Instructions on financial support for sole entrepreneurs

Sole entrepreneurs can apply to municipalities for financial support in the coronavirus situation. The application period starts on Friday 17 April at 9am.

In order to apply for support for sole entrepreneurs, you need:

- Online banking codes or a mobile certificate for identification
- The tax return or financial statements for 2019 as an image file (pdf, jpg, etc.).
- As image files (pdf, jpg, etc.), receipts of account statements or extracts from accounting from January–March 2020 that show the deterioration of the company's financial situation starting from 16 March 2020.
- As an image file (pdf, jpg, etc.), a tax debt certificate showing that the applicant does not have tax debt. If the applicant has tax debt, proof of a payment plan approved by the tax authority must be attached to the application. The application for support cannot be approved without a payment plan.

Before moving on to the application, check that the company's home municipality is correct in the Finnish Business Information System (BIS). Also read the instructions on financial support for sole entrepreneurs below. The link to the application form can be found at the end of the instructions.

Support for sole entrepreneurs for the financial difficulties caused by the coronavirus

Regardless of the type of company and financing method, the support is intended for entrepreneurs who engage in economic activities alone as an entrepreneur or a self-employed person without employees, freelancers included, and who are full-time entrepreneurs, regardless of the legal form and financing method of the activities. Sole entrepreneur refers to a full-time entrepreneur who engages in economic activities alone in Finland, regardless of the legal form and financing method of the activities.

This means that the support for sole entrepreneurs can be granted to private entrepreneurs or one-person businesses, limited or general partnerships, limited liability companies or cooperatives. Support can also be granted to ‘light entrepreneurs’ who are self-employed and act like entrepreneurs without establishing a company. Sole entrepreneur refers to a person engaging in economic activities alone, without any employees. Freelancers can also receive support, if the entrepreneur acts as an independent entrepreneur or a one-person business (self-employed or businessperson), or in a partnership (general or limited partnership), limited liability company or cooperative. The support is intended for full-time entrepreneurs. A full-time sole entrepreneur must be either registered in the YEL register (the application asks for the YEL insurance policy number) or able to present at least EUR 20,000 in annual business income or invoicing. If the company was started less than 6 months ago, it must be proven that if it had continued, the existing revenue stream would have led to EUR 20,000 in invoicing over a period of 12 months.
The support for sole entrepreneurs is granted on an entrepreneur-specific basis. If a sole entrepreneur has several companies, in which they work alone, the support is granted to the company in which the entrepreneur works full-time.

**Requirements for granting the support**

- the financial situation and turnover of the sole entrepreneur have deteriorated due to the coronavirus epidemic after 16 March 2020
- the sole entrepreneur is estimated to have the prerequisites for viable business
- A requirement for granting the support for sole entrepreneurs is that the company’s significantly deteriorated financial situation and reduced turnover are due to the coronavirus epidemic.

It has been estimated that the epidemic began to weaken the financial situation of sole entrepreneurs in Finland starting from 16 March 2020, when the state of emergency was declared and the Emergency Powers Act was applied.

This means that in the application, the applicant must be able to prove that the significant deterioration of the business activities after 16 March 2020 is due to the coronavirus epidemic. In the application form, the applicant is also asked to affirm that the financial situation has significantly deteriorated due to the coronavirus epidemic. The deterioration of the turnover and financial situation of the sole entrepreneur’s business activities after 16 March 2020 must be proven by copies of the accounting and/or account statements (expenses and sales revenue). The financial situation is considered to have deteriorated if the company’s sales revenue has decreased by more than 30% after remaining nearly at the same level during the previous 12 months.

In addition, granting the support requires that the sole entrepreneur is estimated to have the prerequisites for viable business. The prerequisites for viable business are considered to exist if the business has been profitable based on the financial statements or tax return for 2019. In the application, the applicant is asked to affirm that the business activity had been profitable before the coronavirus epidemic. If the sole entrepreneur has tax debt, they must have a tax debt payment plan approved by the Finnish Tax Administration. In addition, the applicant is asked to attach the financial statements for 2019/the latest financial statements or the tax return for 2019/the latest tax return. If the business activity started after 31 December 2019, some other type of credible report must be provided (copy of the accounting and account statement). When assessing the viability of the business, a report of the sole entrepreneur on an exceptional situation in 2019 can be taken into account.

The applicant is asked to affirm that they intend to continue the business activities after the coronavirus epidemic. The applicant is also asked to describe how they intend to use the financial support they have received in order to stabilise their activities.

The support for sole entrepreneurs is de minimis aid, and receiving it requires that the company’s de minimis accrual will not exceed the maximum amount. The maximum amount of de minimis aid is EUR 200,000 (a maximum of EUR 100,000 for a company operating in the field of road transport) during the current and two previous tax years. The recipient of the aid is responsible for ensuring that the total amount of de minimis aid granted by different parties (such as ministries, authorities under ministries, Business Finland, Finnvera Plc, municipalities and regional councils) does not exceed this amount. Not all public support for companies constitutes de minimis aid. De minimis is identified in the decision on
support, which states the amount of de minimis aid included in it and refers to the de minimis regulation of the European Union.

For which purposes is the support available?

The financial support for sole entrepreneurs is a single payment of EUR 2,000, intended for the sole entrepreneur’s calculated costs due to business activities, such as the costs of the premises and equipment acquired for the business as well as accounting and other office expenses. When granting the single payment, the wages drawn by the entrepreneur for themselves are not considered a cost due to business activities.

The aim is that in part with the help of this support, the sole entrepreneur can cope with the challenging financial situation caused by the coronavirus. The single payment can be granted for costs incurred starting from 16 March 2020, and the last day of the support application period is 31 August 2020. This is a calculated sum, and the recipient of the support is not obliged to present receipts on how the costs were incurred when applying for the support or afterwards.

Other things to note

Municipalities report the support they have paid to sole entrepreneurs to the Finnish Tax Administration. The applicant for the support must take into account that when the municipality approves the application, an agreement in accordance with section 7(3) of the Act on Discretionary Government Transfers is created between the applicant and the municipality.

Based on the agreement, the recipient of the support must return the discretionary Government transfer or part thereof received erroneously, in excess or clearly without cause. The discretionary Government transfer must also be returned if it cannot be used in the way required by this agreement. The provisions of chapter 5 of the Act on Discretionary Government Transfers apply to any repayment of discretionary Government transfers.

The recipient of the support commits to providing the municipality that granted the support, the Ministry of Economic Affairs and Employment or the National Audit Office of Finland (NAOF) sufficient information to ensure that the support has been used in accordance with the statutes and the conditions of the agreement. The municipality that granted the support, the Ministry of Economic Affairs and Employment and the National Audit Office of Finland (NAOF) have the right to check the accounts of the support recipient to the extent necessary to ensure the correct use of the support.

Applying for support

Full-time sole entrepreneurs can apply for funding from the home municipality registered in the Finnish Business Information System (BIS).

Apply here