

Doing Business in Finland: Overview

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A Q&A guide to doing business in Finland.

This Q&A provides a high-level overview of the key matters to consider when doing business in Finland, including legal systems, foreign investment, business vehicles, environment, employment, competition, intellectual property, marketing agreements, e-commerce, advertising, data protection, product liability, and regulatory authorities.

Overview

1. What is the general business, economic and cultural climate in your jurisdiction?

Economy

Finland is a small open economy with a large export sector in relation to GNP. Finland's economy is characterised by a high level of industrialisation and a market that is largely free.

Dominant Industries

Finland's most dominant industries are:

- The metal industry (about 40% of sold output).
- The chemical industry (about 24% of sold output).
- The forestry industry (about 19% of sold output). Although Finland's forest resources are relatively small in global terms, Finland is one of the world's foremost producers and exporters of forest industry products.

(Statistics Finland.)

Population and Language

Finland is one of the most sparsely populated countries in Europe, with a population of about 5.5 million. The biggest city is Helsinki, the capital, with a population of about 664,000. Helsinki, Espoo (305,000 inhabitants), and Vantaa (242,000 inhabitants) form the metropolitan area, which is home to nearly 20% of the country's total population.

The official languages are Finnish and Swedish. Finnish is spoken as a first language by about 86% of the population and Swedish by 5%. Finns have a good knowledge of foreign languages. English is widely spoken especially in business environments.

Business Culture

Equality, honesty, and trust are important values in Finnish business culture, and Finland's culture in general.

The *Working Hours Act (872/2019)* (in Finnish) limits the maximum regular working hours to eight hours per day and 40 hours per week. Working hours can be further limited in collective bargaining agreements (CBAs) or individual employment contracts, for example to 37.5 hours per week. Public holidays and their remuneration are determined based on law and the collective agreements for each industry.

Legal System

2. What is the legal system based on in your jurisdiction?

Finland has a civil law system. As a member of the EU, EU regulations and treaties are directly applicable and take precedence over national legislation. The legal system is based on the principle of the rule of law. The development of the legal systems in the Nordic countries is connected and similarities can be found. Sweden and Finland's common history contributes to the similarities between their legal systems.

Foreign Investment

3. Are there any restrictions on foreign investment, ownership, or control?

There are no general restrictions on foreign investment, although authorisation from the *Finnish Financial Supervisory Authority* (FIN-FSA) is required in certain regulated sectors for example:

- Banking.

- Investment services.
- Fund management.
- Payment services.

Foreign investments into, or acquisitions of ownership in, defence industry companies (including companies manufacturing dual use products) and security sector companies are subject to a mandatory approval by the Ministry of Economic Affairs and Employment (MEAE). Under the same regime, non-EU investments into, or acquisitions of ownership in, companies that are deemed critical for the vital functioning of society may require approval. In each case, the approval thresholds are ownership reaching or exceeding 10%, one-third, and 50% of the votes (or similar control).

The Finnish legislation was subject to amendments in late 2020 due to the implementation of the *Foreign Direct Investments (FDI) Screening Regulation ((EU) 2019/452)*. The amendments entered into force in October 2020. While the substance of the law did not undergo radical change, some parts of the regime were clarified and further guidance was provided, for example, the definition of a security sector company and assessment as critical for the vital functioning of society.

4. Are there any restrictions or prohibitions on doing business with certain countries or jurisdictions?

Certain trading restrictions and requirements imposed nationally or at EU level (for example, customs duties) apply to importing and exporting goods and trading to or from non-EU countries. Since March 2014, the EU has imposed trade sanctions and other restrictive measures against Russia. The scope of these EU economic sanctions and restrictive measures significantly expanded as a response to Russia's invasion of Ukraine and target specific sectors of the Russian economy, for example, the energy, financial, and transport sectors. The EU has also introduced new sanctions against Belarus due to the country's support of Russia's invasion of Ukraine. The most important are *Council Regulation (EU) No 833/2014* (Sectoral Sanction Regulation) and *Council Regulation (EU) No 269/2014* (Individual Sanction Regulation) which have direct applicability on all individuals, entities, and bodies under EU jurisdiction. As an EU member state, Finland applies the sanctions imposed on Russia and Belarus.

The Sectoral Sanction Regulation particularly prohibits the export of dual-use goods and advanced technology into Russia. This prohibition applies to a wide range of items and products listed in the Annexes of the Regulation. New items and products are continually being added to the scope of the prohibition with further amendments to the Regulation. The Sectoral Sanction Regulation also places many restrictions on investments into Russia and other economic activities with Russian entities.

The Individual Sanction Regulation imposes financial measures, for example, asset freezing and a prohibition on making funds available to certain named natural and legal persons, entities, and bodies. Any business operations with targeted natural or legal persons are prohibited, unless authorised by the national competent authority. The list of targeted individuals and entities is updated by the European Commission (*Directorate-General for Financial Stability, Financial Services and Capital Markets Union* (DG FISMA)).

The *Ministry of Foreign Affairs* is the competent authority in Finland for implementing and enforcing the sanctions regime and granting authorisations under the Sectoral and Individual Sanctions Regulations.

5. What grants or incentives are available to investors?

Foreign investors in Finland have equal access to the same range of EU and government incentives as domestic Finnish companies. These can be found at [European Union: EU funding programmes](#). Finland welcomes and encourages foreign direct investment. Incentives can take the form of:

- Start-up grants.
- Guarantees.
- Subsidised loans.
- State-guaranteed financing.
- Tax deductions.

Business Vehicles

6. What are the most common forms of business vehicle used in your jurisdiction?

Main Business Vehicles

The most common forms of business vehicle are:

- Sole proprietorships (*toiminimi*).
- General partnerships (*avoin yhtiö*).
- Limited partnerships (*kommandiittiyhtiö*).
- Limited liability companies (*osakeyhtiö*). There are three types of limited liability company:
 - private limited liability companies (*yksityinen osakeyhtiö*);
 - public limited liability companies (*julkinen osakeyhtiö*); and
 - European companies (*eurooppayhtiö*) (SE).

- Co-operative societies (*osuuskunta*).

There is no trust institution equivalent to the common law trust system.

Business Vehicle Most Commonly Used by Foreign Companies

The most common form of business vehicle used by foreign companies is the private limited liability company. The main reasons for this are:

- Flexible regulation enabling effective corporate actions.
- A separate legal personality.
- Shareholders' liability is limited.
- Shares are transferable.

7. What are the main formation, registration, and reporting requirements for the most common corporate business vehicle used by foreign companies in your jurisdiction?

Registration and Formation

A private limited liability company must be notified for registration with the Finnish Trade Register within three months of signing the memorandum of incorporation. A start-up notification must be submitted to the Trade Register including:

- Basic information on the established company.
- The memorandum of incorporation.
- The articles of association (articles).
- Certain other documents, for example, a declaration by the board of directors and the Managing Director that the provisions of the Limited Liability Companies Act (624/2006) have been complied with in the incorporation of the company.

The name of a company must include the Finnish term "*Osakeyhtiö*" (or in Swedish "*Aktiebolag*") or its abbreviation "*Oy*" (or in Swedish "*Ab*"). The name must be individual and distinctive, and it cannot be confusingly similar to any already registered names. The Trade Register will examine the registrability of the company name in connection with processing the start-up notification.

If the company has a share capital, the share capital must be paid in full before registration. The estimated processing time ranges from 3 to 40 working days. Notifications through the online system are handled more rapidly.

If the company is not notified for registration within three months, the company's formation expires.

More information about registration can be found at the [Finnish Patent and Registration Office](#).

Reporting Requirements

Companies must submit a notification if there is a change in their data registered in the Trade Register. The Trade Register charges a handling fee for the processing of the notification in accordance with the price list in force at the time (see [Finnish Patent and Registration Office: Price lists for notifications and applications submitted to the Finnish Trade Register](#)).

Companies must submit their annual accounts to the Trade Register. Additional stricter reporting requirements, for example, preparation and publication of half-year reports, apply to publicly traded companies.

Companies must also submit their income tax returns to the Corporate Tax Office within four months of the closing of their accounting year.

Most companies (for example, private limited liability companies, co-operative societies, and limited partnerships) must file a notification of their beneficial owners and update and maintain those details in the Trade Register. Publicly listed companies do not have this obligation as their shareholders and beneficial owners are identifiable through other measures in accordance with the legislation on securities market. The following details on beneficial owners are entered in the Trade Register:

- Name.
- Finnish personal identity code, or date of birth if the person is a foreign national and does not have a Finnish personal identity code.
- Citizenship.
- Municipality of residence, or home country and home address for a person living abroad.
- Grounds for, and extent of, the control or the share of ownership or voting rights or both.

Share Capital

Private limited liability companies are not subject to minimum share capital requirements. The minimum share capital for public limited liability companies is EUR80,000.

There is no maximum share capital.

Non-Cash Consideration

Companies can issue shares for non-cash consideration. A valuation report from the auditors is required.

Rights Attaching to Shares

Restrictions on rights attaching to shares. All shares carry equal rights unless otherwise provided for in the articles. A company can also have non-voting shares or shares that carry the right to vote only in certain situations.

Automatic rights attaching to shares. In general, all shares carry:

- Administrative rights, for example, voting rights, the right to attend and speak at general meetings, and the right to seek legal remedies available to shareholders.
- Property rights, for example, the right to receive company assets when distributed and preference to subscribe for shares in a share issue.

However, the articles can provide that the company has shares with differing rights attached (for example, different shares carry different voting rights or different rights to receive distributable assets of the company).

Environment

8. What are the main environmental regulations and considerations that a business must take into account when setting up and doing business in your jurisdiction?

Finland has an extensive legal framework relating to environmental issues. Finnish environmental legislation is largely influenced by the EU law, and in some cases the EU environmental law is directly applicable. The most relevant acts regulating environmental matters in Finland are as follows:

- The *Environmental Protection Act (527/2014)* (in Finnish) concerning prevention of environmental contamination, for example, soil, water, and air contamination and noise pollution.
- The *Nature Conservation Act (9/2023)* (in Finnish) concerning conservation and maintenance of nature and landscapes.
- The *Act on Environmental Impact Assessment Procedure (252/2017)* (in Finnish) concerning the environmental impact assessment required in projects with potentially significant environmental impacts.
- The *Waste Act (646/2011)* (in Finnish) concerning prevention of generation of waste and littering, promotion of sustainable use of natural resources, and ensuring functioning waste management.
- The *Water Act (587/2011)* (in Finnish) concerning management and protection of water resources.
- The *Act on Compensation for Environmental Damage (737/1994)* (in Finnish) concerning liability for environmental damage.
- The *Act on Co-Ordination of Certain Environmental Permitting (764/2019)* (in Finnish) concerning co-ordination and expedition of various environmental permitting processes.
- The *Land Use and Planning Act (132/1999)* (in Finnish) concerning, among other things, building permitting and different levels of planning. As of 1 January 2025, the title of the Act will be changed to Land Use Act and the sections concerning building permitting and construction works will be revoked.
- The *Construction Act (751/2023)* (in Finnish) concerning, among other things, building permitting and the design, construction, and use of buildings and sites. The Construction Act will enter into force on 1 January 2025.

- The Climate Change Act (423/2022) concerning national climate policy.
- The *Emission Trading Act (311/2011)* (in Finnish) concerning emissions trading.
- The *Mining Act (621/2011)* (in Finnish) concerning mining resources.
- The *Land Extraction Act (555/1981)* (in Finnish) concerning use of land resources such as soil and gravel.
- The *Forest Act (1093/1996)* (in Finnish) concerning economic and sustainable use of forests.
- The *Act on the Safe Handling and Storage of Dangerous Chemicals and Explosives (390/2005)* (in Finnish) concerning prevention and combating damage to persons, the environment, and property caused by the manufacture, use, transfer, storage, warehousing, and other handling of dangerous chemicals and explosives.
- The *Chemical Act (599/2013)* (in Finnish) concerning hazardous substances.
- The *Gene Technology Act (377/1995)* (in Finnish) concerning genetic engineering.
- The *Nuclear Energy Act (990/1987)* (in Finnish) concerning nuclear energy.
- The *Radiation Act (859/2018)* (in Finnish) concerning protection from radiation.
- The *Criminal Code (39/1889)* (in Finnish) concerning, among other things, environmental crimes.

In some cases, more detailed instructions on the application of environmental Acts are provided in lower-level decrees or guides of public authorities.

Employment

Laws and Contracts

9. How is the employment relationship established and regulated within your jurisdiction?

In Finland an employment relationship is defined as a contract between an employer and an employee in which the employee agrees to perform work for the employer under the employer's direction and supervision in return for compensation in the form of pay or other remuneration. A written contract is not required. However, an employer must at least give employees a written statement of the main terms of employment and any changes to it, some within the first seven days of employment and the rest within a month's time from the commencement of employment (*Employment Contracts Act (55/2001)* (in Finnish) (ECA 2001)). This also applies if the written contract is silent on any material conditions. The main terms of employment include, among others:

- Commencement of work.
- Grounds for potential fixed-term employment.

- Trial period.
- Principal place of work.
- Principal duties.
- Salary and salary payment period.
- Regular working hours.
- Annual holiday.
- Notice period.
- Applicable collective bargaining agreement (if any).

Specific information requirements apply for agency work and work abroad.

In Finland, the starting point is that employment relationships are valid indefinitely. Fixed-term employment can be agreed only for valid reasons, for example, substitution (that is temporary cover) or a fixed-term project. Part-time employment can be agreed on as an alternative to full-time employment, but there is an obligation to offer part-time employees additional work, if possible. It is possible to agree on a trial period regardless of the type of contract. During the trial period, either party can terminate the employment relationship immediately, if the reason for termination is not discriminatory or inappropriate considering the purpose of the trial period. However, there is no at-will employment status; aside from the trial period, the employer must have proper and weighty grounds for termination and in most cases comply with the applicable notice period.

Several mandatory labour laws regulate the terms of employment. The most relevant laws are:

- The ECA 2001.
- The *Co-Operation Act (1333/2021)* (in Finnish).
- The Working Hours Act.
- The *Annual Holidays Act (162/2005)* (in Finnish).
- The *Occupational Safety and Health Act (738/2002)* (in Finnish).
- The *Act on Occupational Safety and Health Enforcement and Co-Operation on Occupational Safety and Health at Workplaces (759/2004)* (in Finnish).
- The *Act on the Protection of Privacy in Working Life (759/2004)* (in Finnish).
- The *Act on Equality Between Women and Men (609/1986)* (in Finnish).
- The *Non-Discrimination Act (1325/2014)* (in Finnish).

In addition to mandatory labour laws, there are also numerous CBAs regulating the terms of employment. CBAs are generally applicable in many sectors, including many key business sectors, for example, commerce, technology industries, and hospitality. Generally applicable CBAs must be applied by an employer even if the employer is not a member of any employers' association. The CBA governing the employment relationship can set out specific rules that substitute or supplement labour law.

In addition, certain employer practices, for example, a benefit regularly given to the employees, can become so well-established that they form an implied term of the employment contract and are therefore no longer solely at the employer's discretion.

The primarily applicable legislation in international employment relationships is determined by international choice of law rules. The *Rome I Regulation ((EC) 593/2008)* applies to employment contracts concluded after 17 December 2009. The *Rome Convention (80/934/EEC)* applies to employment contracts concluded on or before 17 December 2009. According to Rome I and the Rome Convention, the parties to an employment contract can choose the law governing their employment relationship, but this choice of law cannot override or derogate from the otherwise applicable employment legislation that would afford better protection to the employee. If the parties have not agreed on the applicable law, as a starting point, the laws of the place most closely related to the employment relationship will apply. This is usually the place where the employee normally performs their work.

In addition, certain minimum terms of employment apply to employees who are temporarily posted to Finland and whose employment is subject to a foreign country's legislation. These terms are detailed in the *Posted Workers Act (447/2016)* (in Finnish) and regulate, for example, minimum salary, rest periods and annual holiday.

For further information about employment and employee benefits law, see *Country Q&A, Employment and Employee Benefits in Finland: Overview*.

Termination, Dismissal, and Employment Law Protection Rules

10. On what basis can employees be dismissed? What are the main employment law protection rules in place?

Termination of an employment relationship requires proper and weighty reasons (Chapter 7, ECA 2001). The reasons can relate to the employee (individual grounds) or the employer (collective redundancy grounds). In addition, some employees, for example, employee representatives, enjoy special protection against termination.

An employee dismissed or made redundant without sufficient legal grounds may be entitled to compensation of up to 24 months' salary (for employee representatives, up to 30 months' salary) (Chapter 12, section 2, ECA 2001). If an employee is selected for dismissal on discriminatory grounds, the employee can, in addition to compensation for unjustified termination, claim compensation and damages. Discrimination is also sanctioned by the Criminal Code with fines or up to six months' imprisonment.

In the event of the termination of an employment contract, the employment relationship will continue for the duration of the applicable notice period. CBAs usually contain provisions on notice periods that can be mandatory for those required to apply the CBA. Apart from this, the parties can, within certain limitations, agree on the length of the notice period. If nothing has been agreed and no CBA is applicable, the ECA 2001 contains provisions on the length of the notice periods.

Individual Grounds

An employer can dismiss an employee if the employee has seriously breached or neglected obligations arising from the employment relationship. In addition, an employer can dismiss an employee if the employee's work capacity has substantially diminished over a long period of time, and the employee is no longer capable of performing their duties (Chapter 7, section 2, ECA 2001). Case law indicates that the following, among others, can constitute sufficient grounds for termination:

- Carelessness.
- Failure to follow instructions.
- Gross negligence.
- Dishonesty.
- Absence without reason.

If an employer lacks sufficient grounds for the dismissal, the dismissal may be deemed unjustified. In addition, the following are not legally justified grounds for dismissal:

- Illness or injury, unless the employee's work capacity has diminished substantially and for such a long period that it is not reasonable to expect the employer to continue the employment relationship.
- Participation in a strike or other industrial action.
- Political, religious, or other opinions.
- Participation in community or association activities.
- Recourse to judicial procedure.
- Pregnancy or family leave. (There is a presumption that any dismissal is motivated by the employee's pregnancy or family leave, unless the employer proves otherwise.)
- Discriminatory grounds, for example, age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relationships, state of health, disability, sexual orientation, or other personal characteristics.

(Chapter 7, sections 2 and 9, ECA 2001; sections 7 and 8, Act on Equality between Women and Men; section 8, Non-Discrimination Act.)

Before dismissing an employee, the employer must:

- Issue the employee a warning, making it clear that the employee's conduct, neglect, or similar is endangering the employee's continued employment.
- Give the employee a fair chance to improve their conduct or performance.
- Consider whether the situation can be resolved by transferring the employee to other duties.

For an exceptionally severe breach, the employment relationship can be terminated with immediate effect by both the employer and the employee if it is deemed unreasonable for the employment relationship to continue for the duration of the notice period. The termination with immediate effect must be made within 14 days of learning of the breach, otherwise the right to do so is forfeited.

Collective Grounds

An employer can terminate an employment contract on collective grounds provided that both:

- The amount of work has diminished substantially and permanently due to financial, production-related, or organisational reasons.
- The employer is not able to offer the affected employees suitable alternative work within the company (or, in certain circumstances, the company's group) or retrain them for other duties.

(Chapter 7, sections 3 and 4, ECA 2001.)

A redundancy is invalid if either:

- Before or after the redundancy, the employer employs a new employee to perform tasks similar to those performed by the employee made redundant, although the operational circumstances have not changed.
- The amount of work has not actually diminished, based on the reorganisation invoked as reason for the redundancy.

Employers (including branches of foreign undertakings) who regularly employ at least 20 employees must, before making a decision on redundancies, layoffs, reducing working hours, or other material changes to the terms of employment, conduct change negotiations with employees or their representatives regarding the reasons for, effects of, and possible alternatives to the planned measures (Co-Operation Act). If the employer fails to comply with the change negotiation procedure, the employee, subject to the measures resulting from decisions made by the employer, may be entitled to compensation of up to EUR35,000 for breach of the change negotiation obligation.

Competition

11. Are restrictive agreements and practices regulated by competition law? Is unilateral (or single-firm) conduct regulated by competition law?

Competition law applies to all companies, Finnish domiciled or foreign companies, that conduct business in Finland. Competition law in Finland is administrative in nature and does not entail criminal penalties for anti-competitive behaviour (even though there are certain actions that are penalised under the Criminal Code).

The EU competition rules apply directly in all EU countries, including Finland. EU competition law applies to anticompetitive conduct that has effects within the internal market regardless of the nationality or geographic location of the enterprises concerned or where the conduct occurred. However, the *Finnish Competition Act (948/2011)* (in Finnish) (Competition Act) covers behaviour having effect on the domestic market.

Competition Authority

The two main authorities responsible for enforcing the national competition rules, and *Article 101* and *Article 102* of the *Treaty on the Functioning of the European Union* (TFEU) are:

- **The *Finnish Competition and Consumer Authority (FCCA)*.** This is the authority of first instance and is responsible for assessing whether the provisions of the Competition Act (or Articles 101 and 102 of the TFEU) have been infringed. The FCCA is also responsible for merger control. It investigates a concentration and either clears it, with or without conditions, or requests the Market Court to prohibit it.
- **The *Market Court*.** FCCA decisions can be appealed to the Market Court. This has the exclusive competence to impose fines or periodic penalty payments, and to prohibit mergers. However, it must always act on (although not necessarily follow) the FCCA's proposal.

The ultimate appellate body in competition matters is the *Supreme Administrative Court*. This functions as a second appellate instance for the FCCA's decisions and as a first appellate instance for the Market Court's decisions.

In addition, at regional level, the regional state administrative agencies also have powers to investigate restrictions on competition in co-operation with the FCCA. There are also sectoral authorities for certain industries such as energy, transport, and communication. In addition, food supply chain practices are supervised by the *Food Market Ombudsman*.

Restrictive Agreements and Practices

The rules applicable to prohibited horizontal and vertical co-operation are contained in section 5 of the Competition Act. According to this provision, agreements between business undertakings, decisions by associations of business undertakings, and concerted practices by business undertakings which have as their object or effect the significant prevention, restriction, or distortion of competition are prohibited. This is in line with Article 101 of the TFEU. In particular the following competition restrictions are prohibited:

- Price fixing, including the fixing of selling prices and other trading conditions.
- Limitation of output, allocation of markets, customers, or sources of supply.
- The use of discriminatory trading conditions.
- Tying.

A restriction on competition can be exempt under section 6 of the Competition Act where certain conditions (identical to those listed in Article 101(3) TFEU) can be satisfied.

Unilateral Conduct

Section 7 of the Competition Act, which is modelled on Article 102 TFEU, prohibits abuse by one or more business undertakings of a dominant position. There are many forms of abuse that are liable to fall within the scope of this prohibition, including:

- Predatory pricing.
- Price squeezing.
- Unfair pricing.
- Price discrimination.
- Rebate systems.
- Refusal to deal.

- Tying.
- Exclusive sales or exclusive purchasing agreements.

In addition, under the provisions ensuring neutrality of competition between public and private sector business activities (sections 30 (a) to 30 (d) of the Competition Act), the FCCA has the authority to intervene in the provision of goods and services in public sector business activities if the used operating models (for example, overpricing) or operating structures (for example, undertakings controlled by the public sector) prevent or distort competition.

Due to the implementation of *ECN+ Directive ((EU) 2019/1)*, the FCCA's investigative and enforcement powers in relation to anticompetitive practices were strengthened on 24 June 2021. The current system entitles the FCCA to propose both behavioural and structural remedies which are proportionate to the infringement committed and necessary to bring the infringement effectively to an end. With respect to sanctions for competition infringements, the Finnish system is based on administrative fines.

For a high-level overview of the antitrust and competition law rules for restraints of trade and dominance, merger control, and the legal approach to joint ventures, see [Country Q&A, Competition Law in Finland: Overview](#).

12. Are mergers and acquisitions subject to merger control?

Transactions Subject to Merger Control

The Finnish merger control regime captures only mergers exceeding certain turnover thresholds. For more information, see [Merger Control Quick Compare Chart: Finland](#). To compare jurisdictions, see the [Merger Control Quick Compare Chart](#).

A concentration must be notified under the provisions of the Competition Act in the event of:

- An acquisition of control (as provided for under Chapter 1, section 5 of the *Accounting Act (1336/1997)* (in Finnish)) or an acquisition corresponding to actual control.
- The acquisition of the entire business operations or a part of an undertaking.
- A merger.
- The creation of a joint venture which will perform on a lasting basis all the functions of an autonomous economic unit.

Under the Finnish merger control regime, gaining the ability to exercise decisive influence over the actions and competitive behaviour of an undertaking means a change in control that must be notified. Control with respect to merger control can therefore be exercised both on a *de jure* and *de facto* basis. Even a minority interest can sometimes lead to a position where a concentration must be notified.

The FCCA is authorised to intervene in transactions where it assesses that the concentration significantly impedes effective competition in the Finnish market or a substantial part of it, in particular due to the creation or strengthening of a dominant position. This is the same test as applied by the European Commission.

Foreign-to-Foreign Acquisitions

Foreign-to-foreign transactions are subject to the same thresholds as domestic transactions and there are no other foreign exemptions.

Specific Industries

Specific provisions regarding merger notification procedures apply to certain financial institutions and insurance companies in Finland. Financial institutions' turnover calculation is also subject to specific rules.

Competition law is not applied to agreements or arrangements which concern the labour market. However, this scope of application is narrow and primarily concerns collective bargaining negotiations. Co-operation between undertakings in the labour market may, in certain situations, infringe competition law. Agreements between competitors to fix wages or not to hire each other's employees may constitute serious infringements of competition law.

For a flowchart overview of the notification process and typical form of a merger inquiry, see [Finland Merger Notifications Flowchart](#).

Intellectual Property

13. What are the main IP rights that are recognised in your jurisdiction?

Patents

Definition and legal requirements. To be protected, an invention must:

- Be novel.
- Involve an inventive step.
- Be capable of industrial application.

A patent provides a right to prohibit unauthorised exploitation, including the manufacture, offering, making available, and use, of the patented invention in Finland.

Registration. Patent protection is sought by filing an application with the [Finnish Patent and Registration Office](#) (FPO) or with the [European Patent Office](#) (EPO) and is conditional on examination by the FPO or the EPO respectively. Finland is also a party to the [Patent Cooperation Treaty](#) (PCT). Patent protection for international PCT applications filed via the FPO, EPO, or [World Intellectual Property Organization](#) (WIPO) is conditional on grant by the FPO. In addition, Finland has ratified the Unified Patent Court Agreement ([OJ 2013 C 175/01](#)) (UPCA) regarding European patents with unitary effect (unitary patents). Unitary patents are examined and granted by the EPO. The applicant must first obtain a European patent, and if a request for unitary

effect is made, a unitary patent is valid in all countries participating in the unitary patent system at once. The FPO website provides guidance on how to register a patent and offers databases for patent searches.

Enforcement and remedies. A patent holder and licensees can bring proceedings for patent infringement. If a licensee files a suit in patent infringement, it must notify the right holder. The Market Court can:

- Issue interim injunctions.
- Issue injunctions.
- Order that the infringing product be confiscated or destroyed.
- Award compensation for unauthorised use or damages or both.
- Order disclosure of information on the origin and distribution network of products or services.
- Allow the claimant to publish information regarding the judgement at the defendant's expense.

The Market Court decisions are subject to leave to appeal to the Supreme Court.

The UPCA harmonised enforcement and remedies for unitary patents. The supranational *Unified Patent Court* (UPC) was established for the unitary patent holders to enforce their rights and seek remedies. The centralised judicial structure for enforcing European and unitary patents across participating EU member states gives patent holders the option to enforce their patents through a single court action across multiple countries. The UPC also hears revocation actions. The enforcement and remedies processes of the UPC are like those provided under Finnish national law, but there are also certain deviations. The UPC has a Finnish Local Division in Helsinki, and disputes falling within the jurisdiction of the UPC may in some cases be resolved in Finland. The local division operates within the framework of the Market Court and its premises.

For further information on the UPC, see *Practice Note, Overview of Unified patent court*.

European patents and supplementary protection certificates issued for products protected by a European patent that have opted out of the UPC's jurisdiction are enforced through national courts, including the Finnish courts. Patent-related criminal proceedings imposing fines or imprisonment are handled at first instance by the District Court of Helsinki.

Length of protection. Subject to the payment of renewal fees, protection lasts for 20 years from filing the application. On application, the term of protection for inventions concerning pharmaceutical products and plant protection products may be further extended by a maximum of five years.

Trade Marks

Definition and legal requirements. To be protected, a sign must be distinctive.

The right to a trade mark provides an exclusive right to prevent others from using it, or a mark confusingly similar to it.

Protection. Trade marks are established through registration with the FPO or the *European Union Intellectual Property Office* (EUIPO), or through establishment in Finland. Registrations are conditional on examination by the FPO or the EUIPO. Trade mark protection in Finland is also available via the WIPO-administered Madrid system. Registration of a trade mark filed as an international application under the Madrid system is conditional on examination by the FPO. The FPO website provides guidance on how to register a trade mark and offers a database for trade mark searches.

Enforcement and remedies. A trade mark holder and licensees can bring proceedings for trade mark infringement. The licensee can initiate legal proceedings in a trade mark infringement case only with the consent of the right holder of a trade mark, or unless otherwise agreed. However, the holder of an exclusive licence may institute legal proceedings if the right holder of the trade mark fails to take action against the infringement within a reasonable time after being informed of the infringement. Enforcement is similar to that for patents, excluding the centralised judicial structure for enforcing European patents and unitary patents (see above, [Patents](#)).

Length of protection and renewability. A Finnish trade mark registration expires after ten years from the date of registration and is renewable indefinitely for consecutive ten-year periods. Under the fully reformed [Trade Marks Act \(544/2019\)](#) (in Finnish), the initial ten-year period is calculated from the date of application. Unregistered trade marks are protected if they are established through use. A trade mark is considered established when it is generally known in Finland in its relevant target group as a trade mark of the goods or services of the proprietor.

Registered Designs

Definition. To be registered, a design, pattern, or ornament must both:

- Be novel.
- Have individual character.

The design right provides an exclusive right to prevent others from exploiting it by manufacturing, offering, making available, using, importing, exporting, or storing a product based on, or including, the protected design.

Registration. Registered designs rights applications are made to the FPO or EUIPO and are conditional on their examination. The FPO website provides guidance on how to register a design and offers a database for design searches.

Enforcement and remedies. A right holder and licensees can bring proceedings for design right infringement. If a licensee files a suit for design right infringement, it must notify the right holder. Enforcement is like that for patents, excluding the centralised judicial structure for enforcing European patents and unitary patents (see above, [Patents](#)).

Length of protection and renewability. Protection lasts for five years and is renewable for four additional five-year periods.

Unregistered Designs

Definition and legal requirements. Protection for unregistered designs is available based on the [Community Design Regulation 2002 \(6/2002/EC\)](#).

Unregistered designs provide the right holder with an exclusive right to use a product incorporating that design. This includes the making, offering, putting on the market, importing, and exporting of a product in which the design is incorporated or to which it is applied, and stocking such a product for those purposes. An unregistered design right holder can prevent these acts only if the contested use results from copying the protected design. The contested use will not be deemed to result from copying the protected design if it results from an independent work of creation by a designer who may be reasonably thought not to be familiar with the design made available to the public by the holder.

Enforcement and remedies. An unregistered design right holder can may bring proceedings for infringement. A licensee can bring proceedings only if the right holder consents. However, the holder of an exclusive licence may bring proceedings if the right holder of the design, having been given notice to do so, does not bring infringement proceedings within an appropriate

period. A licensee, for the purpose of obtaining compensation for damage suffered, is entitled to intervene in an infringement action brought by the right holder. Enforcement is like that for patents (see above, [Patents](#)).

Length of protection. Protection lasts for three years from the date the design was first made available to the public in the EU. After three years, the protection cannot be extended.

Copyright

Definition and legal requirements. The original and unique expression of an idea, motif, or subject of a literary or an artistic work of authorship is protected. The copyright owner has the exclusive right to authorise or prohibit the use of the work through:

- Reproduction of the work.
- Distribution of the work or copies of it.
- Communicating or making the work available to the public.

Protection. Protection subsists automatically and does not require registration.

Enforcement and remedies. The author and its representative can bring proceedings for copyright infringement. In addition, the public prosecutor may be entitled to initiate proceedings in certain cases. Enforcement is like that for patents, excluding the centralised judicial structure for enforcing European patents and unitary patents (see above, [Patents](#)).

Length of protection and renewability. As a general rule, protection expires 70 years after the author's death.

Utility Models

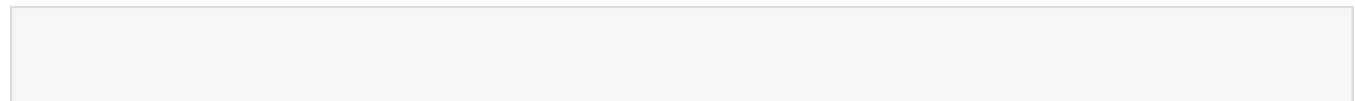
Utility models can be protected. They are technical inventions that:

- Comprise a technical solution that can be industrially applied.
- Are novel.
- Distinctly differ from what has become known before the date of filing of the utility model application.

Protection provides an exclusive right to prohibit others from commercially exploiting the technical solution protected by the utility model.

Length of protection and renewability. Protection lasts for four years from the date of application and is renewable twice; first for a period of four years and after that for a period of two years, excluding the centralised judicial structure for enforcing European patents and unitary patents.

Marketing Agreements



14. Are marketing agreements regulated?

Agency

The *Act on Commercial Representatives and Sales People (417/1992)* (in Finnish) contains mandatory rules on:

- The agent's and the principal's general obligations, for example, the duty to disclose information.
- Termination of agency contracts.
- Agents' remuneration and compensation on termination.
- Restrictions on competition.

Distribution

No statutes specifically regulate distributorships, but several statutes indirectly apply to distribution agreements.

Franchising

No specific statutes regulate franchises, but several statutes indirectly apply to franchising agreements.

E-Commerce

15. Are there any laws regulating e-commerce?

In addition to general statutes, the following are the main Acts regulating e-commerce:

- The *Act on Electronic Communications Services (917/2014)* (in Finnish). The Act is an umbrella statute that consolidates, updates, and streamlines the regulation of electronic communications. The Act regulates, among other things, the provision and offering of information society services, including distance selling, information to be provided by the service provider, electronic direct marketing, accessibility, cookies, and protection of privacy and information security.
- The *Act on Strong Electronic Identification and Electronic Signatures (617/2009)* (in Finnish). The Act regulates strong electronic identification and electronic signatures, and the offering of them to service providers and the general public.

- The *Consumer Protection Act (38/1978)* (in Finnish). The Act applies to e-commerce and contains requirements on the information to be provided to consumers, both prior to the conclusion of the sales contract and during the order process and relating to consumers' right to receive a refund.
- The *Act on Electronic Communications Services (2023/105)* (in Finnish) together with the *Act on the Provision of Digital Services (306/2019)* (in Finnish), and the related governmental decrees implement *Directive 2019/882/EU* on the accessibility requirements for products and services. Accordingly, certain economic operators can place products or services on the market only if they meet the accessibility requirements as set out in the Directive and in the governmental decrees, which provide more detailed rules on accessibility requirements. The legislative amendments to the Finnish Act on Electronic Communications Services entered into force 1 February 2023, but their application will begin 28 June 2025.

16. Are online platforms regulated in relation to their use for marketing/sales purposes?

Multiple statutes apply to the operation of online platforms. The most significant statutes governing this area are:

- The Consumer Protection Act.
- The Act on Electronic Communications Services.

Prior to entering into a contract, online platforms are required to provide consumers with certain information, for example, about the main parameters determining the ranking of offers and whether they are entering into a contract with a trader or non-trader (Consumer Protection Act). In addition, consumers should be informed of how obligations related to the contract are shared between the third party offering the consumer goods and the online marketplace. The *Unfair Business Practices Act (1061/1978)* (in Finnish) prohibits acts that are against good business practices or are otherwise unfair to other entrepreneurs. The Competition Act applies if the platform's business raises concerns from a competition law perspective. For example, where it is considered that a platform acts in a way that could be seen as treating its own products more favourably, violating unfair business practices or competition law.

The *Online Platforms Regulation (EU) 2019/1150* introduced rules for online platforms and search engines regarding terms and conditions and complaints and redress (among others). According to the *Act on the Prohibition Procedure of Online Intermediation Services and Search Engines (464/2020)* (in Finnish), cases concerning the prohibition procedure in accordance with Online Platforms Regulation are handled by the Market Court.

The *Digital Services Act ((EU) 2022/2065)* and *Digital Markets Act ((EU) 2022/1925)* regulate online platforms and intermediaries to ensure, among other things, safety of the online users and transparency of online platforms.

Advertising

17. How is advertising and sales promotions regulated in your jurisdiction?

Advertising

The Consumer Protection Act provides the main legal framework for marketing directed at consumers, which applies also to digital advertising. For example, it prohibits:

- Marketing that is contrary to good practice or otherwise inappropriate.
- Providing false and misleading information in marketing.

The Consumer Protection Act contains specific and mandatory rules on consumer marketing, for example, on the information to be included in marketing. In addition, the *Consumer Ombudsman* issues guidelines on consumer marketing-related matters, for example, regarding influencer marketing in social media, promotional games, sales promotion campaigns, and giveaways. These guidelines are not binding but provide an indication of how the supervising authority interprets the Consumer Protection Act.

Business-to-business marketing is regulated by the Unfair Business Practices Act. Additionally, the Act on Electronic Communications Services regulates marketing in certain media, including marketing in television and radio. There are specific provisions concerning:

- How advertisements should be placed between other content.
- How product placement should be organised.
- What type of sponsorships are forbidden.

There are specific rules relating to the marketing of certain types of products including alcohol, tobacco, pharmaceuticals, medical devices, and foodstuffs. In addition, special consideration must be given when targeting minors for sales promotion purposes.

The statutory legislation is supplemented by several self-regulatory codes of the *International Chamber of Commerce* (ICC), most importantly the ICC International Code of Advertising Practice. In the pharmaceutical industry, *Pharma Industry Finland*, has issued a Code for the Marketing of Medicinal Products. In addition, the Finnish Direct Marketing Association has issued several self-regulatory codes on direct marketing.

Sales Promotions

Sales promotions are regulated under the Consumer Protection Act and the Unfair Business Practices Act, which are further supplemented by the Finnish Consumer Ombudsman's guidelines. The guidelines are not binding but provide practical guidance and an indication of how the supervising authority interprets the Consumer Protection Act. The main principles provided for sales promotions are:

- The conditions must always be clear and comprehensible and easily accessible and include the duration of the promotion and any quantitative or other related restrictions.

- In the event of a combined offer under which the purchase of one product entitles the buyer to another product without extra cost or to a reduced price or another special advantage, the content and value of the offer (unless under EUR10), the common price of the products, and their separate prices must be stated.
- When marketing goods at a discount or at a reduced price, the marketing must indicate the lowest price at which the goods have been marketed during the 30 days preceding the price reduction. If, in a continuous marketing campaign of a maximum duration of 60 days, the price reduction is progressively increased, the lowest price at which the goods have been marketed during the 30 days preceding the first price reduction may be indicated as the lowest price.
- For advertising relating to prize draws and competitions, an excessive emphasis on the prizes and opportunities for winning is considered inappropriate.

Data Protection

18. Are there specific data protection laws? If not, are there laws providing equivalent protection?

Data Protection Laws

As of 25 May 2018, the collection, storage, and processing of personal data have been regulated by [General Data Protection Regulation \(Regulation \(EU\) 2016/679\)](#) (GDPR).

The national [Data Protection Act \(1050/2018\)](#) (in Finnish) supplements and specifies the GDPR and entered into force in early 2019. The Act on the Protection of Privacy in Working Life regulates the protection of privacy in employment relationships and the Act on Electronic Communications Services regulates the processing of data in electronic communications.

For further information, see [Country Q&A, Data Protection in Finland: Overview](#).

Product Liability

19. How is product liability and product safety regulated?

The [Product Liability Act \(694/1990\)](#) (in Finnish) provides for compensation for personal injury and damage caused by a defective product to property where the property is intended, and primarily used, for private use or consumption.

To be entitled to damages under the Product Liability Act, the injured party must prove:

- The damage.
- The product's lack of safety.
- The causal link between the lack of safety and the damage.

The parties that may be held liable under the Product Liability Act are:

- The manufacturer or producer of the product.
- The party who has brought the product to the EEA to be placed on the market.
- The party who has brought the product from a country belonging to the European Free Trade Association (EFTA) to be placed on the market on the EU or vice versa, or from EFTA country to EFTA country.
- The party who has marketed a product as their own, if the product bears their name, trade mark, or other distinctive symbol.

In addition, the *Consumer Safety Act (920/2011)* (in Finnish) applies to consumer goods and services and contains rules on product safety, which is supervised by the *Finnish Safety and Chemicals Agency* (Tukes). Noncompliance can lead to:

- An order for rectification measures to be carried out.
- The issue of injunctions or interim injunctions.
- An order that the operation be suspended or that certain measures are carried out.
- Prohibition of the export of the product or the transit of the product through Finland.
- An order to dispose of the product.

The Consumer Safety Act does not impose liability specifically on certain parties. However, liability arising from damages related to product safety will be assessed based on the *Tort Liability Act (412/1974)* (in Finnish). A general prerequisite for a party to be liable is that there is a causal link between the damage and the act for which the party is to be held liable.

Regulatory Authorities

20. What are some of the key regulatory authorities relevant to doing business in your jurisdiction?

Competition

The *FCCA* is responsible for:

- Work relating to implementing competition and consumer policy.
- Public enforcement of national and EU competition rules, and rules applicable to restrictive agreements and practices and abuse of dominance.
- Merger control, ensuring neutrality of competition between public and private sector business activities, and supervision of public procurement in Finland.

FCCA decisions can be appealed to the Market Court, which also has the exclusive competence to impose fines or periodic penalty payments, and to prohibit mergers in Finland. The ultimate appellate body in competition matters is the Supreme Administrative Court. This functions as a second appellate instance for the FCCA's decisions and as a first appellate instance for the Market Court's decisions.

Environment

The key legislative body regarding environmental matters is the *Ministry of the Environment*. Additionally, policies regarding:

- Mining, energy, and bioeconomy are handled by the *Ministry of Economic Affairs and Employment* (MEAE).
- Forestry and water resources are handled by the *Ministry of Agriculture and Forestry*.

The supervisory authorities in environmental matters are generally the regional centers for Economic Development, Transport, and the Environment, and the environmental authorities of municipalities. Depending on the situation, environmental permits, water permits, and land extraction permits are granted by the Regional State Administrative Agencies or the municipalities. The municipalities also carry out land use planning (other than regional land use plans, which are handled by the Regional Councils) and grant building and other construction permits in accordance with those plans. More sector-specific permitting and supervisory issues are handled by, for example, the *Energy Authority*, which governs energy matters, and *Tukes*, which governs mining and chemical matters.

Financial Services

The *FIN-FSA* is the authority for supervision of Finland's financial and insurance sectors. The entities supervised include banks, insurance, and pension companies, other companies operating in the insurance sector, investment firms, fund management companies, and the Helsinki Stock Exchange.

Other

The *PRH*:

- Registers companies, foundations, associations, religious communities, and LEI codes.
- Examines and grants patents, and registers utility models, trade marks, and designs.
- Monitors organisations regarding collective management of copyright to ensure compliance with the Finnish Act on Collective Management of Copyright.
- Oversees and approves auditors.

The MEAE monitors foreign corporate acquisitions in Finland. Official matters concerning the screening and approval of corporate acquisitions are considered by the MEAE, which also requests opinions from other authorities to the extent necessary.

The monitoring of corporate acquisitions is supported by a network of authorities, led by the MEAE, which screens foreign acquisitions and participates in the verification processes related to them.

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