DRAFT APPLICATION FORM, 9 April 2020
Self-employment grant

Please note! Sole traders will apply for aid from the MUNICIPALITY in accordance with the details in this form. The application will be made in the municipality where the enterprise is domiciled (domicile according to the YTJ Business Information System).

1. BASIC DETAILS OF APPLICANT

|  |  |
| --- | --- |
| Business ID (or Personal ID no. where no Business ID available) | Name of business |
| Form of enterprise | YEL pension insurance no. | Domicile of business according to YTJ Business Information System |
| Contact person[[1]](#footnote-1) | Telephone | E-mail |
| Personal ID no. | Date of starting business operations | Details of bank account |

**2. DESCRIPTION OF OPERATIONS**

|  |  |
| --- | --- |
| Main field of business[[2]](#footnote-2) | Main products and services |
| Client profile | I certify that I am a full-time sole trader[[3]](#footnote-3)[ ]  Yes |
| I certify that my business operations were viable before the coronavirus epidemic[[4]](#footnote-4)[ ]  Yes | I certify that the coronavirus epidemic has significantly weakened the financial situation of my business since 16 March 2020[[5]](#footnote-5)[ ]  Yes |
| How has the coronavirus epidemic affected my business operations since 16 March 2020? |

**3. APPLICANT’S DE MINIMIS[[6]](#footnote-6) AID**

Has the applicant been granted *de minimis* aid during the current year and the previous two tax years?

[ ]  No [ ]  Yes. Further details are set out in the following table

|  |  |  |
| --- | --- | --- |
| **Granting authority** | **Amount of aid (EUR)** | **Date when granted** |
|  |  |  |
|  |  |  |

**4. PLAN FOR STABILISING OPERATIONS**

I plan to continue business operations after the corona epidemic

[ ]  Yes

|  |
| --- |
| How does the applicant intend to use the grant? |

**5. ANNEXES**

Financial statements 2019/latest financial statements OR tax return 2019/latest tax return

Copies of accounts or statements of account verifying changes in sales and costs in 2020

Certificate of tax debts and tax debt payment plan approved by the Tax Administration if the business has an outstanding tax liability

**6. TERMS AND CONDITIONS**

A municipality issuing a grant on the basis of this application will make an agreement with the beneficiary in accordance with section 7 (3) of the Act on Discretionary Government Transfers (no. 688/2001, as amended by no. 1113/2018), subject to the following conditions:

The grant may be used to stabilise the financial situation of the sole trader during and after the coronavirus epidemic. The grant may only be used for this purpose. The grant may not be transferred for use by another party or person.

The grant will be EUR 2,000. The grant constitutes *de minimis* State aid within the meaning of Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union.

The municipality will pay the grant to the bank account indicated at point 1 of the application when …

A beneficiary must immediately repay any grant that has been received incorrectly, in excess, or in a way that is manifestly without foundation. The municipality may recover any grant paid in cases of abuse.

The beneficiary agrees, as necessary, to furnish the granting authority with the details that are required in order to verify that the grant has not been used in breach of the terms and conditions.

**Self-employment grant for financial difficulties caused by the coronavirus epidemic – draft guidelines for sole traders**

The municipalities will award grants to sole traders in order to stabilise operations due to the COVID-19 epidemic (hereinafter referred to as the *coronavirus epidemic*). Applications for self-employment grants will be processed by municipalities.

The sole trader coronavirus grant seeks to place the operations of sole traders on a more financially sustainable footing during and after the pandemic. This constitutes operating aid to cover expenses arising from business operations proper. The aid is temporary and in effect solely to manage an acute liquidity crisis caused by the pandemic.

**Who is the aid intended for?**

The grant is intended for self-employed individuals who, irrespective of enterprise form and mode of financing:

* carry on an economic operation alone as a business operator or self-employed person without engaging any paid employees, including freelancers.
* are in business on a full-time basis, irrespective of the legal form of the operation and its mode of financing.

Businesses employing up to four people in addition to the self-employed person may seek grant funding (*business development grant in disruptions of the market and production caused by the coronavirus epidemic*) from a Centre for Economic Development, Transport and the Environment (ELY), and businesses employing five or more people may seek grant funding from Business Finland (*business development funding in cases of disruption*). For further details, visit<https://tem.fi/koronavirus/toimintaohjeita-yrityksille>

A sole trader means a **full-time self-employed person carrying on an economic operation alone** in Finland, irrespective of the legal form of the operation and its mode of financing.

This means that the self-employment grant may be awarded to a private trader or business name, to limited and general partnerships, to limited liability companies or to co-operatives. The grant may also be awarded to self-employed individuals known as “light entrepreneurs”, who engage in business operations without establishing an enterprise. A sole trader is a self-employed person who engages in economic activity with no paid employees. A freelance operator may also receive a grant when serving as an independent self-employed person, under a business name (as a sole trader or business operator), in a partnership (general or limited), in a limited liability company, or in a co-operative.

The grant is intended for full-time self-employed individuals. A full-time self-employed individual must be entered in the YEL pension insurance register (the application must specify the YEL pension insurance number), or must be able to demonstrate annual business income or invoicing of not less than EUR 20,000. If the business began operating less than 6 months ago, then it must be shown that continuing the income stream already generated would have resulted in invoicing of EUR 20,000 over a period of 12 months.

The self-employment grant will be awarded to an individual self-employed person. If a sole trader works alone in several businesses, then the grant will be awarded to the business in which the self-employed person works primarily.

**Conditions for awarding the grant**

* the financial situation and turnover of the sole trader have deteriorated since 16 March 2020 due to the coronavirus epidemic
* the sole trader’s business operations are assessed as viable;

The **significantly impaired financial situation and reduced turnover of a business due to the corona epidemic** is a condition for awarding a self-employment grant. The detrimental impact of the epidemic on the financial situation of sole traders in Finland is estimated to have begun on 16 March 2020, when emergency conditions were recognised and the Emergency Powers Act (1552/2011) was brought into use.

This means that applicants must be able to show that the significant deterioration in business after 16 March 2020 was due to the coronavirus epidemic. The application form also asks applicants to certify that the financial situation has significantly deteriorated due to the coronavirus epidemic. The deterioration in financial situation and turnover of the sole trader’s business after 16 March 2020 must be verified by providing copies of business accounts or statements of account (expenses and sales revenue).

The financial situation will be understood to have deteriorated if the turnover of the business has fallen by more than 30 per cent after remaining at almost the same level over the preceding 12-month period. The average progress of turnover may be reviewed in the case of seasonal business operations.

A further condition of awarding the grant is that **the sole trader is assessed to have the conditions for viable business operations**. Business operations will be considered viable when this is indicated on the basis of the financial statements or tax return for 2019. The application form asks applicants to certify that the business was viable before the coronavirus epidemic. A sole trader with outstanding tax debt must have a payment plan approved by the Tax Administration. Applicants are requested to append to the application their financial statements or tax return for 2019, or their latest financial statements or tax return.Some other reliable statement (a copy of the accounts and a statement of account) must be submitted for businesses that began operating after 31 December 2019. Applicants are also requested to append a certificate of tax debts to the application, and a tax debt payment plan approved by the Tax Administration if the business has an outstanding tax liability. The assessment of operating viability may give consideration to the sole trader’s account of exceptional circumstances in 2019.

Applicants are also asked to confirm their intention to continue their business operations after the coronavirus epidemic ends. Applicants are also requested to describe how they intend to use any grant awarded in order to stabilise their operations.

The self-employment grant is *de minimis* funding that may not exceed the *de minimis* cumulation allowance for the business. The maximum *de minimis* funding is EUR 200,000 (not more than EUR 100,000 for a road haulage business) over the current and two preceding tax years. The beneficiary is responsible for ensuring that the total *de minimis* aid granted by various parties (e.g. ministries and their subordinate agencies, Business Finland, Finnvera plc, municipalities and regional councils) does not exceed this amount. Not all public aid allocated to businesses is *de minimis* aid. *De minimis* aid will be recognised in the aid decision, which will specify the *de minimis* aid included in the decision with a reference to the European Union Regulation on *de minimis* aid.

A grant may be awarded in any part of Finland

**Purpose for which a grant may be requested**

The self-employment grant is non-recurrent compensation of EUR 2,000 for the estimated business costs of a sole trader, such as the cost of premises and equipment acquired for business operations, and for accounting and other office expenses. The wage drawn by the self-employed person is not regarded as a business cost when granting this non-recurrent compensation.

The compensation is partly intended to enable the sole trader to manage the challenging economic circumstances caused by the coronavirus epidemic. The non-recurrent compensation may be granted for costs incurred as of 16 March 2020 and the deadline for submitting grant applications is 31 August 2020. The sum in question will be an estimate, and the beneficiary will not be required to submit supporting documentation of costs when applying for the grant or thereafter.

**Other points to note:**

Municipalities will notify the Tax Administration of grants that they have paid to sole traders.

Grant applicants should note that an agreement arises between the applicant and the municipality under section 7(3) of the Act on Discretionary Government Transfers when a municipality approves an application.This agreement requires a beneficiary to immediately repay any grant that has been received incorrectly, in excess, or in a way that is manifestly without foundation. The municipality may demand repayment of any grant paid in cases of abuse. The beneficiary agrees to furnish the awarding authority with the information that is necessary for ensuring that aid has not been requested in breach of the terms and conditions for granting aid.

A municipality that awarded a grant and the Ministry of Employment and the Economy are entitled to check the purpose for which the grant has been used retrospectively.

**Grant applications**

Grant applications may be submitted to the municipality where the business is domiciled. Link to a comprehensive list on the website of the Finnish Association of Local and Regional Authorities or list with liaison persons attached.

**Please contact the liaison person for your municipality of domicile if you have any questions concerning aid for sole traders:**

Link to a comprehensive list on the website of the Finnish Association of Local and Regional Authorities or list with liaison persons attached.

1. Contact person, i.e. the self-employed person engaged in the business operation. [↑](#footnote-ref-1)
2. Standard industrial classification of Statistics Finland: <http://stat.fi/meta/luokitukset/toimiala/001-2008/index.html> [↑](#footnote-ref-2)
3. Irrespective of the legal form of operations and of how they are financed, a full-time self-employed sole trader engaged in economic operations in Finland, with no paid workforce and with self-employed pension insurance (a YEL insurance number), or with the ability to demonstrate annual business income or invoicing of not less than EUR 20,000. If the business began operating less than 6 months ago, then it must be shown that continuing the income stream already generated would have resulted in invoicing of EUR 20,000 over a period of 12 months. [↑](#footnote-ref-3)
4. Sole trader business operations will be considered viable when this is indicated on the basis of the financial statements or tax return for 2019. A sole trader with outstanding tax debt must have a payment plan approved by the Tax Administration. The assessment of operating viability may give consideration to the sole trader’s account of exceptional circumstances in 2019. [↑](#footnote-ref-4)
5. The deterioration in financial situation and turnover of the sole trader’s business after 16 March 2020 must be verified by providing copies of business accounts or statements of account (expenses and sales revenue). A reduction of 30 per cent or more in sales revenue may be regarded as a significant deterioration. [↑](#footnote-ref-5)
6. *De minimis* aid means public aid to an undertaking that the European Union has interpreted as so minimal that it does not distort competition or affect trade between European Union Member States. A maximum of EUR 200,000 in *de minimis* aid may be granted to a business over a period of three consecutive tax years. The *de minimis* aid granted to a business operating in the field of road haulage may not exceed EUR 100,000. The aid decision will specify that it concerns *de minimis* aid. The business is responsible for ensuring that the total *de minimis* aid granted under various decisions does not exceed the permitted maximum. <https://tem.fi/vahamerkityksinen-tuki-eli-de-minimis-tuki> [↑](#footnote-ref-6)