

INCENTIVES

FOREIGN-OWNED COMPANIES IN FINLAND ARE ELIGIBLE FOR A WIDE RANGE OF GOVERNMENT AND EU INCENTIVES ON AN EQUAL FOOTING WITH FINNISH-OWNED COMPANIES.

BUSINESS AID FROM ELY CENTRES

Business aid to companies operating in Finland is coordinated by the Centres of the Economic Development, Transport and the Environment (ELY Centres), whose 15 regional offices provide advisory, training and expert services and funding for investment and development projects. Foreign investors can benefit from several different types of aid, mainly for Development areas 1 and 2.

The services offered by ELY Centres cover internationalisation of business operations, improvement of business efficiency and management skills, development of technology and innovation, updating of staff skills and training of new employees. ELY Centres may also contribute to the funding of development projects. Funding support is discretionary and depends on the nature of the project.

Investment aid can be granted to companies in the regional development areas, especially small and medium enterprises (SMEs). Large companies

may also qualify if they have a major employment impact in the region. Aid to business development can be granted to improve or facilitate the company's establishment and operation, know-how, internationalisation, product development or process enhancement.

Subsidies for start-up companies are available for establishing and expanding business operations during the first 24 months. Transport aid may be granted for deliveries of goods produced to sparsely populated areas. Energy subsidies can be granted to companies for investments in energy efficiency and conservation.

LOANS AND GUARANTEES BY FINNVERA

Finnvera is a specialised financing company owned by the State of Finland and it is the official Export Credit Agency (ECA) of Finland. It provides financing for the start, growth and internationalisation of enterprises and guarantees against risks arising from exports. Finnvera strengthens the operating potential and competitiveness of Finnish enterprises by offering loans, domestic guarantees,

venture capital investments, export credit guarantees and other services associated with the financing of exports. The risks included in financing are shared between Finnvera and other providers of financing.

EU-FUNDED SUPPORT

EU finance is largely channeled through the ELY Centres. It is directed to projects developing the competitiveness, know-how and operating environment of the SME sector, with a special emphasis on start-up businesses and service sector companies.

R&D AND INNOVATION INCENTIVES BY BUSINESS FINLAND

Business Finland provides low-interest loans and grants to challenging and innovative projects potentially leading to global success stories. The organisation offers funding for research and development work carried out by companies, research organisations, and public sector service providers in Finland. Besides funding technological breakthroughs,

MAXIMUM LEVEL OF AID

Development area I

LARGE COMPANIES	15%
MIDDLE	25%
SMALL	35%

Development area II

LARGE COMPANIES	10%
MIDDLE	20%
SMALL	30%

Development area III

MIDDLE	10%
SMALL	20%



Source:
Ministry of Economic Affairs and Employment

Business Finland emphasises also service-related, design, business, and social innovations. Startups and both SMEs and large companies can benefit from Business Finland's incentives.

CAPITAL INVESTMENTS FROM FINNISH INDUSTRY INVESTMENT

Finnish Industry Investment is a state-owned investment company that invests in Finnish companies, both directly and through private equity funds. The organisation invests in rapid growth, internationalisation, spin-offs, major industrial investments, as well as sectoral, corporate and ownership restructurings. It also invests in foreign companies if the capital is used for business development in Finland.

STARTUP PERMIT

The permit is meant for innovative startup founders coming from countries outside the European Union.

TAX INCENTIVES

Finland has the lowest corporate tax rate, 20% among the Nordic countries and one of the lowest in the EU.

The Finnish Tax Administration has a unique, company friendly and predictable approach. The Tax Administration strongly focuses on modern, pre-emptive approach instead of retrospective traditional tax audits. The Tax Administration has also a dedicated team helping foreign companies in tax matters – free of charge.

EXTRA DEDUCTIONS

MACHINERY

A business may annually deduct up to 50% instead of 25% of the tax carrying value of newly acquired machinery or equipment in tax years 2020-2025.

R&D SUB-CONTRACTING

The new super-deduction is available for all companies operating in Finland, both domestic and international 2021–2025.

TAX-FREE SHARES OF NON-LISTED COMPANY TO EMPLOYEES

If the subscription price is at least equal to the share's mathematical value, an individual employee who buys such shares will not be treated as having received a taxable benefit.

FURTHER INFORMATION

Business Finland
Invest in Finland services
www.investinfinland.fi

Business Finland Startup Permit
www.businessfinland.fi/en/do-business-with-finland/startup-in-finland/startup-permit

R&D&I Funding
www.businessfinland.fi/en/for-finnish-customers/services/funding

Talent attraction
www.businessfinland.fi/en/for-finnish-customers/services/programs/talent-boost-finland

Ecosystems
www.businessfinland.fi/en/for-finnish-customers/services/ecosystems

Incentives
www.businessfinland.fi/en/do-business-with-finland/invest-in-finland/business-environment/incentives/incentives-short

Centres of the Economic Development, Transport and the Environment
www.ely-keskus.fi/en/web/ely-en/

Ministry of Employment and the Economy
<https://tem.fi/en/support-areas>

Finnvera
www.finnvera.fi/eng

Industry Investment
www.industryinvestment.com

Finnish Tax Administration
<https://www.vero.fi/en/businesses-and-corporations/>