LEGALINK

INVESTMENT AND BUSINESS START UP IN FINLAND

(A) Legal system

1. What is the legal system (i.e. common law system, civil law system or both) in your country?

   Finland is a civil law system. EU law is also applicable.

2. What are the major law courts in your country?

   The *district courts* deal with criminal and civil cases. The decision of a district court may be appealed to a *court of appeal* (there are seven regional courts of appeal). The decisions of the courts of appeal, then, can be appealed in *the Supreme Court*, provided that the Supreme Court grants leave to appeal.

   Administative courts deal with administrative cases (e.g. a decision of a state or local authority). There are eight regional administrative courts in Finland. In addition, the autonomous Åland Islands have a separate administrative court, called the Administrative Court of Åland. A decision of an administrative court may in most cases, be appealed to the *Supreme Administrative Cour*t.

   We also have *special courts*, namely the Market Court, the Labour Court, the Insurance Court and the High Court of Impeachment.

3. What are the sources of laws (such as constitution, statute law and common law) in your country?

   The sources of law can be divided into three categories: strongly binding (mandatory), weakly binding (persuasive) and admissible sources.

   Acts of Parliament and customary law are strongly binding. The term “acts” includes the constitution, other acts of Parliament and the decrees issued by the President of the Republic and the various Ministries.

   Preparative legislative work and case law are considered weakly binding sources (persuasive authority). Admissible sources, such as legal literature and comparative law, are not binding as such but they may be used to strengthen a legal argument.

   EU law is also applicable in Finland and may take precedence over national (i.e. Finnish) law in some cases. Under EU law, EU treaties and general legal principles are considered as primary law whereas regulations and directives are considered as secondary law.

   A regulation issued by Council of Ministers is a binding legislative act. It must be applied in its entirety across the EU and always takes precedence over national law. A directive is a legislative act that sets out a goal that all EU countries must achieve. In certain circumstances a directive may also take precedence over national law.

4. What is/are the official language(s) in your country?

   The official languages are Finnish and Swedish.

(B) Foreign investment

5. Are there any restrictions faced by a foreign individual or company when they want to invest in your country? Is an approval or permit required if a foreign individual or company wants to enter a certain industry?

   There are no general restrictions on foreign investments. The Act on the Monitoring of Foreigners' Corporate Acquisitions includes specific provisions applicable when (i) a foreigner (*non-Finnish*) is investing or acquiring a company acting in the field of *defence* or (ii) when a foreigner (*non EU or EFTA member*) is investing or acquiring a company which based on its field of business, actual business affairs or liabilities and undertakings is considered to be a critical provider/supporter of the vital functions of the society. An investment or acquisition of type (i) always requires a specific permission from the Ministry of Employment and the Economy. A foreigner who is planning to make an investment or acquisition of type (ii) may request that the Ministry of Employment and the Economy confirms the investment or acquisition.

   Although the liability to apply for a permission concerns only type (i) investments and acquisitions, the Ministry of Employment and the Economy supervises and monitors also the type (ii) investments and acquisitions in co-operation with other Finnish authorities.

   In the event the Ministry of Employment and the Economy denied a permission/confirmation, the issue would be addressed to the Government plenary session.

   The said Act is not applicable where a company is being incorporated by a foreigner but is only applied to investments and acquisitions of existing companies. An investment or acquisition of less than 10% (of all shares/capital) has also been excluded from the scope of the Act.

   Furthermore, a specific authorization, registration or notification is required in certain regulated sectors, such as service providers operating in the financial markets (also for domestic service providers).

6. Are there any exchange control or currency regulations in your country?

   There are no exchange control or currency regulations but Finland belongs to the European Economic Area (EEA) and the Eurozone.

7. What grants or incentives are available to a foreign individual or company to encourage investment in your country?

Various forms of regional or national Government loans, grants and subsidies are available to support both research and development within Finland as well as business operations within Finland. Such loans, grants and subsidies are granted e.g. by Tekes, the Finnish Funding Agency for Technology and Innovation (see www.tekes.fi).

(C) Business vehicles

8. What is the most common form of business vehicle used by foreign investors in your country?

The most common company form in Finland is either the private company limited by shares (Oy or 'osakeyhtiö') or the public company limited by shares (Oyj or 'julkinen osakeyhtiö') although other forms of partnership and unlimited liability forms are also available. The private company is much more common than the public company. Only public companies may be listed on the stock exchange.

Another common business form used by foreign companies is the branch ('sivuliike') which is not considered as a separate legal entity under Finnish law but a part of the foreign company.

In the following we provide details regarding ***the private/public company limited by shares*****.**

Please provide details on:

i. Registration formalities;

A Memorandum of Incorporation and Articles of Association shall be drafted and executed as well as a bank account opened and share capital paid (in full); thereafter a specific Start-up notification form ('Y1') shall be filed within the Finnish Trade Register upon which the company will be registered.

The estimated time for the registration process is 2 weeks (after filing date) and 3-5 weeks for the whole process.

ii. Minimum (and maximum) share capital;

The minimum share capital for a private company is EUR 2,500 and for a public company EUR 80,000. There is no statutory maximum.

iii. Whether shares can be issued for non-cash consideration, such as assets or services (and any formalities);

Shares may be issued against non-cash consideration, but only against assets which are of actual financial value for the company, *not* against services (a commitment for provision of services or other work in the future). The possibility to pay the issued shares against non-cash consideration shall be recorded in the relevant resolution (Memorandum of Incorporation/ Minutes of the General Meeting of the Shareholders/ Unanimous Resolution of all shareholders) and a certified auditor shall provide the company (and the

Finnish Trade Register) with a statement on the value of the non-cash consideration.

iv. Any restrictions on foreign shareholders;

No, but the Act on the Monitoring of Foreigners' Corporate Acquisitions may be applicable in some investments (see the response B5 above).

v. Management structure and any restrictions on foreign managers;

A private/public company is managed by the Board of Directors.

The Board of Directors of a private company shall have minimum of one ordinary member and one deputy member if there are less than 3 ordinary members. The company may also appoint a Managing Director (i.e. CEO) to manage the daily affairs.

Some companies (usually large companies who are often partly or wholly owned by the State of Finland or a Finnish municipality) have also a Supervisory Board who supervises the Board of Directors and have some specific functions set out in the Finnish Limited Liability Companies Act.

At least one of the members of the Board of Directors (and of the Supervisory Board) – meaning one of the ordinary members and if such company organ has deputy members, also one of the deputy members - and the Managing Director should be resident in the European Economic Area. The National Board of Patents and Registration of Finland may grant an exemption in some cases (e.g. if a member is resident in Switzerland). There are no restrictions regarding nationality, only permanent residency.

Public companies are subject to additional provisions regarding the corporate bodies of the company (no other restrictions for foreign management than the above-mentioned).

vi. Directors' liability;

The Board of Directors (Directors) and the Managing Director of a private/public company are liable to promote the interests of the company and to act with due care. Directors may be held to be personally liable for breaches of the duty of care and for specific circumstances arising from the bankruptcy or insolvency of a company.

It is common for company directors to be covered by Directors' and Officers' liability insurance.

vii. Parent company liability; and

The parent company is not generally liable for its subsidiaries' liabilities unless it has provided a specific guarantee for those liabilities. A parent company and its subsidiary are considered separate legal entities.

viii. Reporting requirements (including filing of accounts).

The annual accounts/ financial statements shall be adopted at the Annual General Meeting of the Shareholders of a company within 6 months after the end of the last financial period. The annual accounts/ financial statements shall then be filed to the Trade Register within 2 months of the date of the Annual General Meeting of the Shareholders.

Furthermore, the tax return shall be filed to the tax authorities within 4 months after end of the relevant fiscal year (usually the financial period).

The above-mentioned are general obligations which apply to all companies. Depending on the field of business of a company, there may also be other monthly/ quarterly/ annual etc. reporting requirements.

(D) Employment

9. What are the main laws regulating employment relationships in your country?

The main laws are the Employment Contracts Act, the Act on Co-Operation within Undertakings, the Working Hours Act and the Occupational Safety and Health Act.

There are also numerous collective bargaining agreements ('CBA') regulating the terms of employment. In key business sections the CBAs are generally applicable and must be applied by an employer even if the employer is not a member of any employers' association.

The primarily applicable legislation in international employment relationships is determined by international choice of law rules.

10. Is a written contract of employment required in your country, and if so, must it contain any particular language? Are any agreements and/or implied terms likely to govern the employment relationship?

A written employment contract is not required, unless requested by either party. However, an employer must give employees who are employed under a non-written agreement for a term longer than one month (or for further notice), a written statement of the main employment terms.

No formal language requirements exist, but the employee must understand the language of the contract.

The Employment Contracts Act and the other above-mentioned Acts include mandatory provisions which are applicable and take precedence over any terms agreed in the employment contract (regarding e.g. notice periods).

Also the CBAs play a central role in the Finnish labour market. The CBA governing the employment relationship can set out specific rules that substitute or supplement labour and employment law, limit an individual's ability to freely contract and supersede any conflicting terms of an employment contract when the terms are to the employee's detriment.

Futhermore, despite any terms agreed in writing, a certain practice constantly and continuously followed by the employer (and employee) may form an implied term of the employment contract.

11. Do foreign employees require work permits and/or residency permits if they work in your country? If so, how long does it take to obtain them and how much do they cost?

    No work or residency permits are required for citizens of (other) *EU countries* or citizens of *Norway, Iceland, Switzerland* or *Liechtenstei*n, who are all obligated to register their right of residence within the local police department if they are planning to stay here for more than 3 months (without interruptions). The registration fee is EUR 50.

    Other people (citizens of other countries) are usually obligated to apply for a *worker's* residence permit. The permit is issued for purposes of one or more fields of work and may be temporary or continuous. The permit includes the partial decision of the employment office and the residence permit decision of the Finnish Immigration Service or the city police department of the population register district. Appeals against residence permit decisions are submitted to the Administrative Court. Only the employee may apply for a worker's residence permit. The application must be submitted to either a Finnish diplomatic mission abroad or the police department for the appropriate district of jurisdiction in Finland.

    The Finnish Aliens Act includes a list of cases (occupations or other circumstances) in which work is possible (without application of the worker's residence permit) on the basis of a *standard residence permit*, a visa, or a visa waiver agreement.

    It is difficult to provide information on the estimated time for the application process (varies from 20 to 200 days depending on the case, amount of underlying applications etc).

    The first worker's residence permit costs at the moment EUR 500 and standard residence permit EUR 425. Renewal cost is EUR 76. (The process is a bit simpler and costs lower for other family members when the actual permit has been already granted to the foreign employee.)

12. Are employees entitled to management representation and/or to be consulted in relation to corporate transactions (such as redundancies and disposals) in your country?

    Management representation: Employee representation within management is required when an employer regularly employs at least 150 employees in Finland (Act on Personnel Representation in the Administration of Undertakings). The employees may appoint their representatives, as chosen by the employer, to the Supervisory Board, the Board of Directors or to the management group of the company.

    Corporate transaction: The provisions of the Act on Co-operation within Undertakings shall be applied if an employer who regularly employs at least 20 employees, is considering (i) a business transfer (selling or acquiring a business) or (ii) taking (other) actions (e.g. acquisitions of machinery and equipment, changes in the production of services or product range or use of external labour) which would lead to termination of an employment contract, lay-off or reduction of an employment contract into a part-time contract.

In case (i), the employer is only obligated to *inform* the employees (representatives of the employees) of the contemplated transaction in accordance with the provisions of the Act on Co-operation within Undertakings. In case (ii), the employer is obligated to negotiate on the planned actions before taking any such actions. ("Before the employer decides the matter the grounds, effects and alternatives to the intended changes have to be handled in the spirit of co-operation to obtain consensus").

A business transfer does not *by itself* constitute a lawful reason for termination of an employment contract of the employee by an employer.

13. Are there any employment protection laws (such as minimum wage law and/or maximum working hours law) in your country?

    The maximum working hours are set out in the Working Hours Act (mandatory provisions) but the said Act is not applicable to all employees (directors etc.). CBAs also include terms regarding working hours.

    There are no actual laws protecting minimum wage levels (an employee shall receive 'reasonable' compensation for the work performed). Minimum wage levels are set out in many CBAs which also include more detailed terms on hourly wages etc.

14. Is there any pension system in your country? Is it on a mandatory or voluntary basis? If so, please give details.

    The statutory pension security in Finland consists of a defined benefit earnings-related pension that accrues from work as well as residence-based national pension and guarantee pension that ensure minimum security. Statutory pensions provide security for old age, in the event of disability and the death of the breadwinner in the family. The significance of pension security supplementing the statutory system is minor.

    Earnings-related pension security is financed mainly through employer and employee contributions. Earnings-related pension assets and return on investments are also important sources of financing. The State of Finland participates in the financing of pensions for the self-employed, farmers and seafarers.

    The pension system is mandatory in Finland. There are several different Acts regulating the pension system.

15. How is the termination of individual employment contracts regulated in your country? Under what circumstances is the dismissal of an employee unlawful?

    An employment contract may be terminated by the employer only based on grounds set out in the Employment Contracts Act. Legal termination grounds may be divided into two categories: (i) termination caused by the employee by a breach of the employment contract and similar grounds related to the employee; and (ii) termination for financial or production-related reasons or for reasons arising from reorganization of the employer's operations. In the latter situation the employer may terminate the employment contract if the work to be offered has diminished substantially and permanently and if the employee cannot be placed in or trained for other duties by the employer.

In other circumstances than those set out above, termination of an employment contract (unilaterally) by the employer is considered illegal. Consequences of illegal termination are set out in the Employment Contracts Act.

16. Are redundancies and mass layoffs regulated in your country? If so, please give details.

Yes, mass layoffs and redundancies are regulated in Finland by Act on Co-operation within Undertakings. See our response to question D12 (case ii).

(E) Tax

17. In relation to employees, what is the basis of taxation (i.e. whether territorial source principle, tax residency principle or other principle is adopted) in your country?

Finland has adopted the tax residency principle and the source principle ('asuinvaltio- ja lähdevaltioperiaate')

18. Under what circumstances are employees subject to taxation in your country?

Employees are subject to taxation in Finland when they are Finnish residents or when the income derives from a Finnish source.

Finnish income tax rules differentiate between two categories of taxpayers: tax residents who are fully liable to pay tax; and tax nonresidents — whose liability to pay tax is limited. Individuals living in Finland permanently are residents. Individuals living in other countries are nonresidents. Furthermore, anyone who has arrived in Finland and stayed longer than 6 months will become a resident. The residents' worldwide income is subject to Finnish tax, so that no distinction exists between the source country Finland or any other source country (worldwide liability to tax). In contrast with this, only the Finnish-sourced income is subject to Finnish tax for nonresidents.

19. What income tax or social security contributions must be paid by:

i. Employees?

Tax resident employees pay State tax based on a progressive tax scale (Income Tax Act). In addition, there are two flat rates of tax applicable to earned income, namely municipal tax (in 2013 16.5-21.5 %) and church tax (1-2%). Members of the Evangelical Lutheran Church and the Orthodox Church are only subject to church tax.

Deductions are very important in the assessment of an employee's income tax. Deductions are items that reduce the total income and therefore the overall tax liability. The net amount after deductions is the net taxable income, and the tax an employee has to pay will be based on this amount. In some cases, the employee is entitled to certain tax credits, reducing the amount of tax even more.

Social contributions payable by an employee are the following in 2013:

unemployment insurance premium 0.6 % of the gross salary, pension insurance premium ('TyEL') 5.15% of the gross salary if an employer is 53 or younger (6.5 % for older employees), health insurance contributions i.e. healthcare contribution payment 0.74% and earned income contribution payment 1.3% of the gross salary.

The employer shall withhold from the salary the employee's shares of the statutory pension insurance premiums and unemployment insurance premiums.

ii. Employers, in relation to their employees?

Statutory social insurance contributions payable by the employer are the employer's social security contribution, statutory pension insurance premium, unemployment insurance premium, accident insurance premium and group life insurance premium.

A rough 'rule of thumb' is that an employer will pay around 30% of an employee's salary in the above-mentioned social contributions.

In *2013*, the employer's social security contribution is 2.04% of the paid salaries (gross amount). The amount of the statutory pension insurance premium ('TyEL') payable by the employer is based on gross salaries paid in 2011; the payable amount being 23.4% of the amount of paid salaries. The employer is obligated to pay 0.8% of all paid gross salaries as unemployment insurance premium and an additional 3.2% if paid salaries exceed EUR 1,990,500 (0.8% is paid up to a salary amount of EUR 1,990,500 and 3.2% of the exceeding amount only). The amount of accident insurance premium is between 0.3 and 8% depending on the amount of salaries paid and also on the dangers involved in the employees' work. Group life insurance premium is paid to the insurance company and the amount varies (the amount is quite small, e.g. 0,066-0,07 of all paid salaries).

20. In relation to corporations, what is the basis of taxation (i.e. whether territorial source principle, tax residency principle or other principle is adopted) in your country?

    The territorial source principle (i.e. company is registered in Finland or established under Finnish law).

21. Under what circumstances are incorporations subject to taxation in your country?

    See above 20. A foreign corporation may also be subject to Finnish income taxation if the corporation is deemed to have a *permanent establishment* in Finland. A fixed place of business, such as a production plant can in some circumstances constitute a permanent establishment.

Permanent establishment rules in Finland are slightly different for VAT taxpayers and for a nonresident's liability to pay Finnish income tax. For income tax purposes, the rules are linked with internal legislation and the tax treaties that Finland has made with other countries. For VAT purposes, the rules are set out in Value Added Tax Act.

22. What are the main taxes that potentially applicable to a corporation and what are their tax rates?

    Main taxes and rates in 2013 are:

    Income tax 24,5% on worldwide corporate income. (According to a proposal of the Finnish Government, it is very likely that the income tax rate for corporations will be 20% on 1 January 2014.)

    Value added tax 24 % on commercial sale on goods and services supplied in Finland.

    Transfer tax payable by the transferee based on transfer of non-listed Finnish securities 1,6% and of real property 4 %.

23. Please explain how each of the following is taxed in your country:

    iii. Dividends paid to foreign corporate shareholders?

    Dividends paid to foreign corporate shareholders are subject to a withholding tax of 24.5% (2013) unless otherwise agreed in tax treaties. No withholding tax is payable for dividends paid to a foreign corporate shareholder located in an EU country if such shareholder holds at least 10% of all shares of the Finnish company.

    iv. Dividends received from foreign companies?

    Generally dividends received are tax exempt.

    v. Interest paid to foreign corporate shareholders?

    Interest paid to foreign corporate shareholders is generally not subject to tax.

    vi. Intellectual property (IP) royalties paid to foreign corporate shareholders?

    Generally, royalties paid by a Finnish company to an affiliated EU corporate shareholder are not subject to withholding tax (*Directive 2003/49/EC on interest and royalty payments*). Otherwise a withholding tax of 24.5% is payable, unless a double tax treaty reduces or eliminates the tax.

    vii. Are there any thin capitalization rules (i.e. restrictions on loans from foreign affiliates) in your country? If so, please give details.

    There are new thin capitalization rules that are effective as of 1 January 2013 but will be applied for the first time in tax assessment for the tax year 2014. Net interest expense deduction is restricted to 30% of fiscal EBITDA subject to certain safe harbors. The limitation is calculated based on a company's net interest expense. Net tax expenses amounting to EUR 500,000 euro is always deductible.

24. Are there any controlled foreign company rules (i.e. the profits of a foreign subsidiary must be imputed to a local parent company) in your country? If so, please give details.

    No, there are not.

25. Are there any transfer pricing rules (i.e. restrictions on the pricing of transaction between a local entity and a foreign entity) in your country? If so, please give details.

    Transactions between related parties must, as defined in the law, must be carried out in accordance with the arm's-length principle, even if between Finnish resident companies. In addition, large enterprises must prepare transfer pricing documentation of cross-border transactions between related parties. Finland applies OECD standards.

26. How are imports and exports taxed in your country?

    Exports of goods outside EU are exempt from VAT. Imports from outside the EU are subject to Finnish VAT which is payable by the importer as if the goods were supplied in Finland. Customs duty and excise duty may also be payable on the imported goods.

27. Is there a wide network of double tax treaties in your country? If so, please give details.

    Currently Finland has double tax treaties in force with about 80 countries based mainly on the OECD Model Tax Treaty.

(F) Competition

28. Is there any competition law in your country? If so, please give details.

    Yes, both the Finnish Competition Act (948/2011) and EU competition rules are applicable in Finland.

29. Are restrictive agreements and practices regulated by competition law in your country?

    Yes. The applicable rules on prohibited horizontal and vertical cooperation are included in the Section 5 of the Competition Act. Also the Article 101 of the Treaty on the Functioning of the European Union is applicable. According to the Section 5 of the Competition Act, all 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. Horizontal restrictions refer to concerted actions, decisions and agreements between competitors (i.e. business undertakings on the same production or distribution level) which may restrict competition, such as price fixing or bidding cartels, market sharing arrangements etc. Vertical restrictions refer to competition restrictions in supply and distribution agreements and may take the form of e.g. fixing or recommending of prices, single branding, exclusivity clauses, customer allocation etc. Not all competition restrictions are unlawful, however, as they may e.g. be covered by the exception provision in Section 6 of the Competition Act or be of minor importance and thus not prohibited. It is for the companies themselves to assess whether their actions or decisions violate the Competition Act or the competition legislation of the EU.

30. Is unilateral (or single-firm) conduct regulated by competition law in your country?

    Yes. The abuse of dominant position is prohibited both on the basis of Section 7 of the Competition Act and Article 102 of the Treaty on the functioning of the European Union.

31. Are mergers and acquisitions subject to merger control in your country?

    Yes they are. The provisions on merger control are included in Chapter 4 of the Competition Act. At the moment, the merger control provisions apply to a concentration where the combined turnover of the parties to the concentration exceeds 350 million euros and the turnover of at least two of the parties accrued from Finland exceeds 20 million euros for both.

    Under the Finnish Competition Act a concentration shall mean i) acquisition of (de facto or de jure) control over undertaking, ii) acquisition of the entire business operations or a part thereof of an undertaking, iii) a merger, or iv) the creation of a full-function JV.

(G) Intellectual property

32. Please outline the main intellectual property rights that are capable of protection in your country. In each case, please state:

    viii. What is the nature of the right?

    Patents, Trademarks, Registered signs, Copyright, Confidential information, utility models (and domain names)

    ix. How is it protected?

    Trademarks, registered designs, utility models and patents are protected through registration within the National Board of Patents and Registration of Finland and/or EU/ other international registrations. Also domain name '.fi' may be registered within Finnish Communications Regulatory Authority (Ficora).

    Copyright protection does not require registration (protected by Copyright Act). Confidential information is protected by the Unfair Business Practices Act and the Penal Code.

    Finland is a party to all key international agreements and treaties on the creation, protection and enforcement of intellectual property rights and as an EU member has a harmonized approach to IPR which is consistent with the rest of the EU.

    x. How is it enforced?

    See our response to the previous questions regarding EU and other international collaboration.

Finland is adopting new IPR trial proceedings in the autumn 2013. All industrial and intellectual property rights disputes (excluding criminal matters) as well as complaints regarding decisions of the National Board of Patents and Registration of Finland in industrial property rights registration matters will be handled by the Market Court from 1 September 2013 onwards.

An IPR may be enforced by applying for interim conjunction, enforcement etc. from the competent court. Before 1 September 2013, such court is the local district court (usually based on the domicile of the defendant); all patent issues are addressed to the district court of Helsinki. From 1 September 2013 onwards the competent court is the Market Court.

xi. How long is it protected?

Patents are protected for 20 years (extension of a maximum of 5 years may be applied for medicines and pesticides), trademarks 10 years, registered designs for 5 years (and may be renewed by application four times) and copyright for 70 years after the author's death. Confidential information is protected by law as long as the information meets the requirements for protection.

A domain name 'fi' is valid for one, three or five years. It can be renewed by paying the renewal fee.

(H) Marketing agreements

33. Are marketing agreements regulated in your country? If so, please give brief details in respect of the following arrangements:

xii. Agency;

Agency agreements are regulated by the Act on Commercial Representatives and Salesmen which includes a few mandatory provisions (regarding e.g. the agent's right to commission upon termination of the agency agreement).

xiii. Distribution; and

xiv. Franchising

No special national legislation in place regarding distribution and franchising agreements. Sale of Goods Act may be applicable at least in distribution but in theory also in franchising. The said Act applies to the sale of property other than real property (goods). Sale of Goods Act is not applicable in certain international contracts for the sale of goods, consumer contracts or to a contract under which the party who provides the goods also undertakes to perform work or other services if the services constitute the preponderant part of the party's obligations.

The Sale of Goods Act does not include any mandatory provisions (unlike the Act on Commercial Representatives and Salesmen) and any conflicting terms of the distribution agreement usually supersede its provisions.

(I) E-commerce

34. Are there any laws regulating e-commerce (such as electronic signatures and distance selling) in your country? If so, please give brief details.

    Act on the Provision of Information Society Services regulates the offering and provision of services electronically from a distance. It regulates the information to be provided by the service provider as well as notice and take down procedures in the case of infringement of intellectual property rights.

    Act on Strong Electronic Identification and Electronic Signatures regulates strong electronic identification and electronic signatures, as well as the offering of these services to public and relevant service providers.

    Act on Handling Matters Electronically with the Authorities regulates the electronic handling of matters with the authorities.

    The Consumer Protection Act applies also to e-commerce and contains requirements for the information to be provided to consumers as well as provisions regarding consumers' right to receive a refund.

(J) Data protection

35. Are there any data protection laws in your country? If so, please give brief details.

    The Personal Data Act regulates the collection, storage and processing of personal data. The Act on the Protection of Privacy in Working Life regulates the protection of privacy in employment relationships. The Act on the Protection of Privacy in Electronic Communications (516/2004) regulates the processing of data in electronic communications.

(K) Product liability

36. Are there any laws regulating product liability and product safety in your country? If so, please give brief details.

    The Product Liability Act applies to the compensation for injury or damage caused by a product to a person or property meant for private use or consumption and primarily used for such purposes by the injured party.

    The aim of the Act on Consumer Safety is to ensure the safeness of consumer items and services.