

WELCOME TO FINLAND

INSTRUCTIONS FOR FOREIGN COMPANIES AND EMPLOYEES

econia

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INTRODUCTION

Your company has been commissioned or invited to tender for work in Finland. We would like to bring to your attention certain statutory requirements that are in place when work is contracted out. There are legal obligations that apply for both companies and individual employees, equally to Finnish companies and foreign companies. If the statutory requirements are not met, negligence fees may be imposed.

We have created this manual to help you understand the most important statutory requirements. At the end of the manual, you will find contact details for more information or any questions you may have. Also links to relevant web sites and different laws that apply can be found here.

1. LIABILITY ACT

Act on the Contractor's Obligations and Liability when Work is Contracted Out (1233/2006)

The purpose of this law is to prevent a grey economy and promote equal competition. It applies to all work performed in Finland, by Finnish companies and foreign companies alike. It obligates the buyer to check and collect documents regarding following facts of the contracting partner:

1. Information on whether the company is registered as a company taxpayer, as employer and if the company is liable to VAT
2. Extract from the trade register
3. Tax certificate from the official tax authority
4. Tax certificate from Finland if company is registered in Finland – If company has Finnish Business ID
5. Certificates of pension and accident insurances taken and premiums paid. The only accepted forms are following:

From EU and ETA countries, Switzerland and UK	From Social Security Agreement countries (Australia, Canada, Chile, China, India, Israel, Québec, South Korea and USA)	From any other country
<ul style="list-style-type: none"> • A1/E101 Posted Worker Certificate 	<ul style="list-style-type: none"> • Certificate of pension coverage from the country of origin • Accident insurance from Finland 	<ul style="list-style-type: none"> • Proof of pension from the country of origin • Accident insurance from Finland

1. Collective Agreement in Finland - Companies posting employees to Finland must confirm that the employment terms are not weaker than in the applicable generally binding Finnish collective agreement, in relation to working time, annual vacation, work safety and salary level. Please provide a confirmation letter. (see 1.1. for more information)
2. Occupational Health Care in Finland - Companies posting employees to Finland must enter into a contract with a Finnish medical service provider for statutory occupational health care services, regardless of work duration. Please provide a confirmation of such a contract. (see 1.2. for more information)

All documents must be less than 3 months old and need to be provided prior to signing a contract. A negligence fee may be imposed on the buyer if they fail to provide documents of their contracting partners upon inspection.

Please note that this law applies to your company as well if you are using subcontractors in Finland, i.e. you need to collect the documentation from your contracting partners.

1.1. COLLECTIVE AGREEMENT

Companies posting employees to Finland are required to confirm that the employment terms for the posted workers are not weaker than in the applicable generally binding Finnish collective agreement, in relation to working time, annual vacation, work safety and salary level. Scope of work and employee's work tasks determine a suitable collective agreement.

This can be confirmed by a letter, signed by the company representative. Date of the letter must be no older than 3 months and the applicable Finnish collective agreement must be named.

If you need assistance in determining a suitable collective agreement, please provide us a job description for the posted worker(s) via email support@sedatus.fi.

1.2. OCCUPATIONAL HEALTH CARE (OHC)

Companies posting employees to Finland must enter into a contract with a Finnish medical service provider for statutory occupational health care services, regardless of work duration. Travel insurances, European Health Insurance cards or other health insurances are not equivalent, as this is a preventive health care that does not include medical treatment or sickness cover. You can make a short-term contract or have it valid for an indefinite period (advisable if you regularly send employees to Finland).

In practice, occupational health care service providers carry out workplace assessments, do medical check-ups and provide individual and group advice and guidance. Depending

on the length of the stay in Finland, the OHC provider determines which tasks are necessary. For example, only for a couple of days stay, they don't come and do a workplace assessment but if the stay is some weeks, that usually is carried out.

1.2.1. OHC PROVIDERS IN PORVOO AREA

Terveystalo (Private provider)

Address: Mannerheiminkatu 9- 11, 3rd floor, 06100 Porvoo

Phone: +358 30 633 9529

Web page for requesting an offer: <https://www.terveystalo.com/en/occupational-healthcare/get-occupational-healthcare/request-a-quote-for-occupational-health-services>

If your company does not have a Finnish business ID, please contact them by email: yritysmyynti@terveystalo.com

1.2.2. OHC PROVIDERS IN NAANTALI AREA

Naantalin Yksityislääkärit Oy

Address: Tuulensuunkatu 821100 Naantali

Phone: +358 2 437 8500

Email: toimisto@naantalinyksityislaakarit.fi

Pihlajalinna

Address: Juhaninkuja 3, 21200 Raisio

Email: tyoterveysmyynti@pihlajalinna.fi

2. NOTIFICATION OF POSTING OF WORKERS

When foreign company sends employees to Finland, they must notify the Occupational Safety and Health Authority about the posting of workers. The notification is done by submitting an electronic online form. The notification may be submitted immediately when the contract has been concluded, but latest before the work starts.

Link to the notification: <https://asiointipalvelu.ahtp.fi/forms/2627047>

3. POSTED WORKERS REPRESENTATIVE

When a company is posting employees to work in Finland, a representative must be appointed. The representative must be reachable by the posted workers and the Finnish authorities for the

duration of the posting. This is required by law when the duration of work exceeds 10 days. Into these 10 days are calculated the current posting and previous postings by the company within the last four months.

The representative must be competent to appear in court on behalf of the posting company and to receive summons and other official documents on their behalf. The tasks of the representative include:

- Collecting and storing employee related documents (payslips, employment terms, passport copies and tax numbers). Documents must be kept for two years after the work has been completed.
- Responding to work safety audits, if required.
- Handling official transactions on behalf of the foreign company.

Following information of the representative must be provided to Econia, as we collect this information on behalf of your client:

- Name of the representative company
- Name of the representative person
- Phone number
- Email address
- Postal address

A negligence fee may be imposed on the company if notification of posting of workers has not been submitted or if a representative has not been appointed.

4. INDIVIDUAL FINNISH TAX NUMBER

All employees working on a construction site or going to an area that is considered a construction site, must have individual Finnish tax numbers. Without a Finnish tax number you will not be allowed to enter the site. This also applies to the foreign posted workers. Tax number is valid for lifetime, you do not need to re-apply.

Please see the Finnish Tax Administration's website for instructions on how to apply for a Finnish tax number and a Finnish personal ID code: https://vero.fi/en/individuals/tax-cards-and-tax-returns/arriving_in_finland/work_in_finland/specific-instructions-for-different-occupations/coming-to-a-construction-site-or-a-shipyard/Tax_number/

Make sure you ask the FTA to register your tax number to the public tax number register as well.

5. ACCESS PERMIT TO KILPILAHTI

In order to get Access Permit to Kilpilahti, all the Liability documentation needs to be approved. You may receive a link to the Sedatus system to fill the application form for access permit prior to approval of your company's documents. Please complete your employees access permit

application through the Sedatus system. Please note, you can only apply for your own employees. If you are using subcontractors, they need to apply through their own company profile. Applications must be filled out online prior to arriving at the Access Permit Office.

After completing the access card applications, please upload the following documents on employee's profile in Sedatus:

- Copy of passport
- HSE training certificate
- (A1/E101 certificate of a posted worker)
- (Residence permit)
- Photo of the employee taken directly from the front of the person against a white background

5.1. ACCESS PERMIT OFFICE CONTACT INFORMATION

Kilpilahti area host companies have decided that in order to follow the constraints of Covid-19, the access permit office only serve customers by appointments.

The access permit office can currently only take 7 people inside the building at once, due to corona restrictions.

In case the access permit office notices shortcomings in documentation, they can cancel the appointment, by sending an email to the contractor.

Contractors can book an appointment by sending an email to lupatoimisto@neste.com. The appointment must be scheduled at least 5 days prior to coming to Kilpilahti.

The access permit office is open and access permits can be picked up between 07.00 and 16.00 from Monday to Friday.

Address: Kulloonlahdentie 17, 06850 Kullo, Porvoo

Phone: +358 40 559 8217

Email: lupatoimisto@neste.com

6. OBLIGATORY REPORTS TO THE FINNISH TAX ADMINISTRATION

Buyers of construction work must file reports of their contracts to the Finnish Tax Administration. Information must be filed electronically and the deadline for reporting is the fifth

day of the second month following the reporting month (i.e. the information for July must be filed by 5th of September). All companies operating on shared construction sites must give information of their employees on site to the main contractor on a monthly basis.

6.1. CONTRACT REPORTING

A report must be filed on all contracts once the contract value exceeds €15.000. One contract may cover several building sites. All the orders that the buyer makes with a contractor are treated as separate contracts once separate payment is agreed. Billing may be based on a fixed sum total or on hours worked. Report must include all contracts the buyer has made.

6.2. EMPLOYEE REPORTING

The Main Contractor is obligated to submit employee information on all employees working on a shared construction site when the total contract value for all contracts at the site exceeds €15.000.

All companies working at a shared site must give details of their employees to the Main Contractor. All subcontractors are obligated to report their employee information to the Main Contractor in the way the Main Contractor has indicated.

7. CONTACT AND OTHER RELEVANT INFORMATION

Econia contact details:

Email: support@Sedatus.fi

Phone: +358 10 292 6230

Links to relevant websites:

The Finnish Tax Authority

https://www.vero.fi/en-US/Tax_Administration/Contact_information

Website of the Occupational Safety and Health Administration in Finland

<http://www.tyosuojelu.fi/web/en/home>

Regional State Administrative Agency

<https://avi.fi/en/frontpage>

Links to laws that apply:

Act on the Contractor's Obligations and Liability when Work is Contracted Out

<http://www.finlex.fi/fi/laki/kaannokset/2006/en20061233.pdf>

Act on Posting Workers

https://www.finlex.fi/en/laki/kaannokset/2016/en20160447_20220062.pdf

CHECKLIST

Documentation needed from companies BEFORE signing a contract:

- Prepayment register
- Employer register
- Value added tax register
- Tax payments certificate (or tax debt certificate)
- Trade register extract
- Finnish Collective agreement confirmation
- Confirmation letter that Finnish Occupational Health Care will be organised and A1 certificates (or other proof of social security, e.g. Finnish insurances) will be provided prior to work starting
- FIN tax payments certificate (if company has a registered FIN business ID)

Needed from companies BEFORE access is granted:

- Copy of an agreement with Finnish Occupational Health Care provider
- Confirmation of Notification of Posting
- Posted worker representative contact details

Needed from employees BEFORE access is granted:

- Confirmation of pension- and accident insurance (social security), one of the below options:
 - A1 Certificate (for EU/ETA nationals)
 - Certificate of Coverage from country of origin and Accident insurance from Finland
 - Pension and accident insurance from Finland
- Copy of passport/ID card
- Copy of residence permit/Visa (if required)
- Occupational Safety Card (and other necessary qualification cards, please check that your Safety Card is approved)
- **Finnish tax number**
- Site induction (if required)

Subcontractors

- If you are using subcontractors, inform the buyer about them before contracting the work out. Company name, business ID and contact person for each subcontractor are mandatory. Documents needed from companies BEFORE signing a contract (listed in this check list as first item) apply to all companies in the chain and each

employee on site. **Access IS NOT granted to any of your sub-contractors until items listed in "Documents needed from Companies BEFORE signing a contract" section are collected from your sub-contractor!**