# FINLAND

## PRIVATE LIMITED COMPANY (OY)
## CLIENT GUIDE 2026

Company formation, Finnish taxation
and annual compliance

Professional company formation
and ongoing corporate administration

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# Finland Private Limited Company (Oy) at a Glance

The osakeyhtiö (Oy) is Finland's standard private limited liability company. It is a separate legal entity formed by registration in the Finnish Trade Register. A private Oy may be established by one or more shareholders and, since Finland abolished the minimum capital requirement for private limited companies, it may be registered with EUR 0 share capital.

| Topic | Current legal / practical position |
|---|---|
| **Shareholders** | One or more shareholders. Individuals, companies and other organisations may hold shares. |
| **Foreign ownership** | Foreign ownership is generally possible. Foreign persons and corporate shareholders use the full online start-up notification rather than the simplified guided package where its eligibility conditions are not met. |
| **Board** | A board of directors is mandatory. If the board has fewer than three ordinary members, at least one deputy member is generally required. |
| **EEA residence** | At least one ordinary board member and one possible deputy member, and the managing director if appointed, generally need permanent residence in the EEA unless PRH grants a permit. |
| **Registered office** | The articles state a Finnish municipality as the company's registered office. |
| **Minimum capital** | EUR 0 for a private Oy. PRH records zero share capital where no share capital is contributed. |
| **Official registration fee** | EUR 400 for the full 2026 online start-up notification used for structures such as corporate shareholders, foreign persons without Finnish identity codes, share capital or customised articles. |
| **Corporate income tax** | 20% in 2026. |
| **VAT** | 25.5% standard; reduced 13.5% and 10%; specified international supplies are zero-rated. |

## Key Benefits for International Clients

- No statutory minimum share capital for a private Oy.
- Mainstream EU and euro-area company with a highly digital Trade Register and tax administration.
- 20% corporate income-tax rate in 2026.
- Many qualifying dividends received by a Finnish company from Finnish or EU/EEA corporate entities can be tax-exempt, subject to statutory exceptions and conditions.
- Qualifying disposals of fixed-asset shares can be exempt from corporate income tax where the participation-exemption requirements are met.
- Strong R&D incentives: 50% general additional deduction, 45% growth-based extra deduction and, for qualifying research-organisation cooperation, a temporary 150% additional deduction through tax year 2027.

## Important 2026 Tax Position

**Finland has targeted 0% participation outcomes - not a blanket offshore exemption**

An ordinary Finnish Oy is taxed at 20% and Finland is not a territorial or foreign-source-exempt corporate regime. However, qualifying corporate dividends and qualifying capital gains on fixed-asset shares can be tax-exempt under participation rules. The precise payer, ownership, asset classification, holding and anti-abuse conditions must be checked before treating income as 0%.

# Ownership, Taxation & International Relief

| Topic | Current legal / practical position |
| --- | --- |
| **Tax residence** | A Finnish-incorporated Oy is a Finnish corporate taxpayer. Finnish resident corporate entities are taxed on taxable income under Finnish rules; a foreign entity can also become Finnish-resident if its place of effective management is in Finland. |
| **Corporate tax** | 20% for limited companies in tax year 2026. |
| **Beneficial owners** | All private limited companies must report beneficial-owner details. A beneficial owner is generally a natural person who owns more than 25% or holds more than 25% of voting rights, or otherwise exercises actual control. |
| **UBO filing** | Beneficial-owner details are filed with the Trade Register and must be kept current. PRH introduced a EUR 300 negligence fee process in 2026 for companies that fail to file after a reminder deadline. |
| **Financial statements** | Every Oy must file approved financial statements for each financial period with the Trade Register, even if inactive. |
| **Tax return** | Corporate return Form 6B is generally due within four months after the end of the last calendar month of the accounting year. |

## Corporate Income Tax - 20%

The Finnish Tax Administration confirms a 20% corporate income-tax rate for limited companies in 2026. The company is an independent taxpayer. Foreign ownership or billing customers abroad does not by itself change this rate or make profits foreign-source exempt.

### Participation exemption: potential genuine 0% corporate tax

Finnish corporate taxation contains important participation relief. Dividends received by a Finnish company are, with statutory exceptions, often exempt when paid by Finnish or EU/EEA corporate entities. Capital gains from qualifying fixed-asset shareholdings can also be tax-free; corresponding losses are generally non-deductible. A holding structure must be tested against the detailed Business Income Tax Act requirements.

## R&D Deductions in 2026

The general additional R&D deduction is 50% of qualifying wages and purchased-service expenses, with a EUR 5,000 minimum deduction and EUR 500,000 maximum. A further 45% extra deduction applies to qualifying growth in R&D expenditure, capped at EUR 500,000. Separately, qualifying R&D cooperation invoices from research organisations can generate a 150% additional deduction in tax years 2022-2027.

## Dividends to Non-Resident Companies

The domestic source-tax rate on dividends paid to a non-resident corporate entity is generally 20%. EU law, the Parent-Subsidiary framework and Finland's tax treaties can reduce or eliminate withholding where the relevant residence, ownership and other conditions are satisfied. Nominee-registered listed shares have separate identification and withholding rules.

## VAT - 25.5%, 13.5%, 10% and 0%

The standard VAT rate is 25.5%. From 1 January 2026, the principal reduced rate previously at 14% is 13.5%. Newspapers and magazines remain at 10%. Zero-rating applies to specified international transactions, including exports outside the EU and qualifying intra-EU supplies to VAT-liable buyers.

# Formation Process & Documents Required

**1. Structure and Finnish tax review 2. Company name and Finnish registered-office municipality 3. Shareholder / board / UBO KYC 4. Memorandum of association and articles 5. Determine shares and any share capital 6. Electronic YTJ start-up notification 7. Trade Register registration and Business ID 8. Tax Administration registrations 9. Beneficial-owner, VAT, employer and sector registrations where applicable**

From 1 January 2026, limited-company start-up notifications are filed electronically. PRH's full online notification is used where, for example, shareholders include companies or other organisations, not all relevant persons have Finnish identity codes, the company has share capital or standard articles are insufficient. The company must be submitted for registration within three months after signing the memorandum of association.

# Official Capital & Registration Fee

A Finnish private Oy has no minimum share-capital requirement and can be registered with EUR 0 share capital. PRH's current 2026 handling fee for the full online start-up notification is EUR 400. The simplified guided package has its own eligibility rules and fee. Notarial, apostille, translation, banking and professional costs depend on the structure and are therefore quoted separately.

## Documents Required from the Client

- Passport / acceptable ID for shareholders, board members, managing director and beneficial owners.
- Recent proof of residential address for foreign persons.
- For corporate shareholders: registry extract, constitutional documents, authorised representatives and ownership chain.
- Proposed company name, Finnish municipality of registered office and business activities.
- Share allocation, any share capital and board / representation arrangements.
- Beneficial-owner details and control structure.
- Expected countries, customers, suppliers, turnover and transaction profile.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Certified translations, apostille or other authentication where required.

## Accounting, Annual Accounts & Audit

Every limited company must prepare financial statements and file them with the Finnish Trade Register for each financial period. PRH requires filing within eight months after the end of the financial period. Most companies can transmit the financial statements through the corporate income-tax filing when the Tax Administration's instructions are followed.

### Statutory audit threshold

An auditor must generally be appointed where at least two of these thresholds were exceeded in both the ended and immediately preceding financial period: balance sheet EUR 100,000; net sales / comparable revenue EUR 200,000; average employees more than 3. Audit can also be required by the articles or special statutory status.

## Annual Compliance Checklist

- Keep Trade Register address, board and representation details current.
- Keep beneficial-owner information current.
- Maintain statutory accounting records and supporting documentation.
- Prepare, approve and file financial statements within eight months.
- File Form 6B corporate tax return within the applicable four-month deadline.
- File VAT, payroll and employer reports where applicable.
- Document R&D deductions and participation exemptions before claiming them.
- Review transfer pricing, treaty, EU-directive and withholding-tax requirements.
- Reassess statutory audit obligations annually.

# International Business & Tax Planning

Finland is a mainstream EU jurisdiction with a 20% corporate income-tax rate, not an offshore or territorial-tax location. Its strongest international tax advantages arise from participation exemptions, EU and treaty relief, foreign-tax mechanisms and substantial R&D deductions rather than from a blanket exemption for foreign-source trading income.

### When can a Finnish Oy legitimately achieve 0% corporate tax on specific income?

Qualifying dividends received by a Finnish corporate shareholder can be tax-exempt, and qualifying capital gains on fixed-asset shares can also be exempt. These are genuine participation-based 0% outcomes, not a general 0% company regime. Ordinary trading and service profits remain subject to 20% corporate tax after allowable deductions, losses and incentives.

## R&D and Growth Companies

Finland is particularly attractive where a company carries out genuine research and development. The 50% general additional deduction, 45% growth-based extra deduction and temporary 150% research-cooperation deduction can materially reduce taxable profit when the statutory conditions and documentation requirements are met.

## How BRIS Group Supports You

**Structure & tax review -** Assess Oy suitability, 20% corporate tax, participation exemptions, R&D deductions, VAT, withholding, EU directives and treaties.

**Company formation -** Coordinate foreign shareholder documents, memorandum / articles, board, registered office, YTJ and Trade Register registration.

**KYC / UBO -** Coordinate shareholder, board, beneficial-owner and source-of-funds / source-of-wealth due diligence.

**Accounting & compliance -** Coordinate bookkeeping, annual financial statements, Form 6B corporate tax, VAT, payroll and audit support where required.

**Banking -** Prepare corporate and KYC documentation and coordinate Finnish / international banking support where available.

## Professional Fees & Official Sources

### Professional fees are quoted separately

This guide is informational and is not a fee quotation. BRIS Group professional fees and third-party costs - including registered office support, translations, accounting, tax, VAT, audit, licensing, immigration and banking assistance - are quoted separately according to the services required.

Official sources reviewed for this 2026 guide: Finnish Tax Administration (Vero) - 2026 corporate tax rate, VAT rates, R&D deductions, tax-return deadlines, residence and non-resident dividend taxation; Finnish Patent and Registration Office (PRH) - Oy formation, EUR 0 capital, EUR 400 full start-up filing fee, beneficial owners, audit thresholds and financial-statement filing; Suomi.fi - limited-company formation and EEA management requirements.

**PREPARED BY BRIS GROUP**

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Professional incorporation and corporate administration for international clients.