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**BusinessEspoo.com**



# How to set up a creative business in Finland

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# Business Espoo

Helping companies thrive

- Confidential, free advisory
- Support for Business Plan creation
- Advisory network includes legal houses, accountants, advertisement agencies etc. service by appointment
- Espoo and Kauniainen
- Sparring, discussion, business development – help for all questions related to business
- Book a meeting online: [click here!](#)



# We are Business Espoo

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# Immigrants' path to Entrepreneurship

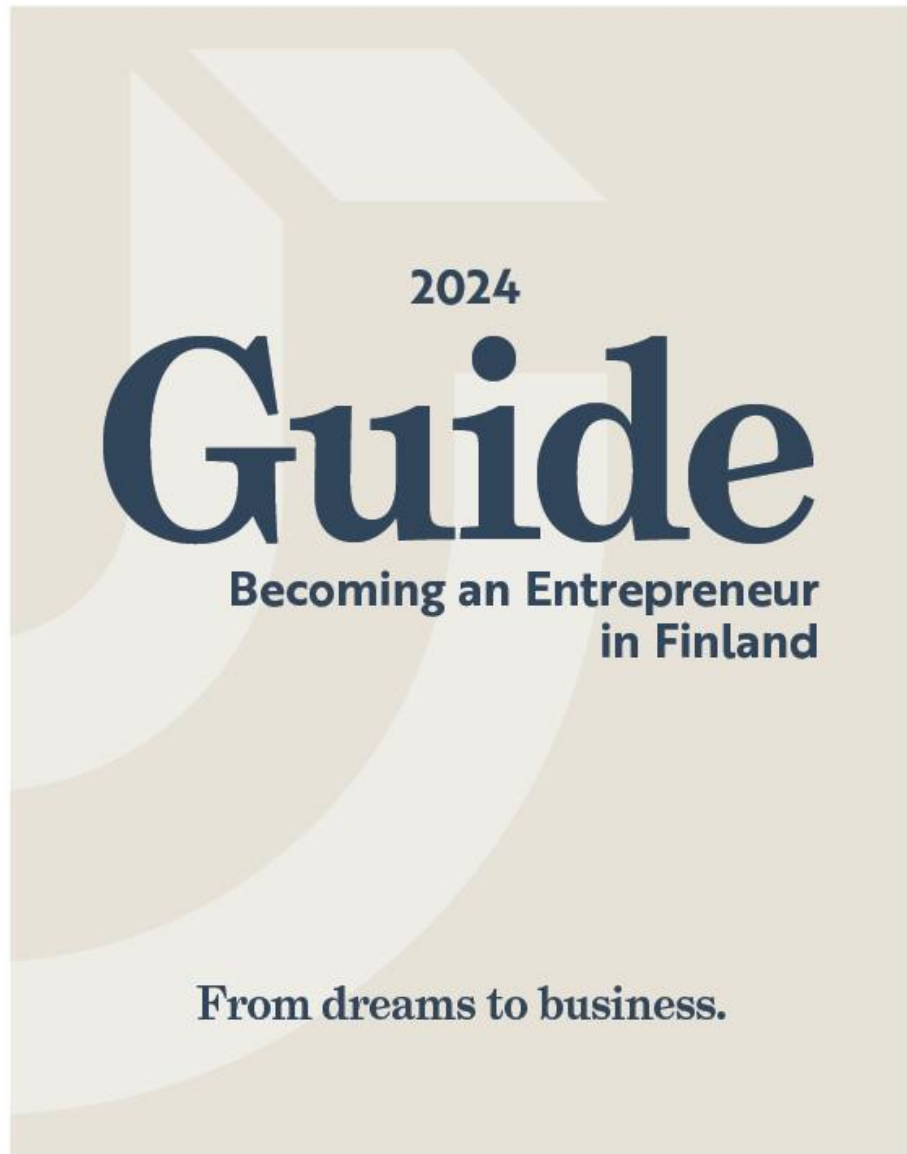
- Goal to clarify and ease up finding of information about entrepreneurship
- Events, short online courses in planning
- Project is funded by ESR+ 2021-2027



Euroopan unionin  
osarahoittama

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## Free materials: Entrepreneur guide in English

- ▶ Entrepreneur guide can be downloaded free of charge at:  
<https://uusyrityskeskus.fi/en/help-for-entrepreneurs/guide-to-entrepreneurship/>
- ▶ The most reliable information on starting a business in Finland can be found on the websites of Enterprise Centres, the Employment Office, the tax authority 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?

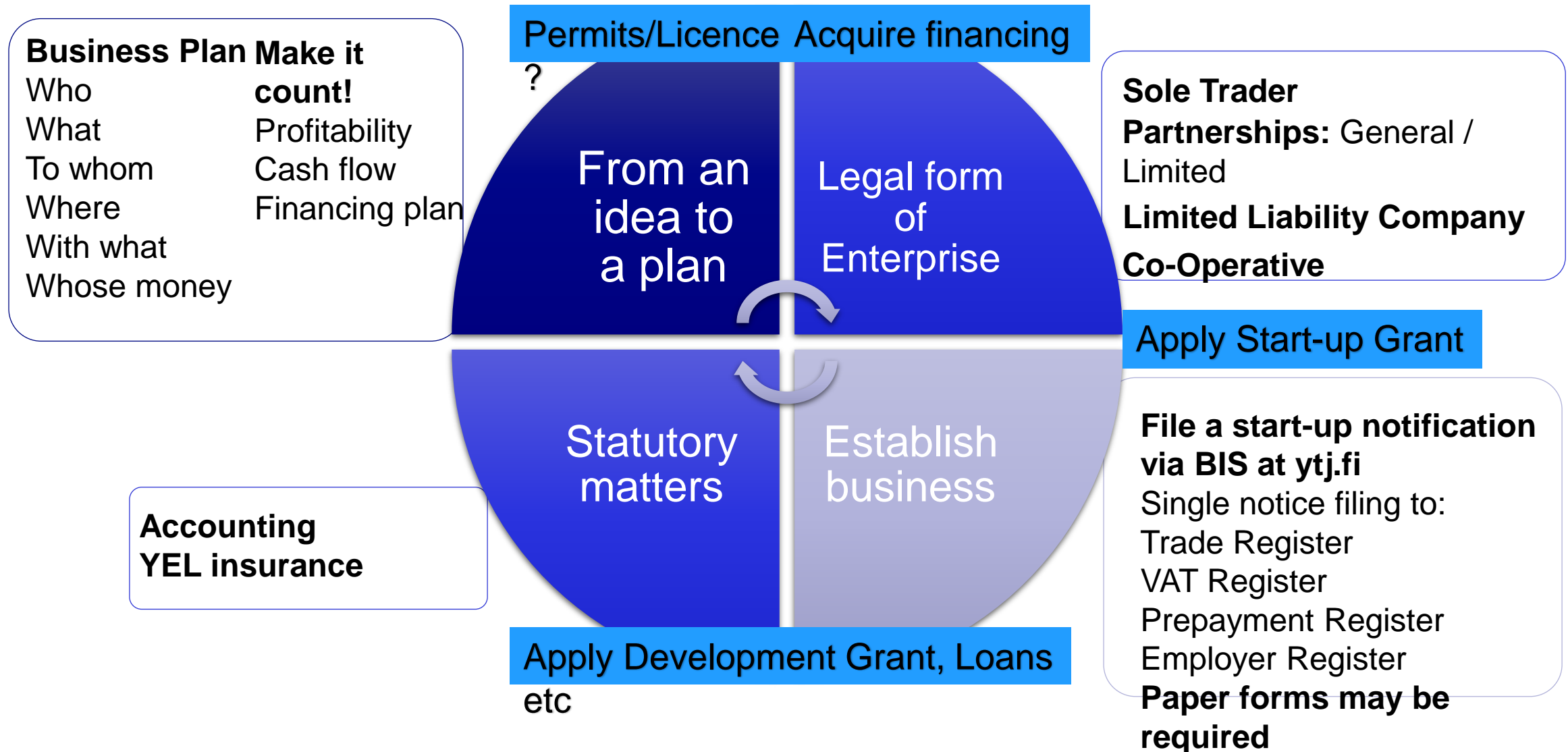
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# Foreigner's Permits

- ◆ In most cases, if you reside longer than 90 days, a residence permit is required
- ◆ No work is allowed to be carried out without a correct permit
- ◆ If you are an entrepreneur in a limited liability company and hold alone at least 30 % or more of the shares, you will apply for entrepreneur's residence permit
- ◆ Sole trader, if national of 3rd country (Non-EU) and already residing in Finland, must confirm their residence status (in Digital and Population Data Service Agency) before registering company/establishing business ID
- ◆ Student who applied extension after graduation, must apply entrepreneurs' residence permit at once the plan to establish company has emerged
- ◆ Always check your status with Migri, <https://migri.fi/en/work-in-finland>  
Note: most often grounds for current permit must remain the same

# Phases of setting up a company





# 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](#)



## FINANCING THE BUSINESS ACTIVITY

This form helps you to survey the costs for starting up your business (NEED FOR MONEY) and to plan the financing of the business operation (MONEY SOURCES). Think carefully about: which acquisitions are important and justified from the company's point of view? How much working capital do you need to manage? How much stock do you need to reach the sales target? Can you or the shareholders invest money, apparatus or tools in the company? Do you need to take a loan? From where will you take it and what will the costs be?

NEED FOR MONEY (before starting the business)		€
INVESTMENTS	If applicable, purchase price of the business	
	Initial expenses	
	Means of production/IT	
	Contributions in kind (already existing tools etc.)	
	Mobile phone	
	Installation work	
	Car	
	Furniture	
	Renovation	
	Office material	
WORKING CAPITAL 1-3 MONTHS	Website, brochures	
	Office rent/rent deposit	
	Apparatus / leasing	
	Entrepreneur's own income	
CURRENT AND LIQUID ASSETS	Employees' wages	
	Other working capital expenditure	
	Initial stock	
	Cash reserve	
<b>MONEY NEED IN ALL</b>		<b>0</b>

Registration fee for private traders (Tmi) is 60 €, limited companies (Oy) 275 €

Please evaluate here the value of the existing equipment and tools you already have for the business.

MONEY SOURCES (how are you going to finance initial costs?)		€
PAID-UP CAPITAL	Own apparatus	0
	Own investments	
	Share capital, not required from 1.7.2019 on	
BORROWED CAPITAL	Bank loan	
	Finnvera loan	
	Other loans (from friends, family etc.)	
	Others (for example credit limit etc.)	
<b>MONEY SOURCES IN ALL</b>		<b>0</b>

When you are starting up a business activity you have to remember that the **NEED FOR MONEY = MONEY SOURCES.**

Difference between the need for money and money sources, €

The difference between the need for money and money sources should be 0

# Forms of Enterprise

## Sole trader (Tmi)

- ▶ Registration fee 70 EUR
- ▶ 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 EUR
- ▶ Electronic BIS notification 280 EUR (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
- ▶ 2024 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.**

# 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; 2024 YEL can vary between 9 010,28 and 204 625 EUR
- ◆ Entrepreneur can join entrepreneurs' unemployment fund (<https://yrittajakassa.fi/> ) and thus enjoy right for daily allowance. Minimum of 14 803 EUR YEL-income required 2024.
- ◆ 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 2024:
  - below 53 and over 62 years 24,1 %
  - above 53 years, but under 62 years 25,6 %
  - 22 % discount for the first 48 months**

# Financing your business

- ◆ Self financing
- ◆ Bank loan
- ◆ Grants
- ◆ Crowdfunding
- ◆ VC's

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

- ◆ Start up 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?





# Grants and subsidies

- 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 persons)
  - **Innovation Voucher** is intended for SMEs engaged in well-established business and who have a new product or service idea with international growth potential and for which the company **needs external expertise**. The innovation voucher aims to find new business opportunities for businesses to support business growth and encourage new businesses to innovate
  - **Tempo funding** is intended for Finnish limited liability companies: startups, SMEs and mid cap companies aiming for international growth that have the desire and ability to build their expertise and solutions into an international success story in innovative ways.

# Startup grant

- ◆ Start-up grant is discretionary and can be granted to fulltime entrepreneurs by TE-Office, and
- ◆ **until 31<sup>st</sup> December 2024 handling may be carried out by either the applicant's own municipality or by employment services in the TE Offices. From 2025, only municipalities shall assess the applications.**
- ◆ The first period is 6 months, usually 1-2 periods
- ◆ In 2024, the start-up grant is 37,21 EUR per workday, approximately 740 EUR/month, for the first six-month period (minus tax)
- ◆ Start-up grant is paid in monthly arrears and must be applied through TE-services via <https://tyomarkkinatori.fi> (maksatushakemus). Remember to ask for a tax card for benefits from tax office.

# Startup grant 2/3

## Conditions for the grant:

- ▶ **Business activities have not been started before the grant decision**
- ▶ Enterprise is capable of profitable operations
- ▶ Sufficient entrepreneurship competence: entrepreneurship experience or training
- ▶ Sufficient competence in the line of business
- ▶ Entrepreneur works in the business full-time
- ▶ Entrepreneur does not receive wages or benefits other than the start-up grant
- ▶ Entrepreneur must not have tax liabilities or debts in recovery
- ▶ Business activities could not be started without a start-up grant
- ▶ Start-up grant will not distort competition

# Startup grant 3/3

**Apply for a start-up grant via Työmarkkinatori website (<https://tyomarkkinatori.fi>) by logging in at TE-Services**

**One must submit the following documents with your application:**

1. Business and financing plans
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

## What are the creative industries?

- Scalable businesses, such as entertainment industries games, tv, film and music
- Tailored service businesses, such as design service and strategic design
- Unique and experience based businesses, such as events and performances
  
- The biggest creative export industries in Finland are games, audiovisual production (tv, film, animation, postproduction) and music.
- Finland also has a strong legacy in design related industries (product design, service design, fashion) and literature. We also foster a very vivid local performing arts sector. (Source: Luovien.fi)



## More resources and services for you

- Luovien.fi is a handbook on Finnish creative economy and industries
  - [English | Luovien.fi](#)
- Creative Finland is a media and network offering an insight into Finland's creative economy
  - [About us | Creative Finland](#)
- Aalto Startup Center helps research-based startups to build sustainable businesses by coaching
  - [Join the Aalto Startup Center Business Generator in Aalto University](#)



**What kind of business  
could you start?**

**Thank you!**

# **BUSINESS ESPOO**

**To book a time at Business Espoo**

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