



Guidelines for preparing applications/notifications – foreign corporate acquisitions

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ACT ON THE SCREENING OF FOREIGN CORPORATE ACQUISITIONS IN FINLAND (172/2012); indicative instructions for parties preparing applications/notifications for confirmation

A precondition for the speedy processing of applications/notifications is that all information concerning the acquisition required for the confirmation process is submitted to the Ministry of Employment and the Economy in as complete a form as possible. The application must be submitted by the foreign owner (buyer/investor), not the company being acquired. All cases are processed by the Ministry as urgent, and statements from the National Authority Network chaired by the Ministry are requested for each case.

Foreign owners must provide the Ministry of Economic Affairs and Employment with all the necessary information on the target company subject to screening, the foreign owner and the transaction related to the confirmation of the corporate acquisition. The Ministry may request any essential information required for the processing of the case, until the information provided in the application/notification can be considered to be sufficient for a decision. If necessary, the Ministry of Economic Affairs and Employment will advise applicants.

A separate filled-in form required by Regulation 2019/452 of the European Parliament and of the Council (later the EU Screening Regulation) must be attached to the application/notification. The information provided in the separate form will be submitted as part of the national notification to other EU Member States and the Commission.

Key pieces of information that the application/notification should always contain are detailed below (the list is not exhaustive; the applications/notifications are always assessed case-by-case):

Please also consult the “Questions and answers” section on the Ministry of Economic Affairs and Employment website.

1. SUBJECT

- **COVER PAGE.** We recommend the application/notification include a summary of the matter on the cover page. The cover page should also contain the contact details of the applicant, the applicant’s legal representative and the target company, as well as the contact person of the authority serving as the contracting party, if applicable.
- **APPLICATION OR NOTIFICATION? OR BOTH AS LEGAL BASIS?**
 - ✓ Does the case involve a corporate acquisition in the defence or security sector as referred to in section 4 of the Act requiring confirmation of the acquisition in advance by the Ministry of Economic Affairs and Employment?
 - ✓ If the case involves a non-defence industry corporate acquisition (functions vital to society) that does not fall under section 4 of the Act, which are governed by section 5 of the Act, the transaction notification may also be supplied after the final conclusion of the transaction. However, the notification is filed in advance in most cases, similarly to applications subject to section 4 of the Act. In practice, the investigation of corporate acquisitions is similar in both cases mentioned above.

- **NON-DISCLOSURE.** As a rule, the Ministry processes applications/notifications and their appendices as confidential material. The Ministry will not provide any information on the corporate acquisition to any third parties during the confirmation process or prior to the acquisition being finalised.
The Ministry of Economic Affairs and Employment's decision will become public only after the transaction has taken place and after the legal representative has notified of the matter. The Ministry of Economic Affairs and Employment will make a final decision on the publicity based on [the Act on the Openness of Government Activities \(621/1999\)](#).

2. KEY DETAILS CONCERNING THE CORPORATE ACQUISITION

- **BACKGROUND.** Background information on the acquisition must be provided in brief at the beginning of the application/notification; a summary of the key points relevant to the processing of the matter.
- **INFORMATION ON THE SHARES/BUSINESS TO BE ACQUIRED.** Provide the percentage of votes conferred by the shares purchased from the aggregate number of votes or corresponding actual influence. Does the acquisition involve a certain business area of the target company?
- **LISTED COMPANY.** Is a listed company party to the acquisition? Could this be a public takeover bid? Take any applicable insider rules into account.
- **SHAREHOLDERS' AGREEMENT.** Provide all shareholding/contractual arrangements; provision of the shareholders' agreement as an appendix to the application/notification. These are key pieces of information when the Ministry assesses the actual influence after the transaction.
- **PURCHASE PRICE.** The FDI Regulation requires that the price of each foreign direct investment within the scope of application of the regulation and the national screening mechanism is also reported. Therefore, this information must also be included in the application/notification provided to the Ministry.
- **OTHER PENDING CORPORATE ACQUISITIONS.** Does the buyer or another company belonging to the same group have pending corporate acquisitions in other EU Member States? Has another EU Member State declined a corporate acquisition application previously submitted by them?
- **FUNDING.** According to the FDI Regulation, foreign direct investments covered by its scope of application must also provide information on the funding of the investment (e.g. group funding schemes, loan financing, and information concerning the financier and the domicile of the financier). For example, if the actual financier of the corporate acquisition is a financial institution whose domicile is not in an EU/EFTA country, this fact should be included in the application/notification, as it is a key piece of information.
- **CURRENT CORPORATE ACQUISITION STATUS.** Provide the planned date of the transaction and the phases of the acquisition (e.g. signing the preliminary agreement and finalising the acquisition), and prove the maturity of the acquisition, so that the matter may be investigated by the Ministry in an official process.
- **TERMS OF APPROVING THE CORPORATE ACQUISITION.** Provide any prerequisites for the approval of the transaction (the corporate acquisition requiring approval by a General Meeting, for example).

- **OTHER APPROVAL PROCESSES.** Any other approval processes connected with the corporate acquisition must be stated on the application/notification. Typically, the approval processes of other national authorities, the authorities in other EU Member States, and the European Commission prior to the final approval of the ownership arrangement must also be reported in connection with the application/notification:
 - ✓ Other key national authorities include e.g. other ministries (Government processing), the Finnish Competition and Consumer Authority, and the Financial Supervisory Authority. Does the corporate acquisition also involve approval processes concerning direct foreign investments (corporate acquisitions) required by other EU member countries? Provide a brief description.
 - ✓ Does the corporate transaction also require approval by authorities in any third countries (e.g. competition authorities)?

The Ministry must be notified of any changes that have taken place during the application process without delay.

- **EU SUBSIDIES.** Have the parties to the acquisition received any EU subsidies? Does the case involve a company that has participated in an EU funding programme and been subsidised through the programme? If yes, please specify the amount and source of the funding.
- **PUBLIC RELEASES.** Provide any public releases concerning the matter (appended to the application) and a link to the websites of the parties to the acquisition containing a public description of the corporate acquisition, for example.
- **OTHER ADDITIONAL INFORMATION.** Other additional and case-specific information pertinent to the processing of the matter can be appended to the application/notification by e.g. linking to the most recent financial report.

3. INFORMATION ON THE APPLICANT (BUYER)

- **BASIC INFORMATION**
 - ✓ The applicant's branch of industry (NACE code), year of establishment, turnover and number of employees.
 - ✓ More detailed information on the corporation, if applicable; e.g. a report of background parties must be provided for private equity companies.
 - ✓ Domicile/registered office of the applicant, register number and contact details; the company's trade register extract must be appended to the application/notification.
 - ✓ Contact details for the applicant's legal representative (incl. email address, telephone number) and possible authorisation for representing the buyer in the acquisition.

A foreign owner (buyer, not target company) always acts as the applicant

- **OWNERSHIP STRUCTURE.** Provide a description as a diagram of the current ownership structure including the parent company (incl. the largest individual shareholders and their domiciles if they own at least 10%). For example, a more detailed description of

the corporation's internal ownership structure and shareholdings, incl. offshore companies and their owners and domiciles.

4. INFORMATION ON THE COMPANY BEING ACQUIRED

- **BASIC INFORMATION (target company registered in Finland)**
 - ✓ The company's branch of industry (NACE code), year of establishment, turnover and number of employees.
 - ✓ Target company domicile, business register ID and contact details.
 - ✓ A general assessment of the market effects of the transaction on the markets relevant to the subject of the screening. Competitive conditions, whether others on the market offer similar products/services, whether the products/services offered by the target company can be replaced without special arrangements on market terms.
 - ✓ Current ownership structure; principal owners and parties owning at least 10 per cent of the enterprise and their domiciles.
- **LISTINGS.** Provide any listings in the stock exchange and operations in other countries, especially in EU Member States.

5. SPECIAL CONSIDERATIONS IN CORPORATE ACQUISITIONS IN THE DEFENCE AND SECURITY SECTORS

(More information on corporate acquisitions in the defence and security sectors on pages 22–25 of Government proposal 103/2020, available in Finnish/Swedish)

- **DESCRIPTION OF GOODS AND SERVICES.** Applicants must provide a detailed description of individual products and services in a separate appendix.
 - ✓ Production of critical products or services related to the statutory duties of the Finnish Defence Forces or Finnish authorities essential to the security of society for, among others, the Border Guard, police, National Emergency Supply Agency, Finnish Customs, Finnish National Security Authority (NSA) or Finnish Transport and Communications Agency (Traficom).
- **DUAL-USE GOODS.** Provide a report on the production of any dual-use goods; does the export of these products require an export licence issued by the Ministry of Foreign Affairs if the goods are exported to third countries? The assessment is based on EC Regulation 428/2009 on setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items, and the regularly updated list of dual-use items that require export authorisation set out in Annex of the Regulation.
- **BUYER'S INTENTIONS AFTER THE TRANSACTION HAS BEEN COMPLETED.** How can securing deliveries to the Finnish Defence Forces, for example, be guaranteed in the future, regardless of the acquisition?
- **SUMMARY.** An assessment of how the acquisition will affect national security, public order and security of supply.

LIST OF APPENDICES TO THE APPLICATION/NOTIFICATION

- Deed of sale
- Shareholders' agreement (if applicable)
- Power of attorney
- Extracts from the Trade Register (both the applicant and the target company)
- Descriptions of ownership structure (both the applicant and the target company)
- Notification form

SUBMISSION OF APPLICATION AND SIGNATURES

The application/notification and the appendices can be submitted electronically via the secure email portal to the address hakemukset.tem.yka@govsec.fi in Finnish or Swedish. However, appendices may be submitted in English if necessary. The form for notification to the EU must be completed in English.

The application and the power of attorney of the legal representative can also be signed electronically, in which case the identification data of the signature must be appended to the application.

Secure email portal: <http://securemail.govsec.fi>

In secure email, the maximum size of a message including appendices is 50 megabytes. It is recommended that the application/notification be sent in a packaged form (.zip). If necessary, the application/notification may be submitted in several parts, referring to the application in question.

After you have submitted your application/notification successfully, you will receive an automatic reply message that cannot be replied to.

If necessary, you can contact: yritysostot.tem@gov.fi
(Please note that application documents should not be sent to this address).

The application and its appendices can also be submitted on paper to the Government's mail distribution Centre (address: Ritarikatu 2 B, Helsinki, Finland).

Please write 'YKA kiireellinen' on the envelope and address it to:

Ministry of Economic Affairs and Employment
Marjaana Aarnikka/Lasse Puroma/Linda Rönnqvist
FI-00023 Government

[Ministry of Economic Affairs and Employment's form to be attached to the application/notification](#)

Any additional information after the submission of the application should be submitted in the same way as the actual application/notification.

In matters concerning applications and notifications, please use the mailbox: yritysostot.tem@gov.fi