perform appropriate due diligence on their business partners and agents. U.S. companies should be cautious in the areas of banking, insurance, investment firms, management companies, and payment institutions. They must be sure of their customers' true identity and are obliged under the [Finnish Act on Detecting and Preventing Money Laundering and Terrorist Financing](#) to know their customers' activities and background. The [Financial Supervisory Board](#) can assist in customer due diligence in Finland.



The U.S. Commercial Service offers a service called the [International Company Profile](#). International Company Profile service provides you with background and financial information on companies in over 80 countries.

There are many companies which provide a variety of business and credit information services. [Bisnode D&B](#) Finland, [Deloitte](#) Finland and [Suomen Asiakastiето](#) can assist in performing due diligence services.

## **eCommerce**

Finland has one of the highest Internet and broadband penetration rates in the world. Finland has also developed a robust eCommerce service provider ecosystem, and eCommerce is popular and growing, driven primarily by the greater variety of goods and lower prices offered when compared to traditional brick-and-mortar retailers. eCommerce turnover for 2019 (figures not yet published as of this writing) is expected to rise to \$14 billion, an 11 percent increase compared to 2018. In the B2C market, in 2018 Finns spent approximately \$24,8 billion online on retail goods and services (travel included) from Finland and abroad. According to Euromonitor, 85 percent of Finns shop online with purchases of home technology and clothing leading the way. In the B2B market, eCommerce is attractive and quickly growing. That said, B2B eCommerce companies in Finland have been slower than B2C companies to respond to growing customer concerns about privacy, security, and trust issues related to online stores in the advent of increasingly sophisticated methods of exploiting customer data and behavior in an omni-channel environment. As such, B2B companies have fallen behind B2C companies in active social media engagement. Finns rely heavily on foreign retailers for online purchases, giving foreign e-retailers a clear opportunity to acquire customers.

### **Assesment of Current Buyer Behavior in Market**

Foreign players are central to Finnish eCommerce but slightly sinking (52 percent in 2019, 54 percent in 2018) as more Finnish ones come into market. In 2017, foreign online shops were mainly used to purchase clothing and footwear, media and home electronics. Approximately \$5 billion was spent on online purchases (goods + services), of which 54 percent was purchased from foreign websites.

Many Finns believe that there are advantages to shopping online, finding it cheaper, more convenient, offering a larger and better range of goods and services, and saving time when compared with traditional brick-and-mortar retailers. All these factors favor foreign retailers, which often offer a range of goods not available through Finnish vendors, at more competitive prices, with delivery times no different than for products ordered from Finnish stores thanks to Finland's excellent logistical infrastructure. The competitiveness of foreign retailers in eCommerce is bolstered by the increasing use of payment via credit and debit cards and the use of mobile devices.

The top industries selling online in Finland are clothes, shoes, accessories, pharmacy, beauty, media, and electronics. Travel and services, such as train, hotel and plane tickets, games and digital media, are also selling well online. Even buying groceries online is advancing. In 2018 24 percent of consumers were buying it online. It remains to be seen if the increase during Corona virus pandemic will change consumer behavior permanently. In 2018, the top sites, by net sales, for online shopping in Finland were [Verkkokauppa.com](#), [Giganti](#) and [Power](#), all selling consumer electronics,

The most common online marketing mistake in Finland is to underestimate the importance of marketing. The most successful firms are those that identify the right target groups, then promote their websites and other outlets to those target groups through a mix of channels including paid advertisements, social media, and e-mail. B2B companies in Finland appear to have fallen behind B2C companies in active social media engagement.

A Postnord 2018 survey shows that the five most popular countries from which Finns buy online are China (41 percent), Germany (31 percent), the United Kingdom (31 percent), Sweden (23 percent) and the United States (23 percent). Finnish consumers are enthusiastic about shopping online, whether through a desktop computer, laptop computer or mobile device. Over the course of three months, each Finn on average makes more than five purchases online.

## Local eCommerce Sales Rules & Regulations

Finland applies EU's [Ecommerce Directive](#)

The European Union has introduced a new VAT eCommerce package, which will facilitate cross-border trade, combat VAT fraud and ensure fair competition for EU businesses. These new rules will apply as of 1 July 2021 instead of 1 January 2021, due to Corona virus. There are no local incentives or initiatives for ecommerce.

The most important rule for a foreign company building ecommerce in Finland is to make sure that their platform will support local enterprise resource planning systems (ERP), customer relationship management (CRM), local payment methods and Finnish Post. If they don't it will be impossible to do business here.

Most Finnish laws relevant to online business activities apply to all business activities, not just online business. The most relevant regulations to online business are: the Information Society Code (917/2014), which sets regulations on e-privacy, consumer protection, communications networks, and data security with the aim of promoting simplified procedures and equal opportunities for service providers in the market; and the Personal Data Act (1523/1999) and [GDPR](#), which cover the processing of personal data of EU subjects in connection to the offering of goods and services.

There are no business/legal obstacles to prevent online/eCommerce financial transactions in Finland. The key is to offer suitable payment methods.

Supporters of eCommerce players in Finland:

[PayTrail](#)

[Finnish Commerce Federation](#)

[PostNord](#)

[Vilkas Group Oy](#)

## Local eCommerce Business Service Provider Ecosystem

Digital marketing in Finland has grown rapidly in the past few years and more Finnish service providers, including traditional marketing companies ([Suomen Digimarkkinointi Oy](#), [Avidly](#)), have risen to help companies to provide their services. Facebook and Google have established strong positions in Finland, accounting for approximately half of all digital marketing nationwide.

Last mile logistic firms are still taking baby steps in Finland. Finnish Post launched their own at the end of 2019 called [Box](#). It has so far only one location, but it works as a test platform for other types of services for consumers around Finland. Other existing ones are Swedish [Unifaun](#) and [Budbee](#).

The four most popular eCommerce payment methods in Finland are online banking and debit/credit cards, invoice, and PayPal or similar online payment options. Mobile pay is becoming more popular by having only 4 percent using it in 2018, increasing into 8 percent in 2019. It is also important to assure the safety of those methods, as Finns are extremely concerned about the safety of their payment information. Major payment gateways supported in Finland are, PayTrail, PayPal, Klarna, Checkout, Mash, Stripe and Bambora.

There are several smaller seminars on ecommerce around Finland, but the biggest one is yearly expo [Smart Commerce](#). Next one will be held on January 28<sup>th</sup>, 2021, in Helsinki.

## Selling Factors & Techniques

### Overview

The factors that determine where importers place their orders are almost entirely commercial and are similar to those encountered in the United States. Competitive factors such as price, quality, promptness of delivery and availability of service, determine the success of a supplier in Finland. It is important to consider both geographical and sectoral coverage when appointing an agent or distributor in Finland. Due to the small size of the market, it is common for one

agent or distributor to be appointed to cover the entire country, either for a given sector (in the case of highly specialized goods), or for all sectors (for more general-use goods). In many cases local distributors or agents may decline to take on representation of a new product line due to expected competition or lack of demand. In such cases, a new-to-market company wishing to enter the Finnish market may wish to establish its own sales office.

Many Finnish firms, from major established multinationals to early-stage startups, are eager to partner with American firms and to engineer Made-in-USA innovations into their solutions. These Finnish firms often intend to take their solutions global, bringing their American partnerships and Made-in-USA technologies with them. American firms that approach the Finnish market with this in mind often find that the value of their presence in the Finnish market is worth far more than the Finnish market alone.

### **Trade Promotion and Advertising**

The European Union has established minimum and objective criteria regarding truth in advertising. Legislation on advertising practices can be found through the [EU adopted Directive 2005/29/EC](#) concerning fair business practices. There are special regulations for advertising certain products such as medicine, food, supplements, gambling, alcohol and tobacco in Finland. Advertising agencies in Finland can be found through MTL - [The Finnish Association of Marketing, Technology and Creativity](#).

For local trade fairs, there is a number of local trade fair authorities. The major organizers within regions are [The Finnish Fair Corporation/Helsinki Fair Center](#) and [Wanha Satama Fair Ltd.](#) for the capital region, [Jyvaskyla Fair Ltd.](#) in central Finland, [The Turku Fair and Congress Center Ltd.](#) in South-West Finland, and [Lahti Fair Ltd.](#) and [Tampere Trade Fairs Ltd.](#) in Southern Finland.

### **Major Newspapers in order by circulation:**

[Helsingin Sanomat](#) is the leading daily newspaper of capital region, *circulation* 339,437 – est.readership 902,000

[Aamulehti](#) is the second best-selling daily newspaper from the Southern Finland (City of Tampere) area, *circulation* 130,081

[Turun Sanomat](#) is a popular newspaper from South-West Finland (City of Turku) area, *circulation* 72,979 - est. readership: 205,000

[Keskisuomalainen](#) *circulation* 68,589

[Savon Sanomat](#) *circulation* 55,535

[Hufvudstadsbladet](#) is a liberal Swedish-language newspaper, *circulation* 48,000 – est.readership 120,00

### **Business Magazines/Journals:**

[Kauppalehti](#) is the leading week-daily business/economic newspaper, est. readership 148,000

[Talouseläma](#) (Business weekly)

[Tekniikka & Talous](#) (Business weekly)

[Tietoviikko TIVI](#) (Business weekly)

### **Radio/TV:**

[Bauer Media Group](#), covers nine national, five local and one digital service radio stations,

[Discovery Finland](#) (TLC, Fii, TV5, 6)

[DNA TV](#)

[Finnish Broadcasting Company YLE Radio](#) (YLE Radio 1, YLEX, YLE Radio Suomi, YLE Mondo, YLE Klassinen, YLE Puhe, YLE Sami Radio, YLE Novosti po-russki, YLE X3M and YLE Vega), and TV (YLE TV1, TV2, YLE Teema Fem) Center.

[Fox Networks Group Oy](#) (TV: Fox)

[MTV OY](#) (TV: Mtv3, Sub, Aava, C More Max)

[Nelonen Media](#). TV (Nelonen HD, Nelonen Prime, Ruutu+ Lapset, Nelonen Maailma, Nelonen Pro 1, Nelonen Pro 2, Jim, Liv & Hero) and Radio (Radio Rock, Radio Aalto, Helmi, HitMix, Radio Suomipop, Loop).

### **Biggest Media houses:**

[Alma Media](#)

[SanomaGroup](#)

[TS-Yhtymä](#)

Please consult the local U.S. Commercial Service office for the best media outlet for your needs. The top ones by reach are as above, but by consulting with the commercial service you can discuss the best way to reach your specific audience.

### **Pricing**

The main taxes for businesses are corporation tax (profit tax) and real estate tax. Corporate tax is an income tax collected from limited companies and other corporations. The tax is levied on the taxable income of a corporation calculated by subtracting the deductible expenses of the corporation from its taxable income. The corporate income tax rate was lowered from 24.5 percent to 20.0 percent in January 2014.

All goods and services are subject to a [value-added tax](#) (VAT), an indirect tax assessed as a percentage of the value of all goods and services, unless specifically exempted. The general rate is 24 percent on industrial goods; 10 percent on books, drugs, pharmaceuticals, cinema tickets, passenger transportation, accommodation services, cultural and entertainment events, subscriptions of newspapers and periodicals, and TV licenses; 14 percent on foodstuffs and animal feed, and restaurant and catering services.

Excise duties are product-specific, and the amount of duties assessed is based on the number of products consumed in taxable use or products supplied for taxable use. [Excise taxes](#) are levied on alcohol and alcoholic drinks, beer, tobacco, liquid fuels, electricity and certain fuels and soft drinks. Municipal waste tax, beverage packaging tax and oil discharges are also subject to excise taxes.

Duties on goods from non-European countries are relatively low, especially for manufactured goods, ranging from 2.61 percent or 4.17 percent. However, textile and clothing items still have high duties and quotas. For further information, please visit the European Online Customs [Tariff Database](#) (TARIC),

### **Sales Service/Customer Support**

It is customary to appoint one exclusive agent or distributor to cover the entirety of Finland. Importers may serve large customers themselves, while dealers work with smaller customers. Product training and customer support, usually organized and carried out by dealers, is important.

The EU has legislation to ensure customer safety and after-sales service:

- The 1999 Directive on the Sale of Consumer Goods and Associated Guarantees requires professional sellers to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are repair of the good(s); replacement of the good(s); a price reduction or rescission of the sales contract.

- The General Product Safety Directive (GPSD) aims to ensure only safe consumer products are sold in the EU. Consumers must be warned of the risks associated with any product placed on the market.
- The Directive on Liability of Defective Products holds the producer liable for any damage caused by a defect in a product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material).

### **Local Professional Services**

Professional Associations in Finland:

[Association for Managers and Professionals, YTY](#)

[Trade Union of Education in Finland, OAJ](#)

[The Union of Sales and Marketing Professionals: MMA](#)

[The Union of Professional Engineers in Finland](#)

[The Finnish Veterinary Association](#)

[Finnish Association of Architects, SAFA](#)

[The Finnish Business School Graduates](#)

[Finnish Psychological Association](#)

[The Association of Finnish Lawyers](#)

[Academic Engineers and Architects in Finland: TEK](#)

[Social Science Professionals](#)

[Confederation of Unions for Professional and Managerial Staff in Finland, Akava](#)

### **Principal Business Associations**

[Amcham Finland](#) is the local chapter of the global network of American Chambers of Commerce and is dedicated to promoting a strong transatlantic economy and a healthy business environment in Finland.

[Confederation of Finnish Industries \(EK\)](#) is an umbrella organization for several smaller associations. Its main task is to make Finland an internationally attractive with competitive business environment. Membership requires a Finnish business identity code.

[Enterprise Europe Network](#) provides free-of-charge internationalization services to SMEs and has experts in over 50 countries all over the world.

[Entrepreneurs of Finland](#) is an interest and service organization for small and medium-sized enterprises (SMEs) and their owners. Membership requires a Finnish business identity code.

[Finnish Commerce Federation](#) is a nationwide lobbying organization whose mission is to promote Finnish commerce. The goal is to improve the operating conditions for companies active in wholesale and retail trade, to stimulate co-operation within the sector and to enhance the commercial and employer interests of members. It has a role in negotiating collective labor agreements, resolving labor disputes and serving members in employment issues. Member companies need to be registered in Finland.

[Trade Partners Finland](#) is a membership organization which facilitates international trade for small and medium size companies. Members of the organization are commercial agents, importers and distributors of various industry sectors,

### **Limitations on Selling U.S. Products and Services**

There are no additional limitations towards selling U.S. products or services.

## **Trade Financing**

### **Methods of Payment**

Finland has a modern banking sector. Most of the banks have devised services drawing on new technologies, where customers constantly welcome new ways of innovative banking solutions. Finnish banking is different from banking elsewhere in Europe. For example, in Finland, 96 percent of all adults primarily make payments electronically in 2018. Payment transmission between businesses is almost entirely electronic.

Finland is experiencing accelerated growth in non-cash transactions. In 2016, Finland's residents made an average of 460 non-cash transactions per capita. Payments by card, direct debit, and credit transfer are booming as people turn to mobile banking, contactless cards, and other innovations rather than cash.

Finland is part of the [Single Euro Payments Area](#) (SEPA), created by European banks, the European Central Bank, and the European Commission. SEPA was created to harmonize euro payments in 36 countries. SEPA means that there will no longer be any distinction between national and cross-border Euro payments.

Finland is one of the forerunners in terms of easy and secure card payment. Payment cards issued by banks are mostly debit cards linked to accounts. All cards issued by banks are international SEPA-compliant cards – most commonly MasterCard or Visa cards – and have an embedded chip to improve security. A company willing to accept card payments must first make a contract with either a bank or another acquiring service provider. Instructions for accepting card payments are given by service providers.

Mobile payments have increased in popularity in the past few years. Person-to-Person (P2P) has been a steppingstone for mobile payments in Finland and in the Nordics. In Finland the market is quite fragmented and there are several applications offering their services: MobilePay (20 percent), PayPal (15 percent), Pivo (9 percent), Siirto (6 percent), ApplePay (3 percent), GooglePay (2 percent). Among other Nordic countries, Finland still has the lowest percentage of mobile pay users/ week, 34 percent whereas people who have never used mobile payments the share is 48 percent (2019).

An increasing number of Finnish vendors require “Strong Identification” when conducting online and mobile transactions to meet requirements under the EU-wide General Data Protection Regulation. Establishing such “Strong Identification” can require making special arrangements when using non-Finnish financial institutions, and for foreign nationals without a Finnish National ID Card using Finnish financial institutions.

For more information about the methods of payment or other trade finance options, please read the [Trade Finance Guide](#).

### **Banking Systems**

The Finnish banking system is dominated by three major groups of deposit banks together employing about 20,500 people in banking: OP Group, Nordea Bank Finland, and Danske Bank Plc Group at the end of 2019. Operating since 1982, Citibank International plc. was the first foreign branch in Finland.

The entire financial world is going through massive change with the arrival of financial technology, fintech. Banks are adapting to changes by cutting on personnel, closing offices, corporate restructuring, and renewing business models. The sector's operations were influenced by low and even negative market rates, stricter regulation, expanding digitalization, and slow growth in the national economy. In Finland the number of institutions has decreased. In May 2020, there were 237 credit institutions operating in Finland. These included domestic deposit banks, investment banks, and branches and subsidiaries of foreign deposit banks and credit institutions. The banks had a total of 790 offices in Finland at the end of 2019, which is 64 fewer than the year before. Mergers have shaped the modern Finnish banking sector. Banks and insurance companies have sought new forms of cooperation, and the operations of banks have extended to many sectors of financing and investment.

The most important piece of legislation governing banking in Finland is the Act on Credit Institutions. Compliance with the laws and regulations is overseen by the [Financial Supervisory Authority](#), which also monitors that banks maintain a healthy ratio of capital adequacy. The overall capital adequacy ratio of the Finnish banking sector was one of the strongest in Europe. The Financial Supervisory Authority (FIN-FSA), also known as [Finanssivalvonta](#) (FIVA) is the authority for supervision of Finland's financial and insurance sectors. The entities supervised by the FIN-FSA include banks, insurance and pension companies as well as other companies operating in the insurance sector, investment firms, fund management companies, and the Helsinki Stock Exchange.

[Finance Finland](#) is a trade body that represents its member companies who engage in the financial services industry in Finland. Its core mission is to influence the regulation and decision-making that affects the financial sector.

### **Foreign Exchange Controls**

Finnish foreign exchange controls have been abolished. Except for those relating to money laundering, there are practically no legal obstacles to direct foreign investment in Finnish securities and exchange control regarding payments into and out of Finland. There are no restrictions on currency transfers or repatriation of profits. Residents and non-residents may hold foreign exchange accounts. There is no limit on dividend distributions, if they correspond to a company's official earnings records. Payments to or from Finland must, however, be made through authorized banks in Finland.

Finland has implemented the [Cash Control Regulation](#) (CCR), the EU regulation on controls of cash being transported over the EU Border since 2007. According to this regulation, persons carrying EUR 10,000 or more will be required to declare cash upon entering or leaving EU territory. This regulation was revised in 2018 (applicable from 3 June 2021) and it extends the definition of cash to cover not only banknotes, coins and bearer negotiable instruments but also commodities used as highly liquid stores of value such as gold. Cash sent by post, freight or courier shipment is also included in the scope of the Regulation. The regulation only imposes an obligation to declare and does not restrict **or prohibit import or export of cash.**

### **U.S. Banks and Local Correspondent Banks**

All principal Finnish banks have extensive correspondent relationships with U.S. banks, maintaining relationships with banks in every state, as well as with all the larger financial center banks. Citibank International plc is the only U.S. bank with a branch in Finland.

Further information on correspondent relationships can be obtained from:

Finance Finland <https://www.finanssiala.fi/en/about-us>

Email: [FFI@financefinland.fi](mailto:FFI@financefinland.fi)

### **Protecting Intellectual Property**

It is vital for companies to understand that IP is primarily a private right and it is the responsibility of the rights holder to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors.

Intellectual property rights must be registered in Finland to be enforced under local laws, such as the Copyright Act, the Registered Designs Act and the Patents Act. In order to get a patent or trademark, one must apply by writing to the Finnish Patent and Registration Office (PRH) in Finnish and Swedish. Patent registrations and trademarks are generally granted based on a first-to-file or first-to-invent basis. U.S. companies should therefore consider how best to obtain patent and trademark protection before introducing products or services to the Finnish market.

The Finnish legal system protects intellectual property rights and Finland adheres to numerous international agreements concerning intellectual property. Finland has joined the most important copyright agreements. For further information, please see the [Finnish Patent and Registration Office](#), and [the Ministry of Education and Culture Copyright Office](#).

For information about patent, trademark, or copyright issues, including enforcement issues in the US and other countries, call the STOP! Hotline: 1-866-999-HALT or visit [STOPFakes.gov](http://STOPFakes.gov) or contact the [U.S. Patent and Trademark Office](http://www.uspto.gov) (USPTO). You can find information on how to evaluate, protect, and enforce intellectual property rights, how these rights may be important for businesses and find market-specific IP Toolkits. The toolkits contain detailed information on protecting and enforcing IP in specific markets and contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs. Here you can also find [Finland's IP Snapshot](#).

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Work with legal counsel familiar with Finnish laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

Firms should understand the importance of working together with trade associations and organizations to support efforts to protect IP and prevent counterfeiting. Organizations that provide assistance include:

[The U.S. Chamber of Commerce](#)

[National Association of Manufacturers](#) (NAM)

[International Intellectual Property Alliance](#) (IIPA)

[International Trademark Association](#) (INTA)

[The Anti-Counterfeiting Group](#)

[International Anti-Counterfeiting Coalition](#) (IACC)

Additionally, companies should monitor competitors' registered IP to know which protection rights have been applied to new products. A database of industrial property rights can be found through the Finnish Patent and Registration Office.

In any foreign market companies should consider several general principles for effective management of their intellectual property.

The U.S. Department of Commerce has positioned IP attachés in key markets, including in Europe. The contact in Europe is:

IP Attaché - European Union Susan Wilson

U.S. Mission to the European Union

Boulevard du Régent 27

BE-1000 Brussels, Belgium

Office Phone: +32 2-811-5308, e-mail: [susan.wilson@trade.gov](mailto:susan.wilson@trade.gov)

U.S. companies may wish to seek advice from local attorneys or IP consultants who are experts in Finnish law. The U.S. Commercial Service can provide a list of local lawyers upon request. More information regarding intellectual property rights can be found in the Investment Climate Statement

## **Selling to the Public Sector**

### **Selling to the Government**

The annual total amount of Finnish Government procurement is estimated to be approximately 18 percent of Finland's GDP. This is attributed mostly to the particularly large size of the public sector in Finland. Government procurement in Finland is governed by both international obligations under the WTO Government Procurement Agreement (GPA)



and EU-wide legislation under the EU Public Procurement Directives. EU procurement rules and the WTO's GPA agreement only apply to procurements above the threshold value. Finland's national [Act on Public Contracts](#) (in Finnish) governs procurements that fall below the EU and GPA threshold values. These thresholds, both for the EU and national level, were updated in January 2020 and you can find them at the [Ministry of Economic Affairs and Employment](#) website.

Businesses can use [HILMA](#) to acquire real-time information about ongoing procurement procedures and prior information about future procedures. The obligation to advertise public contracts in HILMA covers contracts exceeding national and EU thresholds. Contracts below national thresholds can also be advertised in HILMA, even though it is not mandatory under the procurement legislation. The [eNotices](#) website provides standard forms for public procurement notices published in the Supplement to the Official Journal of the European Union. Notices that cannot be submitted via HILMA should be filled in on the eNotices website. You need to register before using this site. [TED](#) is an online database that contains all notices published in the Supplement to the Official Journal of the EU, including an archive of notices from the last five years.

If the contract is awarded on the basis of the most economically advantageous tender, tenders are measured against previously indicated comparison criteria. The contracting entity shall specify the relative weighting of the benchmarks in the contract notice, in the invitation to negotiate or in the invitation to tender. The weighting can also be expressed by indicating a reasonable range. More information at the [Ministry of the Employment and Economy](#).

“U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.”

### **Financing of Projects**

The Finnish financial market is typical of European countries where banks and financing institutions have a dominant role. A project finance package usually includes financing from a variety of sources, different types of collateral arrangements, guarantees, escrow accounts, project sponsor commitments, etc. Finland is also an important source of foreign direct investment in many countries serviced by multilateral development banks such as the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC). Finnish firms often play an important role in co-financing large-scale projects in these countries. IFC maintains an active relationship with Finland, covering business development with Finnish companies interested in investing in emerging markets, cooperation with Finnish banks, and donor funded initiatives.

Major Finnish government and other programs are detailed below:

Finnfund – [The Finnish Fund for Industrial Cooperation](#), promotes investments in developing countries. It is owned by the State of Finland, Finnvera, and Confederation of Finnish Industries. Finnfund finances ventures that use Finnish technology, cooperating with its partners on a long-term basis, in order to generate major environmental or social benefits. It provides equity capital, as well as long-term investment loans and participates in guarantee arrangements. In addition to financing, the corporation offers a broad range of fund-management and advisory services.

NIB – [The Nordic Investment Bank](#) is a multilateral financial institution headquartered in Helsinki. NIB promotes sustainable growth of its eight-member countries, which are Finland, Sweden, Norway, Denmark, Iceland, Estonia, Latvia, and Lithuania. NIB finances investment projects and project exports on emerging markets, both in and outside the member countries. Highest priority is given to investments furthering economic cooperation between the member

countries. Loans and guarantees are given to investments that assure energy supply, improve infrastructure, or support research and development.

[Finnvera](#) plc. is a specialized financing company owned by the State of Finland. It provides services to supplement the Finnish financial market. Finnvera's task is to promote the development of enterprise, regions, and the exports of Finnish companies. Finnvera carries out this task by improving the range and versatility of financing options available to enterprises through loans, guarantees, capital investments and export credit guarantees. Finnvera grants loans to enterprises and entrepreneurs, and issues guarantees, and export credit guarantees to enterprises and financiers. Through its special loans and guarantees, Finnvera also acts as an intermediary between the European Union's financing programs and Finnish SMEs. Finnvera acts as Finland's official Export Credit Agency (ECA), providing export guarantees and insurance.

FEC - [Finnish Export Credit](#) Ltd is an internationally notified official Export Credit Agency and a wholly owned subsidiary of Finnvera plc. FEC administers the interest equalization scheme for officially supported export credits and domestic ship financing at CIRRs (Commercial Interest Reference Rate). It acts on behalf of the Government of Finland and in accordance with the OECD arrangement. FEC also provides export credits when a withholding tax benefit can be achieved.

The Government of Finland through the [Team Finland network](#) supports several public financing institutions to help researchers, innovators, entrepreneurs and full-fledged businesses from initial idea and incubation, to piloting and testing, to startup, to growth, to internationalization.

ELY - [Centers for Economic Development, Transport and the Environment](#) is the official The tasks of the centers comprise Employment and Economic Centers, Road Districts, Regional Environmental Centers and State Provincial Offices. These centers operate in close collaboration with the regional councils and promote entrepreneurship, functioning of labor market, competence, and other cultural activities.

## **Business Travel**

### **Business Customs**

Finland is a modern, commercially mature country that enjoys close relations with its Nordic neighbors. Social and business protocol is similar to that in the United States. It is worth noting that relationships are important within the social and business world, as Finns prefer to deal with people they know and trust. It is important first to develop this relationship, before doing business.

Finns place great value on words, which is reflected in the tendency to say little and avoid 'unnecessary' small talk. However, the conception that Finns are reserved and taciturn is outdated. Finns consider verbal agreements and promises to be binding.

Businesspeople and public officials are expected to distribute business cards with no special rituals as a means of ensuring their name and title are remembered. There is a high degree of gender equality in Finland, as can be seen in the relatively high number of women holding advanced positions in politics and other areas of society.

### **Travel Advisory**

[Please see U.S. Department of State Consular Information Sheet – Finland](#)

### **Visa Requirements**

Finland is a part of the Schengen agreement. U.S. citizens may enter Finland for up to 90 days for tourist or business purposes without a visa. The passport should be valid for at least three months beyond the period of stay.

A foreigner needs a residence permit in order to stay in Finland for a longer period of time. However, residence permits are also needed for short stays of less than three months, if the purpose of the stay is to work in Finland. Residence permits require either a valid passport or a travel document. Foreigners must have work permits if they intend to work

in Finland. Exceptions are citizens of the Nordic countries or citizens of EU/EEA countries. EU-citizens outside the Nordic countries need to apply for an EEA-card from the local police for stays exceeding 90 days. An EEA-card is a combined work and residence permit.

U.S. Companies that require travel of foreign businesspersons to the United States are advised that security evaluations are handled via an interagency process. Visa applicants should go to the following link(s): [State Department Visa Website](#)

[Embassy of Finland in Washington D.C., Visa Section](#)

[U.S. Embassy in Finland, Visas](#)

### **Currency**

Finland has Euro as its official currency. The most common credit cards used in Finland are Visa, MasterCard and American Express. Since May 2019, Diner's Club Card has not been a valid card for payments in Finland. Almost all payment cards in Finland have embedded chips and PIN codes to improve security. However, contactless card payments can be done up to 50 Euro without the need of PIN code. Finns don't use checks and it is very difficult to find a bank accepting one. A good network of ATMs exists in all inhabited areas throughout Finland and contactless payment and mobile payment are highly used forms of payments.

### **Telecommunications/Electronics**

Finland's telecommunications environment is one of the most advanced in Europe. In 2018, 92 percent of Finnish households used broadband and 89 percent had a mobile broadband connection. Reasonably priced and faultlessly functional broadband access is guaranteed by law to every person in the country, no matter how secluded area one lives. High-speed Internet connections are available at all business hotels and wireless broadband is offered for free in many places like shopping malls, airports, hotels and libraries. The normal voltage in Finland is 220-240 volts. An adapter is needed because electric plugs differ from the ones used in the United States. Finland's telephone country code is +358.

Voice communication services have largely moved to mobile networks in Finland. Today, broadband connections for data and mobile services have widely replaced fixed telephone and network connections.

### **Transportation**

Finland has 26 airports. Seasonal direct flights are available from Helsinki-Vantaa airport to Chicago, Miami, Los Angeles and San Francisco and all year-round to New York City. In Finland public transportation is generally efficient, reliable, safe, and on time. All major cities have a network of buses. Helsinki has a comprehensive network of trains, buses, trams, and underground rail. Taxis are regulated by the government in terms of metered fares. Car share rides, like Uber, are used in bigger cities like Helsinki, Turku and Tampere. Long distance public transport, operated by bus and train, is modern, safe, comfortable and punctual, with routes all over the country. Road transport in Finland is the most popular method of transportation particularly in the rural parts of the country.

### **Language**

The two official languages in Finland are Finnish and Swedish. About 87.6 percent of the population speaks Finnish and 5.2 percent Swedish as their native language. Both languages are compulsory at school. Overall English is widely spoken in Finland, especially among younger people and in major cities. The third most common language is Russian, which is spoken by 1,5 percent of the population as their first language.

### **Health**

In Finland, medical facilities and their staff are as a rule excellent and are widely available for emergency services. If you are temporarily visiting Finland and you require immediate emergency assistance, you may visit the local medical centers first-aid station ("Ensiapuusema" in Finnish). Usually the first-aid station is located at the district hospital,

where it is possible to provide a full range of services, as needed. Patients should be prepared to present their passports and English is commonly spoken by Finnish medical personnel. In case of a medical emergency, use the emergency telephone number 112 (equivalent to “911” in the United States) to contact the appropriate emergency service and ambulance. Needed prescriptions are dispensed at the hospital or given as an electronic note to nearest pharmacy (“Apteekki” in Finnish.) Most pharmacies are open during normal shopping hours, but major cities have 24-hour pharmacies.

Travelers with special medical needs should consult with their personal physician and take appropriate precautions, including bringing adequate supplies of necessary medication. Medicines may be brought into the country, as long as they are intended for the traveler’s personal use.

For more detailed information, please contact the Finnish Embassy in Washington D.C. [sanomat.was@formin.fi](mailto:sanomat.was@formin.fi)

### **Local Time, Business Hours, and Holidays**

The standard time zone in Finland is EET (Eastern European Time), which is UTC (Coordinated Universal Time) + 2 hours. During summer months Finland uses daylight saving time also known as EEST (Eastern European Summer Time) UTC +3, which means advancing the clock by one hour.

Business hours in Finland are generally between 8 a.m. and 5 p.m. The average Finnish workweek is 36-40 hours per week, with usual 8-hour workdays. Terms and conditions such as overtime, working hours, vacation, sick-leave, and minimum wage are in accordance with the applicable collective agreement.

#### The national holidays in 2020 / 2021 are:

November 2, 2020	All Saint’s Day
December 6	Independence Day
December 24	Christmas Eve
December 25-26	Christmas
January 1, 2021	New Year’s Day
January 6	Epiphany
April 2	Good Friday
April 5	Second Easter Day
May 1	May Day
May 13	Ascension Day
June 25	Mid-Summer
November 6	All Saint’s Day
December 6	Independence Day
December 24	Christmas Eve
December 25-26	Christmas

### **Temporary Entry of Material and Personal Belongings**

Temporary exemption from duty can be granted for goods intended for public displays at exhibitions and fairs, commercial samples, and professional tools and equipment. If the goods are put to unauthorized use or are not exported within the prescribed time they must go through normal customs clearance and become liable for relevant duties and taxes. In Finland, the ATA-Carnet, the international customs documentation for temporary duty-free admission, is

issued by the Central Chamber of Commerce. ATA-Carnets are frequently used for temporary imports, e.g. samples, exhibition materials, and professional equipment (laptop computers, software), and are valid for one year.

## **Investment Climate Statement (ICS)**

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

## **Political Environment**

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.