



# Finland

Corporate Fact Sheet

## Common forms of business

	Private Limited Company	Public Limited Company	Branch of a Foreign Company
In Finnish	Osakeyhtiö , suffix Oy	Julkinen osakeyhtiö, suffix Oyj	Ulkomainen sivuliike
In Swedish	Aktiebolag, suffix Ab	Publikt aktiebolag, suffix Abp	Utländsk filial
Use	The most common corporate form	Companies considering public listing	A foreign company carrying out business in Finland from a fixed place of business in the name of the foreign company.
Registration	Trade register and Tax Administration	Trade register and Tax Administration	Trade register and Tax Administration
Share capital	Min. € 2,500	Min. € 80,000	N/A
Liability	Limited Liability	Limited Liability	Unlimited Liability
Directors	At least one person. If less than three, a substitute director must be appointed. Directors can be of any nationality and reside anywhere in the world but at least half must reside in an EEA country. Corporate Directors not permitted.	At least three persons. Directors can be of any nationality and reside anywhere in the world but at least half must reside in an EEA country. Corporate Directors not permitted.	N/A – however a local individual representative needs to be appointed for non EEA companies
Managing Director/CEO	Optional. Must be EEA resident	Yes. Must be EEA resident	N/A
Registered Office in Finland	Yes	Yes	Yes
Shareholders	Minimum one. Any nationality. Shareholders appoint and dismiss Directors. Ultimate power within the company through the Annual General Meeting of Shareholders.	Minimum one. Any nationality. Shareholders appoint and dismiss directors. Ultimate power within the company through the Annual General Meeting of Shareholders.	N/A
Accounting	Ongoing accounting and annual filing of financial statements. At least one independent licensed Auditor needs to be appointed (except if small company exceptions applicable).	Ongoing accounting and annual filing of financial statements. At least one independent licensed Auditor needs to be appointed.	Ongoing accounting and annual filing of financial statements for the Branch. Domestic financial statements must be filed in Finland as well.
Incorporation	Usually about 3 weeks from filing incorporation documents with the Trade Register. The share capital needs to be paid in to the corporate bank account before filing.	Usually about 3 weeks from filing incorporation documents with the Trade Register. The share capital needs to be paid in to the corporate bank account before filing.	Usually about 3 weeks from filing documents with the Trade Register.
Law	The New Finnish Companies Act (624/2006) with subsequent amendments	The New Finnish Companies Act (624/2006) with subsequent amendments	Act on the Right to Exercise Business (122/1919) with subsequent amendments

## Corporate Tax Rate

20 % on corporate profits

## VAT Rate

Standard rate 24 % (reduced rates of 14 % and 10 % for some services and goods).

## Other Tax Aspects

Capital gains generally taxed as ordinary income. Gains derived by corporate entities from the sale of shares may be exempt from tax if certain conditions are satisfied. Dividends received by a Finnish corporate entity from a company resident in Finland or from a “company”, as defined in Article 2 of the EU Parent-Subsidiary Directive, are usually exempt from tax. The exemption also applies to dividends received from any other company resident in another EU/EEA country if the company paying the dividends is liable to pay income tax of at least 10 %. If a Finnish corporate entity receives a dividend from a company resident in a non-EU/EEA country, the dividend is usually fully taxable.

Transfer pricing rules based on arm’s length principle.

Finland has anti-avoidance rules and Controlled Foreign Company (CFC) rules applicable for low tax jurisdictions.

Finland has no thin capitalization rules and interest paid is generally fully deductible with some exceptions. No withholding taxes on interest paid abroad.

Finland has a good tax treaty network reducing or eliminating withholding taxes and the EU Parent-Subsidiary Directive is applicable.

## Currency

Euro

## Accounting Period

12 months – Companies may choose their own year-end

## Language

Officially Finnish or Swedish. Companies may choose between the two official languages for filing and correspondence with government agencies. English is widely spoken.

## Name Restrictions

Names that are similar or identical to an existing company or a well-known name that is known to exist elsewhere.

## Other Forms of Business

Limited Partnership (Kommandiittiyhtiö/Kommanditbolag), General Partnership (Avoin yhtiö/Öppet bolag) and Private Trader (Toiminimi/Firma)

## Restrictions/Licensing Requirements

Only for specified business, including for example, banking, insurance and financial services.

## Foreign-Exchange Controls

Generally no restrictions are imposed on payments abroad. The commercial bank involved in the transfer must notify only the Bank of Finland for statistical purposes.



## About Us

Scandicorp is a Scandinavian corporate services provider specializing in corporate solutions and company management services. We assist international and domestic clients to structure and administer corporate entities in Scandinavia and throughout Europe. More specifically, Scandicorp assists clients to set up and manage efficient Nordic corporate structures according to individual requirements, while always remaining compliant. Scandicorp has a fresh and transparent approach towards its business relationships and aims to be a trusted partner for individuals and companies looking to start or grow a business in the Nordic countries.

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