FINLAND

Subnational Investment Climate Assessment 2022:
Denmark, Finland and Sweden

Comparing Business Regulation for Domestic Firms in 20 Cities in Denmark, Finland and Sweden with Other European Union Member States

WORLD BANK GROUP

with funding by the European Union

About this series

Subnational Investment Climate Assessment in the European Union

This report is the last in a series produced by the World Bank Group at the request of and funded by the European Commission's Directorate General for Regional and Urban Policy. It assesses the cost of doing business and the efficacy of the bureaucracy in the largest business cities across the main administrative divisions of 16 European Union (EU) member states.[a] By providing a factual baseline, along with local good practice examples, these reports allow policy makers to bridge gaps in regulatory performance to ensure a fairer and more inclusive regulatory environment for businesses, regardless of their location within national borders and across the EU. All reports and data are available at www.doingbusiness.org/EU.

The series follows the diagnostic methodology used in the cross-country *Doing Business* reports[b] and focuses on five regulatory areas corresponding to stages in the life of a small to medium-size domestic firm: business start-up, building permits, electricity connection and supply, property transfer, and commercial litigation.[c]

Going forward, the World Bank is formulating a new approach to assessing the business and investment climate in economies worldwide following the discontinuation of the *Doing Business* project. Updates on the development of the new Business Enabling Environment project are made available at: https://www.worldbank.org/en/programs/business-enabling-environment.

a. Based on The NUTS classification (Nomenclature of territorial units for statistics).

b. https://archive.doingbusiness.org/en/methodology.

c. These indicator sets were selected because they benchmark areas where local authorities typically have the administrative power to reform the underlying regulation or make changes to how the regulation is implemented.

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- **The report *Subnational Investment Climate Assessment: Finland* benchmarks business regulations that apply to small and medium-size domestic firms in six cities in Finland** (Helsinki, Mariehamn, Oulu, Tampere, Turku, and Vaasa) across five business regulation areas (business start-up, building permits, electricity connection and supply, property transfer, and commercial litigation).
- **Finland shows significant subnational performance gaps.** Even the five mainland cities benchmarked in this study show disparities in regulatory performance, especially in the areas related to building permits, electricity connection, and commercial litigation. Variations in regulatory performance are even more pronounced when comparing Mariehamn—the capital of the autonomous region of Åland—with the rest of the country. This is mainly driven by differences in performance for business start-up and property transfer. Entrepreneurs in Mariehamn must obtain a business permit for a company to operate and a land acquisition permit to acquire real property from the government of Åland.
- **No city is the top performer across all indicators.** Vaasa is the only city that scores among the top three locations in all benchmarked areas; all the others score in the top half in at least one area and the bottom half in another. Mariehamn has the highest score for building permits and electricity connection but the lowest for business start-up and property transfer. Tampere and Oulu rank first on property transfer, while Tampere ranks fifth on building permits. This uneven performance across indicators points to opportunities for Finnish cities to learn from each other's good practices.
- **Business start-up is the only area where no Finnish city scores above the EU average.** Although starting up a business is less expensive and requires fewer procedural steps in Finland, Finnish entrepreneurs spend more time completing these steps than in the European Union as a whole. Electricity connection is the one area where all six Finnish cities perform above the EU average. Utilities in Finland connect their customers in less time and with lower costs and the electricity supply is among the most reliable in the European Union.
- **Time is the main source of variation in performance among the Finnish cities benchmarked.** The time it takes to comply with bureaucratic requirements varies significantly depending on where Finnish entrepreneurs establish their business. Entrepreneurs in Oulu spend the least time complying with bureaucratic requirements in the five regulatory areas benchmarked—seven months less than their peers in Helsinki.
- **Finnish cities have opportunities to share good practices to improve the business environment,** especially in building permits, electricity connection, and commercial litigation. In business start-up and property transfer, good practices in other economies could encourage Finland to be more ambitious in the modernization of their regulatory framework.

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Finland is an attractive location for business, owing to a stable and transparent regulatory environment, a strong policy focus on research and innovation,[1] a skilled labor force, openness to trade and investment, and highly digitalized infrastructure.[2] Additionally, Finland ranks among the global economies where there is the lowest perception of corruption.[3]

Digitalization has been central to Finland's efforts to improve the business environment. As a result, Finland ranks first out of 27 EU member states on the 2022 Digital Economy and Society Index.[4] Over the past few decades, Finland has increasingly automated its regulatory processes and introduced several electronic platforms that have improved the business environment. In 2001, for example, the creation of the Business Information System allowed several government registries to be connected, which transformed the process of setting up a new business. Currently, entrepreneurs can submit a single start-up notification across agencies. In early 2010, many municipalities in Finland introduced e-permit systems that allowed developers to apply for a building permit digitally and track the status of their projects. In the same period, the Ministry of Justice introduced the AIPA Information System, an integrated digital system to help manage cases and documents in the courts. Judges can now track the status of court cases; view and manage all case documents, court orders, and judgments; and generate semi-automatic court orders.

Finland could continue its efforts to ease the administrative burden for companies in some regulatory areas. The challenges this study has documented include an absence of statutory time limits for regulatory processes, as well as low uptake of existing online platforms—due mainly to lack of public awareness, as in the case of the Property Transaction Service, or limited applicability, as in the case of the online business registration platform. A recent study by the Organisation for Economic Co-operation and Development (OECD) found that lengthy administrative procedures related to permitting, such as construction permits or approval of land-use planning, slow down some investment projects.[5]

Recognizing the importance of further improving the business environment, attracting investment, and mitigating the shocks caused by the COVID-19 pandemic, the Finnish government is making renewed efforts to develop digital solutions. There are ambitious initiatives underway to reform the Real Estate Code and make the property transfer process simpler and faster through enhanced digitalization. Similarly, the proposed reform of the Land Use and Building Act aims to accelerate the low-carbon transition, advance digitalization, streamline procedures, and improve the quality of construction.

This report presents subnational data on the efficiency and quality of the regulatory process in six cities: Helsinki, Mariehamn, Oulu, Tampere, Turku, and Vaasa.[6] It identifies bottlenecks in the five areas benchmarked—business start-up, building permits, electricity connection and supply, property transfer, and commercial litigation—and highlights good practices already in place that other cities could consider replicating to bridge the regulatory performance gap. The report also provides examples of good practices from other EU member states that could encourage Finnish cities to enhance regulatory conditions for small and medium businesses (SMEs).

MAIN FINDINGS

There is significant variation in regulatory performance among the cities benchmarked

While most areas analyzed in this report are regulated at the national level, local implementation and the efficiency of public agencies vary significantly. Even the five mainland cities benchmarked in this study show disparities in regulatory performance, especially in the areas related to building permits, electricity connection, and commercial litigation. Mainland cities show more homogeneous results on property transfer. Business start-up is the only area where all five mainland cities obtain the same score.

Variations in the business regulatory environment are even more pronounced when comparing Mariehamn—the capital of the autonomous region of Åland—with the rest of the country. In Mariehamn, where the Åland government must issue a business permit for a company to operate, the time to complete the process increases by almost a month and costs 100 euros more than in the mainland cities. Additionally, obtaining a land acquisition permit from the government of Åland to acquire real estate makes the process twice as long and more complex in Åland than in the mainland cities. While the Finnish construction permitting system is primarily regulated at the national level by the Land Use and Building Act, laws regulating aspects of land use and building activities in Mariehamn are established by the government of Åland. Similarly, the Åland Islands have their own regulations on land acquisition. The Energy Authority (Energiavirasto) regulates the electricity market in continental Finland, while the Åland Energy Authority (Ålands Energimyndighet) does so in the Åland region. The government of Åland plays a role in granting permits to operate a business or transfer property in Mariehamn, while new entrepreneurs in mainland cities deal only with national authorities.[7]

Of the 16 EU member states[8] assessed by this series, Finland has the second-highest average performance gap between the city with the lowest score and the city with the highest score across the five regulatory areas benchmarked (figure 1.1). The differences between the mainland cities and Åland account for much of this gap.

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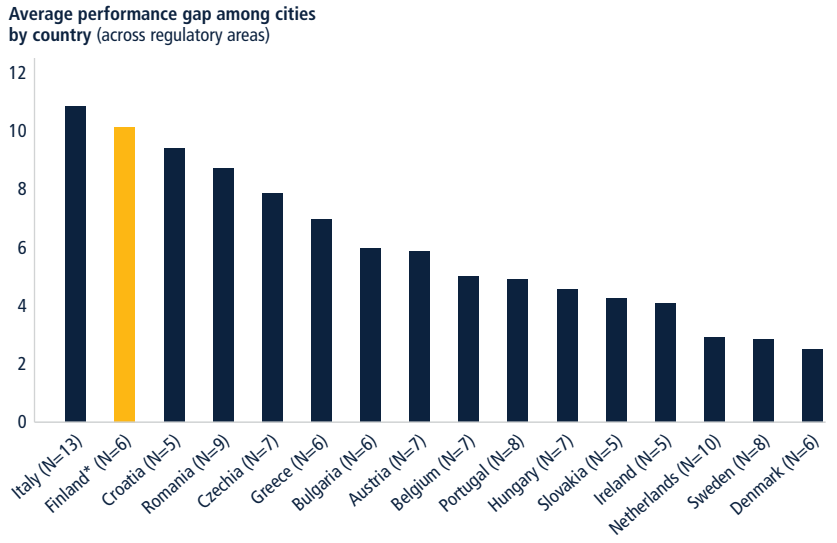
FIGURE 1.1 Finland has the highest average spread in regulatory performance after Italy



Sources: Data collected for this publication; *Subnational Doing Business* database.

Note: "N" reports the number of cities benchmarked in each economy. The figure considers only the EU member states that have been benchmarked at the subnational level. The full data for the series are available at: www.doingbusiness.org/eu.

*Among the five mainland cities in Finland, performance is much more homogeneous; the average spread is 4.3, similar to Slovakia.

On average Finnish cities score above the EU average in all regulatory areas benchmarked except for business start-up

Most Finnish cities outperform the EU average in at least three out of the five areas benchmarked. Electricity connection is the one area where all six Finnish cities perform above the EU average (figure 1.2). Utilities in Finland connect their customers in less time (52 days) and at a lower cost (22% of income per capita) than in the European Union (99 days and 117%, respectively). In Mariehamn—the fastest Finnish city and second-fastest after Linz (Austria) in the European Union—getting an electricity connection takes 27 days. Connecting to the electrical grid is faster and cheaper in Finland than in other Nordic countries such as Denmark and Sweden. Moreover, the electricity supply in Finland is among the most reliable in the European Union and has among the shortest durations of power interruptions. All six cities measured in Finland score the maximum of 8 points on reliability of supply.

Business start-up is less expensive and requires fewer procedural steps than in the European Union on average, but Finnish entrepreneurs spend more time completing these steps. Despite efforts to digitalize and streamline the business start-up process, Finnish entrepreneurs on the mainland still have to wait over a month to complete the process, almost three weeks longer than the EU average. Transferring a property in the five benchmarked cities in mainland Finland is less expensive than the EU average and requires only three steps—only in Portugal and Sweden is the process more streamlined. Still, it takes 76.5 days to complete these steps in mainland Finland, almost three times the EU average of 28 days. Denmark completes the same process in 4 days, Sweden in 10.

Mariehamn lags well behind the other Finnish cities and the EU average in both business start-up and property transfer, given the requirements to obtain business and land acquisition permits from the regional government. Business start-up takes nearly seven weeks longer and property transfer over four months longer in Mariehamn than the EU average. On the other hand, all Finnish cities are among the best in the European Union on the quality of land administration index, with Tampere and Oulu standing out in this regulatory area. On average, Finnish cities score 28.3 points (out of a maximum of 30)—5.4 points higher than the EU average.

On average Finnish cities outperform the EU average on the time and cost for construction permitting. In Finland, the process takes 120.8 days at a cost of 0.8% of the warehouse value—more than two months faster and half the cost of the EU average (188.5 days at a cost of 2.0%). The process in Finland is under municipal control, and Turku is the city that takes the most time (214 days), scoring below the EU average. Across Finland, there is room for improvement on number of procedures and measures of quality. Compared with Denmark,[9] the EU top performer with seven procedures, the process in Finland entails more than twice as many steps. On measures of quality, all Finnish cities score 11 out of 15 points, nearly a full point below the EU average (11.8 points) and far below Luxembourg, which scores the maximum of 15 points.

The six Finnish courts benchmarked resolve commercial disputes in 492 days on average—nearly 5.5 months faster than the EU average of 655 days. It is also less expensive in five cities in Finland (15.3% of claim value) than in the European Union (20.2%). The exception is Helsinki (20.8%)—the only Finnish city that lags behind the EU average on this indicator. All Finnish cities fall short of the EU average on the judicial quality index, particularly in the adoption of good practices related to court structure and proceedings as well as case management.

Mariehamn, Oulu, and Tampere top the rankings in more than one area benchmarked

It is easier to transfer property in Oulu and Tampere, obtain building permits and an electricity connection in Mariehamn, and

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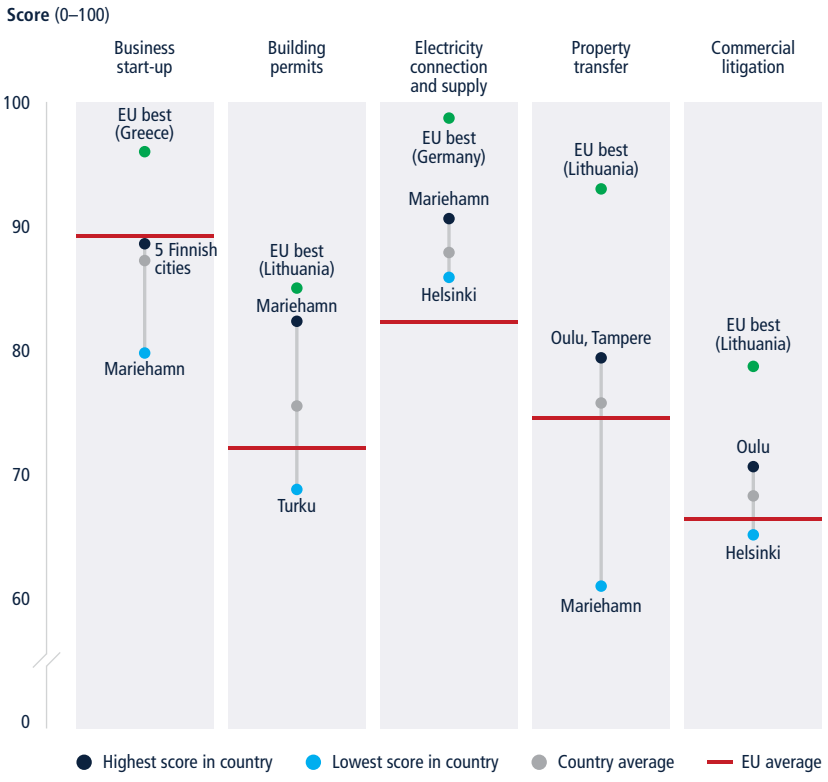
FIGURE 1.2 Business start-up is the only area where no Finnish city scores above the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The scores show how far a location is from the best performance achieved by any economy in each area. The scores are normalized to range from 0 to 100 (the higher the score, the better). EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

resolve a commercial dispute through the local court in Oulu. But cities that do very well in one area are sometimes at the bottom of the ranking in others (table 1.1). For example, Mariehamn has the highest score for building permits and electricity connection but the lowest for business start-up and property transfer. Helsinki and the other mainland cities share the top score for business start-up, but Helsinki ranks last in both electricity connection and commercial litigation. Tampere and Oulu rank first on property transfer, while Tampere ranks fifth for building permits. Turku ranks in the top half in three areas but last for building permits. Vaasa stands out as the only city that scores among the top three locations in all benchmarked areas.

This uneven performance across indicators points to opportunities for Finnish cities to learn from each other's good practices.

Entrepreneurs in Oulu spend the least time complying with bureaucratic requirements

Time is the dimension that varies the most across the five regulatory areas measured in this study. The time it takes to comply with bureaucratic requirements varies significantly depending on where Finnish entrepreneurs establish their business. Entrepreneurs spend seven months longer in Helsinki than in Oulu complying with bureaucratic requirements in the five regulatory areas benchmarked (figure 1.3).

The greatest variations in time are found in commercial litigation, building permits, and property transfer. It takes five months longer to resolve a commercial dispute through the court and enforce the judgment in Mariehamn than in Oulu. The

TABLE 1.1 Mariehamn, Oulu, and Tampere score the highest in at least two areas

	Business start-up		Building permits		Electricity connection and supply		Property transfer		Commercial litigation	
City	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)
Helsinki	1	88.66	4	71.89	6	85.95	3	78.45	6	65.04
Mariehamn	6	79.75	1	82.20	1	90.61	6	60.95	5	66.28
Oulu	1	88.66	3	77.99	4	87.17	1	79.28	1	70.38
Tampere	1	88.66	5	71.58	2	89.86	1	79.28	2	69.56
Turku	1	88.66	6	68.72	5	86.28	3	78.45	3	68.60
Vaasa	1	88.66	2	80.03	3	87.33	3	78.45	3	68.60

Source: Data collected for this publication.

Note: The indicator scores show how far a location is from the best performance achieved by any economy in each area. The scores are normalized to range from 0 to 100 (the higher the score, the better). For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

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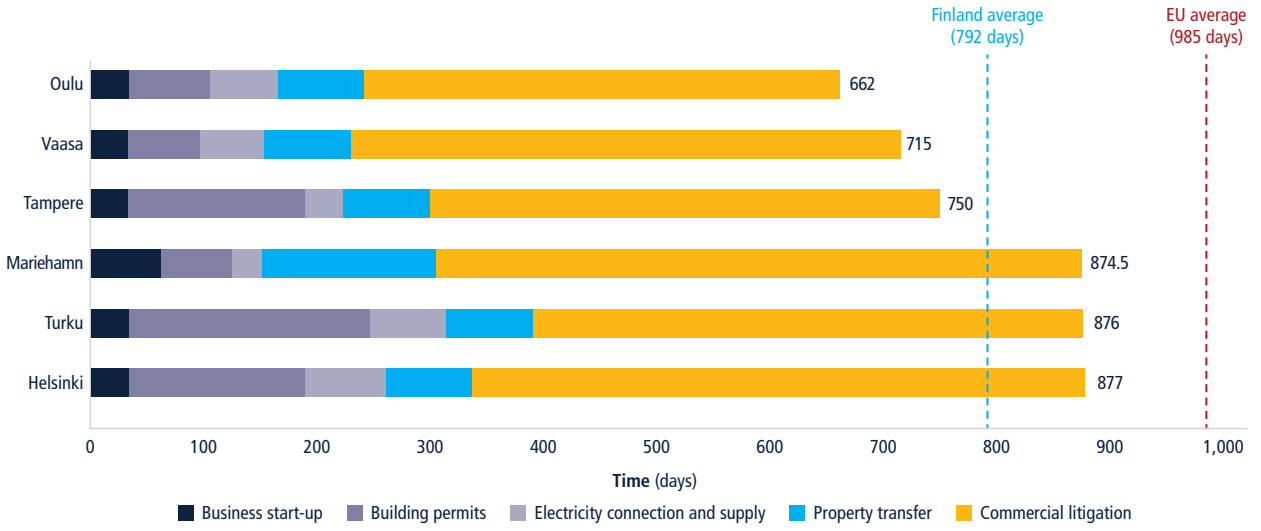
FIGURE 1.3 Oulu has the fastest turnaround time overall



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

District Court of Helsinki—the largest court, with the most complex litigation cases—is the second-slowest to complete the trial and judgment phase. The construction permitting process, meanwhile, takes seven months in Turku, more than triple the time it takes in Mariehamn. Entrepreneurs in Mariehamn spend twice the time to transfer a property than their counterparts in the other five cities benchmarked. Similarly, the business start-up process takes nearly twice as long in Mariehamn than in the rest of the benchmarked cities. An electricity connection takes 27 days in Mariehamn but 70 days in Helsinki.

WHAT IS NEXT?

Analyzing and comparing the different regulations and their local implementation can be an appropriate way to identify good regulatory practices and promote reforms. For each of the indicators analyzed by this study, this report identifies specific regulatory obstacles to business and highlights opportunities to improve the quality and efficiency of regulations and their implementation. Improvements could be achieved by replicating EU or global good practices or by looking to other cities in Finland. The objective is to help the private sector thrive by encouraging regulation designed to be efficient, accessible to all, and simple to implement.

Finnish cities have opportunities to share good practices to improve the business environment

Significant disparities in regulatory performance across cities can help policy makers identify opportunities to improve administrative processes and build the capacity of local institutions. Local governments can use the results of this study to support reform efforts and, when appropriate, emulate the good practices found in other cities. In most cases, implementing good practices that already operate efficiently in the same regulatory framework is a simpler process than adopting practices from other economies.

For example, obtaining a judgment and getting it enforced is fastest in Oulu, where it averages almost three months less time than in the rest of the benchmarked cities. Judges in Oulu make greater use of alternative dispute resolution methods such as mediation. Oulu is the fastest Finnish city for obtaining a building permit, taking five months less time than Turku, the slowest city. While part of the variation can be explained by the smaller volume of applications that Oulu receives for large projects, the city has also responded actively to resource needs and growing demand by temporarily reallocating staff from the inspection side to the construction permitting side. Oulu's active role in organizing webinars and information sessions for builders who construct small projects also contributes to its time efficiency.

Helsinki, despite its larger population and greater urban density, has the fastest process for obtaining an excavation permit for electricity connection works (one week)—less than half the time required in all other cities except Mariehamn, where a separate excavation permit is not required. The city government of Helsinki has cooperation agreements with local utilities to streamline permitting and increase cost predictability. It has established stricter internal targets for excavation permits, abiding by a rule to issue them in five working days. Helsinki has developed a digital tailored enterprise resource planning system that allows for the monitoring, coordination, and management of the entire permitting process.

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The process of obtaining construction approvals is smoothest in Mariehamn, where it takes the fewest procedures (13) and the shortest time (61.5 days). Mariehamn is also where the process costs the least (0.46% of the warehouse value). Mariehamn benefits from the relatively small size of its construction market but also from its efficient coordination among builders and local public authorities. The building authority and the utility company share information internally to ensure that buildings can be connected to a local water supply and sewerage network; as a result, the applicant does not need to interact separately with the utility. Thanks to efficient utility services and better agency coordination, utilities in Mariehamn also offer the fastest electricity connection in Finland and among the fastest in the European Union. An agreement between the electricity utility and the municipality allows the utility to proceed with electrical connection works by merely notifying the city government, without the need to obtain a permit to carry out connection works as required in the rest of the benchmarked cities.

Finland can also look to other EU member states and beyond for good practices to improve its business environment

In some cases, good practices in other economies could encourage Finnish cities to be more ambitious in the modernization of their regulatory framework. This report points to possible improvements based on both local and international good practices (table 1.2). However, this does not imply that all locations would automatically benefit from replicating existing good practices. Several factors determine whether replicating a good practice is beneficial, including local economic priorities, resource allocations, and tradeoffs between the advantages and cost limitations of implementing these changes.

To make business start-up easier, Finland could reduce the time it takes to register a company with the Finnish Patent and Registration Office and the Tax Administration, currently 32 calendar days. This is significantly higher than in other EU economies—including Denmark, Estonia, and Greece—where the entire company registration process takes less than a week. In these other EU economies, the use of online registration is available to all types of firms. Finnish authorities could also expand the use of standardized incorporation documents, making them flexible enough to accommodate most small businesses that want to use the online registration option. Slovenia, Portugal, Greece, and Denmark offer good examples that Finland could follow.

Finland could make substantial improvements by streamlining its preconstruction permitting process, particularly by consolidating requirements and improving coordination between offices. In Nicosia (Cyprus) and Valetta (Malta), a single focal point coordinates with all the agencies and issues a single preconstruction clearance. Finland could also consider adopting risk-based inspections, as Denmark and Sweden have done, to streamline the construction permitting process for low-risk buildings and free up resources for more complex projects.

The time it takes to transfer property in Finland—153 days in Mariehamn and 76.5 days in each of the other five benchmarked cities—is significantly higher than the EU average of 28 days. In Denmark, it has been obligatory since 2009 to submit registration applications electronically, enhancing the efficiency of screening and processing. Awareness campaigns could help motivate more users in Finland to shift to an electronic platform for property transfers. Committing publicly to service delivery standards within a specific time frame is key to ensuring that time limits are enforced in practice. Sweden is one of many economies that publish service standards for various public services.

On average, Finland outperforms the European Union on certain measures related to the efficiency and quality of the electricity supply. Yet it could learn from certain good practices implemented by other EU economies. The electricity connection process could be simplified by introducing a digital platform that would connect the entrepreneur's chosen supply company directly to the electricity utility when the entrepreneur first applies for a new connection. This would allow the electricity supplier, rather than the individual entrepreneur, to coordinate the different steps of the connection process through a shared digital interface. Certain EU member states such as Czechia, Ireland, and Poland offer good examples that Finland could consider.

In the area of commercial litigation, Finland could introduce statutory limits to its procedural legislation for key court events to make dispute resolution more predictable. Ten EU member states[10] have laws that set time standards for various court events and respect them in practice. Finnish courts also lag in terms of court automation. The country would benefit from adopting additional features such as electronic filing[11] of initial complaints for all types of civil cases, a tool that could improve access to justice and streamline procedures even further. For example, Denmark developed a highly digitalized system for civil cases where all written communication between litigants and the judge is filed and processed digitally through the Sagsportalen case portal.

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TABLE 1.2 Opportunities for regulatory improvement in Finnish cities

Regulatory area	Good practices	Relevant ministries, agencies and other stakeholders*	
		National level	Local/regional level
Business start-up	Expand the use of standard incorporation documents and online registration to all types of firms	• Finnish Patent and Registration Office (PRH) • Finnish Tax Administration	• Government of Åland
	Integrate the registration of beneficial owners with the company registration process		
	Streamline the process of obtaining a business permit in Mariehamn		
Building permits	Streamline the process by consolidating preconstruction procedures and enhance the existing online construction permitting system	• Ministry of the Environment • Finnish professional associations (builders, architects and engineers) • National Land Survey of Finland (NLS) • Finnish Patent and Registration Office (PRH) • E-permit systems (Cloudpermit and Trimble) • Insurance companies	• Building supervision authorities • Water/Sewerage companies • Rescue departments • Government of Åland • Regional State Administrative Agency
	Consider alternatives to the preplanning meeting with the building supervision authority		
	Introduce statutory time limits and fast-track options for obtaining a building permit		
	Enhance the private sector's role in the construction permitting process and introduce mandatory insurance and liability for builders and architects		
	Consider introducing risk-based oversight		
Electricity connection and supply	Establish, monitor, and enforce time frames for connection services	• Energy Authority • Ministry of Economic Affairs and Employment of Finland • Finnish Safety and Chemicals Agency (Tukes) • Fingrid Oyj (Finland's Transmission System Operator) • Energy Sector Employer's Association (Finnish Energy) • Finnish Electrical Workers' Union • Electrical Contractors' Association of Finland (STUL)	• Electricity distribution utilities • Electricity suppliers • Government of Åland • Åland Energy Authority • Kraftnät Åland AB • Local municipalities • Local engineers associations
	Increase transparency and accountability by collecting and publishing statistics		
	Improve coordination between utilities and municipalities to replace siting agreements and excavation permits with a notification of works		
	Allow entrepreneurs to conclude all requirements needed to obtain a new electricity connection in one online step		
	Assess the possibility of reducing the financial burden of new connections		
Property transfer	Increase the uptake of the electronic platform for property transfers	• National Land Survey of Finland (NLS) • Ministry of Agriculture and Forestry • Ministry of Justice	• Government of Åland • Local authorities in Mariehamn • Public purchase witnesses • Real estate agents • Lawyers • Banks
	Consider introducing fast-track property transfer procedures		
	Introduce service delivery standards for all services provided by the National Land Survey of Finland and ensure that the standards are publicly available and binding		
	Consider streamlining the process to obtain the land acquisition permit in Mariehamn		
Commercial litigation	Study the courts' caseloads to identify causes of trial delays and consider setting time limits for key litigation events	• Ministry of Justice • Finnish Judiciary (Tuomioistuinlaitos)	• Local district courts
	Continue expanding and promoting the use of electronic features in courts		
	Consider introducing specialized commercial sections at the courts or expand the jurisdiction of the Market Court		
	Provide incentives to encourage more mediation in courts		

*The list includes the main ministries and agencies relevant to each regulatory area, but other entities might also be involved.

Note: All good practices are detailed at the end of the respective indicator section.

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Business start-up

The process for setting up a business in Finland is streamlined and affordable but time-consuming

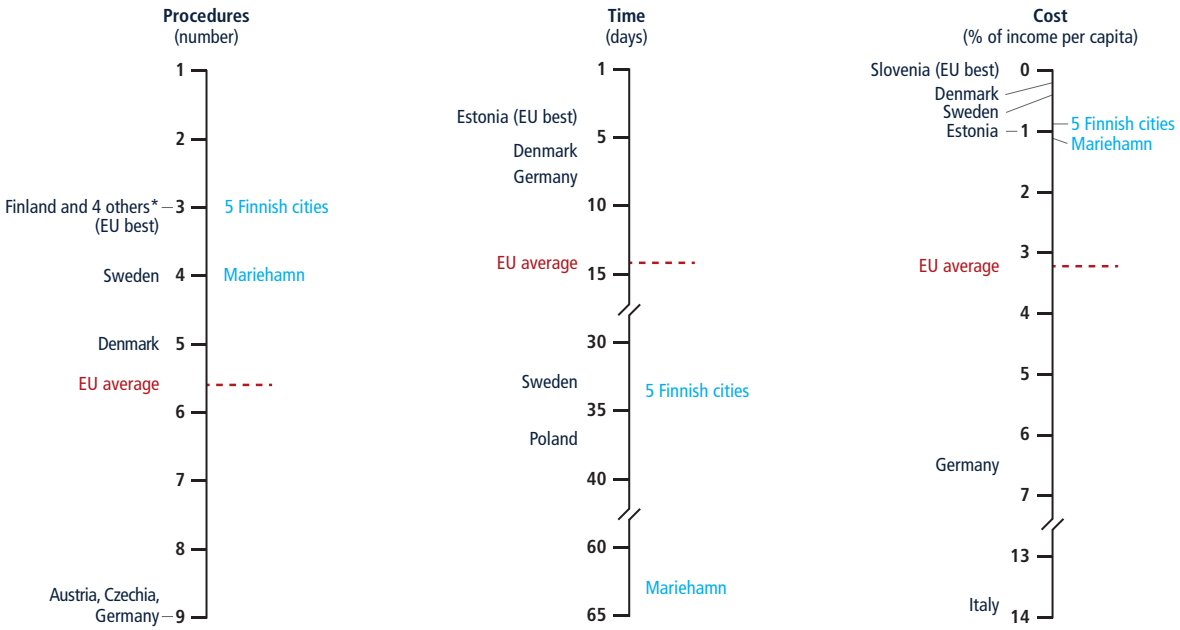
In five of the six cities measured, the business start-up process is regulated using only three procedures. Only four other EU member states—Estonia, Greece, Ireland, and Slovenia—manage to achieve this as well (figure 1.4). However, completing these three procedures takes over a month in Finland. In the European Union, only Poland has a lengthier process (37 days). In contrast, setting up a business in Estonia takes only 3.5 days; registration is done fully online for all types of companies, with the possibility of expedited registration procedures for limited liability companies (LLCs). Entrepreneurs in the benchmarked Finnish cities need to pay only about 0.9% of income per capita to register a new LLC—substantially less than the EU average of 3.2%. The exception is Mariehamn, where the requirement to obtain a local business permit from the government of Åland adds one step and 30 days to the process and increases the cost to 1.11% of income per capita (table 1.3).

Since 2019, Finnish entrepreneurs have no longer needed to deposit EUR 2,500 as share capital before incorporation.[12] Eleven other EU member states have also eliminated this requirement or have a paid-in minimum capital requirement of less than 0.1% of income per capita.[13]

Company registration in Finland requires three main steps

The registration of a new limited liability company (osakeyhtiö, oy) in Finland is centralized and requires three main steps in all benchmarked cities except Mariehamn, where a fourth step to obtain a local business permit is required (figure 1.5). All new companies must be registered with the trade register of the Finnish Patent and Registration Office (PRH). According to the Finnish Limited Liability Companies Act (624/2006), new companies must submit their registration notification within three months from the signing of the memorandum of association. Registration is managed through the Business Information System (BIS), which has been in operation since

FIGURE 1.4 Setting up a business in Finland is inexpensive but takes longer than the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

*Estonia, Greece, Ireland, Slovenia.

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TABLE 1.3 The process of setting up a business is the same across Finland except in Mariehamn

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of income per capita)
Helsinki	1	88.66	3	33.5	0.9
Oulu	1	88.66	3	33.5	0.9
Tampere	1	88.66	3	33.5	0.9
Turku	1	88.66	3	33.5	0.9
Vaasa	1	88.66	3	33.5	0.9
Mariehamn	6	79.75	4	63	1.1

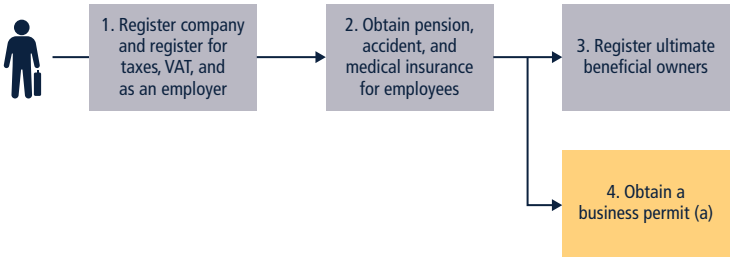
Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average score for the procedures, time, cost and paid-in minimum capital associated with business start-up. The score is normalized to range from 0 to 100 (the higher the score, the better).

2001 and is jointly maintained by the PRH and the Finnish Tax Administration. The system allows both agencies to exchange information in real time on new business registrations and closings and enables entrepreneurs to be registered with both authorities in a single notification (box 1.1). Once the entrepreneur submits the start-up notification to the trade register, the information is processed through the BIS and the company is entered into both the PRH's trade register and the Finnish Tax Administration's prepayment register,[14] as well as the employer and VAT registers. Companies that sell goods or services totaling more than EUR 15,000 per accounting period (12 months) must be entered into the VAT register, except for certain health and social services companies.[15] If the company has employees, it must be entered into the employer register.[16]

Registration can be completed online through the BIS[17] or in paper format by submitting the notification at the PRH central office in Helsinki or sending it by post (table 1.4). The paper format registration has a higher cost (EUR 380) and takes longer (32 days) than online registration (EUR 240 and 10 days, respectively). However, online registration is possible only when the following conditions are met: (i) the company's share capital and the subscription price of the share are both zero; (ii) the standard articles of association are used; and (iii) all company founders[18] have a Finnish social security number. If any of these conditions are not met, the company must follow the paper-based process. The hypothetical company used in this report has a start-up capital of EUR 434,087, so the case study assumes that a paper-based application is submitted to the trade register.

FIGURE 1.5 How does the business registration process work in Finland?



(a) Procedure applies only in Mariehamn

Source: Data collected for this publication.

Note: Obtaining a business permit in Mariehamn can be completed simultaneously with the registration of ultimate beneficial owners.

Before registration, business founders can check the availability of the company name on the PRH website.[19] While the name cannot be reserved before registration, founders can propose three different name options when submitting their start-up notification.[20] In addition to providing the requisite forms[21] and instructions, the website also offers a ready-made start-up package that contains templates for the memorandum of association and the articles of association, which companies can use or adapt to fit their needs.

If the company chooses to have share capital, it must open a bank account and deposit the share capital before registering in the trade register. Under Finnish law, the PRH must have proof of the deposited share capital in order to register the company. If the share capital is paid in the form of a contribution in kind, a certificate of transfer of assets issued by the company's auditor must be submitted to the PRH.

The paper-based registration takes on average 32 days. Once the start-up notification is processed through the BIS, the Business ID (Y-tunnus) is issued in a couple of days. The Business ID is issued on a preliminary basis until registration is formally completed. This number identifies the new company with the trade register and the Tax Administration and must be used by businesses on their invoices, business letters, and forms. The company then waits for the registration decisions from both agencies, which review the application in parallel. After the Business ID is issued, the PRH conducts a review of the documents, including the articles of association, to check their compatibility with the law. For its part, the Tax Administration reviews the company's line of business and checks the owners' background.

Applicants can monitor the progress of the registration process using the notification search in the Virre Information Service.[22] After registration is completed,

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BOX 1.1 Finland's e-government transformation to streamline business start-up and operation

The European Commission's Digital Economy and Society Index 2022 ranks Finland second in the European Union in digital public services, with high scores for the availability of pre-filled forms and online services for individuals and companies and a high usage rate of e-government services.[a] This reflects a long-term focus on increasing the level of automation in the services provided by the public sector.

Starting in the 1990s, an increase in internet use and adoption of information technology (IT) enabled public agencies to improve the collection of data on individuals and firms to streamline their services. For example, the Tax Administration used these data to ease the annual tax return process by sending a tax proposal to taxpayers for verification; if the information was correct, they did not have to file a tax return or any supporting documentation.

For entrepreneurs, the creation of the Business Information System (BIS) in 2001 transformed the process of setting up a new business. The system—called Yritys- ja yhteisötietojärjestelmä (YTJ)—was developed as a joint project between the Finnish Patent and Registration Office (PRH) and the Finnish Tax Administration, to allow them to exchange information on new businesses. Entrepreneurs could now submit one joint start-up notification to both agencies and cover their requirements for company, prepayment, employer, and VAT registration.

The unique business identification number (Business ID) was launched that same year to serve as the single identifier of companies and organizations. Business ID facilitated the exchange and update of data on new business registration, changes, and terminations. The public, meanwhile, gained access free of charge through the BIS to real-time data and information, such as the name of the company, its legal form, location, main line of business, language of operation, address, bankruptcy or reorganization status, and tax liabilities.

The availability of data, together with increased IT adoption for online banking and electronic identification, facilitated the expansion of e-services for businesses and individuals alike. These included the launch of a free online service for payroll calculation, wage payments, and official notifications for small employers in 2006, and a service for filing tax returns online in 2008. In 2018, after a multi-year IT modernization project, the Tax Administration launched the MyTax portal (OmaVero), which brought together all digital services for individuals and firms in a single platform.[b] Most recently, in 2021, the Ministry of Economic Affairs and Employment launched the Real-Time Economy project, which seeks to create a system in which all business transactions are processed digitally with data moving seamlessly, securely, and in real time. This will include e-invoicing and e-receipts and will enable businesses to easily transfer financial information to their partners and government agencies.[c]

a. European Commission. Digital Economy and Society Index (DESI) 2022, Finland country profile. Available at https://digital-strategy.ec.europa.eu/en/policies/countries-digitisation-performance.

b. Finnish Tax Administration. "The development of digitalization in Tax Administration." Available at https://www.vero.fi/en/About-us/finnish-tax-administration/the-development-of-digitalization-in-tax-administration/.

c. For more information on the Real-Time Economy project, see https://www.prh.fi/en/presentation_and_duties/current_information/projects/real-time_economy.html.

TABLE 1.4 Online registration is faster and less expensive, but it is not always possible

	Online registration	Paper-based registration
Minimum capital requirements	Share capital and subscription price of shares must be zero	Share capital and subscription price of shares may be above zero
Processing time	10 days	32 days
Cost	EUR 240	EUR 380
Articles of association	Only standard articles of association may be used	Standard articles of association may be adapted or new articles drafted to meet a company's needs
Method of submitting the notification	Submitted online through the BIS website	Submitted by post or in person at the central office

Source: Data collected for this publication.

Note: Time estimates for online and paper-based registration are based on the median estimate reported by private sector experts.

applicants will receive the trade register extract from the PRH and the registered articles of association, both by email and regular mail. They will also receive a message from the Tax Administration confirming their status as a corporate taxpayer and their registration in the various registers, either by mail or through the electronic service MyTax (OmaVero).[23]

After the company is formally registered, business owners obtain the necessary pension, accident, and medical insurance for their employees. Several private

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insurance companies in Finland offer these products. In parallel, business founders file information about beneficial owners with the PRH. This requirement, which has been in place since July 2019,[24] is done entirely online and is free of charge. To complete this procedure, the company submits a notification to the trade register that must be signed electronically by the same person who signs the company's other notifications.

Company registration makes up the bulk of the time and in Mariehamn, the local business permit adds time and cost

Across Finland, company registration with the PRH and the Tax Administration makes up the bulk of the time, taking 32 days (figure 1.6). The review of the articles of association is one of the main reasons for the length of this procedure. Requests for modifications in the documents can lengthen the process; this can be exacerbated during peak periods. Limited liability companies can use the standard articles of association as a basis but usually adapt them to their own needs. In addition, the PRH has experienced an increase in recent years in the number of filings, from 13,584 LLCs registered in 2016 to 21,706 in 2021, further adding to the workload.[25] Facing this challenge, the PRH has invested in improving its workflow methodology and internal IT processes to handle the applications and has slightly increased its staff.[26]

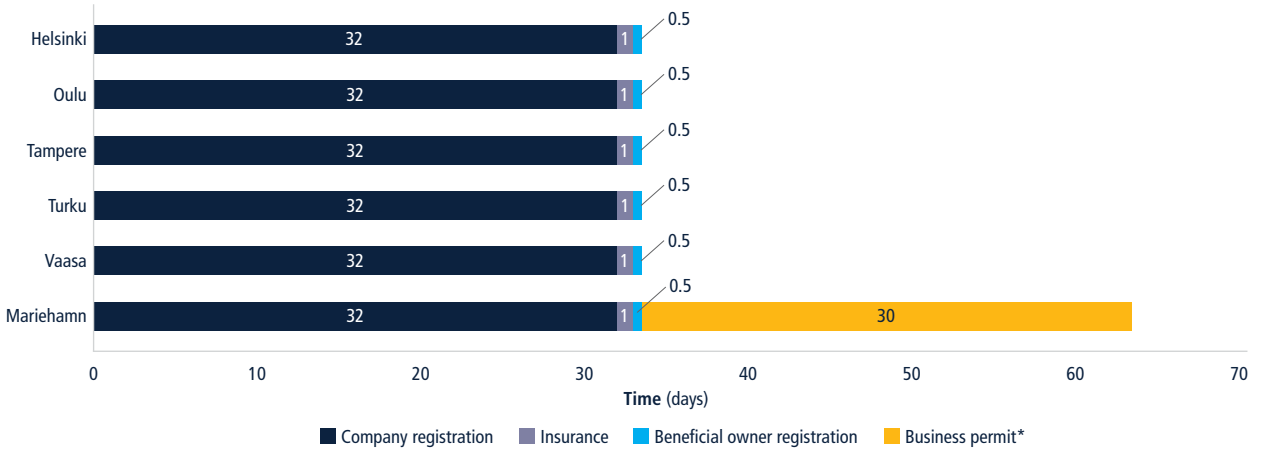
Among the locations measured, only in Mariehamn are companies required to register with regional authorities as well.[27] Obtaining a business permit from the government of Åland adds 30 days to the total time to set up a business. This requirement is based on the Act on the Right to Conduct Business (47/1996) and applies to all companies that carry out business activities in the Åland Islands. Businesses may apply for a permanent permit if at least one of the partners and one of the board members has the "regional citizenship" of Åland; otherwise, a temporary permit is required. The Åland government verifies, based on the submitted documents, that the language of operations is Swedish and checks the company's domicile, the nature of its activities, and the extent to which the company and its activities are rooted in the Åland Islands (including the use of local labor, services, and raw materials).[28] The application can be submitted online at a cost of EUR 100 for a permanent permit and EUR 80 for a temporary permit.

WHAT CAN BE IMPROVED?

Expand the use of standard incorporation documents and online registration to all types of firms

Company registration in Finland takes on average 32 calendar days. This is significantly higher than in other EU economies—including Denmark, Estonia, and Greece, where it takes less than a week to complete the entire registration process for limited liability companies, including tax, VAT, and employer registration. In these other EU economies, online registration is available for all types of companies, including those with a share capital above zero. Entrepreneurs in Finland can start a new LLC using the online system only when the share capital is zero, the standardized articles of association are sufficient, and all subscribers of shares have a Finnish social security number. Online registration takes on average 10 days, and these cases tend to be simpler and easier to evaluate. Paper-based applications tend to be more time-consuming, as they require more manual verification steps. In many cases, this involves a review of the submitted articles of association to ensure their compliance with the law. This process can require further interactions by mail

FIGURE 1.6 Obtaining a business permit nearly doubles the time to set up a business in Mariehamn



* Procedure occurs simultaneously with the previous one

Source: Data collected for this publication.

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with business founders, as modifications to the documents may be necessary, adding to the total time to complete the registration.

The PRH intends to move toward enabling online applications for cases involving companies with share capital, and it aims to have all registration applications done online by 2025. This will require changes to the regulations, which are now in their preliminary stages in the Finnish Parliament. The PRH will also need to make further upgrades to its IT systems to expand the service.

Finnish authorities could also expand the use of standardized incorporation documents, making them flexible enough to accommodate most small businesses that want to use the online registration. For simpler corporate structures, standardization could facilitate automatic information validation and compliance with the law. Larger companies with more complex structures and special requirements could still use customized incorporation documents. In Slovenia, for example, companies can use a one-stop shop (SPOT point) to create a simple limited liability company. This procedure makes use of standardized electronic articles of association and can be used by both single- and multi-member LLCs. Most entrepreneurs in Portugal register a company using preapproved standardized articles of association, which are available from Empresa na Hora. Through this initiative, entrepreneurs can instantly establish a one-person company, a private limited company, or a public LLC at just one desk. In Greece, a private company can be established online by using standard incorporation documents.[29] In Denmark, all company registrations are completed online through the portal Virk.dk regardless of the start-up capital amount. The portal provides a standardized template of the articles of association that founders of a new LLC can adapt to their needs and attach to their online registration application.

Integrate the registration of beneficial owners with the company registration process

Finland—together with other EU member states such as Belgium, the Netherlands, and Sweden—requires that new companies actively register or report their ultimate beneficial owners (UBO)—the natural person who ultimately owns or controls a company—as a separate interaction.[30] The process in Finland can be completed online in less than one day. However, entrepreneurs must wait for the company registration to be completed before being able to register beneficial owners on the PRH website. In other European economies, this information is submitted during incorporation.

To streamline this process, the authorities could integrate the beneficial owner registration with the company registration process. In Austria and Denmark, for example, once the commercial registration process is complete for a limited liability company like the one in the case study—in which all partners are natural persons—all relevant data are transferred automatically to the UBO register, eliminating the need for a separate procedure. In Germany, an entrepreneur who files all relevant information to register a company does not have to file the beneficial ownership structure separately with the Transparency Register. In Estonia, UBO information is submitted through the company portal as part of a company's registration in the Commercial Register. In Luxembourg, a notary can file the UBO registration online with the Register of Beneficial Owners at the same time as submitting the company registration.

Streamline the process of obtaining a business permit in Mariehamn

Obtaining the business permit with the government of Åland in Mariehamn almost doubles the total time to set up a business compared with the rest of Finland. Even though they can submit the application online, entrepreneurs need to wait up to 30 days to receive the permit and start operations. To streamline and speed up the process, the Åland government could review its internal procedures for reviewing and approving applications. The authorities could also consider setting statutory time limits for issuing the permit, making the process more predictable for entrepreneurs.

Alternatively, the laws and regulations could be reformed to allow entrepreneurs to self-certify that they comply with the requirements related to conducting business in Åland. Such reforms could enable the authority to conduct other controls after the fact, such as random inspections, without holding up a company's start-up operations. In other economies, authorities require permits only for companies in regulated or strategic sectors and industries. For others, a simple statement of own responsibility suffices. This is the case in Spain, where company founders file a declaration stating that they comply with the law applicable to the particular sector.

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Building permits

Finland's construction permitting system is primarily regulated at the national level by the Land Use and Building Act. The exception is the autonomous region of Åland, whose capital is Mariehamn and where laws regulating aspects of land use and building permits were established by the Åland government in 2008.[31] Implementation of the permitting system across Finland is the responsibility of the municipalities; local authorities are responsible for guiding and controlling land use planning and building within their territory. This leads to some variation in how developers manage construction permits throughout Finland. The Land Use and Building Act is currently undergoing a process of reassessment and modernization, led by the Ministry of the Environment.

Construction permitting takes more than three times longer in Turku than in Mariehamn

The six Finnish cities benchmarked in this study show notable differences in the efficiency of the construction permitting process (table 1.5). Obtaining construction approvals is easier and faster in Mariehamn, where the process takes the fewest procedures (13) and the shortest time (61.5 days). Mariehamn is also where the process costs the least (0.46% of the warehouse value). By contrast, the process is most difficult in Turku, where it requires two additional procedures, takes five months longer, and costs almost twice as much as in Mariehamn. Helsinki, Oulu, and Tampere require the most procedures (16), and Tampere is the most expensive city (1.1% of warehouse value).

Obtaining construction permits is faster and cheaper in Finland than in the European Union

On average, construction permitting in Finland requires completing 15.2 procedures over 120.8 days at a cost of 0.8% of the warehouse value (figure 1.7). The process entails one more step but is more than two months faster than the average in the member states of the European Union (where it takes 188.5 days) and costs less than half of the EU average (2.0%). The number of required procedures is higher in only eight EU member states.[32] Denmark, the European Union´s top performer with seven procedures (less than half the number than in Finland), uses a single national portal called Byg og Miljø,[33] which merges multiple steps into one. Sweden also has fewer procedures (nine) than Finland, but the process takes two weeks longer. On the building quality control index, all Finnish cities score 11 out of 15 possible points—below the EU average (11.8 points). Only a few EU member states—Czechia, Germany, the Netherlands, Poland, Slovakia, and Sweden—fall below 11 points.

TABLE 1.5 Construction permitting is easiest in Mariehamn and most difficult in Turku

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0–15)
Mariehamn	1	82.20	13	61.5	0.5	11
Vaasa	2	80.03	15	63	0.5	11
Oulu	3	77.99	16	73	0.8	11
Helsinki	4	71.89	16	157	0.8	11
Tampere	5	71.58	16	156	1.1	11
Turku	6	68.72	15	214	0.9	11

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average score for the procedures, time, and cost associated with building permits, as well as for the building quality control index. The score is normalized to range from 0 to 100 (the higher the score, the better). The cost values, expressed as % of warehouse value, are rounded to the first decimal place.

Builders in Mariehamn, and to a lesser extent in Turku and Vaasa, need to comply with fewer formalities than in the rest of the country

For the most part, the construction permitting process follows a common scheme (figure 1.8). First, entrepreneurs must obtain building permit maps, including buildings´ height information, and a real estate extract as proof of ownership from the city´s survey services. Simultaneously, they schedule a preplanning meeting with the municipal building supervision authority for guidance on the requirements to obtain a building permit and to verify the qualifications of the designers proposed for the project. They also obtain an official opinion on the connection of the wastewater drain and water pipeline from the utility company. If the applicant is a company, it must obtain a trade extract online from the Finnish Patent and Registration Office (PRH).

The entrepreneur then applies for the building permit with the building supervision authority. The application includes the right of possession of the building site, a trade extract from the PRH, a real estate extract, building permit maps, master drawings, an official opinion on the connection of the utilities, and the notification of the neighbors, if the applicants choose to do this themselves.[34] After the building permit is granted and before construction begins, the applicant

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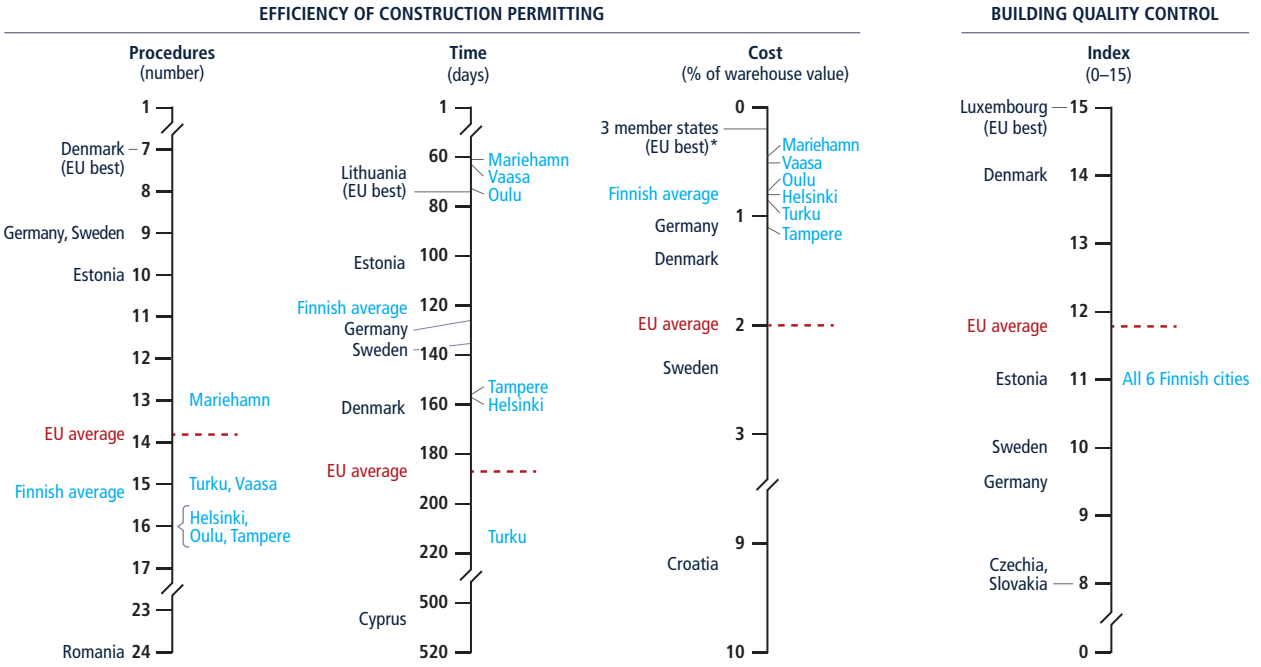
FIGURE 1.7 Finnish cities outperform the EU average on time and cost for building permits but have room for improvement on number of procedures and measures of quality



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

* Czechia, Estonia, Slovakia.

needs to schedule a start-up meeting with the building supervision authority to discuss the permit's conditions and the construction supervision plan,[35] convening all relevant players, such as the legal representative of the building project, the head designer, and the site manager. In some cases, excavation work can be done but the foundation may not be laid before the meeting with the building supervision authority. Since the COVID-19 outbreak, most cities have held these meetings remotely. Before the start of construction, the entrepreneur also needs to notify the Regional State Administrative Agency through an e-form.[36]

During the construction phase, developers need to provide information to the Finnish Tax Administration on their employees and construction services contracts. In this phase, various inspections by the municipal building inspectors take place, and the utility company inspects the sewerage and water pipelines after their completion. After the entrepreneur has signed the usage contract and paid the connection fee to the utility, the water and sewerage services are connected.

Once the building is finished, the municipal rescue department inspects it for fire safety purposes. A final inspection conducted by the building supervision authority takes place before the building can be occupied.[37]

Because of local differences in the implementation of regulations across the country, dealing with construction permits in Finland requires between 13 and 16 procedures, depending on the city. Local-level procedures, mainly municipal, represent two-thirds of the total.

Mariehamn has the fewest procedures, at 13. In this city, the official opinion on the connections of the sewerage and water pipelines is shared internally between the building authority and the utility company, without the need for any action from the applicant. Additionally, developers in Mariehamn do not need to undergo a preplanning meeting or a separate procedure for fire inspection. Only one meeting is required with the municipality—the start-up meeting—before construction can begin. At this meeting, the building supervision authority explains what inspections are required and how to request them. The final inspection from the building supervision authority includes the participation of the rescue department, which is responsible for the fire inspection. In the remaining cities, fire inspection is a separate procedure, taking place at a different time.

Turku and Vaasa require a total of 15 procedures each. In Turku, a preplanning meeting is not usually held for the

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FIGURE 1.8 The number of procedures ranges from 13 to 16, depending on location

(a) Procedure does not apply in Mariehamn and Turku
(b) Procedure does not apply in Mariehamn
(c) Procedure does not apply in Vaasa
↑↓ Procedure is completed simultaneously with the previous one
Source: Data collected for this publication.

construction of the assumed warehouse project, while Vaasa does not carry out a foundation inspection.[38]

The permitting process is fastest in Mariehamn and slowest in Turku

The time it takes to navigate the permitting process ranges from two months in Mariehamn to seven months in Turku. Apart from legislative differences, local conditions in Mariehamn lead to a faster process (box 1.2). This variation is mainly driven by the time needed for getting the building permit (figure 1.9).

Getting the building permit takes the lion's share of the time. On average across the six cities, it represents about 69% of the total time—from 41% in Oulu to 84% in Turku. Issuing a building permit takes one month in the fastest city (Oulu) and six months in the slowest (Turku). While part of the variation can be explained by the different volume and types of applications municipalities receive,[39] Oulu has also responded actively to resource needs and growing demand by reallocating staff from the inspection side to the building permit side on a temporary basis. Oulu´s active role in organizing webinars and information sessions several times a year to guide builders who construct small projects also contributes to its time efficiency. By anticipating the needs of smaller housing projects, municipal staff can spend time on other tasks. In the slowest cities (Turku, Tampere, and Helsinki), public officials and entrepreneurs who frequently apply for building permits have pointed to heavy workloads and staffing shortages at the municipal building supervision authority. There has also been an increase in the number of new buildings constructed.[40]

Other factors affecting the total time of the construction permitting process relate to the building supervision authority's administrative efficiency in conducting the preplanning and start-up meetings. The time for these steps varies from four days in Mariehamn—where a preplanning meeting is not required—to almost a month in both Tampere (24 days) and Helsinki (29 days).

Utility connection fees and building permit fees drive cost variations across cities

The cost of managing the construction permitting process in Finland ranges from 0.5% of the warehouse value in Mariehamn and Vaasa to more than twice as much in Tampere (1.1%). This variation is primarily driven by water and sewerage connection fees and, to a lesser extent, building permit fees. The cost for water and sewerage connection is EUR 2,200 in Mariehamn, less than one-fifth the cost in Tampere (EUR 12,021). Utility connection costs vary from city to city due to different fee schedules.

Building permit fees are set by each municipality, in compliance with national legislation, and cover the entire construction process, including inspection fees and the fire safety inspection. In Vaasa, a permit application for the warehouse considered by this case study costs EUR 6,253; the same permit in Tampere costs EUR 10,955. On average, permitting

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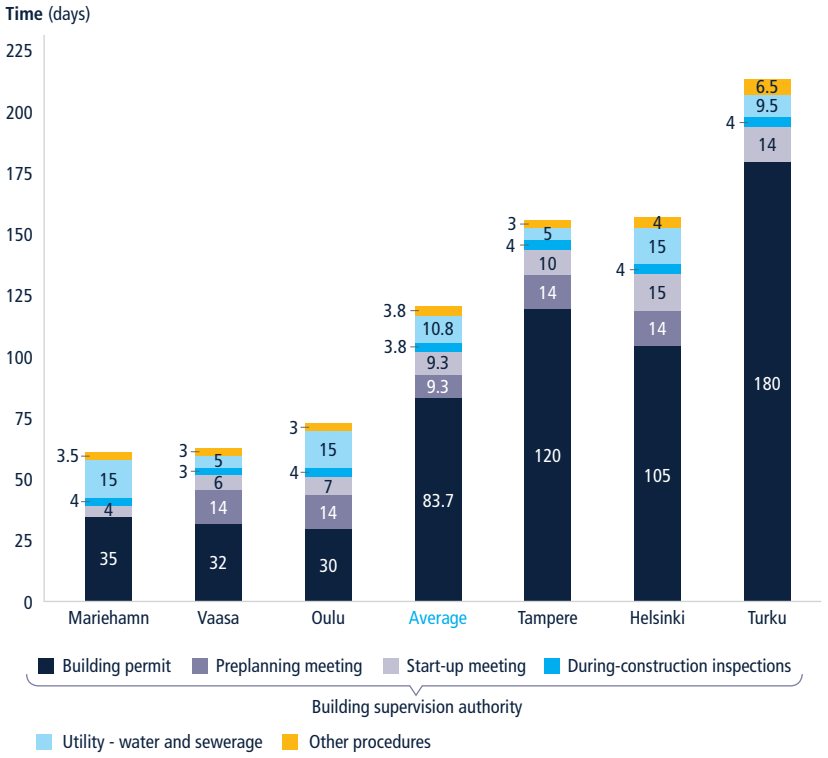
BOX 1.2 The process is less digitalized but fastest in Mariehamn

Mariehamn lies in the autonomous Swedish-speaking region of Åland. Since 2008, Åland has had its own building code specifying mandatory regulations and general recommendations on construction. This legal framework resembles that of continental Finland in both its efficiency and the quality-control measures for construction projects like the one measured in this report. The region is also looking to reform the current law on planning and building to modernize and simplify regulations and incorporate new EU directives; it is also closely monitoring the legislative changes underway at the national level in Finland.[a]

Obtaining a building permit in Mariehamn is less digitalized than in the other benchmarked cities. Building permit applications can be submitted in hard copy or via email, with the former being most common. The introduction of an e-permit system (Trimble eServices) is underway, aiming to centralize, facilitate, and speed up administrative access to the documentation required to file and review building permit applications. Formal permit decisions are taken monthly by the Building Committee. Still, the relatively small size of the construction market in Mariehamn[b] and its greater sector coordination—between builders, building inspectors, and municipalities, and between the local building supervision authority and the utility company—contribute to its efficiency at delivering building permits. It has the fastest construction permitting process in Finland, with the fewest procedures.

a. According to consultations with the Åland government for this study (February to April 2022).
b. The growth seen in construction (especially in commercial buildings or warehouses) is mainly happening in a neighboring municipality, Jomala.

FIGURE 1.9 Obtaining a building permit takes the biggest share of the total time and is the main driver of subnational variations in time



Source: Data collected for this publication.

Note: Obtaining an official opinion on the connection of the wastewater drain and water pipeline is done simultaneously with all other preapproval procedures. Thus, the effect of simultaneous procedures is reflected in the total time for "utility – water and sewerage" and in the total time for "other procedures."

"Other procedures" include (1) obtaining building permit maps and proof of ownership, (2) obtaining a trade extract, (3) providing notification about commencement of construction work, (4) reporting information to the Finnish Tax Administration, (5) receiving a fire inspection from the rescue department (not in Mariehamn), and (6) receiving a final inspection.

fees account for 53% of the cost of dealing with building permits across the six cities benchmarked (figure 1.10).

On the building quality control index, Finland lags on liability regimes and professional requirements

The six benchmarked Finnish cities score 11 out of 15 possible points on the building quality control index (table 1.6). Finnish cities do not get full marks in quality control during construction—scoring 2 out of the maximum 3 points—as inspections carried out during the construction are not risk-based. They do not score the full points on liability and insurance regimes either (1 out of 2 points) or on professional certification requirements (2 out of 4 points).

When structural defects are discovered during construction, it is important that the responsible parties are held liable and that the parties involved in the building design, supervision, and construction have insurance to cover the associated costs. In Finland, the law does not specify who is liable for structural defects (such as the construction company, the professional in charge of supervision, or the architect or engineer who designed the building plans). Additionally, there is no legal requirement

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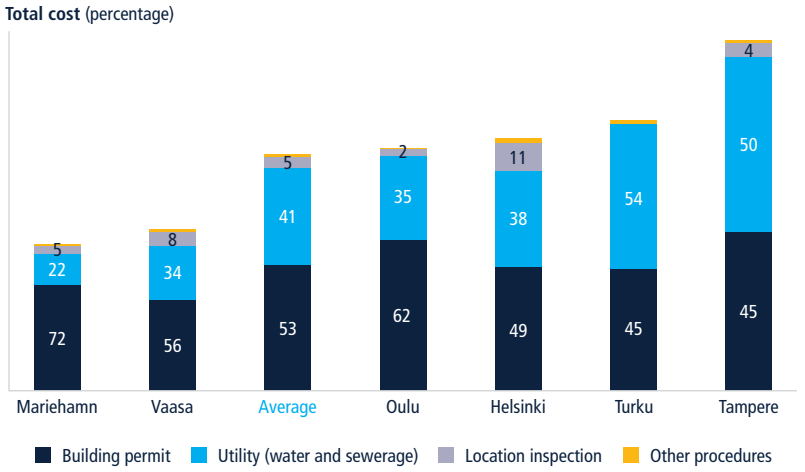
FIGURE 1.10 Permitting fees account for more than half the cost of the construction permitting process



Source: Data collected for this publication.

Note: ''Other procedures'' include fees for building permit maps, proof of ownership, and trade extract, representing between 0.3% of the total cost in Oulu and 2.1% in Helsinki. In Turku, the location inspection is paid as part of the building permit fee.

to obtain a latent defect liability insurance policy to cover structural flaws in the building once it is in use, even though this is commonly obtained in practice.

Having appropriate technical qualifications is also essential for professionals responsible for verifying that architectural plans or drawings comply with building regulations and for supervising the construction. In Finland, the local building supervision authority evaluates whether professionals have a valid education and work experience. However, national law[41] does not require those professionals either to be a registered member of the national order of architects or engineers or to pass a qualification exam; thus, Finland obtains 2 out of 4 possible points on this aspect.

WHAT CAN BE IMPROVED?

Streamline the process by consolidating preconstruction procedures and enhance the existing online construction permitting system

Streamlining preconstruction clearances is a key factor in making the permitting process more efficient. In Finland, most builders must complete at least four preconstruction procedures before applying for a building permit. This ends up being a bottleneck, with the need for separate

TABLE 1.6 Finland has room to improve on the building quality control index

BUILDING QUALITY CONTROL INDEX (0–15)		All cities: 11 points	
Quality of building regulations (0–2)	Are building regulations easily accessible? (0–1)	1	Available online; Free of charge.
	Are the requirements for obtaining a building permit clearly specified? (0–1)	1	List of required documents; Fees to be paid; Required preapprovals.
Quality control before construction (0–1)	Which entity(ies) is/are required by law to verify the compliance of the building plans with existing building regulations? (0–1)	1	Licensed architect; Licensed engineer.
Quality control during construction (0–3)	Are inspections mandated by law during the construction process? (0–2)	1	Inspections at various phases.
	Are inspections during construction implemented in practice? (0–1)	1	Mandatory inspections are always done in practice.
Quality control after construction (0–3)	Is a final inspection mandated by law? (0–2)	2	Yes, final inspection is done by government agency.
	Is a final inspection implemented in practice? (0–1)	1	Final inspection always occurs in practice.
Liability and insurance regimes (0–2)	Is any party involved in the construction process held legally liable for latent defects once the building is in use? (0–1)	0	No party is held liable under the law.
	Is any party involved in the construction process legally required to obtain a latent defect liability—or decennial (10-year) liability—insurance policy to cover possible structural flaws or problems in the building once it is in use? (0–1)	1	No party is required by law to obtain insurance; Insurance is commonly taken in practice.
Professional certifications (0–4)	Are there qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with the building regulations? (0–2)	1	Minimum number of years of experience; University degree in architecture or engineering.
	Are there qualification requirements for the professional who conducts the technical inspections during construction? (0–2)	1	Minimum number of years of experience; University degree in engineering, construction or construction management.

Maximum points obtained

Source: Data collected for this publication.

Note: For details on the scoring of each question, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

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interactions with different agencies lengthening the process. This contrasts with the European Union's best-performing economies such as Germany, where only a topographical survey of the land plot must be obtained before applying for the building permit; or Sweden, where the developer must order a construction map and hire a licensed private company to conduct construction supervision.[42]

In the medium term, one solution is to establish a single focal point that coordinates with all the agencies and issues a single preconstruction clearance. This coordinating role could be given to the building supervision authority. This single-window principle is being adopted widely by EU member states to solve similar problems. In Nicosia (Cyprus), the municipality is responsible for obtaining most of the required clearances on behalf of the applicant (telecom, sewerage, public works, archaeological department, and fire brigade). In Valetta (Malta), once the applicant submits the building permit application online, the Planning Authority automatically consults with 11 government agencies whose input may be relevant. The applicant does not interact with any of these agencies.

Additionally, leveraging technology can significantly reduce the time required to deal with construction permits. Online permitting systems are becoming increasingly common in Europe. The European Commission designated construction permits as one of the 20 primary e-government services.[43] And while Finland had already been one of the most advanced EU economies on the digital front,[44] the COVID-19 pandemic highlighted even further the importance of digitalization, particularly in facilitating communication between developers and municipalities. As a result of the pandemic, many Finnish cities accelerated the implementation of digital steps in the permitting process, such as by introducing virtual meetings for preplanning or even conducting inspections with the use of tablets. Most Finnish cities, except Mariehamn, already have digital records (for example, city maps through a geographic information system, or GIS) as well as e-permit systems to allow for preconstruction clearances to be merged. Using systems such as Cloudpermit or Trimble, the applicant can apply for a building permit digitally and upload the required documentation into the system;[45] track the status of the project; and communicate with the building supervision authority. However, private sector respondents state that calling is still a faster way to reach the relevant office than using the e-permit system.

Finland could make further improvements by allowing applicants to request all preapprovals through a single system; it could also add a built-in functionality for payment and improve the methods used to request inspections. Finnish authorities could also consider linking all relevant agencies (such as utility companies) to the existing online systems. The reform underway of the Land Use and Building Act is already aiming to improve the management and use of information and digitalize the process even further (box 1.3).

Consider alternatives to the preplanning meeting with the building supervision authority

Finnish cities could achieve substantial improvements at the preapproval phase by removing the developer's need to arrange a meeting with municipal authorities before applying for the building permit and by using different means to provide advice and guidance. The preplanning meeting is one of the steps that takes the most time in this phase, an average of 14 days. These consultations are conducted to help navigate building regulations and compliance requirements, with the aim of reducing chances of mistakes when the permit is requested. A typical construction project entails compliance with national laws, local regulations, and the technical standards of different public agencies—an arduous task for builders, especially small businesses. Expert respondents state that the complexity of regulation is a major hindrance to the process.

To simplify this task and prevent delays due to incomplete applications or errors in project documentation, economies around the world are introducing step-by-step process maps that help entrepreneurs navigate the regulatory complexities and ensure their projects' feasibility. In Portugal, Porto has come up with a detailed online manual for going through the construction permitting process, complete with process maps that cover a variety of possible scenarios.[46] In Finland, the need for a preplanning consultation—though not compulsory—could be reviewed and made necessary only for specific projects that are more complicated or risky. For simpler construction projects, updated agency-specific checklists and easily accessible guidance could help professionals prepare and submit complete applications and better predict compliance with the law. While most cities provide some information on the requirements and processes on their websites, local authorities should explore ways to simplify and better communicate to builders the requirements to obtain a building permit. This would save time and make the process of applying for permits easier.

Introduce statutory time limits and fast-track options for obtaining a building permit

Obtaining a building permit across the six benchmarked cities in Finland takes on average almost three months, with the longest time seen in Turku (180 days). The time can vary greatly depending on various factors such as the scale, complexity, location, and purpose of the project; seasonality (where most of the work is done in the spring and summer seasons); and whether the project is in line with the existing local master plan or detailed local plan. The building permit process currently takes longer in Turku, Helsinki, and Tampere. Delays may stem from limited staff resources

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BOX 1.3 Toward a more digitalized and sustainable construction process?

Currently, the Ministry of the Environment has prepared a proposal[a] for reforming the Land Use and Building Act. Since the law was passed, in 1999, it has been amended many times. The proposed reform, which is expected to be heard in the Finnish Parliament in the fall of 2022, would create two separate laws: the Building Act and the Zoning Act. The main goals are an enhanced circular economy and reduced carbon footprint, along with improved quality of construction and further digitalization.

The proposed reform would add new technical requirements for the building's carbon footprint and life cycle. The aim is to reduce greenhouse gas emissions in the construction sector, aligning with EU targets such as the EU Green Public Procurement criteria. According to the Ministry of the Environment, construction and buildings currently produce about one-third of Finland´s greenhouse gas emissions.[b]

In Finland, the building permit process is digitalized. Advanced modeling technology such as building information modeling (BIM)[c] software is already widely used in building planning. In terms of digitalization, the reform intends to create a national data platform, called the "built environment information system,"[d] which would provide centralized, easy access to information on land use and construction. This database would, for example, track the materials used in construction projects and enable more accurate calculations of buildings' carbon footprints. Currently, information is saved in several systems, especially for municipal zoning and the processing of building permits. The new system is expected to decrease manual processing of information and improve the reliability of information through more in-depth checks by the municipal authorities.[e] Beginning in 2024, delivering BIM plans would be made mandatory for building permits to be approved.

The new law also aims to improve quality control through different measures, such as by making the use of external supervision stricter. In addition, the proof of experience for the head planner and supervisors would be changed to a new model in which a certificate would be issued by an agency approved by the Ministry of the Environment. This is in contrast with the current model, where the evaluation of experience is left to the city building authorities.

Finally, the reform would also make the application process easier for small projects (such as a sauna under 30 square meters), since these would no longer need a building permit. This would allow building authorities to concentrate their resources on bigger and riskier projects.

a. For more information on the proposed reform, see https://mrluudistus.fi/.
b. Information on greenhouse gas emissions is available at https://ym.fi/vahahiilinen-rakentaminen.
c. BIM is a model-based process that provides a 3D digital representation of the physical and functional characteristics of places.
d. For more information on the future built environment information system, visit https://ym.fi/en/project-ryhti/the-built-environment-information-system.
e. Currently, there are development projects to use BIM further, such as the RAVA3Pro project, which aims to automate tasks to speed up the permitting process and standardize data contents. It includes around 20 Finnish municipalities, with Helsinki as the lead applicant and administrator.

of the municipal building supervision authorities, growing demand for building permits, an increase in the complexity of projects and regulations (in terms of energy efficiency), and work backlogs.

To reduce delays, one solution could be the introduction of a statutory time limit to issue a building permit; this has been implemented in Sweden, where it is set at 10 weeks. Sweden follows the good practice of having a penalty mechanism in place in case the municipalities do not meet the legally prescribed deadline. For every week that the permit is delayed beyond the deadline, the fee is reduced by one-fifth. Austria's federal statutory time limit for public authorities to issue industrial operating permits and building permits is six months, but in some Austrian cities such as Bregenz and Innsbruck, the state law sets a time limit of three months. These cities issue building permits in less than half the time allotted officially.[47] In Finland, given that cities would likely move toward a more automated system to review permit applications (box 1.3), setting statutory time limits would not seem to place an undue burden on local authorities and could push cities to deliver building permits faster. Statutory limits would need to be both achievable and relevant to cities' own standards and could be set at the national or local level or both. Such limits could improve efficiency without compromising safety and control mechanisms. It is equally important that legal time limits not be overly long.

To make statutory time limits more effective, their implementation could be accompanied by the introduction of systems to track compliance, for example by monitoring the performance of the officials responsible for each process. Further efficiency could be achieved if cities were to fast-track and simplify the building permit process by categorizing projects based on risk. In Germany, buildings are classified into five categories—with

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different design requirements and different forms of administrative and legal building approvals depending on the category of each building, and a long list of exemptions for types of small construction.[48] In Vienna, the regulation governing a common, low-risk construction allows a developer to begin construction one month after submitting the application.[49] If the approving authority fails to respond within the given time frame, the approval is automatically granted. This is an example of a "silence-is-consent" rule, a common tool used to streamline the permitting process in France and other economies.[50] In Finland, a building permit or other official approval is required for nearly all construction works.[51] The reform of the Land Use and Building Act plans to increase the size threshold so that in the future, small projects would no longer need a construction permit. Such a step can also allow local building supervision authorities to allocate more resources to riskier projects.

Enhance the private sector's role in the construction permitting process and introduce mandatory insurance and liability for builders and architects

Compliance with construction regulations is supervised by the municipal building supervision authority, mainly through on-site inspections. The understaffing that some municipalities are experiencing has led to delays in the issuance of building permits. In the medium term, giving private sector professionals a more significant role in the permitting process could help address the delays. Some EU economies have made a complete shift from public to private governance mechanisms in building regulation, reflecting a desire to improve the quality of regulation, reduce the administrative burden for applicants, and support a greater focus on risk mitigation.[52] But such a system needs to be accompanied by adequate safeguards, such as stringent qualification requirements for professionals who approve building plans to ensure building code compliance. On January 1, 2018, Denmark introduced its "certification scheme," which started a shift from a traditional public enforcement approach centered on municipal building authorities toward a third-party review conducted by certified practitioners. The reform took effect gradually, over several years.[53] Finland's current inspection regime allows private experts (for example, an electrical contractor) to carry out certain checks, filling out documents that are shown to the building supervision authority at the final inspection, but this aspect should be strengthened further. Also, the experts are not required by law to be hired externally (as contractors), even though they sometimes are. The country should make sure the new regulations leave space to make this transition. Keeping architects, practitioners, public officials, and supervising companies involved in current discussions is critical.[54]

In Finland, if a structural defect is discovered in a building once it is in use, no party is held liable by law and no party is required to hold latent defect liability insurance. In practice, however, entrepreneurs take out insurance to cover the costs associated with possible structural defects. Such insurance benefits clients and contractors, and it encourages construction companies—particularly small and medium-size companies—to pursue more projects.[55] Finland could also look to the example of the eight EU member states where parties are held liable by law and are required to obtain insurance to cover structural problems (Austria, Belgium, Bulgaria, France, Italy, Luxembourg, Malta, and Poland). Or it could emulate the example of France, an early adopter of mandatory decennial (10-year) insurance policies, which applies the same insurance requirement to all new buildings, regardless of their purpose, with some exceptions listed in its Insurance Code. Two coverage levels are required for structural defects: insurance taken out by the owner of the building (dommage ouvrage) and decennial insurance taken out by the builders to cover possible structural flaws. In Denmark, regulations require decennial insurance for the construction of new permanent dwellings. When issuing the occupancy permit, the municipality checks the validity of the insurance before issuing the building permit and before construction has been completed.

Consider introducing risk-based oversight

Categorizing building projects based on risk and adopting risk-based inspections can streamline preconstruction approvals and procedures during construction for low-risk buildings. In contrast to phased inspections, risk-based inspections allow municipalities and builders to allocate resources where they are most needed without compromising worker and public safety. The standard, phase-based approach to inspections can lead to delays and reduce efficiency, especially for relatively routine and straightforward projects. Finland already incorporates risk-based elements but could go further and consider a more targeted, risk-based oversight regime. Current risk-based categories in Finland are determined largely by the head planner, who classifies projects as "light," "regular," "challenging," or "exceptionally challenging," affecting their qualification requirements. Finland could try to further streamline its building inspection system—five benchmarked cities now require up to four inspections from the building supervision authority during construction—while setting high standards for quality control, taking inspiration from a variety of countries that have done this.

Austria in 1990 introduced a risk-based approach to inspections, replacing a regulatory system that required a building permit for almost any work. Different classes of buildings and construction work were introduced, with administrative procedures and safeguards adapted to each class according to its level of risk. The Austrian building quality control system gives substantial responsibility to private (and highly qualified) professionals and, for more complex projects, requires that these professionals be

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third-party actors. France has been using the risk-based approach the longest and has comprehensive classifications of building categories and risks based on size and use. France's 1978 Spinetta Law provided a legal framework for creating technical control agencies and dramatically modifying liabilities in construction works. Under this law, only private, state-licensed technical control agencies may inspect construction sites. Denmark's "certification scheme" of 2018 introduced a comprehensive system that differentiates buildings based on complexity and risk to ensure a high level of safety. The classification determines the level of project reviews, which creates a transparent framework for stakeholders and eliminates potential inconsistencies in the interpretation of the law by different municipal building offices. In Denmark, as in Sweden, inspections during construction are risk-based.[56]

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Electricity connection and supply

Like other countries in the European Union, Finland has a liberalized electricity market, with customers able to choose their preferred supplier. The electricity sector is governed by the Electricity Market Act.[57] About 80 different companies operate the distribution networks in the country. In continental Finland, they are regulated by the Energy Authority (Energiavirasto), the agency responsible for licensing and regulating gas and electricity as well as for promoting climate goals, reducing emissions, and encouraging the use of renewable energy. The Åland Energy Authority (Ålands Energimyndighet) regulates the electricity market in Mariehamn and across the autonomous region of Åland.[58]

Overall, it is easier to get a new electricity connection in Mariehamn, but processing times and costs vary greatly across Finnish cities

Firms need to go through the same five steps to get connected to the power grid in the six benchmarked cities in Finland, but the waiting time and the costs that must be paid change significantly depending on location (table 1.7). To compare different cities in the country, this study uses the case of a newly built warehouse, located in a commercial area outside the city center, which needs a 140 kilovolt-ampere (kVA) connection. Obtaining this connection takes 27 days in Mariehamn, less than half the time spent in Helsinki (70 days). When it comes to connection costs, firms pay more than twice as much in Vaasa (30.0% of income per capita) as in Oulu (13.6%). All six cities obtain the maximum score in terms of reliability of supply and transparency of tariffs.

Utilities in Finland provide an efficient connection process and the electricity supply is among the most reliable in the European Union

In all six Finnish cities, five steps are needed to get connected to the electrical grid, similar to the EU average of 4.7 procedures. However, utilities in Finland connect their customers in less time and with lower costs than in the European Union on average, where firms wait for more than three months and need to pay about 117% of income per capita for a new connection. With an average connection time of 52 days and an average cost of 22% of income per capita, Finnish cities are also faster and cheaper than other Nordic countries such as Denmark and Sweden.

In Mariehamn, the fastest Finnish city and among the fastest cities in the European Union, getting an electricity connection takes 27 days, more than three times faster than the European Union´s average and one day faster than in Germany. Of the 115 EU cities measured by this study, only Linz (Austria) has a shorter turnaround time, with connections delivered in 25 days. Electricity connections in Finland are cheapest in Oulu, with a cost equal to 13.6% of income per capita. In Europe, only France (5.0%) has lower costs (figure 1.11).

Finnish cities offer not only a relatively fast and inexpensive connection process, but also among the most reliable electricity supply in the European Union, with the duration of electrical outages being among the shortest in the EU member states (figure 1.12).[59] To promote a reliable supply, Finland implemented regulations that encourage utility performance and disincentivize outages.[60] As a result, the six cities in Finland score the maximum 8 points on the reliability of supply and transparency of tariffs index. This index measures the frequency and duration of power outages per year and the regulatory framework to ensure a reliable supply, as well as the transparency of electricity tariffs.[61] Customers in Finland see an average of 9.6 minutes of power interruptions per year, a fraction of the average of 65 minutes observed in the European Union as a whole. On average, each customer experiences 0.51 outages per year in Finland, around half the 1.08 interruptions occurring in the European Union. Mariehamn registers the lowest annual outage duration (six minutes), while Helsinki is where outages are least frequent (0.07 per customer in one year).

TABLE 1.7 Obtaining electricity is easier in Mariehamn and more difficult in Helsinki

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs index (0–8)
Mariehamn	1	90.61	5	27	25.4	8
Tampere	2	89.86	5	34	21.3	8
Vaasa	3	87.33	5	57	30.0	8
Oulu	4	87.17	5	59	13.6	8
Turku	5	86.28	5	67	19.9	8
Helsinki	6	85.95	5	70	21.7	8

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average scores for the procedures, time, and cost associated with electricity connections, as well as for the reliability of supply and transparency of tariffs index. The score is normalized to range from 0 to 100 (the higher the score, the better).

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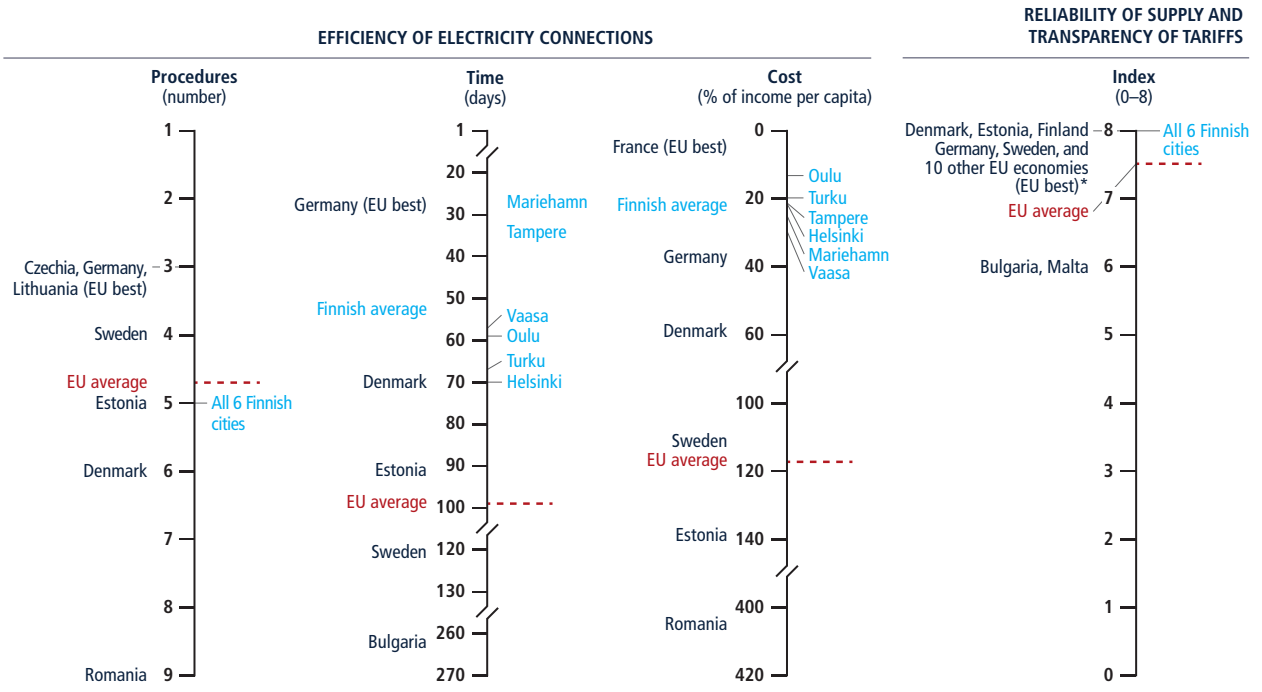
FIGURE 1.11 In all Finnish cities, getting connected to electricity is faster and cheaper than the EU average

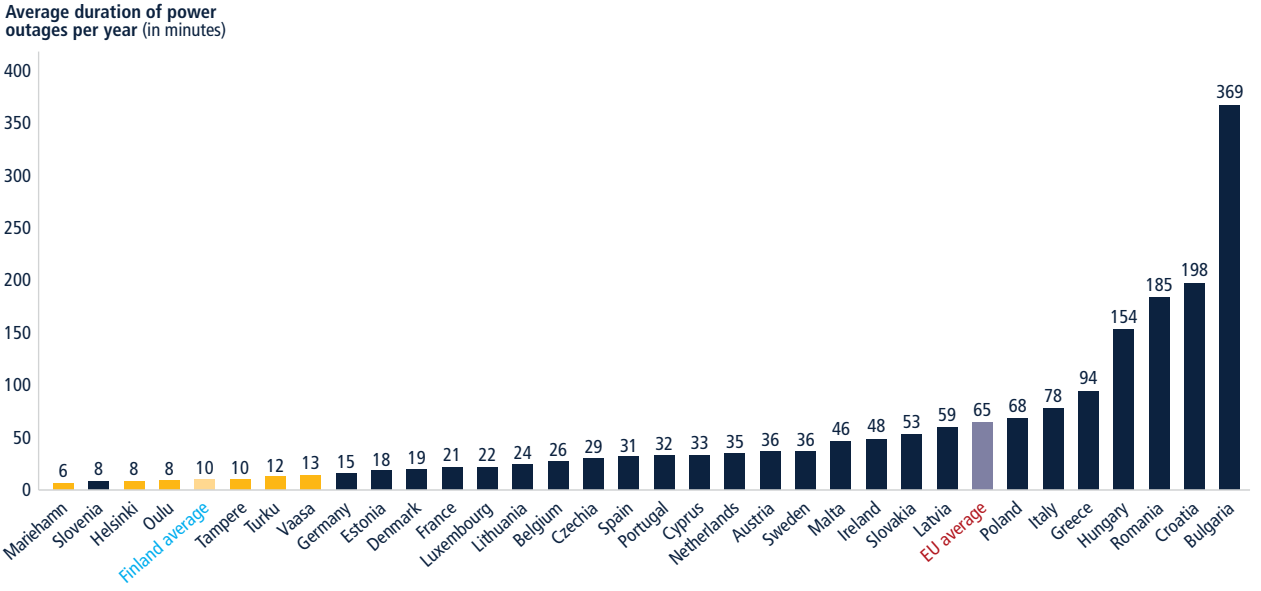


Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

* Belgium, Cyprus, Czechia, France, Ireland, Lithuania, Netherlands, Slovakia, Slovenia, Spain.

FIGURE 1.12 Finland offers an exceptionally reliable electricity supply, with the duration of power interruptions among the lowest in the European Union



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The duration of power outages per customer per year is measured by SAIDI (System Average Interruption Duration Index). The EU average uses capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent Doing Business measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states. The average for Finland is based on the six benchmarked cities.

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Getting connected to electricity involves five steps in all six cities in Finland

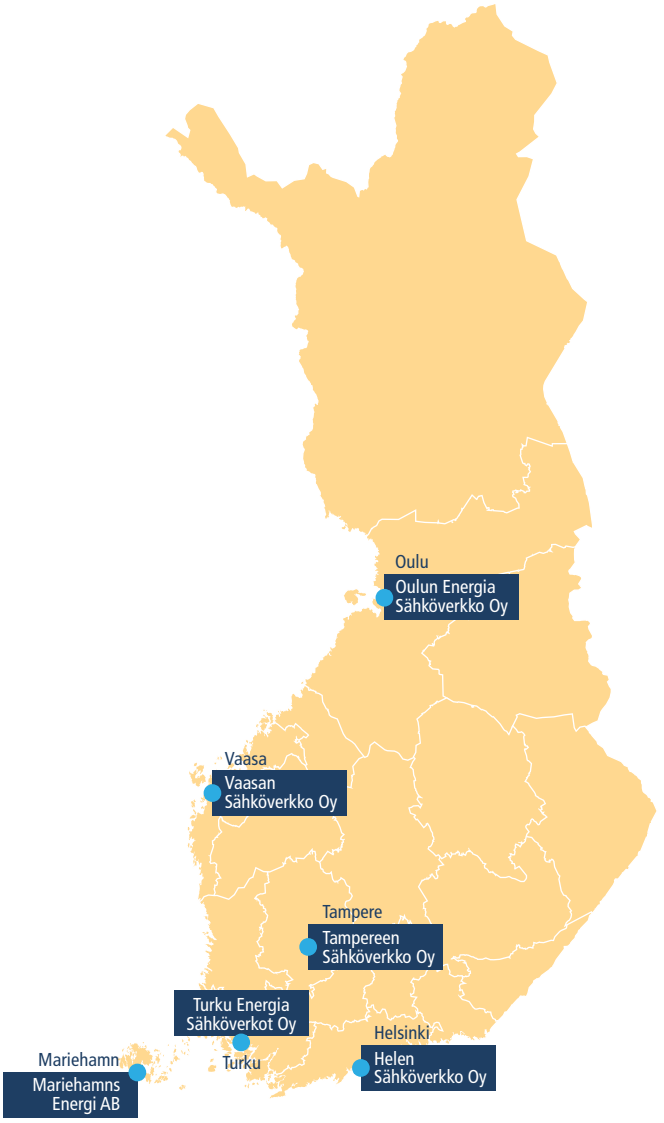
Cities in Finland are served by different distribution utilities, which operate electrical networks at the local level (figure 1.13). The procedures to get a new connection, though, are standardized, and the process involves the same steps in all cities (figure 1.14). The first step is to place an order request for a new connection, which is normally done online. The customer will then sign a connection agreement with the utility and pay the connection fees, usually within two weeks.

Once the contract has been signed, the utility plans and carries out the works needed to connect the new customer to the existing power grid, typically through subcontractors. To prepare for the works, in the five benchmarked cities in continental Finland the utility needs to obtain two permits from the municipality: an excavation permit (kaivulupa) and a siting agreement (sijoitussopimus or sijoituslupa). The latter allows cables and equipment to be installed on public land. In Mariehamn, the utility has a permanent agreement with the municipality and does not have to obtain a permit to carry out connection works; it only needs to notify the city government. For a 150-meter-long connection such as the one considered by this study, connection works take an average of one month to be delivered. During winter months, delays may occur in this construction phase. In the meantime, the customer chooses an electricity provider and signs a supply contract.

When the utility completes the electrical installation works, the contractor hired by the customer places an order, normally online, for meter installation. At this stage, the contractor confirms to the utility that the internal wiring has been completed and inspected, by submitting a confirmation of a commissioning inspection (käyttöönottotarkastus). After a week or two, the utility will then install the meter and turn on the power. A final step, which must be done within three months, is ordering a verification inspection (varmennustarkastus) from a certified third-party inspector.[62]

Once the connection process is done, customers start receiving electricity from their chosen supplier. As different

FIGURE 1.13 Cities in Finland are served by local distribution utilities



Source: Data collected for this publication.

FIGURE 1.14 The process to get an electricity connection requires the same five steps nationwide

Procedure	Agency
Submit connection order request	Distribution utility
Receive external connection works	Distribution utility
Sign supply contract*	Electricity supplier
Request and receive meter installation	Distribution utility
Order third-party inspection and receive inspection certificate	Certified inspector

* Procedure occurs simultaneously with previous one.
Source: Data collected for this publication.

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entities participate in the electricity market, countries in the Nordic region have been adopting technological solutions to promote integration and facilitate the exchange of information. Inspired by reforms in neighboring countries, Finland has been moving to harmonize and modernize the electricity sector and meet the demand for increased digitalization in the electricity market. In early 2022, substantial changes took place in the distribution and supply system with the introduction of Datahub, an online platform integrating market players in the electricity sector (box 1.4).

Mariehamn and Tampere stand out for having the shortest connection delivery times in the country

Thanks to efficient utility services and better agency coordination, utilities in Mariehamn and Tampere are more agile in completing the main steps required for providing a new connection to customers, from reviewing applications to carrying out connection works and providing meter installations. Completing each of these steps takes about half the time in these two cities as it does in the other four Finnish cities, on average. While applications are processed in four days in Tampere, it takes nearly two weeks in Helsinki. Similarly, meters are installed in five days in both Mariehamn and Tampere, but this takes two weeks in Helsinki and Vaasa.

Differences in city size and population may contribute to variations in the waiting period to get connected to electricity, but they are not the only factor at play. Connection times are longest in Helsinki, Finland's largest city, and shortest in Mariehamn, the smallest city benchmarked in this study. However, differences in the efficiency of utility services also matter. Utilities in cities such as Mariehamn and Tampere put in place a policy of close communication, flexibility, and adaptation to customers' requests.[63] Mariehamn, for instance, benefits by having fewer new connection requests due to its smaller population, but also from having better coordination between the utility and the city government. Mariehamn is the only city where the utility can directly carry out connection works after a simple notification to the municipality. Thanks to a combination of these factors, the utility in Mariehamn is able to provide new connections in 27 days, less than half the time required in all other cities except for Tampere, where it takes 34 days (figure 1.15). Tampere, Finland's second-largest urban center, ranks second in the speed of electricity connections. To minimize traffic disruptions, the city government in Tampere charges a daily fee for the excavation permit, providing an incentive for faster connection works. It takes the longest to get connected to electricity in Helsinki, with its larger population and greater urban density, yet the city issues excavation permits in a week, the fastest time in the six benchmarked cities. In certain cities, utilities face longer delays related to the seasonal workload and availability of their contractors, who are typically tasked with carrying out connection works and meter installations.

Firms pay more than twice as much to get connected to electricity in Vaasa than in Oulu

Firms need to pay a connection fee determined by the local utility based on factors such as location, capacity reservation fee, and fuse size. Utilities in all cities charge a single connection fee, except for in Turku, where customers pay an additional fee of EUR 310 for meter installation. For the case considered by this study, the connection fee averages EUR 8,944. However, it varies considerably; connection fees are most expensive in the two smallest benchmarked cities, Mariehamn and Vaasa. These fees range from EUR 5,187 in Oulu to EUR 10,681 in Mariehamn and EUR 12,680 in Vaasa. Vaasa is also the only city where the connection fees for a 140 kVA connection are not predetermined and made available in price lists published on the utility's

BOX 1.4 Integrating Finland's retail electricity market into Datahub

In February 2022, the electricity sector in Finland went through a major change, as 80 distribution utilities and 80 electricity providers were integrated into Datahub, an information exchange platform that replaced decentralized systems used by different companies in the country. Launched at a cost of approximately EUR 61 million, it aims to combine all information on electricity providers and customers in a single portal. The platform automatically imports data from all consumption points in the country, making updated information on customers available to all relevant parties. It also promotes the use of smart grids and smart meters, offering customers better options to save energy and monitor their consumption.

Datahub is managed by Fingrid, the entity responsible for the country's transmission networks. It is expected to streamline and facilitate the exchange and use of information by different parties in the market, including electricity providers, distribution utilities, and customers.[a] This reform has been overseen by NordREG, the organization of Nordic energy regulators, which aims to harmonize and promote the legal and institutional framework for the region's energy markets. Denmark and Norway, which already have data hubs in place, have served as inspiration for the development of Finland's system.[b]

a. For more information on Datahub, see https://www.fingrid.fi/en/electricity-market/datahub/.

b. NordREG. 2021. "Implementation of Data Hubs in the Nordic Countries. Status Report, December 2021." Available at http://www.nordicenergyregulators.org/wp-content/uploads/2021/12/6.1-NordREG-Status-report-on-data-hubs-2021.pdf.

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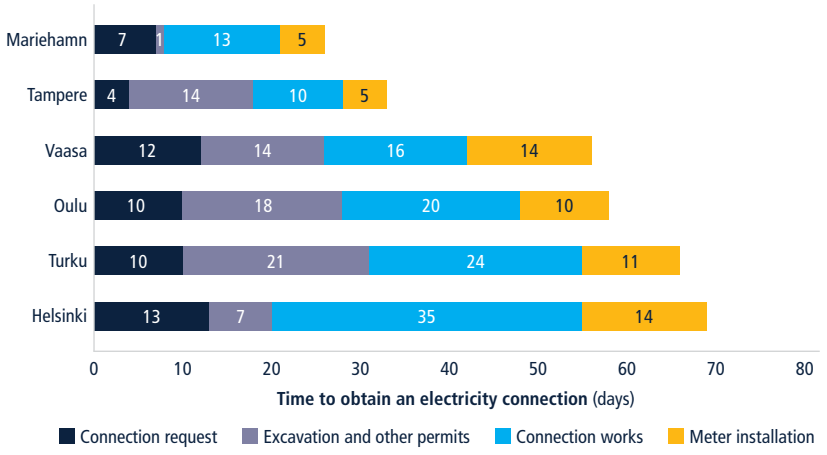
FIGURE 1.15 Mariehamn provides the fastest electricity connections within the country



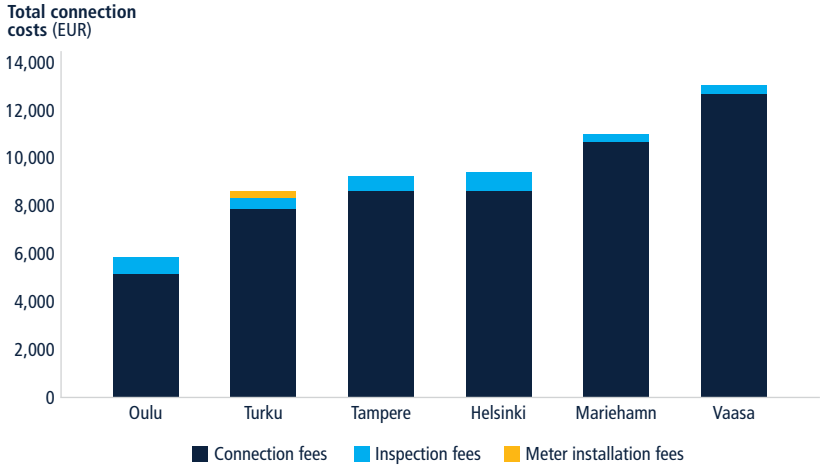
Source: Data collected for this publication.

Note: Two procedures (signing a supply contract and requesting an internal wiring inspection) are not reflected in this figure. The former is done simultaneously with connection works and does not involve additional time in any city. The latter adds one day to the process in all cities. The step of receiving external connection works involves two waiting periods: the time to obtain the excavation permit and other permits, and the time to receive the connection works from the utility. In the case of Mariehamn, the utility only submits a notification of works instead of applying for a permit.

website. For this type of connection, the utility in Vaasa charges a capacity reservation fee of EUR 8,000 plus the direct costs of connecting the building to the grid, equal to EUR 4,680.

The cost of hiring an inspector to certify that the internal wiring has been done according to the applicable standards and regulations tends to be higher in larger cities. Inspectors charge their customers based on hourly rates. The cost of an inspection ranges from EUR 800 in Helsinki and EUR 600 in Tampere to EUR 350 in Vaasa and EUR 325 in Mariehamn (figure 1.16).

FIGURE 1.16 Electricity connections are most expensive in Vaasa



Source: Data collected for this publication.

Note: Connection fees include all costs charged by utilities to provide a new connection to electricity (except for in Turku, where a separate fee is charged for meter installation). Inspectors usually charge per hour for the internal wiring inspection, and the cost is based on inspectors' average costs in each city.

WHAT CAN BE IMPROVED?

Establish, monitor, and enforce time frames for connection services

Utilities in Finland have the legal obligation to provide connections upon request and at a reasonable cost. The law stipulates that the conditions and requirements for a new connection must be fair and nondiscriminatory and that the utility must inform customers about them, as well as about the time frames for connection services. Utilities are also required to connect new customers to the grid within 24 months after a connection agreement has been signed.[64] Within this overall time frame, utilities are free to determine their internal service times, as long as they are considered to be "reasonable" under the legal standards. Certain EU member states, including Austria, the Netherlands, Poland, and Spain, establish precise time limits for utility services. In these countries, utilities are fined by the regulator if they fail either to respond to an application within an established number of days or to complete a connection within the established legal deadline after signing a contract with the customer. The monitoring and enforcement of time frames for new connections and other utility services has thus been a useful policy tool in efforts to reduce waiting times and promote utility efficiency in other economies and could serve as inspiration for Finland.

Increase transparency and accountability by collecting and publishing statistics

Beyond monitoring legal compliance, it is also critical that the public has access to data on utility performance. The national regulator already promotes an initiative to increase the transparency of utility data. Financial figures for utilities in continental Finland are collected and published annually. One option to consider might be to issue similar reports that would include performance indicators such as processing times for services delivered by municipalities and

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distribution utilities. Publishing statistics on connection times by utility and region would contribute to increased levels of transparency, comparability, and accountability, thereby incentivizing improvements in utility performance. For example, the energy regulator in Austria publishes a report, the Kommerzielle Qualität Storm, that includes data on application processing times and on the time needed to complete a connection at different voltage levels, facilitating comparisons across cities and utilities.[65] In Finland, reports could include the time it takes municipalities to issue excavation permits and other mandatory municipal permits. Such measures could allow entrepreneurs to better estimate waiting times and plan their projects accordingly.

Improve coordination between utilities and municipalities to replace siting agreements and excavation permits with a notification of works

Obtaining permits to carry out works on public land is an important part of the connection process. In the five benchmarked cities in continental Finland, utilities must request both a siting agreement and an excavation permit from the city government before works can start. One reason the municipality does an analysis before issuing permits is to minimize disruptions in city traffic. However, the permitting stage can take a considerable amount of the connection time. Getting the necessary permits takes up to 41% of the total time to obtain an electricity connection in Tampere and around one-third of the total time in Oulu and Turku.

To reduce the time to obtain excavation permits, Finnish cities could replicate local good practices identified in this study. City governments could learn from the case of Mariehamn, the capital of the autonomous region of Åland, where an agreement between the utility and the municipality allows the utility to proceed with connection works by merely notifying the city government. A strong level of coordination and communication between them helps ensure a reduced impact of connection works on local streets. The impact of this reduction in delays is noticeable: connection works take a total of 14 days, allowing businesses in Mariehamn to receive the fastest electricity connections in the country and among the fastest in the European Union.

If replacing a permit with a notification of works is not possible, Finnish cities can learn from local good practices adopted in Helsinki. Despite being Finland's largest city and having a high volume of construction, Helsinki has the fastest process for obtaining an excavation permit, one week. The city government has cooperation agreements with local utilities to streamline permitting and increase cost predictability. To incentivize fast permit deliveries, regulations foresee a 21-day time frame; however, Helsinki established stricter internal targets—for excavation permits, the municipality abides by a rule to issue them in five working days. The city has developed a tailored enterprise resource planning system that allows it to coordinate and manage the entire permit process, from preparing decisions to scheduling inspections and invoicing customers. Major applicants, including utilities, have a direct interface with the system. Speedy processing times in Helsinki show that efforts to streamline the regulatory process at the municipal level can succeed in removing bottlenecks in obtaining electricity connections.

Other examples of good practices can be found elsewhere in the European Union. In the Austrian city of Linz—which provides the fastest electricity connections in the European Union—the municipality and the utility adopted a general framework agreement for excavation permits. It contains an overview of all types of works allowed on public land and establishes a time-efficient system for issuing permits. Under this agreement, the utility still needs to request an excavation permit, but all general terms and conditions are clarified, allowing for a permitting process of just nine days. In other cases, the municipality uses a risk-based approach and imposes time limits to ensure fast processing. In the Netherlands, the city of Utrecht establishes a two-day time limit for excavation permit decisions.

Allow entrepreneurs to conclude all requirements needed to obtain a new electricity connection in one online step

Most steps involved in the connection process are done online in all cities. In Helsinki, the utility uses a portal that allows users to complete steps such as placing metering and connection orders and receiving notifications of subscription changes. The online portal for contractors (Urakoitsija Online) sends messages to keep customers updated on the status of their requests. Similar online portals are being considered by other utilities, such as in Oulu.

Finland has already been taking steps to modernize the electricity sector, with the introduction in 2022 of its centralized platform, Datahub. Future improvements in process streamlining could further increase the efficiency of utility services. In all cities, steps such as the connection request, meter installation, and contract signing require separate electronic applications. A digital platform, based on Urakoitsija Online or Datahub, could be enhanced to allow customers to apply for a connection, choose a supplier, and sign a contract at the same time through a single step. This could streamline the process, reducing the number of interactions involving the customer. Utilities and suppliers in certain countries have been striving to achieve such a simple connection process by streamlining and merging the steps to get connected to electricity. For example, in certain EU member states such as Czechia, Ireland, and Poland, the final step for the customer is to choose a supplier and sign the supply contract. The electricity provider will then directly contact the utility, on behalf of the customer, to have the meter installed and the electricity turned on. In Italy, meanwhile, the customer can choose a supplier as

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a first step and apply for the connection directly with this supplier. The selected supplier will then serve as the interface between the customer and the utility throughout the process and will communicate with the utility via an online platform. Economies of scale also make it easier for suppliers rather than individual customers to handle new connections.

Assess the possibility of reducing the financial burden of new connections

Getting a new connection to electricity in Finland is less expensive than in most EU countries. National regulations determine that utilities must provide a connection at a "reasonable" fee, and pricing guidelines issued by the regulatory agency are used to evaluate the degree of reasonableness and fairness of utilities' fees.[66] Nevertheless, important variations still exist within the country; in Vaasa, firms need to spend more than EUR 12,000 for a new connection to electricity. Certain European economies have designed different strategies to alleviate the financial burden of obtaining new connections. In France, where costs are subsidized, a new connection costs EUR 1,795, over six times lower than the average cost across the six benchmarked cities in Finland. French law requires municipalities to partially fund the cost of works, reducing the fees charged to entrepreneurs.[67]

Other examples can be found in Sweden and the Netherlands, where customers pay a portion of the connection costs upfront and the remaining part once the connection is done. In Sweden, for certain cases customers pay 30% of costs when the offer is signed, 30% when the connection works start, and the remaining 40% upon completion of the project. In the Netherlands, the total fee can also be paid in installments: 20% upon agreement, 70% before the works can start, and 10% upon completion.[68] Similar policies and arrangements could benefit firms by providing more flexibility to their financial conditions, easing the burden of getting connected to the grid.

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Property transfer

The system for transferring property in Finland has undergone significant changes in the past three decades. Today, it is managed by the National Land Survey of Finland (NLS). That agency is responsible for maintaining the Land Information System, which includes the real estate register as well as the title and mortgage register, and for carrying out various cadastral surveys. As a result of the system´s centralization (box 1.5), the property transfer process looks the same in cities across the mainland. The only differences are seen in Mariehamn, in the autonomous region of the Åland Islands.

The NLS has made significant strides in digitalization; since 2013, buyers and sellers have been able to choose whether to use the agency´s electronic Property Transaction Service or conduct the sale on paper. However, more than 90% of the parties still opt for paper transactions.[69]

Property transfers are mostly standardized across Finland, but additional requirements apply in Mariehamn

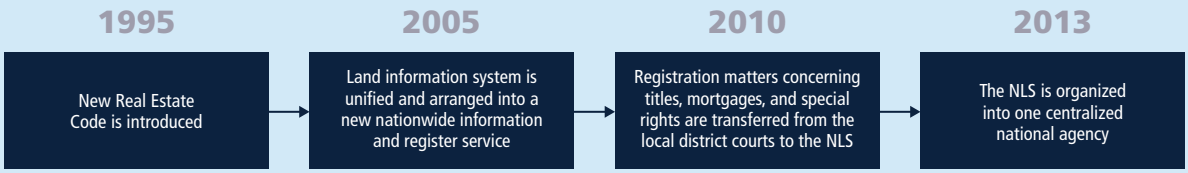
Overall, it is easier to transfer a property in Oulu and Tampere and more difficult in Mariehamn (table 1.8). The process in Oulu and Tampere is identical to the one

BOX 1.5 Finland's quest to centralize and automate its land management system

In recent decades, Finland has focused efforts on establishing a single unified land register, improving the accuracy and reliability of register information, and modernizing land-related legislation overall (figure B.1.5.1). In 1995, it replaced its Real Estate Code, which dated back to 1734, and it has continued to make significant adjustments to its procedures and systems since then. In 2005, the Land Information System was unified and arranged into a new nationwide information and registration service, replacing the cadastral records that had been maintained separately by the NLS and 86 municipalities. In 2010, registration matters concerning titles, mortgages, and special rights were transferred from the local district courts to the NLS. In addition to its responsibilities related to cadastral surveying and mapping, the NLS was now tasked with maintaining the title and mortgage register as well. In 2013, the NLS—which had consisted of numerous local offices with limitations on territorial jurisdiction—was organized into one centralized national agency. Today, the offices serve as customer service points, and the NLS is able to provide a wide variety of services no matter the location of the user or the property in the country.

While automatic data processing has long been used in the title and mortgage register, digital services for customers still need to be expanded; for instance, companies do not have the same access as natural persons to online services for submitting title applications. Nevertheless, there has been increasing interest in automated, artificial intelligence-based decision-making in administration, and a broader legislative reform on the topic has been initiated. Data transfer between public agencies has improved. As an example, since 2019, the Finnish Tax Administration has notified the NLS about payments for property transfer taxes, eliminating the need for the applicant to provide a receipt from the Tax Administration. The NLS has also developed an automatic tool to remind customers to pay the transfer tax. Moreover, a reform of the Real Estate Code is currently being discussed at the Ministry of Justice.[a] Such a reform would, among other measures, further promote digitalization to reflect the changing needs of society. For example, it questions whether the requirement of having a property sale witnessed by a "public purchase witness," in place since 1933, still serves a purpose in today´s legal landscape.

FIGURE B 1.5.1 The modernization of the Finnish property transaction system



Source: Data collected for this publication.

a. More information on the reforms related to automated decision-making and the Real Estate Code is available at https://oikeusministerio.fi/hanke?tunnus=OM021:00/2020 and https://oikeusministerio.fi/hanke?tunnus=OM056:00/2021, respectively.

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TABLE 1.8 Completing a property transfer in Mariehamn takes twice as long as in the other benchmarked cities

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of property value)	Quality of land administration index (0–30)
Tampere	1	79.28	3	76.5	4.0	29
Oulu	1	79.28	3	76.5	4.0	29
Helsinki	3	78.45	3	76.5	4.0	28
Turku	3	78.45	3	76.5	4.0	28
Vaasa	3	78.45	3	76.5	4.0	28
Mariehamn	6	60.95	7	153	4.0	28

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average scores for the procedures, time, and cost associated with property transfer, as well as for the quality of land administration index. The score is normalized to range from 0 to 100 (the higher the score, the better).

in Helsinki, Turku, and Vaasa with the same number of procedures, time, and cost. However, Tampere and Oulu perform slightly better on the quality of land administration index due to faster times to resolve a property dispute, one component of the index. In these two cities, the district courts have cleared their COVID-related backlogs and resolve property disputes in less than a year, compared with one to two years in the other benchmarked locations.

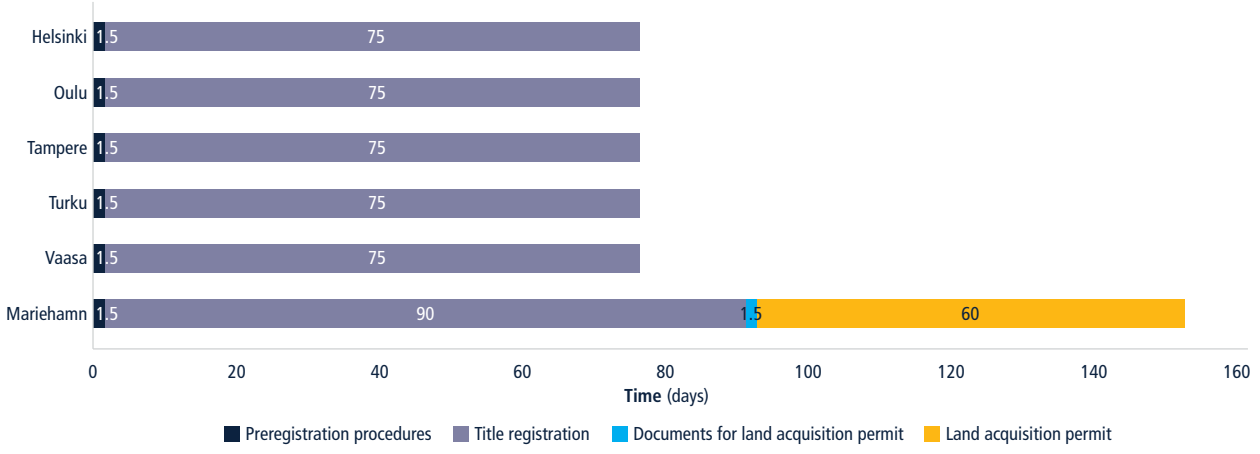
While three procedures are common across all cities, parties need to comply with one extra requirement in Mariehamn. There, a land acquisition permit must be obtained from the government of Åland, which involves an additional four procedures and a wait of 2.5 months.

Registering a property title at the NLS makes up the bulk of the time to complete a property transfer across Finland, taking approximately 75 days in Helsinki, Tampere, Turku, Oulu, and Vaasa. In Mariehamn, the NLS must also verify that the applicant has the right to possess immovable property in the region. As a result, title registration takes 90 days (figure 1.17).

The process at the NLS has been centralized, and for property located anywhere in the country, property titles are processed electronically. Paper form applications are scanned before processing. Although the NLS has a goal to process applications within 30 days, it has recently faced delays in its handling times, and applications typically sit in the queue waiting to be processed. The delays are mainly caused by a spike in the number of sales. Moreover, the NLS has been recently assigned new tasks—namely the establishment of the electronic Residential and Commercial Property Information System for housing company shares[70]—which might explain some of the delays.

The cost to transfer property is largely uniform across Finland, with only a slight variation for Mariehamn. The main component of the cost is the 4% transfer tax levied against the purchase price of the property, which is paid by the buyer. It constitutes 99.7% of the total cost to transfer property. The payment can be completed efficiently online via MyTax or online banking. The rest of the cost—around 0.3% of the total—consists of miscellaneous fees, including the fees charged by the NLS and the public purchase witness. The total cost for registration fees (EUR 264) can be lower (EUR 197) if the parties use the Property Transaction Service. In Mariehamn, an additional

FIGURE 1.17 Obtaining a land acquisition permit in Mariehamn adds 60 days to property transfers between companies



Source: Data collected for this publication.

Note: Preregistration procedures include the processes of signing the sale agreement, filing the transfer tax return, and paying the tax.

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amount of EUR 241 is due to obtain the land acquisition permit and meet its requirements.

Transferring a property in Finland is simpler and more affordable but slower than in most EU member states

The process of transferring a property in Finland is more streamlined and cost-efficient than the EU average. Transferring a property from one private company to another in five cities takes only three procedures—two less than the EU average—and costs 4% of the property value, slightly lower than the EU average. However, the time it takes to complete the three requirements is almost triple the EU average of 28 days (figure 1.18). Denmark completes the same process in 4 days, Sweden in 10.

Mariehamn lags the other benchmarked Finnish cities on procedural steps and time efficiency. Companies looking to transfer a property must undergo four additional procedures and the process lasts five months—longer than anywhere else in the European Union.

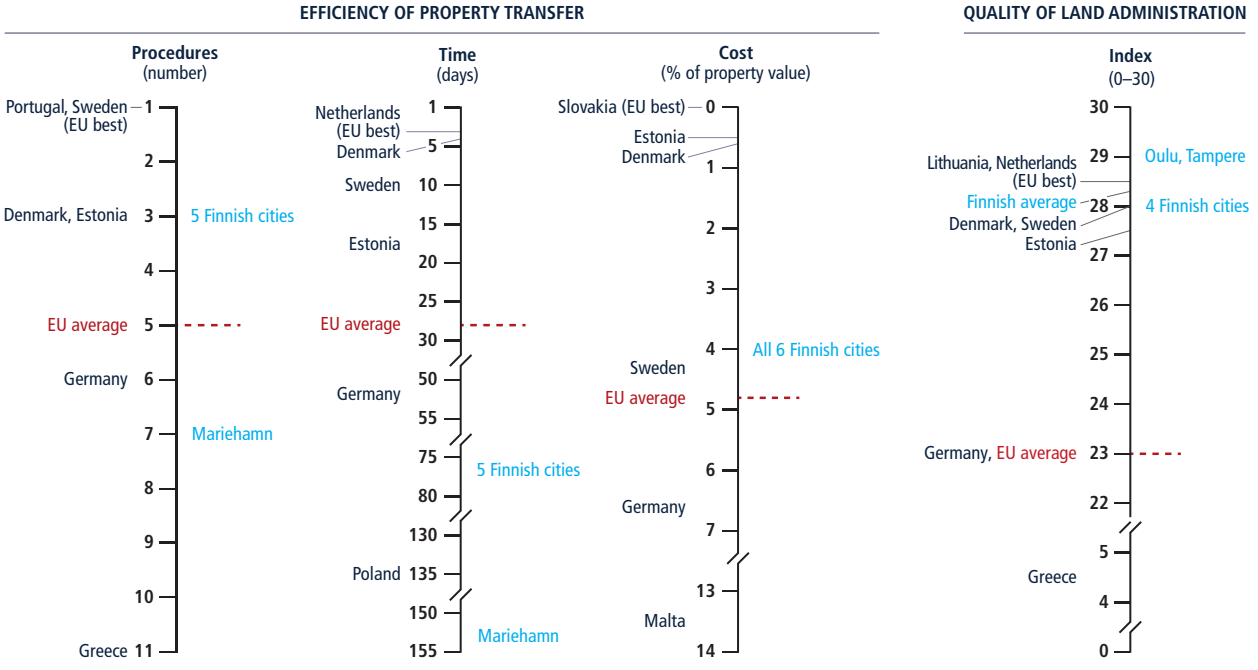
Lastly, all Finnish cities have high scores on the quality of land administration index, which uses a series of key indicators to assess an economy's land administration system. The Finnish cities are among the European Union´s best performers, averaging 28.3 points (out of a maximum of 30)—5.4 points higher than the EU average.

How does the property transfer process work in Finland?

The property transfer process is organized the same way across all the cities examined except for Mariehamn (Åland), where companies need a land acquisition permit when buying real estate (figure 1.19). The legal requirements applicable throughout the country are set out in the Real Estate Code,[71] the principal law governing the conveyance of immovable property in Finland. At the beginning of the process, when the buyer and the seller come to an agreement to transfer a piece of property, the parties can either sign the sale agreement on paper or online through the Property Transaction Service.[72] An agreement that concerns the sale of real estate must contain at least the following: the intent to convey property, the property being sold, details about the parties, and the sales price and any other compensation or consideration.[73]

More than 90% of the parties conduct the transaction on paper. In that event, the sale agreement needs to be signed in the presence of a public purchase witness,[74] who acts as an attesting notary to certify the transfer of the property. The witness verifies the identities of the parties, checks

FIGURE 1.18 Finnish cities outperform the EU average on cost and measures of quality but lag behind on the time it takes to transfer a property



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

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the property's identification number, ascertains that the formalities laid down in the Real Estate Code have been met, and informs the NLS of the transaction by filling out an electronic form. If asked, the public purchase witness can also apply for title registration on behalf of the buyer together with this notification (registration procedure in figure 1.19).

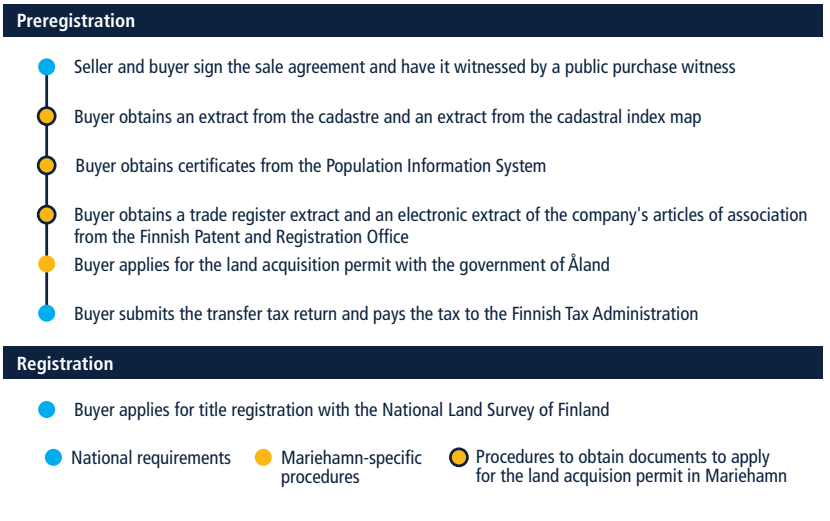
When using the online Property Transaction Service as an alternative, the representatives of the companies log in to the system via electronic secure identification[75] and draft and sign the sale agreement. After the signing, the process for title registration will begin automatically, no application needed. A public purchase witness is not necessary, as the online interface verifies in real time that the minimum required contents are included and that the information the parties include in the contract matches the information in the available registers.

When the sale has been concluded, the buyer submits the transfer tax return to the Finnish Tax Administration online via MyTax and makes the payment—an obligation that must be carried out within six months of the signing. The Tax Administration informs the NLS directly that the payment has been made. The title cannot be registered before this step is completed.

In the final step, the buyer—in this case study, a limited liability company—applies for title registration at the NLS. The buyer can either ask the public purchase witness to initiate the application along with the notification to the NLS or can do so on its own by filling out a paper form, available on the NLS website. The form can be sent by post, which can take up to a week, or dropped off at a local service point in person. It can also be sent via secure email.[76] Applications submitted in paper form need to be remitted to the National Land Survey's Vaasa office to be scanned. This step is not needed if the parties have used the Property Transaction Service, as the process for title registration is done automatically.

In Mariehamn, the transfer process must undergo the same three steps described above. However, companies must also apply for a land acquisition permit from the government of Åland and obtain all the necessary documents to submit the application, thereby adding four more procedures. All documents can be quickly purchased online, but the applicant has to visit different agency websites throughout the process. The buyer must apply for the land acquisition permit within three months of signing the sale agreement. A failure to do so may eventually lead to the property being auctioned off to a party that has the right to acquire it under the provisions of the Åland Land Acquisition Act. The application can be delivered to the government of Åland either by using its online form[77] or by filling out a paper form and sending it by post or email. The government of Åland may grant a land acquisition permit if (i) the company has been based in Åland continuously from its establishment or for at least five years; (ii) the property is suitable for its intended use; and (iii) at least two-thirds of the members of the company board have regional citizenship in Åland or have been living there for the past five years or longer. If certain requirements are met, the permit must be granted unless there are special grounds to deny it.[78]

FIGURE 1.19 Three to seven requirements are needed to transfer property in Finland



Source: Data collected for this publication.

Finnish cities outperform the EU average for quality of land administration

Finland's scores on the quality of land administration index are among the highest in the world: 28 in Helsinki, Turku, Vaasa, and Mariehamn and 29 in Tampere and Oulu, out of a maximum of 30 points. The index analyzes five aspects of the land administration system: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights.

All Finnish cities score the maximum 8 points on reliability of infrastructure. This component measures whether the land registry and mapping system (cadastre) have adequate infrastructure to guarantee high standards and reduce errors. The Finnish Land Information System, including the cadastre and land register, is completely digital and has a unique number to identify each property.

The geographic coverage component measures the extent to which the land

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registry and mapping system provide complete geographic coverage of privately held land parcels. All six cities benchmarked in Finland score the maximum 8 points on this component, reflecting the high rate of formally registered and mapped properties in the country. All privately held land in Finland is formally registered and mapped by the NLS and municipalities.

The transparency of information component measures whether and how an economy´s land administration system makes land-related information available to the public. All Finnish cities score 5 points, falling short of the maximum of 6 because the NLS does not commit to a specific deadline for its various procedures.[79] Nevertheless, the NLS publishes fee schedules, lists of required documents needed to register a property, and statistics on property transfers. Furthermore, it is possible to submit complaints on the institution's website, and these complaints are handled independently.

The land dispute resolution index measures the accessibility of conflict resolution mechanisms and the extent of liability for entities or agents recording land transactions. In addition, the index looks at how efficiently the courts (as a last resort) handle disputes. All Finnish cities score well on this component. Tampere and Oulu receive the maximum score of 8, while the remaining cities score 7. The difference stems from the time it takes to solve a property dispute case in the court of first instance. In Tampere and Oulu, where COVID-related backlogs have been cleared, it takes less than a year to resolve a dispute, whereas it typically takes between one and two years in Helsinki, Turku, Vaasa, and Mariehamn.

WHAT CAN BE IMPROVED?

Increase the uptake of the electronic platform for property transfers

A fully integrated and computerized land administration system saves resources and increases efficiency while maintaining a high quality of land-related services. Finland currently has a hybrid system, whereby the title registration application can be completed either online or in paper format. This creates another layer of work for NLS employees and increases the time for processing, since paper applications take longer to review than online applications, which are mainly checked automatically.[80]

Increasing the use of the Property Transaction Service would also eliminate one procedure, since title registration is automatically initiated if the sale is done online, and would reduce waiting times, since paper applications need to be scanned before processing.

Different procedures and processes can be confusing if users are not prepared for new systems and workflows. Global experience shows that it takes time for the population and the business community to adapt to change and that agencies can underestimate the importance of communication and how it affects the uptake of new services.[81] Continuous outreach campaigns to the private sector—real estate developers, notaries, lawyers, cadastral engineers, banks, and other relevant stakeholders—help to ensure that recent procedural improvements are fully and promptly reflected in practice. They also help avoid information gaps or the slow adoption of regulations. To this end, Finland should do an assessment of the main reasons behind the low uptake of the electronic platform and, if needed, leverage channels of communication (including social media, billboards, public broadcasts, and workshops) to effectively communicate the benefits of using the Property Transaction Service.

Denmark provides an interesting case of how to gradually introduce a fully digitalized land administration system. In 1992, the Danish Parliament amended the Land Registration Act, allowing for digital land registration. Between 1993 and 2000, the government implemented organized and systematic efforts to digitize all records, computerize 82 judicial district offices, and train relevant staff. In 2006, after all the land records had been digitized, the Land Registration Act was amended once more, to provide for digital land registration. In 2009 it became mandatory to submit registration applications only in electronic format, which enhanced efficiency in screening and processing. Today, transferring property in Denmark requires three procedures, all of which must be completed online within a few days.

Consider introducing fast-track property transfer procedures

The NLS handles applications in the order they are received. All paper-based transactions carry the same title registration fee of EUR 144, in addition to the public purchase witness' fee of EUR 120. If applicants use the Property Transaction Service, the total cost for registering a title is EUR 197. The NLS has made serious efforts to shorten the time it takes to register titles, such as by hiring more personnel. Nonetheless, backlogs remain, and it currently takes two to three months to process applications.

To reduce processing times for urgent projects and to help prioritize the work at the land registry offices, the NLS could consider offering fast-track processing of applications for an extra fee. Other European economies have introduced similar procedures with positive results. In Lithuania, registration with the Real Estate Register normally takes 10 business days. However, entrepreneurs who wish to have their property registered sooner can pay a higher registration fee for faster service: 30% more than the standard fee for registration in three business days, 50% more for registration in two business days, and 100% more for registration in one business day. Similarly, entrepreneurs in Portugal can register their property in just a day or two if they pay a 100% markup on the registration fee.

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Introduce service delivery standards for all services provided by the NLS and ensure that the standards are publicly available and binding

Public service delivery standards allow users to know what level of service they can expect from the administration, how much it will cost, and how long it will take. If the procedure is not completed within the specified time limit, users know that they need to follow up. It is also important to introduce strong monitoring tools and performance indicators to ensure that these time limits are enforced in practice. Managers in the registries and cadastres must take an active role in monitoring their staff performance and ensuring that targets for processing times are met. Fifteen EU member states have introduced service delivery standards at their land registries or cadastral agencies.[82] All of them provide this information online, except for Cyprus and Malta.

Although the National Land Survey of Finland publishes the fees and documents related to property transfers, it currently does not commit on public boards or online to delivering a legally binding document proving property ownership or an updated cadastral map within a specific time frame. The NLS could specify all land registry and cadastral services that it provides—such as title searches, approval of certificate of title, registration of immovable property, and provision of updated maps—and publicly commit to a deadline for delivering them. As an example, Singapore has created an online system allowing anyone to have access to information about fees, statistics, and requirements, as well as information on service delivery standards for both the land registry and mapping system.

Consider streamlining the process to obtain the land acquisition permit in Mariehamn

Obtaining a land acquisition permit in Mariehamn is a lengthy process for companies wishing to buy property in Åland. Supporting information is available on the regional government's website and the application is done online. The review is done by both the municipality of Mariehamn and the government of Åland in a process that can take up to three months. Introducing clearer guidelines and committing to service delivery standards would increase transparency and accountability for the agencies involved in the application review. These measures would improve the predictability of transferring property and help companies plan their resources.

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Commercial litigation

According to the 2022 EU Justice Scoreboard, the number of civil and commercial litigious cases coming before courts of first instance in Finland is lower than anywhere else in the European Union.[83] Finnish district courts also dispose of cases at a relatively fast pace—faster than the European Union on average. However, court performance varies across jurisdictions. Civil litigation, including the resolution of general commercial disputes, is regulated nationwide in Finland by the Code of Judicial Procedure (oikeudenkäymiskaari).[84] The courts of first instance are the district courts, and they have jurisdiction over criminal and civil cases. For civil disputes, depending on the case, courts may process them entirely in writing (written procedure, mostly for uncontested matters called summary civil cases) or through hearings (litigious cases). Civil cases can also be settled through court mediation.

Commercial litigation is easier in Oulu and more difficult in Helsinki and Mariehamn

Initiating litigation and obtaining and enforcing the judgment is easiest in Oulu, where the process takes 14 months (table 1.9). This is much faster than in Helsinki and Mariehamn, where the same case would be resolved in 18 and 19 months, respectively. The cost of litigation is the same in all cities (15.3% of the claim value) except in Helsinki, where costs represent 20.8% because of higher attorney and expert fees. Judicial quality, which is measured in this study by the adoption of various international good practices, is uniform across all cities. Out of a maximum score of 18 points, Finnish cities obtain 9.5.

Commercial litigation is relatively efficient, but courts still lack some good practices that enhance judicial quality

Compared with the performance of EU member states as a whole, commercial litigation is relatively fast and inexpensive in Finland. On average, the six Finnish courts benchmarked for this study resolve commercial disputes almost 5.5 months faster than the EU average of 22 months (figure 1.20). Courts in Oulu and Tampere are faster than those in 24 EU member states. Even in Mariehamn, where litigating a commercial dispute takes the longest time, the total time is almost three months faster than the EU average.

At 16.2% of the claim value, the average cost of litigating in Finland is relatively low. Commercial litigation is less expensive in only five other EU member states, including Germany. Finland lags on the quality of judicial processes index, though, scoring 9.5 points out of a maximum of 18, which is below the EU average (11.5 points).

TABLE 1.9 Commercial litigation in Finland: where is it easier?

City	Rank	Score (0–100)	Time (day)	Cost (% of claim)	Quality of judicial processes index (0–18)
Oulu	1	70.38	420	15.3	9.5
Tampere	2	69.56	450	15.3	9.5
Turku	3	68.60	485	15.3	9.5
Vaasa	3	68.60	485	15.3	9.5
Mariehamn	5	66.28	570	15.3	9.5
Helsinki	6	65.04	540	20.8	9.5

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average scores for time and cost associated with commercial litigation, as well as on the quality of judicial processes index. The score is normalized to range from 0 to 100 (the higher the score, the better).

Contract litigation and enforcement of judgments follow the same process throughout the country

A breach of contract dispute between two companies—valued at EUR 86,817,[85] as assumed by this study—is processed by courts as an ordinary civil case, and thus it is heard by a district court (käräjäoikeus). Although there is a specialized court in Finland that hears commercial cases (the Market Court, markkinaoikeus), its jurisdiction is limited, as it hears only certain legal matters pertaining to procurement, competition, market law, and intellectual property.[86]

Litigation starts when the plaintiff files a written application for a summons at the corresponding district court.[87] The application cannot be filed electronically, except for uncontested matters (summary civil cases).[88] The court screens the application to see if it is complete and issues the summons. Summonses are commonly sent by mail, but service can also be done by email or by phone.

Once served, the defendant must deliver the written response to the court registry. The Code of Judicial Procedure does not prescribe a specific deadline to respond, but the judge typically grants the defendant 30 days.

After the response, the court schedules a preparatory hearing (valmisteluistunto), which the parties prepare for by exchanging written pleadings prior to the hearing.

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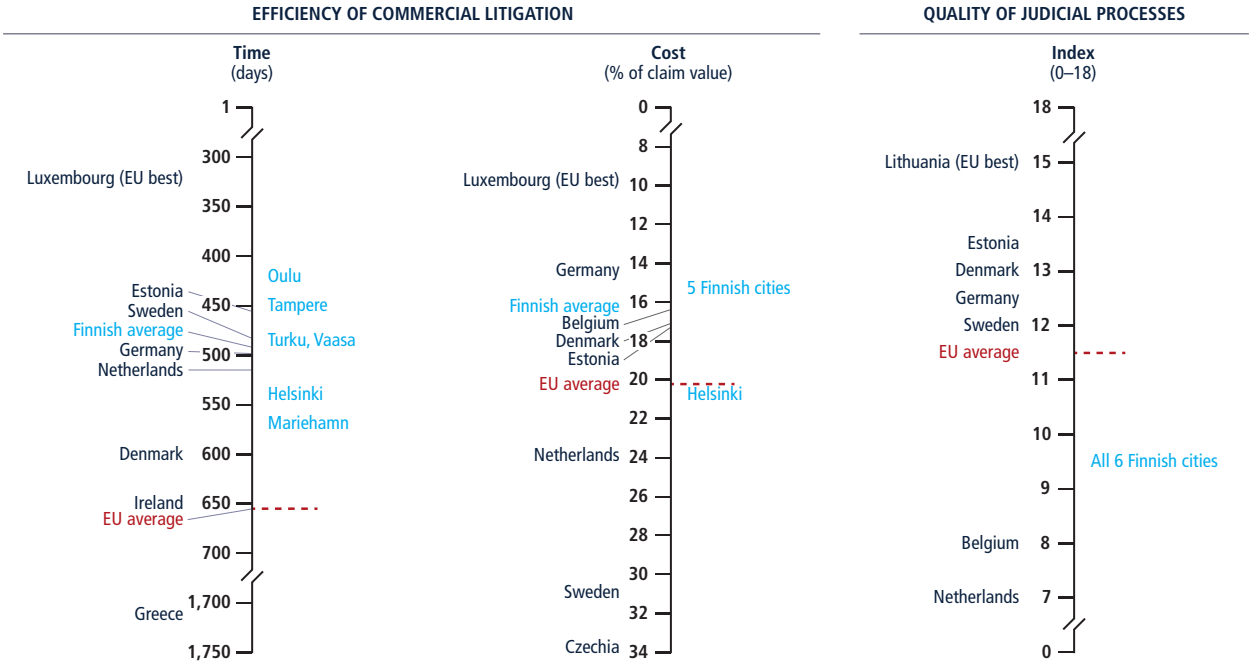
FIGURE 1.20 Resolving a commercial dispute across Finland is faster than the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

The law does not set specific time limits for this stage either. During the preparatory hearing, parties establish the grounds for their claims, narrow the issues in dispute, and agree on the evidence that each will present. The possibility of settling the dispute is also explored at the hearing.

The judge rules on the evidence, in this case an expert opinion, at a second hearing (main hearing, pääkäsittely). At the main hearing, the parties also offer their closing statements, and the judge usually delivers the judgment within 30 days.

Depending on the complexity of the issue, a case can be processed in writing, per the parties' agreement and the judge's concurrence, or resolved through court mediation. The plaintiff pays the court fee after the judgment is rendered. The fee varies depending on how the case was processed; it ranges from EUR 86 for cases decided through written procedure to EUR 530 if the case gets resolved after going through a main hearing.[89]

According to court statistics, more than 99% of civil cases in Finland follow the written procedure. These cases do not take more than three months to be resolved.[90] Even though they constitute the minority, litigious cases that cannot be resolved without a main hearing—such as the one measured in this study—take around 18 months on average, mainly due to judges' caseloads, delays in the scheduling of hearings, and staffing shortages at the courts.

The enforcement of court judgments is a separate judicial process corresponding to the National Enforcement Authority Finland, which operates under the Ministry of Justice. The Enforcement Authority was reorganized into a single national agency in December 2020 and has a network of 64 enforcement offices covering the entire territory of Finland.[91] The enforcement application can be filed electronically using the electronic enforcement service.[92] Once the application is received, an enforcement officer sends the notice of filing and payment request to the debtor by regular mail. If the debtor does not comply with the demand or does not contact the enforcement officer to propose alternatives to pay voluntarily, the enforcement officer proceeds with the seizure and sale of debtor assets at a public auction.[93] Auctions are usually conducted online through a national platform where bailiffs advertise the seized and foreclosed assets to be sold.[94] Creditors obtain their payments through the proceeds within two weeks following the auction.

The trial and judgment phase drives the variations in time, while litigation costs are the same everywhere except in Helsinki

The time to complete the filing and enforcement stages is uniform across the six benchmarked cities in Finland. Variations among the courts are mainly driven by the time that it takes to complete the trial and judgment phase —the

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period between the moment a defendant is served and the moment a judge renders the decision (figure 1.21).

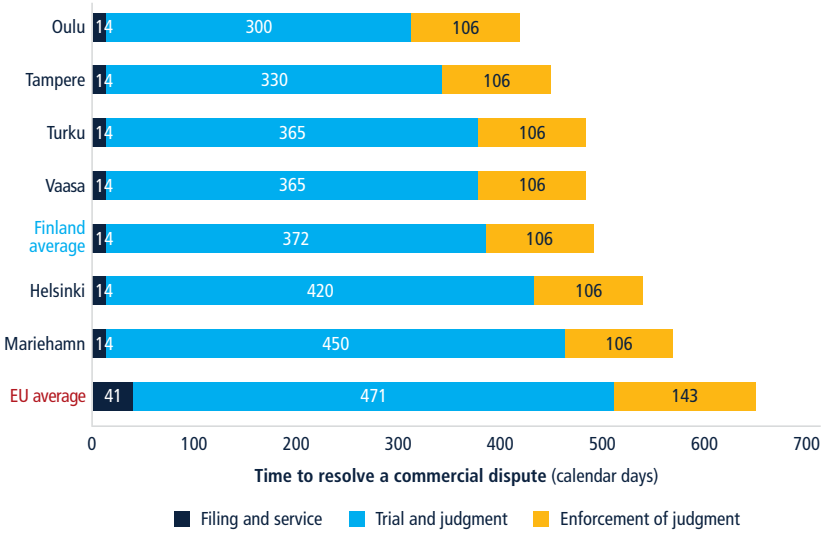
The trial time is 10 months in Oulu, which is faster than in the other benchmarked cities. Judges in Oulu make greater use of court mediation; per official statistics, in 2019 and 2020 almost as many cases in that city were handled through mediation as those that went through a main hearing.[95] According to attorneys consulted for this study, unnecessary delays are discouraged by judges in Oulu, and judges there have fewer cases and a steadier workload than in the other cities. In 2021, each judge in Oulu heard 1,109 cases on average; in the other five cities benchmarked, the average number was 1,250 cases per judge. Moreover, in Oulu the number of cases per judge has remain constant since 2019, whereas in cities such as Tampere, Turku, and Vaasa, cases per judge have been increasing on a yearly basis.[96] The District Court of Oulu has a separate division for civil cases, allowing some degree of specialization among judges.[97] Extensive use of remote connections to conduct court hearings in Oulu helped reduce the COVID-related backlog. In Tampere, Turku, and Vaasa, the trial and judgment phase takes slightly longer but does not exceed one year. Unlike in Oulu, judges in these courts have jurisdiction over both criminal and civil cases.

Delays in Mariehamn are more frequent. A much smaller court than the others, the District Court of Åland has only three judges, who process civil and criminal cases in a small venue with just two courtrooms. Attorneys who frequently litigate commercial disputes in Mariehamn have mentioned that because of these constraints, parties wait up to one year for the preparatory hearing. Judges grant frequent extensions to parties to submit their written statements, and in-court mediation is rarely used. Between 2015 and 2021, only two civil disputes were resolved through mediation.[98] The COVID-19 pandemic had greater impacts on the court's operation in Mariehamn. All hearings were canceled at the beginning of lockdown,[99] and few could be conducted after that because of limited space to maintain social distancing. Inland transportation from and to the Åland region was disrupted, making it difficult for attorneys and court personnel to reach the court. In preparation for a performance assessment in the fall of 2022, the court started managing its caseload by assigning more civil cases to one judge, hoping to encourage more specialization and improve efficiency.[100]

The District Court of Helsinki is the largest court in Finland, where the most complex litigation happens.[101] It is also the slowest court after that of Mariehamn. The court is aiming to become more efficient through the implementation of several initiatives. For instance, to balance the judges' workloads, the court implemented an organizational change in October 2021 with more divisions focused on processing civil cases and application cases,[102] thus allowing the judges to specialize. Since 2020, the court has also been investing in improving the quality of its mediation services, with the goal of resolving 30% of complex civil cases through mediation. To assist judges in mediation, the court hired three mediation professionals, who also participated in international exchange programs to develop mediation-specific skills.[103]

Litigation expenses consist of attorney fees, court costs, and enforcement fees. Attorney fees make up the bulk of the total cost (figure 1.22). Because court fees (EUR 530) and enforcement fees (EUR 225)[104] are regulated nationwide, the source of variation in the cost is driven by expert fees, which are part of the court costs, and attorney fees. Irrespective of the claim value, attorneys and expert witnesses charge by the hour, and their hourly rates are considerably higher in the capital, a business center for larger firms and more complex litigation cases. According to estimates provided by attorneys interviewed for this study, the average hourly rate charged by an attorney in Helsinki is around EUR 300, while in the other five benchmarked cities it is around EUR 220.

FIGURE 1.21 The trial and judgment phase in Oulu is five months shorter than in Mariehamn



Source: Data collected for this publication.

Note: The average time for Finland is based on the average time to resolve a commercial dispute in the six benchmarked cities. EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

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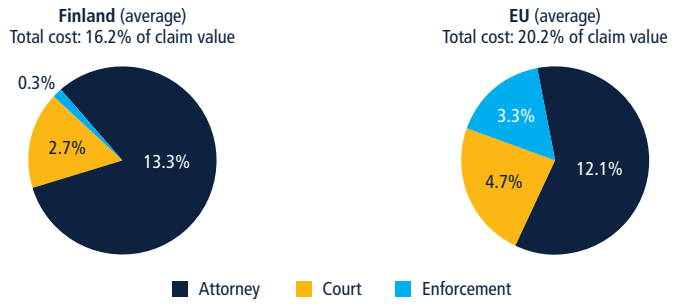
FIGURE 1.22 Court costs and enforcement fees are much lower in Finland, but attorney fees are slightly higher than the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The cost values, expressed as % of claim, are rounded up to one decimal point. The average cost for Finland is based on the average cost for commercial litigation in the six cities benchmarked. EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

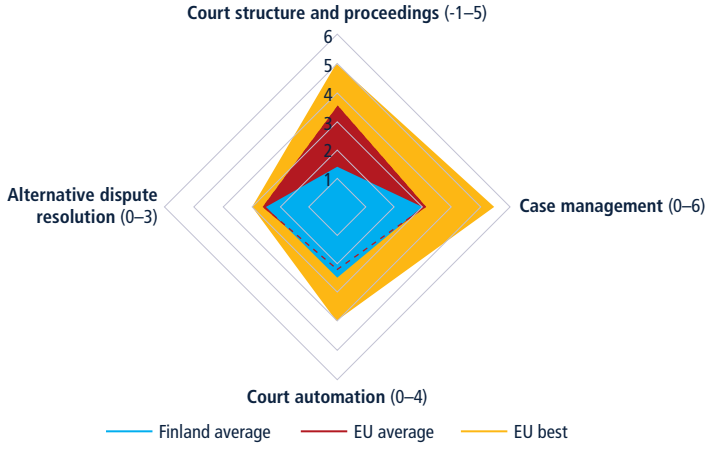
The same goes for expert fees, which are around EUR 250 per hour in Helsinki and around EUR 160 in the other cities covered in this assessment.

Finnish courts have room to catch up with the EU average on judicial quality

Performance on the judicial quality index is uniform across Finland. Out of 18 possible points,[105] all six cities obtain the same score—9.5. Compared with most EU economies, Finland lags on this index. It could achieve the most gains by improving its court structure and proceedings and enhancing case management at the courts (figure 1.23).

Regarding court structure and proceedings, all cities benchmarked score 1.5 out of a maximum of 5 points. The law allows for pretrial attachment of the defendant's movable assets, and courts exhibit good governance by randomly assigning cases to judges at the district courts, although not through an automated system. Despite some positive factors, Finland falls far short of the full 5 points in this area. Although there is a specialized commercial court that hears commercial disputes from all over Finland—the Market Court, based in Helsinki—this court has limited jurisdiction, as it processes only certain kinds of transactions. Moreover, there are no small-claims courts or simplified fast-track procedures to resolve civil and commercial disputes of low monetary value. Some legal experts are bringing attention to the lack of simplified procedures for small claims as a potential barrier to access to justice in Finland.[106]

FIGURE 1.23 Finland can achieve gains by improving case management systems and court structure and proceedings



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

In terms of case management, the cities covered in this study score 3 points out of a total of 6. Of the case management tools considered as good practice in this study, Finnish district courts use only a few. This is an area with potential for improvement in Finland, even though good practices are already in place. Courts across the country use pretrial hearings in all litigious cases; court statistics and performance reports are available online; and, most notably, an improved electronic case management system (AIPA) has recently been implemented to facilitate judges' handling of civil cases (box 1.6). Despite these good practices, lawyers do not yet have access to the system, procedural deadlines are mostly unregulated, and the law does not limit the number of adjournments that can be granted.

Regarding court automation, locations benchmarked in this study score 2.5 out of a maximum of 4 points. Service of process can be done through secure email, and court fees can be paid electronically. However, electronic filing is not available for all kinds of claims, only for summary civil cases. Appellate and Supreme Court judgments are published on the website of the Finnish judiciary, but no judgments from lower courts are published online.

With 2.5 out of 3 possible points, the six Finnish cities benchmarked perform

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BOX 1.6 Finland continues modernizing its courts through improved electronic case management platforms

In the 1990s, the judiciary in Finland introduced computerized tools to assist in managing civil and criminal cases.[a] For civil cases, the system (Tuomas) made it possible to register incoming cases and upload documents, but it did not allow case files to be kept in an electronic archive. Closed files needed to be printed and stored in paper format.[b]

To address these problems, the Ministry of Justice introduced the AIPA Information System, an integrated system for case and document management.[c] AIPA was launched in 2010 and has been implemented gradually, with the aim of replacing the Tuomas system by the end of 2022.[d] As of March 1, 2021, civil cases filed in courts are being processed through AIPA. Judges can now track the status of their cases; view and manage all case documents, court orders, and judgments; and generate semi-automatic court orders.[e] Unlike Tuomas, AIPA allows the court to keep electronic archives of documents, and it interfaces with the electronic systems of other state authorities. There are plans to make AIPA available to attorneys and other court users, but implementation timelines are not yet defined.[f]

a. Andersson, Matti. "The digitalization of District Courts in application matters – Experiences from officials of the District Court of Oulu about the user-driven change management of AIPA" (unofficial translation of title). Published by the University of Tampere, available at https://trepo.tuni.fi/bitstream/handle/10024/124439/AnderssonMatti.pdf?sequence=2.
b. Ministry of Justice. "Instruction for District Courts – the recording instructions of the Tuomas system," available at https://www.finlex.fi/data/normit/31061/tuomaskirjaamisohje2007.pdf.
c. Decision of the Ministry of Justice. December 21, 2007 (OM 12/31/2007).
d. Extension of the AIPA project until the end of 2022. Ministry of Justice, available at https://oikeusministerio.fi/en/project?tunnus=OM007:00/2015.
e. Conversations with public sector contributors to this study in Turku, Oulu, and Mariehamn, February to April 2022.
f. News release, Court of Appeal of Turku, available at https://oikeus.fi/hovioikeudet/turunhovioikeus/fi/index/ajankohtaista/2022/asianajajillejulkisilleoikeusavustajillesekaluvansaaneilleoikeudenkayntiavustajille.html.

well on alternative dispute resolution methods. Commercial arbitration and mediation are governed by consolidated laws.[107] Judges enforce arbitration clauses and resolve cases through mediation. However, the law in Finland does not grant financial incentives to encourage more mediation or conciliation.

WHAT CAN BE IMPROVED?

Study the courts' caseloads to identify causes of trial delays and consider setting time limits for key litigation events

The average duration of the trial phase in Finnish district courts exceeds one year (372 days). Though this is faster than the EU average, faster trial times are already achievable—not only in half of EU countries (such as Estonia, with 320 days) but within Finland (300 days in Oulu and 330 days in Tampere). Attorneys and judges agree that the courts' large caseloads lead to delays and affect judges' ability to schedule trial hearings. Courts could analyze what kinds of cases mainly account for the judicial backlog and adopt targeted measures to clear dockets—such as redistribution of cases among judges and fast-tracking procedures—especially considering that judges at the district courts process both civil and criminal cases.

The absence of legally established time frames for litigation causes additional delays. In some cases, parties request extensions of the deadlines to file and exchange documents, and judges tend to comply with these requests more liberally to manage their workload. Establishing realistic, traceable, and enforceable statutory time limits for key court events is at the core of effective case management and judicial quality and makes dispute resolution more predictable. Finland should thus consider introducing such time limits into its procedural legislation. Ten member states in the European Union have laws that set time standards for at least three court events and respect them in practice.[108]

Continue expanding and promoting the use of electronic features in courts

Courts in Finland currently allow for electronic service of process and payment of court fees. However, most documents are served by regular mail, and attorneys cannot submit initial complaints to courts electronically—except in summary civil cases where they can use an electronic system (Santra). The COVID-19 pandemic highlighted the benefits of greater use of technology in courts; jurisdictions with access to electronic filing, electronic case management, and remote connections with the courts were better prepared to weather the disruptions caused by lockdowns and social distancing.[109] E-justice platforms facilitate access to justice and streamline procedures even further. Lithuania, Estonia, and Slovakia, for example, have implemented all the e-features that are considered for scoring on court automation component in this study: filing an initial complaint, serving the defendant with the initial complaint, paying court fees, and publishing court judgments. Furthermore, Denmark developed a highly digitalized case portal—Sagsportalen—where all civil cases must be filed and processed digitally since they no longer exist on paper. All written communication between litigants and the judge is also conducted through this portal.

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Consider introducing specialized commercial sections at the courts or expand the jurisdiction of the Market Court

Locations in Finland with large caseloads and complex litigation could consider introducing specialized commercial courts—or commercial divisions within existing courts—to deal exclusively with commercial cases. Finnish courts could analyze their respective caseloads to determine the largest sources of delay, including the total share of civil commercial cases in the docket and whether these types of cases are backlogged. The results of such an analysis may justify channeling resources to the creation of a specialized commercial court.

As a general principle, specialized courts tend to improve efficiency and lead to faster and qualitatively better dispute resolution. Having specialized commercial courts or divisions reduces the number of cases pending before the main court of first instance. Also, judges become experts on commercial matters and can dispose of cases faster. Since there is already a specialized commercial court based in Helsinki, expanding its jurisdiction to cover a wider range of commercial transactions could help alleviate the congestion at the district courts. The court, however, should be provided with adequate resources to respond to increased demand to process general commercial cases.

Twelve EU member states have a specialized commercial jurisdiction,[110] established by setting up a dedicated stand-alone court or a specialized commercial section within an existing court. Belgium is one of them, with nine commercial courts, including two in Brussels—a French-speaking one and a Dutch-speaking one. These courts support consistency in the application of the law and increase predictability for court users.

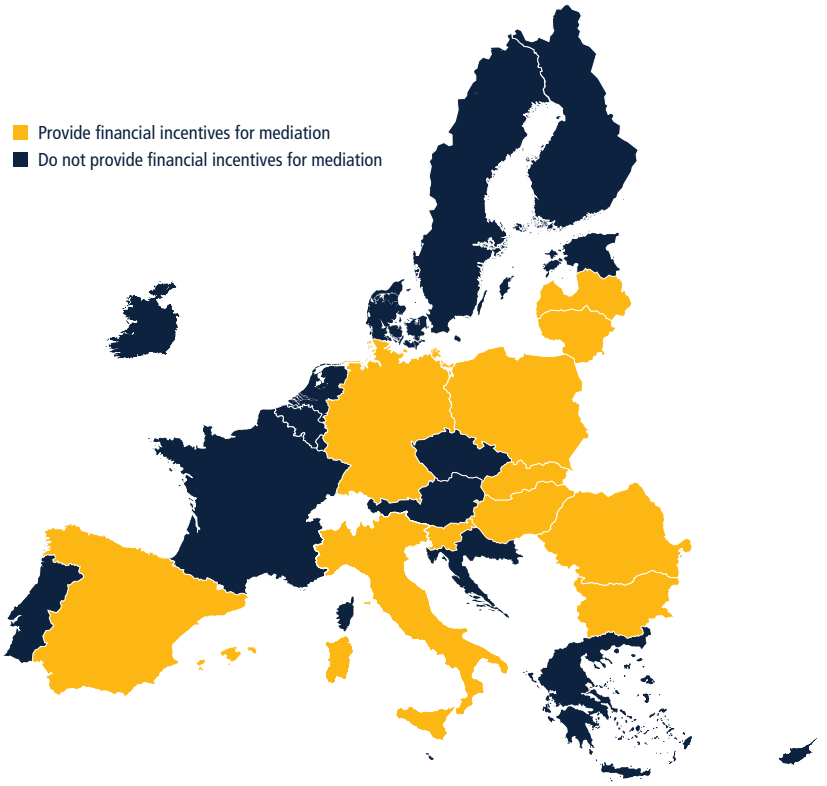
Lastly, to help judges specialize and apply laws consistently, Finland should also consider publishing anonymized judgments and courts orders in commercial cases at all levels of the court system. This should be coupled with learning and training opportunities for judges to specialize further.

Provide incentives to encourage more mediation in courts

Finland has a comprehensive legal framework for arbitration and mediation, but it does not yet offer financial incentives to the parties to mediate. In general, according to statistics, the success rate of court mediation in Finland is quite low. For example, in Vaasa, only 25 civil disputes—around 0.05% of all resolved civil disputes—were resolved through court mediation in 2021. The exception is Oulu, where judges make greater and more successful use of mediation to settle disputes.

Besides adequate training for arbitrators and judges, other means—including granting monetary incentives to parties—can encourage the use of alternative dispute resolution methods, according to guidelines on mediation published by the European Commission for the Efficiency of Justice.[111] Eleven EU countries have incentivized the use of alternative dispute resolution by offering financial incentives to parties (figure 1.24). In Germany, the German Court Fee Code[112] allows the federal states to reduce or waive court fees if the court procedure is ended after mediation or through some other out-of-court settlement. Italy introduced a new Legislative Decree in 2010 (amended in 2013), which established specific financial incentives for parties to attempt mediation, as well as negative consequences for parties who refuse to attempt mediation in good faith.[113] Following the adoption of the decree, Italy reported over 200,000 mediations annually.[114]

FIGURE 1.24 Eleven EU member states provide financial incentives for mediation



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

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NOTES

1. The percentage of firms that invest in research and development is three times higher in Finland than in other high-income economies, according to the World Bank Enterprise Surveys (2020), available at www.enterprisesurveys.org.
2. The Economist Intelligence Unit. 2021. Rankings overview, Finland. Available at http://country.eiu.com/article.aspx?articleid=831036466&Country=Finland&topic=Business&subtopic=B_3.
3. The percentage of firms in Finland identifying corruption as a major constraint is 1%, according to the World Bank Enterprise Surveys (2020). Finland summary available at https://www.enterprisesurveys.org/en/data/exploreeconomies/2020/finland. Also, in Transparency International's 2021 Corruption Perceptions Index, Finland, Denmark, and New Zealand share the top spot of cleanest countries (https://www.transparency.org/en/cpi/2021/index/fin).
4. For more information on the Digital Economy and Society Index (DESI), see https://digital-strategy.ec.europa.eu/en/policies/countries-digitisation-performance.
5. OECD. 2021. "The Impact of Regulation on International Investment in Finland." Available at https://www.oecd.org/publications/the-impact-of-regulation-on-international-investment-in-finland-b1bf8bee-en.htm.
6. The six cities represent all five NUTS2 regions in Finland. (The Nomenclature of Territorial Units for Statistics, or NUTS, is a geocode standard developed by the European Union for referencing the subdivisions of countries for statistical purposes.) The cities were selected based on demographic and geographical criteria. The selection of cities was agreed upon between the World Bank project team, the European Commission's Directorate-General for Regional and Urban Policy, and the Ministry of Economic Affairs and Employment of Finland.
7. This applies to property transfer and business start-up for a limited liability company like the one analyzed in this study. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
8. The EU member states assessed by this series are Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, Finland, Greece, Hungary, Ireland, Italy, the Netherlands, Portugal, Romania, Slovakia, and Sweden.
9. Denmarks's single national portal, called Byg og Miljø, incorporates all required interactions between the municipality and the developer during the construction process, merging multiple steps into one.
10. The EU member states that set time standards for various court events are Bulgaria, Croatia, Greece, Hungary, Italy, Latvia, Malta, Portugal, Romania, and Slovenia.
11. The following 12 EU member states have implemented electronic filing: Austria, Czechia, Denmark, Estonia, Germany, Greece, Hungary, Italy, Lithuania, Portugal, Slovakia, and Spain.
12. The minimum share capital requirement for private limited liability companies was removed from the Finnish Limited Liability Companies Act (624/2006) effective July 1, 2019.
13. The other EU member states that have eliminated or drastically reduced the need for share capital are Belgium, Bulgaria, Cyprus, Czechia, France, Greece, Ireland, Italy, Latvia, the Netherlands, and Portugal.
14. The Finnish Tax Administration's prepayment register contains information on the companies or individuals who can be paid without the payor withholding tax on the compensation.
15. Businesses with annual sales of less than EUR 15,000 can request entry into the VAT register voluntarily.
16. This provision is established in Section 31 of the Tax Prepayment Act.
17. Notifications can be filed online at ytj.fi. The online service is available only in Finnish and Swedish.
18. Those who must have Finnish social security numbers include all subscribers of shares, members of the board of directors, and anyone who may be entitled to represent the company.
19. The name-checking service for companies is available at https://nimipalvelu.prh.fi/nipa/fi.
20. When reviewing the application, the Finnish Patent and Registration Office (PRH) determines the acceptability of the chosen name options. If the proposed name is not available or cannot be accepted, the PRH will request the submission of new alternatives.
21. This includes the start-up notification Form Y1, the trade register's appendix Form 1, and the personal data form. Paper forms are available online at https://www.prh.fi/fi/kaupparekisteri/osakeyhtio/perustaminen/paperilomakkeet.html.
22. The Virre Information Service is available at https://virre.prh.fi/novus/tradeNoticeSearch?userLang=en&execution=e1s1.
23. The MyTax (OmaVero) Service is available at https://www.vero.fi/sahkoiset-asiointipalvelut/omavero/.
24. The European Union 5th Anti-Money Laundering Directive requires EU member states to establish beneficial ownership registers for corporate and other legal entities. To comply with this directive, Finland adopted the Act on Anti-Money Laundering and Terrorism Financing (444/2017), which mandated companies to file beneficial owner details with the trade register.
25. The statistics on new LLC registrations come from the Finnish Patent and Registration Office and are available at https://www.prh.fi/en/kaupparekisteri/tilastot.html.
26. Based on the information provided by the PRH during the consultative meeting for this study (March 15, 2022).
27. In the other benchmarked cities there are no business start-up requirements from local authorities applicable to a limited liability company like the one analyzed in this study. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
28. The Åland government may, if necessary, conduct further investigations in accordance with the law, which can include holding a hearing, taking testimony, or conducting a site visit. This rarely occurs in practice.
29. World Bank. 2021. *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*. Washington, DC: World Bank; World Bank. 2019. *Doing Business in the European Union 2020: Greece, Ireland and Italy*. Washington, DC: World Bank.
30. For EU member states, the UBO register is mandatory under EU Directive 2015/849, the 4th Anti-Money Laundering Directive. These directives have established standards for countries to combat money laundering and their related crimes and include the need to effectively identify and register the ultimate beneficial ownership of entities.
31. In Mariehamn, the Planning and Building Act (2008) governs land use and building permits.
32. Among EU states, only Bulgaria, Croatia, Czechia, Greece, Hungary, Malta, Romania, and Slovenia require more procedures.
33. The phrase means "Building and Environment."
34. According to Section 133 of the Land Use and Building Act, neighbors shall be notified when an application for a building permit is submitted. This procedure can be done by the applicant or, subject to a fee, can be delegated to the building supervision authority. For a case such as the one considered by this study, this procedure is required in all cities except Mariehamn. According to Åland's Planning and Building Act, Ch. 13, 73 §, neighbors need to be notified only if there is no detailed development plan for the plot or if the proposed building deviates from the detailed development plan.
35. The local building supervision authority may allow the supervision of construction to be assigned to the developer, in accordance with an approved supervision plan. It also decides where supervision by the authorities is not required (Land and Building Use Act 2003, Section 151).
36. The form is available at the website of Finland's Occupational Safety and Health Administration (https://www.tyosuojelu.fi/web/en/about-us/services/permits-and-notifications/construction-work).
37. As construction is highly seasonal and may be stopped or slowed down during winter, an occupancy inspection may take place to allow some parts of the building to be used beforehand. Otherwise, an oral confirmation that the building can be occupied is made at final inspection and a document is uploaded to the online application system—with no need to wait for this document to start using the building.
38. The preplanning meeting is implemented in Turku for more demanding or complex projects or those that would have a significant impact on the aesthetics of the location. In Vaasa, similarly, only in the case of more demanding projects does the building supervision authority conduct the foundation inspection.
39. Oulu receives fewer applications for large projects than Turku, Helsinki, and Tampere. In 2021, Helsinki had the highest number of square meters approved for construction among the benchmarked cities, followed by Tampere, Turku, and Oulu. Vaasa is not included in the statistics. For more information, see http://publish.kuopio.fi/kokous/2022834286-5-1.PDF.

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40. In Helsinki, the number of new dwellings rose sharply in 2020, reaching the highest numbers since the 1960s (https://asuminenhelsingissa.fi/fi/content/rakentamisen-vuositilastot#:~:text=K%C3%A4ytt%C3%B6tarkoituksen%20muutosten%20kautta%20asuntoja%20syntyi,joista%20k%C3%A4ytt%C3%B6tarkoituksen%20muutoksia%20oli%20345). In Turku, the number of building permits issued reached a high in 2021, increasing by 22% compared with 2020 (https://www.epressi.com/tiedotteet/kaupungit-ja-kunnat/turun-rakentamiselle-ennatysmaara-lupia-rakennusvalvonnan-vuoden-2021-tilastot-esiteltiin-lautakunnalle.html).
41. Åland law does not include such a requirement either (Planning and Building Ordinance, paragraph 4).
42. The supervisor may not be an employee of the developer.
43. European Commission. 2016. *eGovernment Benchmark 2016: A Turning Point for eGovernment Development in Europe?* Luxembourg: European Union.
44. Finland ranks first out of 27 EU member states on the Digital Economy and Society Index (DESI) 2022, Finland country profile. Available at https://digital-strategy.ec.europa.eu/en/policies/countries-digitisation-performance.
45. There is some variation in the user experience depending on which provider the city has selected and which package the city has purchased. Cloudpermit, with its Lupapiste platform, is the most popular option, used by 70% of municipalities in Finland. It was created in cooperation with the Ministry of Finance and the Ministry of the Environment.
46. Porto, Direção Municipal do Urbanismo, Departamento Municipal de Gestão Urbanística, "Manual de recomendações e boas práticas: elaboração de projetos," at https://balcaovirtual.cm-porto.pt/Conteudo/Documents/Manual%20Recomendações%20e%20Boas%20Práticas_urbanismo.pdf.
47. World Bank. 2021. *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*. Washington, DC: World Bank.
48. Federal Building Code (Baugesetzbuch, BauGB).
49. World Bank. 2021. *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*. Washington, DC: World Bank.
50. World Bank Group. 2013. *Good Practices for Construction Regulation and Enforcement Reform: Guidelines for Reformers*. Washington, DC: World Bank Group.
51. According to the Land Use and Building Act, 2003, Section 129, a minor construction project may require only an action permit or a notification to the municipal building supervision authority.
52. Visscher, Henk, and Frits Meijer. 2005. "Certification of Building Control in The Netherlands." OTB Research Institute for Housing, Urban and Mobility Studies. Delft University of Technology, The Netherlands.
53. For more information, see the section on Denmark in this report. *Box 2.3, Denmark's path to reform: a shift in responsibility toward the private sector*.
54. The reform process has already held public hearings that have included different stakeholders.
55. World Bank. 2015. *Doing Business 2016: Measuring Regulatory Quality and Efficiency*. Washington, DC: World Bank.
56. Due to the new certification scheme, inspections in Denmark are no longer conducted by the municipality but by certified professionals. In Sweden, by contrast, the municipality remains closely involved, even if a third party is hired.
57. The current Electricity Market Act was adopted by Law No. 588 of 2013, available at https://www.finlex.fi/fi/laki/ajantasa/2013/20130588. In Åland, the electricity sector is regulated by Provincial Act No. 103 of 2015, available at https://www.regeringen.ax/alandsk-lagstiftning/alex/2015103.
58. More information on the Energy Authority and the Åland Energy Authority is available at https://energiavirasto.fi/en/frontpage and https://www.regeringen.ax/understallda-myndigheter/alands-energimyndighet.
59. The quality and efficiency of the Finnish electricity sector is reflected in firms' perceptions. According to the World Bank Enterprise Surveys 2020 data for Finland, 2% of business owners and top managers identified electricity as the biggest obstacle to business activities in Finland, compared with 9% at the global level. Losses due to outages were reported to amount to 0.2% of annual sales, less than 5% of the global average for 153 economies. For more information, see https://www.enterprisesurveys.org/en/data/exploreeconomies/2020/finland.
60. Article 100 of the Electricity Market Act (Law No. 588 of 2013) establishes compensation for power service interruptions. In the five benchmarked cities in continental Finland, utilities must compensate their customers for interruptions longer than 12 hours, with increasing amounts based on the total duration. In Mariehamn, the local utility compensates customers for interruptions longer than 72 hours, as the region of Åland is composed of different islands and ferry schedules may not allow for faster service restoration in certain cases (according to consultations in April 2022 with the utility responsible for electricity distribution in Åland).
61. To measure the reliability of supply and the transparency of tariffs, this study uses an index scored from 0 to 8 points. The index measures the monitoring of power outages by the energy regulator; the use of automated systems to monitor service interruptions and restore supply; the existence of financial deterrents aimed at limiting outages; and whether effective tariffs are available online and customers are notified of a change in tariffs a full billing cycle in advance. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
62. This inspection is required for connections of 35 amperes or above in continental Finland; in Mariehamn (Åland), this requirement applies to connections of 20 amperes or above.
63. This according to interviews with distribution utilities, electrical contractors, and other private sector practitioners, carried out between November 2021 and April 2022.
64. Article 20 of the Electricity Market Act (Law No. 588 of 2013).
65. The Austrian regulator's website is available at https://www.e-control.at/marktteilnehmer/erhebungen/erhebungen-zur-qualitaet-der-netzdienstleistung.
66. Based on Article 20 of the Electricity Market Act (Law No. 588 of 2013) and on the pricing guidelines issued by the Energy Authority (https://energiavirasto.fi/documents/11120570/12768744/Liittymien-hinnoittelumenetelm%C3%A4t.pdf/4f688ec1-4da9-bf7c-2314-087ed394ac4c/Liittymien-hinnoittelumenetelm%C3%A4t.pdf?t=1593167892101#:~:text=Liittymien%20hinnoittelun%20tulee%20olla%20kohtuullista,sek%C3%A4%20tasapuolisia%20ja%20l%C3%A4pin%C3%A4kyv%C3%A4sti%20perusteltuja).
67. The French Energy Code (Article L342-11) specifies that urban planning commissions are to bear the cost of extension works for the electricity grid provided that the network extension can benefit future residents and firms.
68. World Bank. 2021. *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*. Washington, DC: World Bank; World Bank. 2018. *Doing Business in the European Union 2018: Croatia, Czech Republic, Portugal and Slovakia*. Washington, DC: World Bank.
69. Information on the percentage of paper transactions was provided by the NLS during consultative meetings as part of this study (March to April 2022).
70. In Finnish law, apartments are seen as movable property and the buildings are owned by housing companies (asunto-osakeyhtiö, fin). The apartment dwellers are considered shareholders.
71. The Real Estate Code (540/1995) (unofficial translation) is available at https://www.finlex.fi/fi/laki/kaannokset/1995/en19950540_19980964.pdf.
72. Information in English about the Property Transaction Service can be found at https://www.kiinteistoasiat.fi/english_info.
73. The requirements are based on the Real Estate Code 2:1.3.
74. The role of public purchase witness can be carried out by certain civil servants such as, public notaries, chief constables, chief bailiffs, and cadastral surveyors, or by private sector professionals (commonly, real estate agents) who have applied and received the right to act in this role. A search engine for public purchase witnesses is available online, at https://kaupanvahvistajarekisteri.nls.fi/public_html?command=browse.
75. Individuals can identify themselves electronically by using Finnish online bank accounts, mobile certificates or certificate cards.
76. Using the National Land Survey's website (https://turvaviesti.maanmittauslaitos.fi/), the client gets a secure email link for sending documents.
77. Information about submitting applications in Åland can be found at https://e-tjanster.ax/e-form/sv/4f52b832bd.
78. The conditions for being granted a permit are stated in the Provincial Regulation on the Land Acquisition Permit (2003:70) 6 §.
79. Average processing times are published on the NLS website, available at https://www.maanmittauslaitos.fi/en/application-processing-times. The applicant may ask the

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NLS for an individual estimate, as per the Administrative Procedure Act (434/2003) 23.2 §.

80. Based on unofficial estimates received in consultative meetings with the NLS in June 2022.
81. World Bank Group. 2011. "Leveraging Technology to Support Business Registration Reform: Insights from recent country experience." The Investment Climate in Practice Note Series No. 17. Washington, DC: World Bank Group.
82. The member states that have introduced service delivery standards are Bulgaria, Cyprus, Czechia, Estonia, Hungary, Ireland, Latvia, Lithuania, Malta, the Netherlands, Portugal, Romania, Slovakia, Spain, and Sweden.
83. European Commission. 2022. *The 2022 EU Justice Scoreboard*. Luxembourg: European Commission. Published on May 19, 2022. See figure 4, available at https://ec.europa.eu/info/files/eu-justice-scoreboard-2022_en.
84. Code of Judicial Procedure (4/1734; amendments up to 732/2015 included).
85. This study considers the applicable court to be the local court with jurisdiction over commercial contract cases worth 200% of income per capita.
86. Information about the Market Court is available at https://www.markkinaoikeus.fi/fi/.
87. There are 20 district courts in Finland, including the Swedish-speaking District Court of Åland in Mariehamn.
88. Applications for summonses in cases involving uncontested debts may be submitted to the district court using the electronic service of the judicial administration (Santra). E-services of the Justice Administration, available at https://asiointi2.oikeus.fi/karajaoikeus-haastehakemus/julkinen_ohje/listing.
89. Court Fees Act No. 1415 of December 11, 2015, Section 12, available at https://www.finlex.fi/fi/laki/ajantasa/2015/20151455#P12. As of January 1, 2022, the court fee for litigating at the district courts after the case is resolved through the main hearing is EUR 530. Decree of the Ministry of Justice on the revision of the fees stipulated in Section 2 of the Court Fees Act, available at https://finlex.fi/fi/laki/alkup/2021/20211122.
90. In 2021, 99.1% of civil cases (excluding application cases) were resolved through the written procedure. The average processing time for these civil cases was 2.63 months. Statistics available at the website of the Finnish judicial system (Tuomioistuinlaitos - oikeus.fi), https://oikeus.fi/tuomioistuimet/en/index/tuomioistuinlaitos/statistics.html.
91. National Enforcement Authority Finland, available at https://www.ulosottolaitos.fi/en/index.html#.
92. The enforcement application can also be filed by email or post or be delivered in person to a local enforcement office. The electronic enforcement service is available at https://www.ulosottolaitos.fi/en/index/informationonenforcement/tietoavelkojalle/ulosotonhakeminen.html#.
93. Enforcement Code (705/2007; amendments up to 987/2007 included), Ministry of Justice, Finland (unofficial translation), Chapter 5, Section 1, available at https://finlex.fi/fi/laki/kaannokset/2007/en20070705_20070987.pdf.
94. Chapter 5, Section 2, of the Enforcement Code allows enforcement officers to choose how to conduct the auctions, and there is the possibility of conducting them online. See https://huutokaupat.com/. Conversation with private sector contributor in Helsinki, February 2022.
95. In 2019, the District Court of Oulu resolved 123 civil disputes through mediation and 118 after a main hearing; in 2020, it resolved 107 disputes through mediation and 109 through a main hearing; and in 2021, there were 94 disputes decided through mediation and 118 through a main hearing. Statistics available at the website of the Finnish judicial system (Tuomioistuinlaitos - oikeus.fi), https://oikeus.fi/tuomioistuimet/en/index/tuomioistuinlaitos/statistics.html.
96. In 2021, the District Court of Oulu, staffed with 32 judges, received a total number of 35,479 cases, compared with 32,929 cases in 2020 and 37,093 in 2019. In the same period, the District Court of South West Finland in Turku, with its 40 judges, received a total of 60,911 cases in 2021; 59,611 cases in 2020; and 56,617 cases in 2019. The District Court of Ostrobothnia in Vaasa, with its 21 judges, showed even greater increases in the number of cases: it received 49,416 cases in 2021, up from 45,555 in 2020 and 28,641 in 2019. Statistics available on the website of the Finnish judicial system (Tuomioistuinlaitos - oikeus.fi).
97. The District Court of Oulu's 32 judges are divided into three departments: one department hears litigious civil cases (as well as family cases, mediation, and insolvency); the second one hears only criminal cases; and the third deals only with summary civil cases. 2021 Annual Report of the District Court of Oulu, see page 6, available at https://oikeus.fi/karajaoikeudet/oulunkarajaoikeus/fi/index/toimintakertomukset.html.
98. Information obtained from official statistics published on the website of the Finnish judicial system (Tuomioistuinlaitos - oikeus.fi).
99. National Court Administration Finland. Releases available at: https://tuomioistuinvirasto.fi/fi/index/ajankohtaista/tiedotteetjauutiset/2021/vuonna2020koronaviruspandemiaruuhkauttikarajaoikeudet.html.
100. Conversation with a district court judge in Mariehamn, held during the consultation period of this study (February to April 2022).
101. 2021 Annual Report of the District Court of Helsinki, page 16. The Court employs 99 judges, 180 office staff members, and 50 process servers. The report is available at https://oikeus.fi/karajaoikeudet/helsinginkarajaoikeus/fi/index/vuosikertomukset.html.
102. Application cases, which deal with different matters (such as registration of various rights, custody, family, or bankruptcy matters), are simpler and faster than litigation, as the applicant usually lacks a counterparty. Code of Judicial Procedure, Chapter 8, Section 1.
103. 2021 Annual Report of the District Court of Helsinki, page 11.
104. An enforcement fee is paid for pretrial attachment in the amount of EUR 225. List of enforcement fees available at https://ulosottolaitos.fi/en/index/informationonenforcement/enforcementfees.html.
105. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
106. Siro, Jukka. Blog post: "The most harmonious nation in Europe?" (unofficial translation of title). Finnish Association of Procedural Law, available at https://www.prosessioikeus.fi/euroopan-sopuisin-kansa/#_ftnref2.
107. Arbitration Act of Finland (967/1992; amendments up to 754/2015 included), unofficial translation, Ministry of Justice, Finland, available at https://www.finlex.fi/en/laki/kaannokset/1992/en19920967.pdf; Act on Mediation in Civil Matters and Confirmation of Settlements in General Courts (394/2011), unofficial translation, Ministry of Justice, Finland, available at https://www.finlex.fi/en/laki/kaannokset/2011/en20110394.pdf.
108. Laws that set time standards for key court events and are respected in practice are available in Bulgaria, Croatia, Greece, Hungary, Italy, Latvia, Malta, Portugal, Romania, and Slovenia.
109. Popova Oleksandra, Maroz Raman, and María Antonia Quesada Gámez. 2021. "The undeniable benefits of court automation." World Bank Blogs. Available at https://blogs.worldbank.org/developmenttalk/undeniable-benefits-court-automation.
110. Courts with specialized commercial jurisdictions are available in Austria, Belgium, Bulgaria, Croatia, France, Germany, Hungary, Ireland, Luxembourg, Poland, Romania, and Slovenia.
111. European Commission for the Efficiency of Justice (CEPEJ). 2019. *European Handbook for Mediation Lawmaking*. Strasbourg: CEPEJ. Avalable at https://rm.coe.int/cepej-2019-9-en-handbook/168094ef3c#_Toc9936429.
112. Article 69b of the German Court Fee Code (Gerichtskostengesetz – GKG), available (in German) at https://www.gesetze-im-internet.de/gkg_2004/BJNR071810004.html#BJNR071810004BJNG001101311.
113. Article 17 of Italian Legislative Decree 28/2010 states that all acts and documents related to mediation are exempt from stamp duty, all expenses, taxes, and other charges. The court may also order sanctions for parties who refuse to attempt mediation in good faith. For example, the judge can impose an additional payment on a party who declines to participate in the mediation process without a valid justification.
114. European Parliament. 2014. *Rebooting' the Mediation Directive: Assessing the Limited Impact of its Implementation and Proposing Measures to Increase the Number of Mediations in the EU*. Brussels: European Parliament. Available at https://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL-JURI_ET(2014)493042.

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City snapshots and indicator details

FINLAND

Helsinki

Business start-up (rank)	1
Score for business start-up (0–100)	88.66
Procedures (number)	3
Time (days)	33.5
Cost (% of income per capita)	0.9
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	4
Score for building permits (0–100)	71.89
Procedures (number)	16
Time (days)	157
Cost (% of warehouse value)	0.8
Building quality control index (0–15)	11

Electricity connection and supply (rank)	6
Score for electricity connection and supply (0–100)	85.95
Procedures (number)	5
Time (days)	70
Cost (% of income per capita)	21.7
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	3
Score for property transfer (0–100)	78.45
Procedures (number)	3
Time (days)	76.5
Cost (% of property value)	4.0
Quality of land administration index (0–30)	28

Commercial litigation (rank)	6
Score for commercial litigation (0–100)	65.04
Time (days)	540
Cost (% of claim value)	20.8
Quality of judicial processes index (0–18)	9.5

Mariehamn

Business start-up (rank)	6
Score for business start-up (0–100)	79.75
Procedures (number)	4
Time (days)	63
Cost (% of income per capita)	1.1
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	1
Score for building permits (0–100)	82.20
Procedures (number)	13
Time (days)	61.5
Cost (% of warehouse value)	0.5
Building quality control index (0–15)	11

Electricity connection and supply (rank)	1
Score for electricity connection and supply (0–100)	90.61
Procedures (number)	5
Time (days)	27
Cost (% of income per capita)	25.4
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	6
Score for property transfer (0–100)	60.95
Procedures (number)	7
Time (days)	153
Cost (% of property value)	4.0
Quality of land administration index (0–30)	28

Commercial litigation (rank)	5
Score for commercial litigation (0–100)	66.28
Time (days)	570
Cost (% of claim value)	15.3
Quality of judicial processes index (0–18)	9.5

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Oulu

Business start-up (rank)	1
Score for business start-up (0–100)	88.66
Procedures (number)	3
Time (days)	33.5
Cost (% of income per capita)	0.9
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	3
Score for building permits (0–100)	77.99
Procedures (number)	16
Time (days)	73
Cost (% of warehouse value)	0.8
Building quality control index (0–15)	11

Electricity connection and supply (rank)	4
Score for electricity connection and supply (0–100)	87.17
Procedures (number)	5
Time (days)	59
Cost (% of income per capita)	13.6
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	79.28
Procedures (number)	3
Time (days)	76.5
Cost (% of property value)	4.0
Quality of land administration index (0–30)	29

Commercial litigation (rank)	1
Score for commercial litigation (0–100)	70.38
Time (days)	420
Cost (% of claim value)	15.3
Quality of judicial processes index (0–18)	9.5

Tampere

Business start-up (rank)	1
Score for business start-up (0–100)	88.66
Procedures (number)	3
Time (days)	33.5
Cost (% of income per capita)	0.9
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	5
Score for building permits (0–100)	71.58
Procedures (number)	16
Time (days)	156
Cost (% of warehouse value)	1.1
Building quality control index (0–15)	11

Electricity connection and supply (rank)	2
Score for electricity connection and supply (0–100)	89.86
Procedures (number)	5
Time (days)	34
Cost (% of income per capita)	21.3
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	79.28
Procedures (number)	3
Time (days)	76.5
Cost (% of property value)	4.0
Quality of land administration index (0–30)	29

Commercial litigation (rank)	2
Score for commercial litigation (0–100)	69.56
Time (days)	450
Cost (% of claim value)	15.3
Quality of judicial processes index (0–18)	9.5

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Turku

Business start-up (rank)	1
Score for business start-up (0–100)	88.66
Procedures (number)	3
Time (days)	33.5
Cost (% of income per capita)	0.9
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	6
Score for building permits (0–100)	68.72
Procedures (number)	15
Time (days)	214
Cost (% of warehouse value)	0.9
Building quality control index (0–15)	11

Electricity connection and supply (rank)	5
Score for electricity connection and supply (0–100)	86.28
Procedures (number)	5
Time (days)	67
Cost (% of income per capita)	19.9
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	3
Score for property transfer (0–100)	78.45
Procedures (number)	3
Time (days)	76.5
Cost (% of property value)	4.0
Quality of land administration index (0–30)	28

Commercial litigation (rank)	3
Score for commercial litigation (0–100)	68.60
Time (days)	485
Cost (% of claim value)	15.3
Quality of judicial processes index (0–18)	9.5

Vaasa

Business start-up (rank)	1
Score for business start-up (0–100)	88.66
Procedures (number)	3
Time (days)	33.5
Cost (% of income per capita)	0.9
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	2
Score for building permits (0–100)	80.03
Procedures (number)	15
Time (days)	63
Cost (% of warehouse value)	0.5
Building quality control index (0–15)	11

Electricity connection and supply (rank)	3
Score for electricity connection and supply (0–100)	87.33
Procedures (number)	5
Time (days)	57
Cost (% of income per capita)	30.0
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	3
Score for property transfer (0–100)	78.45
Procedures (number)	3
Time (days)	76.5
Cost (% of property value)	4.0
Quality of land administration index (0–30)	28

Commercial litigation (rank)	3
Score for commercial litigation (0–100)	68.60
Time (days)	485
Cost (% of claim value)	15.3
Quality of judicial processes index (0–18)	9.5

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BUSINESS START-UP IN FINLAND – PROCEDURES REQUIRED TO SET UP A BUSINESS, BY CITY				
Standard company legal form: osakeyhtiö (oy) *Paid-in minimum capital requirement: none* *Data as of: April 30, 2022*		**Helsinki, Oulu, Tampere, Turku, Vaasa**	**Mariehamn**	**Comments**
1. Submit a single start-up notification form to the Finnish Patent and Registration Office (PRH) and the Tax Administration as well as VAT registration	Time (days)	32		Limited liability companies in Finland must be registered with the Trade Register of the Finnish Patent and Registration Office (PRH). All registrations to the Trade Register and to the Tax Administration are performed with the same basic declaration. Companies that sell goods or services for more than EUR 15,000 per accounting period (12 months) must also be entered in the VAT register. If the company has employees, the company must be entered into the Employer Register which happens at the same time as company registration. It is possible to register a business online provided that the company's share capital and the subscription price of the shares are zero euros, and the standard articles of association are sufficient. Companies with a share capital above zero euros must follow the paper-based process. After registration is completed, the applicant will receive an extract from PRH and the registered articles of association both by email and regular mail.
	Cost (EUR)	240 (online startup notification); 380 (startup notification in paper)		
2. File at a private insurer for pension insurance, accident insurance, and medical insurance of employees	Time (days)	1		Under the statutory pension insurance scheme, an employer must subscribe its employees for pension insurance with a pension provider handling earnings-related pensions. The employer also pays the pension institution statutory employee earnings-related contributions, such as accident insurance, unemployment insurance, and group life assurance premium.
	Cost (EUR)	No cost		
3. File information about beneficial owners with PRH	Time (days)	Less than one day (online procedure)		Newly registered limited liability companies must register beneficial ownership information. The notification can be filed online at ytj.fi and it is free of charge.
	Cost (EUR)	No cost		
4. Obtain a business permit (procedure applies only in Mariehamn)*	Time (days)	n.a.	30	A business permit is necessary to start a business in Åland. The government of Åland verifies the language of operations, the company's domicile, the nature of the company's activities and the de facto rootedness in the Åland Islands of the company and its activities including the use of local labor, services, and raw materials.
	Cost (EUR)	n.a.	80 for a temporary license; 100 for a permanent license	

Source: Data collected for this publication.

n.a. = not applicable

*Takes place simultaneously with previous procedure.

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LIST OF PROCEDURES
BUILDING PERMITS

FINLAND

Helsinki

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Obtain official opinion on the connection of the wastewater drain and water pipeline
Agency: Helsinki Region Environmental Services Authority (HSY)
Time: 14 days
Cost: No cost (included in the connection fee)

Procedure 2*. Schedule pre-planning meeting
Agency: Helsinki Building Supervision Authority
Time: 14 days
Cost: No cost (included in the building permit)

Procedure 3*. Obtain building permit maps and proof of ownership
Agency: Helsinki Environmental Services
Time: 3 days
Cost: EUR 268 [EUR 250 (maps) + EUR 18 (proof of ownership)]

Procedure 4*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 5. Obtain building permit
Agency: Helsinki Building Supervision Authority
Time: 105 days
Cost: EUR 8,521 [EUR 5.9 per square meter + EUR 847 for each building]

Procedure 6. Schedule start-up meeting
Agency: Helsinki Building Supervision Authority
Time: 15 days
Cost: No cost (included in the building permit)

Procedure 7. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 8. Receive foundation work inspection
Agency: Helsinki Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 9. Receive location inspection
Agency: Helsinki Environmental Services (City Measuring Unit)
Time: 1 day
Cost: EUR 1,908

Procedure 10. Receive structure inspection
Agency: Helsinki Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Receive ventilation inspection
Agency: Helsinki Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 12. Receive sewer and water pipeline inspection
Agency: Helsinki Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 13. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 14. Request and obtain water and sewage connection
Agency: Helsinki Region Environmental Services Authority (HSY)
Time: 14 days
Cost: EUR 6,594 [EUR 5,371.5 (connection fee) + EUR 1,222.4 (construction work)]

Procedure 15. Receive fire inspection
Agency: Helsinki Rescue Department
Time: 1 day
Cost: EUR 102

Procedure 16. Receive final inspection
Agency: Helsinki Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Mariehamn

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Obtain building permit maps, real estate extract and proof of ownership
Agency: Mariehamn Community Infrastructure Department (Surveying Unit)
Time: 1 day
Cost: EUR 92 [EUR 55.72 (official plot map) + EUR 18 (real estate extract) + EUR 18 (proof of ownership)]

Procedure 2*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 3. Obtain building permit
Agency: Mariehamn Building Supervision Authority
Time: 35 days
Cost: EUR 7,254 [EUR 5.28 per square meter + EUR 289.61 (base fee) + EUR 97.14 (fee for approval of lead work manager)]

Procedure 4. Schedule start-up meeting
Agency: Mariehamn Building Supervision Authority
Time: 4 days
Cost: No cost (included in the building permit)

Procedure 5. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6. Receive foundation work inspection
Agency: Mariehamn Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 7. Receive location inspection
Agency: Mariehamn Community Infrastructure Department (Surveying Unit)
Time: 1 day
Cost: EUR 523

Procedure 8. Receive sewer and water pipeline inspection
Agency: Mariehamn Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

**Takes place simultaneously with previous procedure.*

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Procedure 9. Receive structure inspection
Agency: Mariehamn Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 10. Receive ventilation inspection
Agency: Mariehamn Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 12. Request and obtain water and sewage connection
Agency: Mariehamn Water and Sewage Works
Time: 14 days
Cost: EUR 2,200 (connection fee)

Procedure 13. Receive final inspection
Agency: Mariehamn Building Supervision Authority and Public Rescue Service
Time: 1 day
Cost: No cost (included in the building permit)

Oulu

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Schedule pre-planning meeting
Agency: Oulu Building Supervision Authority
Time: 14 days
Cost: No cost (included in the building permit)

Procedure 2*. Obtain official opinion on the connection of the wastewater drain and water pipeline
Agency: Oulu Waterworks
Time: 7 days
Cost: No cost (included in the connection fee)

Procedure 3*. Obtain building permit maps and proof of ownership
Agency: Oulu Environmental Services
Time: 2 days
Cost: EUR 46 [EUR 32.18 (maps) + EUR 14 (proof of ownership)]

Procedure 4*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 5. Obtain building permit
Agency: Oulu Building Supervision Authority
Time: 30 days
Cost: EUR 10,374 [EUR 7.3 per square meter + EUR 565 for each building + 3 x EUR 105 (foreman approvals)]

Procedure 6. Schedule start-up meeting
Agency: Oulu Building Supervision Authority
Time: 7 days
Cost: No cost (included in the building permit)

Procedure 7. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 8. Receive foundation work inspection
Agency: Oulu Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 9. Receive location inspection
Agency: Oulu Building Supervision Authority
Time: 1 day
Cost: EUR 401

Procedure 10. Receive structure inspection
Agency: Oulu Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Receive ventilation inspection
Agency: Oulu Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 12. Receive sewer and water pipeline inspection
Agency: Oulu Building Supervision Authority and Oulu Waterworks
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 13. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 14. Request and obtain water and sewage connection
Agency: Oulu Waterworks
Time: 14 days
Cost: EUR 5,846 [EUR 4,838 (connection fee) + EUR 358 (water meter installation) + EUR 650 (water fee)]

Procedure 15. Receive fire inspection
Agency: Oulu-Koillismaa Rescue Department
Time: 1 day
Cost: No cost

Procedure 16. Receive final inspection
Agency: Oulu Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit cost

Tampere

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Schedule pre-planning meeting
Agency: Tampere Building Supervision Authority
Time: 14 days
Cost: No cost (included in the building permit)

Procedure 2*. Obtain official opinion on the connection of the wastewater drain and water pipeline
Agency: Tampere Waterworks
Time: 7 days
Cost: No cost (included in the connection fee)

Procedure 3*. Obtain building permit maps and proof of ownership
Agency: Tampere Map Services
Time: 3 days
Cost: EUR 114 [EUR 100 (maps) + EUR 14 (proof of ownership)]

Procedure 4*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 5. Obtain building permit
Agency: Tampere Building Supervision Authority
Time: 120 days
Cost: EUR 10,955 [EUR 8 per square meter + EUR 550 for each building]

**Takes place simultaneously with previous procedure.*

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Procedure 6. Schedule start-up meeting
Agency: Tampere Building Supervision Authority
Time: 10 days
Cost: No cost (included in the building permit)

Procedure 7. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost (included in the building permit)

Procedure 8. Receive foundation work inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 9. Receive location inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: EUR 900

Procedure 10. Receive structure inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Receive ventilation inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 12. Receive sewer and water pipeline inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 13. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 14. Request and obtain water and sewage connection
Agency: Tampere Waterworks
Time: 4 days
Cost: EUR 12,021 [EUR 6,010.62 (wastewater drain connection fee) + EUR 6,010.62 (water connection fee)]

Procedure 15. Receive fire inspection
Agency: Pirkanmaa Rescue Department
Time: 1 day
Cost: EUR 125

Procedure 16. Receive final inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Turku

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Obtain official opinion on the connection of the wastewater drain and water pipeline
Agency: Turku Waterworks
Time: 7 days
Cost: No cost (included in the connection fee)

Procedure 2*. Obtain building permit maps and proof of ownership
Agency: Turku Environmental Services Office
Time: 3 days
Cost: EUR 114 [EUR 100 (maps) + EUR 14 (proof of ownership)]

Procedure 3*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 4. Obtain building permit
Agency: Turku Building Supervision Authority
Time: 180 days
Cost: EUR 8,394 [EUR 6.10 per square meter + EUR 460 for each building]

Procedure 5. Schedule start-up meeting
Agency: Turku Building Supervision Authority
Time: 14 days
Cost: No cost (included in the building permit)

Procedure 6. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 7. Receive foundation work inspection
Agency: Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 8. Receive location inspection
Agency: Turku Environmental Services and Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 9. Receive structure inspection
Agency: Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 10. Receive ventilation inspection
Agency: Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Receive sewer and water pipeline inspection
Agency: Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 12. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 13. Request and obtain water and sewage connection
Agency: Turku Waterworks
Time: 5 days
Cost: EUR 9,953 (connection fee)

Procedure 14. Receive fire inspection
Agency: Varsinais-Suomi Rescue Department
Time: 1 day
Cost: EUR 111 (fire inspection fee which includes 2 hours of work)

Procedure 15. Receive final inspection
Agency: Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

**Takes place simultaneously with previous procedure.*

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Vaasa

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Schedule pre-planning meeting
Agency: Vaasa Building Supervision Authority
Time: 14 days
Cost: No cost (included in the building permit)

Procedure 2*. Obtain official opinion on the connection of the wastewater drain and water pipeline
Agency: Vaasa Water
Time: 7 days
Cost: No cost (included in the connection fee)

Procedure 3*. Obtain building permit maps and proof of ownership
Agency: Vaasa Real Estate Office and Measuring Services
Time: Less than one day (online procedure)
Cost: EUR 81 [EUR 67 (maps) + EUR 14 (proof of ownership)]

Procedure 4*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 5. Obtain building permit
Agency: Vaasa Building Supervision Authority
Time: 32 days
Cost: EUR 6,253 [EUR 4.50 per square meter + EUR 400 for each building]

Procedure 6. Schedule start-up meeting
Agency: Vaasa Building Supervision Authority
Time: 6 days
Cost: No cost (included in the building permit)

Procedure 7. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 8. Receive location inspection
Agency: Vaasa Real Estate Office and Measuring Services
Time: 1 day
Cost: EUR 915 (for building over 600m^2)

Procedure 9. Receive structure inspection
Agency: Vaasa Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 10. Receive ventilation inspection
Agency: Vaasa Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Receive sewer and water pipeline inspection
Agency: Vaasa Building Supervision Authority and Vaasa Water
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 12. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 13. Request and obtain water and sewage connection
Agency: Vaasa Water
Time: 4 days
Cost: EUR 3,750 (connection fee)

Procedure 14. Receive fire inspection
Agency: Pohjanmaa Rescue Department
Time: 1 day
Cost: EUR 100 (includes two hours of work)

Procedure 15. Receive final inspection
Agency: Vaasa Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

**Takes place simultaneously with previous procedure.*

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BUILDING PERMITS IN FINLAND – BUILDING QUALITY CONTROL INDEX	All cities	
	Answer	Score
Building quality control index (0–15)		**11**
Quality of building regulations index (0–2)		2
How accessible are building laws and regulations in your economy? (0–1)	Available online; Free of charge.	1
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0–1)	List of required documents; Fees to be paid; Required preapprovals.	1
Quality control before construction index (0–1)		1
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0–1)	Licensed architect; Licensed engineer.	1
Quality control during construction index (0–3)		2
What types of inspections (if any) are required by law to be carried out during construction? (0–2)	Inspections at various phases.	1
Do legally mandated inspections occur in practice during construction? (0–1)	Mandatory inspections are always done in practice.	1
Quality control after construction index (0–3)		3
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0–2)	Yes, final inspection is done by government agency.	2
Do legally mandated final inspections occur in practice? (0–1)	Final inspection always occurs in practice.	1
Liability and insurance regimes index (0–2)		1
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0–1)	No party is held liable under the law.	0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use? (0–1)	Law does not require it, but insurance is commonly obtained.	1
Professional certifications index (0–4)		2
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0–2)	Minimum number of years of experience; University degree in architecture or engineering.	1
What are the qualification requirements for the professional who supervises the construction on the ground? (0–2)	Minimum number of years of experience; University degree in engineering, construction or construction management.	1

Source: Data collected for this publication.

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ELECTRICITY CONNECTIONS AND SUPPLY IN FINLAND – PROCEDURES REQUIRED TO OBTAIN A NEW ELECTRICITY CONNECTION, BY CITY

Data as of: April 30, 2022

Name of utility:		Helen Sähköverkko Oy	Mariehamns Energi AB	Oulun Energia Sähköverkko Oy	Tampereen Sähköverkko Oy	Turku Energia Sähköverkot Oy	Vaasan Sähköverkko Oy	
		Helsinki	**Mariehamn**	**Oulu**	**Tampere**	**Turku**	**Vaasa**	**Comments**
1. Submit connection order request to utility	Time (days)	13	7	10	4	10	12	The client submits an order request for a new connection through an online form or in person at a service point. When the client has submitted the order request (including the blueprints of the building's internal wiring and information about the location of the connection point), the utility company prepares an initial connection plan. Finally, the utility company prepares a connection agreement and sends it to the client to be signed. In Helsinki, the required documents can be submitted through an online portal for contractors (Urakoitsija Online). In Mariehamn, an approved local business license is also needed to apply for an electricity connection.
	Cost (EUR)	No cost						
2. Receive external works from the utility	Time (days)	42	14	38	24	45	30	The utility company plans and carries out the connection works from the existing electricity grid to the border of the client's property. First, the utility company applies for the required permits (typically, a siting agreement (sijoitussopimus) and an excavation permit (kaivulupa). The excavation and connection works outside the property are carried out by the utility company's subcontractor. The client's electrician is required to submit a document stating that the internal wiring complies with regulations. In Mariehamn, the utility company has a permanent permit for works, so it only has to inform the city government. The cost is based on zone, capacity, and fuse size.
	Cost (EUR)	8,629	10,681 (EUR 7,261 for 100 meters + EUR 3,420 for the remaining 50 meters)	5,187	8,639	7,850	12,680 (For connections over 3 x 100 A, pricing is calculated on a case-by-case basis. The capacity reservation fee for this case is EUR 8,000 and the connection costs are EUR 4,680)	
3. Sign supply contract with electricity supplier*	Time (days)	1	1	1	1	1	1	When the client has completed the connection agreement with the utility company, they will receive a location code that is needed to enter into an electricity sales agreement. The client can then make an electricity sales agreement with any electricity supplier they choose. This is typically done online or on the phone. The electricity supplier and the local electricity network company exchange information through a coordinated national database named Datahub. In Mariehamn, the client is automatically assigned to Mariehamns Energi as their electricity supplier if they do not make an active choice for another electricity supplier.
	Cost (EUR)	No cost						
4. Request and receive meter installation	Time (days)	14	5	10	5	11	14	The client's contractor orders metering directly from the utility company confirming that a commissioning inspection (conducted by the contractor that carried out the internal wiring installation) has been completed. The utility company then schedules the meter installation with a subcontractor. In Turku, a separate metering fee is charged, while in other cities, metering is included in the cost of a new connection. In Vaasa, the meter request can be made simultaneously with construction works, but it can only be activated once works are completed.
	Cost (EUR)	No cost	No cost	No cost	No cost	310	No cost	
5. Order third-party inspection and receive inspection certificate	Time (days)	1	1	1	1	1	1	The contractor orders a verification inspection (varmennustarkastus) from a certified third-party inspector. Inspection can be done up to 3 months after the building has been handed over to the user. One calendar day is required to conduct the verification inspection. In Mariehamn this inspection is commonly conducted by a certified inspector from Mariehamns Energi.
	Cost (EUR)	800	325	700	600	500	350	

Source: Data collected for this publication.

*Takes place simultaneously with previous procedure.

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ELECTRICITY CONNECTIONS AND SUPPLY IN FINLAND – RELIABILITY OF SUPPLY AND TRANSPARENCY OF TARIFFS INDEX	
Reliability of supply and transparency of tariffs index (0–8)	**8 (all cities)**
Total duration and frequency of outages per customer a year (0–3)	3 (all cities)
System average interruption duration index (SAIDI)	0.14 (Helsinki) 0.10 (Mariehamn) 0.14 (Oulu) 0.16 (Tampere) 0.20 (Turku) 0.22 (Vaasa)
System average interruption frequency index (SAIFI)	0.07 (Helsinki) 0.50 (Mariehamn) 0.73 (Oulu) 0.70 (Tampere) 0.46 (Turku) 0.60 (Vaasa)
Mechanisms for monitoring outages (0–1)	1 (all cities)
Does the distribution utility use automated tools to monitor outages?	Yes (all cities)
Mechanisms for restoring service (0–1)	1 (all cities)
Does the distribution utility use automated tools to restore service?	Yes (all cities)
Regulatory monitoring (0–1)	1 (all cities)
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes (all cities)
Financial deterrents aimed at limiting outages (0–1)	1 (all cities)
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes (all cities)
Communication of tariffs and tariff changes (0–1)	1 (all cities)
Are effective tariffs available online?	Yes (all cities)
Are customers notified of a change in tariff ahead of the billing cycle?	Yes (all cities)

Source: Data collected for this publication.

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PROPERTY TRANSFER IN FINLAND – PROCEDURES REQUIRED TO TRANSFER A PROPERTY, BY CITY

Property value: EUR 2,170,436 *Data as of: April 30, 2022*		**Helsinki, Oulu, Tampere, Turku, Vaasa**	**Mariehamn**	**Comments**
Seller and buyer sign the sale agreement and have it witnessed by a public purchase witness	Time (days)	1		The parties can prepare the sale agreement on their own either on paper or online in the Property Transaction Service without any involvement of a lawyer or a real estate agent. More than 90% of the transactions are conducted on paper. No matter what option is chosen, an agreement that concerns the sale of real property must contain at least the following information: the intent to convey property, the object being sold, details about the parties, and the sales price and any other compensation or consideration. When the parties transfer a property on paper, the sale agreement must be signed in the presence of a public purchase witness. The witness verifies the identities of the parties, checks the property's identification number, ascertains that the formalities laid down in the Real Estate Code have been met, and informs the National Land Survey of the transaction by filling out an electronic form. If asked, the public purchase witness can also apply for title registration on behalf of the buyer together with this notification. To access the electronic Property Transaction Service, the representatives of the parties must log in via secure electronic identification and sign the deed, after which the process of title registration commences automatically. If the parties use this service, the total cost for registering a title is EUR 197 (which includes the fees for registration and signing the sale agreement).
	Cost (EUR)	120		
Buyer obtains an extract from the cadastre and an extract from the cadastral index map[a]	Time (days)	n.a.	Less than one day (online procedure)	The documents can be ordered online via the National Land Survey of Finland's e-service and are delivered as pdfs by email.
	Cost (EUR)	n.a.	36 (EUR 18 for each extract)	
Buyer obtains certificates from the Population Information System[a]	Time (days)	n.a.	Less than one day (online procedure)	Certificates for the land acquisition permit can be ordered online via the self-service of the Digital and Population Data Services Agency and delivered as pdfs.
	Cost (EUR)	n.a.	50 (EUR 10 for each extract)	
Buyer obtains a trade register extract and an electronic extract of the articles of association[a]	Time (days)	n.a.	Less than one day (online procedure)	The documents can be bought online and saved as pdfs via the Finnish Patent and Registration Office's e-service Virre.
	Cost (EUR)	n.a.	5.20 in total excluding VAT (EUR 2.60 for each extract)	
Buyer applies for the land acquisition permit[a]	Time (days)	n.a.	60	Unless certain conditions described in regional legislation are met, the buyer must apply for a land acquisition permit with the government of Åland within three months of the signing of the sale agreement. The application can be delivered either using an electronic online form or by filling out a form and sending it by post or email. The government of Åland may grant an individual land acquisition permit for a company after examining its application. The buyer may be given a permit if it has been based in Åland continuously from its establishment or at least for five years; if the property is suitable for its intended use; and if at least two-thirds of the members of the company board have regional citizenship in Åland or have been living there for the past five years or longer. If all members of the board fill said requirement and the company has been based in the region continuously since its establishment or for at least five years, the permit shall be granted unless there are special grounds to deny it.
	Cost (EUR)	n.a.	150	
Buyer submits the transfer tax return and pays the tax	Time (days)	Less than one day (online procedure)		The transfer tax must be filed online via MyTax and paid either through MyTax or online banking to the Finnish Tax Administration within six months of the signing of the sale agreement. The buyer receives a certificate of the paid transfer tax electronically in MyTax and via mail, which does not need to be enclosed in the title registration application, as the National Land Survey of Finland is notified of the payment automatically. If the buyer fails to file and pay the necessary transfer tax in time, the Finnish Tax Administration may impose a late-filing penalty or an increased tax. In case of the payment itself being overdue, the buyer shall pay late-payment interest.
	Cost (EUR)	86,817 (4% of the price paid for the property)		
Buyer applies for title registration	Time (days)	75	90	The buyer is under an obligation to register its title to the property in the National Land Survey of Finland's title and mortgage register within six months of the signing of the deed. Failure to do so does not lead to the company losing its right to apply for registration, but its transfer tax will automatically increase by 20% for every six-month period thereafter, the maximum increase being 100%. The increase will have to be paid regardless of whether the transfer tax itself has been paid previously. If the purchase has been made on paper, the buyer can either ask the public purchase witness to initiate the application for it or fill out a form, which can be delivered to the National Land Survey of Finland via mail or secure email or in person at a customer service point. When using the Property Transaction Service, the buyer does not have to apply for title registration separately, as the application is initiated automatically in the system.
	Cost (EUR)	144		

Source: Data collected for this publication.
n.a. = not applicable
[a] Procedures to obtain documents to apply for the land acquisition permit in Mariehamn.

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PROPERTY TRANSFER IN FINLAND – QUALITY OF LAND ADMINISTRATION INDEX		
	Answer	Score
Quality of the land administration index (0–30)		**29 (Tampere, Oulu) 28 (Helsinki, Turku, Vaasa, Mariehamn)**
Reliability of infrastructure index (0–8)		8 (all cities)
In what format are land title certificates kept at the immovable property registry—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Fully digital	2
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)? (0–1)	Yes	1
In what format are cadastral plans kept at the mapping agency—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Fully digital	2
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)? (0–1)	Yes	1
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases, or in separate databases? (0–1)	Single database	1
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties? (0–1)	Yes	1
Transparency of information index (0–6)		5 (all cities)
Whether information on land ownership is made publicly available without providing the title certificate number at the agency in charge of immovable property registration? (0–1)	Anyone who pays the official fee	1
Is the list of documents that are required to complete all types of property transactions made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Is the applicable fee schedule for all types of property transactions at the agency in charge of immovable property registration made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Does the agency in charge of immovable property registration formally commit to deliver a legally binding document proving ownership within a specific timeframe–and if so, how does it communicate the service standard? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration? (0–1)	Yes	1
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency? (0–0.5)	Yes, online	0.5
Are cadastral plans made publicly available? (0–0.5)	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made easily publicly available—and if so, how? (0–0.5)	Yes, online	0.5
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency? (0–0.5)	Yes	0.5
Geographic coverage index (0–8)		8 (all cities)
Are all privately held land plots in the economy formally registered at the immovable property registry? (0–2)	Yes	2
Are all privately held land plots formally registered at the immovable property registry in the measured city? (0–2)	Yes	2
Are all privately held land plots in the economy mapped? (0–2)	Yes	2
Are all privately held land plots mapped in the measured city? (0–2)	Yes	2
Land dispute resolution index (0–8)		8 (Tampere, Oulu) 7 (Helsinki, Turku, Vaasa, Mariehamn)
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties? (0–1.5)	Yes	1.5 (all cities)
Is the system of immovable property registration subject to a state or private guarantee? (0–0.5)	Yes	0.5 (all cities)

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PROPERTY TRANSFER IN FINLAND – QUALITY OF LAND ADMINISTRATION INDEX (continued)		
	Answer	Score
Is there a specific out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry? (0–0.5)	Yes	0.5 (all cities)
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)? (0–0.5)	Yes	0.5 (all cities)
Does the legal system require verification of the identity of the parties to a property transaction? (0–0.5)	Yes	0.5 (all cities)
Is there a national database to verify the accuracy of government issued identity documents? (0–1)	Yes	1 (all cities)
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)? (0–3)	Less than 1 year (Tampere, Oulu) Between 1 and 2 years (Helsinki, Turku, Vaasa, Mariehamn)	3 (Tampere, Oulu) 2 (Helsinki, Turku, Vaasa, Mariehamn)
Are there publicly available statistics on the number of land disputes in the first-instance court? (0–0.5)	Yes	0.5 (all cities)
Equal access to property rights index (-2–0)		**0 (all cities)**
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0
Do married men and married women have equal ownership rights to property?	Yes	0

Source: Data collected for this publication.

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COMMERCIAL LITIGATION IN FINLAND – TIME, COST AND QUALITY OF JUDICIAL PROCESSES, BY CITY

	Time (days)				**Cost** (% of claim)				**Quality of judicial processes index** (0–18)				
City	Filing and service	Trial and judgment	Enforcement of judgment	Total time	Attorney fees	Court costs	Enforcement costs	Total cost	Court structure and proceedings (-1–5)	Case management (0–6)	Court automation (0–4)	Alternative dispute resolution (0–3)	Total score (0–18)
Helsinki	14	420	106	540	17.0	3.5	0.3	20.8	1.5	3.0	2.5	2.5	9.5
Mariehamn	14	450	106	570	12.5	2.5	0.3	15.3	1.5	3.0	2.5	2.5	9.5
Oulu	14	300	106	420	12.5	2.5	0.3	15.3	1.5	3.0	2.5	2.5	9.5
Tampere	14	330	106	450	12.5	2.5	0.3	15.3	1.5	3.0	2.5	2.5	9.5
Turku	14	365	106	485	12.5	2.5	0.3	15.3	1.5	3.0	2.5	2.5	9.5
Vaasa	14	365	106	485	12.5	2.5	0.3	15.3	1.5	3.0	2.5	2.5	9.5

Source: Data collected for this publication.

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COMMERCIAL LITIGATION IN FINLAND – QUALITY OF JUDICIAL PROCESSES INDEX	Answer	Score
Quality of judicial processes index (0–18)		**9.5 (all cities)**
Court structure and proceedings (-1–5)		**1.5**
1. Is there a court or division of a court dedicated solely to hearing commercial cases? (0–1.5)	No	0
2. Small claims court (0–1.5)		0
2.a. Is there a small claims court or a fast-track procedure for small claims?	No	
2.b. If yes, is self-representation allowed?	n.a.	
3. Is pretrial attachment available? (0–1)	Yes	1
4. Are new cases assigned randomly to judges? (0–1)	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's? (-1–0)	Yes	0
Case management (0–6)		**3**
1. Time standards (0–1)		0
1.a. Are there laws setting overall time standards for key court events in a civil case?	No	
1.b. If yes, are the time standards set for at least three court events?	n.a.	
1.c. Are these time standards respected in more than 50% of cases?	n.a.	
2. Adjournments (0–1)		0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	Yes	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report? (0–1)	Yes	1
4. Is a pretrial conference among the case management techniques used before the competent court? (0–1)	Yes	1
5. Are there any electronic case management tools in place within the competent court for use by judges? (0–1)	Yes	1
6. Are there any electronic case management tools in place within the competent court for use by lawyers? (0–1)	No	0
Court automation (0–4)		**2.5**
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court? (0–1)	No	0
2. Is it possible to carry out service of process electronically for claims filed before the competent court? (0–1)	Yes	1
3. Can court fees be paid electronically within the competent court? (0–1)	Yes	1
4. Publication of judgments (0–1)		0.5
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0–3)		**2.5**
1. Arbitration (0–1.5)		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation (0–1.5)		1
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	

Source: Data collected for this publication.
n.a. = not applicable

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