

## *Supervision and monitoring in Finland*

**The Finnish Liaison Office on posting is situated at the Ministry of Social Affairs and Health / Department for Occupational Safety and Health:**

<http://www.stm.fi/en/working-life/postedworkers>

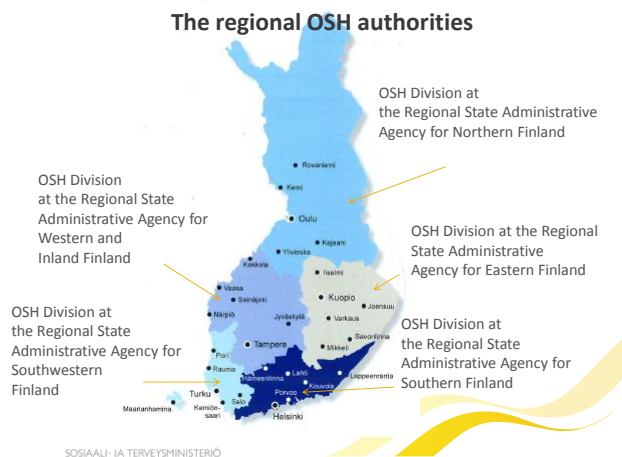
Questions can be sent to this email address: [Finnosha@stm.fi](mailto:Finnosha@stm.fi)

**The Finnish regional occupational safety and health authorities, OSH divisions (labour inspectorates) are administratively parts of the Regional State Administrative Agencies:**

<http://www.avi.fi/fi/Sivut/inenglish.aspx>

Unfortunately, the web pages are still under construction. Please, use the former web pages of the OSH divisions: [www.tyosuojelu.fi](http://www.tyosuojelu.fi)

<http://www.tyosuojelu.fi/fi/yhteystiedot>



## **Information on working in Finland**

<http://www.tyosuojelu.fi/fi/workingfinland/>

Finland is going to improve the web pages of the OSH divisions. Information especially on posting will be published on the internet after the Enforcement Directive of the posting of workers Directive has come into effect in Europe and the informing obligations of the Member States are clear.

Meanwhile, information on posting can be found:

<http://www.tem.fi/index.phtml?l=en&s=3468>

<http://www.stm.fi/en/working-life/postedworkers>

Guide for employment of foreigners in Finland 2013 :

<http://www.rakennusteollisuus.fi/English/Guide-to-employment-of-foreigners-in-Finland/>

The guide was made by the Confederation of Finnish Construction Industries RT

<http://www.rakennusteollisuus.fi/English/Frontpage/> and

The Finnish Construction Trade Union

<http://rakennusliitto.fi/en/>

## **1. Knowledge of the posting situations**

So far the majority of the posted workers in Finland have been Estonians and the most common sector where they work in Finland has been the construction sector.

Some statistical data from Finnish Tax Administration's and Centre for Pension's point of views are in the text "The administrative requirements for posting employers".

### **1.1 The administrative requirements for posting employers**

There are some administrative requirements for posting employers in the Finnish Posted Workers' Act (1146/1999).

The Posted Workers' Act (1146/1999)

- in Finnish: <http://www.finlex.fi/fi/laki/ajantasa/1999/19991146>
- in Swedish : <http://www.finlex.fi/sv/laki/ajantasa/1999/19991146>
- Unofficial translation in English. Unfortunately, it is not wholly up-to-date :  
<http://www.finlex.fi/en/laki/kaannokset/1999/19991146>

The main requirements are:

- Usually, a posting employer shall have a representative in Finland. A representative must be available for contact in Finland also after the posting has ended. Please, see the Posted Workers' Act and document "Wages-social security" for details.
- A representative shall have in his/her possession certain information and documents. Please, see the Posted Workers' Act and document "Wages-social security" for details.

At the moment, Finland doesn't have any prior notice obligation for posting employers. However, on the construction sector every person, either Finnish or foreign, shall have a Finnish tax number and shall be registered to the public tax number register before starting work at site in Finland. If a worker's tax number is not in the tax number register, the worker can't start working in construction site in Finland. <http://www.tax.fi/taxnumber>

A foreign construction worker gets the tax number and can be registered to the tax number register by visiting the local tax office. The tax authorities give the worker also Finnish ID related to the tax number. The tax authorities collect certain information during registration process from the worker such as some personal data, contact information and information about the posting. However, only the name of the worker and the tax number are public information for anyone in the tax number register. According to the Finnish Occupational Safety and Health Act (738/2002) each person working at a shared construction site has to wear an identification card. The data content of the card is prescribed in the Act. The worker's tax number has to be printed on the identification card too.

As of 1.7.2014 Finnish tax legislation was changed and one obligation in the new legislation is connected to employees and self-employed persons working on a shared construction site. According to Act on Taxation Procedure 15 b § (24.5.2013/363) each employer and self-employed person is liable to provide information on persons working on a shared construction site to the main contractor before the working has started. The main contractor is liable to give monthly report to Tax Administration about persons working on a shared construction site. Person has to be reported each month that they are working. Mandatory information is for example necessary identification of a person and employer, person's country of residence, start date for working and also the estimated end date. If a person's country of residence is reported to be other than Finland, then the employer also has to give as mandatory information person's home address in home country as well as information whether a person has a valid E010/A1 certificate. Finnish Tax Administration is collecting the employer's social security payment and employee's health care and per diem payments in case the employee is insured in Finland. This is why the Tax Administration also needs the information of valid E101/A1 certificate. This information is reported to the Tax Administration on a monthly basis. The report should be submitted at the latest on the fifth day of the second month following the reporting month: for example, the information for July should be submitted at the latest on the 5th of September.

Preliminary statistics about employee reporting from shared construction sites for the periods July-October 2014 show that on a monthly basis about 6000 persons are reported with E101/A1 certificate. However, in case a person has worked for more than one site during the month, he is counted more

than once in this statistic. Also as the legislation is still new, many reports are still missing. However the same statistic shows that the posted construction workers are mainly coming from Estonia (more than 50%) and Poland (almost 10%).

The Finnish Centre for Pensions registers A1 certificates that are issued by other EU/EEA countries for working in Finland. In 2013 there were about 25 800 A1 certificates registered and about 16 600 of them were issued for Estonians. However, this does not mean that there were 25 800 posted workers in Finland. One worker can have more than one certificate issued in a year. Finnish Centre for Pensions also receives and registers about 5000 cancellations or alteration notifications of A1 certificates a year. Above mentioned 25 800 A1 certificates include these cancellations and alteration notifications. It also should be acknowledged that all EU countries do not send A1 certificates they have issued so there might be A1 certificates missing from the statistics.

By the end of November 2014 the Finnish Centre for Pensions has registered about 17 900 A1 certificates and about 10 400 of them were issued for Estonians.

## **2. Information exchanges with the other MS**

At the moment, the Liaison Office is responsible for coordinating the information exchanges with the other Member States. The information exchanges are done via the IMI system. Nowadays the labour inspectors of regional labour inspectorates have main responsibility of using the IMI system in Finland. This change was made in order to speed up the information exchange process.

### **The duties of the Liaison Office**

The duties of the Finnish liaison office are:

- To coordinate IMI exchange between Finland and other Member States
- To answer to general level questions coming from posting companies from other Member States

### **Information requests between authorities**

Before the IMI system started (spring 2011) Finland sent by post only few information requests to other countries and received requests even more seldom. When the IMI pilot started, Finland decided to be more active, because the need for cross border cooperation was and still is real and is becoming greater. Between the period from May 2011 to 11<sup>th</sup> of January 2015, Finland has sent 52 IMI requests and received 5 IMI requests.

Usually Finland uses IMI system if a posting company doesn't have a representative or the representative neglects his/her obligations and Finnish OSH (labour) inspectors can't have the information which they need for their inspection. There can be also other kinds of cases.

### **The role of Finnish social partners in IMI process**

In principle, Finnish social partners don't have a role in the IMI information exchange process. But, in practice, it may happen that the Finnish OSH (labour) inspectors need to ask advice from the social partners when answering an IMI request which is related to some collective agreement. That's because, according to the Finnish Employment Contracts Act (55/2001), the regional occupational safety and health authorities must act in close cooperation with the social partners in particular when supervising the observance of generally applicable collective agreements.

### **Future prospects of the Finnish Liaison Office**

The implementation of Directive 2014/67/EU in Finland might produce organizational changes in practical level. It is possible that the whole Finnish Liaison Office moves in the future from the Ministry to a regional labour inspectorate, but neither actual plans nor decisions have been made yet.

## **3. Partnerships**

### **3.1 National partnerships**

#### **Labour inspectorates**

In Finland the occupational safety and health administration cooperates with the other Finnish authorities, such as the Finnish Centre for Pensions (social security authority), the Tax Administration, the Finnish Immigration Service, Police and the Centre for Economic Development, Transport and the Environment.

The authorities don't have any official partnership agreements and usually the cooperation is based on current needs and can be carried out at national or regional level. However, there are some cooperation practices, for example, on joint inspections to the workplaces and on exchanging information between authorities. Confidential information can be exchanged only if an authority has a right to access it. In practice, the rights of different Finnish authorities vary and that may create obstacles to information exchange.

The Finnish occupational safety and health administration (and the other authorities too) cooperate also with the Finnish social partners, especially on the construction sector. The occupational safety and

health administration have regular meetings with the Confederation of Finnish Construction Industries RT and the Finnish Construction Trade Union. Finland has had these meetings in the field of construction for more than seven years. The Finnish Association of Building Owners and Construction Clients (RAKLI) participate to this cooperation too. <http://www.rakli.fi/en/rakli/>. These meetings are being held from 2 to 4 times a year and they focus on the grey economy in the field of construction.

### **Tax Administration**

Finnish Tax Administration has had cooperation with Occupational Safety and Health Administration and the Finnish Centre for Pensions in a form of joint audits to construction sites. Even though on audits each authority is only operating under its own mandate, the benefits could be seen coming from target selection, better knowledge of working methods and goals of other authorities as well as joint visibility towards sites of authorities working together.

Because of new legislation to construction sector as of 1.7.2014 the cooperation between Finnish Tax Administration and Occupational Safety and Health Administration has been relevant. Occupational Safety and Health Administration is the competent authority to interpret the forming of shared construction site as well as what is considered to be working and therefore has to be reported to the Tax Administration. Also Confederation of Finnish Construction Industries RT has been involved in preparation of new legislation as well as implementing it to the industry. Tax Administration has used RT's expertise in how to interpret legislation to practise. Confederation of Finnish Construction Industries RT has had training events on new legislation where the representatives from Tax Administration have participated as lecturers.

### **Centre for Pensions**

Tax Administration also provides information on wages to the Finnish Centre for Pensions for the control of pension insurance. Sometimes information received from Tax Administration also leads to co-operation with the police. This happens when the received information indicates that neglect of pension insurance is severe (fraud). Finnish Centre for Pensions also sends information to Tax Administration on wages based on pension insurances to the control of taxation on the income.

The Finnish Centre for Pension also exchanges information with The Unemployment Insurance Fund and receives impulses for supervision for example from trade unions.

## **International partnerships**

Finland does not have bilateral partnerships with other EU countries' labour inspections that would apply to all labour inspectorates in Finland. However Division of Occupational Health and Safety of the Regional State Administrative Agency for Southern Finland signed a bilateral co-operation agreement with Labour Inspectorate of Estonia in the December 2014. This co-operation will start in the beginning of 2015. The agreement is made in order to ensure effective protection of employment, safe and healthy conditions of workers posted to work in Estonia and in Southern Finland.

