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# How to set up a company in Finland

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# How to set up a company in Finland

## 4.11.2025

- ◆ How to set up a company
- ◆ Startup grant

# Business Espoo

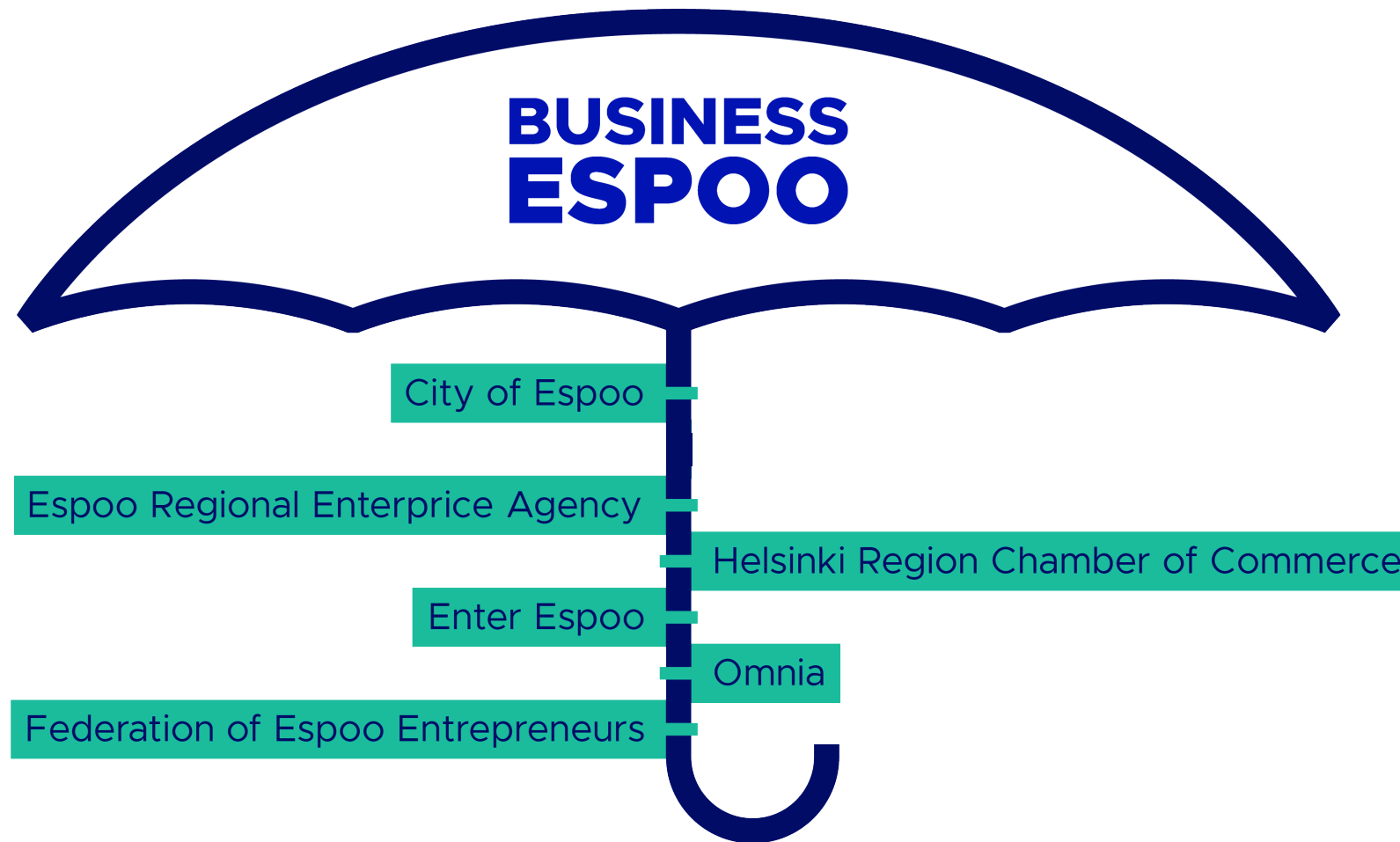
## ◇ Helping companies thrive

- Confidential, free of charge advisory
- Advisory network includes legal houses, accountants, advertisement agencies etc service by appointment
- For Espoo and Kauniainen residents, or if you want to set up a company in Espoo/Kauniainen
- Sparring, discussion, business development – we are here to help you in setting up a company in Finland and being an entrepreneur
- Book a meeting online: [click here!](#)



# We are Business Espoo

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## Free guide to starting a business

- ◆ Get a free paper copy from our office or download free of charge at: <https://uusyrityskeskus.fi/>
- ◆ The most reliable information on starting a business in Finland can be found on the websites of Enterprise Centres, the tax administration and the National Board of Patents and Registration (ely.fi, vero.fi, prh.fi)

# Many forms of entrepreneurship

- ▶ Self employed “light entrepreneurship”
- ▶ Part-time entrepreneurship
- ▶ Full-time entrepreneurship
- ▶ Buying an existing business
- ▶ Franchising
- ▶ Testing your business idea using the 4-month unemployment benefit
- ▶ Which one of the above suits your current situation?

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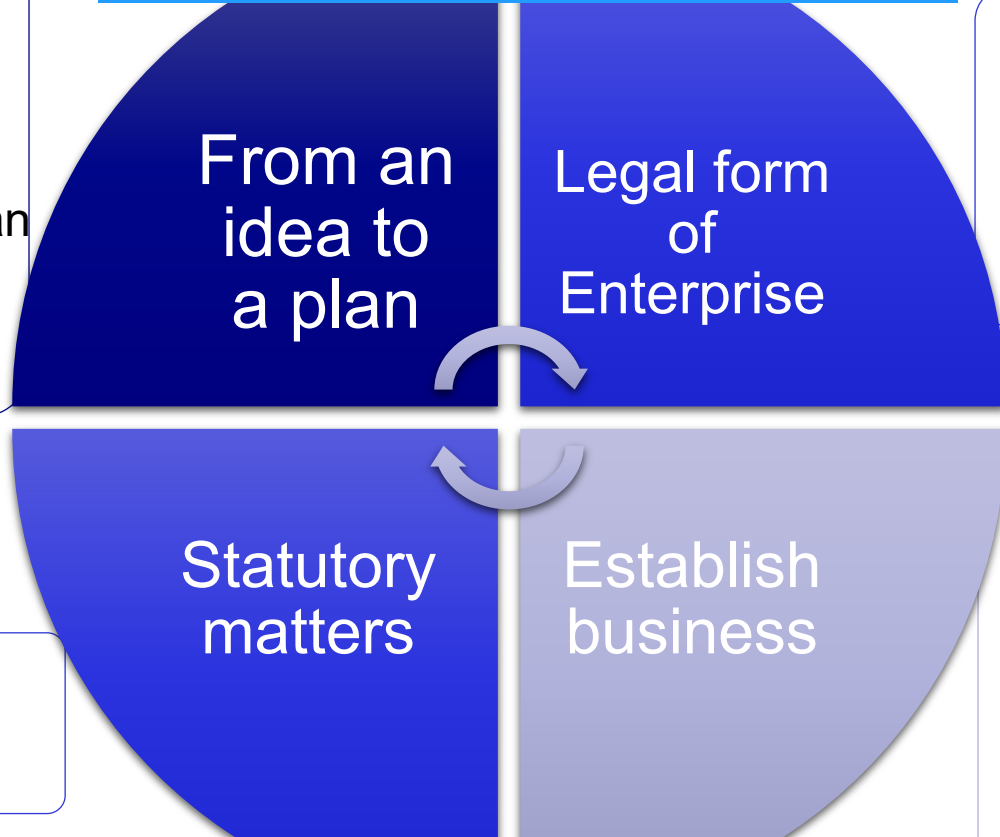


# Phases of setting up a company

**Business Plan Make it count!**  
Who  
What  
To whom  
Where  
With what  
Whose money

Profitability  
Cash flow  
Financing plan

Permits/Licence Acquire financing



**Sole Trader**  
**Partnerships:** General / Limited  
**Limited Liability Company**  
**Co-Operative**

Apply Start-up Grant

**Accounting**  
**YEL insurance**

**File a start-up notification via BIS at ytj.fi**  
Single notice filing to:  
Trade Register  
VAT Register  
Prepayment Register  
Employer Register  
**Paper forms may be required**

Apply Development Grant, Loans etc

## Business plan

- Work with the idea, clarify for yourself: What am I about to do?
- Able to simplify to another person what your business is about
- It's needed for funding applications
- It forms the base for personal business advisory
- [Download business plan and calculation templates](#)



# Forms of enterprise

## Sole trader (Tmi)

- ▶ Registration fee € 70, online BIS € 70
- ▶ Easy to establish, change or close down
- ▶ One-man or family business
- ▶ Can hire employees
- ▶ Spouses can share profit according to work contribution/share of ownership
- ▶ Personal liability for the enterprise's debts and other commitments
- ▶ No salary for entrepreneur, but can only withdraw funds for personal use through taking into private use
- ▶ Taxation based on result ie. distributable income, divided into capital income and salaried income. Withdrawals are not counted as company expense
- ▶ Net assets as base for Capital Income Tax

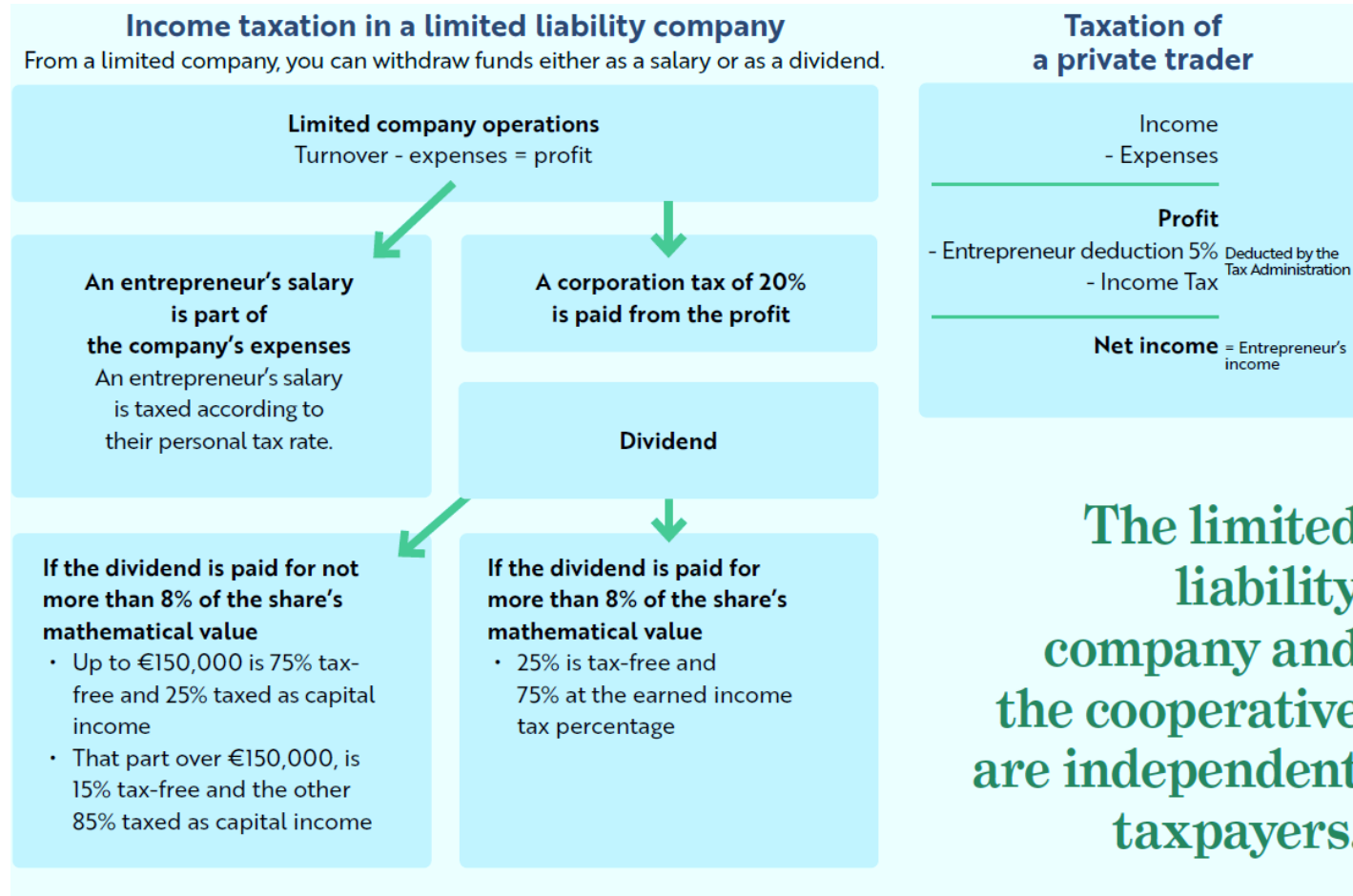
# Forms of enterprise

## Limited liability company (Oy)

- ▶ Registration fee € 370
- ▶ Electronic BIS notification € 280 (Fin ID required)
- ▶ Set up by one or more people or companies
- ▶ Please note: The board must have at least one regular member and one deputy member
- ▶ Personal liability is limited to the amount invested
- ▶ No minimum share capital needed from July 1<sup>st</sup> 2019\*
- ▶ Pays independently corporate tax 20 % on profits
- ▶ Can pay salary and/or dividends
- ▶ Salaries are subject to personal income tax; dividends are subject to income tax or tax on capital 30/34%
- ▶ When a team of two or more, a shareholder agreement is recommended
- ▶ 2025 Registration includes beneficial owners in the limited company, read more: [https://www.prh.fi/en/kaupparekisteri/beneficial\\_owner\\_details.html](https://www.prh.fi/en/kaupparekisteri/beneficial_owner_details.html)

**\* Zero capital will require an investment to operate, no changes to rules concerning loss of equity.**

# Private Trader vs. Limited Liability Co.



- Turnover size should also be taken into consideration
- Please note that your field of business also matters to selection of business form
- Different notification/permit application requirements for private trader and limited liability company

# Registering your business

- ◆ Business Information System [www.ytj.fi](http://www.ytj.fi)
- ◆ PRH (Finnish Patent and Registration Office)
- ◆ Tax Office
- ◆ **Note: Contact information (=Yhteystiedot) is optional**
- ◆ Be aware of telephone/ email scams

Tallenna ilmoitus keskeneräisenä << Edellinen Tallenna 4 / 4 keskeneräisenä >> valmiina >>

**Ilmoituksen sisältö (4 / 4): osoite- ja yhteystiedot** [Ohje](#) [Tulosta sivu](#)

4.1 Postiosoite 4.2 Käyntiosoite **4.3 Yrityksen yhteystiedot** 4.4 Tiedot Verohallintoon

<< Käyntiosoite Tiedot Verohallintoon >>

**Yhteystiedot**

Puhelin

Matkapuhelin

Sähköposti

Kotisivun osoite

Tyhjennä

**i** Tässä voit antaa yrityksen muita yhteystietoja. Ne ovat julkisia tietoja, jotka näkyvät YTJ-yrityshaussa (www.ytj.fi).

Yrityksen osoite- ja yhteystietojen muuttaminen on aina maksutonta.

<< Käyntiosoite Tiedot Verohallintoon >>

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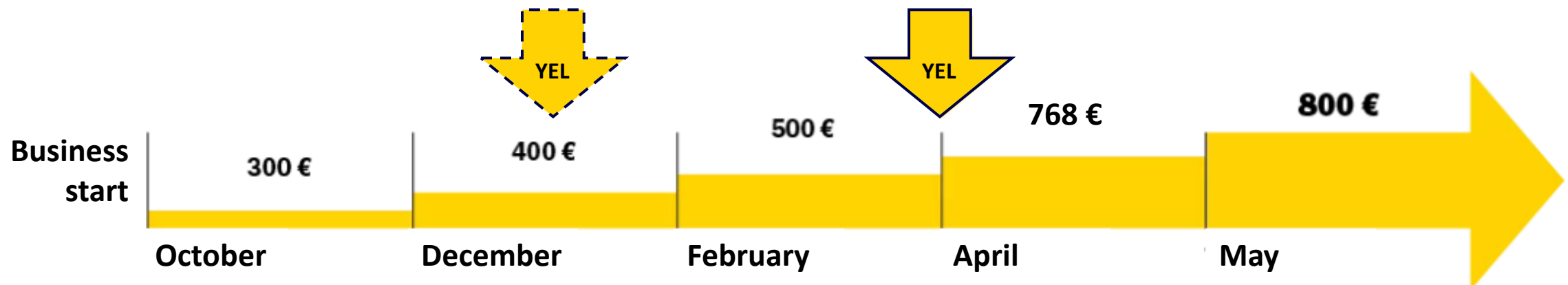
# Social security for entrepreneurs

- ◆ In theory, only legally required insurance is Entrepreneurs Pension Insurance (YEL)
- ◆ In practice, operational insurances are required (personal liability, legal expences; if employer, employee's insurances)
- ◆ Annual YEL-income (annual working income): idea to match actual annual salary paid for similar work; 2025 YEL can vary between 9 208,43 and 209 125 Euros.
- ◆ Entrepreneur can join entrepreneurs' unemployment fund (<https://yrittajakassa.fi/>) and thus enjoy right for daily allowance. Minimum of 15 128 Euro YEL-income required 2025.
- ◆ Please note that annual YEL work income forms the basis for all allowances paid by Kela (sickness, accident, maternity, parental allowances) - that is entrepreneurs' whole social security is determined via YEL-income!
- ◆ YEL-percentages 2025:
  - below 53 and over 62 years 24,1 %
  - above 53 years, but under 62 years 25,6 %
  - 22 % discount for the first 48 months**
- ◆ Also note that YEL is a deductible expense.

# When do I need YEL-insurance?

**Annual work income level 9208,43 € means 768 €/month**

- ◆ When distributable income reaches 767 € becomes YEL required
- ◆ Note: also 4 months continuous, full-time entrepreneurship regardless of income



Source: Keskinäinen Työeläkevakuutusyhtiö ELO, <https://www.elo.fi/fi-fi/yrittaja/aloittava-yrittaja>

# Financing your business

- ◆ Self financing
- ◆ Bank loan
- ◆ Grants
- ◆ Crowdfunding
- ◆ Investors, business angels, VC's

0 x 0 = ZERO; you can't start a business without any capital

- ◆ Startup grant is not for investments!



# Marketing


- ◆ Without marketing no one will know that you exist
- ◆ Know your customer – not only for banks!
- ◆ Who are your customers and how to reach them?
- ◆ How to make them come back?
- ◆ Digital world



# Grants and subsidies

- ◆ Generally, all supports/loans are focused on development and/or internationalization.
- ◆ Centre for Economic Development, Transport and the Environment (ELY centre)  
[www.ely-keskus.fi](http://www.ely-keskus.fi)
- ◆ Business Finland (funding requires a team, min. 2 py)
  - **Innovation Voucher** is no longer available via Business Finland. However, a similar support is available by EU IPO office, which is intended for small, well-established businesses younger than 5 years and who have a new product or service idea with international growth potential and for which the company **needs external expertise**. Please check: <https://www.euipo.europa.eu/fi/sme-corner/sme-fund/2025>
  - **Tempo funding** is intended for Finnish limited liability companies: startups, SMEs and mid cap companies *aiming for international growth* that have solid, innovative idea that clearly differs from other expertise and solutions available at international markets.

# Startup grant 1/3

- ◆ Startup grant is discretionary and can be granted to fulltime entrepreneurs by the applicant's own municipality's employment services.
- ◆ **Business advisory does not decide about startup grant. Questions about startup grant must be addressed to [starttiraha@espoo.fi](mailto:starttiraha@espoo.fi)**
- ◆ The first period is 6 months, usually 1-2 periods.
- ◆ In 2025, the startup grant is 37,21 € /per workday, approximately 800 € /month, for the first six-month period (minus tax).
- ◆ Startup grant is paid in monthly arrears and must be applied through via  E-services at <https://tyomarkkinatori.fi> (maksatushakemus). Remember to ask for a tax card for benefits from tax office.

# Startup grant 2/3

## Conditions for the grant:

- ◆ NOTE: A startup grant application needs to be submitted before fulltime entrepreneurship starts
- ◆ Enterprise is capable of profitable operations
- ◆ Sufficient entrepreneurship competence: entrepreneurship experience or training
- ◆ Sufficient competence in the line of business
- ◆ Entrepreneur will work in the business full-time
- ◆ In general, do not receive wages or benefits from other than the startup grant or own company
- ◆ Entrepreneur must not have tax liabilities or debts in recovery
- ◆ Business activities could not be started without a startup grant
- ◆ Startup grant will not distort competition

# Startup grant 3/3

Apply for a startup grant via Työmarkkinatori website by logging in (up-to-date information about start-up grant: <https://tyomarkkinatori.fi/en/more-information-about-services/start-up-grant>)

**One must visit business advisory and submit the following documents with your application:**

1. Business and financing plans (reviewed by business advisor)
2. Tax liability certificate, no more than 3 months old (applicant has no unpaid taxes, easily to be downloaded as pdf, [www.mytax.fi](http://www.mytax.fi))
3. A loan promise or equivalent in writing, if there is a need for financing
4. A written preliminary agreement on premises if they are required for starting operations
5. Report/agreement on any debts in recovery from the execution authority
6. Any other documents requested by the expert at the city employment services

**Thank you!**

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