



FINLAND – 2023

Key findings

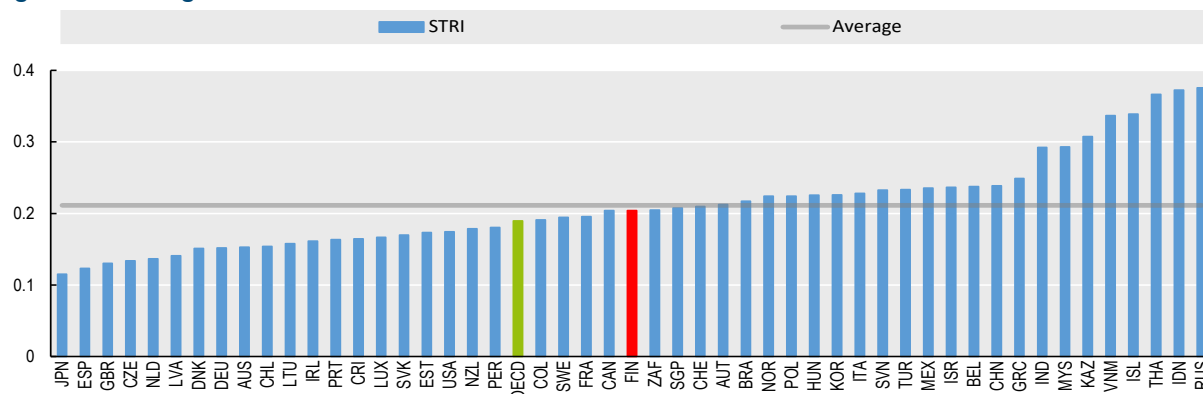
- The 2023 STRI of Finland is above the OECD average and on par with the full STRI sample average, but unchanged compared to 2022.
- Legal services is the most open sector in Finland while distribution is the most restricted, relative to the sectoral average.
- Restrictions remain in conditions of foreign entry and movement of people, such as in relation to residency requirements for board members and managers, foreign investment screening, and labour market tests.

Recommendation

- Trade in services strengthens resilience across supply chains, facilitating environmental sustainability and promoting greater inclusiveness. To ensure the benefits of open markets and a rules-based international trading system, national and multilateral action is needed to lower barriers and reduce trade costs, promote greater regulatory interoperability, and facilitate the digital transformation of economies.

The 2023 STRI of Finland is above the OECD average, and relatively low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023ⁱ



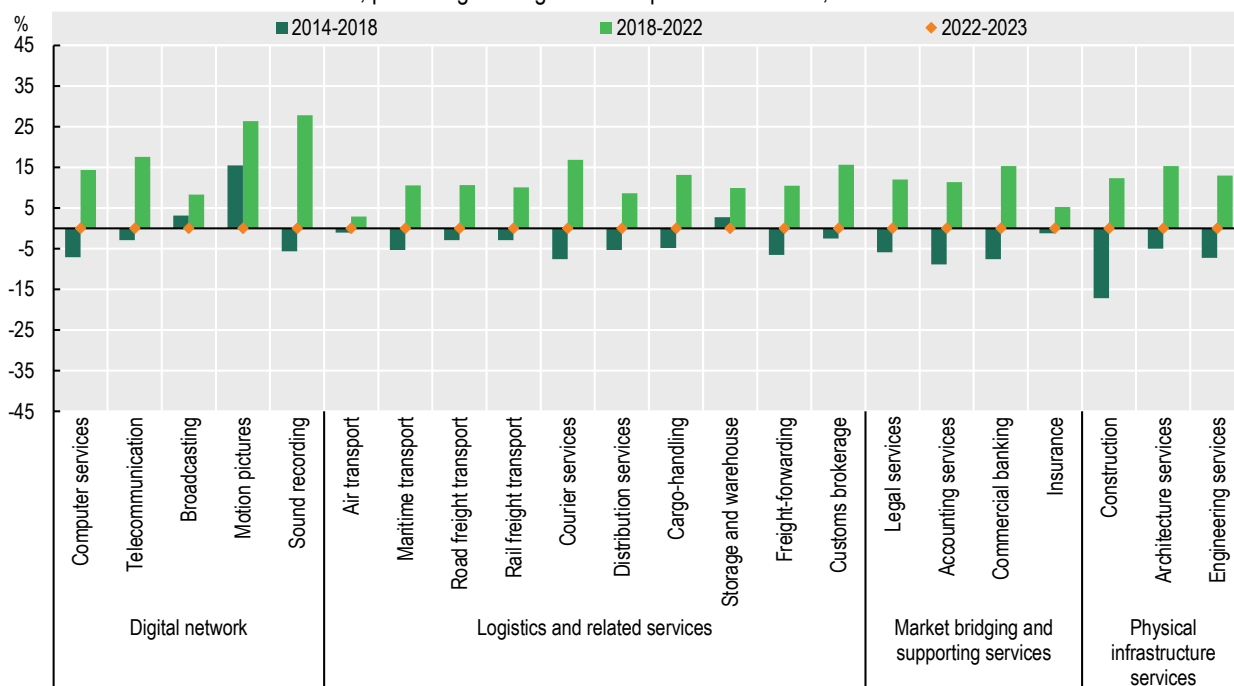
OECD (2023). STRI and TiVA databases.

Economy-wide policies contribute to Finland's overall STRI. Finland applies labour market tests or similar economic considerations (namely wage requirements) for workers from countries outside the European Economic Area (EEA) seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers, or independent services suppliers. At least one board member and the manager (CEO) in corporations must be residents in Finland or the EEA. Furthermore, rights of access to public procurement are limited to regional trade agreement partners and members of the WTO's Government Procurement Agreement. The standards for cross-border transfer of personal data are set at the European Union (EU) level. Transfers to non-EEA economies can take place when these ensure an adequate level of data protection or, in the absence of this, appropriate safeguards (e.g. binding corporate rules or standard data protection clauses) are in place. Finally, Finland has a restriction on the establishment of foreign branches and a minimum amount of capital must be deposited in a bank or with a notary in order to register a public limited liability company.

The regulatory environment for services trade in Finland has been relatively stable with moderate changes across sectors over time (Figure 2). In 2022-23, the STRI indices remained unchanged in all sectors. Though not captured by the STRI, rules regulating consumer credit tightened slightly in 2023. Additionally, a new Economic Activities Act clarified the conditions of approval for the establishment of foreign branches.

Figure 2. Evolution of STRI indices by sector in Finland

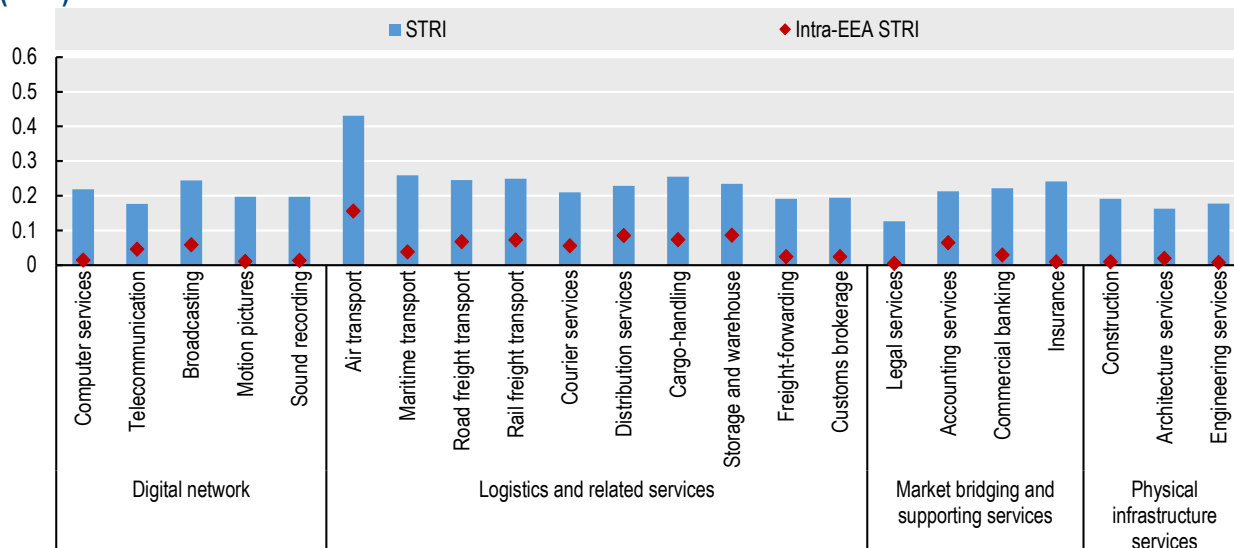
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



OECD (2023). STRI database.

Services trade barriers are significantly lower within the European Economic Area across all services sectors (Figure 2b). Finland maintains an open market for services suppliers from other EU Member States.

Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



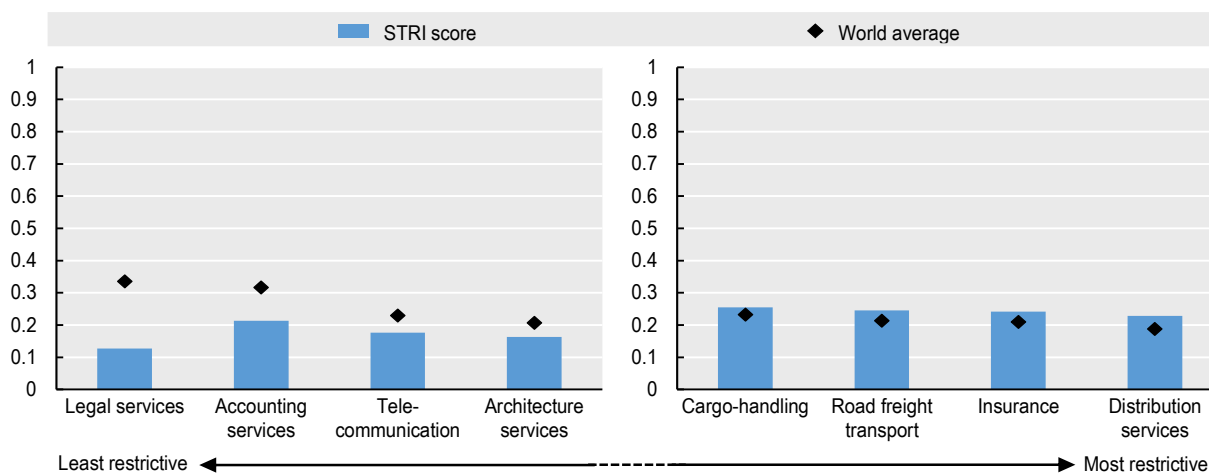
Note: The traditional STRI indicates the level of restrictiveness on a most favoured nation (MFN) basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden).

Source: OECD (2023). STRI database.

Figure 3 ranks Finland's sectors relative to the respective sector's world average. Legal services, accounting services, telecommunications and architecture services are the sectors with the relatively

lowest scores. Conversely, logistics cargo-handling, road freight transport, insurance and distribution services are the sectors with the relatively highest scores.

Figure 3. Sectoral breakdown - The least and most restricted sectors in Finland compared to world average



Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

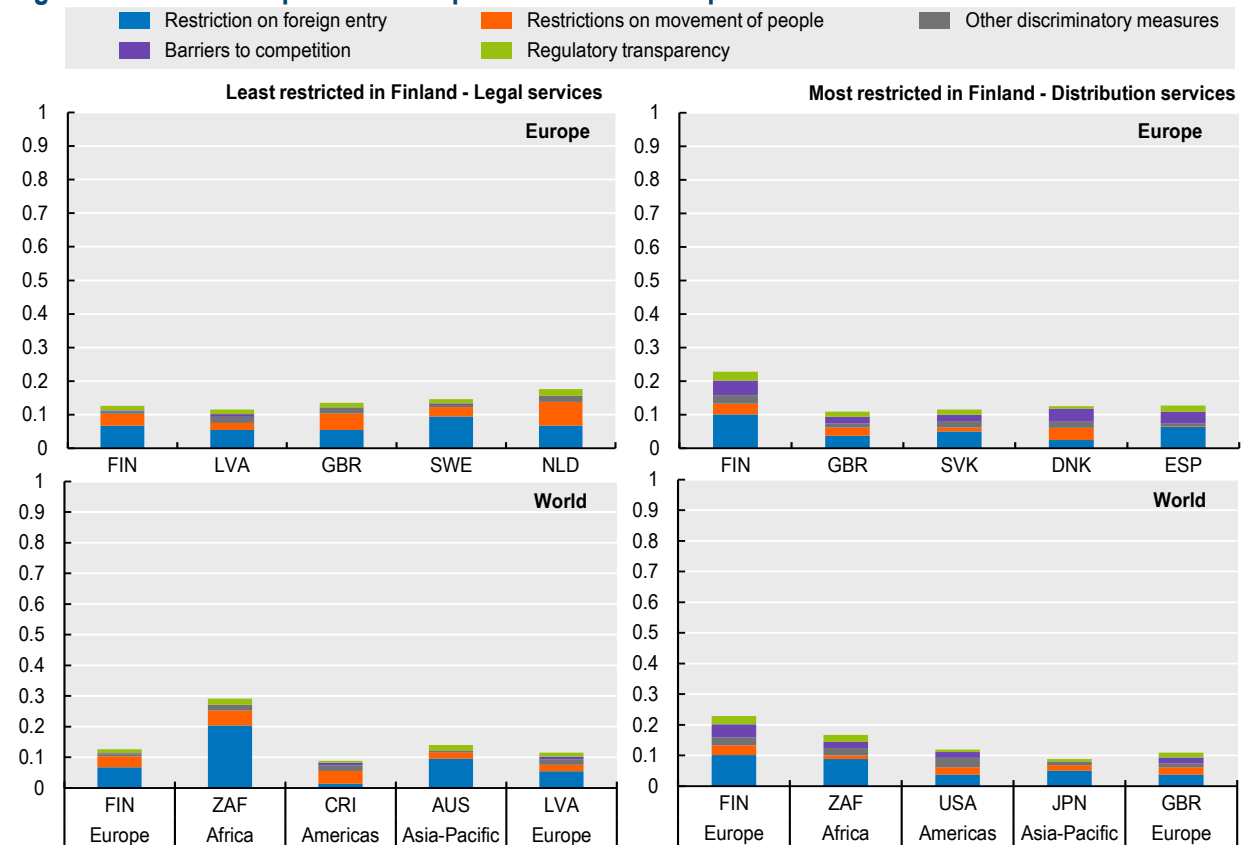
i.e. $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$

Source: OECD (2023). STRI database.

Legal services are the least restricted in Finland compared to the average sectoral STRI across all countries. This is well aligned with other open economies in Europe where low barriers to foreign entry are coupled with effective competition regulation. On a world level, light restrictions on foreign entry and movement of people have had an impact compared to other countries (Figure 4).

On the other hand, distribution services are the most restricted services sector in Finland compared to the average sectoral STRI across all countries. Restrictions on foreign entry are significantly higher compared to best performers, mostly because at least one board member and the managers must be Finnish or EEA residents, acquisition and use of land and real estate by foreigners is restricted, and there is a monopoly on retail distribution of alcohol.

Figure 4. Finland compared to Europe and World's best performers



Source: OECD (2023). STRI database.

Recent policy changes

Rules regulating consumer credit were tightened from 1 October 2023. The contractual interest rate of consumer credit cannot exceed 15% (previously 20%). Additionally, a temporary measure in view of the COVID-19 pandemic prohibited direct marketing of consumer credit and credit intermediation services. This measure was put in place in July 2020 but expired in October 2021.

The new Economic Activities Act, in effect from 1 June 2023, specifies the conditions whereby the Finnish Patent and Registration Office must grant approval to a Finnish branch of a foreign company. However, branches of non-EEA firms continue to be subject to approval, and, as under the previous act, Finnish branches of such foreign firms must appoint a representative who is resident in Finland.

An amendment to the Law on the Information Society entered into force on 1 January 2021, requiring that providers of on-demand audio-visual media services secure at least a 30% share of European works in their catalogues and ensure prominence of those works, in accordance with Directive 2010/13/EU.

Double registration of a foreign vessel under the Finnish flag is allowed since 2021 if the foreign vessel, which is registered in the ship register of another country in terms of ownership, is chartered to Finland under a bareboat charter agreement (bareboat-in cases). The charterer must be a Finnish or EEA citizen or corporation.

Several recent changes affecting Finland were due to changes in EU law. In August 2022, Regulation 2022/1031 (EU) entered into force, aiming to regulate access of third-country (non-EU) goods and services to the EU's public procurement and concession markets. At this stage, no implementing act restricting access to the EU procurement market has been adopted by the European Union. The Regulation applies to public procurement and concessions where the EU has not undertaken market access commitments in an international agreement.

In air transport, a series of temporary rules allowing airlines to retain historic slots, despite not using their slots according to the 80/20 grandfathering rule, were in place from 1 March 2020 to 25 March 2023 on grounds of reduced air traffic levels due to the COVID-19 pandemic. As of 26 March 2023, such slot relief rules are no longer in force.

In telecommunications, maximum Union-wide voice termination rates defined by Commission Delegated Regulation (EU) 2021/654 took effect on 1 July 2021. These maximum termination rates do not, however, generally apply to calls originating from countries outside the EU.

From 1 July 2021, the EU abolished the VAT de minimis regime for goods valued under EUR 22. In maritime transport, Commission Regulation (EU) 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024.

More information

- » Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>
- » Read more about [Services Trade Policies and the Global Economy](#)
- » More information about measuring the regulatory environment for services trade in the Intra-EEA region: oe.cd/intraeeaSTRI
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

ⁱNote: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2023. The STRI regulatory database covers the 38 OECD Members, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, Singapore, South Africa, Thailand and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.