



Doing Business in Finland:

2014 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Finland

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Market Overview

Although well underway, “the 21st Century Finland” is still exciting. This is a time of astonishingly rapid change and a world of new and different challenges. With immediate consequences, the actions by pro-Russia separatists in the Ukraine and Russia’s subsequent actions have chilled Russia-focused commerce. Business continues, albeit with increased caution.

Influenced by intricate geopolitical, geophysical and economic connections, the “New North” continues to benefit from climate change through a unique combination of sea, air and rail transport oriented towards growing prosperity in the East. Finland, with its evolving and buzzing entrepreneurship scene presents a set of unrivalled new business opportunities. In many ways, Finland is the epicentre of this “New North” – a unique intersection of geography, infrastructure, education, good governance, and business environment.

Finland, an EU member since 1995, has redefined itself from a quiet agricultural based economy to a trend setting, global center for technology. Its commercial clout is far in excess of its modest population of 5.4 million. Finland routinely ranks at the very top in international surveys of research and development funding, competitiveness, transparency, literacy, and education.

Helsinki, a pocket-sized green maritime metropolis, is a mere 3.5 hours from St. Petersburg via high speed train. In Finland, nature reigns supreme and it is no surprise that Helsinki was the site of the first LEED-certified building in the Nordics. Finland, along with all its Nordic neighbors, have a focused interest in high-performance buildings that are energy and resource efficient driven by intelligent building products, services and technologies.

Contrary to popular misconception, Finland is not a part of Scandinavia. It shares with Russia a 900-mile long border, the longest contiguous land border in the EU. Slightly less than 40 percent of the EU’s overland transshipments into Russia go through Finland underscoring Finland’s role as a regional business hub complemented by its logistical capabilities. Russia is Finland’s largest trading partner and a variety of Finnish companies are successful in Russia, a challenging marketplace. We believe that there are opportunities for certain U.S. companies to exploit this existing business by providing U.S. goods via the Finnish corridor. Finland is capitalizing upon its unique position as the center of a rapidly developing marketplace formed by northwestern Russia, the

Scandinavian countries, and the Baltic States, creating a marketplace with more than 80 million prospective consumers.

Two-way trade between the U.S. and Finland was about \$7 billion in 2013, chiefly in the electronics, paper, medical equipment, and telecommunications industries. The U.S. remains an important trading partner for Finland outside of Europe. Finnish imports of U.S. goods and services in 2013 were valued at around \$2.4 billion. The U.S. was Finland's fourth largest customer after Sweden, Germany, and Russia, with Finnish exports of goods and services to the United States valued at about \$4.7 billion.

Finland is the only Nordic country to replace its national currency, the Finnish mark, with the euro. Finland has a largely homogeneous population. There are about 6,500 American residents in Finland and 179,000 visited the country in 2013. The immigration rate from the U.S. to Finland has been steadily increasing and since 2005, has been consistent between 300 to 350 people every year. The GDP per capita estimate was \$48,361 in 2013.

Market Challenges

Finland's import climate is open and receptive to U.S. products and investments. While the domestic market is small, Finland can effectively serve as a base for business operations in the Nordic, Baltic, and/or Western Russian markets. There is one specific trade barrier that starkly contrasts with an otherwise remarkable transparent and predictable business environment; the Finnish government approved pharmaceutical reference pricing system.

Market Opportunities

- There are several opportunities driven by the new relationship with energy; Finland introduced its latest national long-term climate and energy strategy in 2013. Cleantech sector growth has been driven by smaller firms operating in the areas of new materials, smart grids, recycling, and measurement technologies. New cleantech areas to watch now include electric vehicle components and processes for EV manufacturing.
- Finland has been involved in the development of low-energy and eco-efficient construction alternatives since the late 1980s. Driven by a continuous challenge to decrease the energy use of the building stock, the Finnish building industry is committing to energy efficient and intelligent building products, services and technologies.
- Opportunities in the built-environment for energy efficient, high-performance building products sector are not limited to Finland. Europe, with its vast aging buildings is an exceptional opportunity. Embassy Helsinki hosts the League of Green Embassies, a unique vehicle to promote U.S. high-performance building products.
- The development of renewable energy in Finland is expected to offer opportunities for U.S. companies with innovative renewable energy technologies, processes, and equipment.
- Finland has expertise in developing computer software products and is looking for U.S. partners that can provide financial and other resources.

- Finnish healthcare remains interested in state-of-the-art medical equipment and HealthIT.
- Finland-Russia border trade, over 30% of all goods in transit to Russia pass through Finland. Consumers in Russia remain interested in discretionary luxury goods.
- Finland's key regional logistics role will be enhanced by Rail Baltica, one of the priority projects of the European Union Trans-European Transport network. The project will link Finland, the Baltic States and Poland and improve the connection between Central and Eastern Europe and Germany. The plan is for a continuous rail link from Tallinn, Estonia, to Warsaw, Poland via Riga, Latvia and Kaunas, Lithuania. The Helsinki to Tallinn portion will be operated by existing commercial ferries.

Market Entry Strategy

Finnish businesspeople and consumers are sophisticated and conscious of quality and value. Prices in Finland, as well as throughout the Nordics, are high. Flexibility in consumer behavior and Finland's distribution channels allow for a variety of market entry strategies. Representatives and distributors are common methods employed for initial market entry.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/3238.htm>

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Using an Agent or Distributor

One exclusive agent/distributor is usually appointed to cover commercial activities throughout Finland, mainly due to the relatively small size of the country's market. Finnish importers often represent many different product lines. 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.

Contacting local trade associations for a list of importers is a good way of finding a distributor in Finland. Finnish importers attend major trade fairs in Europe and in the United States in order to find new products and ideas, but also to find new representation. The Commercial Section of the U.S. Embassy also assists in finding agents/distributors for U.S. exporters through an International Partner Search (IPS), a matching Gold Key Service (GKS), or other networking activity.

Establishing an Office

Please visit http://www.investinfinland.fi/services/setting-up-a-business/en_GB/setting-up-a-business/ and <https://www.yrityssuomi.fi/home> for information on establishing an office in Finland.

Franchising

The Finnish franchising market is estimated to be over \$6 billion with close to 300 franchising systems operating over 7,000 units around the country. Characteristic for the Finnish franchising market is the local origin of concepts, only one-quarter of the franchising systems are foreign-owned.

There are no specific statutes regulating franchises, but as with distribution agreements, a number of statutes affect franchise operations directly.

For more information on franchising, see Chapter 4: Leading Sectors for U.S. Export and Investment.

Direct Marketing

Direct Mail (including telemarketing, mobile marketing and brochures) comprised 22.4 percent of the total marketing communication investments in 2012, which was a 2 percent decrease from the previous year. The total amount of direct marketing was \$975.2 million, which was a 2 percent decrease from the preceding year. The share of Unaddressed Bulk Mail increased by 7.2 percent to about \$250 million while Addressed Delivery decreased by 4 percent to \$332.8 million.

Direct marketing campaigns are becoming more diversified and the size of consignments is becoming smaller. Advertising is being more precisely segmented and special media is used to reach new target groups. The use of electronic messaging for marketing purposes is also growing briskly. 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

It is notable that especially mobile direct marketing experienced strong growth in 2012. It remains a modest part of overall direct marketing investments but saw a growth of as much as 69 percent, with investments of \$17 million compared to a little over \$10 million in 2011. This is likely explained by the strong growth of mobile platforms 2011-2012. Growth was also experienced in email marketing with a growth of 16 percent, while investments in both telemarketing and brochures and catalogues saw a decline of 5.3 percent and 19 percent respectively.

Joint Ventures/Licensing

Joint ventures serve as an option for setting up a business in Finland. Issues that need to be addressed include possible tax implications, local legal systems, accounting principles, special permits and registration procedures. Invest in Finland Bureau, a government agency promoting foreign investments to Finland is a good source of

providing information and services on market entry strategies, including joint ventures and licensing.

Several U.S. companies have established themselves in the Finnish market with subsidiaries or joint ventures, with an interest in access to Finnish-Russian joint ventures. Due to its physical proximity and Finland's network of railroad and air connections, there are many strong selling features regarding access to Russia. In addition to unique access, Finland possesses profound expertise about the Russian market.

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.

Selling to the Government

The annual total amount of public procurement is estimated at around \$46 (€35) billion, approximately 19 percent of Finland's GDP. Services account for the largest group of procurement.

Finnish procurement agencies follow the procurement procedures of the EU and the World Trade Organization (WTO). The EU rules of procurement and the WTO's GPA agreement only apply to procurements above the threshold value. National legislation 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 more information on Government tenders, please see Ministry of Employment and the Economy (<http://www.tem.fi>), Public Procurement Advisory Unit (<http://www.hankinnat.fi>), and TED - Tenders Electronic Daily: (<http://ted.europa.eu>)

Distribution and Sales Channels

Distribution channels in Finland are similar to those in the United States. Goods may be sold through an agent, distributor, established wholesaler, or selling directly to retail organizations. Most of the larger importers, wholesalers, and trading houses are members of the Federation of Finnish Commerce (www.kauppa.fi), 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 (www.agentiliitto.fi) 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.

Selling Factors/Techniques

Selling factors and techniques are very similar in Finland to those in the United States. Terms generally applied to international trade with industrialized countries apply to selling in Finland. When selling to the Finnish market, it is recommended that you appoint a local agent/distributor that has a sales network covering the whole of Finland. In general, only one local distributor is needed to cover the whole country, as Finland's market is small; but, because distances are long, a distributor with a countrywide distribution network is desirable. Consumer goods and similar merchandise requiring maintenance of stock are often imported through wholesalers or trading houses. These products can also be sold directly to retail chains, department stores, and other retail outlets. U.S. suppliers should provide the local distributor with English language product literature and export prices. Strong marketing efforts, including product promotion are very important to introduce new products into the Finnish market.

Electronic Commerce

Results show that online shopping is growing much faster than the retail trade as a whole. Finland's geophysical location offers also regional e-commerce business opportunities, especially with Russian customers. The total value of online purchases, including goods and services by Finnish consumers in 2013 was \$14 (€10.5) billion, including taxes and delivery charges. This represents a nine percent increase from the previous year and almost 20 percent in three years.

In the beginning of 2010, a nationwide e-commerce statistics collection was launched. The driving forces behind this extensive research were The Federation of Finnish Commerce, The Finnish Direct Marketing Association (Finnish DMA) and TNS Gallup.

In July 2003, the EU started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of Directive 2008/8/EC

Key Link: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

Trade Promotion and Advertising

General Legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this imperfection in the Internal Market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997, to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by

reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member states can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allow for U.S.-style product placement on television and the three-hour/day maximum of advertising will be lifted. However, a 12-minute/hour maximum will remain. Child programming will be subject to a code of conduct that will include a limit of junk food advertising to children.

Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are now considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below.) The Directive, however, will be incorporated into the Consumer Rights Directive by June 2014.

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Links: http://ec.europa.eu/consumers/rights/index_en.htm
http://ec.europa.eu/avpolicy/reg/avms/index_en.htm

Medicine

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission presented a new framework for information to patients on medicines in 2008, which would allow industry to produce non-promotional information about their medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance. The debate on the framework however is currently blocked by member states and therefore, current varying systems as national level are in force.

Key Link:

http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm

Nutrition & Health Claims

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the use of nutrition claims such as “low fat” or “high in vitamin C” and health claims such as “helps lower cholesterol.” The regulation applies to any food or drink product produced for human consumption that is marketed on the EU market. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) will be allowed to carry claims. Nutrition and health claims will only be allowed on food labels if they are included in one of the EU’s positive lists. Food products carrying claims must comply with the provisions of nutritional labeling directive 90/496/EEC and its amended version Directive 1169/2011.

In December 2012, a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content.” A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

Detailed information on the EU’s Nutrition and Health Claims policy can be found on the USEU/FAS website at <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/nutrition-health-claims/> and in the EU-28 “Food and Agricultural Import Regulations and Standards (FAIRS) Report.

Key Link: <http://ec.europa.eu/nuhclaims/>

Food Information to Consumers

In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements will apply from December 13, 2014, except for the mandatory nutrition declaration, which will apply from December 13, 2016.

Detailed information on the EU’s new food labeling rules can be found on the USEU/FAS website at <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/eu-labeling-requirements/> and in the EU-28 “Food and Agricultural Import Regulations and Standards (FAIRS) Report.

Key link: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF>

Food Supplements

[Directive 2002/46/EC](#) harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by member states.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently revised in November 2009. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link:

http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

Tobacco

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many member states. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the TV without Frontiers Directive. A revised Tobacco Products Directive has been adopted and must now be transposed into national legislation by member states by 2016. The new legislation will include bigger, double-sided health pictorial warnings on cigarette packages and possibility for plain packaging along with health warnings, tracking systems.

Key link: <http://ec.europa.eu/health/tobacco/products/>

Local Fair Authorities:

The Finnish Fair Corporation/Helsinki Fair Center, www.finnexpo.fi
Helsinki Fair Ltd./Wanha Satama, www.wanhasatama.com
Jyvaskyla Congress Center Ltd, Jyvaskyla Fair Ltd, and the Keskimaa Group/Jyvaskyla Paviljonki, www.jklfairs.fi
The Turku Fair and Congress Center Ltd., www.turunmessukeskus.fi
Lahti Fair Ltd., www.lahdenmessut.fi
Tampere Trade Fairs Ltd., www.tampereenmessut.fi

Local Newspapers:

Helsingin Sanomat, www.hs.fi
Hufvudstadsbladet (Swedish daily), www.hbl.fi
Aamulehti, www.aamulehti.fi
Iltalehti, www.iltalehti.fi
Iltasanomat, www.iltasanomat.fi
Kaleva, www.kaleva.fi
Keski-suomalainen, www.ksml.fi
Savon Sanomat, www.savonsanomat.fi
Turun Sanomat, www.ts.fi

Business Magazines/Journals:

Kauppalehti (Business daily), www.kauppalehti.fi
Talouselama (Business weekly), www.talouselama.fi
Tekniikka & Talous (Business weekly), www.tekniikkatalous.fi
Tietoviikko TIVI (Business weekly), www.tietoviikko.fi

Radio/TV:

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 Tampere <http://www.radiocity.fi/alueet/tampere>, Radio City Turku, <http://www.radiocity.fi/alueet/turku>, Radio City Jyvaskyla, <http://www.radiocity.fi/alueet/jyvaskyla>, Radio City Oulu, <http://www.radiocity.fi/alueet/oulu>, and Voice, www.voice.fi)
Sanoma Corporation (Radio Helsinki, www.radiohelsinki.fi)
Finnish Broadcasting Company YLE Radio (YLE Radio 1, YLEX, YLE Radio Suomi, YLE Radio Peili, Radio Extrem, Radio Vega), and TV (YLE TV1, TV2, Teema, Swedish Language Television FST5) Center, www.yle.fi
MTV OY (Commercial TV www.mtv3.fi, and SubTV www.sub.fi)
NELONEN (Channel Four Finland, JimTV, LivTV, SportProTV, KinoTV, Radio Rock, Radio Aalto), www.nelonen.fi
WELHO (SW Television OY / Welho), www.welho.fi

U.S. Commercial Service Helsinki services: Business Service Providers (BSP), Featured U.S. Exporters (FUSE), and Single Company Promotion (SCP), www.buyusa.gov/finland/en

Pricing

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. 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.

Finland is an EU member country. Imports from the other EU countries enter Finland duty-free and without customs formalities. The EU also has free trade agreements with a large number of non-EU countries (e.g., countries that belong to the Pan-European Cumulation and the European Free Trade Association, or EFTA). Imports from these countries, with some exceptions, enter Finland duty-free if the products have been manufactured in one of these countries. However, import duties are levied on imports from countries such as the United States, Australia, Japan, and Canada, depending on specific product lines.

Sales Service/Customer Support

As a general rule, one exclusive agent/distributor is appointed to cover the entire country. Finnish importers often represent several different product lines. Importers may serve large customers themselves, while dealers work with smaller customers, often located outside the Helsinki metropolitan area. Dealers are often specialized in supplying a specific industry area. Product training, usually organized and carried out by dealers, is an important aspect. Service points should cover the whole country rather than just one area of the country.

Conscious of the discrepancies among EU member states in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

Product Liability

Under the 1985 Directive on Liability of Defective Products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link:

<http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/>

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties 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.

Key link: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN>

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

Protecting Your Intellectual Property

IPR Climate in Finland

See Investment Climate Statement, Chapter 6.

The Finnish legal system protects property rights, including intellectual property, and Finland adheres to numerous international agreements concerning intellectual property. Finland has joined the most important copyright agreements. For further information, please see <http://www.prh.fi/en/index.html> (National Board of Patents and Registration of Finland Industrial Property Office), and <http://www.minedu.fi/OPM/Tekijaenoikeus/?lang=en> (Ministry of Education and Culture Copyright Office).

Protecting Your Intellectual Property in Finland

Several general principles are important for effective management of intellectual property ("IP") rights in Finland. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Finland than in the U.S. Third, rights must be registered and enforced in Finland under local laws. Your U.S. trademark and patent registrations will not protect you in Finland. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Finnish market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Finland. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Finnish law

http://finland.usembassy.gov/legal_services.html

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken the fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a lawsuit. In no instance should U.S. government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. 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.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Finland or U.S.-based. These 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)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- 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 register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the U.S., contact the U.S. Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Angola, Argentina, Brazil, China, Colombia, Egypt, Ghana, India, Indonesia, Kenya, Mexico, Mozambique, Nigeria, Russia, Saudi Arabia, Senegal, South Africa, Thailand, Turkey and Vietnam. For details and to register, visit: <http://www.stopfakes.gov/business-tools/international-ip-advisory-program>
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- For IPR matters in Finland, contact: International Trade Administration, Office of Intellectual Property Rights, Industry & Analysis, Ms. Bijou Mgbojikwe at bijou.mgbojikwe@trade.gov and Mr. Michael Rogers, Commercial Officer at the US Mission to the EU at Michael.Rogers@trade.gov.

Due Diligence

Dun & Bradstreet Finland Oy and Suomen Asiakastieto Oy offer a variety of business and credit information services. For further information, please contact:

Bisnode D&B Finland Oy
 Kumpulantie 3
 FI-00520 Helsinki
 Finland
 Tel: +358-9-75 11 91 00, fax: -358-9- 502 2940

E-mail: customerservice@bisnode.fi
<http://www.dnb.fi/en/>

It is also possible to contact any Dun & Bradstreet office in the United States.

Suomen Asiakastieto Oy
 Työpajankatu 10 A
 FI-00580 Helsinki
 Finland
 Tel: +358-10-270-7000, fax: +358-10-270-7338
 E-mail: international@asiakastieto.fi
<http://www.asiakastieto.fi/en/>

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory EU legislation prior to exporting.

Local Professional Services

Please contact U.S. Commercial Service Finland at Office.Helsinki@trade.gov for inquiries and contact information.

Web Resources

The Federation of Finnish Commerce, www.kauppa.fi
The Finnish Foreign Trade Agents' Federation www.agenttiliitto.fi
The Finnish Franchising Association: <http://www.franchising.fi>
The Finnish Direct Marketing Association (Finnish DMA): <http://www.asml.fi>
Invest in Finland Bureau: <http://www.investinfinland.fi>
Enterprise Finland: <https://www.yrityssuomi.fi/home>
The Finnish Advertising Council <http://www.mainonnanneuvottelukunta.fi/>

Local government authorities:

Ministry of Employment and the Economy: <http://www.tem.fi>
Public Procurement Advisory Unit: <http://www.hankinnat.fi>
Tenders Electronic Daily: <http://ted.europa.eu/>

U.S. Commercial Service Helsinki services: Business Service Providers (BSP), Featured U.S. Exporters (FUSE), and Single Company Promotion (SCP), www.buyusa.gov/finland/en

Trade Promotion and Advertising (EU):

General Legislation,
http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm
http://ec.europa.eu/avpolicy/reg/avms/index_en.htm

Medicine, http://ec.europa.eu/health/index_en.htm
Nutrition & Health Claims, http://www.efsa.europa.eu/EFSA/efsa_locale-1178620753812_1178620835814.htm

Food Supplements,
http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

Tobacco, http://ec.europa.eu/health/tobacco/policy/index_en.htm

Local Fair Authorities:

The Finnish Fair Corporation/Helsinki Fair Center, www.finnexpo.fi
Helsinki Fair Ltd., www.wanhasatama.com

Jyvaskyla Fair Ltd., www.jklfairs.fi
The Turku Fair and Congress Center Ltd., www.turunmessukeskus.fi
Lahti Fair Ltd., www.lahdenmessut.fi
Tampere Trade Fairs Ltd., www.tampereenmessut.fi

Local Newspapers:

Helsingin Sanomat, www.hs.fi
Hufvudstadsbladet (Swedish daily), www.hbl.fi
Aamulehti, www.aamulehti.fi
Iltalehti, www.iltalehti.fi
Iltasanomat, www.iltasanomat.fi
Kaleva, www.kaleva.fi
Keskisuomalainen, www.ksml.fi
Savon Sanomat, www.savonsanomat.fi
Turun Sanomat, www.ts.fi

Business Magazines/Journals:

Kauppalehti (Business daily), www.kauppalehti.fi
Talouselama (Business weekly), www.talouselama.fi
Tekniikka & Talous (Business weekly), www.tekniikkatalous.fi
Tietoviikko TIVI (Business weekly), www.tietoviikko.fi

Radio/TV:

MTV Media Radio Group (Radio Nova, www.radionova.fi)
SBS Finland Oy (Iskelma-ketju, www.iskelma.fi, Radio City Tampere
<http://www.radiocity.fi/alueet/tampere>, Radio City Turku,
<http://www.radiocity.fi/alueet/turku>, Radio City Jyvaskyla,
<http://www.radiocity.fi/alueet/jyvaskyla>, Radio City Oulu,
<http://www.radiocity.fi/alueet/oulu>, and 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, www.yle.fi
MTV OY (Mtv3 www.mtv.fi, and Sub www.sub.fi)
Nelonen Media (Nelonen, Nelonen Pro, Nelonen Prime, Nelonen Nappula, Nelonen
Maaailma, Jim, Liv, Radio Rock, Radio Aalto, Groove FM, Metro Helsinki, Radio
Suomipop, Loop), www.nelonen.fi
DNA Welho, www.dna.fi

U.S. Commercial Service Helsinki services: Business Service Providers (BSP), Featured
U.S. Exporters (FUSE), and Single Company Promotion (SCP),
www.buyusa.gov/finland/en

Sales Service/Customer Support (EU):

Product Liability, <http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/>

Product Safety, http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service,
http://ec.europa.eu/comm/consumers/cons_int/safe_shop/guarantees/index_en.htm

Protecting Your Intellectual Property (EU):

Copyright, http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

Patents, http://ec.europa.eu/internal_market/indprop/patent/index_en.htm
<http://www.european-patent-office.org>

Trademarks, <http://oami.europa.eu/>, <http://www.wipo.int/madrid/en>

Designs, <http://oami.europa.eu/>

Trademark Exhaustion, http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

IPR in Finland:

National Board of Patents and Registration of Finland Industrial Property Office,
<http://www.prh.fi>

Ministry of Education and Culture Copyright Office, <http://www.minedu.fi>

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- [Computers and Peripherals](#)
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- [Environmental Technologies](#)
- [Franchising](#)
- [Medical Equipment and Healthcare Technologies](#)
- [Safety and Security](#)
- [Telecommunications Services and Equipment](#)
- [Travel and Tourism Services](#)

Agricultural Sectors

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Computers and Peripherals (CPT)

Overview

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Unit: USD thousands

	2010	2011	2012	2013 (estimated)
Total Market Size	1803	1805	1805	1800
Total Local Production	83	80	80	80
Total Exports *	605	600	600	460
Total Imports	2325	2325	2325	1630
Imports from the U.S.	105	105	105	105

Exchange Rate: \$1= €0.75 (year 2013 average)

Sources: Statistics Finland, National Board of Customs.

* Finland acts as a re-exporter of computers and peripherals to Russia.

Note: The table figure “Imports from the U.S.” does not include U.S. computer hardware exported from plants located in the European Union (EU) countries.

Finland’s population of 5.4 million people comprises a highly sophisticated market for computer hardware and software. This is illustrated by the fact that Finland has one of the highest numbers of computers per capita connected to the Internet. Presently, the majority of Finnish homes have computers as well as access to the Internet either at home, at work, or through a local institution, such as a library.

Finland offers one of the world's most sophisticated Information and Communications Technology (ICT) infrastructure and application environments. This environment provides cutting-edge, high efficiency settings for all kinds of businesses. In 2011, the total turnover for ICT-manufacturers in Finland was approximately 31.4 billion USD. The respective shares of telecommunications and software/consulting etc. were 5.1 billion USD and 3.1 billion USD respectively, the rest constituting of ICT hardware manufacturing.

The United States is Finland's leading external source of computers and peripherals. In 2012, computer imports alone were worth approximately 40.5 million USD. There are about 4,200 local computer-related companies in Finland. About 3,700 companies have less than five employees, and the five largest companies cover about 60 percent of the industry sector's sales volume.

The year 2011 saw some growth, with an increase in hardware sales. The consumer interest in tablet PCs and smart phones is expected to reduce the demand for traditional and mini laptops as well as desktops.

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 imported goods. For more information on Finland's ICT markets, please visit http://www.ficora.fi/attachments/68jZSgWFY/Viestintavirasto_vuosi2011_englanti_2706.pdf

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Products on the cutting edge of technology dominate the Finnish hardware market. Modest growth is expected for 2013, as companies increase their ICT investments. Smart phones and tablet PCs are expected to increase in demand.

On the consumer electronics market, HDTV sales continue their growing trend, followed by digital high-tech electronic products. Demand remains high for home-IT equipment. The demand for affordable, light and fast mini laptops is expected to remain high.

Best future prospects are likely to come from innovation and advances in existing technology.

Opportunities

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Please see the Supplement to the European Union Official Journal

<http://ted.europa.eu>.

Web Resources

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Helsinki Fair Center www.messukeskus.com

Ministry of Transport and Communications www.mintc.fi

Finnish Federation for Communications and Teleinformatics www.ficom.fi

Invest-in-Finland - http://www.investinfinland.fi/industries/ict/en_GB/ict/

katie.janhunen@trade.gov (local contact)

Computer software (CSF)

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Note: Official statistics not available.

The software industry is one of Finland's most prominent industry sectors. The industry - along with software entrepreneurship - has grown rapidly since the early 1990s.

The Finnish software industry consists of about 1,100 software companies. The companies are mainly owned by their founders and their family members, with only minor foreign and external ownership. Their business ranges from infrastructure software and data security solutions to various Internet and wireless applications, with strong technology forming the basis for innovative products. An increasing number of Finnish software companies seek to expand their operations to global markets and welcome contacts from U.S. companies.

The United States is the number one supplier of standard, non-customized application software. Competition for new-to-market computer software companies is strong and comes from previously established U.S. companies, such as Microsoft, Novell etc.

Despite the challenging economic situation, Finnish software product companies have been able to adjust to the weakened economic conditions. As companies are rather small, their capacity to modify business operations in the short-term in order to keep the business running is relatively good. As the downturn of the economy makes growth intentions more difficult, it also forces companies to improve their processes and efficiency.

The Finnish software industry is characterized by the following trends:

- Greater degrees of both productivity and internationalization, i.e. from custom software developed for local markets towards mass-market software intended for international distribution.
- In 2012, Finnish software companies placed heavier emphasis on cloud computing platforms over mobile – as many as 47% of all firms included in a national survey said they were utilizing a cloud computing platform at least in some form when developing new software.
- Three operating systems dominated the mobile software subsector in 2012 – The respective market shares were Android for 20%, iOS for 19% and the Windows

Phone for 15%. As expected, the interest in Symbian continued to fall and was at 5%.

- Developing server software and software for the Windows (desktop) operating system were the two most common cases among Finnish software companies in 2011, and apparently also in 2012.
- According to local sources, many students today are interested in software as a service instead of packaged software products, which used to be the norm. There is “huge interest” in software development.
- Finnish software companies have increasingly sought international revenue. In 2012, more than half of Finnish companies had international revenue streams and the trend has been towards international expansion.

More than two out of three Finnish software companies develop and produce traditional ICT software. International software vendors have, however, rapidly increased their shares in the Finnish market. Finland’s most common exporting countries are Sweden, the United States, and Germany.

The software sector has coped relatively well throughout the recession. The (software and IT-services) sector grew by 5.8% in 2012 – the growth was spurred on particularly by small and medium sized software companies. The industry growth outlook for 2013 is conservative but expected to continue the trend of steady increase.

Sub-Sector Best Prospects

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The software market is expected to grow, and growth in the IT spending of companies is expected to offer opportunities for software companies. Quality products in Business Intelligence, offering clear value to the customer, are expected to do well in the market, as are security software, and CRM software. The Finnish market is small, and large companies are few in number - they tend to have established software systems. Therefore, software market 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 provide financial resources.

Opportunities

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Please see the Supplement to the European Union Official Journal <http://ted.europa.eu>. See also www.e-finland.fi (E-business projects).

Due to changes in recent years in Russia and the Baltic countries, Finland serves as an excellent gateway to these emerging markets.

Web Resources

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Helsinki Fair Center – www.messukeskus.com
Ministry of Transport and Communications - www.mintc.fi

Finnish Federation for Communications and Teleinformatics - www.ficom.fi
The Finnish Software Entrepreneurs Association - <http://www.ohjelmistoyrittajat.fi/english>
Software Industry Survey - <http://softwareindustrysurvey.org/index.html>
katie.janhunen@trade.gov (local contact)

Energy (ELP)

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Total Energy Consumption by Energy Source (2013)

Oil	23%
Wood fuels	24%
Nuclear Energy	18%
Coal	11%
Natural Gas	8%
Peat	4%
Hydro and Wind Power	4%
Net Imports of Energy	4%
Others	4%

Total Energy Consumption: 1,341 PJ (2013)

Source: Statistics Finland

Energy Consumption by Sector (2012)

Industry	46%
Space Heating	25%
Transport	16%
Others	12%

Source: Statistics Finland

A Nordic country, Finland shares a long border with Russia. Finland is the world's northern-most industrialized nation and energy consumption per capita is high. In terms of land area, Finland is the seventh largest country in Europe, but has a population of only 5.4 million, mostly concentrated in urban areas. 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 does have biofuels, rich reserves of peat, and extensive wood resources. Also, as indigenous fuel, peat has considerable effect on regional policy. It increases employment and security of the energy supply.

According to Statistics Finland's data, total consumption of energy was 1,341 petajoule (PJ) in 2013. Finland's energy consumption has increased more than 50 percent since the early 1970s. During the same period, industrial output and the total volume of

construction have more than doubled. On an international scale, energy production and usage in Finland are quite efficient, due 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 efficient 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 presently four existing nuclear plants, two in Olkiluoto and two plants in Loviisa. The Loviisa plants were built by Soviet Atomenergoexport but fitted with western instrumentation and control system. They started electricity production in 1977 and 1980. New licenses were granted to Fortum to operate the units until 2027 and 2030 conditional on safety reviews before 2015 and 2023.

Finland's fifth nuclear power plant is currently under construction in Olkiluoto (OL3). OL3 is being implemented on a turnkey basis by the French-German consortium formed by Areva NP and Siemens AG. According to original timetable, OL3 was to start generating electricity at the end of 2009. Areva's OL3 project is now nearly three billion euros over the original price and six years behind the original schedule. A Finnish nuclear power company Teollisuuden Voima Oyj (TVO), expects to have the station ready in 2016.

The Government of Finland is endorsing the applications of two companies for the construction of two new nuclear reactors. Olkiluoto is to be the location of TVO's <http://www.tv.fi/Home> next nuclear reactor as well. Fennovoima, <http://www.fennovoima.fi/en> is a newcomer to the nuclear energy game. Fennovoima decided in 2011 to build its nuclear power plant in Pyhajoki, located in North Ostrobothnia.

If two new reactors will be built, large amounts of electricity will be flowing abroad from Finland, and exports may reach 5 to 9 TWH of electricity. This is up to three-quarters of the annual output of one of the plants. However, by 2030, the capacity available for export will fall because of acceleration in domestic demand and coal-fired condensing power plants closing down. Finland will eliminate coal-fired plants due to stringent environmental regulations no later than 2023.

Finland participates in the energy-related work of the Council of the Baltic Sea States and Barents Council and supports the strengthening of the European Union's (EU's) Northern Dimension in the energy sector. Finland is also active in OECD (Organization for Economic Cooperation and Development), IEA (International Energy Agency), and NEA (Nuclear Energy Agency) energy discussions. Among the UN agencies, the IAEA (International Atomic Energy Agency) and the Sustainable Energy Committee of UNECE (UN Economic Commission for Europe) are important forums for cooperation in the energy field. Finland participates in these forums and also cooperates on energy and environment with several countries outside of Europe (<http://www.tem.fi/index.phtml?l=en&s=415>)

Renewable energy – Please see section Renewable Energy & Energy Efficiency RE&EE below.

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U.S. companies have possibilities to bid as subcontractors in TVO's Olkiluoto and Fennovoima's Pyhajoki nuclear power plant projects, as well as Finland's future nuclear power plant projects.

See also RE&EE sector below on best prospects for U.S. companies.

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Finnish energy companies use open tenders according to 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 equipment technology. Finland's 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 (<http://www.tekes.fi>).

Web Resources

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Finnish Energy Industries www.energia.fi

Invest in Finland Bureau www.investinfinland.fi

Ministry of Employment and Economy, www.tem.fi

Finnish Funding Agency for Technology and Innovation www.tekes.fi

Statistics Finland http://www.stat.fi/index_en.html

http://www.easyfairs.com/events_216/saehkoe-puhtaus-

[ekorakennus2013_35311/saehkoe-2013_35312/exhibitors_35326/welcome_35340/](http://www.easyfairs.com/events_216/saehkoe-puhtaus-)

mia.maki@trade.gov (local contact)

Renewable Energy & Energy Efficiency (RE&EE)

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Renewable Energy

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. The goal for Finland is to increase the share of renewable energy to 38 percent by 2020. EU statistics show that currently 34.3% of energy in Finland comes from renewable resources.

In 2013, 46% of electricity and heat consumption was from renewable sources, a growth of 5% from 2012. 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 slowly renewing biomass

fuel. It has a substantial share, about seven percent, of Finland's energy balance. As indigenous fuel, peat has considerable effect on regional policy.

To implement the national objective for utilization of renewable energy set by the European Union, a new feed-in tariff scheme was established in 2011. The purpose is to promote the production of electricity based on wind power, biogas and wood-based fuel. The feed-in tariff scheme seeks to increase electricity production based on wind power up to six terawatt hours, and electricity and heat production based on forest chips utilized as fuel up to 22 terawatt hours.

In addition, the biofuel distribution obligation will increase from the current four to six percent for 2011-2014, followed by a phased increase to 20 percent by 2020. In 2013, 23% of energy consumption in Finland was from oil.

The production of wind energy currently accounts for only 0.9 percent of Finnish electricity consumption and the combined production capacity of current wind parks is 447 megawatts, double the capacity level of 2012. The goal is to increase the capacity of wind energy up to 2000 megawatts by the year 2020, once the seven wind parks that are currently under construction are completed, plus the first land-based wind park that has been planned for the Lapland community of Tervola,

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.

The latest energy efficiency agreements for industries, municipal and oil sectors were signed for the period 2008-2016. Additional agreements have been applied for goods transportation and logistics, public transportation and housing sectors. 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.

Sub-Sector Best Prospects

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- 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

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For public procurement tenders, please see the online version of the Supplement to the European Union Official Journal <http://ted.europa.eu>.

Public/private research programs: <http://www.cleen.fi/en/>

Web Resources

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Finnish Energy Industries <http://www.energia.fi>

The Finnish Wind Power Association <http://www.tuulivoimayhdistys.fi/>

Motiva Oy <http://www.motiva.fi/en/>

Finland's Environmental Administration <http://www.ymparisto.fi/>

FINBIO – The Bio Energy Association of Finland, <http://www.finbioenergy.fi/>
mia.maki@trade.gov (local contact)

Environmental Technologies (ENV)

Overview

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Unit: USD millions

	2011	2012	2013	2014 (estimated)
Total Market Size	4705	4487	4731 (est)	4888
Total Local Production	6892	6489	6618 (est)	6751
Total Exports	5514	5191	5008	5108
Total Imports	3327	3190	3121	3245
Imports from the U.S.	168	160	217	223

Exchange Rate: \$1= 0.75€ (year 2013 average)

Source: National Board of Customs

Traditionally, the metals and the pulp and paper industry 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.

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. It is estimated that the share of waste management and handling represents one third of the environmental technologies sector, followed by recycling.

On 13 June 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 equates to approximately one per cent of total public procurement expenditure and would double current public research, development and innovation spending on cleantech solutions. Following sectors have particular importance; waste management, electricity, property development, transport, energy-related products, services for which ecolabel criteria have been established, as well as food and catering.

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.

On May 14th 2014, The Council of State approved the national Cleantech strategy, which points the way for Finland to develop into one of the world's leading countries in clean technology. Cleantech is a field that is forecast to grow dramatically over the next few years. The Ministry of Employment and the Economy aims to increase the turnover of

the industry to 50 billion euros by 2020, and to create 40,000 new jobs. 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 and exports account for nearly 80 percent of local production. The majority of the companies are small-to-medium size companies but there are a few big global players as well.

To support Finnish environmental technologies 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. As a result of a national environmental business development program in 2007, the Cleantech Finland concept was launched with an objective to make Finland the leading country in the environmental business, thus creating a market with increased local competition. According to a survey by Cleantech Finland, the annual growth of the cleantech sector in 2012 was 15 percent and rapid growth is predicted also for the year 2013. In 2013, the Finnish cleantech sector had a combined turnover of 25.8 billion euros and was growing annually by 5 percent.

Sub-Sector Best Prospects

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- 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

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Please see the Supplement to the Official Journal of the European Union
<http://ted.europa.eu/>

Environment Technology Exhibitions: Environment & Municipal engineering, Water & Wastewater, Waste & Recycling, 1-3 October 2014,
Helsinki Exhibition & Convention Centre
<http://www.messukeskus.com/Sites3/EnviroExpo/en/Pages/default.aspx>

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Finland's Environmental Administration, http://www.environment.fi/en-US/Consumption_and_production/Public_procurement
Finnish Society of Indoor Air Quality and Climate, <http://www.sisailmayhdistys.fi/>
Good News from Finland, <http://www.goodnewsfinland.com/archive/news/40-000-new-jobs-expected-for-finnish-cleantech-sector/>
Supplement to the Official Journal of the European Union, <http://ted.europa.eu/>
Tekes, the Finnish Funding Agency for Technology and Innovation, <http://www.tekes.fi>
VTT, Technical Research Center of Finland, <http://www.vtt.fi>
Cleantech Finland, <http://www.cleantechfinland.com/>
tiina.ketela@trade.gov (local contact)

Franchising (FRA)

Overview

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Note: Official statistics not available.

Franchising continues to develop successfully even at times of economic downturn. According to local sources, franchise concepts seem to be better equipped to tackle the difficult financial times than their non-franchised competition, thanks to the structured franchise models. The total market for franchising in Finland is estimated to be over \$6 billion and the annual growth rate in terms of revenue is expected to continue at a steady 5 percent for 2014 and 14 percent for the number of units. The number of franchising systems operating in Finland is close to 300 and the number of units is over 7,000.

The growth potential for franchising businesses continues to be good in Finland. 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.

Domestic franchises dominate the market. Just over one-quarter of the franchising systems are foreign. 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.

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

Sub-Sector Best Prospects

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Franchising opportunities exist in all market sectors – retail, restaurant and services. The services sector, which includes consumer and Business-to-Business services, is the fastest growing and offers the best market potential for new franchise businesses.

U.S. franchise companies in Finland are concentrated in automotive services (car rental) and fast food. Most of these companies have strong brand recognition and are considered old-timers in the market. The U.S. companies currently in the market include: Avis, Budget, Hertz, National, McDonald’s, Subway, Pizza Hut, Novus (car windshield repair), RE/MAX real estate, TOYS”R”US, and Home Instead Senior Care. The newest additions, Starbuck’s opened its first coffee shop in Finland at the Helsinki-Vantaa airport in April 2012, and has since expanded, Hard Rock Café Helsinki had its Grand Opening in April of 2013, and Burger King opened its first restaurant in December 2013 followed by another in the spring of 2014.

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The best opportunities for new franchises are in the areas of Business-to-Business (B2B) and consumer services. B2B services, such as personnel, building repair/maintenance, training, and Information Technology (IT) offer great opportunities for U.S. companies. Demand is also increasing for consumer services such as cleaning services, nursing, interior design, and other personal welfare services such as senior care, beauty, health/exercise, children’s activities, and general well-being.

The retail sector offers new franchising opportunities in the field of consumer electronics, consumer durables, and giftware. Apparel, food, and personal care products continue to be good prospects for U.S. franchises.

The franchise-based restaurant sector is currently made up of mostly coffee shops and quick service restaurants. The “casual dining” concept offers potential for U.S. restaurant chains.

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The Finnish Franchising Association, <http://www.franchising.fi>
mia.maki@trade.gov (local contact)

Medical Equipment (MED) and Healthcare Technologies

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Unit: USD millions

	2010	2011	2012	2013 (estimated)
Total Market Size	860	848	930	967
Total Local Production	1465	1534	1550	1612
Total Exports	1290	1278	1345	1570
Total Imports	685	592	634	725

Imports from the U.S.	190	195	205	213

Exchange Rate: \$1= €0.75 (year 2013 average)

Sources: The Finnish Healthcare Technology Association, National Board of Customs Finland, and local sources.

In Finland, the total market for medical equipment is estimated at \$940 million in 2012 by the Finnish Healthcare Technology Association. The operating costs of Finnish hospitals have been reduced, and major hospital procurement is mainly replacing older equipment and buying some new. However, investments in new medical equipment within the private health care sector are expected to increase.

After a pause in growth in 2011, Finnish health technology exports rocketed 23% higher to \$2.2 billion in 2012. Health technology now represents nearly 40% of Finland's total high-tech industry; second to the electronics and telecommunications-sector exports. Finns can be satisfied that in health technology trade, the country has achieved long-term growth, employment and generated a significant cumulative trade surplus of over \$6 billion.

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 market share is 28 percent. Other important external supplier countries are Germany, the United Kingdom, France, Japan, and China. High quality and technically sophisticated medical equipment has the best market potential in Finland, especially equipment that increases efficiency and reduces occupancy rates in hospitals. Products, such as the following, have the best sales potential in Finland:

- 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

Additional statistics:

http://www.finnishhealthtech.fi/images/stories/industry/reports/0219_fihta_eng_healthrade_a4_paino.pdf

Finland joined the European Union (EU) in 1995. As a member of the EU, Finland's local legislation concerning medical devices complies with EU directives. Please see www.valvira.fi/en/licensing/medical_devices (National Supervisory Authority for Welfare and Health Valvira) and ec.europa.eu/health/medical-devices/index_en.htm (European Commission, DG Health & Consumers, Public Health, Medical Devices) for further information.

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.

Local production is estimated at close to \$2 billion in 2012, consisting mainly of electro-medical equipment, dental equipment, and specialized x-ray and IVD equipment. Local production and imports do not overlap, as they do not compete with each other.

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Products such as patient monitoring systems, mini invasive surgery (MIS), day surgery equipment, magnetic resonance imaging (MRI) equipment, video endoscopes, digital image processing, and picture archiving.

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Please see the Supplement to the Official Journal of the European Union:
<http://ted.europa.eu>

Finnish Dental Congress and Exhibition 2014 (Finland's largest event for dentistry professionals): www.messukeskus.com

The Finnish Medical Convention and Exhibition 2015 (Finland's largest medical exhibition): www.messukeskus.com

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Association of Laboratory and Health Care Products Suppliers – SAI-LAB, www.sailab.fi
European Commission, DG Health & Consumers, Public Health, Medical Devices-
ec.europa.eu/health/medical-devices/index_en.htm

The Finnish Healthcare Technology Association- www.teknologiateollisuus.fi/fi/ryhmat-ja-yhdistykset/terveysteknologian-liitto-ry.html

Finnish Medicines Agency Fimea- www.fimea.fi

Helsinki Fair Center- www.messukeskus.com

Ministry of Social Affairs and Health- www.stm.fi

National Board of Customs- www.tulli.fi

National Supervisory Authority for Welfare and Health Valvira- www.valvira.fi

VTT Industrial Systems, Medical Device Technology Group- www.vtt.fi

katie.janhunen@trade.gov (local contact)

eHealth/ Health IT

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Overall social protection expenditure in Finland amounted to 30.4 percent of GDP, or USD 73.8 billion, in 2010 (THL 2012a), while healthcare accounted for nine percent, or USD 21.8 billion (2010), of GDP in Finland (THL 2012b). 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. Approximately 75 percent of services and programs within the system are funded through public expenditure.

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

The 336 municipalities are legally obligated to provide healthcare services for their residents (i.e. primary, secondary and tertiary healthcare), as well as to collect taxes for the financing of services provided. They accomplish this through local municipal healthcare centers, or by regional healthcare districts, all containing a central hospital, of which there are 20. These districts provide secondary care specialists, who are only available through a referral from a primary provider. The population of hospital districts varies between about 60,000 and 1,500,000 inhabitants.

Today, municipalities contract a small proportion of primary care to private providers; however, that proportion is expected to increase. There are about 40 private hospitals which provide approximately five percent of hospital care in Finland. 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. All of the levels of healthcare are funded by the municipalities, but the national government covers the cost of medical training and participates in financing by providing a general, non-earmarked, subsidy to the municipalities.

Finland is very advanced in its use of IT systems within the healthcare industry, relative to other European nations. According to the European Commission, Finland ranks 5th in terms of the deployment of Health IT within the EU. Individuals within the healthcare system have widespread, simple access to convenient ePrescription and eArchive services via KanTa. In 2010, the use of electronic patient records among the primary health centers and secondary care hospital districts was at 100 percent.

The Finnish government has recognized that there is a need for a more stable synergy in regards to Health IT communications and EPR sharing between municipalities, regional districts, and private care providers (outlined in the [eHealth Strategy and Action Plan for Finland in a European Context](#)). In a 2010 poll conducted by the Finnish Medical Journal on doctors' opinions of the patient data system, 75 percent of doctors are not

satisfied with the time it takes to receive patient data from another organization. This may be due to the fact that patient data exchange between organizations is carried out electronically at 90 percent of hospital districts and at 68 percent of municipal healthcare centers. Furthermore, the development of health IT at the national government level began in an uncoordinated manner, primarily due to the decentralized healthcare system. As a result, several non-interoperable IT systems are often used even within a single healthcare organization, which inhibits information exchange within and across provider organizations. This calls for an improvement in communications between all healthcare-related groups, both public and private.

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Finland's most populous city of Helsinki is currently moving forward with its Apotti project, which is a cooperative effort to invest in and 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.

Opportunities

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Finland has long been a Health IT forerunner with a history of user satisfaction and ease of accessibility to information. 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. In addition, innovative and ambitious projects are in the works at the municipal, regional, and national levels, all of 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 sector demands new innovations and fresh ideas, in order to increase efficiency and productivity, which will make up for the constantly decreasing amount of available clinicians.

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.

eHealth 2015 Trade Event, January 7-9, 2015 (Helsinki Fair Center) :
http://www.easyfairs.com/en/events_216/terveysteknologia-2015_55989/ehealth-2015_59288/

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[Finnish Office for Health Technology Assessment \(FinOHTA\)](#)

Ministry of Social Affairs and Health (STM) – www.stm.fi/en
The National Institute for Health and Welfare (THL) – www.thl.fi
The Finnish Electronic Patient Record system (KanTa) – www.kanta.fi/en
eHealth Strategy and Action Plan for Finland in a European Context
katie.janhunen@trade.gov (local contact)

Safety and Security (SEC)

Overview

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Note: Official statistics not available.

The safety and security market is estimated to be over \$2.5 billion in 2012 (estimated). Turnover in the security business grew by 25.6 percent in 2012. The market has grown quite continuously for the last ten years and it is expected to continue its steady growth over the next years. Information technology as an instrument to criminal acts has increased significantly. Systematic crime against property from outside Finnish borders continues to grow.

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-size companies. Characteristic for the market is that the largest security companies, which represent a minority in the market, employ close to 80 percent of the industry's personnel, and generate most of the sector's turnover. The private safety and security sector employed over 15,000 employees in 2014.

Information security products and services, guarding services, 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 are also seen as expensive and not necessarily up to EU product standards.

The EU Commission has proposed a new directive, which is intended to ensure that confidential information is adequately protected throughout the entire European Union. The proposal is supposed to be a harmonizing measure, which means that it would most probably require the removal of national protection that goes beyond what is provided by the Directive. European Parliament will vote on it in 2014, but when it will come into force is not known. This new act will be applied to all companies working in the EU area.

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Information security products and services, electronic security systems such as camera surveillance, lock systems and door automation, home security and personal safety accessories such as burglar alarm systems and fire detection equipment are considered best prospects in the Finnish safety and security market.

The public government sector, especially on municipal level, along with private residences are becoming more and more interested in safety and security solutions available in the market.

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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.

The annual security industry trade fair “Safety and Security” in the city of Tampere has been replaced by “EuroSafety”, which is a contemporary event with a strong international focus, and it provides exhibitors with improved opportunities for extensive networking and new contacts. The bi-annual FinnSec in Helsinki will be held next time in November 2015. Both fairs attract a large number of decision makers responsible for safety and security at companies and other organizations and offer a good forum to present products and services in the field.

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Finnsecurity RY <http://www.finnsecurity.fi>

European Commission, http://ec.europa.eu/justice/data-protection/index_en.htm

Laurea University of Applied Sciences

http://www.laurea.fi/fi/tutkimus_ja_kehitys/julkaisut/laurea_julkaisut/Documents/23.%20Manninen%20Merist%C3%B6%20Laitinen%20Tulevaisuus%20turvassa.pdf

Ammattinetti, http://www.ammattinetti.fi/ammattialat/detail/13/31_ammattiala.jsessionid=65482BFF8CC31C03EB0953FACC16A041

EuroSafety in Tampere, November 5-7, 2014,

http://www.eurosafety.fi/eurosafety/index.tml?sivu_id=3232

FinnSec trade fair in Helsinki, November 18-20, 2015, www.finnsec.fi

tiina.ketela@trade.gov (local contact)

Telecommunications Services and Equipment (TEL, TES)

Overview

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Note: Please visit Ficora – Finnish Communications Regulatory Authority for most recent communications market statistics and surveys -

https://www.viestintavirasto.fi/attachments/Toimialakatsaus_2012_EN.pdf

Finland is known as a world leader in ICT innovation, information society development and high quality ICT products. It is one of the most advanced information societies in

the world. As a percentage of GDP, Finnish R&D investments are the third largest in the world. Also the number of patents per capita, especially in the ICT field, is among the highest of the world, well known technologies and services originating from Finland include Linux, the SMS, ring tones and Internet banking services. Finland is also renowned as a pioneer in mobile telecommunications services and applications. Finland is the home of many niche leaders in related fields such as mobile commerce, wireless equipment and data security.

In the spring of 2013, Finland placed first in an international study where countries were ranked based among other factors on their technical infrastructure and possibilities and prevalence of use of ICT. According to recent study by Statistics Finland, the share of Internet users among the whole population aged 16 to 74 is 90% and as many as 49% of the same group has a smart phone in use.

Although with only 5.4 million people the Finnish market is small, Finnish consumers and companies have proven to be quick to adopt new technologies. Finland is seen as a pioneering adapter and an important research center for new technology: in a 2012 survey up to 49% of all mobile phones used in Finland were smart phones. The trend is also set to continue – in the first quarter of 2013, 71% of mobile phones sold to the public were smart phones

International companies (e.g., ICL, IBM, Siemens, Hewlett-Packard and Ericsson) have set up research units in Finland, increased their cooperation with Finnish firms, or acquired small companies in the sector. Many companies and researchers have found that Finland makes an ideal environment for developing and testing new types of communications and IT products, and this has no doubt helped drive the sector generally.

According to Ficora, the amount of mobile data transferred in Finland grew 20-fold between 2008 and 2012. Eurostat places Finland among the top countries in the European Union in terms of the number of mobile data connections, partly owing to a strongly grown interest in smart phones and tablet computers.

The telecommunications market in Finland is fully liberalized. No licenses are needed, except for digital television and mobile networks. Finland's Ministry of Transport and Communications is responsible for licensing. Finland was also the first country in the world to grant operating licenses for the third-generation (3G) mobile communications market in March 1999.

As of July 1, 2010, 1 Mbit Internet connection has been defined as a universal service. This means that telecom operators defined as universal service providers must be able to provide every permanent residence and business office with access to a reasonably priced and high-quality connection with a downstream rate of at least 1 Mbit/s.

In 2009, the Finnish Communications Regulatory Authority determined which telecom operators required to offer universal service programs. This requirement is expected to improve the quality and availability of connections in Finland's sparsely populated areas and to promote the economic vitality of rural areas, provide a good environment for businesses, and further enable electronic communications. Some variation will be allowed in the universal service connection speed to enable services also in mobile networks.

The number of online shoppers is growing. In 2012, two-thirds of Finnish residents bought or ordered something via the web. One half of Finnish residents followed some social network service on the Internet.

The typical Finnish online store is a small company that focuses on a narrow specialist field. It is estimated that the larger online stores will start acquiring the smaller ones that have a well-functioning concept. The fastest growing customer segment for e-commerce in Finland consists of people over 50 years old.

Product information and prices are better in the online stores, which can also direct personal offers to the customers. The major e-commerce trends in Finland include the introduction of social media in e-commerce, standalone e-commerce applications for mobile devices, and online stores becoming cloud services.

See e-commerce trends in Finland:

<https://www.maksuturva.fi/en/suomen-maksuturva-oy/news/e-commerce-and-online-payment-trends-in-finland/>

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Although highly competitive, the telecommunications sector also offers promise, with high demand for Internet and mobile services and content. Mobile phone sales seem to be recovering from the downturn, and the interest in smart phones is expected to increase, though price competition is also high. With the popularity of mobile Internet, and the increasing numbers of broadband Internet connections, e-commerce is expected to benefit.

Opportunities

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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. U.S. IT companies wishing to enter the Baltic markets and Russia (especially St. Petersburg) should view Finland as a natural gateway and Finnish companies as experienced partners in any such effort.

Please see the Supplement to the European Union Official Journal

<http://ted.europa.eu>.

See also www.e-finland.fi (e-business projects).

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Helsinki Fair Center – www.messukeskus.com

Ministry of Transport and Communications - www.mintc.fi

Finnish Federation for Communications and Teleinformatics- www.ficom.fi

Finnish Communications Regulatory Authority <http://www.ficora.fi/en/>

katie.janhunen@trade.gov (local contact)

Travel and Tourism Services (TRA)

Overview

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Unit: USD millions

	2010	2011	2012	2013
Total Travel	4750	4780	5020	5261
Domestic Travel	6100	6200	6510	6835
Incoming Travel	2920	3060	3210	3370
Foreign Travel	4270	4480	4700	4935
Travel to the USA	240	252	265	278

Exchange Rate: \$1= €0.75 (year 2013 average)

Sources: The Association of the Finnish Travel Agents, Statistics Finland, Balance of Payments, The U.S. Department of Commerce's Office of Travel and Tourism, and local sources.

The United States is one of the main long-haul destinations for Finns with 127,978 Finnish arrivals in 2013 (Jan-Dec). 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 New York and the West Coast.

A growing interest in travel has increased the number of Finns traveling abroad. Finns favor long-haul travel and Mediterranean destinations. Majority of Finns traveling abroad favor "sun and sand" followed by city destinations. However, a growing number of travelers are looking for activity holidays. Local culture, golf, fishing, diving, sailing, skiing and many other activities have become important for Finns when traveling abroad. Therefore, Finns have shown interest in other destinations such as Alaska, Arizona, Hawaii, Nevada, and New Mexico.

In 2012, the share of business travel was 18.8 percent, while Finns made 81,000 business trips to the United States (a 2.1 percent increase from 2012). This number is expected to increase in the future. New York City, Chicago, Boston, Los Angeles, Atlanta, and Las Vegas are the most important destinations for Finnish business people.

Finnair, the national air carrier is currently the only airline based in and operating flights from Finland to the United States. During the high season, Finnair has daily non-stop flight service to New York. American Airlines will start seasonal daily non-stop operations from Chicago to Helsinki, Finland on June 12, 2014, ending August 18, 2014. Delta Air Lines is represented by AIR FRANCE KLM and United Airlines code shares with Lufthansa German Airlines. U.S. Airways is represented through its sales offices in Sweden.

There are no restrictions on the Finnish foreign travel. Since October 1, 1991, Finland has been included in the visa waiver program for visits up to 90 days in length. Machine-readable passports were introduced in Finland in 1987 and biometric passports in August 2006.

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Florida, New York, and California continue to be the best sales prospects for the U.S. travel industry. Chicago, Boston, Los Angeles, Atlanta, Las Vegas, and New York City are the most popular destinations for Finnish business travelers.

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Matka Nordic Travel Fair 2015 (the largest travel fair in Northern Europe):

www.messukeskus.com

Discover America Committee Finland: www.discoveramerica.fi

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Association of Finnish Travel Agents- www.smal.fi

Discover America Committee Finland- www.discoveramerica.fi

Finnish Business Travel Association- www.fbta.net

Finnish Tourist Board/Visit Finland- www.mek.fi

Helsinki Fair Center- www.messukeskus.com

League of Finnish American Societies- www.sayl.fi

Statistics Finland- www.stat.fi

katie.janhunen@trade.gov (local contact)

Agricultural Sectors

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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 and Russia offers an ideal 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 and Russia.

Best Products/Services

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Best prospects: wine, beer, healthy snacks, dried fruits and nuts, ethnic foods, organic foods, health and diet foods, convenience foods, frozen juices, TexMex items, sauces/seasonings, rice, seafood, pet food, canned fruits and vegetables, and fresh fruits: apples, pears, grape fruits, grapes, cherries.

Opportunities

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Finland is a sophisticated market with a high standard of living, a well-educated workforce and growing incomes. The Finnish consumer has a high acceptance of new products and concepts. U.S. products are considered high quality and trendy. There is growing consumer demand for value-added products, convenience foods and functional foods as well as a proliferation of "healthy" and "greener" foods.

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The Agricultural Service at the American Embassy in The Hague represents the interests of the USDA's Foreign Agricultural Service (FAS) in the Benelux 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.

Contact:

Ms. Mary Ellen Smith, Agricultural Counselor
Office of Agricultural Affairs
Embassy of the United States of America
Lange Voorhout 102
2514 EJ The Hague, Netherlands
Tel: +31 70 310 2299, Fax: +31 70 365 7681
E-mail: agthehague@fas.usda.gov

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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 tariff ranges from 0-17 percent.

The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), 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. To determine if a license is required for a particular product, check the TARIC. 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.

Key Links:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

<http://ww.tulli.fi> (Finnish Customs).

Trade Barriers

As a member of European Union (EU), Finland adapts to European Union's (EU) internal market practices, which define Finland's trade relations both inside the EU and with non-EU countries.

Finland follows the system of Value-Added Tax (VAT). The new VAT rates came into force on 1 January 2013, and the new general VAT rate is 24 percent and 14 percent for food products, animal feed, restaurant services, and meal catering services. Books, medicine, services relating to physical exercise and sports, movies, entrance to cultural events and entertainment events, transport of passengers, accommodation, and TV licenses are taxed at 10 percent. Some sectors have been left outside the scope of VAT taxation. These sectors are expressly listed in the law and include selling real estate, apartments or flats in housing companies, healthcare services, and social services. Newspaper & periodical subscriptions have also been except from VAT, however, a recent parliament ruling is expected to extend VAT taxation to these as well at some point. Agricultural and forestry products continue to be subject to different forms of taxation outside the VAT.

Further information on VAT is available at the Finnish Tax Administration site:
http://www.vero.fi/en-US/Companies_and_organisations

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.

For further information on existing trade barriers, please see the 2014 National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following link: <http://www.ustr.gov/about-us/press-office/reports-and-publications/2014-NTE-Report>

Import Requirements and Documentation

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Certain import/export items need to meet with special requirements and certifications set by the European Union or national standards. These are mostly articles that might damage health, welfare or country's economy, or result in the spread of animal and plant diseases.

The following items, among others, are subject to restrictions:
Foodstuff, fodder and fertilizers, alcoholic beverages and other products containing alcohol, pharmaceuticals, narcotics and dangerous drugs, some chemicals, nuclear and radioactive substances, explosives, blade knives, firearms and ammunition, obscene publications, and pressure vessels.

The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a particular product.

For further information, please visit <http://www.tulli.fi> (Finnish Customs).

Import Documentation

The Single Administrative Document

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU member states. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/index_en.htm

Regulation (EC) No 450/2008 laying down the Community Customs Code (so-called the "Modernized Customs Code") aimed at the adaptation of customs legislation and at introducing the electronic environment for customs and trade. This Regulation entered into force on June 24, 2008, and was due to be applicable once its implementing provisions were in force by June 2013. However, the Modernized Customs Code was recast as a Union Customs Code (UCC) before it became applicable. The Union Customs Code (UCC) Regulation entered into force in October 2013, and repealed the MCC Regulation; its substantive provisions will apply only on May 1st 2016. Until this time, the Community Customs Code and its implementing provisions continue to apply.

http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/index_en.htm

EORI

Since July 1, 2009, all companies established outside of the EU are required to have an Economic Operator Registration and Identification (EORI) number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should

use this number for their customs clearances. If a U.S. company wishes to apply for AEO status or apply for simplifications in customs procedures within the EU, it must first obtain an EORI number. Companies should request an EORI number from the authorities of the first EU member state to which they export. Once a company has received an EORI number, it can use it for exports to any of the 28 EU member states. There is no single format for the EORI number.

More information about the EORI number can be found at
http://ec.europa.eu/taxation_customs/dds2/eos/eori_home.jsp?Lang=en

U.S. - EU Mutual Recognition Arrangement (MRA)

Since 1997, the U.S. and the EU have had an [agreement](#) on customs cooperation and mutual assistance in customs matters. For additional information, please see http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/usa/index_en.htm

In 2012, the U.S. and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another's customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the "security amendment"). This is similar to the U.S.' voluntary Customs-Trade Partnership Against Terrorism (C-TPAT) program in which participants receive certification as a "trusted" trader. AEO certification issued by a national customs authority is recognized by all member state's customs agencies. An AEO is entitled to two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplifications related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter's trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition.

The U.S. and the EU recognize each other's security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The agreement is being implemented in two phases. The first commenced in July 2012, with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above):
http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/implementing_regulation_58_2013_en.pdf

Additional information on the MRA can be found at:
<http://www.cbp.gov/newsroom/national-media-release/2013-02-08-050000/eu-us-fully-implement-mutual-recognition-decision>

Batteries

EU battery rules changed in September 2006, following the publication of the Directive on batteries and accumulators and waste batteries and accumulators ([Directive 2006/66](#)). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The 2006 Directive applies to all batteries and accumulators placed on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. In 2012, the European Commission published a FAQ document to assist interested parties in interpreting its provisions. For more information, see our market research report: http://www.buyusainfo.net/docs/x_4062262.pdf

REACH

REACH, "Registration, Evaluation and Authorization and Restriction of Chemicals", is the system for controlling chemicals in the EU and it came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by this policy. REACH requires chemicals produced or imported into the EU in volumes above 1 metric ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA). Information on a chemical's properties, its uses and safe ways of handling are part of the registration process. The next registration deadline is **May 31, 2018**. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU: <http://export.gov/europeanunion/reachclp/index.asp>

U.S. companies exporting chemical products to the European Union must update their Material Safety Data Sheets (MSDS) to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets: http://echa.europa.eu/documents/10162/17235/sds_en.pdf

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the 'Authorization List'. Substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export products containing substances on the 'Authorization List' will require an authorization. The Candidate List can be found at: <http://echa.europa.eu/web/guest/candidate-list-table>. The Authorization List is available at <http://echa.europa.eu/addressing-chemicals-of-concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list>

WEEE Directive

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority or arrange for this to be done by a local partner. The WEEE Directive was revised on July 4, 2012, and the scope of products covered was expanded to include all electrical and electronic equipment. This revised scope will apply from August 14, 2018, with a phase-in period that has already begun. U.S. exporters seeking more information on the WEEE Directive should visit: <http://export.gov/europeanunion/weeerohs/index.asp>

RoHS

The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant. The Directive was revised in 2011, and entered into force on January 2, 2013. One important change with immediate effect is that RoHS is now a CE Marking Directive. The revised Directive expands the scope of products covered during a transition period which ends on July 22, 2019. Once this transition period ends, the Directive will apply to medical devices, monitoring and control equipment in addition to all other electrical and electronic equipment. U.S. exporters seeking more information on the RoHS Directive should visit: <http://export.gov/europeanunion/weeerohs/index.asp>

Cosmetics Regulation

On November 30, 2009, the EU adopted a new regulation on cosmetic products which has applied since July 11, 2013. The law introduces an EU-wide system for the notification of cosmetic products and a requirement that companies without a physical presence in the EU appoint an EU-based responsible person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data was obtained from testing required under other EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: <http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing>

For more general information, see:

http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp

Agricultural Documentation

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use

(e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>.

Sanitary Certificates (Fisheries)

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. The U.S. fishery product sanitary certificate is a combination of Commission Decision 2006/199/EC for the public health attestation and of Regulation 1012/2012 for the general template and animal health attestation. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

Since June 2009, the only U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.seafood.nmfs.noaa.gov/EU_Export.html

U.S. Export Controls

The Unit for Export Control in Finland is responsible for the following issues:

- Export control and licensing of dual-use goods and technologies
- Information systems related to export control
- Internal coordination of export control issues in the Ministry.

<http://formin.finland.fi/public/default.aspx?nodeld=15753&contentlan=2&culture=en-US>

For further information, please contact: Unit for Export Control, Department for External Economic Relations, Ministry for Foreign Affairs <http://formin.finland.fi>
- e-mail: Laura.Kansikas-Debraise@formin.fi

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.

Labeling and Marking Requirements

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.

Mandatory information must be provided in Finnish and Swedish. The following information should be included in a retail packaging, or otherwise marked on the product (a sticker, label, etc.):

- The name and purpose of the product (for example hair color).
- The name of the manufacturer or importer, which the consumer or authority can contact if necessary.

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.

Finland has precise labeling requirements for foodstuff. The general provisions are prescribed in the Decree of the Ministry of Trade and Industry on the Labeling of Foodstuffs (1084/2004, 588/2005, 724/2007, 1224/2007).

For more information on labeling and marking requirements, please visit the Finnish Consumer Agency <http://www.kuluttajavirasto.fi/> and <http://www.evira.fi/> (Finnish Food Safety Authority).

Prohibited and 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
RSTR Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Finnish Customs updates a web-based handbook in Finnish on prohibited and restricted imports. Restrictions on imported goods can be found through TARIC consultation and using goods code and country of origin

http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?Lang=fi&redirectToDate=20100623

For further information on other prohibited and restricted imports, please see <http://www.tulli.fi> and Evira <http://www.evira.fi/portal/en/frontpage/>

Customs Regulations and Contact Information

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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: <http://www.tulli.fi/en/index.jsp>

Homepage of Customs and Taxation Union Directorate (TAXUD) Website

Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

Standards

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Established in 1924, the central body for standardization in Finland is the Finnish Standards Association - SFS (www.sfs.fi). It is an independent, non-profit making organization cooperating with trade federations and industry, research institutes, labor market organizations, consumer organizations, and governmental and local authorities. Members of SFS include professional, commercial and industrial organizations, and the State of Finland represented by the ministries.

SFS Standards are voluntary documents. SFS and its standards-writing bodies coordinate the national standardization work. The total number of SFS Standards amounts to over 25,000. All SFS Standards are mentioned in the annual bilingual (Finnish and English) SFS Catalogue (see SFS website). It is continuously updated. SFS Standards are mainly originally drawn up by CEN, CENELEC, ISO, IEC and ETSI, and can be downloaded from the online shop of SFS (<http://sales.sfs.fi/sfs/index.jsp;jsessionid=2bdb0521071f85e3161e93d4b3a3018503bd518cc663f6e3ec6cdfb6766cf6c9.e3eRchaTbxmRe3iNb3yKbxuRe0?setLang=1>). The Finnish Standards Association SFS and its standards-writing bodies, the SESKO (Electrotechnical Standardization in Finland - www.sesko.fi) and the Finnish Communications Regulatory Authority (www.ficora.fi) are members of the European standards organizations CEN, CENELEC and ETSI.

SFS promotes the use of standards in Finland by giving information on international, foreign and Finnish standards and drafts. The WTO Enquiry Point has operated at SFS by mandate of the Ministry of Employment and the Economy since 1980. Published National SFS Standards are sold in Finland only by SFS. Distribution of SFS standards abroad is handled by national ISO member bodies.

SFS is the Finnish source for all international standards and drafts of the International Organization for Standardization (ISO), for European standards and drafts of CEN and for publications of ISO member bodies. SFS also distributes other foreign standards and technical regulations.

Products tested and certified in the United States to American 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. A feature of the New Approach is CE marking. For a list of new approach legislation, go to <http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main>.

The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve

as a blueprint for existing and future CE marking legislation. Since 2010/2011, existing legislation has been reviewed to bring them in line with the NLF concepts.

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

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002, for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://www.usda-eu.org>

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>

Standards Organizations

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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.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. CENELEC, European Committee for Electrotechnical Standardization (<http://www.cenelec.eu/>)
2. ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)
3. CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu/cen/pages/default.aspx>)

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 (<http://www.sfs.fi/en/standardization>).

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of standards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a "Platform Committee" reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index_en.htm

Conformity Assessment

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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. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission's website.

Key Link: <http://ec.europa.eu/enterprise/newapproach/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification

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Product certification is voluntary in Finland.

To sell products in the EU market of 28 member states as well as in Norway, Liechtenstein and Iceland, 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. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

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. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

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. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Accreditation

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

"European Accreditation" (<http://www.european-accreditation.org>) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

Please contact the Finnish Accreditation Service (FINAS) for further information see <http://www.finas.fi/frameset.aspx?url=finas.aspx%3fpageID=0%26categoryID=2&langID=uk>

Publication of Technical Regulations

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The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more (<http://eur-lex.europa.eu/JOIndex.do?ihmlang=en>). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm).

National technical Regulations are published on the Commission's website http://ec.europa.eu/enterprise/tris/index_en.htm to allow other countries and interested parties to comment.

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 subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Labeling and Marking

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Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers. Key Link: http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

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. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 13 different product groups, and more than 17000 licenses have been awarded.

Applications to display the eco-label should be directed to the competent body of the member state in which the product is sold. The application fee will be somewhere between €275 and €1600 depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between \$480 to \$2000), with a 20% reduction for companies registered under the [EU Eco-Management and Audit Scheme](#) (EMAS) or certified under the international standard [ISO 14001](#). Discounts are available for small and medium sized enterprises (SMEs).

Key Links:

[Eco-label Home Page](#)

The Nordic Ecolabel - the official Ecolabel in the Nordic countries

The Nordic Ecolabel (formerly known as the Swan label) is the official Ecolabel of the Nordic countries and was established in 1989 by the Nordic Council of Ministers with the purpose of providing an environmental labelling scheme that would contribute to a sustainable consumption. It is a voluntary, positive Ecolabelling of products and services. The Nordic Ecolabel was also initiated as a practical tool for consumers to help them actively choose environmentally-sound products. It is an ISO 14024 type 1 Ecolabelling system and is a third-party control organ. There are 63 product groups, and companies who have products within these groups and who meet the criteria requirements, can apply for a Nordic Ecolabel licence. The label is usually valid for three years, after which the criteria are revised and the company must reapply for a license.

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Finnish Standards Association - SFS (www.sfs.fi)

SESKO (Electrotechnical Standardization in Finland) - www.sesko.fi)

Finnish Communications Regulatory Authority (www.ficora.fi)

Finnish Accreditation Service (FINAS)

<http://www.finas.fi/frameset.aspx?url=finas.aspx%3fpageID=0%26categoryID=2&langID=uk>

The Nordic Ecolabel - <http://www.nordic-ecolabel.org/>

Trade Agreements

For a list of trade agreements with the EU and its member states, as well as concise explanations, please see http://tcc.export.gov/Trade_Agreements/index.asp

Membership in Free Trade Arrangements

Finland joined the European Union on January 1, 1995, which means that Finland complies with trade agreements that the EU has made with third countries. Finland is

also a member of the European Free Trade Association, and the European Economic Area.

Bilateral Investment Agreements

Finland has concluded bilateral investment agreements with the following 65 countries: Azerbaijan, Albania, Algeria, Argentina, Armenia, Belarus, Bosnia-Herzegovina, Bulgaria, Chile, China, Croatia, the Czech Republic, the Dominican Republic, Egypt, El Salvador, Estonia, Ecuador, Ethiopia, Georgia, Guatemala, Hungary, India, Indonesia, Iran, Jordan, Kazakhstan, Kyrgyzstan, Kuwait, Latvia, Lithuania, Macedonia, Malaysia, Mauritius, Mongolia, Morocco, Mozambique, Mexico, Namibia, Nepal, Nigeria, Oman, Oriental Republic of Uruguay, Panama, Peru, Philippines, Poland, Qatar, Republic of Korea, Republic of Lebanon, Republic of Moldova, Republic of Slovenia, Romania, Russia, Slovakia, South Africa, Sri Lanka, Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uzbekistan, and Vietnam.

<http://investmentpolicyhub.unctad.org/IIA/CountryBits/71>

In September 1989, Finland and the U.S. signed a convention (TIAS 12101) for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital. The convention entered into force December 30, 1990. The tax convention was amended on 31 May 2006, under a protocol signed in Helsinki. The protocol changes the rules that apply to people falling within the area to which the convention applies, domicile, taxation of dividends, interest and royalties, restrictions on benefits, a method for eliminating double taxation and an exchange of tax information.

For a list of trade agreements with the EU and its member states, as well as concise explanations, please see http://tcc.export.gov/Trade_Agreements/index.asp.

Web Resources

Finnish Tax Authority

http://www.vero.fi/en-US/Companies_and_organisations/VAT

USTR Reports, Document library; reports & publications

<http://www.ustr.gov>

The Finnish Consumer Agency & Ombudsman

<http://www.kuluttajavirasto.fi/en-GB/>

Finnish Food Safety Authority Evira

<http://www.evira.fi/portal/en/frontpage/>

Environmental Administration

<http://www.ymparisto.fi/default.asp?node=4032&lan=en>

Finnish Customs

www.tulli.fi

National Supervisory Authority for Welfare and Health

<http://www.valvira.fi/en/>

Import Requirements and Documentation (EU):

EU websites:

Online customs tariff database (TARIC):

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The Modernized Community Customs Code (MCCC):

http://europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA:

<http://echa.europa.eu>

Taxation and Customs Union:

http://ec.europa.eu/taxation_customs/customs/index_en.htm

International Level:

What is Customs Valuation?:

http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code:

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Contact Information at National Customs Authorities:

http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

Cenelec, European Committee for Electrotechnical Standardization:

<http://www.cenelec.eu/>

ETSI, European Telecommunications Standards Institute:

<http://www.etsi.org/>

CEN, European Committee for Standardization, handling all other standards:

<http://www.cen.eu/cen/Pages/default.aspx>

Standardisation – Mandates:

http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

Nando (New Approach Notified and Designated Organizations) Information System:

<http://ec.europa.eu/enterprise/newapproach/nando/>

European Co-operation for Accreditation:

<http://www.european-accreditation.org/home>

Standards Reference Numbers linked to Legislation:

http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm

What's New

http://ec.europa.eu/enterprise/policies/european-standards/news/index_en.htm

National technical Regulations

http://ec.europa.eu/enterprise/tris/index_en.htm

NIST - Notify U.S.:

<https://tsapps.nist.gov/notifyus/data/about/about.cfm>

European Union Eco-label Homepage:

http://ec.europa.eu/comm/environment/ecolabel/index_en.htm

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers:

<http://www.ustr.gov/about-us/press-office/reports-and-publications/2012-1>

Agricultural Trade Barriers:

<http://www.usda-eu.org/>

Trade Compliance Center:

<http://tcc.export.gov/>

U.S. Mission to the European Union:

<http://useu.usmission.gov/>

The New EU Battery Directive:

http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH:

<http://export.gov/europeanunion/reachclp/index.asp>

WEEE and RoHS in the EU:

<http://export.gov/europeanunion/weeerohs/index.asp>

Overview of EU Certificates:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>

Center for Food Safety and Applied Nutrition:

<http://www.fda.gov/Food/default.htm>

EU Marking, Labeling and Packaging – An Overview

http://buyusainfo.net/docs/x_366090.pdf

The European Union Eco-Label:

http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements:

http://tcc.export.gov/Trade_Agreements/index.asp

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Chapter 6: Investment Climate

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Openness to, and Restrictions Upon, Foreign Investment

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The Finnish government is open to direct foreign investment. There are no general regulatory limitations relating to acquisitions. Legislative control of mergers and acquisitions is mainly governed by domestic and EU competition rules. Certain acquisitions of large Finnish companies may require follow-up clearance from the Ministry of Employment and the Economy in accordance with the Act on the Control of Foreign Acquisitions of Finnish Companies. The stated purpose of the clearance is to protect “essential national interests.”

The Act on the Monitoring of Foreign Corporate Acquisitions in Finland entered into force in June 2012. The Act calls for the Ministry of Employment and the Economy to monitor and confirm foreign corporate acquisitions. A “corporate acquisition” is defined as a transaction in which a foreign owner gains control of at least ten percent of the total number of votes accompanying shares in a limited liability company, or, in the case of another type of corporation or business undertaking, gains corresponding, dominant control over the acquired enterprise. The Ministry decides whether an acquisition conflicts with vital national interests. Only corporate acquisitions in the defense and dual-use goods sector are subject, without exception, to advance confirmation by the Ministry. In defense matters, monitoring covers all foreign owners. In the civilian sector, monitoring is targeted at Finnish enterprises considered critical in terms of vital infrastructures necessary for maintaining functions fundamental to society (according to the Security Strategy for Society, Government resolution of 16.12.2010), such as

Energy, Communications, or Food supply. In civilian cases, monitoring only applies to foreign owners domiciled outside the EU and European Free Trade Association (EFTA) states. For more information see:

http://www.tem.fi/files/33479/Monitoring_of_foreign_corporate_acquisitions_by_the_Ministry_of_Employment_and_the_Economy_041012.pdf

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

The Finnish government has recently made significant cuts to the corporate tax rate from 24.5 percent to 20 percent, compared to the EU average of 22.4 percent.

The World Bank's 2014 Doing Business Report, which ranked Finland number 12 in "Ease of Doing Business":

<http://www.doingbusiness.org/data/exploreeconomies/~media/giawb/doing%20business/documents/profiles/country/FIN.pdf?ver=2> . The Research Institute of the Finnish Economy (ETLA), regularly publishes reports that review different sectors in the Finnish economy and factors that may impact investment:

http://www.etla.fi/en/?s=finland&cat=11&searchsubmit=Search&orderby=post_date&order=DESC . Finland has not undergone any recent investment policy reviews from the UN Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO), or the Organization for Economic Cooperation and Development (OECD).

Finland does not "positively" discriminate in favor of foreign-owned firms by giving them tax holidays or other subsidies not available to other firms. Instead, Finland relies on "condition-providing policies" that offer all firms, "appropriate conditions and sufficient pools of advanced factors of production, including an educated labor force and well-functioning infrastructure."

Laws/Regulations of FDI

There are some legal requirements for non-European Economic Area (EEA) residents (persons or companies) to conduct business in Finland. A non-EEA resident operating in Finland must obtain a license or a notification when starting a business in "regulated" forms of trade. These trades include:

- Vehicles, transport and traffic
- Alcohol and tobacco
- Food
- Animals
- Beauty and hair care field
- Plants, fertilizers and feeds
- Chemicals
- Real estate, construction and contracting
- Extractable soil resources and soil
- Tourism, restaurants and leisure time
- Money and assets

- Social welfare and health services
- Security
- Communications
- Other lines of business
- Temporary provision of services
- Businesses not requiring a license

A comprehensive list of regulated trades can be found at Enterprise Finland:
<http://www.yrityssuomi.fi/luvat>

The autonomously-governed Åland Islands are an exception to common Finnish practice. Based on international agreements dating from 1921, property ownership and the right to conduct business are limited to individuals with the right of domicile in the Åland Islands. It does not prevent people from settling in or trading with the Åland Islands. Immigrants who have lived in Åland for five years and have an adequate knowledge of Swedish may apply for domicile status. The Åland Government can grant exemptions from the requirement of right of domicile for those wishing to acquire real property or conduct a business there.

In February 2014, 90 members of the 200-member Finnish Parliament signed an initiative that would require non-EEA citizens and organizations to meet certain requirements, such as residing in Finland for a set amount of time, before being able to purchase or rent property. The initiative remains in the Parliament's Legal Affairs Committee for debate.

In 2006, the United States and Finland signed a protocol amending the 1990 Double Taxation Treaty, which significantly reduced tax-related barriers to trade and investment flows between the countries.

On March 5, 2014, Finland signed a Foreign Account Tax Compliance Act (FATCA). Financial institutions will begin the collection of FATCA information during 2014, and the first reports will be made in 2015. The obligations brought by the FATCA will be entered in Finnish legislation, and the tax administration is preparing detailed guidelines on how the agreement will be applied in Finland. For full text of the agreement, see:
<http://www.treasury.gov/resource-center/tax-policy/treaties/Documents/FATCA-Agreement-Finland-3-5-2014.pdf>

The salary and fringe benefits paid to qualifying foreign key employees, such as employees with special knowledge or competence, are taxed at a flat rate of 35 percent during a maximum of 48 months of assignment in Finland provided that the employee has a special tax card (which must be applied for separately). For detailed tax guidance see the Finnish Tax Administration's website: http://www.vero.fi/en-US/Companies_and_organisations and the Finnish Foundation for Share Promotion's Tax Guide for Investors:
http://www.porssisaatio.fi/en/files/2013/09/vero_opas_2013_eng_final.pdf

Industrial Strategy & Privatization Program

In 2013, the Ministry published the "Industrial Competitiveness Approach: Means to Guarantee Economic Growth in Finland in the 2010s" which highlights the need for

increased foreign investment. The report can be found at:
https://www.tem.fi/files/37744/TEMjul_9_2013_web_17102013.pdf

Invest in Finland is a government agency that promotes foreign direct investment (FDI) in Finland. They provide information and consulting services focused on services and promoting research, development, and innovation (R&D&I) in Environmental Technologies, Energy & Mining, Health Technologies, and Information & Communication. Invest in Finland’s website can be found at:
<http://www.investinfinland.fi/about-us/6>

In March 2014, members of the government and the opposition agreed to sell EUR 1.9 billion worth of government-owned assets. In May 2014, the government of Finland announced that it will sell its infrastructure and construction firm charged with planning and constructing traffic routes and industrial environments Destia Ltd (formerly the Finnish Road Administration).

Competition Law

Finland’s Competition Act entered into force in November 2011, bringing Finland’s competition regime closer to that of the EU. The most important changes relate to merger control, procedural rules, leniency, and damages. The full act can be found at:
<https://www.kilpailuvirasto.fi/cgi-bin/english.cgi?luku=legislation&sivu=competition-act>

The Finnish Competition Authority merged with the Consumer Agency to form the Finnish Competition and Consumer Authority (FCCA) in January 2013. The purpose of the agency is, “to ensure a healthy and functioning market where enterprises and other players act responsibly and in the interest of consumers.”

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	(3 of 177)	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation’s Economic Freedom index	2013	(19 of 178)	http://www.heritage.org/index/ranking
World Bank’s Doing Business Report “Ease of Doing Business”	2013	(12 of 189)	http://doingbusiness.org/rankings
Global Innovation Index	2013	(6 of 142)	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	USD 46,490	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Conversion and Transfer Policies

Except for those relating to money laundering, there are neither legal obstacles to direct foreign investment in Finnish securities nor exchange controls regarding payments into and out of Finland. Funds from Finland or to Finland are freely transferable. Legal provisions prevent money laundering and the financing of terrorism and banks must identify their customers and report suspected cases of money laundering. Banks and credit institutions must also report single payments or transfers of EUR 15,000 or more. If banks have reason to suspect the origin of the funds, they are required to 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.

In June 2007, Finland implemented an EU regulation on the transport of currency over EU borders. The regulation requires persons carrying more than EUR 10,000 to declare cash upon entering or leaving EU territory, but does not restrict or prohibit the import or export of the currency.

Finland adopted the Euro in January 1999. The Euro replaced the Finnish Markka at the end of a three-year transition period in January 2002.

A Financial Action Task Force (FATF) member, Finland observes most of FATF's 49 standards. According to the FATF's 9th follow-up report in 2013, Finland has made significant progress in addressing the deficiencies identified in the 2007 mutual evaluation report and will be removed from the follow-up process. FATF praised Finland for improvements in its anti-money laundering legal frameworks. See the FATF report at: http://www.fatf-gafi.org/media/fatf/documents/reports/mer/Finland_FUR_2013.pdf

The Bureau of International Narcotics and Law Enforcement's 2013 International Narcotics Control Strategy Report (INCSR) categorizes Finland as "monitored" - <http://www.state.gov/j/inl/rls/nrcrpt/2013/database/211176.htm>

Expropriation and Compensation

Private property rights are protected in Finland. Private property is only expropriated for public purposes (eminent domain) in a non-discriminatory manner with reasonable compensation and in accordance with established principles of international law.

Dispute Settlement

There is no reported significant investment dispute in Finland in recent years. Finland has a civil law system. European Community (EC) law is directly applicable in Finland and takes precedence over national legislation. Finland has consistently applied its commercial and bankruptcy laws. Secured interests in property are recognized and enforced. The Bankruptcy Act can be found at: <http://www.finlex.fi/en/laki/kaannokset/2004/en20040120.pdf>

The Market Court was established in 2002, as a special court for rulings in market law, competition, and public procurement cases, and may issue injunctions and penalties against the illegal restriction of competition. It also supervises mergers and acquisitions and may overturn public procurement decisions, adjust the procurement process, and order compensatory payments. The Market Court has jurisdiction in disputes between the Consumer Ombudsman and businesses as to whether goods or services have been marketed in an unfair manner. Since 2013, the Market Court also hears industrial and civil IPR cases.

According to the World Bank's 2014 Doing Business Report, Finland ranks 3rd for ease of "resolving insolvency." The report can be found at:

<http://www.doingbusiness.org/data/exploreeconomies/finland#resolving-insolvency>

Finland ratified the Convention on the Settlement of Investment Disputes between States and Nationals of other States (also known as the ICSID Convention or the Washington Convention) and became a Contracting States to the ICSID Convention in 1969. Finland ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 1962. The impartial Arbitration Institute of the Finland Chamber of Commerce, established in 1911, promotes the settlement of business disputes through arbitration. The Institute appoints arbitrators both to domestic and international arbitration proceedings. For more information see: <http://arbitration.fi/en/> . Arbitration statistics can be found at: <http://arbitration.fi/en/statistics/> .

Major revisions to Finnish competition legislation took effect in May 2004. The Act on Competition Restrictions was harmonized with EU competition rules. A new Competition Act entered into force in Finland on November 1, 2011. It brought Finland's competition regime closer to that of the EU's. The most important changes relate to merger control, certain procedural rules, leniency, and damages. For more information see the Competition Act (No 948/2011) : <http://www.kilpailuvirasto.fi/cgi-in/english.cgi?luku=legislation&sivu=competition-act>

The Finnish Competition Authority merged with the Consumer Agency to form the Finnish Competition and Consumer Authority (FCCA) on January 1, 2013. The purpose of the new agency is to ensure a healthy and functioning market where enterprises and other players act responsibly and in the interest of consumers.

Finland brought the EU Mediation Directive (2008/52/EC) into force by implementing the Act on Mediation in Civil Disputes and Certification of Settlements by Courts (394/2011) in May 2011. Both the directive and the new act aim to facilitate access to alternative dispute resolution, and promote the amicable settlement of disputes by encouraging the use of mediation and by ensuring a balanced relationship between mediation and judicial proceedings. The new act also applies to settlements concluded in other EU member states.

Duration of Dispute Settlement

Arbitration is frequently used to settle business disputes in Finland, which is usually faster than court proceedings. An arbitral award is generally final and non-appealable. The Arbitration Institute's rules (the "FCC Rules") are the rules that are most commonly used. The FCC Rules can be found in English at www.arbitration.fi/en/indextemp.html. If arbitration is conducted according to FCC Rules, the time limit for rendering the arbitral

award is one year after the Arbitration Institute has sent the case file to the arbitral tribunal. By request of the arbitral tribunal or the Chairman of the arbitral tribunal, the time limit may be extended by the Arbitration Institute. The median duration of arbitration under the FCC Rules is about nine months.

In 2004, the Arbitration Institute introduced fast track rules. According to the Arbitration Institute's Rules for Expedited Arbitration, the arbitral award shall be rendered within three months after the Institute has sent the file in the case to the arbitrator. This time limit may be extended by the Arbitration Institute by at most three months. The Finnish Arbitration Act (967/1992) explicitly states that foreign nationals can act as arbitrators in Finland.

Performance Requirements and Incentives

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Notification submitted to the WTO by the EU and WTO disputes involving the EU are valid for and include Finland. However, Finland as an individual country has not notified the WTO of any measures that are inconsistent with Trade Related Investment Measures (TRIM) requirements, nor does Finland maintain any measures that are alleged to violate the WTO's TRIM obligations.

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 in order to ensure that persons liable for the company's acts can be brought to court if necessary.

Amendments to the Finnish Limited Liability Companies Act entered into force in August 2009, to allow the participation of shareholders in the general meetings of listed companies.

The Limited Liability Companies Act of Finland can be found at:
<http://www.finlex.fi/fi/laki/kaannokset/2006/en20060624.pdf>

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 to companies is coordinated by 15 Centers for Economic Development, Transport, and the Environment (ELY), which provide advisory, financing, and development services for enterprises; employment-based aid and labor market training; and advice on immigration matters and EU structural projects. For more information see:
<http://www.ely-keskus.fi/en/web/ely-en/business-and-industry>

The state-owned financing company Finnvera offers services to businesses of all sizes and in all sectors, except building developers, forestry, field cultivation, and animal husbandry. Finnvera serves its clients through 15 regional offices. Finnvera is also Finland's official Export Credit Agency (ECA). For more information see:
<http://www.finnvera.fi/eng> .

The Finnish Funding Agency for Technology and Innovation (Tekes) provides low-interest loans and grants to innovative projects. Foreign-owned companies with R&D activities in Finland are eligible for funding, although the financed project must contribute

to the Finnish economy. For more information see: <http://www.tekes.fi/en/programmes-and-services/international-companies/>. Support for innovative business ventures can also be obtained from the Foundation for Finnish Inventions. For more information see: www.keksintosaatio.fi

Invest in Finland, a government agency promoting FDI into Finland, assists international companies to find business opportunities in Finland. Finpro is a Finnish trade, internationalization and investment development organization established by Finnish companies in 1919. The operations of Invest in Finland were merged with Finpro and its international network in June 2012. For more information see: <http://www.investinfinland.fi/main.php/> and <http://www.finpro.fi/web/english-pages/frontpage>

There is no “forced localization” policy on foreign investments in Finland, either in terms of forcing investors to use domestic content in goods and technology or local employment. However, the Finnish language often acts as a barrier to employing non-Finnish persons.

In cloud computing services, stored material is located on servers owned by the service provider. In most cases, these servers are located outside Finland and are typically accessed through a browser over an internet connection. Personal data may be transferred across international borders to server locations supporting the service, but the company must fulfill the requirements of the Finnish Personal Data Act (PDA). According to section 22 of the PDA, personal data may be transferred to outside the European Union or the European Economic Area only if the country in question guarantees an adequate level of data protection.

Right to Private Ownership and Establishment

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Private ownership is normal in Finland. In most fields of business activity, 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.

Protection of Property Rights

Secured interest in property, both movable and real, is recognized and enforced. The Finnish legal system protects property rights, including intellectual property, and Finland adheres to numerous international agreements concerning intellectual property rights (IPR).

The concept of mortgage exists in Finland, and can be applied to both owned and rented real estate. The significance of mortgage banks has remained minor as deposit banks have traditionally handled housing loans in Finland.

The National Land Survey of Finland provides a reliable system for recording secured interests registers all land in Finland. 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). The register is owned and maintained by the National Land Survey. For more information see: <http://www.maanmittauslaitos.fi/en/aineistot-ja-palvelut>

Finland is ranked 26th according to ease of Registering Property according to the World Bank's 2014 Doing Business Report.

The government of Finland issued a resolution on a program to step up its activities to tackle non-observed economic activity and economic crime in 2012. Implemented in 2012–2015, the program comprises 22 projects steered by a number of ministries and authorities. Finland's grey economy is estimated at 13.0% of GDP (2013), down from 17.6% in 2003.

Finland is also identified as a potential host of the major BitTorrent aggregator internet site "Torrentz.eu". The USTR 2013 Out-of-Cycle Review on Notorious Markets, released in February 2014, ties both Finland and Canada to the site.

Finland is a member of World International Property Organization (WIPO). In March 2009, the government of Finland published a national IPR strategy, found at: http://www.tem.fi/files/26944/TEM_27_2010_nettti.pdf

Finland has been a member of the Paris Convention for the Protection of Industrial Property since 1921; the Berne Convention for the Protection of Literary and Artistic works since 1928; the Rome International Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations since 1983; and the Hague Agreement Concerning the International Deposit of Industrial Designs (Geneva Act 1999) since May 2011.

Patents

Patent rights are consistent with international standards, and a granted patent applies for 20 years. The time of validity of patents concerning medicinal products and plant protection products can under certain conditions be prolonged by a maximum of five years through a Supplementary Protection Certificate. In 1996, Finland joined the European Patent Convention (EPC) and the European Patent Organization (EPO). Finland Joined WIPO's Patent Law Treaty (PLT) in March 2006.

Given concerns over pharmaceutical patent protections, Finland was placed on the 2009 Watch List in the Office of the U.S. Trade Representative's Special 301 report, and has been included every year since. The Special 301 report can be found at: <http://www.ustr.gov/sites/default/files/05012013%202013%20Special%20301%20Report.pdf>

Copyrights

Information on copyright infringement is provided by the following copyright holder interest organizations: Copyright Society of Performing Artists and Phonogram Producers in Finland (Gramex), Finnish Composers' Copyright Society (Teosto), Copyright Organization for Authors and Publishers (Kopioisto), The Visual Artists Copyright Society (Kuvasto), Finnish Audiovisual Producers' Copyright Society (Tuotos), Finnish Copyright Society Managing the Rights of Literary Copyright Holders (Sanasto),

the Copyright Information and Anti-Piracy Center (CIAPC), The Finnish Copyright Society, The Finnish Copyright Institute, the Copyright Information Centre, and the IPR University Centre. The Business Software Alliance (BSA), a worldwide software anti-piracy organization, began operations in Finland in January 1994.

The Finnish Copyright Act, which also grants protection to authors, performing artists, record producers, broadcasting organizations and catalog producers, sets the period of copyright protection at 70 years from the death of the author. Databases, including catalogues, are protected for 15 years. The Finnish Copyright Act provides for sanctions ranging from fines to imprisonment for up to two years. Search and seizure is authorized in the case of criminal piracy, as is the forfeiture of financial gains. The Copyright Act has covered computer software since 1991.

Finnish copyright legislation was amended in 2005, to meet the demands of the digital environment and the internet. The amendments to the Copyright Act and the amended section 49 of the Criminal Code came into force from the beginning of 2006. This reform implemented the Copyright Directive adopted by the EU in 2001. The amendments also addressed a number of national issues, such as the prohibition of the importation of pirated recordings for personal use.

The Copyright Act was further amended in September 2013.

The WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) entered into force in Finland in March 2010. Finland acceded to the Agreement on Trade-Related Aspects of Intellectual Property Rights in 1995.

Trademarks

Amendments to the Trademarks Act which entered into force on January 2011, require that a trademark applicant or proprietor not domiciled in Finland have a representative resident in the European Economic Area. Finland signed the Singapore Treaty on the Law of Trademarks in October 2006.

Trade Secrets

In the Finnish legal system, the protection of trade secrets forms part of the general concept of protection against unfair competition. In 1979, Finland implemented the Unfair Business Practices Act which prohibits competitors from, “unjustifiably obtaining or seeking to obtain information regarding a business secret or using or revealing information obtained in such a manner.” An English version of the Act is available at: <http://www.finlex.fi/fi/laki/kaannokset/1978/en19781061.pdf>

The Penal Code (39/1889) contains provisions regarding industrial espionage (chapter 30, section 4), violation of business secrets (chapter 30, section 5) and misuse of business secrets (chapter 30, section 6). Trade secret protection is also regulated by the Employment Contracts Act (55/2001), according to which the employee may neither utilize nor divulge to third parties the employer’s trade or business secrets during the term of employment.

According to the 2010 International Association for the Protection of Intellectual Property group report, Finnish legal protection of trade secrets is fundamentally sound, although the introduction of common and consistent terminology for relevant legislation would be

desirable. The report can be found at:

<https://www.aippi.org/download/commitees/215/GR215finland.pdf>

Semiconductor Chip Layout Design

In 1991, Finland adopted the Act on the Exclusive Right in the Layout-Design (Topography) of an Integrated Circuit. The Act gives exclusive rights in a layout-design to the creator (or to anyone to whom the right of the creator has been transferred) who is a Finnish citizen, a person with a permanent residence in Finland, or place of business in Finland. In cases of industrial infringement of IPR the integrated circuit used by the defendant may be confiscated.

An English translation of the Act, is available at:

<http://www.finlex.fi/fi/laki/kaannokset/1991/en19910032.pdf> . In general, the exclusive rights come to an end 10 years from the end of the calendar year in which the topography was first commercially exploited.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>

Resources for Rights Holders

Contact at Mission: IP issues are handled by the Political/Economic Section in Helsinki.

- **Rodney Hunter**
- **Political/Economic Section Chief**
- **+358-9-6162-5478**
- **HunterRM@state.gov**

The American Chamber of Commerce in Finland's (AmCham) legal committee offers free legal advice to all AmCham member companies: <http://www.amcham.fi/legal-committee/> . The AmCham's legal guide can be found at: http://www.amcham.fi/wp-content/uploads/2012/04/Legal_Guide_2011.pdf

Transparency of 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 law defines and takes into account new instruments, which have become common in financial markets, such as repurchase agreements. Regulations concerning the clearing of securities trades have been incorporated into the law since 1998. Clearing has become subject to licensing, and is supervised by the Financial Supervision Authority, which oversees the financial markets.

A New Securities Market Act took effect in January 2013. The new Act broke the former Securities Market Act into the Securities Market Act, the Act on Trading in Financial Instruments, the Act on the Book-Entry System and Clearing Operations, and the Investment Services Act. These acts constitute the new securities market framework with the already separate existing acts on Book-Entry Accounts and on the Financial

Supervisory Authority. The new Securities Market Act's general principles are (i) prohibition of actions against good conduct on the securities markets and of improper business practices, (ii) prohibition to give false or misleading information on the securities market, and (iii) the duty to provide investors with equal access to sufficient information on matters that may have a material effect on the value of the relevant security. For more information see the Financial Supervisory Authority's overview of regulations for listed companies at: http://www.fin-fsa.fi/en/Listed_companies/Regulation/Pages/Default.aspx

In Finland, the Act on the Openness of Public Documents of 1951 established the openness of all records and documents in the possession of officials of the state, municipalities, and registered religious communities. Exceptions to the basic principle could only be made by law, or by an executive order for specific enumerated reasons such as national security. A 1999 revision of the law, the Act on the Openness of Government Activities, extended the principle of openness to corporations that perform legally mandated public duties, such as pension funds and public utilities, and to computer documents. For more information see the Ministry of Justice's page on Openness of Government Activities at: <http://oikeusministerio.fi/en/index/basicprovisions/legislation/actontheopennessofgovernmentactivities.html>

The Finnish state administration discussion forum at <http://www.otakantaa.fi/fi-FI> provides an opportunity for all citizens to comment on planned or on-going projects, legislative reforms, or other current issues being drafted within the public administration.

A new law on Citizens' Initiatives entered into force in March 2012, mandating that any citizen initiative that gets 50,000 signatures be taken up for discussion in Parliament. The organizer of an initiative has six months to collect the necessary statements of support. The law has proven popular, and four initiatives have been presented to Parliament for consideration since the Act's implementation. The most popular initiative, with over 166,000 votes, calls for legalizing same-sex marriage. As of May 2014, no Citizens' Initiatives have yet become law.

Efficient Capital Markets and Portfolio Investment

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Finland is open to foreign portfolio investment, and there is an effective regulatory system established. According to the IMF, in February 2014 Finland had USD 1.1 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. The private sector has access to a variety of credit instruments. Legal, regulatory, and accounting systems are transparent and consistent with international norms.

The Helsinki Stock Exchange is 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, Iceland, Tallinn, Riga, and Vilnius.

Banking is open to foreign competition. Compared to the international average, the number of banks in Finland is high. The reason for this is the high number of banks in the OP-Pohjola Group, a cooperative of independent, local deposit banks that are engaged in retail banking. In April 2014, there were 187 OP-Pohjola Group banks, 8 commercial banks, 34 local cooperative banks, 29 savings banks, and 15 branches of foreign deposit taking banks. The total assets of the domestic banking groups and branches of foreign banks operating in Finland amounted to EUR 468 billion in 2013. For more info see the Federation of Finnish Financial Services report (in Finnish) at: http://www.fkl.fi/materiaalipankki/julkaisut/Julkaisut/Pankit_Suomessa_2013.pdf

All authorized deposit-taking banks are members of the Deposit Guarantee Fund. If an individual bank becomes insolvent, the Fund will compensate its customers' deposits to a maximum of EUR 100,000 per depositor.

Finland's banking system was the strongest in the EU in terms of its financial position, according to credit rating company Moody's "Banking System Outlook: Baltics" report released in November 2012. Finland's banking system is also ranked as the strongest in the Eurozone, according to a Moody's global comparison of national banking systems. Moody's ranked the financial strength of Finland's banking system as 11th internationally. As of April 2014, Finland maintained a triple-A rating from Moody's, Standard & Poor's, and Fitch. However, Standard & Poor's cut Finland's outlook on its credit rating from "Stable" to "Negative" in April 2014, citing Finland's economic stagnation since 2008. In May 2014, Moody's maintained its top AAA credit rating for Finland with a stable outlook, stating that Finland has many strengths to pull through the economic challenges it is currently facing. Finland, Luxembourg, and Germany are the only Eurozone countries with triple-A credit ratings.

Hostile takeovers have not in the past been part of the Finnish business culture and Finnish law does not distinguish between friendly and hostile takeovers. Finnish legislation does not expressly address takeover defenses. In Finnish law, the legality of takeover defenses is evaluated primarily in light of the leading principles of the Security Markets Act (SMA), the principle of equal treatment of all shareholders, and general principles of company law. If challenged, the legality of the defensive measures is subject to review by the courts.

The Takeover Board issues recommendations that provide direction for mergers and acquisitions. One can contact the panel board for a statement regarding interpretation of the recommendations, good securities markets practices, as well as an individual company's legal issues. For more see: <http://cgfinland.fi/en/the-takeover-board/>

Finland changed over to the Single Euro Payments Area (SEPA) in January 2008. The system began with credit transfers and cards, and starting from July 2010, International Bank Account Numbers (IBAN) and Bank Identification Code (BIC) data have been compulsory on invoices and credit transfer forms, along with Finnish account numbers. Since November 2010, Finnish banks offering domestic direct debit services have offered SEPA Core Direct Debit to payer customers requiring such services.

State Owned Enterprises (SOEs) in Finland are active in a number of industries, such as Chemicals, Petrochemicals, Plastics & Composites; Energy & Mining; Environmental Technologies; Food Processing & Packaging; Industrial Equipment & Supplies; Marine Technology; Media & Entertainment; Metal Manufacturing & Products; Services; and Travel. The Ownership Steering Act (1368/2007) regulates the administration of state-owned companies. The act can be found at:

http://valtioniomistus.fi/english/files/2011/12/VALTIONYHTIOeLAKI_en.pdf

In general, State Owned Enterprises are open to competition except where they have a monopoly position, namely in alcohol, retail, and gambling. Alko is an independent limited company fully-owned by the Finnish government and administered and supervised by the Ministry of Social Affairs and Health. Alko has the exclusive right to the retail sale of beverages containing more than 4.7 percent alcohol by volume. Gambling activities are provided by the three operators licensed under the Gambling Act: Fintoto Oy, RAY (Finland's Slot Machine Association), and Veikkaus Oy. In Finland, gambling activities are subject to strict state control and monitoring. Public authority control enables to guarantee players' legal protection, prevent abuse and criminal activity related to gambling, and reduce the negative social and health effects of gambling. The aim is also to prevent illegal gambling activities. Foreign or other domestic operators are not allowed to market or offer their games in Finland.

Passenger rail transportation in Finland is a monopoly operated solely by the state-owned company, Valtion Rautatiet Oy (VR), but freight transport has been open to free competition since 2007. However, freight transportation by rail between Finland and Russia still remains an exclusive right of VR. The new Railway Act (304/2011) enables free competition on passenger transport within Finland. However, competition may be limited by the fact that officials can conclude agreements to only use the railway services provided by a specific company for ten years at a time.

Solidium, a limited liability company fully owned by the government of Finland, invests in companies that are considered to be of national importance. Solidium invests in Finnish listed companies and foreign listed companies with extensive operations in Finland.

As of April 2014, Finland has direct ownership of shares in three listed companies (Finnair, Fortum, and Neste Oil). Finland also owns 32 non-listed companies. A list of state-owned companies can be found here:

[http://valtioniomistus.fi/english/companies/state-majority-owned-companies /](http://valtioniomistus.fi/english/companies/state-majority-owned-companies/)

The Ownership Steering Department, under Minister Pekka Haavisto, handles duties relating to state ownership. The department is responsible for state ownership policy, expansion of the ownership base, branch re-organizations, share investments, and coordination of ministries' ownership steering procedures. All government resolutions, statements of the Cabinet Committee on Economic Policy, and recommendations and statements by Ministries are public and available to all market actors. SOEs in Finland adhere to the OECD Guidelines on Corporate Governance for SOEs.

The government, in November 2000, published "Handling of Corporate Governance Issues in State-owned Companies and Associated Companies." These guidelines stress the independence of the state-owned companies' boards and their goal to increase shareholder value. The Finnish government publishes the salaries and remunerations of the management and boards of state-owned and associated companies.

In November 2011, the Government adopted a government resolution outlining the objectives and principles for its state ownership policy, replacing the previous government resolution on ownership steering adopted in 2007. The adopted resolution places greater emphasis on responsibility, openness and long-term goal setting. The resolution calls for responsibility and openness as it regards reporting, remuneration, and the overall transparency of business activities. According to the resolution, non-listed state-owned and state majority-owned companies must, in the future, report their responsibilities in an accurate manner. This will allow comparison between companies. The Finnish government expects companies to ensure that their subcontractors also follow the same principles of responsibility. The resolution also focuses on the composition of companies' boards of directors and emphasizes the need to promote equal opportunities. This includes gender equality.

The government resolution, based on the Government Program, provides guidelines for ownership steering within ministries. It also provides companies, stakeholders and markets with information about the main practices of the Finnish government as an owner. The resolution builds on the continuation of the government's active, market-based ownership policy. The underlying principle is that corporate assets held by the Finnish government constitute an important part of its national wealth.

In August 2012, the Cabinet Committee on Economic Policy adopted a statement on remuneration of management in state-owned companies (the previous statement dated from autumn 2009). Openness and moderation are the statement's fundamental premises. Remuneration must be predictable and transparent, so that everyone involved can assess its efficiency. According to the statement, the threshold for remuneration must be sufficiently challenging to reach and it is particularly important to ensure that remuneration does not lead to excesses jeopardizing the targets set for remuneration schemes.

On December 16, 2013, Minister Haavisto announced that the age limit previously applied to board members of companies in which the state is the major shareholder will be abolished in spring 2014. In companies whose articles of association specify an age limit, the required changes will have to be agreed in an AGM. The current age limits range between 68 and 70. For companies in which the state is a minority shareholder, the new policy will apply to appointments in which the state can have a say.

Finland does not have a sovereign wealth fund.

Corporate Social Responsibility

Finland is committed to compliance with and the promotion of corporate social responsibility by supporting the implementation of international codes of conduct guiding the operations of multinational enterprises, such as 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. Compliance with the guidelines is voluntary for enterprises.

The Committee on Corporate Social Responsibility, operating in connection with the Ministry of Employment and the Economy, monitors the application of the OECD

Guidelines for Multinational Enterprises in Finnish multinational corporations. The Government Decree on the Committee on Corporate Social Responsibility can be found at:

[http://www.tem.fi/files/23532/Government_Decree_on_the_Committee_on_Social_and_Corporate_Responsibility_\(.pdf](http://www.tem.fi/files/23532/Government_Decree_on_the_Committee_on_Social_and_Corporate_Responsibility_(.pdf)

In Finland, the Securities Market Association established by the Central Chamber of Commerce, the Confederation of Finnish Industries (EK) and NASDAQ OMX Helsinki has developed and updated the Finnish Corporate Governance Code for companies listed on the Helsinki Stock Exchange. The Code can be found at:

http://www.nasdaqomx.com/digitalAssets/71/71589_finnish_cg_code_2010.pdf

The Corporate Responsibility Network (FiBS), established in 2000, is the leading corporate responsibility network in Finland, with around 200 members. The Human Rights Centre (HRC), administratively connected to the Office of the Parliamentary Ombudsman, encourages foreign and local enterprises to follow the most important international norms in the field.

Labor and environmental laws and regulations are not waived in order to attract or retain investments.

The Government of Finland published a new guide on socially responsible public procurement in November 2013, found here:

http://www.tem.fi/files/38102/TEM_Opas_Sos.hank_EN_netti.pdf

The Government is committed to promoting CSR through its CSR action plan (see Government Resolution on CSR, https://www.tem.fi/files/35134/Government_Resolution_on_CSR_FINLAND.pdf), in partnership with the public sector, enterprises, NGOs, labor market organizations and other expert organizations.

Political Violence

There are no instances of political violence.

Corruption

Corruption is not perceived as a serious threat and Finland has no dedicated national anti-corruption strategy. The Internal Security Program of 2012 discusses the risks of corruption in public procurement and for Finnish enterprises or their representatives when conducting business abroad.

Corruption in Finland is covered by the Criminal Code and provides for sanctions ranging from fines to imprisonment of up to four years. Both giving and accepting a bribe is considered a criminal act under the Criminal Code. Finland has statutory tax rules concerning non-deductibility of bribes. Finland is a signatory to the OECD Convention on Anti-Bribery. A Transparency International progress report on enforcement of the OECD Convention, released in October 2013, rated Finland's enforcement as "moderate."

http://issuu.com/transparencyinternational/docs/2013_exportingcorruption_oecdprogre

Finland does not have an authority specifically charged with the prevention of corruption. The Ministry of Justice is responsible for the coordination of anti-corruption matters although Finland's anti-corruption contact point for EU purposes is in the Ministry of the Interior. Ministry of Justice in 2002, set up a special anti-corruption network which meets to discuss and exchange information. The National Bureau of Investigation has an officer whose full-time duty is to follow matters related to corruption in Finland. The tax administration has, after recommendations from the Organization for Economic Cooperation and Development (OECD), published guidelines for tax officials stating their obligation to report suspected criminal offences, including foreign bribery. The Ministry of Finance has also published guidelines for government officials on hospitality, benefits, and gifts.

For more, see the Ministry of Justice's "Corruption and the Prevention of Corruption in Finland," found at:

<http://www.oikeusministerio.fi/material/attachments/om/tiedotteet/en/2009/6AH99u1tG/Corruption.pdf>

Over the past decade, Finland has placed first or second on Transparency International's Corruption Perceptions Index (CPI). In 2013, Transparency International ranked Finland as the third least corrupt country in the world. Transparency International says that Finland still faces some corruption issues related to "old-boys' networks" where a small group of elites, sometimes with political connections, make deals and decisions in a non-transparent manner.

The Act on a Candidate's Election Funding (273/2009) delineates election funding and disclosure rules in parliamentary, presidential, municipal, and European Parliamentary elections. The Act requires presidential candidates, Members of Parliament and Deputy Members to declare their total campaign financing and the financial value of each contribution as well as the name of the donor for donations exceeding EUR 1,500. The National Audit Office of Finland keeps a register containing the information in the election funding disclosures, available at: <http://www.vaalirahoitusvalvonta.fi>

Lobbying is not regulated in Finland. There is no requirement for lobbyists to register or for reporting contacts between public officials and lobbyists.

The Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime entered into force in July 1994. Finland ratified the Council of Europe Civil Law Convention on Corruption in October 2001. Finland ratified the Criminal Law Convention on Corruption in October 2002. The UN Convention against Transnational Organized Crime was ratified in February 2003. Finland ratified the UN Convention against Corruption in July 2006. In 2008 and 2011, Finland renewed the reservations in respect to Article 12 (trading in influence) and Article 17 (jurisdiction).

Finland is a member of the European Partners against Corruption (EPAC), which cooperates with national police oversight bodies and anti-corruption authorities of the European Union. Finland has joined the Extractive Industries Transparency Initiative (EITI), which supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas, and mining.

Finland is a party to the 1957 European Convention on Extradition. Finland has ratified the 1959 European Convention on Mutual Legal Assistance in Criminal Matters and its 1978 Additional Protocol. Finland is a party to the 1996 Convention on Extradition between EU member States as well the 1995 Convention on Simplified Extradition Procedure within the EU.

The United States and Finland have an extradition treaty, signed in June 1976; that entered into force in May 1980. The United States and the EU signed a bilateral extradition and mutual legal assistance treaty (MLAT) in December 2003. The United States and Finland signed a bilateral MLAT in December 2004. Finland ratified the MLAT agreements and approved the necessary implementing bilateral instruments in December 2007.

Resources to Report Corruption

The National Bureau of Investigation is the law enforcement body responsible for the investigation of complex organized and international crimes, including economic crime and corruption. Since 2007, the National Bureau of Investigation has operated an anti-corruption unit whose main function it is to detect economic offences. The corruption-detection unit consists of one officer.

Contact at government agency

- Jouni Hirvonen
- Detective Chief Inspector specialized in corruption
- National Board of Investigation
- P.O.Box 285, 01310 Vantaa
- +358 295480141
- Jouni.hirvonen@poliisi.fi

Contact at “watchdog” organization:

- Annukka Timonen (since April 3, 2014)
- Chairperson
- Transparency Finland
- Töölönkatu 3A, 3rd Floor, 00100 Helsinki, Finland
- annukka.timonen@transparency.fi

Transparency International’s national chapter Transparency Finland was founded in late 2003. More information can be found at: <http://www.transparency.fi/>

Bilateral Investment Agreements

Finland has concluded bilateral investment agreements with the following 66 countries: Albania, Algeria, Argentina, Armenia, Azerbaijan, Belarus, Bosnia-Herzegovina, Bulgaria, Chile, China, Croatia, the Czech Republic, the Dominican Republic, Ecuador, 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, Morocco, Mozambique, Namibia, Nepal, Nigeria, Oman, Panama, Peru, Philippines, Poland, Qatar, Romania,

Russia, Slovakia, Slovenia, South Africa, South Korea, Sri Lanka, Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Vietnam, and Zambia.

Finland does not have a bilateral investment treaty or free trade agreement with the United States. In September 1989, Finland and the United States signed a convention (TIAS 12101) for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital. The convention entered into force December 30, 1990. The tax convention was amended on May 31, 2006, under a protocol signed in Helsinki. Among other things, the protocol eliminates the source-country withholding tax on many intercompany dividends and on dividends paid to pension funds and eliminates source-country withholding royalties payment regardless of the type of intellectual property. For more see: http://www.treasury.gov/resource-center/tax-policy/treaties/Documents/js4298_attachment_finnishprotocol06.pdf

OPIC and Other Investment Insurance Programs

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In January 1996, 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. For more information see <http://www.finnvera.fi/eng/Exports-and-internationalisation/Export-guarantees/Export-Credit-Guarantees/International-co-operation/Co-operation-agreements>

Finland has been a member of the Multilateral Investment Guarantee Agency (MIGA) since 1988.

Labor

The Finnish labor force is highly skilled and well-educated. Of the 2.46 million persons employed in 2013, 4.3 percent were employed in the primary sector, 23 percent in industry and construction and 72.7 percent in services. Employment fell slightly in the private sector and rose in the public sector.

Finland has a long tradition of trade unions and has a unionization rate of around 75 percent. Wage formation and labor market institutions are based on legislation and agreements. Working life legislation has been prepared on a tripartite basis by government and social partners. Collective bargaining and collective labor agreements are generally binding in nature. Finland adheres to most ILO conventions; enforcement of worker rights is effective.

Regulation of the labor market - minimum wages, working hours, working conditions, etc. - to a large extent takes place through collective agreements instead of parliamentary legislation. In recent years, labor market partners at the local level have been given more flexibility in enforcing the stipulations of the collective agreements.

There were a total of 108 strikes in 2013, but none posed major threats to investment. The largest strike took place in the postal service Itella when 1,800 workers went on

strike. The relevant parties came to an agreement, and delays to the postal service were minimal.

Any trade union and employers' association may make collective agreements. Nearly all collective agreements are branch-specific. The Ministry of Labor and the Economy decides on the universal validity of the agreement. The parties to collective agreements are trade unions and the central organizations of employers' associations. The role of the government has been, when needed, to support the conclusion of collective agreements by making the appropriate economic policy decisions, such as in cases involving taxes. Extensive tripartite cooperation between the government, employers groups, and trade unions characterize the country's labor market system.

The Act on Employment Contracts is the main regulating act applied to employment relationships. It includes the minimum conditions regarding working hours, annual leave, safety conditions, etc.

In April 2014, the European Parliament passed the enforcement directive on the posting of workers. Posted workers are employees who are posted by an employer in one country to work temporarily in another EU member state for the purpose of providing cross-border services. The measure compels employers to abide by the terms of employment of posted workers in practice. Finland has many posted workers in the construction sector, and the directive allows for national enforcement measures such as the tax number system, which is important for efficient tax collection. The terms of employment of posted workers have already been defined in a previous directive, but the new directive adds to the effectiveness of their implementation.

The unemployment rate in April 2014 was 9 percent against 8.8 percent a year earlier. Youth unemployment (15-24 years old) in April 2014 was 25.6 percent, which was 1.2 percent higher compared to 2013. The unemployed are granted compensation (a labor market subsidy) which, if linked to earnings as has been the case for about 60 percent of the unemployed, guarantees moderate income for a period up to 500 working days. People without jobs after a maximum of 500 days need to demonstrate that they are actively pursuing employment in order to continue receiving the benefit. For more info see The Social Insurance Institution of Finland:

<http://www.kela.fi/in/internet/english.nsf/NET/081101150015EH?OpenDocument>

Finland allows the free movement of EU citizen workers.

Due to the aging population in Finland, all sectors of the economy are estimated to face labor shortages in the future.

Foreign-Trade Zones/Free Ports

Finland has two free warehouse areas, Hanko and Oulu, and four free zones, Hamina Lappeenranta, Turku, and Kemi. The duty-free storage areas, which are usually run by municipal corporations, are available to domestic and foreign-owned companies. Warehousing, assembly and manufacturing are allowed in these areas, with permission from the Board of Customs. The free zone area regulations have been harmonized in the EU by the Community Customs Code.

All shipments from the United States, Canada, China, and Japan containing non-manufactured wood packing materials (NWPM) of coniferous wood, must be treated and marked as such. See the Board of Customs for more information at:

<http://www.tulli.fi/en/index.jsp>

Foreign Direct 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) (<i>Millions U.S. Dollars</i>)	2012	266,782 (<i>Tilastokeskus</i>)	2012	247,545	http://www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (<i>Millions U.S. Dollars, stock positions</i>)	2012	1,650 (<i>Bank of Finland</i>)	2012	2,013	(BEA) click selections to reach. <ul style="list-style-type: none"> • Bureau of Economic Analysis • Balance of Payments and Direct Investment Position Data • U.S. Direct Investment Position Abroad on a Historical-Cost Basis • By Country only (all countries) (Millions of Dollars)
Host country's FDI in the United States (<i>Millions U.S. Dollars, stock positions</i>)	2012	13,572 (<i>Bank of Finland</i>)	2012	7,162	(BEA) click selections to reach <ul style="list-style-type: none"> • Balance of Payments and Direct Investment Position Data • Foreign Direct Investment Position in the United States on a Historical-Cost Basis • By Country only (all countries) (Millions of Dollars)
Total inbound stock	0,61%	2012	0.8%	2012	

of FDI as % host GDP (<i>calculate</i>)					
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- http://www.tilastokeskus.fi/tup/suoluk/suoluk_kansantalous_en.html
- http://www.suomenpankki.fi/en/tilastot/maksutase/pages/tilastot_maksutase_ja_suorat_sijoitukset_maksutase_suorat_sijoitukset_suomeen_kanta_maittain_en.aspx
- http://www.suomenpankki.fi/en/tilastot/maksutase/Pages/tilastot_maksutase_ja_suorat_sijoitukset_maksutase_suorat_sijoitukset_suomesta_kanta_maittain_en.aspx

**TABLE 3: Sources and Destination of FDI
Finland, 2012**

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	85,202	100%	Total Outward	139,945	100%
Sweden	44,439	52%	Sweden	37,322	27%
Netherlands	14,656	17%	Netherlands	28,902	21%
Denmark	5,880	7%	Ireland	14,859	11%
Luxembourg	4,373	5%	Belgium	12,675	9%
Germany	4,177	5%	United States	12,591	9%

"0" reflects amounts rounded to +/- USD 500,000.

Source: <http://cdis.imf.org>

**TABLE 4: Sources of Portfolio Investment
Finland, End of June 2013**

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
World	327,105	100%	World	154,906	100%	World	172,199	100%
Sweden	40,995	13%	United States	23,776	15%	Germany	28,072	16%
United States	32,157	10%	Ireland	18,361	12%	Denmark	25,500	15%
Germany	31,759	10%	Sweden	16,042	10%	Sweden	24,954	14%
Denmark	28,736	9%	Cayman Islands	11,581	7%	France	16,176	9%
Ireland	21,269	7%	France	4,203	3%	Netherlands	15,720	9%

Source: <http://cpis.imf.org/>

No policies exist that govern the export of capital and outward direct investment. Holders of capital, Finnish and foreign, can move funds at will.

Contact at Post to learn more:

- Rodney Hunter
- Political/Economic Section Chief
- Itäinen Puitotie 14, 00140 Helsinki
- +358-9-6162-5478
- HunterRM@state.gov

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Chapter 7: Trade and Project Financing

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- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

Finland ranks among the most advanced countries in the world when it comes to banking technology. Where banks have devised services drawing on new technologies, customers have welcomed the new ways of banking and innovative solutions. This approach plays a key role behind the widespread use of the novel services in Finland.

Finnish banking is different from banking elsewhere in Europe in many ways. In Finland, payments are transmitted electronically up to 98 percent and payment processing has been reduced at bank branches by not only tele-banking services, which have been readily adopted by both businesses and households, but also by “EFTPOS” terminals and increased use of cards for payment of shopping. Payment transmission between businesses is almost entirely automatic. In practice, the paper vouchers are disposed and a significant part of corporate account statements are in electronic format.

Finland is one of the forerunners in the Single Euro Payments Area (SEPA) migration. It successfully migrated to SEPA in credit transfers already by the end of October 2011, and fully completed its SEPA migration on 31 January 2014. Domestic credit transfers have become SEPA credit transfers and legacy domestic payment file standards have been replaced by the ISO 20022 standard.

SEPA is created by European banks, the European Central Bank, and the European Commission and the new system will comprise of credit transfers, card payments and direct debits. In practice, the change means that 34 national payment systems (including all EU countries, EFTA countries, Monaco, and San Marino) will be replaced by a new system, operating according to uniform rules and common standards.

For further information on SEPA, please see <http://www.fkl.fi>.

How Does the Banking System Operate

At the end of 2013, there were a total of 291 credit institutions in Finland. These included domestic deposit banks, investment banks, and branches and subsidiaries of foreign deposit banks and credit institutions. The number of branches of foreign banks accepting deposits was 15. The banks had a total of 1,448 branches in Finland at the end of the year.

The Finnish banking system is dominated by three major groups of deposit banks: OP-Pohjola Group, Nordea Bank Finland, and Sampo Bank which is part of Danske Bank A/S. Operating since 1982, Citibank International plc. was the first foreign branch in Finland.

Mergers and consortiums have formed the Finnish banking sector. Banks and insurance companies have sought new forms of co-operation, and the operations of banks have extended to many sectors of financing and investment. The financial and banking markets are international, and it is almost impossible to draw a boundary between national and international banking.

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 <http://www.finanssivalvonta.fi>, <http://www.fkl.fi>

Foreign-Exchange Controls

Finnish foreign exchange controls have been abolished.

U.S. Banks and Local Correspondent Banks

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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, Bulevardi 28, FIN-00120 Helsinki; Tel: +358 20 7934 200, fax: +358 20 7934 202 (web site: <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 and Russia. 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.

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.

Web Resources

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: <http://www.exim.gov/tools/countrylimitationschedule/>

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.ustda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: [USDA Commodity Credit Corporation](#)

U.S. Agency for International Development: <http://www.usaid.gov>

Federation of Finnish Financial Services: <http://www.fkl.fi>

The Financial Supervisory Authority (FIN-FSA): <http://www.finanssivalvonta.fi>

Finnfund: <http://www.finnfund.fi>

Nordic Investment Bank: <http://www.nib.int/home/>

Finnvera plc: <http://www.finnvera.fi>

Finnish Export Credit Ltd: <http://www.fec.fi>

Finnish National Fund for Research and Development: <http://www.sitra.fi>

Technology Development Center: <http://www.tekes.fi>

Ministry of Employment and the Economy: <http://www.tem.fi>

ELYCenters: <http://www.ely-keskus.fi>

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Chapter 8: Business Travel

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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.

Travel Advisory

U.S. Department of State Consular Information Sheet – Finland:
<http://travel.state.gov/content/passports/english/country/finland.html>

Visa Requirements

Finland is a party to the Schengen agreement. As such, 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.

State Department Visa Website: <http://travel.state.gov/visa/>

U.S. Embassy Helsinki, Finland Consular Section website:
<http://finland.usembassy.gov/cons.html>

Telecommunications

Finland's telecommunications environment is one of the most advanced in Europe. According to Statistics Finland since 2005, 100 percent of households have had at least one mobile phone. Finland has also one of the highest numbers of computers per capita worldwide connected to the Internet (87 percent of all households in 2012) and is the world's leading country in electronic banking. High-speed Internet connections are available at all business hotels.

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 2012, it was 26 percent of the total broadband connections. For information on telecommunications in Finland, please visit <https://www.viestintavirasto.fi/en/aboutthesector/statistics.html>

Transportation

Finland has a well-developed infrastructure. Finland's transportation system is based on an efficient rail and road network, supported by a wide network of freight forwarders and trucking companies. Finland's domestic distribution system for goods and services is efficient. The well-functioning transportation system and the fact that Finland's rail gauge is the same as Russia's make the country a good transshipment point for Russian trade. Among other projects, Finland is developing the "gateway" concept further by maintaining and extending a highway in southern Finland that would reach the Russian border at the southern Vaalimaa border crossing point. The E18 road, from Kristiansand, Norway, through Sweden and Finland, to St. Petersburg, Russia, is part of the European Union Trans European Road Network system, connecting EU-member Nordic capitals with efficient roads. The E18 highway project is estimated to be ready in 2015 according to the Finnish Road Administration, but it will be opened for traffic already in 2014 (Tiehallinto).

Finland has over 50 merchant shipping ports, of which more than 10 are located on inland waterways connected to the Baltic Sea by the Saimaa Canal. Twenty-three seaports are open year round. Finnish ports, 15 of which deal with transit traffic through Finland, can handle a wide range of cargo. The 10 biggest ports handle more than 75 percent of all sea-borne cargo traffic. The Port of Helsinki is Finland's busiest passenger port, and two-fifths of the foreign trade in Finland goes through it. The ports near the Russian border (Hamina-Kotka and Mustola) concentrate on forestry goods, bulk cargo

and free zone activities. Ports are secure and automated; loading and unloading operations are consistently quick and trouble-free.

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 school. 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 Y 77 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.

Business hours in Finland are generally 08.00 AM to 04.00 PM. The average Finnish workweek is 40 hours per week, with annual leave of 25 days, 12.5 free days, and 9 paid holidays. Part-time employment averages to 17.8 hours per week.

The national holidays in 2014 are:

- New Year's Day (January 1)
- Epiphany (January 6)
- Good Friday (April 18)
- Easter Monday (April 21)
- May Day (May 1)
- Ascension Day (May 29)
- Mid-Summer (June 20)
- Independence Day (December 6)
- Christmas Eve (December 24)
- Christmas (December 25-26)

Please see Chapter 5: Trade Regulations and Standards – Temporary entry

Web Resources

U.S. Department of State Consular Information Sheet – Finland:

<http://travel.state.gov/content/passports/english/country/finland.html>

Finnish Immigration Service Website:

http://www.migri.fi/information_elsewhere/visiting_finland

Ministry for Foreign Affairs of Finland:

<http://formin.finland.fi/public/default.aspx?nodeid=15716&contentlan=2&culture=en-US>

Finnish Police:

<http://www.poliisi.fi/poliisi/home.nsf/pages/CCCAC60A96939016C2256EF4002D9058?OpenDocument>

Finnish Transport Agency:

<http://www.liikennevirasto.fi/sivu/www/e/>

Port of Hamina-Kotka:

<http://www.portofhamina.fi/en>

Port of Mustola:

<http://www.portoflappeenranta.fi/In-English/Port-of-Lappeenranta/Port-of-Mustola>

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Chapter 9: Contacts, Market Research and Trade Events

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- [Market Research](#)
- [Trade Events](#)

Contacts

U.S. Embassy Trade Personnel

U.S. Commercial Service
Embassy of the United States of America
Itainen Puistotie 14 B
FIN-00140 Helsinki, Finland
or
FCS

American Embassy
5310 Helsinki PL
Department of State
Washington DC 20521-5310
Tel: (358-9) 616 250

E-mail: office.helsinki@trade.gov

Mr. Nicholas Kuchova, Regional Senior Commercial Officer, Nordics (Finland, Sweden, Norway, and Denmark)

Ms. Mia Maki, Head of Section

Ms. Katie Janhunen, Commercial Specialist

Ms. Tiina Ketela-Juvonen, Commercial Specialist

Political- Economic Affairs Section

Itainen Puistotie 14 B
FIN-00140 Helsinki, Finland
Tel: (358-9) 6162 5478

Mr. Rodney Hunter, Political/Economic Section Chief

HunterRM@state.gov

Defense Attaché Office

Itainen Puistotie 14 B
FIN-00140 Helsinki, Finland
Tel: (358-9) 616 250

Mr. Scott Davis, Defense Attaché

Mr. Michael Huth, Army Attaché

Mr. Matthew Davis, Chief, Office of Defense Cooperation

Foreign Agricultural Service
U.S. Embassy, The Hague
Covers the Benelux and Nordic countries - Belgium, Denmark, Finland, Iceland,
Luxembourg, Norway and Sweden
(011-31-70) 310-2299
Ms. Mary Ellen Smith, Attaché
agthehague@fas.usda.gov
[FAS The Hague Website](#)

Chambers of Commerce

American Chamber of Commerce in Finland
<http://www.amcham.fi/>

Central Chamber of Commerce
www.keskuskauppakamari.fi

International Chamber of Commerce (ICC)
www.iccfin.fi

Helsinki Chamber of Commerce
www.helsinki.chamber.fi

Finnish-American Chamber of Commerce*
<http://www.facc-ny.com/>
*Not affiliated with the American Chamber of Commerce

World Trade Center Helsinki
www.wtc.fi

Country Trade Associations

Federation of Finnish Commerce
<http://kauppa.fi/eng/>

Finnish Foreign Trade Agents' Federation
www.agentiliitto.fi

Finnish Direct Marketing Association
<http://www.asml.fi/en/>

Confederation of Finnish Industries (EK)
<http://www.ek.fi/>

Technology Industries of Finland
<http://www.teknologiateollisuus.fi/>

Finnish Forest Industries' Federation
www.forestindustries.fi

Finpro
www.finpro.fi

Invest in Finland Bureau
www.investinfinland.fi

Country Government Offices

Ministry of Agriculture and Forestry
www.mmm.fi

Employment and Economic Development Center
www.te-keskus.fi

Finnish Food Safety Authority
www.evira.fi

The National Board of Customs
www.tulli.fi

Statistics Finland
www.stat.fi

Office of Data Protection Ombudsman
Ministry of Justice
www.tietosuoja.fi

Finnish Standardization Association (SFS)
www.sfs.fi

Finnish Electrotechnical Standard Association (SESKO)
www.sesko.fi

National Board of Patents and Registration of Finland
www.prh.fi/

National Consumer Administration
www.kuluttajavirasto.fi

Country Market Research Firms

Research International Finland Oy
<http://www.researchinsight.fi/>

A.C. Nielsen Finland Oy
www.acnielsen.fi

MTT Economic Research
www.mtt.fi/mttl/

TNS Radar Research Consulting Oy
www.tns-radar.fi

Country Commercial Banks

Nordea Bank Finland
www.nordea.com or www.nordea.fi

OP-Pohjola group
www.pohjola.fi

Sampo Pankki Oyj (Sampo Bank Plc.)
www.sampopankki.com

Citibank International Plc - Finland Branch
www.citibank.com

Market Research

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link:

<http://export.gov/finland/servicesforu.s.companies/index.asp>

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

We value your feedback on the format and contents of this report. Please send your comments and recommendations to: Market_Research_Feedback@trade.gov

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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