



U.S.
COMMERCIAL
SERVICE
United States of America
Department of Commerce

U.S. Country Commercial Guides



Finland

2017

Table of Contents

<i>Doing Business in Finland</i>	6
Market Overview	6
Market Challenges	7
Market Opportunities	7
Market Entry Strategy	8
<i>Political Environment</i>	9
Political Environment	9
<i>Selling US Products & Services</i>	9
Using an Agent to Sell US Products and Services	9
Establishing an Office	10
Franchising	10
Direct Marketing	10
Joint Ventures/Licensing	11
Selling to the Government	12
Distribution & Sales Channels	12
Express Delivery	13
Selling Factors & Techniques	14
eCommerce	14
Overview	14
Current Market Trends	15
Domestic eCommerce (B2C)	15
Cross-Border eCommerce	16
B2B eCommerce	16
eCommerce Services	16
eCommerce Intellectual Property Rights	17
Popular eCommerce Sites	17
Online Payment	17
Mobile eCommerce	17
Digital Marketing	18
Major Buying Holidays	18
Social Media	18
Trade Promotion & Advertising	18
Pricing	20

Sales Service/Customer Support	21
Protecting Intellectual Property	22
Due Diligence	24
Local Professional Services	25
Principal Business Associations	25
Limitations on Selling US Products and Services	26
Web Resources	26
<i>Leading Sectors for US Exports & Investments</i>	30
Agricultural Sector	30
Overview	30
Leading Sub-Sectors	30
Opportunities	30
Web Resources	30
Computer Software	31
Overview	31
Leading Sub-Sectors	32
Opportunities	32
Web Resources	32
Computers and Peripherals	33
Overview	33
Leading Sub-Sectors	34
Opportunities	34
Web Resources	35
Energy	35
Overview	35
Leading Sub-Sectors	37
Opportunities	37
Web Resources	39
Environmental Technologies	40
Overview	40
Leading Sub-Sectors	42
Opportunities	42
Web Resources	43
Franchising	43
Overview	43
Leading Sub-Sectors	44
Opportunities	44
Web Resources	44
Safety and Security Services and Equipment	45
Overview	45

Leading Sub-Sectors _____	46
Opportunities _____	46
Web Resources _____	46
Telecommunication Services and Equipment _____	47
Overview _____	47
Leading Sub-Sectors _____	48
Opportunities _____	48
Web Resources _____	48
Travel and Tourism _____	49
Overview _____	49
Leading Sub-Sectors _____	50
Opportunities _____	50
Web Resources _____	50
Medical Equipment _____	51
Overview _____	51
Leading Sub-Sectors _____	52
Opportunities _____	53
Web Resources _____	53
eHealth / Health IT _____	53
Overview _____	53
Leading Sub-Sectors _____	55
Opportunities _____	55
Web Resources _____	56
<i>Customs, Regulations & Standards _____</i>	58
Trade Barriers _____	58
Import Tariff _____	59
Import Requirements & Documentation _____	60
Labeling/Marking Requirements _____	61
U.S. Export Controls _____	63
Temporary Entry _____	65
Prohibited & Restricted Imports _____	66
Customs Regulations _____	66
Standards for Trade _____	66
Overview _____	66
Standards _____	68
Testing, inspection and certification _____	70
Publication of technical regulations _____	71
Contact Information _____	72
Trade Agreements _____	75

Licensing Requirements for Professional Services	75
Web Resources	76
<i>Investment Climate Statement</i>	77
Executive Summary	77
Openness To, and Restrictions Upon, Foreign Investment	78
Policies Towards Foreign Direct Investment	78
Limits on Foreign Control and Right to Private Ownership and Establishment	79
Other Investment Policy Reviews	81
Business Facilitation	81
Outward Investment	82
Bilateral Investment Agreements and Taxation Treaties	83
Legal Regime	84
Transparency of the Regulatory System	84
International Regulatory Considerations	85
Legal System and Judicial Independence	85
Laws and Regulations on Foreign Direct Investment	85
Competition and Anti-Trust Laws	86
Expropriation and Compensation	87
Dispute Settlement	87
Bankruptcy Regulations	89
Industrial Policies	90
Investment Incentives	90
Foreign Trade Zones/Free Ports/Trade Facilitation	90
Performance and Data Localization Requirements	91
Protection of Property Rights	91
Real Property	91
Intellectual Property Rights	92
Financial Sector	93
Capital Markets and Portfolio Investment	93
Money and Banking System	94
Foreign Exchange and Remittances	94
Sovereign Wealth Funds	95
State-Owned Enterprises	96
Privatization Program	97
Responsible Business Conduct	98
Corruption	99
Resources to Report Corruption	101
• Contact at government agency:	101
Political and Security Environment	102

Labor Policies and Practices _____	102
OPIC and Other Investment Insurance Programs _____	104
Foreign Direct Investment and Foreign Portfolio Investment Statistics ____	104
Contact for More Information _____	106
<i>Trade & Project Financing</i> _____	<i>107</i>
Methods of Payment _____	107
Banking Systems _____	108
Foreign Exchange Controls _____	109
US Banks & Local Correspondent Banks _____	110
Project Financing _____	110
Financing Web Resources _____	113
<i>Business Travel</i> _____	<i>113</i>
Business Customs _____	113
Travel Advisory _____	114
Visa Requirements _____	114
Currency _____	115
Telecommunications/Electric _____	115
Transportation _____	116
Language _____	116
Health _____	116
Local Time, Business Hours and Holidays _____	117
Temporary Entry of Materials or Personal Belongings _____	118
Travel Related Web Resources _____	118

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2017. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

Doing Business in Finland

Market Overview

Finland, an EU member since 1995, has redefined itself from a quiet agricultural 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 GDP. Finland's commercial clout far exceeds its modest population of 5.5 million. The IMF estimates Finland's GDP is about \$240 billion with nominal per capita GDP of \$43,000 (slightly higher than Canada or German). 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 industry. 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 a 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.

Currently, the United States represents the third largest market for Finnish exports and Finland's seventh largest source of imports. Two-way merchandise trade between the U.S. and Finland was up slightly at close to \$6.2 billion in 2016, chiefly computer equipment and electronics, transportation equipment, chemicals, forestry products and machinery. U.S. goods exports to Finland totaled \$1.57 billion and Finnish goods exports to the U.S. totaled . \$4.57 billion the same year. U.S. service exports to Finland were estimated at \$1.8 billion with Finnish service exports to the U.S. reaching \$2.1 billion in 2016.

The European Union makes up more than 60% of Finland's total trade. The largest trade flows are with Germany 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.

Market Challenges

Finland's import climate is open and receptive to U.S. products and investments. There are relatively few barriers to trade. The overall size of the Finnish domestic market is relatively small and consumers have high expectations in terms of product innovation, design, quality and price.

Following the global economic crisis of 2008, Finland's economy struggled to regain its footing. Finnish policy-makers have been working to boost economic growth and competitiveness. Finland's economy returned to growth in 2015 (+.5%) and 2016 (+1.9%) and the Bank of Finland has projected 2017 growth at 2.1%.

Last year, the Finnish Government and the major labor unions did reach agreement on a Competitiveness Pact that, for example, reduced paid holidays and froze wages. Nevertheless, companies seeking to set up operations in Finland should note that high taxes, regulatory red tape and labor inflexibility still pose challenges to new business.

Market Opportunities

- Finland has a vibrant start-up scene and offers opportunities for investment and collaboration in video gaming, ICT and e-health solutions.
- 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.

- Driven by the need to conserve scarce energy, Finland has been involved in the development of low-energy and eco-efficient construction alternatives since the late 1980s.
- Finland has expertise in developing computer software products and is looking for U.S. partners.
- The Finnish healthcare sector is open to state-of-the-art medical equipment and e-Health solutions.
- There are opportunities for U.S. companies in the defense and security sectors as Finland strengthens homeland defense capability in the face of renewed threats.

Market Entry Strategy

In addition to being an EU member, Finland is especially closely linked culturally and economically with the other “Nordics”: 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 \$1.71 trillion and a combined population of 26 million people, the Nordic region represent a unique opportunity for U.S. companies with sophisticated high quality products, technologies and services.

The U.S. Commercial Service team in the Nordics 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.

Political Environment

Political Environment

[State Department's Report on Finland](#)

Selling US Products & Services

Provides guidance and best strategies for market entry, including the use of agents and establishing an office or joint-venture/licensing partner. Describes best practices for selling to the government, distribution and sales channels, and conducting due diligence. Discusses the state of e-commerce, franchising, and direct marketing.

Using an Agent to Sell US Products and Services

While it is not legally required to use an agent or distributor, they can assist in covering commercial activities throughout Finland. One exclusive agent/distributor is usually appointed due to the small size of the country's market. Agents specialize in certain sectors and are typically relatively small enterprises. In selecting a representative, the exporter should ascertain whether that company handles competing products. Consumer goods and similar merchandise requiring maintenance of stock are often imported through wholesalers or trading houses. Such products may also be sold directly to retail chains, department stores, and other retail outlets.

To find a distributor in Finland, try contacting local trade associations for a list of importers. Finnish importers attend major trade fairs in Europe and the United States in order to find new products, ideas and new representation. [The Finnish Foreign Trade Agent's Federation](#) (FFTAF) can assist in creating trade partnerships with their membership of agents, distributors, and importers. A membership to FFTAF gives access to the Internationally United Agents and Brokers (IUCAB) which provides an international database for distributors and agents.

The Commercial Service office of the U.S. Embassy helps U.S. exporters find agents/distributors through services such as the International Partner Search (IPS), the Gold Key Service (GKS), and other networking and matchmaking activities.

Establishing an Office

Please visit [Invest in Finland](#) and [Enterprise Finland](#) for information on establishing an office in Finland.

Franchising

[The Finnish Franchising Association](#) offers information on franchising statistics and legislation in Finland. Franchising is subject to different tax obligations which can depend on whether it is a franchised business of international nature. There are no separate franchise laws in Finland, but EU legislation is valid. While there is no specific legislation governing franchises, there are stipulations that can be especially relevant to franchise agreements.

In 2015, there were around 300 franchising systems in Finland operating in about 7,000 locations. 75 percent of franchises were domestic and 25 percent were foreign. The Finnish franchising market is estimated to be worth over \$4.5 billion. The franchise sector employs between 40,000 to 60,000 people.

For more information on franchising, see Chapter 3: Leading Sectors for U.S. Export and Investment.

Direct Marketing

Direct Mail (including telemarketing, mobile marketing and brochures) accounted for 24.2 percent of Finland's total marketing communication expenditure in 2014. There is an increase in digital direct marketing with the increase of ecommerce in Finland. Direct marketing campaigns are becoming more diversified and advertising is being more precisely segmented. Social media is used to reach new target groups with the use of electronic messaging for marketing purposes growing. Tailored services, omnichannel retailing, and targeted communication are closely related to the growing e-commerce.

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

[The Finnish Direct Marketing Association](#) (ASML), can assist in the marketing ecosystem of Finland. ASML is a member of World Federation of Direct Selling Associations and can be a resource for marketing in Finland. They provide guidance for telemarketing codes of conduct, B2B email marketing guidelines, and direct selling industry code of conduct.

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.

Key Links: [Opting out of Direct Marketing](#)
[E-commerce of goods increasing despite recession](#)

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.

Issues that need to be addressed 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.

Key Links: [Finlex](#)

Selling to the Government

The annual total amount of Finnish Government procurement is estimated to be approximately 20 percent of Finland's GDP. Services account for the largest portion of procurement. Finnish procurement agencies follow the procurement procedures of the EU and the World Trade Organization (WTO). Finland has agreed to abide by the [World Trade Organization Government Procurement Agreement](#) (GPA). The aim of the GPA is to mutually open government procurement markets among those who are party to the agreement. The EU rules of procurement and the WTO's GPA agreement only apply to procurements above the threshold value. But Finnish legislation also requires procurement units to submit competitive tenders for procurements that fall below the threshold value. This is done by sending requests for tenders to a number of potential suppliers or by publishing an announcement.

For information on Government tenders, please see the [Ministry of Employment and the Economy](#), [Public Procurement Advisory Unit](#), and [TED - Tenders Electronic Daily](#).

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project Financing" Section in "Trade and Project Financing" for more information.

Distribution & Sales Channels

Goods may be sold through an agent, distributor, established wholesaler, or selling directly to retail organizations. There are diverse distribution channels available in Finland which allows for a variety of market strategies. Most of the larger importers, wholesalers, and trading houses are members of the [Federation of Finnish Commerce](#), which is a central organization of 10,000 companies as well as

trade associations covering the bulk of foreign goods sold to Finnish trade and industry.

The [Finnish Foreign Trade Agents' Federation](#) is an association of commercial agents, distributors, and importers. The Federation is also a member of the Federation of Nordic Commercial Agents and the International Union of Commercial Agents and Brokers (IUCAB). Its members are relatively small, private companies, most of them operating in sectors such as textiles, apparel, furnishings, and raw materials.

There are many major distribution centers located around Finland with new planned centers in Sipoo, Seinäjoki and Jämsä. The largest ports in Finland are the port of Helsinki, Vuosaari harbour, port of Pansio, port of Hamina, port of Rauma, port of Joensuu, port of Jakobstad, and port of Kokkola.

Key Links: [Invest in Finland](#)

Express Delivery

Express shipping times from the U.S. 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. Time may vary due to location in Finland or the United States. Finland has a number of international express mail couriers such as DHL, FedEx, and UPS. There are certain items that are banned for import in Finland and these import restrictions can be found through individual carrier's websites.

[DHL Express Import Guidelines for Finland](#)

[FedEx](#)

[UPS](#)

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. The de minimis value for tax is EUR 22. These do not include alcohol or tobacco because there are certain restrictions on these products. 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.

Selling Factors & Techniques

Packaging and labeling information on products are required to be written in both Finnish and Swedish. It is common for one local distributor to be appointed for the whole country due to Finland's small market. It is recommended that you appoint a local agent/distributor with a countrywide distribution network. Selling factors and techniques in Finland are similar to those in the United States.

eCommerce

Overview

According to Euromonitor International, the internet penetration in Finland was 93.7 percent in 2016. The percentage of households with access to internet was 90.3 percent. These were both an increase from the previous years. There has been a steady increase in internet subscribers, internet users, and house hold accessibility to broadband internet. Finns were estimated to have spent approximately \$5.09 billion online on retail goods from Finland and abroad. The two largest incentives for Finns to shop online are the greater variety of goods and lower prices. Finns spend the most money on home technology and clothing purchases. Electronics are popular products to be bought online. Finns rely heavily on foreign retailers for online purchases.

In 2015, it was estimated that an average of \$2,408 was spent from each individual shopping online in Finland. 78 percent of Finns were shopping online. The total sale of both online goods and services was \$7.9 billion and estimated to be \$8.8 billion in 2016. There is still room for extensive growth for eCommerce in Finland. Last year, the consumer good and alcohol orders made in Finland constituted about 0.4 percent of the overall turnover of grocery trade subject to VAT.

On 1 January 2015, a reform of the Finnish regulation on information society was put into effect. The Information Society Code sets regulations on e-privacy, consumer protection, communications networks, and data security. It aims to promote consumer protection, data security, simplified procedures, and equal opportunities for service providers in the market.

Current Market Trends

There has been a rise of C2C sales of consumer goods and online services. C2C online services are relatively new and growing in popularity. In 2015, the most popular platforms for C2C eCommerce were online marketplaces such as Tori.fi and Huuto.net, but various Facebook groups are also popular. It appears that consumption is becoming increasingly focused on online stores outside Finland as well as the C2C eCommerce sector, out of the reach of the tax authorities and regulation.

Mobile devices are utilized for researching and price comparison but three out of four online purchases in Finland are still made with a computer. Smartphone applicable websites have become extremely important for retailers. While the use of mobile devices for purchasing is still low, trends show an increase in mobile commerce, especially amongst millennials. Millennials make up a large portion of people contributing to eCommerce and customers under the age of 25 especially use mobile devices for purchases. Future trends are predicted to be a wider range of goods provided and an outbreak of new eCommerce concepts such as online grocery shopping.

Domestic eCommerce (B2C)

In 2016, Finns spent the most money on home technology and clothing purchases. Most of the home technology was purchased from Finland, other than mobile phones and related accessories. In addition to home technology, gardening products are primarily purchased from domestic online shops. While women's clothing is mostly purchased abroad, men's and children's

clothing are still purchased from Finland. Price and range are important, which is why many Finns shop from foreign retailers instead of domestically.

Cross-Border eCommerce

Finland is very dependent on foreign players in eCommerce. Almost 50 percent of online shoppers have made purchases abroad. There is a large eCommerce market in Finland. In 2016, the top 3 product categories purchased from international retailers were clothing and footwear, home electronics, and media. 34 percent of clothing and footwear purchased online were from international retailers. Approximately \$3.5 billion was spent on online purchases with 38 percent of purchases coming from abroad.

From a Postnord survey, the five most popular countries from which to buy are Germany, China, United Kingdom, Sweden and the US. Foreign online shops are used, in particular, to buy women's clothing and accessories, more than half of which now come from outside the borders of Finland. Finland's eCommerce market has catching up to do. They consistently shop online less than their neighbors and lag behind in eCommerce.

B2B eCommerce

B2B eCommerce is an attractive market in Finland because it is quickly growing. B2B companies in Finland have fallen behind B2C companies in active social media engagement. Customers' experience has become an important factor in B2B ecommerce sites along with omni-channel management and exploiting customers' purchasing behavior. Customers are now more concerned about privacy, security, and trust issues related to online stores in the field of B2B eCommerce.

eCommerce Services

In 2016, Finns spent a total of \$3.9 billion on B2C services purchased online. The most popular services were travel tickets, package tours, and accommodations. 40 percent of the total services purchased online were

travel tickets (airline, ship, train, and bus). Only 2 percent order meals online, a more common practice in the metropolitan area.

eCommerce Intellectual Property Rights

The U.S. International Trade Administration states that enforcing intellectual property rights (IPR) violations on immaterial products has been less of a priority for police and customs in the Nordic countries, and the laws are currently being rewritten to reflect the digital reality. Like all markets of the world, manufacturers need to make sure their intellectual property is protected, whether they produce a physical product or something more immaterial such as software, code, art, or music. IPR considerations are regulated nationally with the official patent offices.

Popular eCommerce Sites

The top sites for online shopping in Finland are tori.fi, verkkokauppa.com, Ebay, oikotie.fi, and kela.fi. The overall top 5 websites accessed in Finland were google.fi, YouTube, Facebook, google.com, and iltalehti.fi. Internet and telecom sites are the most popular categories.

Online Payment

The four most popular eCommerce payment methods are debit or credit cards, direct payment via bank, invoice, and PayPal or similar online payment options. The Finns find it important to offer a range of different payment options but especially the option to use a debit/credit card or direct payment via bank. They are extremely concerned about the safety of their card information.

Mobile eCommerce

Only 12 percent of Finns have reported using a cell phone to purchase products and 15 percent have reported using a tablet. Mobile use for online purchasing has been increasing due to a growing trust in mobile payments. There is a large opportunity for growth in mobile eCommerce and mobile

payments. Consumers under the age of 25 especially use mobile devices for purchases.

Digital Marketing

Companies in Finland have been slow to utilize digital marketing. Domestic firms have been edged out by U.S. firms. Facebook and Google established a strong position in Finland, accounting for approximately half of the digital marketing in Finland. Search engine marketing and display advertising are the most utilized digital marketing. The best performing Finnish company is Sonera and the strongest industry is telecom. In 2014, only 23 percent of all media marketing was digital advertising.

Major Buying Holidays

December is the most popular month for online sales. In 2015, the Monday after tax returns was the busiest day for payment traffic. The day that tax returns are released was the second busiest day with Cyber Monday coming in third.

Social Media

In 2016, 88 percent of Finns used the Internet with 56 percent using social media. For those among the ages of 16–34 years old, 88–89 percent followed a social media service. Overall, the most used social media platform is Facebook. Amongst young people, the most popular social media service was WhatsApp followed by YouTube, Facebook, Instagram, Spotify, and Snapchat.

Trade Promotion & Advertising

Enterprises can join the Business Service Provider directory through the U.S. Commercial Service in Finland. The directory is designed to help U.S. companies identify professional service providers to assist them in the assessment, completion, and/or financing of an export transaction. The [BSP listing](#) will include your company name, description, contact information, logo, and hyperlink on our website for a period of one year.

The U.S .Commercial Service in Finland provides additional single company trade counseling through [Commercial Service Finland](#). Partnering advertising agencies in Finland can be found through [The Finnish Association of Marketing, Technology and Creativity \(MTL\)](#)

Local Trade Fair Authorities:

[The Finnish Fair Corporation/Helsinki Fair Center](#)

[Helsinki Fair Ltd.](#)

[Jyvaskyla Fair Ltd.](#)

[The Turku Fair and Congress Center Ltd.](#)

[Lahti Fair Ltd.](#)

[Tampere Trade Fairs Ltd.](#)

Local Newspapers:

[Helsingin Sanomat](#)

[Hufvudstadsbladet \(Swedish daily\)](#)

[Aamulehti](#)

[Iltalehti](#)

[Iltasanomat](#)

[Kaleva](#)

[Keskisuomalainen](#)

[Savon Sanomat](#)

[Turun Sanomat](#)

Business Magazines/Journals:

[Kauppalehti \(Business daily\)](#)

[Talouselama \(Business weekly\)](#)

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

[Tietoviikko TIVI \(Business weekly\)](#)

Radio/TV:

[NRJ Finland Oy Ab](#) (Radio NRJ Finland)

Metroradio Finland Oy (Groove FM, www.groovefm.fi, MetroFM, www.metrofm.fi, SuomiPOP, www.radiosuomipop.fi)

MTV Media Radio Group (Radio Nova, www.radionova.fi)

SBS Finland Oy (Iskelma-ketju, www.iskelma.fi, Radio City, www.radiocity.fi, Voice, www.voice.fi)

Sanoma Corporation (Radio Helsinki, www.radiohelsinki.fi)

[Finnish Broadcasting Company YLE Radio](#) (YLE Radio 1, YLEX, YLE Radio Suomi, YLE Klassinen, YLE Puhe, YLE Extrem, YLE Radio Vega), and TV (YLE TV1, TV2, Teema, Swedish Language Television Fem) Center

MTV OY (TV: Mtv3 www.mtv.fi, Sub www.sub.fi and AVA) MTV Media Radio Group (Radio Nova, www.radionova.fi)

[Nelonen Media](#) (TV: Nelonen, Nelonen Pro, Nelonen Prime, Nelonen Nappula, Nelonen Maaailma, Jim, Liv & Hero. Radio: Radio Rock, Radio Aalto, Groove FM, Metro Helsinki, Radio Suomipop, Loop)

DNA Welho, www.dna.fi

[Discovery Networks Finland](#) (TLC, Frie, TV5, 6), www.discoverynetworks.fi/

Fox Networks Group Oy (TV: Fox)

General Legislation

There are laws aimed at misleading advertisements in EU member states and establishing 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 can be special regulations for advertising certain products such as medicine, food, food supplements, and tobacco in Finland.

Pricing

Taxes in Finland are levied by the central government, local municipalities, and the church. 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 of the taxable income of a corporation calculated by

subtracting the deductible expenses of the corporation from its taxable income. The tax rate was 20 percent in 2015.

All goods and services are subject to a value-added tax (VAT), which ranges from 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, to 24 percent on industrial goods – the general rate. VAT is an indirect tax assessed as a percentage of the value of all goods and services, unless specifically exempted.

Excise taxes are levied on alcohol and alcoholic drinks, beer, tobacco, liquid fuels, electricity and certain fuels and soft drinks. Waste tax and oil discharges are also subject to excise taxes. Excise tax varies and is usually not a percentage.

The duties for 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 more information, the European Online Customs Tariff Database (TARIC) should have the most up to date information.

More Information can be found through the Invest in Finland Factbook, Finnish Tax Administration, and Enterprise Finland (Ministry of Economic Affairs and Employment).

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, usually organized and carried out by dealers, is an important aspect.

The EU has legislation to ensure customer safety and after-sales service. Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required 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 producer is held liable for any damage caused by a defect in a product through the Directive Liability of Defective Products. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material).

Protecting Intellectual Property

While the U.S. Government stands ready to assist, it cannot enforce intellectual property in other countries. It is vital for companies to understand that IP is primarily a private right and it is the responsibility rights' holders 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. Granting patents registrations are generally based on a first-to-file [or first-to-invent, depending on the country basis. Similarly, registering trademarks is based on a first-to-file [or first-to-use, depending on the country], so you should consider how to obtain patent and trademark protection before introducing your 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 [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 www.STOPfakes.gov or contact the [U.S. Patent and Trademark Office](#) (USPTO) at: 1-800-786-9199. Information on how to evaluate, protect, and enforce [intellectual property rights](#) and how these rights may be important for businesses. [Market-specific IP Toolkits](#). The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs

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. Projects and sales in Finland require constant attention. Work with legal counsel familiar with Finnish laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

SMEs should understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting.

Organizations that provide assistance include:

The U.S. Chamber and local American Chambers of Commerce

National Association of Manufacturers (NAM)

International Intellectual Property Alliance (IIPA)

International Trademark Association (INTA)

The Coalition Against Counterfeiting and Piracy

International Anti-Counterfeiting Coalition (IACC)

Pharmaceutical Research and Manufacturers of America (PhRMA)

Biotechnology Industry Organization (BIO)

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. For background on these principles please link to our article on [Protecting Intellectual Property](#) and also [Corruption](#).

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

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 section.

Due Diligence

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 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](#). The 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 Asiakastieto can assist in performing due diligence services.

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](#), SMKJ

[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

[The Finnish Foreign Trade Agents' Federation](#): 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.

[Invest in Finland Bureau](#): Provides free of charge services to help companies set up businesses in Finland through data collection, matchmaking, and opportunity analysis.

[Confederation of Finnish Industries](#), EK: Provides assistance in finding a reseller or a business partner for a product or service in Finland.

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

[The Finnish Franchising Association](#): Offers up to date information on franchising for international members.

[The Federation of Finnish Commerce](#)

[The Finnish Direct Marketing Association \(Finnish DMA\)](#)

[Enterprise Finland](#)

[The Finnish Advertising Council](#)

Limitations on Selling US Products and Services

There are no additional limitations towards selling US products or services.

Web Resources

Ecommerce:

[European Union on E-Commerce](#)

[Paytrail](#)

[Finnish Commerce Federation nurtures success](#)

[Postnord E-Commerce](#)

eCommerce IPR

[Stop Fakes- Nordic Region](#)

Cross-Border eCommerce

[E-Commerce in Nordics](#)

[Abroad Digital Consumers](#)

Popular eCommerce Sites

[Top websites in Finland](#)

B2B eCommerce

[Applying Digital Business](#)

Mobile eCommerce

[E-Commerce Boom in Finland](#)

Digital Marketing

[Digital Leaders in Finland](#)

[Sweden vs. Finland](#)

[Finnish Companies slow to embrace digital advertising](#)

Buying Holidays

[Busiest times of year](#)

Social Media

[Finnish Internet Usage](#)

[Social Media Usage in Finland](#)

Trade Promotion and Advertising (EU):

General Legislation

[EU Fair Business Practices](#)

[Audiovisual Media Services Directive \(AVMSD\)](#)

Medicine

[EU Public Health](#)

[Finnish Medicines Agency Fimea](#)

Nutrition & Health Claims

[USEU/FAS](#)

[EU-28 “Food and Agricultural Import Regulations and Standards \(FAIRS\) Report](#)

Food Supplements

[Nutrition Labelling](#)

Tobacco

[Tobacco Products](#)

[Ministry of Social Affairs and Health](#)

Pricing:

[Enterprise Finland](#)

[Customs Calculator](#)

[Invest in Finland](#)

Due diligence:

[Customer Identification](#)

Sales Service/Customer Support:

[Product Liability](#)

[Product Safety](#)

[Legal Warranties and After-sales Service](#)

Government Procurement:

[Ministry of Employment and the Economy](#)

[Public Procurement Advisory Unit](#)

[Tenders Electronic Daily](#)

Protecting Intellectual Property:

[The Finnish Patent and Registration Office](#)

[Ministry of Education and Culture Copyright Office](#)

[Protecting Intellectual Property](#)

[Corruption](#)

[Designs](#)

[Copyright](#)

Patents

[Patent Protection in EU](#)

[European Patent Office](#)

Trademarks

[EU Intellectual Protection Office](#)

[WIPO International Trademark System](#)

[Trademark Database](#)

[Trademark Exhaustion](#)

Leading Sectors for US Exports & Investments

Agricultural Sector

Overview

Due to the severe Nordic winters and relatively short growing season, Finland relies heavily on imported food and agricultural products. Finland's geographical proximity and long-established connections to the Baltic States provide a solid business base in Northern Europe. Increased demand for consumer goods, agribusiness opportunities, food industry investments and tourism in the region has been generated by structural reforms and development of market economies in the Baltic countries as well.

Leading Sub-Sectors

Best prospects: wine, beer, 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, a well-educated workforce and high per capita income levels. The Finnish consumer has a high acceptance of new products and concepts. U.S. products are considered high quality and trendy.

Web Resources

The Agricultural Service at the American Embassy in The Hague represents the interests of the USDA's Foreign Agricultural Service (FAS) in the Netherlands and the Nordic countries. 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 the region of responsibility. Please contact us via E-mail: agthehague@fas.usda.gov

Computer Software

Note: Official statistics not available.

Overview

The software market is expected to grow by 5 percent in 2017 and other IT services by 4 percent. Finnish companies are looking for growth opportunities through industrial internet and digitalization. The industry has a group of software companies that have been able to exploit the new opportunities of digital marketing and delivery channels as well as the opportunities provided by the consumerism of information technology. In Finland, structural changes are taking place in the industry; the demand is changing from customer-specific projects to cloud services.

Finland has the highest take-up of cloud services in Europe with Nordic countries close behind. The 2016 Eurostat Survey found 57 percent (51 percent in 2014) of Finnish companies use cloud services, over double the EU average of 21 percent. The growth in cloud services has been particularly strong in the last three years since Finnish companies are used to purchasing services from third parties and there aren't high barriers for using third-party services. In cloud services, the speed of annual market growth in 2016 was around 30 percent.

Strong penetration of software as a service (SaaS) in Finland is one reason for the wide cloud adaptation. Currently SaaS penetration is over 90 percent in Finland, but other models are starting to gain momentum. Popularity of private infrastructure as a service (IaaS) is growing fast and OpenStack platforms for cloud computing is getting more interest among professionals.

Leading Sub-Sectors

- Cloud services
- Security software
- CRM software
- ERP systems

Opportunities

Quality products in Business Intelligence, offering clear value to the customer, are expected to do well in the market. The Finnish market is small, and large companies are few in number – they tend to have established software systems. Therefore, new software sales opportunities for U.S. companies are mostly within the small and medium-sized enterprises (SME) market.

Finland has expertise in developing computer software products and is looking for U.S. partners that can bring financial and complementary technical resources.

Finland is a safe country for investments, corporate tax is relatively low (20 %) and the country has a robust business ecosystem with well-educated workforce.

Web Resources

[SLUSH](#), November 30–December 1, 2017

[GameXpo](#), November 4–6, 2017

[Ministry of Transport and Communications](#)

[Finnish Federation for Communications and Teleinformatics](#)

[The Finnish Software Entrepreneurs Association](#)

[Hub of the Finnish Game Industry](#)

tiina.ketela@trade.gov (local contact)

Computers and Peripherals

Overview

Finland's population of 5.5 million people represents a highly sophisticated market for computer hardware and software. This is illustrated by the fact that Finland has one of the highest number of computers per capita connected to the Internet. This environment provides cutting-edge, high efficiency settings for all kinds of businesses.

The United States is Finland's leading external source of computers and peripherals. In 2016, computer imports from the U.S. were 91.5 million USD, which means a ten percent increase from the 2015 figures. The year 2016 saw a continued decrease in hardware sales. The consumer interest in tablet PCs has decreased and from 2015 to 2016 the demand fell by 20.6 percent. Desktop and portable PC sales dropped by 5 percent from 2015 to 2016. 47 percent of Finns owned a tablet PC in 2016, whereas in 2015 it was 42 percent. 78 percent of Finns used smart phones in 2016, whereas in 2015 it was 69 percent. Smartphones have replaced the usage of PCs and tables in many functions.

Products on the cutting edge of technology dominate the Finnish hardware market. Smart phones with bigger displays and light-weight laptops are gaining foothold among consumers.

On the consumer electronics market, LED TV sales continued to grow in popularity along with smart TVs, followed by digital high-tech electronic products. Demand remains high for home-IT equipment.

Finland's import climate is very open and receptive to U.S. products. Because Finland is a member of the European Union (EU), products manufactured in the EU are not subject to import duty if manufactured within the common market. However, since the beginning of 1999, computer hardware imported to Finland from third countries, such as the United States, has also entered

Finland duty-free. Regardless of the origin of production, Finland applies a value-added tax of 24 percent to all such goods.

	2015	2016	2017 (Estimated)
Total Local Production	5845	7707	8554
Total Exports	3922	3687	4493
Total Imports	1727	1755	2001
Imports from the US	797	1325	3521
<u>Total Market Size</u>	3650	5775	6062
Exchange Rates	1.1095	1.1069	1.0628

(total market size = (total local production + imports) - exports)

Leading Sub-Sectors

- Ultrabook portables
- Ultra HD TVs
- Smart TVs
- Drones
- Wireless Bluetooth & soundbar loudspeakers
- Mobile headphones
- Smart watches

Opportunities

With relatively low energy costs and the availability of highly skilled IT engineers at relatively reasonable costs, Finland presents a compelling option for ICT manufacturing and data centers.

Finland has attracted major data center investments thanks to its cool climate, highly skilled IT-professionals and well-functioning infrastructure. The Finnish government amended the law in 2014 on electricity tax in order to lower the tax rate paid by data center companies operating in Finland.

Please see the [Supplement to the European Union Official Journal](#)

Web Resources

[Audiovisual Expo](#) September 26–27, 2017

[Ministry of Transport and Communications](#)

[U.S. Exports to Finland](#)

[Audiovisual Finland](#)

[AVITA](#)

[Finnish Federation for Communications and Teleinformatics](#)

tiina.ketela@trade.gov (local contact)

Energy

Overview

Finland is the world's northern-most industrialized nation, and accordingly energy consumption per capita is high. In terms of land area, Finland is the seventh largest country in Europe but, with a population of only 5.5 million, the country is rather sparsely populated. Finland's energy needs are high due to its energy-intensive industry, cold climate, high standard of living and long distances.

Finland does not have its own fossil fuels – coal, oil or natural gas – but it does have bio fuels, rich reserves of peat, and extensive wood resources. Peat as an indigenous fuel has considerable effect on regional policy. Peat increases employment and security of the energy supply.

On an international scale, both energy production and usage in Finland are quite efficient, thanks to resource availability, production infrastructure and geographical location. Energy-intensive industries play a large role in the Finnish economy, which has spurred the development of efficiency driven energy systems. The pulp and paper industry supplies over two fifths of heat and electricity needs by utilizing solid and liquid wood residues.

Finland has four operational nuclear reactors. In addition, one new reactor is being built and one reactor is in the planning stages. There are no inactive reactors.

Energy Consumption by Energy Source				
	2015		2016*	
	TJ	%	TJ	%
Total Energy Consumption	1,304,589	100 %	1,335,020	100 %
Of which Wood fuels	330,939	25.4 %	346,475	26 %
Of which Oil	309,445	23.7 %	310,408	23.3 %
Of which Nuclear Energy	243,556	18.7 %	243,119	18.2 %
Of which Coal	100,979	7.7 %	116,744	8.7 %
Of which Natural Gas	82,363	6.3 %	74,990	5.6 %
Of which Peat	57,526	4.4 %	54,836	4.1 %
Of which Hydro and Wind Power	68,082	5.2 %	67,274	5 %
Net Imports of Electricity	58,813	4.5 %	68,235	5.1 %
Others	53,488	4.1 %	53,401	4 %

Energy Consumption by Sector 2016* (2015)

Industry 45 % (45 %)

Space Heating 26 % (25 %)

Transport 17 % (17 %)

Others 12 % (12 %)

* Preliminary data

Source: Statistics Finland

Leading Sub-Sectors

Effective insulation materials; HRV-systems; heating and cooling pumps; pellet furnaces and technology used for pellet production; low energy construction building concepts; recycled building materials; heating and cooling systems using alternative energy sources such as solar, geothermal and small-scale wind; heat exchangers and heat meters; technology used in agricultural biomass; controls, pumps, piping; indoor and outdoor lighting solutions.

Opportunities

Finnish energy companies use open tenders as required by [European Union \(EU\) regulations](#). The development of renewable energy in Finland is expected to offer opportunities for U.S. companies in introduction of innovative renewable energy source technology. Finnish Ministry of Employment and the Economy has bilateral cooperation on energy and environment with several countries. U.S. companies can also participate, in cooperation with Finnish companies, in [Tekes](#) (Finnish Funding Agency for Technology and Innovation) funded projects.

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

Renewable Energy and Energy Efficiency (RE&EE)

One of the world's leading countries in clean energy utilization, especially biomass, Finland has been active in expanding the role of renewable energy in energy production, in accordance with the Long-term Climate and Energy Strategy, launched by the Ministry of Employment and the Economy (the former Ministry of Trade and Industry) in 2008. A new Energy and Climate Strategy was published in November 2016 outlining the 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.

With minor exceptions, Finland will phase out the use of coal for energy. The share of transport biofuels will be increased to 30 per cent, and an obligation to blend light fuel oil used in machinery and heating with 10 per cent of bioliquids will be introduced. Technology neutral tendering processes will be organized in 2018–2020, on the basis of which aid will be granted to cost-effective new electricity production from renewable energy. The share of renewable energy in the end consumption will increase to approx. 50 percent and the self-sufficiency in energy from 50 percent to 55 percent. In 2016, the share of renewable energy in the energy mix was 45 percent.

The most important renewable sources of energy in Finland include bio energy – wood and wood-based fuels in particular – as well as hydropower, wind power and ground-source heat. Peat has also been defined as a slowly renewing biomass fuel. The share of peat in the energy balance is over four percent. As indigenous fuel, peat has a considerable effect on regional policy. There is also a growing interest for solar power solutions.

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. Surprisingly, a new area to watch includes power electronics used in automotive manufacturing.

To promote energy efficiency, Finland has employed a voluntary agreement scheme from as early as 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 an excellent means of ascertaining their own energy usage and the scope of improving it,

as well as integrating improvements in energy efficiency in their daily operations. A new energy efficiency period for the Energy Efficiency Agreements for industry, the energy sector, service sector, property and building sector, municipalities, and oil-heated real estates was launched in the beginning of 2017 for the period of 2017-2025. These agreements are under the governance of the related Ministries and have a central role in the national implementation of the EU Energy Services Directive applied to companies that are not part of the emissions trading scheme.

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 heat and cool storage units; improved indoor climate quality; innovative home automation systems.

Driven by a continuous challenge to decrease the 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.

Web Resources

[Ministry of Employment and Economy](#)

[Finnish Energy Industries](#)

[Energy Authority](#)

[Online version of the Supplement to the European Union for public procurement tenders, Official Journal](#)

[Oppex, a pan-European database of governmental tenders](#)

[Finnish Funding Agency for Technology and Innovation](#)

[Statistics Finland](#)

[Energia Fair](#)

[Public/private research programs](#)

[Cleantech Events](#)

[The Bioenergy Association](#)

[Finnish Wind Power Association](#)

mia.maki@trade.gov (local contact)

Environmental Technologies

Overview

The value of Finland's environmental goods and services was close to \$40 billion (EUR 36 billion) in 2015 and its GDP share was 5.7 percent. Due to the limited domestic market size, about 20 percent of local production is exported. According to Statistics Finland, in 2015 exports accounted for USD 8.9 billion growing 16.7 percent from 2012. The share of imports originating from the U.S. is approximately five percent.

In 2016, the Environmental Performance Index ranked Finland as the world's greenest country. 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. In recent years, the Finnish environmental technology and services sector has evolved into a dynamic area where production of new innovative technologies and services has expanded and also gained international prominence as Finnish cleantech solutions. In 2015 the environmental goods and services sector was most engaged in construction, where its turnover was nearly \$12 billion (EUR 10.8 billion).

In 2013, the Finnish Government adopted a resolution concerning the promotion of new and sustainable environmental and energy solutions in public procurement. The objective is for the public sector to procure new cleantech solutions with at least EUR 300 million every year. This compares to

approximately one percent of total public procurement expenditure and would double current public research, development and innovation spending on cleantech solutions. These include waste management, electricity, property development, transport, energy-related products, services for which ecolabel criteria have been established, as well as food and catering. In Finland, the necessity for utilizing the best available technology is included in the Water Act, Air Pollution Control Act, Waste Act and Sea Protection Act. In addition, the producer responsibility principle in waste management has increased reuse and recycling, offering new business opportunities.

The key competitive factors in selling environmental technology in Finland are quality and level of technology, price being a secondary factor. Finding a Finnish partner or using a distributor / importer is highly recommended as they have direct distribution channels to the end users, strong relations with various industry representatives, and direct access to the 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, including cleantech. 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. The majority of the companies are small-to-medium size companies, but there are a few big global players as well.

To support Finnish environment technology know-how in the field, Tekes, the Finnish Funding Agency for Technology and Innovation and VTT (Technical Research Center of Finland) support and enhance R&D in environmental technologies.

	2014	2015	2016	2017 (Estimated)
Total Local Production	22,049	17,681	17,191	17,331
Total Exports	4,851	3,890	3,782	3,813
Total Imports	3,613	3,108	3,398	3,425
Imports from the US	204	178	176	178
<u>Total Market Size</u>	20,811	16,900	16,806	16,943
Exchange Rates	1.3285	1.1095	1.1069	1.0628

(total market size = (total local production + imports) - exports)

Leading Sub-Sectors

Waste management: Equipment to improve waste management processes, in particular closed systems for lumber companies and for the prevention of phosphorous discharges.

Municipal waste recycling and recovery: New technical advances for the entire recycling logistics chain, including sensors, separators, monitoring, optic handling device for metal recycling, crushers, and bio waste separation equipment.

Air and water pollution: Monitoring, measuring and sampling instruments for detection of air and water pollution.

Small particles and dust reduction equipment: Products such as dynamic and electrostatic precipitators; fabric filters; centrifugal fans and blowers.

Environmental geotechnics: New process and product innovations for contaminated soil remediation.

Opportunities

Please see the [Supplement to the Official Journal of the European Union](#)

[Oppex](#), a pan-European database of governmental tenders

Web Resources

[Finland's Environmental Administration](#)

[Tekes](#), the Finnish Funding Agency for Technology and Innovation

[VTT](#)

[Cleantech Finland](#)

[Finnish Environment Institute](#)

[Finnish Water Forum](#)

[Green Net Finland](#)

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

mia.maki@trade.gov (local contact)

Franchising

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

The Finnish franchising market is estimated to be worth over \$4.5 billion, with close to 250 franchising systems operating close to 7,000 units around the country in 2016. Finland's total market for franchising in 2016 was over \$4.5 billion and the annual growth rate in terms of revenue is expected to be 7.3 percent for 2017. Biggest growth for 2017 is expected to be in the restaurant sector, 9.1 percent. Finland's franchising market is 71 percent domestic origin. The neighboring Nordic countries have a good share of the foreign presence. 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 the general public.

Population density in urban areas, changes in economic and social factors, and the continuously active field of franchising indicate that franchising will

continue expanding into new business areas. Growing demand in the services sector along with increased interest in self-employment will foster many new franchising opportunities.

Franchising opportunities exist in all market sectors – retail, restaurant and services. The services sector, which includes consumer and B2B services, is the fastest growing and offers the best market potential for new franchise businesses, but interest towards restaurant/ coffee business is rising. In 2016 out of new chains 55 percent were in services, 15 percent in retail and 30 percent in restaurants.

Leading Sub-Sectors

- Restaurants
- Cafés
- B2B

Opportunities

There is no special legislation covering franchising. The most important of the statutory regulations are the Contracts Act, the Unfair Business Practices Act, the Trademarks Act and the Competition Restrictions Act. The Finnish Franchising Association's Code of Ethics (updated as of Jan 1st, 2017) also sets a good framework for franchise agreements.

Franchise News Day, Helsinki, 26 September 2017

Web Resources

Ketju.fi

The Finnish Franchising Association

Franchise News

Tiina.ketela@trade.gov (local contact)

Safety and Security Services and Equipment

Note: Official statistics not available.

Overview

Growing awareness of security and safety issues, increased outsourcing of public security functions, and technology convergence and integration represent some of the biggest current changes in the security and safety 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 security and safety industry is rapidly expanding beyond its traditional boundaries. Internet of Things is changing ways crimes are committed.

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 and will keep growing significantly. In particular, the number of online frauds has grown. Police is constantly developing capabilities to investigate cybercrime. Trends in cyberattacks in 2015 were the rise in ransomware programs that encrypt files, websites used to spread malware, and advanced cyberattacks targeted at governmental organizations and companies.

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 the market demand.

The safety and security sector is very scattered with over 400 companies in the market, mostly ranging from small to middle-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

- Wireless smart locks
- Biometric/3D identifiers
- Cloud based access management
- Integrated security technologies
- Screening against signal espionage

Opportunities

There are no trade barriers for safety and security equipment. The 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 from the Police. The National Police Board grants trade permits for dealing in firearms; permits for commercial export, import, transfer and transit.

Web Resources

[FinnSec Expo, Helsinki, 26-27 September 2017](#)

[Finnsecurity RY](#)

[Ministry of the Interior](#)

[Laurea University of Applied Sciences](#)

Turvallisuus & Riskienhallinta Magazine 1 & 2/2017

tiina.ketela@trade.gov (local contact)

Telecommunication Services and Equipment

Note: Official statistics not available.

Overview

In Finland, 91 percent of households use broadband. The EU average is 83 percent. The volume of data transferred over mobile networks grew by 69 percent in 2016. An average Finn transferred up to 16 gigabytes of mobile data per month. In 2016, up to 61 percent of mobile subscriptions provided unlimited access to broadband for a fixed monthly fee. Three companies – Elisa, Telia, DNA – control the market of fixed network broadband subscriptions with 90 percent.

There were 1.71 million fixed broadband subscriptions in Finland at the end of 2016 representing a decrease of roughly one per cent compared to the previous year. The penetration of modern broadband technologies grew steadily and the number of subscriptions using mainly fiber optics increased. Connections are also faster than one year ago and 28 per cent of all fixed broadband subscriptions already had a connection speed of over 100 Mbps (24 percent in 2015).

The terrestrial UHF television network has undergone frequency changes in 2015–2016. Some of the frequencies used for TV broadcasting have been allocated to wireless broadband.

Free-to-air terrestrial TV channels will migrate fully to a new broadcasting technology (DVB-T2) by 31 March 2020. Pay-TV channels will adopt the new broadcasting technology even earlier. The new broadcasting technology

enables broadcasting of high-definition (HD) programs or a higher number of program channels with standard (SD) quality.

The provision of television and radio contents and distribution network services may be subject to either a license or a notification. TV and sound broadcasting transmitters are also subject to a radio license from FICORA. Finland's Ministry of Transport and Communications is responsible for licensing. There are new reporting obligations for providers of telecommunications, broadcasting, video-on-demand and pay television services since the entry into force of the Information Society Code in January 2015. Compared to previous telecommunications reporting obligations, the new obligations apply to a larger number of operators.

Leading Sub-Sectors

- 5-7 inch smart phones
- IPTV (Internet Protocol TV)
- Fiber optics

Opportunities

Due to high technical standards and the liberalized telecommunications market, Finland serves as an excellent test base for new technologies for U.S. Information technology (IT) companies.

Please see the [Supplement to the European Union Official Journal](#)
<http://ted.europa.eu>

Web Resources

[FICORA - Finnish Communications Regulatory Authority](#)

[Finnish Communications Regulatory Authority](#)

[Ministry of Transport and Communications](#)

[Finnish Federation for Communications and Teleinformatics](#)

Tiina.Ketela@trade.gov (local contact)

Travel and Tourism

Overview

The United States is one of the main long-haul destinations for Finns, with over 155,000 Finnish arrivals in 2015. The figures for 2016 look moderate with 87,672 arrivals from Jan-July 2016. This is a -3.7 percent decrease from the previous year. The American continent became more popular in 2016 and there particularly the United States, where nearly 70 percent of trips over the Atlantic were headed.

The popularity of the United States as a travel destination is based on the large variety of activities it offers. It is easy to combine various attractions - beach holidays, city tours, theme parks, culture, shopping, nature, etc. Also, Finns find it easy to adapt to American culture, given its popularity in Finland. A Finnish travel magazine Mondo chose New York City as the best culture destination in 2017.

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. Therefore, Finns have shown interest in other destinations such as Alaska, Arizona, Hawaii, Nevada, and New Mexico. As a travel destination, the United States competes mainly with Southeast Asia. In 2016, Asia's popularity was waning compared to the U.S. but the number of trips to the usual favorite Asian country, Thailand, went up. Countries, such as Thailand, Brazil, India, and China have gained popularity, due to competitive package tours organized to these destinations.

Finnair, the national air carrier part of the OneWorld alliance, is currently the only airline based in and operating direct flights from Finland to the United States. Finnair has daily non-stop flight service to New York, seasonal service (winter) to Miami three times a week, and Chicago five days a week from

April 6, ending October 28, 2017. Finnair will also open a new three times a week seasonal service (summer) to San Francisco in June. Delta Air Lines is represented by AIR FRANCE KLM and United Airlines code shares with Lufthansa German Airlines.

There are no restrictions on Finnish foreign travel. Finland has been included in the visa waiver program since October 1, 1991 for visits up to 90 days in length. This has made it considerably easier for Finns to travel to the United States. Also, the overwhelming majority of Finnish passports have been machine-readable since 1987, and biometric passports were introduced in August 2006.

Leading Sub-Sectors

Florida, New York, and California continue to be the best prospects for the U.S. travel industry. First time travelers, families with children, and senior citizens favor Florida, whereas younger people and experienced travelers favor the West Coast. New York City, Chicago, Boston, Los Angeles, Las Vegas, and Atlanta are the most important destinations for Finnish business people.

Opportunities

[Matka Nordic Travel Fair](#) – January 18–21, 2018 (the largest travel fair in Northern Europe)

[Discover America Committee Finland](#)

Web Resources

[Association of Finnish Travel Agents](#)

[Discover America Committee Finland](#)

[Finnish Business Travel Association](#)

[Finnish Tourist Board/Visit Finland](#)

[Helsinki Fair Center](#)

[League of Finnish American Societies](#)

[Statistics Finland](#)

mia.maki@trade.gov (local contact)

Medical Equipment

Overview

The value of Finland's exports of health technology products rose to \$2.34 billion in 2016, an increase of 9.7 percent over the prior year. Imports of health technology products rose 8.0 percent to \$1.22 billion. The biggest contributor to the net \$1.1 billion trade surplus in 2016 continued to be Finland's traditionally strong Medical Equipment segment, which contributed nearly 90 percent of the net total. Exports of Medical Equipment rose 11.8 percent to \$1,494 million. Europe has long been the biggest export area but in 2016 export to the U.S. increased by 16 percent and was 36 percent of the total health technology export.

The operating costs of Finnish hospitals have been reduced, and major hospital procurement is mainly replacing older equipment and buying some new. Investments in new medical equipment within the private health care sector are expected to continue to increase.

Over 80 percent of the medical equipment imported to Finland comes either from or through the European Union. Direct imports from the United States account for 8 percent; however, the total U.S. market share (including transshipments via other EU countries) is estimated at 28 percent. Other important external supplier countries are Germany, the United Kingdom, Australia, Japan, and China. High quality and technically sophisticated U.S. medical equipment has the best market potential in Finland, especially equipment that increases efficiency and reduces occupancy rates in hospitals.

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

countries. The amount of duty for medical equipment exported from the United States fluctuates according to a specific product, ranging from 5-12 percent. Medical devices are 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 devices, as necessary. Only medical devices that conform with existing regulations can be placed on the market or put into service in Finland.

	2014	2015	2016	2017 (Estimated)
Total Local Production	9685	8033	9639(est.)	11085
Total Exports	1836	1530	1705	1875
Total Imports	723	630	691	753
Imports from the US	152	152	175	197
<u>Total Market Size</u>	8572	7133	8625 (est.)	9963
Exchange Rates	1,3285	1.1095	1.1069	1.0628

(total market size = (total local production + imports) - exports)

Leading Sub-Sectors

- Electronic Medical Records (EMR's)
- Patient monitoring systems
- Mini invasive surgery (MIS)
- Day surgery equipment
- Magnetic resonance imaging (MRI) equipment
- Video endoscopes
- Digital image processing
- Picture archiving

Opportunities

Please see the [Supplement to the Official Journal of the European Union](#)

[Finnish Dental Congress and Exhibition](#), November 23–25, 2017 (Finland’s largest event for dentistry professionals)

[The Finnish Medical Convention and Exhibition](#), January 10–12, 2018 (Finland’s largest medical exhibition)

[City of Tampere Medical Convention and Exhibition](#), March 21–23, 2018

Web Resources

[Association of Laboratory and Health Care Products Suppliers](#) – SAI-LAB, [European Commission, DG Health & Consumers, Public Health, Medical Devices](#)

[The Finnish Healthcare Technology Association](#)

[Finnish Medicines Agency Fimea](#)

[Ministry of Social Affairs and Health](#)

[National Board of Customs](#)

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

[VTT Industrial Systems, Medical Device Technology Group](#)

[Statistics Finland](#)

Tiina.ketela@trade.gov (local contact)

eHealth / Health IT

Overview

Overall social protection expenditure in Finland amounted to 31.6 percent of GDP, or USD 73.56 billion, in 2015, while sickness and health sector accounted for 23 percent, or USD 17 billion. Universal 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 2015, approximately 82 percent of services and

programs within the system were funded through public expenditure and private financing accounted for 18 percent. The Finnish Government is preparing a Health, Social Services and Regional Government Reform due to come into force on 1 January 2019. The reform will establish new counties and reform the structure, services and funding of health and social services as well as transfer new duties to the counties.

The Ministry of Social Affairs and Health manages the preparation and implementation of Finland's social welfare and healthcare policy. Additionally, they mandate and organize programs and reforms regarding eHealth provisions, while the Finnish Office for Health Technology Assessment (FinOHTA), operating under the National Institute for Health and Welfare (THL), is the agency responsible for providing assessments and analyses related to Health IT. The Finnish Electronic Patient Record system (KanTa) allows every citizen to access his or her medical records, as well as prescription services. Physicians also utilize this database not only to view patient records, but also to gain access to the Picture Archiving and Communications System (PACS), from which they can see and send relevant information to other entities within the healthcare system.

Municipalities contract a proportion of primary care to private providers; however, that proportion is expected to increase. The conceptual boundary between public and private hospitals is becoming less clear, since in several cases municipalities have also established private hospitals that sell services to both public and private customers, while on the other hand, municipalities purchase public care from many private hospitals. Private healthcare, excluding occupational services, accounts for about six percent of total healthcare expenditure. In these districts, university hospitals in the major cities of Finland form the basis of tertiary care, and contain the most technologically advanced facilities and medical equipment in the nation.

Finland is very advanced in its use of IT systems within the healthcare industry, relative to other European nations. Individuals within the healthcare

system have widespread, simple access to convenient ePrescription and eArchive services via KanTa. Since, 2010, the use of electronic patient records among the primary health centers and secondary care hospital districts was at 100 percent. As Finland is undergoing a process of health and social care system reform, eHealth and eWelfare were identified as an important tool in modernizing the system. Thus, the Ministry of Social Affairs and Health upgraded the Finnish national e-health and e-welfare strategy.

The Finnish government has recognized that there is a need for a more reliable and consistent health IT communications and EPR sharing between municipalities, regional districts, and private care providers. Integration of health information systems and cross-organizational, even cross-country processing of patient information are emerging themes that need to be covered in the future. Digitalization of the Finnish health care system and integration with the social care system builds a basis for an ecosystem, which provides new opportunities also for enterprises. Mobile health services (mHealth) are increasingly compensating for services that have been tied to a certain infrastructure or place. The transformation of citizen services to mobile platforms is just beginning. A common infrastructure for mHealth software is currently missing.

Leading Sub-Sectors

- Software applications for Apotti project
- Software applications for UNA project
- Telemedicine

Opportunities

Finland's most populous city of Helsinki is currently moving forward with its Apotti project, which is a cooperative effort to develop a regional information structure for health and social services for 1-2 million people in the Helsinki-Uusimaa hospital district. The Apotti program is being followed closely by

other health districts, and is the first of its kind in Finland to blanket such a massive number of individuals. The program is planned to be fully implemented by 2020. The roll out of the Apotti project using Epic's EMR software provides additional opportunities for collaboration. Another similar project UNA – with 17 health districts and 7 cities around Finland – is also up and coming. First competitive tenders will be open in the fall of 2017, and the goal is to have the new patient information system functional by beginning of 2019.

The country is continually developing and improving its nationwide electronic archive of patients' health information (KanTa), and health-related services, such as the Electronic Prescription program, which are viable entry points for U.S. products and services. Health IT and telemedicine in Finland are expected to gain an even more visible presence in the near future, as far-reaching goals that the sector has been allotted in recent years show continued promise in improving the healthcare system.

The Finnish workforce is aging at a rapid pace. This widespread change of patient demographics will affect the availability of clinicians. The coming wave of retiring healthcare professionals will occur at a critical time during which there will be a greater need for these specialists. However, this presents a useful opportunity for new innovations in health IT to bridge the gap created by the lack of clinicians, albeit temporary.

[The Finnish Medical Convention and Exhibition](#), January 10–12, 2018
(Finland's largest medical exhibition)

Web Resources

[Healthtech Finland](#)

[Ministry of Social Affairs and Health \(STM\)](#)

[The National Institute for Health and Welfare \(THL\)](#)

[The Finnish Electronic Patient Record system \(KanTa\)](#)

[eHealth and eWelfare in Finland – Report 2015](#)

Tiina.ketela@trade.gov (local contact)

Customs, Regulations & Standards

Describes trade regulations, customs, and standards in the market. Provides information on requirements for U.S. firms entering the market, including labeling and necessary documentation when exporting. Explains import tariffs and any prohibited items or temporary entry procedures.

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. In March 1997 EU commitments required the establishment of a tax border between the autonomously governed, but territorially Finnish, Aland Islands and the rest of Finland. As a result, the trade of goods and services between the rest of Finland and Aland Islands has since been treated as if it were trade with a non-EU area. Even though the Aland Islands are part of the EU, just as Finland is, Aland does not belong to the Union's tax area. This exception was drafted in order to protect the important shipping traffic and the tax-free sales when EU countries abandoned duty-free sales. The trade effect of this treatment is minimal since the Aland Islands are part of the EFTA tariff area.

Restrictions apply to certain items such as products containing alcohol, pharmaceuticals, narcotics and dangerous drugs, explosives, etc. Beef cattle bred on hormones is forbidden to import. There are a certain number of restrictions, especially on farm products, following the implementation of the Common Agricultural Policy (CAP) of control and regulation systems for the goods entering the EU territory.

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](#) 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.

For information on existing trade barriers, please see the [2016 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 Safety Authority](#)

[Smoke Free Plan](#)

[Market Access](#)

[Exporting to Finland](#)

[Single Market Barriers](#)

Import Tariff

Finland applies EU measures relating to imports and exports. The Integrated Tariff of the European Union, TARIC, serves as a basis for the working tariffs and tariff file of Finland. The TARIC is 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 database contains information on commercial and agricultural legislation as well as EU-wide statistics.

The legal basis of the TARIC is Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (Official Journal L 256, 07/09/1987).

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 rates of VAT. To determine if a license is required for a particular 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 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 foodstuff, the import tariffs range from 0-17 percent. The duties for non-EU countries are relatively low, especially for manufactured goods, ranging on average from 2.61 percent or 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 & 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 1st 2016. The transition period for Authorized Economic Operators (AEO) is until May 1st 2019.

Certain items such as alcoholic beverages, foodstuff, pharmaceuticals, firearms and other articles that could pose a potential threat to health, welfare, or spread of 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 TARIC (Tarif Intégré de la Communauté) is available to help determine if a license is required for a particular 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.

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
- A copy of the commercial invoice

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

For info on the [Union Customs Code](#)

Labeling/Marking Requirements

Mandatory information must be provided in both of Finland's official languages: Finnish and Swedish. The marking of country origin, "made in (country)", must be in close proximity and similar letter size to the other locality. Necessary information has to be clearly marked on the retail packaging or marked on the product (a sticker,

label, etc.) includes the name of the product, name of the manufacturer or name of the company that manufactured the product, and amount of contents (measured in metric system).

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

- Product contents and size of contents.
- Patch 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 necessary personal safety device.
- Washing, cleaning and care instructions.
- Instructions for disposal of the product and information on hazards for using the product and disposal of 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. CE marking is the manufacturer's declaration that the product meets the requirements of relevant directives. CE marking shall be attached to e.g. 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 the products burden the environment less than other corresponding products - without compromising performance characteristics. Additionally, there is the eco-label. [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, Finnish Standards Association implements these standards as SFS-EN standards.

Labeling requirements for foodstuff in Finland are based on [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. The United States also participates in various multilateral export control regimes to prevent the proliferation of weapons of mass destruction and prevent destabilizing accumulations of conventional weapons and related material. The Bureau of Industry and Security (BIS) administers U.S. laws, regulations and policies governing the export and re-export of commodities, software, and technology (collectively “items”) falling under the jurisdiction of the Export Administration Regulations (EAR). The primary goal of BIS is to advance national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. BIS also enforces anti-boycott laws and coordinates with U.S. agencies and other countries on export control, nonproliferation and strategic trade issues.

The EAR controls certain exports, re-exports, or in-country transfers of purely commercial items, dual-use items, and less sensitive military items. “Dual-use” refers to items that have both commercial and military applications. The EAR controls less sensitive military items as a result of the Export Control Reform Initiative. On October 15, 2013, BIS began administering controls on military items formerly under the jurisdiction of the Department of State that do not warrant control under the International Traffic in Arms Regulations (ITAR). Items subject to the EAR may require a license prior to export or re-export. Items with an Export Control Classification Number (ECCN) that are regulated for Chemical and Biological Weapons (CB), National Security (NS), Missile Technology (MT), Regional Stability (RS) or Crime Control purposes may require a license from BIS for export to Russia.

BIS’s Export Administration reviews license applications for exports, re-exports and deemed exports (technology transfers to foreign nationals in the United States) subject to the EAR. Through its Office of Exporter Services, Export Administration also provides information on BIS programs, conducts seminars on complying with the EAR, provides guidance on licensing requirements and procedures, and presents an annual Update Conference on Export Controls and Policy as an outreach program to industry.

U.S. exporters should consult the EAR for information on how export license requirements may apply to the sale of their goods to Finland. If necessary, a commodity classification request may be submitted in order to obtain BIS assistance in determining how an item is controlled (i.e., the item’s classification) and the applicable licensing policy. Exporters may also request a written advisory opinion from BIS about application of the EAR to a specific situation. Information on commodity classifications, advisory opinions, and export licenses can be obtained through the [BIS website](#) or by contacting the Office of Exporter Services at the following numbers:

Washington, D.C. Tel: (202) 482-4811 Fax: (202) 482-3322,

Western Regional Office Tel: (949) 660-0144 Fax: (949) 660-9347

[Further information on export controls](#)

BIS has developed a list of ["red flags," or warning signs](#), intended to discover possible violations of the EAR.

Also, [BIS has "Know Your Customer" guidance](#)

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. [A list of upcoming seminars](#)

The EAR does not control all goods, services, and technologies. Other U.S. Government agencies regulate more specialized exports. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS Web site or in Supplement No. 3 to Part 730 of the EAR, which is available on the [Government Printing Office Web site](#).

[A list that consolidates eleven export screening lists](#) of the Departments of Commerce, State and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions.

Temporary Entry

Temporary exemption from duty can be granted, for instance, to the following: Goods intended for public displays at exhibitions and fairs, Commercial samples, 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. The 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 & Restricted Imports

The TARIC 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 goods code and country of origin.

For further information on other prohibited and restricted imports, please see the [Finnish Customs](#) and [Evira](#).

Key Links:

[European Commission, Taxation and Customs Union, Taric Taric Consultation, please apply 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 regulations information, it offers customs statistics service.

[Finnish Customs](#)

[Homepage of Customs and Taxation Union Directorate \(TAXUD\) Website](#)

Standards for Trade

Overview

There are three Finnish organizations that implement and enforce standards at a national level. Finland develops its own national standards through the [Finnish Standards Association \(SFS\)](#). It is the central standardization

organization that controls and co-ordinates national standardization. SFS develops, approves, publishes, and sells standards. Members include professional, commercial, and industrial organizations. The State of Finland is represented by the ministries. There are over 25,000 SFS Standards in both English and Finnish in the SFS Catalogue published online. Additionally, the Finnish Standards Association operates the national WTO Enquiry Point. SFS is a member of the International Organization for Standardization (ISO) and the European Committee for Standardization (CEN). Finland applies EU directives and standards. Standards adopted as Finnish national standards are mainly European or International Standards through technical committees or working groups of CEN or ISO. Each CEN or ISO committee has a representative in Finland in one of the standards writing bodies of SFS. Published National SFS Standards are sold in Finland only by SFS. 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). Their responsibility is to implement international standards in Finland and enforce them as national [SFS standards](#).

[The Finnish Communications Regulatory Authority](#) (FICORA) is responsible for telecommunications standardization in Finland. FICA represents the national level standards in the International Telecommunication Union (ITU) and the European Telecommunications Standards Institute (ETSI). FICORA functions under the Ministry of Transport and Communications Finland.

Products tested and certified in the United States to American regulations and standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated

by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards created under the New Approach are harmonized across the member states and European Economic Area countries to allow for the free flow of goods.

The EU is trying to harmonize EU legislation through the [New Legislative Framework](#) (NLF) which entered into force in January 2010. It aims to serve as a blueprint for existing and future [CE marking legislation](#). The NLF clarifies the use of CE marking and creates a toolbox of measures for use in product legislation. 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.

Agricultural Standards

As of January 2002, there has been a publication of general food law establishing the general principles of EU food law. Agricultural standards can be found at the [Foreign Agricultural Service's website](#).

A complete overview of all EU harmonized export certificates is provided in the [EU-28 FAIRS Export Certificate Report – 2017](#).

Standards

Finland has a scattered standardization system. The [Finnish Standards Association](#) (SFS) works with 12 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.

Anyone can participate in developing standards, not only entities that have a manufacturing presence can participate in national standards development. Standardization work is voluntary and consensus based.

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization. The drafting of specific EU standards is handled by three European standards organizations:

1. [CEN, European Committee for Standardization](#), handling all other standards
2. [CENELEC, European Committee for Electrotechnical Standardization](#)
3. [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](#) is different 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.

The EU is taking steps to modernize the EU's standardization policy with the new announcement of the [Joint Initiative on Standardization \(JIS\)](#). The JIS aims to reinforce the partnership between the European institutions and the standardization community. European Standardization for the upcoming year comes from Regulation (EU) No 1025/2012 which clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards.

[Mandates – or requests for standards](#)

Testing, inspection and certification

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](#) 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 production quality control system, to full quality assurance system.

The U.S. 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 U.S. will accept test performed by EU conformity assessment bodies. Information on approved conformity assessment bodies and the text of the agreement.

The Finnish Accreditation Service (FINAS) is the national accreditation body in Finland. It accredits laboratories, certification bodies, inspection bodies, providers of proficiency testing, environmental verifiers, and greenhouse gas verifiers. 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. 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. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

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.

Publication of technical regulations

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

Additionally the [Finnish Standards Association](#) publishes SFS and ISO standards at their webshop catalogue. The SFS serves as a WTO Enquiry Point. The National WTO Enquiry Point provides information on technical regulations, standards and verification methods currently being prepared and adopted in WTO member countries.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail registration service that offers U.S. entities an opportunity to review and comment on proposed foreign technical regulations that can affect access to international markets. Register online at [Notify U.S.](#)

Contact Information

U.S. Mission to the EU

Marianne Drain, Commercial/ Standards Attaché

Marianne.Drain@trade.gov

Tel: +32 2 811 5034

Louis Fredricks, Commercial Assistant

Louis.Fredricks@trade.gov

Tel: +32 2 811 4194

National Institute of Standards & Technology

David F. Alderman, Group Leader

Standards Coordination Office - HQ

100 Bureau Dr.

Gaithersburg, MD 20899

Tel: (301) 975-4019

david.alderman@nist.gov

[Website](#)

CEN – European Committee for Standardization

Avenue Marnix 17

B – 1000 Brussels, Belgium

Tel: 32.2.550.08.11

Fax: 32.2.550.08.19

[Website](#)

CENELEC – European Committee for Electrotechnical Standardization

Avenue Marnix 17

B – 1000 Brussels, Belgium

Tel: 32.2.519.68.71

Fax: 32.2.519.69.19

[Website](#)

ETSI – European Telecommunications Standards Institute

650, Route des Lucioles

Sophia Antipolis

06560 Valbonne, France

Tel: 33.4.92.94.42.00

Fax: 33.4.93.65.47.16

[Website](#)

SBS – Small Business Standards

4, Rue Jacques de Lalaing

1040 Brussels, Belgium

Tel: +32.2.285.07.27

Fax : +32.2.230.78.61

[Website](#)

***ANEC – European Association for the Co-ordination of Consumer
Representation in Standardization***

Stephen Russell, Secretary-General

32, box 27, Avenue de Tervuren

B – 1040 Brussels, Belgium

Tel: 32.2.743.24.70

Fax: 32.2.706.54.30

[Website](#)

ECOS – European Environmental Citizens Organization for Standardization

Rue d'Edimbourg 26

B – 1050 Brussels, Belgium

Tel: 32.2.894.46.68

Fax: 32.2.894.46.10

Email: info@ecostandard.org

[Website](#)

EOTA – European Organization for Technical Assessment (for construction products)

Andrea Oel-Brettschneider, Communication Technical Management

Avenue des Arts 40 Kunstlaan

B – 1040 Brussels, Belgium

Tel: 32.2.502.69.00

Fax: 32.2.502.38.14

Email: info@eota.eu

[Website](#)

Finnish Standards Association – SFS

International Organization for Standardization – ISO

The National Electrotechnical Standardization Organization – SESKO

International Electrotechnical Commission – IEC

The Finnish Communications Regulatory Authority – FICORA

International Telecommunication Union – ITU

Finnish Accreditation Service – FINAS

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.

[RTA Database](#)

[PTA Database](#)

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

No formal engagement on [Transatlantic Trade and Investment Partnership \(T-TIP\)](#) has taken place and the negotiations are currently on hold.

[For a list of relevant 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 security guard business are all subject to a license. Some commercial activities require registration in a register that is kept by the authorities or must notify the authorities at the start of activities. [Invest in Finland](#) is a Finnish Government agency that can offer guidance on business opportunities in Finland. Invest in Finland provides a quick and easy guide to setting up a business in Finland with steps on how to check whether your business is subject to a license.

To check whether a business is subject to a license please refer to [Enterprise Finland](#). This includes information on activities and professions that require a separate license, notification or registration. Business can search for permissions,

notifications, and registrations through the Permit search at the Ministry of Economic Affairs and Employment website.

Web Resources

Standards for Trade

[Finnish Standards Association \(SFS\)](#)

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

[International Organization for Standardization \(ISO\)](#)

[The National Electrotechnical Standardization Organization \(SESKO\)](#)

[International Electrotechnical Commission \(IEC\)](#)

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

[The Finnish Communications Regulatory Authority \(FICORA\)](#)

[International Telecommunication Union \(ITU\)](#)

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

Trade agreements

[Agreement on Government Procurement](#)

[Mission to Finland](#)

[Regional Trade Agreement](#)

[Information Technology Agreement](#)

Licensing Requirements

[Enterprise Finland](#)

[Agents and Managers in Creative Industries AGMA](#)

[Invest in Finland - Setting up a Business](#)

Investment Climate Statement

Executive Summary

Finland is a Nordic country located in Northern Europe with a stable and modern economy. It is a member of the European Union and part of the euro area. The Government of Finland (GOF) is open to foreign direct investment (FDI) and offers a business-friendly environment. The country has a highly-skilled, educated and multilingual labor force, with strong expertise in Information Communications Technology (ICT), ship building, and renewable energy. Key challenges for foreign investors include a rigid labor market, powerful unions, and bureaucratic red tape in starting certain businesses, although in June 2016 the Government enacted a Competitiveness Pact that aims to reduce labor costs, increase hours worked, and introduce more flexibility into the wage bargaining system. Health and social services reforms are also being discussed. At the end of 2015, the total stock of FDI in Finland totaled EUR 74.2 billion, of which equity accounted for EUR 60.8 billion and the value of debt capital for EUR 13.4 billion. By country, Sweden has the biggest stock of foreign direct investment (50%), followed by the Netherlands (18%), Denmark (6%) and Germany (5%).

The GOF has taken steps to attract foreign investment by creating a network called Team Finland that promotes foreign investment and promotes the country's international image. This one-stop shop brings together the services of a variety of state-funded agencies. Both foreign and domestic companies can benefit from GOF investment incentives, research and development support, and innovation systems. The U.S. Embassy in Helsinki, through the Foreign Commercial Service and Political/Economic Sections, is a strong partner for U.S. businesses that wish to connect to the Finnish market. Finnish companies are very active in the fields of information technology, energy, biotech, and clean technology, sectors that the government has selected – along with Arctic expertise – as focus areas in their innovation policy. With excellent transportation links to the Nordic-Baltic region and Russia, Finland can be a good hub for establishing regional operations.

The Finnish MyData initiative is a relatively new human-centric system that is designed so that access to personal data would remain under the control of the individual instead of organizations (such as businesses or the government, among others). This initiative may impact foreign digital service companies, depending on how it is ultimately developed and implemented.

Table 1

Measure	Year	Index/Ran	Website Address
TI Corruption Perceptions Index	2016	3 of 176	Transparency Rankings
World Bank's Doing Business Report "Ease of Doing Business"	2016	13 of 190	Doing Business Ranking
Global Innovation Index	2016	5 of 128	Global Innovation Index
U.S. FDI in partner country (\$M USD, stock)	2015	USD 1,177	BEA Factsheet
World Bank GNI per capita	2015	USD 46,550	World Bank Data

Openness To, and Restrictions Upon, Foreign Investment

Policies Towards Foreign Direct Investment

The Finnish government is open to foreign direct investment. There are no general regulatory limitations relating to acquisitions. A mixture of domestic and European Union competition rules govern mergers and acquisitions. Finland does not preclude foreign investment, but some tax policies may make it unattractive to investors. Finnish tax authorities treat the movement of ownership of shares in a Finnish company into a foreign company as a taxable event, though Finland

complies with EU directives that require it to allow such transactions based in other EU member states without taxing them.

Finland does not grant foreign-owned firms any special treatment like tax holidays or other subsidies, which are not currently available to other firms. Instead, Finland relies on policies that seek to offer both domestic and international firms better operating conditions, including an educated labor force and well-functioning infrastructure. Companies benefit from preferential trade arrangements through Finland's membership in the EU and World Trade Organization (WTO), in addition to the protection offered by Finland's bilateral investment treaties with more than sixty-five countries.

The Team Finland network brings together publicly-funded services to help companies enter international markets, attract investments to Finland and promote the Finland brand. The center for promoting investments is Invest in Finland, which produces information on Finland as an investment destination, as well as develops and coordinates the network's investment promotion activities. In April 2016, the Finnish government released an Action Plan to make [Team Finland](#) operate more effectively and to offer one-stop-shop services abroad.

The Finnish government recently cut the corporate tax rate from 24.5 percent to 20 percent.

Limits on Foreign Control and Right to Private Ownership and Establishment

The law that governs foreign investments is the Act on the Monitoring of Foreign Corporate Acquisitions in Finland. The Ministry of Employment and the Economy (TEM) monitors and confirms foreign corporate acquisitions. The Ministry decides whether an acquisition conflicts with "vital national interests" including securing national defense as well as safeguarding public order and security. If the Ministry

finds that a key national interest is jeopardized, it must refer the matter to the Council of State, which may refuse to confirm the acquisition.

In the civilian sector, TEM primarily monitors transactions related to Finnish enterprises considered critical to maintaining functions fundamental to society, such as energy, communications, or food supply. Monitoring only applies to foreign owners domiciled outside the EU and European Free Trade Association (EFTA). More information is at: [Finlex](#). Concerning acquisitions in defense, foreigners must apply for prior confirmation and monitoring covers all foreign owners. “Defense” includes all entities that supply or have supplied goods or services to the Finnish Ministry of Defense, the Finnish Defense Forces, the Finnish Border Guard, as well as entities dealing in dual-use goods. The substantive elements in evaluating the application are identical to those applied to other corporate acquisitions.

Right to private ownership: Private ownership is normal in Finland, and in most fields of business participation by foreign companies or individuals is unrestricted. When the government privatizes state-owned companies, both private and foreign participation is allowed except in enterprises operating in sectors related to national security.

Screening FDI: The Ministry of Employment and the Economy is the authority responsible for monitoring and confirming corporate acquisitions. Filing an application/notification is voluntary, **but** the Ministry may request information connected to a foreigner’s corporate acquisition. **The law does not specify a time limit for filing, and a foreign owner may file either before or after the transaction. A transaction is considered approved if the Ministry does not request additional information, initiate further proceedings within six weeks, or refuse to confirm the transaction within three months.** The Ministry cannot render opinions before an application is filed. It is, however, possible for investors to contact the Ministry for guidance beforehand. There is no official template for the notification, but it **must include information on the monitored entity’s pre- and post-transaction ownership structure and the**

acquiring entity's ownership structure. If known, an acquiring entity must also state its intentions relating to the monitored entity. There are no fees.

Other Investment Policy Reviews

Finland has been a member of the WTO and the EU since 1995. [The WTO](#) conducted its Trade Policy Review of the European Union (including Finland) in July 2015. The Organization for Economic Cooperation and Development (OECD) has not conducted any recent Investment Policy Review of Finland. The Research Institute of the [Finnish Economy \(ETLA\)](#) regularly publishes reports that review different sectors and factors that may impact investment.

Business Facilitation

All businesses in Finland must be publicly registered at the [Finnish Trade Register](#). Businesses must also notify the Register of any changes to registration information and most must submit their financial statements (annual accounts) to the register. [The Business Information System BIS \("YTJ" in Finnish\)](#) is an online service enabling investors to start a business or organization, report changes, close down a business, or conduct searches.

Permits, licenses, and notifications required depend on whether the foreign entrepreneur originates from a Nordic country, the European Union, or elsewhere. The type of company also affects the permits required, which can include the registration of the right to residency, residence permits for an employee or self-employed person, and registration in the Finnish Population Information System. A foreigner may need a permit from the [Finnish Patent and Registration Office](#) to serve as a partner in a partnership or administrative body of a company.

Improvements made in 2016 to the residence permit system for foreign experts, defined as those with special expertise, a university degree and who earn at least EUR 3,000 gross per month, should help experts come to Finland. [An online permit application](#) available since November 2016 has made it easier for family members to acquire a residence permit.

The practice of some trades in Finland requires only notification or registration with the authorities. Other trades, however, require a separate license, and companies should confirm requirements with Finnish authorities. Entrepreneurs must take out pension insurance for their employees, and certain fields obligate additional insurance. All businesses have a statutory obligation to maintain financial accounts, and, with the exception of small companies, businesses must also appoint an external auditor.

Finland ranked 28th on the World Bank Group's 2017 Starting a Business ranking among 190 economies:

<http://www.doingbusiness.org/data/exploreeconomies/finland#starting-a-business>.

It is the 13th best country in the world for doing business, according to Doing Business, an annual report by the World Bank Group (October 2016). According to a 2016 study (FDI Attractiveness Scoreboard) by the European Commission, Finland is the most attractive EU country for FDI in terms of the political, regulatory and legal environment.

Outward Investment

[Finpro](#), a part of the Team Finland network, helps Finnish SMEs go international, encourages foreign direct investment in Finland and promotes tourism. Finpro is a public organization with 37 offices in 31 countries and 6 regional offices in Finland, and focuses on agrotechnology, cleantech, connectivity, ecommerce, education, ICT and digitalization, mining, and mobility as a service. While many of Finpro's programs are export-oriented, they also seek to offer business and network opportunities. Focus countries include China, South Korea, Japan, Myanmar, and the United States.

Bilateral Investment Agreements and Taxation Treaties

Finland does not have a bilateral investment treaty (BIT), agreement or FTA with the United States. Finland has concluded BITs with Albania, Algeria, Argentina, Armenia, Azerbaijan, Belarus, Bosnia-Herzegovina, Bulgaria, Chile, China, Croatia, the Czech Republic, Dominican Republic, Egypt, El Salvador, Estonia, Ethiopia, Georgia, Guatemala, Hong Kong, Hungary, India, Indonesia, Iran, Jordan, Kazakhstan, Kyrgyzstan, Kuwait, Latvia, Lebanon, Lithuania, Macedonia, Malaysia, Mauritius, Mexico, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Namibia, Nepal, Nigeria, Oman, Panama, Peru, Philippines, Poland, Qatar, Romania, Russia, Serbia, Slovakia, Slovenia, South Africa, South Korea, Sri Lanka, Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Vietnam, and Zambia. [Finland BITs](#)

As an EU member state, Finland is also a signatory to any treaty or agreement, including free trade agreements, signed by the European Union. Finland is a signatory to the WTO Trade Facilitation Agreement (TFA), which entered into force on 22 February 2017. [For a list of Finland's bilateral tax agreements.](#)

Finland and the United States signed a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital (TIAS 12101) that entered into force on December 30, 1990. On March 5, 2014, Finland signed a Foreign Account Tax Compliance Act (FATCA). The [Finnish tax administration guidance](#) regarding FATCA (available only in Finnish and Swedish). For the [full text of the FATCA agreement](#)

The salary and fringe benefits paid to qualifying foreign employees living in Finland for more than six months are taxed at a flat rate of 35 percent for a maximum assignment period of 48 months in Finland. For detailed tax guidance, see the [Finnish Tax Administration's website](#) and the [Finnish Foundation for Share Promotion's Tax Guide for Investors \(2015\)](#).

Legal Regime

Transparency of the Regulatory System

The Securities Market Act (SMA) contains regulations on corporate disclosure procedures and requirements, responsibility for flagging share ownership, insider regulations and offenses, the issuing and marketing of securities, and trading. The clearing of securities trades is subject to licensing and is supervised by the [Financial Supervision Authority](#).

See the [Financial Supervisory Authority's overview of regulations](#) for listed companies. Finland is not on [Business Facilitation](#).

The Act on the Openness of Public Documents establishes the openness of all records in the possession of officials of the state, municipalities, registered religious communities, and corporations that perform legally mandated public duties, such as pension funds and public utilities. Exceptions can only be made by law or by an executive order for reasons such as national security. For more information see the [Ministry of Justice's page](#) on Openness. The [Act on the Openness of Government Activities](#) can be found here.

Finland ranked third on [The World Justice Project \(WJP\) Rule of Law Index](#) (2016) regarding constraints on government powers, absence of corruption, open government, fundamental rights, order and security, regulatory enforcement, civil justice and criminal justice. For more, see the [World Bank rulemaking Finland report](#).

International Regulatory Considerations

Finland respects common rules and expects other EU Member States to do the same. The Government seeks to constructively combine national and joint European interests in Finland's EU policy, and seeks better and lighter regulation that incorporates flexibility for SMEs. The Government will not increase burdens detrimental to competitiveness in its national implementation of EU acts.

Finland, as a member of the WTO, is required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. In 2015, Finland submitted one notification of technical regulations and conformity assessment procedures to the WTO, and has submitted 75 notifications since 1995.

Legal System and Judicial Independence

Finland has a civil law system. European Community (EC) law is directly applicable in Finland and takes precedence over national legislation. The Market Court is a special court for rulings in commercial law, competition, and public procurement cases, and may issue injunctions and penalties against the illegal restriction of competition. It also governs mergers and acquisitions and may overturn public procurement decisions and require compensatory payments. The Court has jurisdiction over disputes regarding whether goods or services have been marketed unfairly. The Court also hears industrial and civil IPR cases.

A working group set up to reform the Competition Act concluded in March 2017 that the Act should be further amended with regard to inspections, sanctions and information exchange between authorities, among others. For more information see the [Competition Act](#) (No 948/2011).

Laws and Regulations on Foreign Direct Investment

A non-European Economic Area (EEA) resident (persons or companies) operating in Finland must obtain a license or a notification when starting a business in a regulated industry. A comprehensive list of regulated industries can be found

at: [Enterprise Finland](#). See also the Ministry of Employment and the [Economy's Regulated Trade guidelines](#). The autonomously governed Aland Islands, however are an exception. Property ownership and the right to conduct business are limited to those with the right of domicile in the Aland Islands. This does not prevent people from settling in, or trading with, the Aland Islands. Immigrants who have lived in Aland for five years and have adequate Swedish may apply for domicile and the Aland Government can grant exemptions.

The Competition Act allows the government to block mergers where the result would harm market competition. [The Finnish Competition and Consumer Authority](#) (FCCA) issued guidelines in 2011.

EnterpriseFinland/Yrityssuomi.fi is a free online service offering information and services for starting, growing and developing a company. Users may also ask for advice through the [My Enterprise Finland website](#). Finnish legislation is available in the free online databank [Finlex](#) in Finnish, where some English translations can also be found.

Competition and Anti-Trust Laws

FCCA protects competition by intervening in restrictive practices, such as cartels and abuse of dominant position, and violations of the Competition Act and the Treaty on the Functioning of the European Union (TFEU). Investigations occur on the FCCA's initiative and on the basis of complaints. Where necessary, the FCCA makes proposals to the Market Court regarding penalties. In international competition matters, the FCCA's key stakeholders are the European Commission (DG Competition), the OECD Competition Committee, the Nordic competition authorities and the [International Competition Network \(ICN\)](#). FCCA rulings and decisions can be found in the archive in Finnish.

Expropriation and Compensation

Finnish law protects private property rights. Citizen property is protected by the Constitution which includes basic provisions for expropriation. Private property is only expropriated for public purposes (eminent domain), in a non-discriminatory manner, with reasonable compensation, and in accordance with established international law. Expropriation is usually based on a permit given by the government or on a confirmed plan and is performed by the District Survey Office. Compensation is awarded at full market price, but may exclude the rise in value due only to planning decisions.

Besides normal expropriation according to the Expropriation Act, a municipality or the State has the right to expropriate land for planning purposes. Expropriation is mainly for acquiring land for common needs, such as street areas, parks and civic buildings. The method is rarely used: less than 1% of land acquired by the municipalities is expropriated. [Credendo Group](#) ranks Finland's expropriation risk as low (1), on a scale from 1 to 7.

Dispute Settlement

ICSID Convention and New York Convention

In 1969, Finland became a member state to the International Center for Settlement of Investment Disputes (ICSID Convention). Finland is a signatory to the convention of the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York Convention).

Investor-State Dispute Settlement

The Finnish Arbitration Act (967/1992) is applied without distinction to both domestic and international arbitration. Sections 1 to 50 apply to arbitration in Finland and Sections 51 to 55 to arbitration agreements providing for arbitration abroad and the recognition and enforcement of foreign arbitral awards in Finland.

The share of international arbitration cases in which at least one party was not Finnish increased from 27% in 2015 to 36% in 2016. Of 197 international parties in 2016, two were from the United States. There have been no reported investment disputes in Finland in recent years.

International Commercial Arbitration and Foreign Courts

Finland has a long tradition of institutional arbitration and its legal framework dates back to as early as 1928. Today, arbitration procedures are governed by the 1992 Arbitration Act (as amended), which largely mirrors the UNCITRAL Model Law on International Commercial Arbitration of 1985 (with amendments, as adopted in 2006). The UNCITRAL Model law has not yet, however, been implemented into Finnish Law. The Finland Chamber of Commerce is discussing amendments with the Ministry of Justice regarding the need to make the Act fully consistent with the Model Law.

[Finland's Act on Mediation in Civil Disputes and Certification of Settlements by Courts](#) (394/2011) aims to facilitate alternative dispute resolution and promote amicable settlements by encouraging mediation, and applies to settlements concluded in other EU member states. In June 2016, the Finland Chamber of Commerce launched its Mediation Rules under which FAI, the [Institute of the Finland Chamber of Commerce](#), will administer mediations.

Any dispute in a civil or commercial matter, international or domestic, which can be settled by agreement may be referred to arbitration. Arbitration is frequently used to settle commercial disputes and is usually faster than court proceedings. An arbitral award is final and binding. FAI promotes the settlement of disputes through arbitration, commonly using the [“FAI Rules”](#). In 2014, a [Guide to the Finnish Arbitration FAI Rules](#) was published. The Institute appoints arbitrators both to domestic and international arbitration proceedings, and administers domestic and international arbitrations governed by its rules. It also appoints arbitrators in ad hoc cases when the arbitration agreement so provides, and acts as appointing

authority under the UNCITRAL Arbitration Rules. The [Finnish Arbitration Act \(967/1992\)](#) states that foreign nationals can act as arbitrators.

Finland signed the Mauritius Convention on Transparency/UN Convention on Transparency in Treaty-based Investor-State Arbitration on March 17, 2015. Under the new rules, all documents and hearings are open to the public, interested parties may deliver statements, and protection for confidential information was strengthened.

Bankruptcy Regulations

[The Bankruptcy Act](#) includes provisions on the prerequisites for initiating bankruptcy, bankruptcy proceedings, claims in bankruptcy, administration and the management and sales of assets. Companies bankrupt elsewhere may file for bankruptcy in Finland if they have Finnish assets. Finland has consistently applied its commercial and bankruptcy laws, with secured interests in property recognized and enforced.

[The Reorganization of Enterprises Act \(1993/47\)](#), establishes a legal framework for reorganization with the aim to provide an alternative to bankruptcy proceedings. The Act excludes credit and insurance institutions and certain other financial institutions. Recognition of restructuring or insolvency processes initiated outside of the EU requires an exequatur from a Finnish court.

[The bankruptcy ombudsman](#), supervises the administration of bankruptcy estates in Finland. [The Act on the Supervision of the Administration of Bankruptcy Estates](#) dictates related Finnish law.

Finland can be considered creditor-friendly; enforcement of liabilities through bankruptcy proceedings as well as execution outside bankruptcy proceedings are both effective. Bankruptcy proceedings are creditor-driven, with no formal powers granted to the debtor and its shareholders. The rights of a secured creditor are also

quite extensive. According to the 2017 [World Bank's Doing Business Report](#), Finland ranks first out of 190 for the ease of resolving insolvency.

Industrial Policies

Investment Incentives

Foreign-owned companies are eligible for government incentives on an equal footing with Finnish-owned companies. Support is given in the form of grants, loans, tax benefits, equity participation, guarantees, and employee training. Business aid is coordinated by [15 Centers for Economic Development, Transport, and the Environment \(ELY\)](#) that provide advisory, training, and expert services as well as grant funding for investment and development projects.

A company can use guarantees from the state-owned financing company [Finnvera](#). Finnvera also offers services to businesses in most sectors, and is also [Finland's official Export Credit Agency \(ECA\)](#). [The Finnish Funding Agency for Technology and Innovation \(Tekes\)](#) can finance R&D projects undertaken by foreign-owned companies registered in Finland. Support for innovative business ventures can also be obtained from the [Foundation for Finnish Inventions](#) (in Finnish).

Foreign Trade Zones/Free Ports/Trade Facilitation

The free zone area regulations have been harmonized in the EU by the Community Customs Code. The European Union Customs Code UCC, its Delegated Act and Implementing Act entered into force on May 1, 2016, and will be implemented gradually; the free zone of control type II was abolished and the operator authorizations were changed into customs warehouse authorizations on Customs' initiative. The Code also allows the processing of non-Union goods without import duties and other charges.

Performance and Data Localization Requirements

There are no performance requirements or commitments imposed on foreign investment in Finland. However, to conduct business in Finland, some residency requirements must be met. [The Limited Liability Companies \(LLC\) Act of Finland](#)
[A LLC must be reported for registration](#) within three months from the signing of the memorandum of association. There is no forced localization policy for foreign investments in Finland.

Finland participates actively in the development of the EU's Digital Single Market, and outside of privacy issues encourages a light regulatory approach in this area. Data transfers from Finland to non-EU countries must abide by EU Data Protection Directive 95/46/EC, which will be replaced by the General Data Protection Regulation in 2018. Personal data may be transferred across borders per the Finnish Personal Data Act (PDA), which states that personal data may be transferred outside the European Union or the European Economic Area only if the country in question guarantees an adequate level of data protection. [Office of the Data Protection Ombudsman legislation](#).

Protection of Property Rights

Real Property

The Finnish legal system protects property rights, and secured interest in property, both movable and real, is recognized and enforced. Finland ranked first of 128 countries in the Property Rights Alliance 2016 International Property Rights Index (IPRI) that concentrates on the Legal and Political Environment, Physical Property Rights, and Intellectual Property Rights (IPR).

Mortgages exist in Finland, and can be applied to both owned and rented real estate. Mortgage banks play a minor role as deposit banks have traditionally handled housing loans in Finland. Finland ranks 20th out of 190 countries in the ease of

Registering Property according to the World Bank's 2017 Doing Business Report. In Finland, real property formation, mutation, land consolidation, cadastral mapping, registration of real properties, ownership and legal rights, real property valuation, and taxation are all combined within one basic cadastral system (real estate register) maintained by the [National Land Survey](#).

Intellectual Property Rights

The Finnish legal system protects IPR, and Finland adheres to numerous related international agreements. Finland is a member of the [World International Property Organization \(WIPO\)](#). [Finland's national IPR strategy](#). Finland is not on USTR's 2016 Out-of-Cycle Special 301 Report.

The [Finnish Copyright Act](#)

[A set of guidelines applicable for international use](#), was published in 2016.

Trademark applicants or proprietors not domiciled in Finland are required to have a representative resident in the European Economic Area.

Patent rights are consistent with international standards, and a granted patent is valid for 20 years. The regulatory framework regarding process patents filed before 1995, and pending in 1996, denies adequate protection to many of the top-selling U.S. pharmaceutical products currently on the Finnish market. Given that the term for such patents is set to expire shortly, Finland, which was placed on the 301 Watch List in 2009, was removed from the list in 2015. U.S. industry continues to identify concerns in several EU Member States, including Finland, with respect to transparency and the opportunity to engage in policies related to pricing and reimbursement. This reportedly creates uncertainty and adversely impacts market access and incentives for further innovation. [The 2016 Special 301 report](#)

The protection of trade secrets has been ensured mainly by way of criminal legislation and proceedings, but also under the [Unfair Business Practices Act](#) subject to the jurisdiction of the Market Court. The government plans to hand a bill

implementing the EU Directive on the protection of undisclosed know-how and business information (2016/943) to Parliament in spring 2018. The 2015 [International Association for the Protection of Intellectual Property \(AIPPI\) group report](#) on Finnish legal protection of trade secrets.

Finnish customs officers have ex officio authority to seize and destroy counterfeit goods. IPR enforcement in Finland is based on EU regulation (EU) 608/2013. Finnish authorities seized 93,000 counterfeit goods items with a value of 698,392 USD in 2015, according to Finnish Customs statistics.

The link to [WIPO's list of IPR legislation](#). For additional information about treaty obligations and points of contact at local IP offices, please see [WIPO's country profiles here](#).

Financial Sector

Capital Markets and Portfolio Investment

Finland is open to foreign portfolio investment and has an effective regulatory system. According to the Bank of Finland, in January 2017 Finland had EUR 9.9 billion worth of official reserve assets, mainly in foreign currency reserves and securities. Credit is allocated on market terms and is made available to foreign investors in a non-discriminatory manner, and private sector companies have access to a variety of credit instruments. Legal, regulatory, and accounting systems are transparent and consistent with international norms.

The Helsinki Stock Exchange has since 2003 been part of OMX, referred to as NASDAQ OMX Helsinki (OMXH). NASDAQ OMX Helsinki is part of the NASDAQ OMX Nordic division, together with the stock exchanges in Stockholm, Copenhagen, Reykjavik, Tallinn, Riga, and Vilnius.

Finland accepts the obligations under IMF Article VIII, Sections 2(a), 3, and 4 of the Fund's Articles of Agreement. It maintains an exchange system free of restrictions

on payments and transfers for current international transactions, except for those measures imposed for security reasons in accordance with Regulations of the Council of the European Union.

Money and Banking System

[Banking is open to foreign competition](#). At the end of 2015, there were 281 credit institutions operating in Finland and total assets of the domestic banking groups and branches of foreign banks operating in Finland amounted to 526 billion USD.

Foreign nationals can in principle open bank accounts in the same manner as Finns. However, banks must identify customers and this may prove more difficult for foreign nationals. In addition to personal and address data, the bank often needs to know the person's identifier code (i.e. social security number), and a number of banks require a work permit, a certificate of studies, or a letter of recommendation from a trustworthy bank, and details regarding the nature of transactions to be made with the account. All authorized deposit-taking banks are members of the Deposit Guarantee Fund, which guarantees customers' deposits to a maximum of EUR 100,000 per depositor.

Obtained capital and accumulated profit strengthened the banking sector's capital adequacy in 2015. At the end of the year, the capital adequacy ratio was a healthy 21%. Measured in Core Tier 1 Capital, the ratio was 21%. Return on equity (ROE) improved slightly to 9.3% (8.2% in 2014), and the cost ratio (costs divided by profits) also improved, reaching 51% in 2015. Standard & Poor's announced in September 2016 that it was retaining Finland's AA+ credit rating, while Fitch kept Finland's credit rating at AA+ in February 2017. Moody's lowered its triple-A rating to Aa1 in June 2016, keeping it there in January 2017.

Foreign Exchange and Remittances

Foreign Exchange

Finland adopted the Euro as its official currency in January 1999. Finland maintains an exchange system free of restrictions on the making of payments and transfers for international transactions, except for those measures imposed for security reasons.

Remittance Policies

There are no legal obstacles to direct foreign investment in Finnish securities or exchange controls regarding payments into and out of Finland. Banks must identify their customers and report suspected cases of money laundering or the financing of terrorism. Banks and credit institutions must also report single payments or transfers of EUR 15,000 or more. If the origin of funds is suspect, banks must immediately inform the National Bureau of Investigation. There are no restrictions on current transfers or repatriation of profits. Residents and non-residents may hold foreign exchange accounts. There is no limit on dividend distributions as long as they correspond to a company's official earnings records.

Travelers carrying more than EUR 10,000 must make a declaration upon entering or leaving the EU. As a Financial Action Task Force (FATF) member, Finland observes most of FATF's 49 standards. FATF has praised Finland for improving its anti-money laundering legal framework: http://www.fatf-gafi.org/media/fatf/documents/reports/mer/Finland_FUR_2013.pdf.

Sovereign Wealth Funds

Although it is not explicitly a sovereign wealth fund, state-owned Solidium's mission is to strengthen and stabilize Finnish ownership in nationally important companies and increase the long-term value of State holdings. Solidium is a minority owner in twelve listed companies; the market value of Solidium's equity holdings is approximately EUR 8.1 billion (March 2017).

State-Owned Enterprises

State Owned Enterprises (SOEs) in Finland are active in chemicals, petrochemicals, plastics and composites; energy and mining; environmental technologies; food processing and packaging; industrial equipment and supplies; marine technology; media and entertainment; metal manufacturing and products; services; and travel. [The Ownership Steering Act](#) (1368/2007) regulates the administration of state-owned companies. In general, SOEs are open to competition except where they have a monopoly position, namely in alcohol retail (Alko) and gambling. The Ownership Steering Department in the Prime Minister's Office has ownership steering responsibility for Finnish SOEs, and is responsible for Solidium.

The GOF, directly or through Solidium, is a significant owner in 15 companies listed on the [Helsinki stock exchange](#) (Elisa, Kemira, Metso, Outokumpu, Outotec, Sampo, SSAB, Stora Enso, Talvivaara Mining Company, TeliaSonera, Tieto, and Valmet). The market value of State shareholdings was approximately EUR 19.2 billion as of March 2017. As of March 2016, the [GOF](#) has majority ownership of shares in three listed companies (Finnair, Fortum, and Neste) and also owns shares in 35 commercial companies (March 2017).

A May 2016 government resolution seeks to establish a Business Development Company, Vake, but a final decision had not been taken as of March 2017. Initially, holdings to be transferred to Vake include Altia Plc, Arctia Ltd (government interests exceeding 50.1% of the share capital), Ekokem Oy, Kemijoki Oy, Neste Corporation (interests exceeding 33.4%), Nordic Morning Plc, Posti Group Corporation (interests exceeding 50.1%), Raskone Ltd and Vapo Oy (interests exceeding 33.4%). The Government also proposed to lower the limit for retaining a strategic interest to 33.4%.

The government proposed the establishment of a Parliamentary Advisory Council in the Prime Minister's Office and to change State ownership as follows: Gasum Corporation (0% to 50.1%), Fingrid Oyj (0% to 50.1%), Vapo Oy (50.1% to 33.4%),

Arctia Ltd (100% to 50.1%), Neste Corporation (50.1% to 33.4%), Posti Group Corporation (100% to 50.1%) and Kemijoki Oy (50.1% to 0%). The government further proposed to transfer to the Prime Minister's Office the steering of the following: Finavia Plc (previously Ministry of Transport and Communication), Finnpiilot Pilotage Ltd (previously Ministry of Transport and Communication) and Finnish Aviation Academy Ltd (previously Ministry of Education and Culture). Finrail Oy would be reassigned from the Prime Minister's office to the Ministry of Transport and Communications.

Finland opened domestic rail freight to competition in early 2007, and in July 2016, Fenniarail Oy, the first private rail operator on the Finnish market, began operations. Cross-border transportation between Finland and Russia was opened to competition in December 2016. Trains to and from Russia can be operated by any railroad with permission to operate in the EU. This was earlier Finnish State Railways' (VR) exclusive domain.

Fenniarail Oy has an agreement with VR regarding information exchange between authorities in Finland and Russia, approvals of rail wagons on the Finnish rail network and the safety of rail wagons. The agreement was signed in January 2017 for an initial trial period. The Finnish Ministry of Transport and Communications and VR have negotiated a rail traffic service purchase agreement covering long-distance services as well as commuter services outside the Helsinki Region. The agreement is valid until December 31, 2019, and affords the VR Group exclusive rights for passenger rail services.

Privatization Program

Parliament makes all decisions identifying the companies in which the State may relinquish sole ownership (100% of the votes) or control (minimum of 50.1% of the votes), while the Government decides on the actual sale. The State has privatized companies by selling shares to Finnish and foreign institutional investors, through both public offerings and directly to employees.

Sales of direct holdings of the State totaled EUR 152 million from 2010 to 2015. Solidium's share sales totaled some EUR 3.5 billion over the same period. Proceeds are primarily used for repayment of central government debt, with a smaller proportion to strengthen the economy and promote growth. In March 2014, members of the government and the opposition agreed to sell EUR 1.9 billion worth of shares in SOEs.

Responsible Business Conduct

[The Securities Market Association](#), developed and updated (2015) [the Finnish Corporate Governance Code](#) for companies listed on the [Helsinki Stock Exchange](#). [The Corporate Responsibility Network \(FiBS\)](#) is the leading corporate responsibility network in Finland and has around 292 members. [The Human Rights Center \(HRC\)](#), administratively linked to the Office of the Parliamentary Ombudsman, encourages foreign and local enterprises to follow the most important international norms. Finland has joined the Extractive Industries Transparency Initiative (EITI), which supports improved governance in resource-rich countries.

Labor and environmental laws and regulations are not waived to attract or retain investments and the Government published a guide on socially responsible public procurement in November 2013: [Socially responsible public procurement](#).

The Government promotes [Corporate Social Responsibility \(CSR\)](#) through its CSR action plan, but there is no direct legislation and the Finnish government emphasizes voluntary CSR. [Ministry of Employment and the Economy CSR Guides for SMEs](#) and the [ministry's CSR reporting](#).

The government's SOE policy establishes CSR as a core value at SOEs. Finnish companies perceive that the central component of corporate responsibility is compliance with law and regulations. There are no national codes for CR in Finland, and instead Finnish companies and public authorities have promoted global CR

codes, such as the OECD guidelines, UN Global Compact, ILO principles, EMAS, ISO standards and GRI.

The Directive of the European Parliament and the Council on the disclosure of non-financial information has been implemented via amendments to the Finnish Accounting Act, requiring affected organizations make the first report in 2018. The obligation to report non-financial information and corporate responsibility reports will apply to large public interest entities with more than 500 employees. There are 150 Finnish companies that publish annual corporate responsibility reports that were not previously obligated to do so.

Finland is committed to the implementation of the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work, and the tripartite declaration of principles concerning multinational enterprises and social policy by the ILO. The Committee on Corporate Social Responsibility acts as the Finnish National Contact Point (NCP) for the effective implementation of the OECD Guidelines for Multinational Enterprises (MNEs) together with the [Ministry of Economic Affairs and Employment](#).

Corruption

The Internal Security Program of 2016 does not list corruption as a risk in Finland and there is no dedicated national anti-corruption strategy. Over the past decade, Finland has placed first or second on Transparency International's (TI) Corruption Perceptions Index (CPI). In 2016, TI ranked Finland third, saying that Finland still faces issues related to "old-boys' networks" and because of several corruption scandals in 2016. TI recommends an open register of public procurements and an open channel for whistleblowers that would help combat hidden graft. In January 2017, Helsinki announced plans for a new service to anonymously inform authorities about suspected corruption. The Finnish Parliament is currently considering a proposal to reduce corruption in public procurements.

Corruption in Finland is covered by the Criminal Code and sanctions range from fines to imprisonment of up to four years. Both giving and accepting a bribe is considered criminal and Finland has statutory tax rules concerning non-deductibility of bribes. Finland does not have an authority specifically charged to prevent corruption. The Ministry of Justice coordinates anti-corruption matters, but Finland's EU anti-corruption contact is the Ministry of the Interior. The National Bureau of Investigation also follows corruption, while the tax administration has guidelines obliging tax officials to report suspected offences, including foreign bribery, and the [Ministry of Finance has guidelines](#) on hospitality, benefits, and gifts.

[The Act on a Candidate's Election Funding](#) (273/2009) delineates election funding and disclosure rules. The Act requires presidential candidates, Members of Parliament, and Deputy Members to declare total campaign financing, the financial value of each contribution, and donor names for donations exceeding EUR 1,500. [The Act on Political Parties](#) (10/1969) concerning the funding of political parties. [The National Audit Office of Finland](#) keeps a register containing election funding disclosures (available in Finnish and Swedish). Election funding disclosures must be filed with the National Audit Office of Finland within two months of election results being confirmed.

Finland does not regulate lobbying, and there is no requirement for lobbyists to register or report contact with public officials. [The ethical Guidelines of the Finnish Prosecution Service](#) were published in December 2016.

The following are ratified or in force in Finland: The Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime; the Council of Europe Civil Law Convention on Corruption; the Criminal Law Convention on Corruption; the UN Convention against Transnational Organized Crime; and, the UN Anticorruption Convention. Finland is a member of the European Partners against Corruption (EPAC). Finland is a signatory to the OECD Convention on Anti-Bribery,

and a [TI progress report](#) released in August 2015 rated Finland's enforcement as moderate.

In March 2017, the [OECD Working Group on Bribery](#) noted Finland has been active in enforcing its foreign bribery laws. However, all of the cases that progressed to prosecution resulted in acquittal, and the OECD recommended assigning cases to courts or judges with specialized experience and that Finland provide detailed training to law enforcement and the judiciary.

The National Bureau of Investigation is responsible for the investigation of organized and international crimes, including economic crime and corruption, and operates an anti-corruption unit to detect economic offences. The Ministry of Justice has set up a specialist network which meets a few times a year to discuss and exchange information.

Resources to Report Corruption

- *Contact at government agency:*

Markku Ranta-Aho

Head of Financial Crime Division

National Board of Investigation

P.O. Box 285, 01310 Vantaa, Finland

markku.ranta-aho@poliisi.fi

- *Contact at watchdog organization:*

Tommi Niinimäki, Chairperson

Transparency Finland

tommi.niinimaki@transparency.fi

Political and Security Environment

There are no instances of political violence in Finland. More than 30,000 asylum seekers arrived in 2015; Finnish security officials caution that some have links to extremist groups and warn that the surge could prompt anti-immigrant violence. Incidents, however, have so far been isolated, though the September 2016 death of a Finnish citizen after an altercation with the neo-Nazi Nordic Resistance Movement sparked large anti-racism rallies. There have been some subsequent demonstrations calling for a stop to deportations of asylum seekers and counter-protests to these demonstrations in central Helsinki, but they have been rare and relatively small.

The Fund for Peace (FFP) ranked Finland as the most stable country in the world again in 2016 based on political, social, and economic indicators including public services, income distribution, human rights, and the rule of law. According to BMI Research, Finland will remain one of the most politically stable countries globally over the 10-year forecast period (2016-25) because of the well-established and functioning state bureaucracy, effective rule of law, personal freedoms and civil liberties, and some of the world's most progressive gender equality legislation.

Labor Policies and Practices

Finland has a long tradition of trade unions. The country has a unionization rate of 75%, and approximately 90% of employees in Finland participate in the collective bargaining system. Extensive tripartite cooperation between the government, employer's groups, and trade unions characterize the country's labor market system. Any trade union and employers' association may make collective agreements, and the Ministry decides on the validity of the agreement. The Act on Employment Contracts regulates employment relationships regarding working hours, annual leave, and safety conditions, although minimum wages, actual working hours, and working conditions are determined to a large extent through collective agreements instead of parliamentary legislation. Collective bargaining

and collective labor agreements are generally binding. In recent years, local labor market partners have been given more flexibility to enforce the collective agreements.

Finland adheres to most ILO conventions; enforcement of worker rights is effective. Freedom of association and collective bargaining are guaranteed by law, which provides for the right to form and join independent unions, conduct legal strikes, and bargain collectively. The law prohibits anti-union discrimination and any obstruction of these rights. The National Conciliator under the Ministry of Employment and the Economy assists negotiating partners with labor disputes. The arbitration system is based on the Act on Mediation in Labor Disputes and the Labor Court is the highest body for settlement. [The ILO's Finland Country profile](#).

The Ministry of Employment and the Economy is responsible for drafting labor legislation and the Ministry of Social Affairs and Health is responsible for enforcing labor laws and regulations. Finnish authorities adequately enforce contract, wage, and overtime laws. New legislation concerning the hiring of foreign workers in Finland entered into force on June 18, 2016. Its objective is to intensify monitoring and to ensure improved compliance with the terms of employment in Finland. Finland allows the free movement of EU citizen workers. During 2015, there were a total of 163 strikes in Finland, compared to 128 in 2014.

In 2015, Statistics Finland estimated that the working age population would shrink by 75,000 persons by 2030, and by 300,000 without inward migration.

The government reformed social protection and unemployment security to encourage people to accept job offers, shorten unemployment periods, reduce structural unemployment and save public resources. The unemployed are granted a labor market subsidy which, if linked to earnings as is the case for about 60 percent of the unemployed, guarantees moderate income for a period up to 400 working days. Those without jobs after the 400-day period need to demonstrate that they are actively pursuing employment to continue receiving benefits. The period of

eligibility was shortened from 500 days to 400 days starting on January 1, 2017, except for those with a work history shorter than three years (reduced to 300 days), and for those aged over 58 (remains 500 days).

OPIC and Other Investment Insurance Programs

In January 1996, Overseas Private Investment Corporation (OPIC) and [Finnvera](#) (the former Finnish Guarantee Board) signed an agreement to encourage joint U.S.-Finnish private investments in Russia and the Baltic States. Finland has been a member of the Multilateral Investment Guarantee Agency (MIGA) since 1988.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2015	\$232,050	2015	\$231,949	World Bank Data
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	2015	\$1,512	2015	\$1,177	BEA Data
U.S. FDI in partner country (\$M USD, stock positions)	2015	\$8,407	2015	\$9,833	BEA Data
Host country's FDI in the United States (\$M USD, stock positions)	2015	5%	2015	5%	
Total inbound stock of FDI as % host GDP					

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (<i>US Dollars, Millions</i>)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	80,731	100%	Total Outward	92,943	100%
Sweden	40,475	50%	Sweden	31,118	33%
Netherlands	14,593	18%	Netherlands	14,136	15%
Denmark	5,267	6%	Ireland	11,145	12%

Direct Investment from/in Counterpart Economy Data					
Germany	3,664	4%	United States	8,307	8%
United Kingdom	3,417	4%	Belgium	3,237	3%
"0" reflects amounts rounded to +/- USD 500,000.					

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	317	100%	All Countries	162,581	100%	All Countries	54,648	100%
United States	43,631	14%	Ireland	33,233	20%	Germany	21,390	14%
Ireland	36,408	11%	Luxembourg	31,090	19%	Denmark	19,039	12%
Luxembourg	34,386	11%	United States	29,387	18%	France	17,002	11%
Sweden	28,661	9%	Sweden	13,663	8%	Sweden	14,990	10%
Germany	25,673	8%	Cayman Islands	13,212	8%	United States	14,244	9%

Contact for More Information

HelsinkiPolEconAll@state.gov

Trade & Project Financing

Methods of Payment

Finland has a modern banking sector. Where banks have devised services drawing on new technologies, customers have welcomed the new ways of banking and innovative solutions. Finnish banking is different from banking elsewhere in Europe in many ways. In Finland, 94 percent of all adults aged between 18 and 54 pay their payments mainly electronically. Payment transmission between businesses is almost entirely automatic.

In 2014, Finland's inhabitants made an average of 400 non-cash transactions only coming second to the U.S. with 402 non-cash transactions per inhabitant. Payments by cards, direct debits and credit transfers 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, which is created by European banks, the European Central Bank, and the European Commission. It harmonizes the way Europeans make euro payments in 34 countries. Once SEPA has been completed, there will no longer be any distinction between national and cross-border euro payments. To achieve this, a common set of payment instruments was developed, together with common standards, and a legal basis for making payments across Europe fast, efficient and safe.

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 the 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.

Banking Systems

Despite the weak economic situation and the challenging market environment, the Finnish banking sector maintained good results and further strengthened its capital adequacy in 2015. Banks adapted to changes by cutting back on personnel, closing offices, making corporate restructurings and renewing their business models. The sector's operations were influenced by low and even negative market rates, stricter regulation, expanding digitalization and weak development of the national economy. All the while, the entire financial world is going through massive change with the arrival of financial technology, fintech.

In Q3/2016, there were a total of 281 credit institutions 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 1,063 branches in Finland at the end of 2016. 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 Finnish banking system is dominated by three major groups of deposit banks together employing over 16,000 people in banking: OP Group, Nordea Bank Finland, and Danske Bank Plc Group. Operating since 1982, Citibank International plc. was the first foreign branch in Finland.

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 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.

The Federation of Finnish Financial Services (FKL) is a trade body that represents its member companies who engage in the financial services industry in Finland. The Federation was formed at the start of 2007, when the Finnish Bankers' Association, the Federation of Finnish Insurance Companies, the Finnish Finance Houses Association, and the Employers' Association of Finnish Financial Institutions joined forces. The Finnish Association of Securities Dealers also joined the Federation in 2009.

For further information on banks and the Finnish banking system, please see [Federation of Finnish Financial Services](#).

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 current transfers or repatriation of profits. Residents and non-residents may hold foreign exchange accounts. There is no limit on dividend distributions, as long as they correspond to a company's official earnings records. Payments to or from Finland must, however, be made through authorized banks in Finland.

Finland implemented the EU regulation on controls of cash being transported over the EU Border in June 2007. According to this regulation, persons carrying EUR 10,000 or more will be required to declare cash upon entering or leaving EU territory. The regulation only imposes an obligation to declare and does not restrict or prohibit import or export of cash.

US Banks & 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 of 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 the:
Federation of Finnish Financial Services

Itämerenkatu 11–13, 00180 Helsinki Finland

Tel: +358 20 7934 200

Fax: +358 20 7934 202

Email: fk@finanssiala.fi

<http://www.fkl.fi/en/Pages/default.aspx>

Project Financing

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. Development banks, such as the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) often play an important role in co-financing large-scale projects.

Major Finnish government and other programs are detailed below:

Finnfund – The Finnish Fund for Industrial Cooperation: Similar to the U.S. government-sponsored OPIC, Finnfund promotes investments in developing countries, Russia, etc. Apart from co-investing with Finnish companies, it finances ventures that use Finnish technology, cooperate with Finnish partners on a long-term basis or generate major environmental or social benefits. Finnfund 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. Finnfund is owned by the State of Finland, Finnvera, and Confederation of Finnish Industries.

NIB – Nordic Investment Bank: The Nordic Investment Bank (NIB) is a multilateral financial institution headquartered in Helsinki. NIB promotes sustainable growth of its eight-member countries (Finland, Sweden, Norway, Denmark, Iceland, Estonia, Latvia, and Lithuania) by providing long-term complementary financing, based on sound banking principles, to projects that strengthen competitiveness and enhance the environment. Loans and guarantees are given to investments that assure energy supply; improve infrastructure or support research and development. NIB finances investment projects and project exports, both in and outside the member countries. The bank has lending operations both in its member countries and in emerging markets. High priority is given to investments furthering economic cooperation between the member countries.

Finnvera plc. – A specialized financing company owned by the State of Finland, Finnvera plc. 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.

Finnish Export Credit Ltd (FEC) – FEC is an internationally notified official Export Credit Agency and a wholly owned subsidiary of Finnvera plc. FEC administers on behalf of the Finnish Government the interest equalization scheme for officially supported export credits and domestic ship financing at CIRRs (Commercial Interest

Reference Rate) in accordance with the OECD Arrangement. FEC also provides export credits when a withholding tax benefit can be achieved.

Sitra and Tekes: Sitra (the Finnish National Fund for Research and Development) and Tekes (the Finnish Funding Agency for Technology and Development) are independent public financing institutions with the purpose of strengthening the role of research in economic life and promoting new products. The aim is to introduce internationally competitive high-technology products and production methods. Sitra's focus is to make its new venture-capital investments in selected program areas. The aim of the market-based investments is to create and develop competitive, profitable, and sustainable businesses.

Tekes funds industrial projects as well as project in research organizations, and especially promotes innovative, risk-intensive projects. Tekes offers partners from abroad a gateway to the key technology players in Finland. Activities should diversify production structures, increase production and exports, and create a foundation for employment and well-being.

Tekes and Finpro, a provider of internationalization advisory services, will be merged into a new operator carrying the working title Business Finland. Business Finland will gather all services related to the promotion of innovation funding, exports, investments and tourism under one roof. The objective is that Business Finland will begin its operations at the beginning of 2018.

Ministry of Employment and the Economy: As of January 1, 2010, the former Employment and Economic Development Centers (T&E Centers) were substituted by new regional Centers for Economic Development, Transport and the Environment (ELY Centers). The tasks of the centers comprise those of the former Employment and Economic Centers, Road Districts, Regional Environmental Centers and State Provincial Offices. The newly formed centers operate in close collaboration with the Regional Councils and promote entrepreneurship, functioning of labor market, competence and cultural activities.

Financing Web Resources

[Federation of Finnish Financial Services](#)

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 an ancient one and does not retain the same validity as it used to, certainly not with the younger generations. Finns consider verbal agreements and promises binding.

Businessmen and persons in public office 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 equality between the sexes in Finland, as can be seen in the relatively high number of women holding advanced positions in politics and other areas of society.

For further information please see [This is Finland, a Guide to Finnish Customs and Manners.](#)

Travel Advisory

Finland is a party to the Schengen Agreement. Your passport should be valid for at least three months beyond your stay. You may enter Finland as a tourist for up to 90 days without a visa.

For more information please see [U.S. Department of State Consular Information Sheet – Finland](#).

Visa Requirements

Finland is a party to 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. Visa applications should be submitted to a Finnish diplomatic mission before entry into Finland.

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 should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

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

[State Department Travel Website](#)

[U.S. Embassy Helsinki, Finland Consular Section website](#)

Currency

Since 2002, Finland has used the Euro as its official currency. Note that the 1 and 2 cent coins are not in use. When paying in cash the sum is rounded to the closest 5 cent value. The most common credit cards used in Finland are Visa, MasterCard, Diners and American Express. Payment cards in Finland have embedded chips and PIN codes to improve security. Finns generally don't use checks. A good network of ATMs exists in all inhabited areas throughout Finland.

Telecommunications/Electric

Finland's telecommunications environment is one of the most advanced in Europe. In 2016, 88 percent of Finns aged 16–89 used internet. Reasonably priced and faultlessly functional broadband access is guaranteed by law to every person in the country, no matter how secluded. 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 U.S. as there are two different types of plug sockets used in Finland, types F and C. Finland's telephone country code is +358.

Voice communication services have largely moved to mobile networks in Finland. Today, broadband connections for data services have widely replaced fixed telephone network based dial up connections. At the same time, the number of fixed telephone network subscriptions is diminishing. The popularity of mobile broadband is growing rapidly and in 2014, it was 57 percent of the total broadband connections, and in 2013 it was 44 percent.

For information on telecommunications in Finland, please visit [Statistics Finland](#) or [Finnish Communications Regulatory Authority](#).

Transportation

Seasonal direct flights are available to Helsinki-Vantaa airport from Chicago, Miami and San Francisco and year-round from New York City. Within the country 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 an underground. Taxis are regulated by the government in terms of metered fares. Long distance public transport, operated by buses and trains, in Finland 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 where the railway network doesn't extend to.

Language

The two official languages in Finland are Finnish and Swedish. About 89.3 percent of the population speaks Finnish and 5.3 percent Swedish as their native language. Both languages are compulsory at schools for now. English is widely spoken in Finland, especially among younger people and in major cities.

Health

Medical facilities are widely available. The public hospital system will not honor foreign credit cards and/or U.S. insurance coverage. However, private hospitals and clinics that accept major credit cards are widely available. Travelers have found that, in some cases, a letter from their carrier describing supplemental medical insurance with specific overseas coverage has proved useful.

A foreigner is usually covered by the Finnish social security after permanently moving to Finland, with health care as one of the benefits. The Social Insurance Institute of Finland (Kela) determines whether a move to Finland is permanent or not, and can be considered on the basis of the person's employment contract. Persons moving to Finland on a permanent basis must apply for coverage under the

Finnish social security system via Kela's online service or by filing a form. Services are provided within each municipality. The quality of public health care is equivalent to care given by private doctors. In addition, the employers subsidize occupational health care.

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 savings 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 08.00 AM to 04.00 PM. The average Finnish workweek is 40 hours per week with 8 hour work days. Terms and conditions such as overtime, working hours, vacations, sick-leave and minimum wage are in accordance with the applicable collective agreement. In 2015 part-time employment averaged to 19.5 hours per week.

The national holidays in 2017 are:

January 1	New Year's Day
January 6	Epiphany
April 14	Good Friday
April 17	Easter Monday
May 1	May Day
May 25	Ascension Day
June 23-24	Mid-Summer
November 4	All Saint's Day
December 6	Independence Day
December 24	Christmas Eve
December 25-26	Christmas

Temporary Entry of Materials or Personal Belongings

Please see the chapter for Customs, Regulations and Standards – Temporary entry

Travel Related Web Resources

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

[Finnish Immigration Service Website](#)

[Ministry for Foreign Affairs of Finland](#)

[Finnish Police](#)

[Finnish Transport Agency](#)

[Statistics Finland](#)

[Finnish Communications Regulatory Authority](#)

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

[State Department Travel Website](#)

[U.S. Embassy Helsinki, Finland Consular Section website](#)

[This is Finland, a Guide to Finnish Customs and Manners](#)