Local Version: Finland
## Content

1. **Quick Facts.**  ................................................................. 3
2. **Recommendations and General Information.**  ................... 4
3. **Supported Legal Requirements**  ....................................... 5
   3.1 Financial Accounting (FI). .............................................. 5
       VAT Registration Number of Company  ......................... 5
       Bank Transactions. .................................................... 5
       Export/Import. .......................................................... 6
       Assets. ..................................................................... 6
4. **Human Capital Management Requirements and Payroll for Finland.**  7
   4.1 Payroll. ................................................................. 7
   4.2 Absence Handling. ..................................................... 7
   4.3 Reporting. .............................................................. 8
1 Quick Facts

Here you find general information about Finland.

Key Strengths

SAP local version of Financial and Human Capital Management for supports local legal compliance for main Finnish business transactions.

Challenges

The legislation many change in the short term.

Legal Compliance

<table>
<thead>
<tr>
<th></th>
<th>FI/Logistics</th>
<th>Human Capital Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law Complexity Ranking</td>
<td>Low Complexity</td>
<td>High Complexity</td>
</tr>
<tr>
<td>Frequency of Legal Changes</td>
<td>Dynamic, over the year</td>
<td></td>
</tr>
<tr>
<td>Official Local Language</td>
<td>Finnish</td>
<td>Finnish</td>
</tr>
</tbody>
</table>

Language

All core modules are translated in Finnish.
2 Recommendations and General Information

- Financial for Finland has low complexity and a low frequency of changes. Finland is part of European Union, and most laws and regulations decided within the European Union are implemented in Finland as well. The areas with the most changes and complicity are tax issues and value-added tax.
- Human Capital Management and Payroll, in particular, have high complexity and a high frequency of changes. Government reporting is challenging, complex and constantly changing, with low predictability and short deadlines.
3 Supported Legal Requirements

3.1 Financial Accounting (FI)

The extended general ledger is available for Finland so that you can utilize the full functionality of SAP, including reports for transaction overview that have been localized to accommodate the extended general ledger.

The local version Finland is delivered with a Finnish standard for the chart of accounts, but this chart is fully customizable to your needs.

3.1.1 VAT Registration Number of Company

Country-specific check algorithm for VAT registration. The VAT number is 10 digits, with no gaps and starts with FI

For more information about VAT registration number in Finland, see this page.

3.1.2 Bank Transactions

Bank Transactions

The basis of domestic payments in Finland is the use of reference number.

A reference number is any number the vendor chooses to print on the invoice, followed by a check digit calculated from the actual number. The payment reference is checked, using a country-specific checking algorithm, each time it is entered. If country-specific settings are made properly, no configuration step is necessary to turn on this check.

Payment Format

- Finland has a modern bank system. Since November 1, 2011, SEPA Credit Transfer for Finland is used. For more information about SEPA localization for Finland, see SAP Notes 1519835 and 1526969.
- Payment format are used for collecting incoming and outgoing payment data into a predefined format.
• Bank statements are formats used to import payment data received from the bank.

3.1.3 Export/Import

Intrastat

It is possible to send EU Sales list (quarterly VAT summary reports for intracommunity supply of goods or services) in electronic format to tax authorities in Finland. Intrastat is a monthly declaration that provides EU authorities with statistics on foreign trade within the EU.

3.1.4 Assets

Depreciation

Finnish tax laws on depreciation (EVL) state the maximum allowable depreciation rates for different types of assets. Depending on the type of asset, different types of calculation for depreciation are allowed.

Customizing for EVL is included in country-specific configuration for Finland.
4 Human Capital Management Requirements and Payroll for Finland

4.1 Payroll

The Payroll Engine

- As for most countries, a specific Finnish payroll schema has been localized.
- Retroactive accounting and off-cycle pay runs are possible in Finnish payroll.

Employee Tax

An updated tax calculation is delivered every year. SAP ERP includes functionality for electronic exchange of tax information with the Finnish tax authority.

Pension and Social Insurance Contributions

Both employer and employee pay pension and social insurance contributions. The calculation of these contributions are localized. There are several constants values to the contribution calculation, and these constants values change almost every year. SAP delivers these constants values in an SAP Note yearly.

4.2 Absence Handling

Absence Handling

Finnish vacation handling is localized. It includes accruals, deduction of vacation days and vacation payments.
Sickness

In Finland, the governmental institute (KELA) pays the compensation to the employees in case of long sickness. In many cases, the employer pays the sickness salary to the employee and reimburse the sickness pay from KELA.

4.3 Reporting

Reporting

There is localized reporting for the incomes, taxes, pension, reimbursement of sick pay, statistics, garnishment, trade union, and so on.

Reporting is complex and needs to be compliant with multiple laws and regulations.

Reporting types

Reporting can be done on paper, electronically, or through the governmental portal (Ilmoitin.fi, the Incomes Register), depending on the report.
Important Disclaimers and Legal Information

Hyperlinks

Some links are classified by an icon and/or a mouseover text. These links provide additional information.

About the icons:

- Links with the icon : You are entering a Web site that is not hosted by SAP. By using such links, you agree (unless expressly stated otherwise in your agreements with SAP) to this:
  - The content of the linked-to site is not SAP documentation. You may not infer any product claims against SAP based on this information.
  - SAP does not agree or disagree with the content on the linked-to site, nor does SAP warrant the availability and correctness. SAP shall not be liable for any damages caused by the use of such content unless damages have been caused by SAP’s gross negligence or willful misconduct.
- Links with the icon : You are leaving the documentation for that particular SAP product or service and are entering a SAP-hosted Web site. By using such links, you agree that (unless expressly stated otherwise in your agreements with SAP) you may not infer any product claims against SAP based on this information.

Beta and Other Experimental Features

Experimental features are not part of the officially delivered scope that SAP guarantees for future releases. This means that experimental features may be changed by SAP at any time for any reason without notice. Experimental features are not for productive use. You may not demonstrate, test, examine, evaluate or otherwise use the experimental features in a live operating environment or with data that has not been sufficiently backed up.

The purpose of experimental features is to get feedback early on, allowing customers and partners to influence the future product accordingly. By providing your feedback (e.g. in the SAP Community), you accept that intellectual property rights of the contributions or derivative works shall remain the exclusive property of SAP.

Example Code

Any software coding and/or code snippets are examples. They are not for productive use. The example code is only intended to better explain and visualize the syntax and phrasing rules. SAP does not warrant the correctness and completeness of the example code. SAP shall not be liable for errors or damages caused by the use of example code unless damages have been caused by SAP’s gross negligence or willful misconduct.

Gender-Related Language

We try not to use gender-specific word forms and formulations. As appropriate for context and readability, SAP may use masculine word forms to refer to all genders.

Videos Hosted on External Platforms

Some videos may point to third-party video hosting platforms. SAP cannot guarantee the future availability of videos stored on these platforms. Furthermore, any advertisements or other content hosted on these platforms (for example, suggested videos or by navigating to other videos hosted on the same site), are not within the control or responsibility of SAP.