

INSTRUCTIONS TO CONTRACTORS FOR TACKLING THE BLACK ECONOMY

updated 23.3.2022

INDEX

1.	Registration in the trade register, prepayment register, employers' register and value added tax register.	2
2.	Statutory accident insurance for building contracts.....	2
3.	Payment of taxes and statutory pension insurance premiums.....	2
4.	Information about the applicable collective agreement, or about the essential terms of employment.	3
5.	Information about the organization of occupational health services.....	3
6.	Provision of certificates in the course of the contractual relationship pursuant to the Contractor's Liability Act.	4
7.	Foreign workers' right to work and certificates concerning leased workers.	4
8.	Shared construction sites according to the Occupational Safety and Health Act (section 52a).....	5
9.	Other work sites.....	5
10.	Limitating the forming of subcontracting chains in building contracts.	6
11.	Sanctions.....	6

1. Registration in the trade register, prepayment register, employers' register and value added tax register.

The contractor must be registered in the trade register, in the prepayment register pursuant to the Prepayment Register Act, in the employers' register and in the VAT register, pursuant to the Value Added Tax Act.

Upon request the contractor must provide the necessary information to Helen. If the contractor is not registered in these registers, it must, upon request and within a set deadline, provide Helen with an explanation of the reasons for non-registration.

In addition, the contractor must, upon request and within a set deadline, provide Helen with an extract from the trade register concerning the contractor.

A foreign contractor must provide Helen, upon request and within a set deadline, in the Finnish or English language, corresponding information by means of a register extract in conformity with the legislation of its home country, or by an equivalent certificate, or in some other generally acceptable manner.

The information must not be older than three months, calculated from the date of presentation.

The contractor will be excluded from all kinds of co-operation if

- *the contractor is an entrepreneur or a company whose associate, or board member or chief executive officer, or a person in a similar position is subject to a ban on business,*
- *the contractor has not been registered in the trade register, in the prepayment register pursuant to the Prepayment Register Act, in the employers' register and in the VAT register, pursuant to the Value Added Tax Act, if such a registration is required by law, or*
- *if the contractor does not provide the information set out above in Finnish or in English within the set deadline.*

2. Statutory accident insurance for building contracts.

The contractor must present an insurance certificate by its insurance company about accident insurance and its validity.

3. Payment of taxes and statutory pension insurance premiums

The contractor must present, upon request and within a set deadline the following information to Helen:

- *a certificate of paid taxes, or a statement of outstanding taxes, or evidence that a payment plan concerning outstanding taxes, approved by the tax authorities, has been made, and*
- *a certificate that pension insurance has been taken out and that the pension insurance premiums have been paid, or evidence that a payment plan concerning outstanding and due pension insurance premiums, approved by the recipient, has been made.*

Also certificates and information provided by instances other than authorities are accepted as certificates and information set out above, provided that they have been issued by some other generally trustworthy instance or administrator.

Upon request by the procurement unit a foreign contractor shall provide, in the Finnish language and within a set deadline, the corresponding information by means of a register extract in accordance with its national legislation, or by a similar certificate, or in some other generally accepted manner.

The certificates and the information must not be older than three months, calculated from the date of presentation.

The contractor will be excluded from all co-operation if it has neglected to pay taxes or statutory pension insurance premiums, or if the contractor does not present the above information in the Finnish language within the deadline stipulated in the request.

4. Information about the applicable collective agreement, or about the essential terms of employment.

The contractor shall upon request, and within the set deadline, provide Helen with information about the applicable collective agreement or the essential terms of employment.

The information must not be older than three months, calculated from the date of presentation to Helen.

The contractor will be excluded from all co-operation if it has not presented that information within the set deadline, or if Helen estimates, on the basis of the information, that the contractor has committed serious errors in its business operations.

In the employment relations subject to the contract, the minimum employment conditions must be applied, which according to Finnish law and to applicable collective agreements shall be applied in similar work.

5. Information about the organisation of occupational health services

The contractor shall upon request, and within the set deadline, provide Helen with information about the organization of occupational health care services in compliance with the Occupational Health Care Act.

The information must not be older than three months, calculated from the date of presentation to Helen.

The contractor will be excluded from all co-operation if it has not presented that information within the set deadline.

6. Provision of certificates in the course of the contractual relationship pursuant to the Contractor's Liability Act.

The information and certificates stipulated in that Act shall be provided to Helen in the course of the employment relationship at intervals of 12 months.

If the contractor has adhered to the "VastuuGroup/Reliable Partner" – service, that information need not be provided separately. Certificates and information provided by an instance other than an authority are accepted as equivalent documents, provided that they have been issued by another generally accepted assessor or administrator.

A foreign contractor must provide Helen, upon request and within a set deadline, in the Finnish or English language, with corresponding information by means of a register extract in conformity with the legislation of its home country, or by an equivalent certificate, or in some other generally acceptable manner.

The certificates and the information must not be older than three months, calculated from the date of presentation to Helen.

Helen is entitled to cancel the contract if the contractor has neglected to pay taxes or statutory pension insurance premiums, or if the contractor neglects to provide, within a set deadline, the information concerned. Before the cancellation the contractor will be notified in writing of the neglect and of the threat of cancellation, unless the neglect is remedied within a requested reasonable deadline.

7. Foreign workers' right to work and certificates concerning leased workers.

The contractor must comply with the provisions of the **Act on Posting Workers (Finnish Book of Statutes nr. 447/2016) and of the Aliens Act (301/2004)**.

These provisions must be complied with, irrespective whether the workers concerned work under the surveillance of the posting company (subcontracting), or directly under the surveillance of another company (leased work).

The contractor must always ensure that a foreigner in its service has an worker's residence permit, or that the worker does not need a residence permit.

Upon request the contractor must prove that the persons on the worksite have the right to work in Finland. Such evidence is maintaining an up- to- date list of persons working on the work site and presentation upon request of copies of the workers' passports, or alternatively in case of EU/EEA-citizens copies of their official identity cards.

Necessary documents to be presented already before starting work:

1. *Before starting work the posting company must submit a report to the industrial safety authorities about posting workers.*
2. *A copy of the form Grounds for Foreign Workers' Right to Work ("Ulkomaalaisen Työntekijän Työnteko-oikeuden peruste") or similar evidence of the person's right to work. The company that has procured or posted the worker to Finland shall present the form or equivalent evidence. Citizens of EU/EEA countries must register in Finland if they stay for more than three months. 3. In respect of workers from countries other than EU/EEA countries also a copy of the work permit is required. **The work permit***

must specifically concern the work that the foreign worker performs on the work site.

3. A copy of the identification page of the worker's passport.
4. Certificate about the Finnish legal representative of a posted worker. A company posting workers from abroad must sign a certificate that a representative in Finland has been appointed. If the person stays in Finland for less than ten days, no such certificate is required.
5. In respect of posted workers, the certificate A1 or E101 that prove that the person concerned is subject to accident and pension insurance in its home country.
6. A written certificate by the posting company, or by the company that supervises work in Finland about which country's legislation governs the posted worker's employment contract. Despite that legislation, the minimum terms of employment prescribed in Finnish law for posted workers shall apply.
7. A written certificate by the posting company that occupational safety services have been organized **in Finland** for the duration of the stay.
8. An identity card with photo that also indicates the person's tax number. All persons working on shared construction sites must have a personal identifier with a photo that indicates the worker's tax number recorded in the public tax number register.

8. Shared construction sites according to the Occupational Safety and Health Act (section 52a)

The main contractor, or the contractor which is liable for the management of the construction site shall make sure that every person working on the site and present on the premises wears an identifier with his/her photo. The identifier shall indicate the person's tax number. The identifier shall indicate if the person working on the construction site is an employee or an independent worker. The employee's identifier shall have the employer's name.

Each contractor shall supervise that its own workers use the identifier with a photo.

For the purpose of granting passes for the work site each contractor shall inform the main contractor, or the contractor who is liable for the management of the work site, before the start of the work shift, the names, the birth dates and places of domicile of that contractor's own and its subcontractors' workers. In respect of foreign workers, also the ground for the right to work shall be indicated.

*On the basis of that information the main contractor or the contractor who is liable for the management of the work site shall draw up a permit list, i.e. a list of persons working on the site; that contractor shall maintain the list up to date and **monthly send the information to the tax authorities to the address: uusimaa.verovalvonnan.tietopalvelu@vero.fi**. The list shall contain at least the information set out in the model list of permits established by the Confederation of Finnish Construction Industries RT. The use of an electronic permit application is recommended, whenever possible.*

9 Other work sites

The contractor shall make sure that persons working on Helen's work sites wear a personal identifier indicating the person's name, employer and tax number. The identifier shall be attached to the working clothes so that it is easily visible. A corresponding term shall be included the contracts concluded by the contractor concerning sub-contracts and leasing of workers.

10 Limiting the forming of subcontracting chains in building contracts.

A subcontractor of a contractor in a contractual relationship with Helen is entitled to subcontract another sub-contractor. Further subcontracting is not permitted, unless there are particularly justified reasons, and Helen's written consent must be obtained.

Before a contract is concluded the contractor of the subcontract shall request and the subcontractor shall provide the information required according to the Act on the Contractor's Obligations and Liability when Work is Contracted Out (Contractor's Liability Act, 1233/2006). The information must be presented to Helen when approval is sought for the subcontractor.

In addition to the justified reasons set out in section 7, paragraph 3 of the YSE General Contract Terms for Construction Contracts and in section 5 of the AYSE General Contract Terms for Regional Contracts, Helen rejects a subcontractor if

- the subcontractor has neglected to pay taxes or statutory pension insurance premiums,*
- the subcontractor is not registered in the trade register, the prepayment register, the employer's register or the VAT register, if such registration is required by law.*
- the subcontractor has not provided information about the applicable collective agreement or of the essential employment terms,*
- the subcontractor has not provided information about organising occupational health care, or*
- the subcontractor is an entrepreneur who is subject to a ban on business, or if the subcontractor is a company whose associate, or board member or chief executive officer, or a person in a similar position is subject to a ban on business,*

11 Sanctions

If the information about subcontractors required under the Contractors' Liability Act have not been provided to Helen, Helen is entitled to interrupt payment to the contractors for work done.

Furthermore, missing information, certificates and identifiers can entail contractual penalties as follows:

The operational deviation that is the basis for the financial sanction	Contract specific remarks made about the same neglect and their financial sanctions €, VAT 0 %		
	1. time	2. time	Subsequent times.
1. There is a non-approved subcontractor on the work site	1 000	3 000	3 000
2. The documents concerning subcontractors required by the Contractors Liability Act are missing.	1 000	3 000	3 000
3. Observed neglects in work force accounting, in passes, in identifiers, in residence permits and in initiation to work	1 000	3 000	3 000
4. Non-contractual forming of subcontracting chains	1 000	3 000	3 000