Subnational Investment Climate Assessment 2022:
Denmark, Finland and Sweden

Comparing Business Regulation for Domestic Firms in 20 Cities in Denmark, Finland and Sweden with Other European Union Member States

WORLD BANK GROUP

with funding by the European Union

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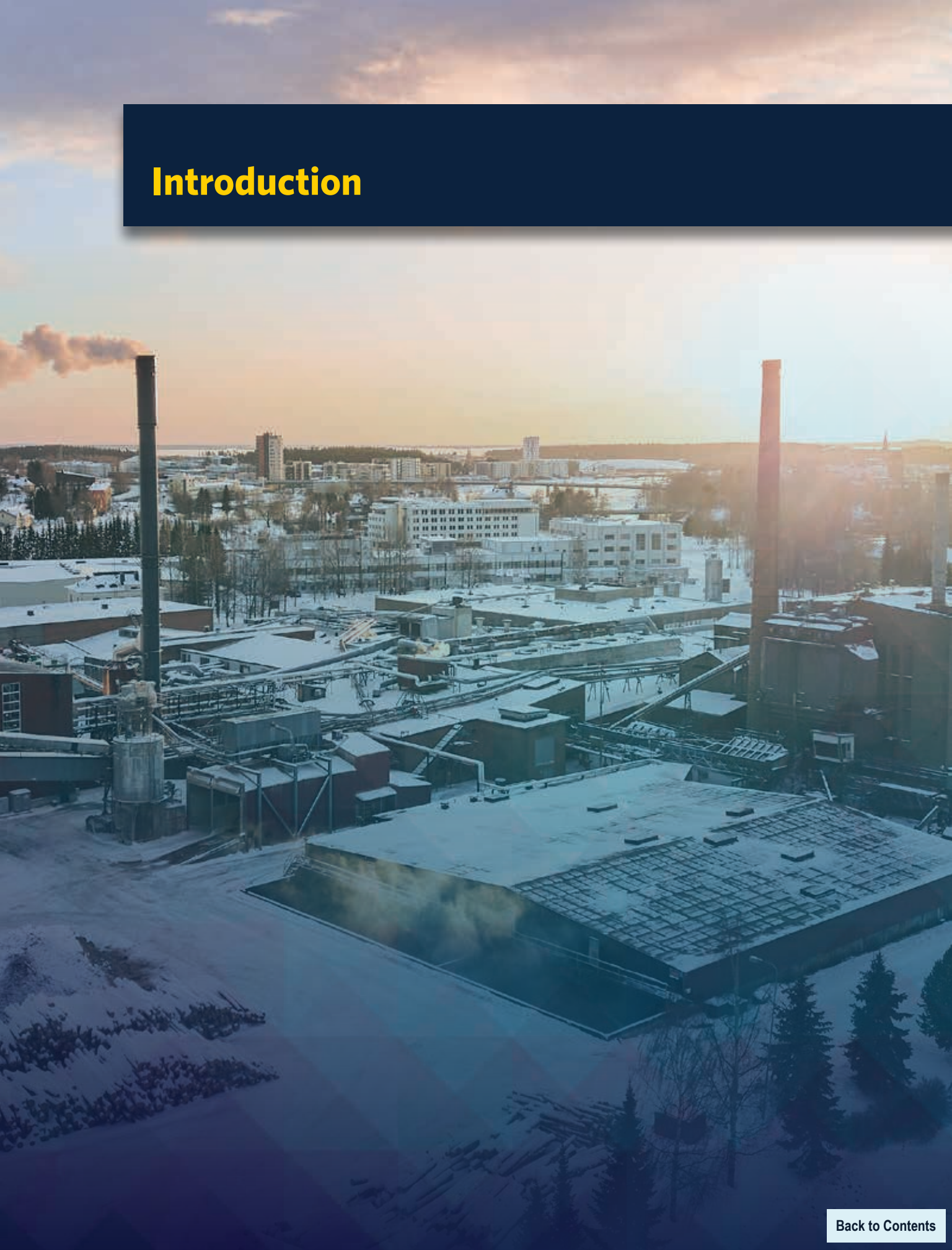
Introduction



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This report is the last in a series produced by the World Bank Group at the request of and funded by the European Commission's Directorate-General for Regional and Urban Policy. It assesses the cost of doing business and the efficacy of the bureaucracy in the largest business cities across the main administrative divisions of European Union (EU) member states[1] with a population greater than 4 million.

By providing a factual baseline, along with local examples of good practices, subnational reports allow policy makers to bridge gaps in regulatory performance to ensure a fairer and more inclusive regulatory environment for businesses, regardless of their location within national borders and across the EU.

The first edition, covering 22 cities in Bulgaria, Hungary, and Romania, was released in 2017. Twenty-five more cities in Croatia, Czechia, Portugal, and Slovakia were benchmarked in 2018. The following year, data were published for 24 cities in Greece, Ireland, and Italy. The fourth edition, covering 24 cities from Austria, Belgium, and the Netherlands, was released in 2021. The current edition, covering Denmark, Finland, and Sweden, goes beyond Copenhagen, Helsinki, and Stockholm to benchmark 17 additional cities, capturing regional differences in regulations and their enforcement (figure 1.1). All reports and data are available online at www.doingbusiness.org/EU.

The series follows the diagnostic methodology used in the cross-country *Doing Business* reports[2] and focuses on five regulatory areas corresponding to stages in the life of a small to medium-size domestic firm: business start-up, building permits, electricity connection and supply, property transfer, and commercial litigation (table 1.1).[3]

The results of the subnational assessments are revealing. The data collected in this series show that substantial differences in the business environment remain among and within EU member states. One telling example: in most of the measured countries, the time it takes to transfer a property varies significantly from one city to another. In Finland, for example, it can take from 76.5 days in mainland cities to twice as long (153 days) in Mariehamn. Similarly, in Greece, transferring a property between two local companies in Patra takes 24 days, more than three months faster than in Heraklion (figure 1.2). And these differences matter. A study looking at cities across several EU member states found that firms located in places with a better business regulatory environment performed better in sales, employment and productivity growth, and investment.[4]

This report, *Subnational Investment Climate Assessment 2022: Denmark, Finland and Sweden*, was undertaken in close collaboration with national government counterparts—in Denmark, the Danish Business Authority; in Finland, the Ministry of Economic Affairs and Employment; in Sweden, Statistics Sweden.

TABLE 1.1 What is measured: five regulatory areas across 20 cities in three countries

	**Business start-up** Records the procedures, time, cost, and paid-in minimum capital required for a small or medium-size domestic limited liability company to formally operate.
	**Building permits** Records the procedures, time, and cost required for a small or medium-size domestic business to obtain the approvals needed to build a commercial warehouse and connect it to water and sewerage; assesses the quality control and safety mechanisms in the construction permitting system.
	**Electricity connection and supply** Records the procedures, time, and cost required for a business to obtain a permanent commercial electricity connection for a standardized warehouse; assesses the reliability of the electricity supply and the transparency of tariffs.
	**Property transfer** Records the procedures, time, and cost required to transfer a property title from one domestic firm to another so that the buyer can use the property to expand its business, use it as collateral or, if necessary, sell it; assesses the quality of the land administration system.
	**Commercial litigation** Records the time and cost for resolving a commercial dispute through a local first-instance court, which hears arguments on the merits of the case and appoints an expert to provide an opinion on the quality of the goods in dispute; assesses the existence of good practices in the court system.

20 cities	DENMARK:	FINLAND:	SWEDEN:
	Aalborg, Aarhus, Copenhagen, Kolding, Næstved, and Odense	Helsinki, Mariehamn, Oulu, Tampere, Turku, and Vaasa	Gävle, Göteborg, Jönköping, Malmö, Stockholm, Sundsvall, Umeå, and Uppsala

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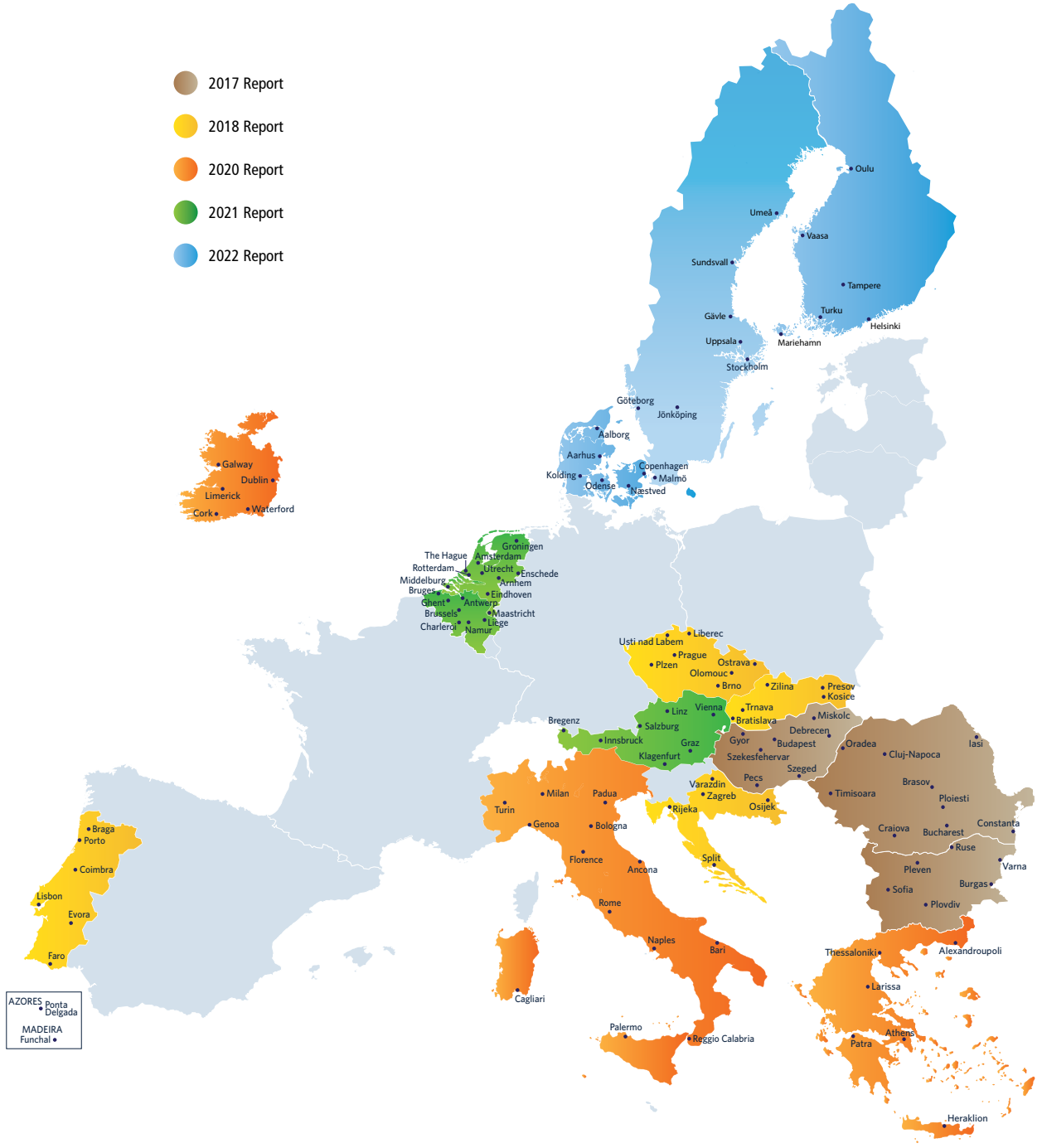
The report is divided into three main chapters, one per country. Details on the main findings for each country can be found at the beginning of the respective country chapters. Each country chapter also includes data analysis and identification of areas for improvement, based on national and EU good practices, in all five areas benchmarked. The report also includes detailed lists of procedures for each indicator and city covered, when applicable.

FIGURE 1.1 Subnational data are available for 16 EU member states under this series



Source: Subnational Doing Business database.

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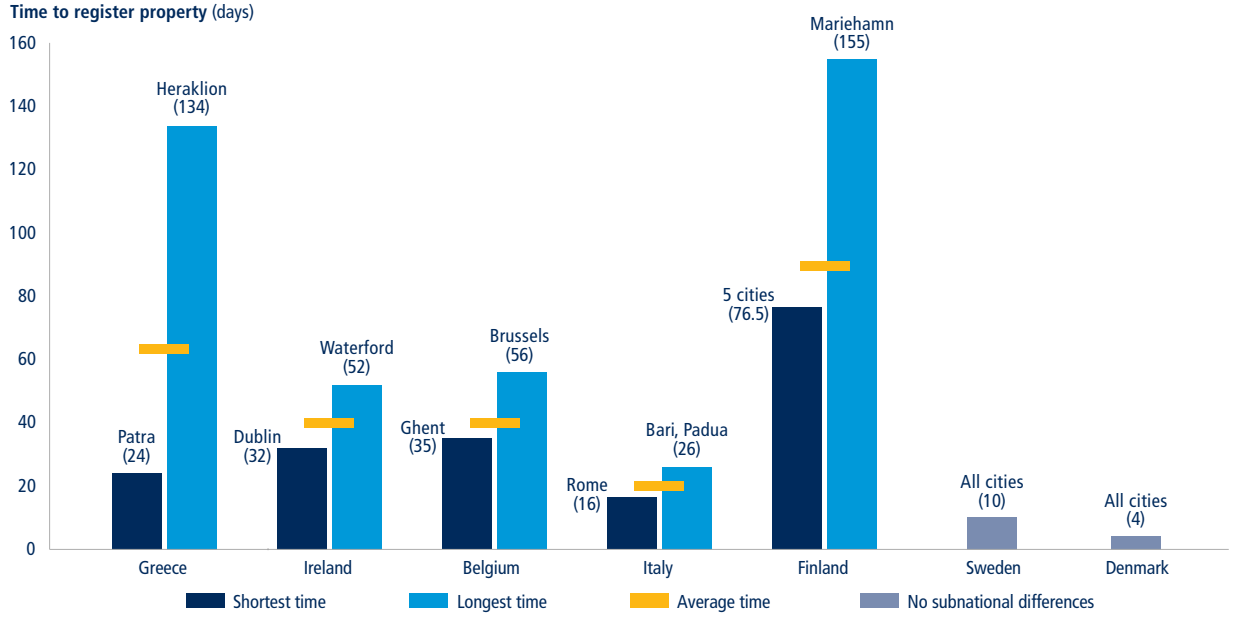
FIGURE 1.2 Substantial differences in the business environment remain, both among and within EU member states



Source: Data collected for this publication; *Subnational Doing Business* database.

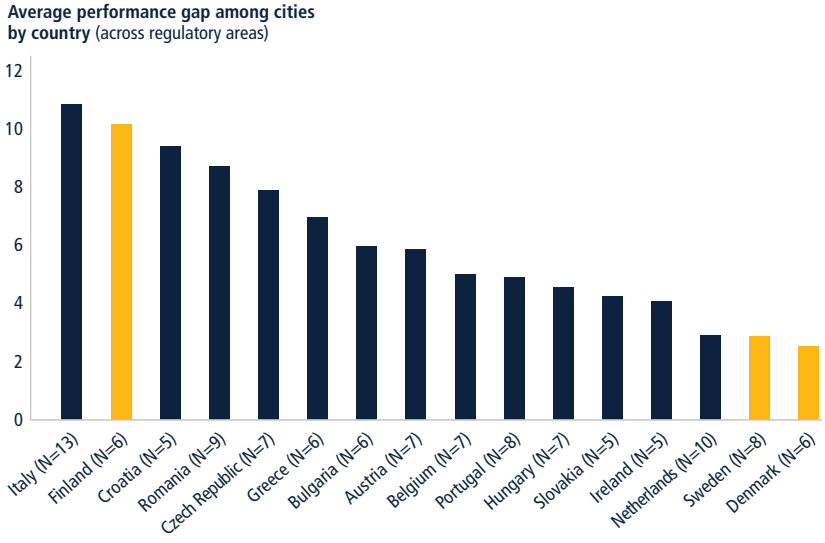
Note: The average time shown for each country is based on all cities covered by the data: 6 cities in Greece in 2019; 5 cities in Ireland in 2019; 7 cities in Belgium in 2020; 13 cities in Italy in 2019; 6 cities in Denmark in 2022; 6 cities in Finland in 2022; and 8 cities in Sweden in 2022.

Some of the results of this report stand out.

- Divergence in regulatory performance is greater among cities in Finland, while Denmark and Sweden are characterized by high convergence (figure 1.3). Finland has the second-highest average performance gap among the EU countries measured in this series, after Italy. This is mainly driven by differences in performance between mainland cities and Mariehamn, the capital of the autonomous region of Åland, where there is a higher degree of autonomy in creating and implementing local regulations. Conversely, Denmark and Sweden have on average the most homogeneous performance among the 16 economies measured in this EU series, due primarily to their high level of centralization and robust digital infrastructure.

- The regulatory gaps between the highest- and lowest-ranking cities in Denmark and among the five mainland cities in Finland are widest in construction permitting, perhaps not surprising given the important role of local authorities in this area. In Sweden, cities' performance varies the most on electricity connection

FIGURE 1.3 Subnational variance in regulatory performance is greater in Finland, while Denmark and Sweden are characterized by high convergence



Source: Data collected for this publication; *Subnational Doing Business* database.

Note: "N" reports the number of cities benchmarked in each economy. The figure considers only the EU member states that have been benchmarked at the subnational level. The full data for the series are available at: www.doingbusiness.org/eu.

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and supply, driven by the diversity of distribution companies' connection processes and fees, the size of their customer base, and wait times for associated municipal permits.

- On average, in all three countries cities outscore the EU average performance in all areas, the only exception being business start-up in Finland and Sweden. The report highlights examples of innovative regulatory practices and successful reform experiences. Denmark is a source of inspiration for economies looking to introduce e-government tools. For example, over 1,500 e-government services are available through a single portal, including formalities to open a new business, which can be completed directly by users. In Finland, an improved electronic case management system (AIPA) has recently been implemented to facilitate judges' handling of civil cases. Judges can now track the status of court cases; view and manage all case documents, court orders, and judgments; and generate semi-automatic court orders. Sweden has one of the most advanced property transfer systems in the world, thanks to a centralized and fully electronic registration platform. The system provides a high level of open data, electronic verification of documents and identities of parties, as well as interoperability and interconnectivity across institutions and databases, including the cadastre and land registry systems.

- Despite the strong performance of the cities in the three measured countries, further improvements could be achieved. Central and local governments could look for good practices in other EU member states—or within their own borders. In Denmark, for example, while obtaining electricity is faster and less costly than in the average EU location, it requires more interactions on the part of clients. Similarly, when starting a business, Danish entrepreneurs need to deposit a minimum capital higher than the EU average. In Finland, while the process for setting up a business is streamlined and affordable, it takes longer than the EU average. Finland could follow the example of other European economies and expand the use of standard incorporation documents and online registration to all types of firms. Finnish cities lag behind other European economies on the time it takes to register a property. Increasing the uptake of the electronic platform for property transfers could help reduce the waiting times. Swedish entrepreneurs wait two weeks longer than their counterparts elsewhere in the EU to start a business. Merging and streamlining tax and company registration would make the process more efficient. In the area of construction permits, the authorities could look to other EU member states to adopt nationwide electronic systems, including comprehensive geographic information systems (GIS).

Data in *Subnational Investment Climate Assessment 2022: Denmark, Finland and Sweden* are current as of April 30, 2022, and can be compared across the three countries and with all other economies benchmarked in this series. Data collection was carried out in collaboration with local law firms and professional associations. (See "Acknowledgments" for a complete list of local partners.) More than 500 lawyers, engineers, electricians, architects, construction experts, utility providers, public officials, judges, and enforcement agents from the three countries contributed to this assessment.

Insights from this benchmarking series have informed the individual country reports produced for the European Semester reports[5] and the European Commission's reports on economic, social, and territorial cohesion.[6] City-level data produced by this series are also used in World Bank reports on issues such as business environment and firm performance, public sector governance,[7] housing and mobility,[8] and economic and territorial cohesion[9] in EU regions. Going forward, the World Bank is formulating a new approach to assessing the business and investment climate in economies worldwide, following the discontinuation of the *Doing Business* project. Updates on the development of the new *Business Enabling Environment* project are made available at: https://www.worldbank.org/en/programs/business-enabling-environment.

Promoting a business environment that motivates entrepreneurship, business growth, and employment generation—not only in the large economic centers but across all regions—is an important factor in achieving convergence among EU regions and states. While national regulations govern a significant part of the overall regulatory environment, it is the local regulations and local implementation of national laws that constitute a deciding factor in creating an investment climate conducive to firm entry, job creation, and economic growth. Subnational reports provide local and national policy makers with a catalogue of successful reform experiences and innovative regulatory practices from across the EU which can be used to reduce red tape and encourage entrepreneurship.

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NOTES

1. Based on the NUTS classification (Nomenclature of Territorial Units for Statistics), a standard developed by the European Union for referencing the subdivisions of countries for statistical purposes.
2. For details on the methodology used in each regulatory area, see https://archive.doingbusiness.org/en/methodology.
3. These indicator sets were selected because they benchmark areas where local authorities typically have the administrative power to reform the underlying regulation or make changes to how the regulation is implemented.
4. Farole, Thomas, Issam Hallak, Peter Harasztosi, and Shawn Tan. 2017. "Business Environment and Firm Performance in European Lagging Regions." Policy Research Working Paper 8281, World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/29073.
5. The latest European Semester Country Reports are available at https://ec.europa.eu/info/publications/2022-european-semester-country-reports_en.
6. The Eighth Report on Economic, Social and Territorial Cohesion is available at https://ec.europa.eu/regional_policy/en/information/cohesion-report/.
7. World Bank. 2018. Public Sector Governance Indicators for EU Regions. Washington, DC: World Bank. http://documents1.worldbank.org/curated/pt/562531529038167251/pdf/Public-Sector-Governance-Indicator-Final-Report.pdf.
8. Inchauste, Gabriela, Jonathan Karver, Yeon Soo Kim, and Mohamed Abdel Jelil. 2018. "Living and Leaving: Housing, Mobility and Welfare in the European Union." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/30898.
9. Ridao-Cano, Cristobal, and Christian Bodewig. 2018. "Growing United: Upgrading Europe's Convergence Machine. World Bank, Washington, DC. https://www.worldbank.org/en/region/eca/publication/europe-growing-united.

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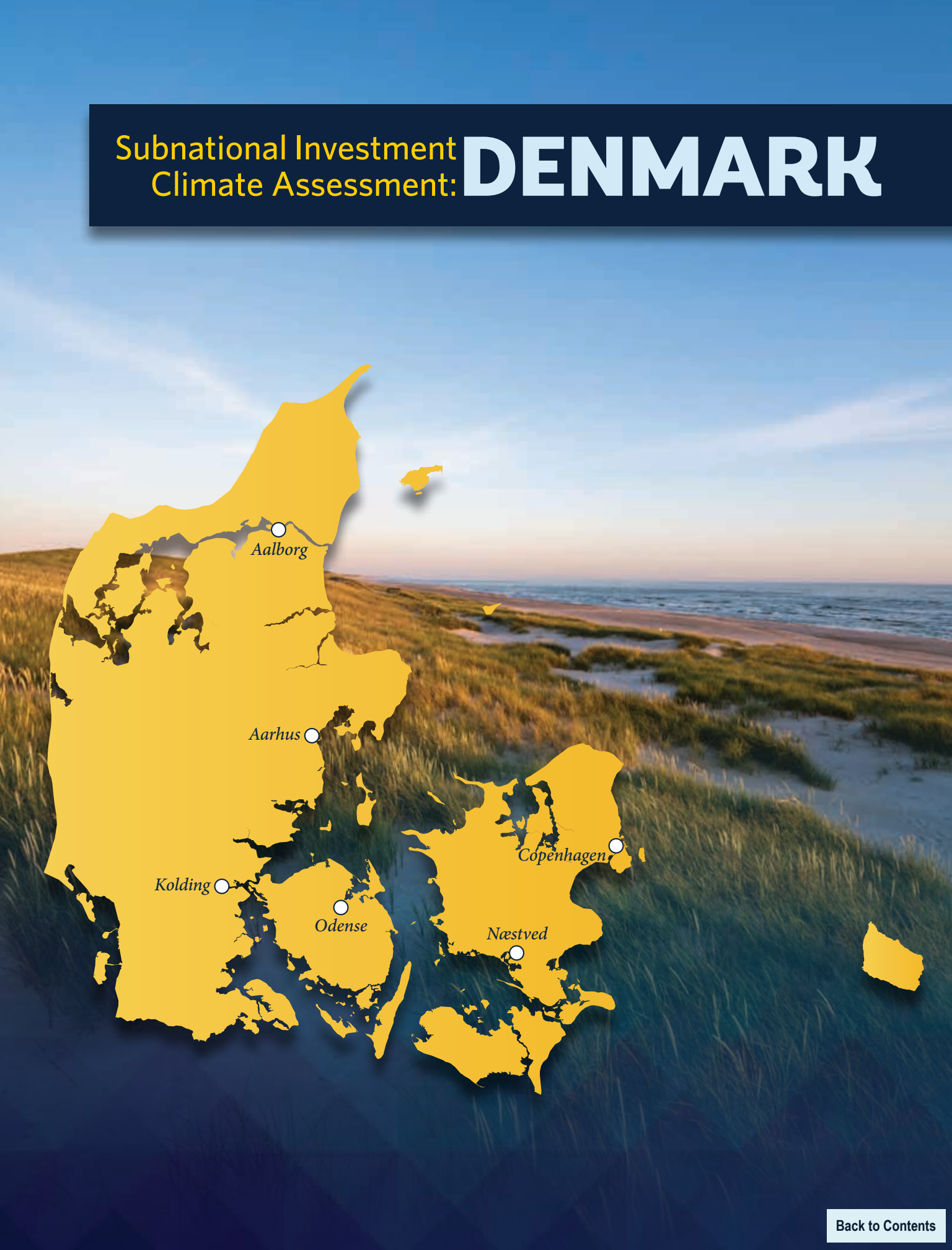
Subnational Investment Climate Assessment: DENMARK



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- **This report presents regional-level data and analyzes regulatory hurdles facing entrepreneurs in six cities in Denmark** (Aalborg, Aarhus, Copenhagen, Kolding, Næstved, and Odense) across five regulatory areas (business start-up, building permits, electricity connection and supply, property transfer, and commercial litigation).

- **Danish entrepreneurs deal with a similar business environment independent of where in the country they establish their business.** Of the 16 EU member states assessed by this series, Denmark registers most homogeneous business environment across locations. This is mainly due to the advanced digital portals through which entrepreneurs from any Danish city perform most procedures.

- **Three of the five areas benchmarked show some variations in the efficiency of the regulatory process:** building permits, obtaining electricity connections, and resolving a commercial dispute. These disparities can help policy makers identify which cities have good practices that other cities can adopt, and make improvements without major legislative overhaul. All Danish cities obtain the same score on business start-up and property transfer: these areas are not subject to subnational variation.

- **Næstved leads on building permits and commercial litigation, Aarhus on electricity connections.** Odense ranks second on both commercial litigation and electricity connection. Copenhagen ranks at or near the bottom of the three regulatory areas where there are local variations.

- **One of the strengths of the Danish business environment is the presence of well-functioning e-government services across all areas.** Denmark is a source of inspiration for economies looking to introduce e-government tools.

- **Despite the strong performance of Danish cities, further improvements could be achieved.** For example, while obtaining electricity in Denmark is faster and less costly than in the average EU location, it requires more interactions on the part of clients. Similarly, when starting a business in Denmark, entrepreneurs need to deposit a minimum capital higher than the EU average. Denmark could look for good practices in other EU member states—or within its own borders.

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Danish firms benefit from a stable and favorable business environment, a strong administrative capacity,[1] and easy access to digital public services.[2] However, while many companies are created, scaling up is sometimes difficult for start-ups and small businesses.[3] Among the long-term barriers to investment, Danish firms most frequently cite availability of skilled staff.[4] For example, while Denmark ranked at the top of the European Commission's Digital Economy and Society Index (DESI) in 2021 and second in 2022, the shortage of information and communication technology specialists is a key challenge.[5]

Danish authorities are working on various initiatives to further improve administrative performance and keep it up to date to face evolving challenges, such as recovering from the COVID-19 pandemic and accelerating the transition to a green economy. Initiatives are underway to further improve administrative performance and update systems to face new challenges. Areas of particular focus in this reform process are cross-policy coordination and digitalization.[6]

Denmark outperforms EU averages on all key economic indicators, but territorial disparities do exist (figure 2.1). The Capital Region (Hovedstaden) is the engine of the economy; its gross domestic product (GDP) accounts for more than 40.6% of the national GDP and is equal to 167% of the EU average GDP. By contrast, the Zealand Region (Sjælland) has a GDP equal to 89% that of the EU average. Similarly, the annual GDP per capita growth rate of North Jutland (Nordjylland) is 0.99%—below the EU average of 1.39% and half that of the Capital Region (2%).

This report aims to fill in some of the gaps in what is known about the quality and features of business regulations in Denmark by compiling subnational data that can be used to analyze the regulatory hurdles entrepreneurs face in six cities representing five different regions in Denmark.[7] These cities are Aalborg, representing North Jutland; Aarhus, Central Denmark (Midtjylland); Copenhagen, Capital Region; Kolding and Odense, South Denmark (Syddanmark); and Næstved, Zealand.[8] Five regulatory areas of particular relevance for the life cycle of local small and medium enterprises (SMEs) are measured: business start-up, building permits, electricity connection and supply, property transfer, and commercial litigation.

The report also points to possible improvements that Danish central and local authorities could make to create an even more inclusive business environment and converge toward best practices in the regulatory areas benchmarked.

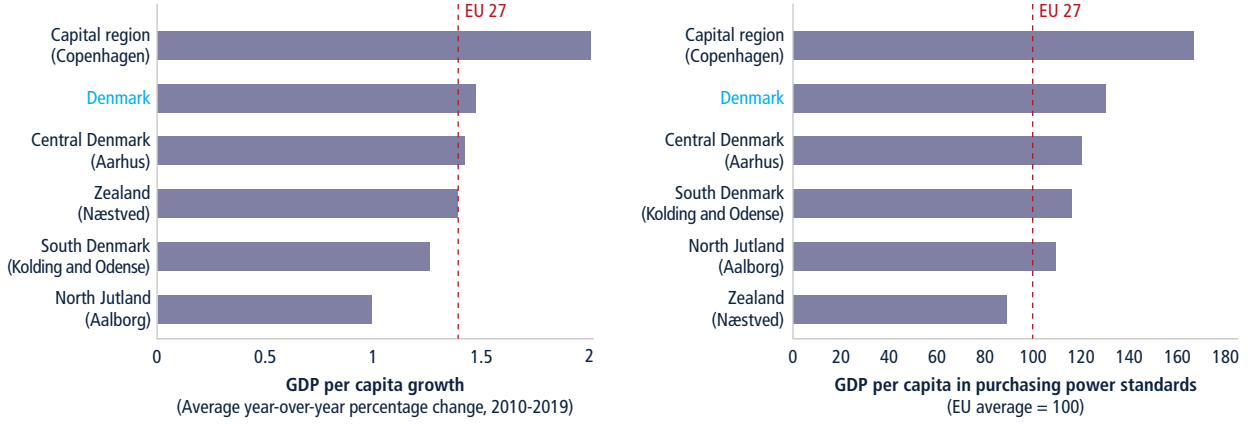
MAIN FINDINGS

The Danish business environment is relatively homogeneous across locations

Danish entrepreneurs deal with a similar business environment independent of where in the country they establish their business. Of the 16 EU member states assessed by this series, Denmark registers the smallest average spread between its cities with the lowest and highest scores on the five regulatory areas benchmarked (figure 2.2). This is mainly due to the advanced digital portals through which entrepreneurs from any Danish city perform most procedures (box 2.1).

A homogeneous business environment among regions and cities provides more certainty for investors and potentially a fairer regulatory environment for firms, regardless of their location within national borders. Research looking at cities across several EU member states found that firms

FIGURE 2.1 Denmark regions outperform EU averages on key economic indicators—with exceptions



Source: Eurostat, 2019.
Note: Data represented in the graphs are at the regional level. The cities included in parentheses are the locations in each region that are measured by this subnational study.

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BOX 2.1 Denmark is a source of inspiration for economies looking to introduce e-government tools

One of the strengths of the Danish business environment is the presence of well-functioning e-government services across all areas. Since 2001, Denmark has adopted a series of digital strategies to reduce the administrative burden, bringing together public sector authorities at the central and local level. This approach enabled Denmark to make joint investments in areas involving multiple stakeholders. As a result, it ranked at the top of the European Commission's Digital Economy and Society Index (DESI) in 2021[a] and the United Nations E-Government Survey in 2020.[b] Successful e-government solutions include:

Virk.dk—one portal, many services
Managed by the Danish Business Authority (DBA), Virk.dk serves as a single entry point for businesses seeking to access the services of the public administration. Over 1,500 e-government services are available through this portal. These include all formalities to start a new business, which can be completed directly by users without the need to hire a third party such as a lawyer or a notary. Among other features, entrepreneurs can register with the DBA and with the Tax Agency in a single step, thanks to the automatic exchange of business information between the two institutions. The portal also allows companies to exchange messages and documents with all government agencies,[c] submit their annual reports, record changes to the company, report value added tax (VAT), request multiple licenses, and complete many other procedures.

A digital business guide
In addition to Virk.dk, the information portal Virksomhedsguiden.dk ("Business Guide") was created in 2019 to support entrepreneurs during company formation and operation. It provides guidance on multiple topics, including business development, company registration, tax compliance and accounting, employee recruitment, and international trade. The portal also provides templates that companies can use to set up their business plan, manage their budget, sign agreements with suppliers, and take other actions.

Byg og Miljø—the national portal for construction permitting
Developers and municipalities throughout Denmark communicate through a single national portal, called Byg og Miljø ("Building and Environment"). This online platform, introduced in 2014, helped make Denmark the economy with the fewest number of procedural steps for construction permits at the global level. The portal incorporates all required interactions between the municipality and the developer during the construction process, merging multiple steps into one. For example, when applying for a building permit, Danish developers can submit all the required documentation, clearances, and third-party reviews in one go through Byg og Miljø. The portal has also enhanced transparency: anyone can track the status of an application. In many EU economies, such as Austria, Belgium, or Italy, electronic portals for construction permits are developed and managed at the city level. A national solution is simpler and less expensive to implement and maintain than multiple municipal systems, and it keeps municipalities and agencies from reinventing the wheel and developing incompatible systems.

DataHub—the single portal for all things electricity
Through the years, Denmark has developed a highly digitalized energy market. In 2013, an online system called DataHub was introduced by Energinet, the country's transmission system operator. DataHub serves as an interface for all relevant parties, from customers to suppliers, utilities, and the transmission operator. A pioneer in developing this system, Denmark has been inspiring other Nordic economies—such as Finland, Norway, and Sweden—to create their own versions.[d]

Sagsportalen—A digital case portal for courts
Denmark developed a highly digitalized court system for civil cases. In 2018, the country introduced a digital case portal—Sagsportalen. All civil cases in Denmark must be filed and processed digitally through the portal since they no longer exist on paper in courts. Parties gain access to Sagsportalen using a digital signature. Once a writ of summons is filed, all parties have access to documents and information relevant to the case. The plaintiff pays the court fees, and the defendant acknowledges the service of a summons through Sagsportalen. All written communication between litigants and the judge is also conducted through this portal. The defendant provides a written response to the summons, and both parties can upload written pleadings during the litigation process. The digital case portal is also used internally by court staff. Sagsportalen allows judges to automatically generate a hearing schedule; send notifications to lawyers; track the status of a case; and view and manage case documents.

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a. European Commission. 2021. Digital Economy and Society Index (DESI) 2021. Brussels: European Commission. For more information on the index, see https://digital-strategy.ec.europa.eu/en/policies/countries-digitisation-performance.

b. United Nations Department of Economic and Social Affairs. 2020. E-Government Survey 2020. New York: United Nations. For more information, see https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2020.

c Virk.dk provides a communication service called Digital Post, which is set up automatically at the time of business registration.

d NordREG. 2021. "Implementation of data hubs in the Nordic countries. Status Report, December 2021." Available at http://www.nordicenergyregulators.org/wp-content/uploads/2021/12/6.1-NordREG-Status-report-on-data-hubs-2021.pdf.

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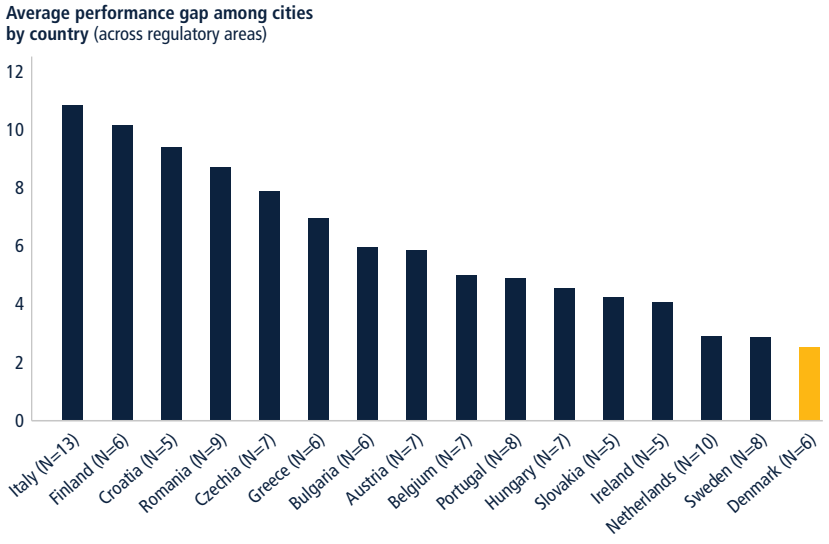
FIGURE 2.2 Denmark has the smallest average spread between the lowest- and highest-scored cities



Sources: Data collected for this publication; *Subnational Doing Business* database.
Note: "N" reports the number of cities benchmarked in each economy. The figure considers only the EU member states that have been benchmarked at the subnational level. The full data for the series are available at: www.doingbusiness.org/eu.

located in places with a better business regulatory environment outperformed their peers from lagging regions within the same countries in sales, employment and productivity growth, and investment.[9]

Næstved leads on building permits and commercial litigation, Aarhus on electricity

Aarhus ranks first on electricity connection and second on building permits but last on commercial litigation. It is easiest to resolve a commercial dispute in Næstved, which also ranks at the top on building permits yet near the bottom on electricity. Odense ranks second on both commercial litigation and electricity connection but second-to-last on construction permits. The fact that cities that score well in one area are at the bottom of the ranking for others highlights opportunities for them to learn from each other.

Copenhagen ranks last among the six cities on building permits and electricity and fifth on commercial litigation. The capital may in part be paying the price of being the largest Danish city[10] and the one where most economic activities are concentrated (table 2.1). However, the cases of other economies measured by this series show how the regulatory process in major business centers does not necessarily need to be more complex. To counter the effect of heavier workloads, large urban centers can normally count on economies of scale and more resources. For example, Prague is the top performer in Czechia, and Dublin in Ireland, despite these cities having the largest volume of business activity in their respective countries. Similarly, Antwerp registers the highest average score of the cities measured in Belgium, even though it is the second-largest urban area and the most populous municipality in the country.

All Danish cities obtain the same score on business start-up and property transfer: these areas are not subject to subnational variation.

Three of the five areas benchmarked show some variations in the efficiency of the regulatory process

The areas where local regulatory variations come into play are building permits, electricity connection and supply, and commercial litigation (figure 2.3).

On building permits, the main driver of differences across cities is the level of efficiency in processing municipal permits and connection requests. Danish cities

TABLE 2.1 Copenhagen ranks at or near the bottom of the three regulatory areas where there are local variations

	Business start-up		Building permits		Electricity connection and supply		Property transfer		Commercial litigation	
City	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)
Aalborg	1	92.11	4	87.75	3	83.51	1	92.79	3	72.60
Aarhus	1	92.11	2	88.85	1	85.35	1	92.79	6	69.91
Copenhagen	1	92.11	6	84.74	6	81.66	1	92.79	5	71.25
Kolding	1	92.11	3	88.65	4	82.96	1	92.79	4	71.89
Næstved	1	92.11	1	90.00	5	82.74	1	92.79	1	73.47
Odense	1	92.11	5	85.42	2	85.03	1	92.79	2	72.90

Source: Data collected for this publication.
Note: The indicator scores show how far a location is from the best performance achieved by any economy in each area. The scores are normalized to range from 0 to 100 (the higher the score, the better). For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

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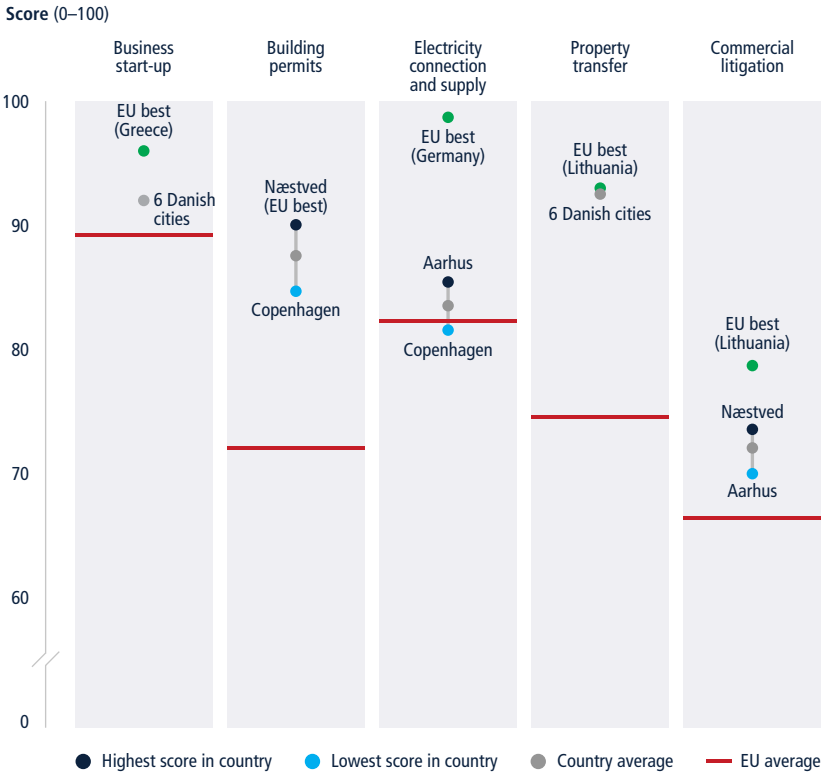
share the same legal framework for construction projects,[11] but municipalities and local water utilities[12] play a decisive role in implementing national regulations. It takes 48 days to obtain municipal permits in Næstved and more than 2.5 times longer in Odense (122 days). The process of getting water and sewerage connections takes 18 days in Kolding and over three times longer in Copenhagen (56 days). The cost of the construction permitting process also varies, especially because of the different fees applied by each local water utility. For the case considered in this study, the process is cheapest in Copenhagen, at 1.4% of the warehouse value, and most expensive in Næstved, at 1.7%.

Because a different distribution utility operates in each benchmarked city, the process for getting an electricity connection varies across Denmark. The main factor behind such variations is how long it takes utilities to deliver the main steps in a connection: processing applications, carrying out connection works, and performing meter installations. This takes 36 days in Aarhus but 60 days in Næstved and 70 days in Copenhagen.[13] In the capital, getting the municipal permits to carry out connection works on public land also causes delays: entrepreneurs need to wait 13 days, whereas all other cities issue permits within a week. Not surprisingly, a recent World Bank Enterprise Survey found that 8.3% of the firms surveyed in the Capital Region identified electricity as the biggest obstacle to setting up a business, compared with only 2% in Central Denmark, where Aarhus is located (figure 2.4).[14]

Subnational differences on commercial litigation stem from the time it takes to complete the trial and judgment phase. This is determined by the availability of hearing sessions in the local court's schedule, judges' caseloads, and the court's approach to adjournment and continuances. With 14 months to complete the trial and judgment phase, Næstved is the fastest benchmarked city. The process takes more than three additional months in Aarhus, the slowest city.

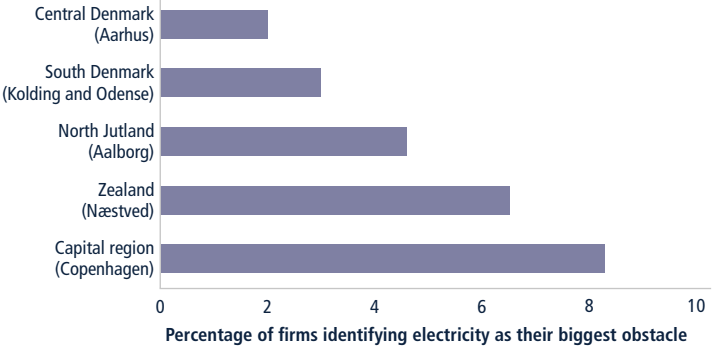
FIGURE 2.3 Cities across Denmark vary on dealing with building permits, obtaining electricity connections, and resolving commercial litigation



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The scores show how far a location is from the best performance achieved by any economy in each area. The scores are normalized to range from 0 to 100 (the higher the score, the better). EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

FIGURE 2.4 Entrepreneurs in Copenhagen are more likely than their peers in other cities to identify electricity as their biggest obstacle



Source: World Bank Enterprise Surveys (2020).

Note: Data represented in the graph are at the regional level. The cities included in parentheses are the locations in each region that are measured by this subnational study.

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WHAT IS NEXT?

The six benchmarked cities in Denmark are EU best performers—along with Lithuania—on property transfer and building permits, and they outscore EU averages in all five regulatory areas studied. There is only one exception: Copenhagen scores just below the EU average on electricity connection and supply. This is also the regulatory area with the largest spread between the Danish average score and the EU best-performing economy on this indicator, which is Germany. While obtaining electricity in Denmark is faster and less costly than in the average EU location, it requires more interactions from the side of clients: firms in Danish cities must go through a six-step process. To put things in perspective, only in three other EU economies are more than five steps required—Belgium, Bulgaria, and Romania.

Despite the high performance of Danish cities, further improvements could be achieved. This report identifies local good practices within Denmark as well as examples from other economies that Danish cities could look at. This does not imply that all locations would automatically benefit from introducing a specific good practice. Several factors determine whether replicating a good practice is beneficial, including local economic priorities, resource allocations, and tradeoffs between how smooth a bureaucratic process is and its costs. Local authorities can determine which of the good practices in the report would help improve their cities' business environments and can use them as a source of inspiration when planning reforms. The report also identifies specific agencies in charge of each regulatory area. In some cases, the reform process would involve multiple national and local agencies (table 2.2).

To further improve its business environment, Denmark could look for good practices in other EU member states—or within its own borders

Setting up a new private limited company (Anpartsselskab, ApS) in Denmark is a relatively fast and inexpensive process; however, entrepreneurs must comply with five regulatory requirements. Estonia, Finland, Greece, Ireland, and Slovenia regulate the business start-up process using only three procedures. Denmark could consider eliminating the separate step of registering as an employer and instead allow companies to submit information on employees' contracts at the time of incorporation. Another area for potential improvement is the minimum capital requirement. Danish entrepreneurs need to deposit paid-in minimum capital equivalent to 9.7% of income per capita—above the EU average of 8%. Many governments in the European Union and around the world have eliminated the minimum capital requirement altogether, instead adopting other measures to protect investors and creditors and minimize the risk of insolvency. These include mechanisms such as evaluating a firm's income statements, business plans, and other representative indicators. Belgium and Finland are the latest EU member states to have eliminated the requirement, in 2019.

Danish cities have easier construction permitting processes in place than the EU averages on all the parameters considered by this study. However, some EU member states register shorter turnaround times. For example, the process is 1.5 months faster for developers in Lithuania. Despite Denmark's newly introduced certification scheme, which switched the responsibility for reviewing the structural and fire aspects of projects from municipalities to certified private practitioners, developers still need to wait more than two months for a building permit. Clarifying the new rules through guidelines and an extended awareness campaign directed at all stakeholders would help reduce confusion at an early stage, thus reducing backlogs due to incorrect applications.

To further reduce the time for obtaining construction-related permits, other cities could look to the example of Aarhus, the only city of those benchmarked offering an e-service platform for water and sewerage connections. In Copenhagen and Aalborg, developers submit the water and sewerage request on the utilities' websites but not through a dedicated e-service platform. In the rest of the cities, applications are sent via e-mail or requested over the phone.

Aarhus offers an interesting good practice on electricity as well: the utility operating there, Konstant Net A/S, has a policy of reviewing and adjusting its services to aim for an efficient supply. For instance, until 2019 it allowed contractors hired by the customer to directly install meters at the end of the connection works. After noticing that mistakes had to be frequently corrected, it shifted the policy and started to use its own external contractors to provide meter installations. Utilities in other cities could follow suit.

In the area of commercial litigation, establishing regulations to limit an excessive use of trial adjournment could promote more efficient justice. Denmark has no regulation limiting the number, duration, or basis for adjournments. The granting of postponements is thus fully left to the discretion of the presiding judge. Denmark could look to the example of the Tingrett Nedre Romerike District Court in Norway: the court's case administrators work actively to schedule cases within the set deadlines and targets, and lawyers are expected to conduct the case within official time limits. If the lawyer is unavailable, the administrators push for a transfer of the case to another lawyer at the same firm. The court's practice on adjournments is restrictive and mainly limited to illness documented by a doctor's certificate.

Moreover, most district courts in Denmark currently schedule the main hearing only after the preparatory phase is concluded. To shorten waiting times, they could follow the example of the district courts in Næstved, which set a date for the main hearing during the preparatory phase.

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TABLE 2.2 Opportunities for regulatory improvement in Danish cities

Regulatory area	Good practices	Relevant ministries, agencies and other stakeholders*	
		National level	Local/regional level
Business start-up	Reduce or eliminate the paid-in minimum capital requirement	• Danish Business Authority • Danish Tax Agency	
	Integrate employer registration with company registration		
Building permits	Reduce the waiting times for processing municipal permits	• Local Government Denmark • The Danish Housing and Planning Authority under the Ministry of the Interior and Housing	• Municipalities • Water and sewage companies
	Enhance e-services for facilitating the construction permitting process		
	Introduce mandatory liability requirements to cover professionals in the event of structural defects		
Electricity connection and supply	Eliminate the requirement of registering works to obtain a meter installation	• Danish Energy Agency • Danish Utility Regulator • Energinet • Green Power Denmark	• Local distribution utilities • Local municipalities • Local electricity suppliers • IDA (Danish Society for Engineers) • Tekniq Arbejdsgiverne (Association for Electricity) • SMVDanmark (Association for Small and Medium-sized Enterprises) • KL – Local Government Denmark (Association for Municipalities)
	Adopt legal and enforceable time frames for connection services		
	Publish statistics on connection services to promote transparency and accountability		
	Assess the possibility of partially absorbing connection costs and providing the option of payments in separate installments		
Property transfer	Strengthen complaints mechanisms related to services provided by the registry	• Ministry of Justice • Danish Cadaster • Land Registration Court	
	Increase transparency by collecting and compiling statistics on land disputes and ensure that the data are publicly available online		
Commercial litigation	Strengthen case management practices during the preparatory phase and set deadlines for key litigation events	• Ministry of Justice • Danish Court Administration (Domstolsstyrelsen)	• Local district courts
	Limit the number, duration, and grounds for granting adjournments		
	Consider creating specialized commercial sections at the courts or expand the jurisdiction of the Maritime and Commercial Court		
	Provide financial incentives for parties that attempt mediation		

*The list includes the main ministries and agencies relevant to each regulatory area, but other entities might also be involved.

Note: All good practices are detailed at the end of the respective indicator section.

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Business start-up

Setting up a business in Denmark is faster and less expensive than the EU average

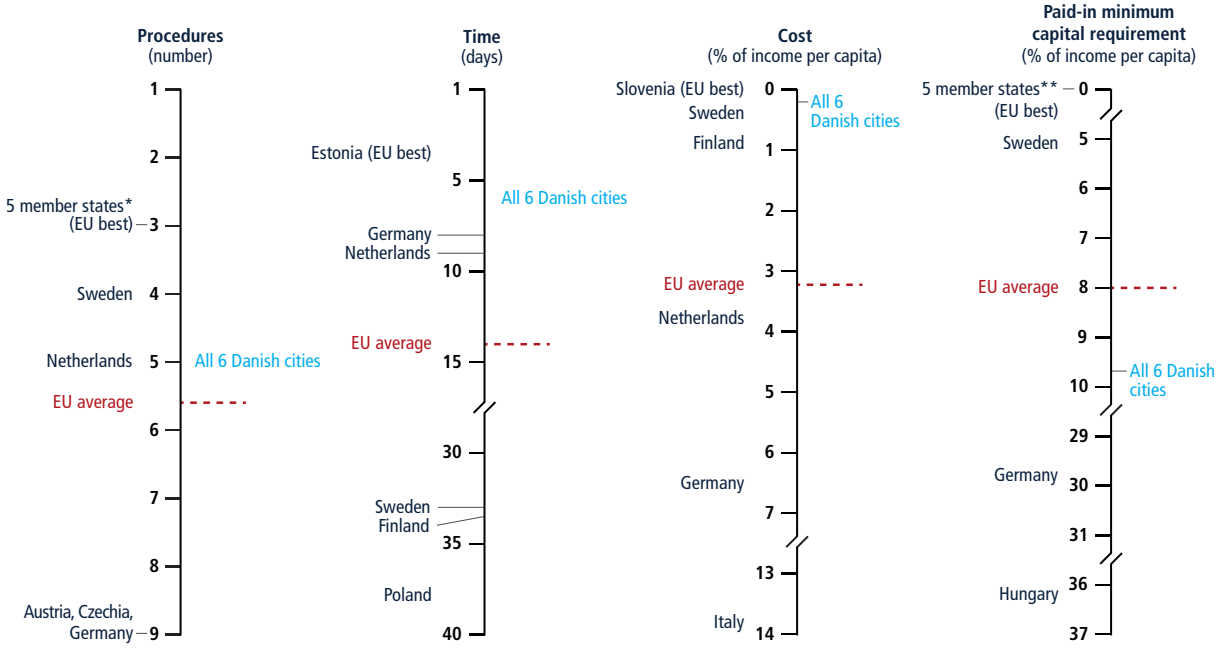
Setting up a new private limited liability company (Anpartsselskab, ApS) in Denmark is a relatively fast and inexpensive process. It takes five procedures, which is close to the EU average of 5.6 but more than in countries like Estonia, Finland, Greece, Ireland, and Slovenia, where only three steps are required (figure 2.5). The process takes six days, less than half the EU average of 14.2 days. Still, there is room from improvement: in Estonia, only 3.5 days are needed. The cost of opening a business in Denmark is equal to 0.2% of income per capita, against an EU average of 3.2%. Among all EU member states, only Ireland and Slovenia have lower costs, at 0.1% and 0% of income per capita, respectively.

When starting a business in Denmark, entrepreneurs also need to deposit a minimum capital of DKK 40,000 (EUR 5,375), equivalent to 9.7% of income per capita—higher than the EU average of 8%. Twelve EU member states either do not require any paid-in minimum capital, or its value amounts to less than 0.1% of income per capita.[15]

The business start-up process is regulated at the national level and implemented consistently across cities

The process to set up a business in Denmark is regulated at the national level and supervised by the Danish Business Authority (Erhvervsstyrelsen).[16] A new company conducting general commercial activities—such as the one considered by this case study—is not required to register with any regional or local authority. All formalities with public authorities can be completed online by entrepreneurs themselves through the Virk.dk portal (box 2.2). As a result, the process is the same regardless of the city in which the

FIGURE 2.5 Danish entrepreneurs wait less time and pay lower fees to set up a business, but they need to put up a significant amount of paid-in minimum capital



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

*Estonia, Finland, Greece, Ireland, Slovenia.

**Belgium, Cyprus, Finland, Ireland, the Netherlands.

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BOX 2.2 Using online services to support entrepreneurial activity in Denmark

Denmark has consistently ranked as one of the most digitalized economies in the European Union.[a] With 92% of internet users accessing digital public services in 2021, Denmark also topped the EU in terms of e-government uptake.[b] Since 2001, the country has adopted a series of digital strategies to reduce the administrative burden on individuals and businesses,[c] a process which brought together public sector authorities at the central and local level. This approach enabled the Danish public sector to make joint investments in areas involving multiple stakeholders.

In 2004, the Danish Business Authority launched the electronic portal Virk.dk specifically to support entrepreneurial activity. The portal serves as a single entry point for businesses to access the services of the public administration. Over 1,500 e-government services can be completed through Virk.dk. These include all the formal regulatory steps to set up a new business. Among other features, entrepreneurs can register with the Danish Business Authority and with the Tax Agency in a single step, thanks to the automatic exchange of business information between the two institutions. The portal also provides templates for the memorandum and articles of association, which business founders can use or adapt to their needs and then submit digitally. In addition to the start-up process, Virk.dk also allows companies to submit their annual reports, record changes to the company, report value added tax (VAT), request multiple business licenses and permits,[d] and complete many other procedures required by different authorities.

To access the services in Virk.dk, entrepreneurs use their e-identification, called NemID—a digital identity system created in 2010 for Danish citizens. It facilitates the use of online banking and other private websites, as well as communication between citizens and public authorities. Starting in 2021, the government began a process to replace NemID with a new digital ID system called MitID.

Virk.dk also provides a communication service called Digital Post—available since 2007—where businesses can send and receive messages and exchange documents with all government agencies, including notifications related to deadlines or overpaid or underpaid taxes. A Digital Post account is created automatically at the time of business registration.

In addition to Virk.dk, the information portal Virksomhedsguiden.dk ("Business Guide") was created in 2019 to support entrepreneurs during company formation and operation. It provides guidance on multiple topics, including business development, company registration, tax compliance and accounting, employee recruitment, and international trade. The portal also provides templates that companies can use to set up their business plan, manage their budget, sign agreements with suppliers, and take other actions.

a. Denmark ranked first on the Digital Economy and Society Index (DESI) in 2021 and second in 2022. For more information on the index, see https://digital-strategy.ec.europa.eu/en/policies/countries-digitisation-performance.

b. European Commission. Digital Economy and Society Index (DESI) 2021, Denmark country profile. Available at https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2021.

c Denmark Digital Strategy 2016-2020. Available at https://en.digst.dk/media/16165/ds_singlepage_uk_web.pdf.

d Through Virk.dk, businesses can apply for a wide variety of licenses and permits required by the authorities depending on the business activity. These licenses and permits include areas such as environment, public safety, food safety, imports of special products, transportation, and waste management.

company is established. Of the 18 EU member states benchmarked at the subnational level,[17] only Belgium, Denmark, Portugal, and Sweden do not show any subnational variation in the process to set up a business in terms of requirements, time, and cost (figure 2.6).

Setting up a new limited liability company (LLC) in Denmark takes five steps (figure 2.7). The first step is to deposit the minimum start-up capital in the company's bank account. The bank must provide electronic confirmation of the deposit to the Danish Business Authority at the time the application for registration is completed.

Before requesting registration, entrepreneurs can check the availability of the company name in the Central Business Register (Centrale Virksomhedsregister, CVR) free of charge.[18] It is the responsibility of the company founders to ensure that their chosen name complies with the naming requirements and does not infringe on the rights of other entities, as the Danish Business Authority checks only whether there is already a company using the same name. The founders register the company online through Virk.dk. The portal requires an electronic identification to fill out the registration application, and entrepreneurs can use their personal digital ID (NemID/MitID)[19] to complete the process in a single submission. Along with the application, business founders submit the memorandum and articles of association electronically. Virk.dk also allows founders to request the income tax and VAT registration with the Danish Tax Agency on the same form.[20]

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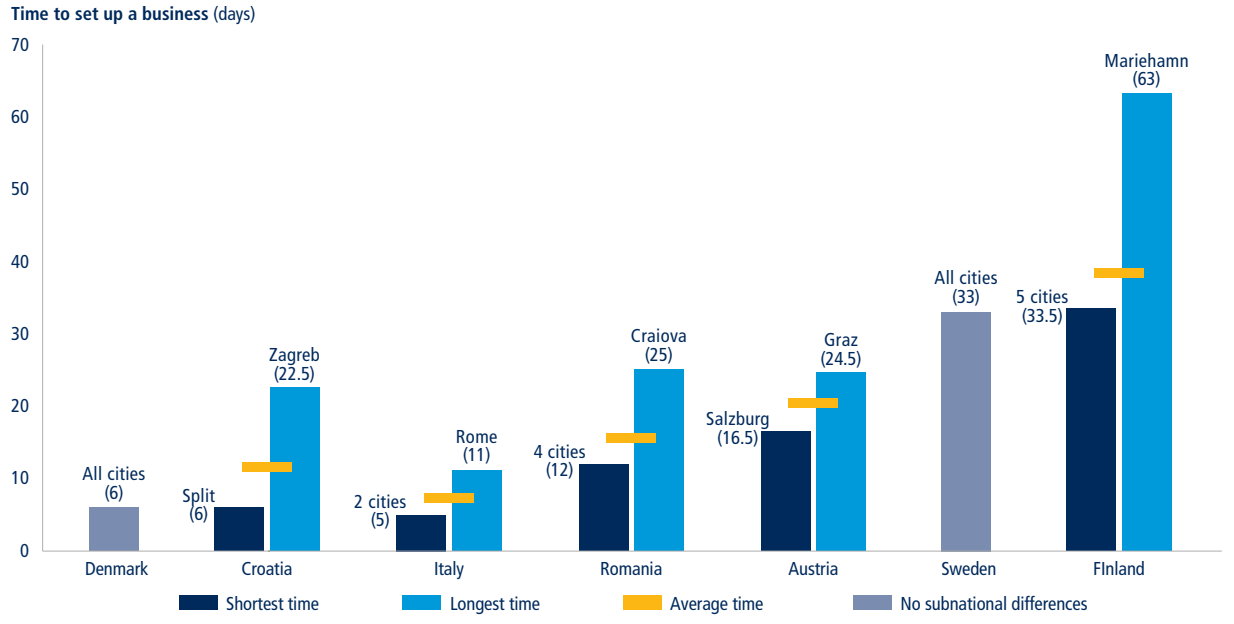
FIGURE 2.6 There is no subnational variation in the time to set up a business in Denmark



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.
Note: The figure considers only the EU member states that have been benchmarked at the subnational level. The full data for the series are available at: www.doingbusiness.org/eu.

In addition, the company can register the ultimate beneficial owners (UBOs)—the natural person who ultimately owns or controls a company—at the time of incorporation. This allows Denmark to comply with the EU 5th Anti-Money Laundering Directive—which requires EU member states to establish beneficial ownership registers for corporate and other legal entities—without creating an additional procedural step for entrepreneurs starting up a business.[21]

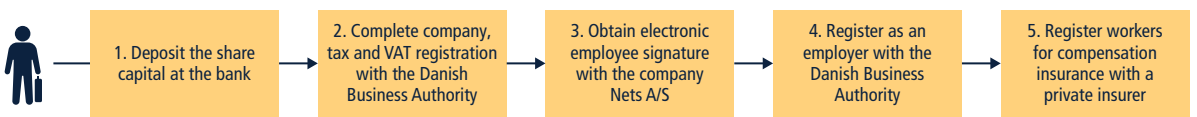
The registration application has a fee of DKK 670 (EUR 90), which is the only regulatory cost for setting up a business in Denmark.

Upon submitting the application, the company is generally registered automatically. A unique business identification number (called a CVR number) is issued on the same day and sent by email to the founders. The registration is also confirmed on the business register website (data.virk.dk) and the electronic National Gazette (www.statstidende.dk).

The Virk.dk portal uses a machine learning system that provides real-time automatic checks of the information entered in the application. This includes checking the names and identity of the managers based on their personal identification number (CPR). If any of the information seems suspicious, the system retrieves the application, which is then reviewed manually by staff at the Danish Business Authority. In the majority of cases that do not require manual review, the entire process of company, tax, VAT, and UBO registration takes between two and three days (figure 2.8). On occasion, the process can be delayed, for example in cases where the owners of the LLC have outstanding debts registered or have a connection to previous fraud cases or are suspected of fraudulent activity.

New companies in Denmark are required to use digital services when dealing with government agencies in their regular

FIGURE 2.7 New limited companies are registered in five steps



Source: Data collected for this publication.

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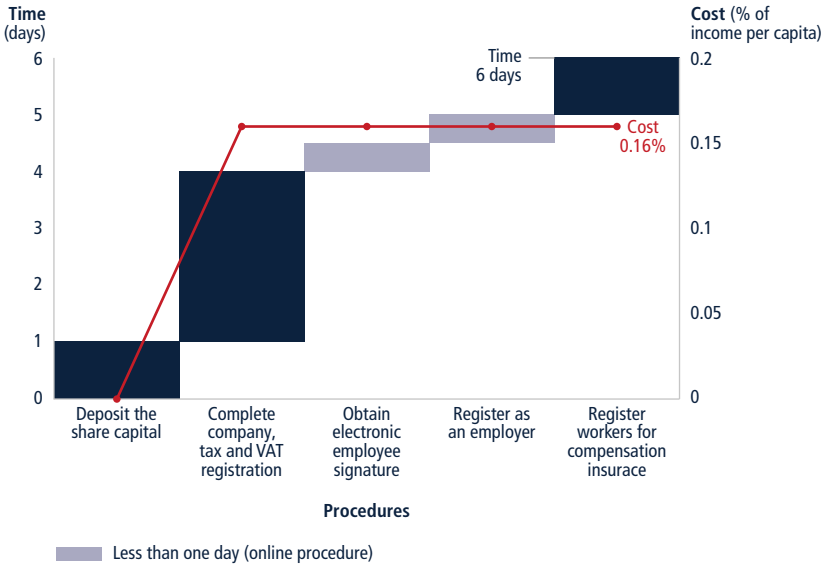
FIGURE 2.8 Setting up a business in Denmark takes six days and costs only 0.2% of income per capita



Source: Data collected for this publication.

operations. In the case of sole proprietorships and personally owned small businesses, owners can use their personal NemID/MitID. However, private LLCs owned by several partners must set up a NemID employee signature (medarbejdersignatur)[22] for company representatives to identify themselves electronically and sign on behalf of the company. To obtain the employee signature, the company must sign an agreement with Nets A/S, the company that manages this service. This is done online, and companies can obtain up to three signatures free of charge.

If the company intends to hire employees, it needs to be registered as an employer with the Tax Agency. It is mandatory for the company to be registered for A-Skat (income tax withheld by the employer). This registration can be completed online through Virk.dk in less than one day at no cost. In addition, all companies in Denmark are mandated to obtain workers' compensation insurance[23] with private insurers to protect their employees against industrial accidents and occupational illnesses.

WHAT CAN BE IMPROVED?

Reduce or eliminate the paid-in minimum capital requirement

In 2014, Denmark reduced the paid-in minimum capital requirement from DKK 80,000 (EUR 10,750) to DKK 50,000 (EUR 6,719). This was further reduced in 2019 to DKK 40,000 (EUR 5,375). Nevertheless, this amount remains comparatively high, at 9.7% of income per capita—above the EU average of 8% (figure 2.9).

The minimum capital requirement has historically had the purpose of protecting creditors and encouraging confidence in financial markets. However, research shows that minimum capital requirements provide little protection to creditors and limited security for investors during insolvency.[24] Even with a minimum capital requirement, there is no guarantee that a firm will not face insolvency due to other factors such as market changes, unfavorable business conditions, and poor management or business decisions.

Many governments in the European Union and around the world have eliminated the minimum capital requirement, adopting instead other measures to protect investors and creditors and minimize the risk of insolvency. These include mechanisms such as evaluating a firm's income statements, business plans, and other representative indicators.

Finland is the latest EU member state to have eliminated the requirement. The minimum share capital requirement for private LLCs was removed from the Finnish Limited Liability Companies Act effective July 1, 2019. Four other EU member states also do not require it—Belgium, Cyprus, Ireland, and the Netherlands—while seven others have a requirement amounting to less than 0.1% of income per capita: Bulgaria, Czechia, France, Greece, Italy, Latvia, and Portugal.

Integrate employer registration with company registration

A new company that will hire employees in Denmark must be registered as an employer in the Virk.dk portal. The application can be submitted only after the unique business identifier (CVR) is issued. While registration as an employer is submitted to the tax authority through the same portal as company and tax registration, it requires a separate submission—and therefore an extra step—in the company formation process. Denmark could allow companies to submit information on employees' contracts at incorporation. In Spain, for example, a new company can register employees through the online platform CIRCE at the moment of incorporation. In Finland, companies can choose to be entered in the employer register at the time of submitting the notification of incorporation to the trade register of the Finnish Patent and Registration Office.[25]

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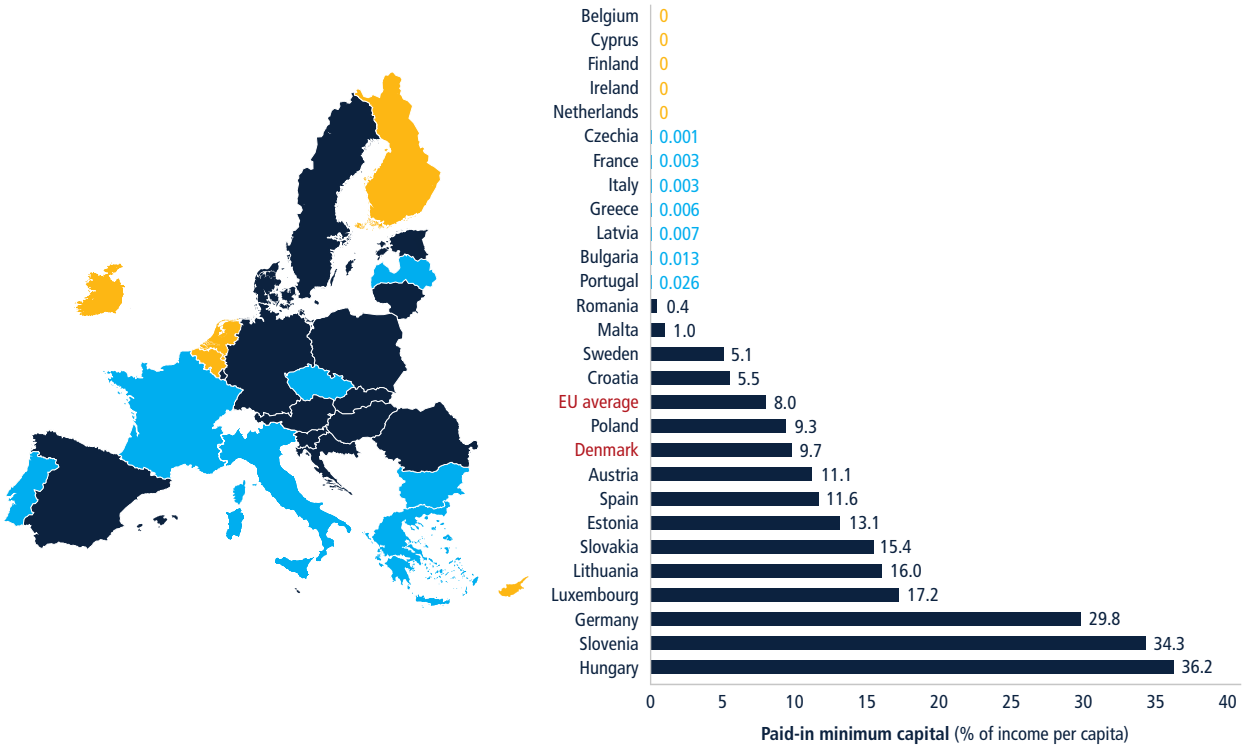
FIGURE 2.9 Entrepreneurs in Denmark face a higher paid-in minimum capital requirement than the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

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Building permits

Danish cities share the same legal framework for building permits, yet turnaround time varies based on location

The construction sector in Denmark is regulated at the national level by the Building Act of 2016 and by building regulations adopted in 2018.[26] In 2018, Denmark introduced a reform that substantially changed the process of obtaining construction-related permits. In particular, the responsibility for technical reviews of construction projects shifted from municipalities to certified private sector professionals (box 2.3).[27] These regulatory changes made the Danish permitting process highly standardized and consistent across locations. Additionally, developers and municipalities communicate through a single national portal, called Byg og Miljø, which also contributes to making the process uniform across cities.[28]

For a two-story commercial warehouse like the one considered by this study, the process requires the same seven procedural steps in all cities. The cost is also relatively homogeneous: it stands between 1.4% of the warehouse value (as in Copenhagen) and 1.7% (as in Næstved). Yet, the differences in the time it takes to deal with the building permits are significant. The process is fastest in Næstved, where it takes 85 days, and almost twice as long in Copenhagen (table 2.3).

Denmark outperforms the EU averages on efficiency and on quality of regulations

On average, dealing with building permits across Danish cities requires completing seven procedures over 120.8 days at a cost equal to 1.5% of the warehouse value. That is better than the EU averages for all the parameters considered by this study. Most notably, the country registers the fewest number of procedural steps at the global level (figure 2.10). Additionally, obtaining permits is more than two months faster across Denmark than the EU average time. However, some member states have shorter turnaround times—for example, for developers in Lithuania, the process is 1.5 months faster. On average, Denmark is also less costly than the European Union, although in Finland, for example, developers spend less than half as much as their Danish peers. Finally, scoring 14 out of 15 points, Denmark ranks second-best in the EU on the building quality control index, which measures the quality of building regulations. Luxembourg is the only member state that scores the maximum of 15 points.

TABLE 2.3 Obtaining building permits takes about half the time in Næstved than in Copenhagen

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0–15)
Næstved	1	90.00	7	85	1.7	14
Aarhus	2	88.85	7	103	1.5	14
Kolding	3	88.65	7	106	1.5	14
Aalborg	4	87.75	7	118	1.6	14
Odense	5	85.42	7	151	1.5	14
Copenhagen	6	84.74	7	162	1.4	14

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average score for the procedures, time, and cost associated with building permits, as well as for the building quality control index. The score is normalized to range from 0 to 100 (the higher the score, the better).

The Danish permitting process involves seven steps

As a first step, developers need to hire certified building advisers to review the fire and structural engineering aspects of the project. Once the certified advisers provide their assessments, the developer can apply for a building permit with the municipality. The application is submitted through the national permitting platform, Byg og Miljø.[29] The municipality then checks to see if the application is complete, reviews the architectural drawings of the exterior of the building and the local plan, approves the overall project, and issues a building permit.[30]

Three steps remain after the building permit has been issued. The developer (i) notifies the Workers' Environment Authority (WEA) through the Virk.dk online platform about the number of workers the construction project employs;[31] (ii) notifies the municipality of the commencement of work through Byg og Miljø; and (iii) applies for water and sewerage connections at the local utility company. Once the warehouse is built, the developer notifies the municipality about its completion and requests an occupancy permit. Documents to be submitted include a declaration that the overall construction complies with the building permit and with building regulations; final declarations on the fire and structural engineering conditions; and an operational and maintenance manual for building installations.[32] The municipality then reviews the occupancy permit

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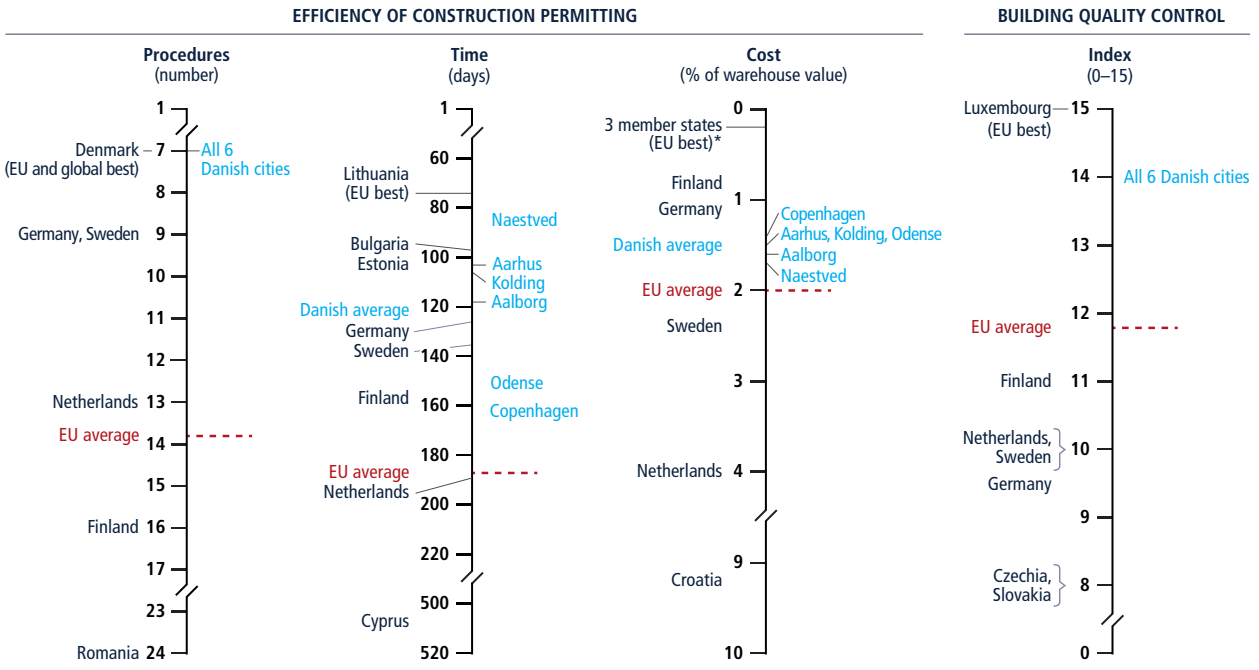
FIGURE 2.10 Globally, Denmark is among the economies requiring the fewest steps for obtaining building permits



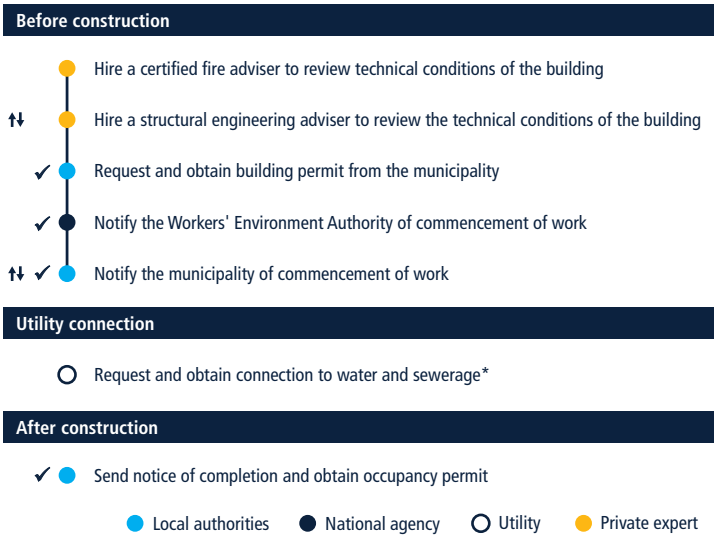
Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.
Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.
* Czechia, Estonia, Slovakia.

application, checking that all documentation required by the building regulations is included, and issues the permit. The process for obtaining an occupancy permit happens entirely online (figure 2.11).[33]

Municipal permits and utility connections drive differences in waiting times across cities

Variations in time are driven by how long it takes to obtain approvals from each municipality (for example, for building and occupancy permits) and to obtain water and sewerage connections. The time it takes to obtain municipal permits across the benchmarked cities ranges from 48 days in Næstved to 122 days in Odense (figure 2.12). Danish building regulations do not establish a legal time frame within which the municipality must issue building and occupancy permits. However, the suggested turnaround time to issue a building permit is 55 days for a two-story warehouse.[34] Waiting time

FIGURE 2.11 Most procedures related to building permits are carried out online



✓ Procedure is done online
↑↓ Procedure is completed simultaneously with the previous one
* Only the utility in Aarhus offers an online application platform for utility connections
Source: Data collected for this publication.

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BOX 2.3 Denmark's path to reform: a shift in responsibility toward the private sector

On January 1, 2018, Denmark introduced its "certification scheme" for construction permit processing, which began a shift from a traditional public enforcement approach centered on municipal building authorities toward a process involving third-party certified practitioners. Since 2020, developers have been required to hire certified advisers to review the building structures and fire safety measures that are submitted as part of the building permit application. A certified structural engineering adviser supervises and approves the work of the in-house engineer, and a certified fire safety adviser prepares and approves the fire safety plans based on the architectural and construction drawings.

One of the main objectives of the reform was to eliminate potential inconsistencies in the interpretation of the law by different municipal building offices. While municipal building offices still check the applications to ensure they are thoroughly completed, they no longer review the technical aspects of construction projects. Also, municipal offices no longer inspect the construction site before issuing a building permit.

To ensure a high level of safety, the new regulations introduced a comprehensive classification scheme that differentiates buildings into four categories based on complexity and risk. Low-risk buildings like one-family residential houses are categorized as Class 1 and do not require the intervention of certified fire and structural engineering advisers. In contrast, advisers are required for construction in Class 2, 3, and 4. The Class 2 category includes residential buildings with two or more floors, as well as industries and warehouses such as the one considered by this study. Class 3 includes the same types of buildings as Class 2 but applies to complex projects, such as two buildings on the same property with different fire and structural engineering requirements. Finally, buildings with a high risk of fire or structural failures are categorized as Class 4. The latter two classes require additional independent fire and structural engineering advisers to check and approve the work of the first team of advisers.

Denmark followed a stepped process to implement this reform after it came into force in 2018. The certification scheme was first introduced as an option in 2020. For the first six months, developers could choose between having the municipality review the fire and structural engineering documentation and having the third-party advisers submit their assessments of the project. Until January 1, 2022, developers could also choose between a "certified" or a "recognized" structural engineering adviser.[a] After this transition period, the certification scheme was fully implemented.

Having a sufficient number of certified building advisers in the market represents a challenge for Denmark. According to Danish building regulations, approximately 250 certified structural engineering advisers are needed across the country. Currently, there are only 201.[b] Due to the considerable growth in the building sector, anecdotal evidence suggests that the need for structural engineering experts could be substantially higher than what was foreseen by the regulations.[c]

a. For more information about the number of certified structural engineering advisers, see the 2018 building regulations, available at https://bygningsreglementet.dk/Vejledninger/Andre_vejledninger/Vejledning/Spoergsmaal-og-svar-om-certificeringsordningen/.

b. Unlike certified advisers, recognized advisers are not required to hold a university degree in engineering or to have a specific number of years of professional experience.

c. The Confederation of Danish Industry. 2022. "Waiting time for building permits continues to increase," available at https://www.danskindustri.dk/arkiv/analyser/2022/3/ventetiden-pa-byggesagsbehandling-bliver-ved-med-at-stige/. European Construction Sector Observatory, Country profile Denmark, 2021, available at https://ec.europa.eu/growth/system/files/2021-11/ECSO_CFS_Denmark_2021.pdf.

exceeds 55 days in four cities out of the six measured by this study. Aarhus and Næstved are the exceptions. In 2021, all the cities except Copenhagen received more building permit requests than in 2020.[35] The growing construction demand has had a negative impact on the length of the application process in all Danish municipalities, increasing the average turnaround time by 12%.[36]

The process of getting water and sewerage connections also drives time variations among locations. In each city, a different local company (owned by the municipality) is responsible for water and sewerage services. The connection process differs among cities, with times varying from 18 days in Kolding to over three times as long in Copenhagen (56 days). Utilities do not need to comply with any legal deadline.

Utility connection fees represent the largest source of variation in cost across cities

Private sector and utility fees are the two largest components of the cost of dealing with building permits in Denmark. On average, they represent 55% and 43%, respectively, of the total cost across cities. In contrast, municipal building and occupancy permit fees together account for only 2% of the total cost (figure 2.13).

The market determines the private sector fees. For the case considered by this study, it would cost, on average, around DKK 75,000 (EUR 10,079) to hire a structural engineering adviser and DKK 100,000 (EUR 13,438) to hire a fire safety adviser.

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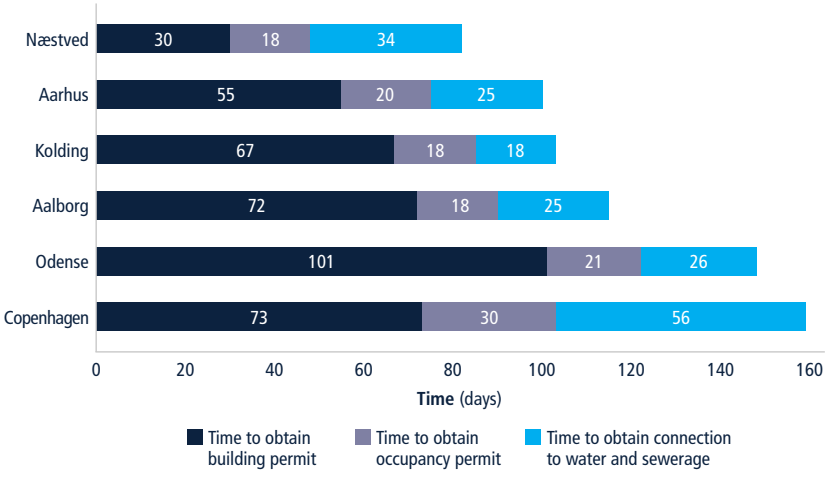
FIGURE 2.12 Obtaining municipal building permits is fastest in Næstved and slowest in Odense



Source: Data collected for this publication.

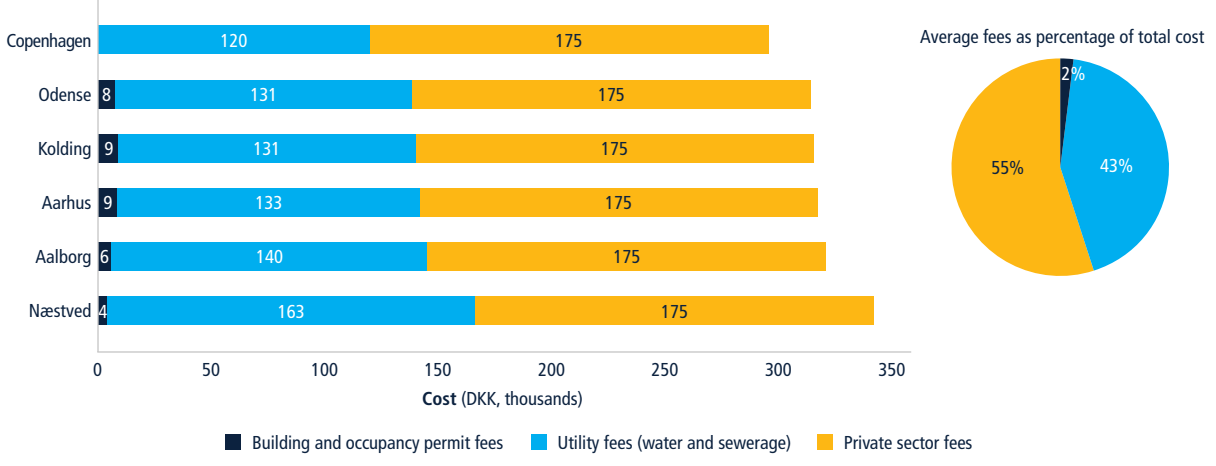
Note: Four of the required procedures are not included in this chart, as they are done simultaneously with other procedures and do not add to the total time. These are: hire a certified fire adviser to review technical conditions of the building; hire a certified structural engineering adviser to review technical conditions of the building; notify the Workers' Environment Authority of commencement of work; and notify the municipality of commencement of work.

The fees charged by local utilities vary by city. In the six benchmarked cities, connection charges consist of two components: a wastewater connection fee, which is based on the plot size; and a water connection fee. The wastewater fee is set at the national level in the amount of DKK 53,590 (EUR 7,202).[37] Water connection fees are determined by utilities at the local level and approved by each municipality every year. Copenhagen charges the lowest fee for water connection, at DKK 12,978 (EUR 1,744), and Næstved charges the highest, at DKK 55,368 (EUR 7,440). Næstved is the only city whose water connection fee includes an additional component based on the plot size.

Municipal building and occupancy permit fees also vary across cities, but only marginally. Danish municipalities apply one of three fee options: they process the permits without charging a fee; they charge a flat fee, a maximum of DKK 1,082 (EUR 145); or they apply an hourly fee based on the time spent processing the permits. The latter is determined by each municipality every year. Copenhagen is the only city where the municipality does not charge permit fees, a decision adopted by the city government in 2018.[38] All other cities charge an hourly fee that ranges from DKK 356 (EUR 48) in Næstved to more than twice as much in Aarhus (DKK 821/EUR 110). Overall, municipalities spend an average of six hours processing the building permits and five processing the occupancy permits. Additionally, they charge a half-hour fee for processing the notification of commencement of work. Denmark follows a good practice in that legally no additional fee may be charged other than the cost associated with the processing time.[39]

All six Danish cities benchmarked score 14 out of 15 points on the building quality control index (table 2.4). Denmark scores the maximum points (2 out of 2) for its easily accessible and transparent building regulations. It also scores the maximum points for quality control: the law requires that an architect or an engineer review

FIGURE 2.13 Utility connection and private sector fees together represent 98% of the average cost of dealing with building permits



Source: Data collected for this publication.

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TABLE 2.4 Danish cities have robust quality control mechanisms

BUILDING QUALITY CONTROL INDEX (0–15)		All cities: 14 points	
Quality of building regulations (0–2)	Are building regulations easily accessible? (0–1)	1	Available online; Free of charge.
	Are the requirements for obtaining a building permit clearly specified? (0–1)	1	List of required documents; Fees to be paid; Required preapprovals.
Quality control before construction (0–1)	Which entity(ies) is/are required by law to verify the compliance of the building plans with existing building regulations? (0–1)	1	Licensed architect; Licensed engineer.
Quality control during construction (0–3)	Are inspections mandated by law during the construction process? (0–2)	2	Inspections by in-house engineer; Risk-based inspections.
	Are inspections during construction implemented in practice? (0–1)	1	Mandatory inspections are always done in practice.
Quality control after construction (0–3)	Is a final inspection mandated by law? (0–2)	2	Yes, in-house engineer submits report for final inspection.
	Is a final inspection implemented in practice? (0–1)	1	Final inspection always occurs in practice.
Liability and insurance regimes (0–2)	Is any party involved in the construction process held legally liable for latent defects once the building is in use? (0–1)	0	No party is held liable under the law.
	Is any party involved in the construction process legally required to obtain a latent defect liability—or decennial (10-year) liability—insurance policy to cover possible structural flaws or problems in the building once it is in use? (0–1)	1	No party is required by law to obtain insurance; Insurance is commonly taken in practice.
Professional certifications (0–4)	Are there qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with the building regulations? (0–2)	2	Minimum years of experience; University degree in architecture or engineering; Qualification exam.
	Are there qualification requirements for the professional who conducts the technical inspections during construction? (0–2)	2	Minimum years of experience; University degree in architecture or engineering; Qualification exam.

Maximum points obtained

Source: Data collected for this publication.

Note: For details on the scoring of each question, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

and approve building permit applications (1 out of 1), and technical inspections before and after construction are legally required and carried out in practice by an in-house engineer (6 out of 6).

Because of its new certification scheme, Denmark gets 4 out of 4 points on professional certification requirements: all professionals working in the construction industry must possess minimum technical qualifications. The professionals reviewing the plans and those supervising the construction on the ground must hold a university degree and three years of experience. The minimum experience requirement varies by profession; for example, certified structural engineering advisers must have five years, and certified fire safety advisers must have two years. Certified advisers conducting additional third-party control for more complex projects must pass an additional oral exam.

Denmark falls short (1 out of 2 points) on the liability and insurance regimes component of the index, because no party is responsible under the law for structural flaws in a building once it is used.

WHAT CAN BE IMPROVED?

Reduce the waiting times for processing municipal permits

Despite the newly introduced certification scheme, which eliminated the requirement for the municipality to review the structural engineering and fire aspects of projects, developers still need to wait over two months for a building permit and three weeks, on average, for an occupancy permit. Municipalities spend an average of six hours reviewing a building permit request and five hours reviewing an occupancy permit request; therefore, most of the waiting time for applicants is due to backlogs in the municipality.

One reason for the backlogs is the sharp increase in demand for new construction. A second factor is that the newly introduced reforms caused doubts on the part of applicants and municipal building offices alike. Municipal officials interviewed in the context of this study noted that the work has increased due to citizen inquiries about the new requirements. Issuing guidelines to clarify the rules and conducting an information campaign directed toward all stakeholders would help reduce confusion in the early stages and avoid mistakes on applications.

Global experience shows that it takes time for the population and business community to adapt to a change in the rules. Agencies can underestimate the importance of communication and its impact on the uptake of a new system.[40] Continuous outreach campaigns with private sector stakeholders help avoid information gaps and confusion about the new requirements. To this end, Denmark could leverage all channels of communication (social media, billboards, public broadcasts, workshops, etc.) to communicate the new requirements effectively and help to avoid an additional workload on the municipalities.

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Another factor contributing to delays is when the time limits to issue a building and occupancy permits are not mandated by law. Danish construction regulations do not establish statutory time limits within which municipalities have to process these permits. Most EU member states, including Austria, Finland, and Sweden, have such deadlines in their legislation. Introducing statutory time limits could improve efficiency without compromising safety and quality control. Modern regulations establish different levels of scrutiny—and therefore different time frames—for different levels of project complexity. For example, more time may be allowed for a high-rise commercial building than for a small residential building. Denmark is already familiar with this approach, as the national guidelines for turnaround time establish different time frames for different types of buildings. Following the introduction of legal time limits, Denmark could also apply silence-is-consent rules. Vienna offers an interesting approach in this regard. The Austrian capital implemented simplified, fast-track building permit processes for common low-risk construction.[41] This process allows a developer to begin construction one month after submitting the application if the building authority has not indicated that the standard permit processing procedures apply.[42]

To be fully enforced, statutory time limits need to be accompanied by penalty mechanisms. For example, in the Netherlands and Sweden, the municipality is penalized financially if it does not respond within the legal time assigned.[43] The developer can also appeal to the courts directly.

Enhance e-services for facilitating the construction permitting process

In most cities in Denmark, the process for obtaining water and sewerage connections is not fully digital. Aarhus is an exception, as the only one of the six benchmarked cities to offer an e-service platform for this purpose.[44] In Copenhagen and Aalborg, developers submit the water and sewerage request on the utilities' websites, but not through a dedicated e-service platform. In Næstved, Odense, and Kolding, the developer uses email or the phone to request applications. In Odense, the developer must first email the utility requesting the standard application form, which is not available online, and then email it back.

Leveraging technology can significantly reduce the time to deal with applications, enabling utilities to streamline and automate their procedures.[45] As a first step, utilities in Denmark might consider introducing a dedicated centralized platform for water and sewerage connections to streamline the application and connection process. Denmark is already familiar with such platforms, as municipalities use Byg og Miljø to receive the building permit application, track its progress, and manage all necessary communication with applicants. The Netherlands, for example, introduced a centralized platform, called Mijnaansluiting,[46] to allow developers and citizens to request most utility connections such as gas, electricity, water, sewerage,[47] heating, and media and communication through a single portal across the country. Once an application is submitted, the platform forwards it to the relevant utility company. A centralized platform helps to streamline the permitting process, harmonize local and national laws, and promote economies of scale. With a centralized platform in place, Denmark could further integrate various procedures such as utility and building permit requests into a single window, to make the process more user-friendly and allow developers to request and track their projects in one place.

Denmark follows a good practice by using the Byg og Miljø platform to collect and monitor data on the processing time spent by municipalities to issue building permits.[48] However, no such data exist for the time spent processing utility applications and connections. Collecting and publishing extensive statistics on time would increase transparency, ensure comparability, and encourage improvements in the performance of the utilities.

Finally, in the long term, Denmark could also consider incorporating a building information modeling (BIM) software system into the building permitting process for all types of construction. The software helps the private sector plan projects and ensure compliance with regulations, and makes it easier and faster for public authorities to conduct post-design checks.[49] Ministries and universities are already familiar with BIM software, which they use in large restoration or construction projects.[50] Australia developed the DesignCheck program, which provides an automated tool for designers to check code requirements at different stages of project design and enables basic building-code compliance tests to be done rapidly and automatically.[51] Introducing BIM technology requires a financial investment and training for both private professionals and public sector officials. A strong collaboration between professional associations, certified professionals, the private sector, and municipalities would be essential to prepare and implement such a system.

Introduce mandatory liability requirements to cover professionals in the event of structural defects

In Denmark, the law does not hold any party liable for latent defects in the building once it is in use. When defects are discovered during construction, they are more likely to be easily fixed. However, defects are often discovered only after the building has been occupied. Remedying defects at that stage can be both costly and time-consuming. More than 110 economies have introduced latent defect provisions, typically holding the construction company and architect liable for structural defects (figure 2.14). Denmark could amend its legislation on construction to extend protection to prospective owners for a defined duration. The duration of the liability period varies from economy to economy. For example, in France, Lithuania, and Italy, multiple parties are held liable for any construction failure for 10 years.

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FIGURE 2.14 Many economies around the world hold architects or construction companies liable for structural defects

Source: World Bank Group data.

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Electricity connection and supply

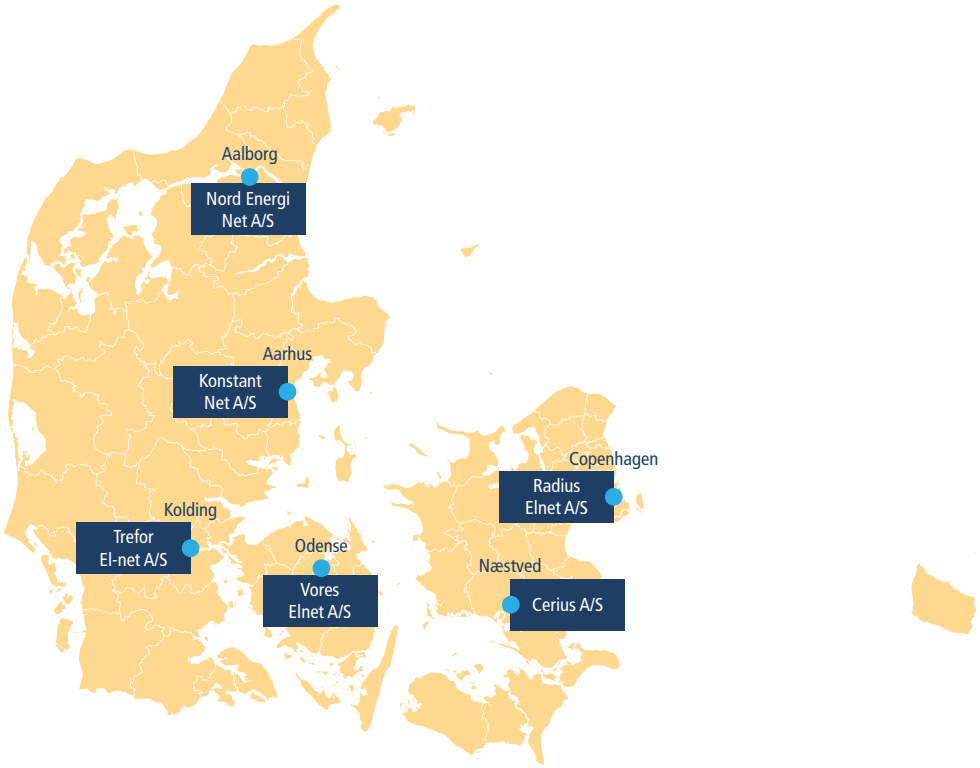
Denmark has a liberalized electricity market, with multiple companies responsible for distribution and supply. More than 15 distribution utilities serve different regions of the country (figure 2.15), under the oversight of the Danish Utility Regulator (Forsyningstilsynet). The overall regulatory framework for the electricity sector is developed by the Danish Energy Agency (Energistyrelsen), which is responsible for competition policies, consumer protection, and security of supply. The agency's goals include promoting a smart, green transition to a climate-neutral society.[52] Energy companies in Denmark organized and formed a business association that, among other roles, sets benchmark fees for utility services and provides data and analysis to support policies on the electricity sector. In March 2022, that association, called Danish Energy (Dansk Energi), merged with Wind Denmark and Solar Power Denmark to found Green Power Denmark, a larger association that aims to foster the development of the country's green energy industry.[53]

Overall, the Danish electricity sector operates with a high level of digitalization and integration. The country has been a pioneer in the region with the use of DataHub, an online system combining different market players and users (box 2.4).

The process to get connected to electricity is standardized in Denmark, but connection times vary across cities

Obtaining a new connection to electricity is a fairly standardized process in Denmark. To compare different locations, this study considers the case of a warehouse, located in a commercial area outside the city center, which needs a 140 kilovolt-ampere (kVA) connection. In the six cities benchmarked in the country, this connection involves the same six steps. Local utilities apply standardized connection fees indicated by the sectoral association, Green Power Denmark. Fee schedules are available on

FIGURE 2.15 Cities in Denmark are served by different local distribution utilities

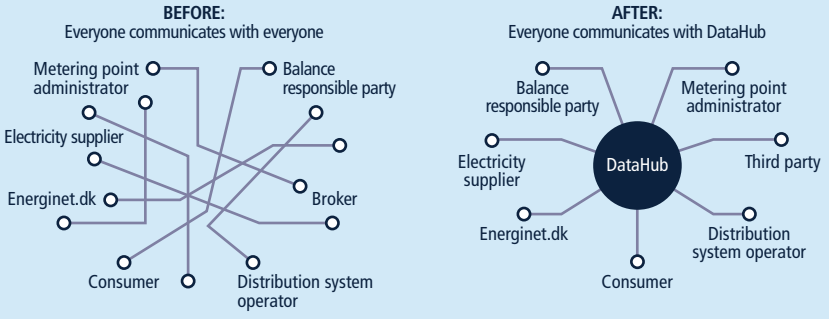


Source: Data collected for this publication.

BOX 2.4 The Danish electricity sector benefits from its pioneering use of DataHub

Through the years, Denmark has developed a highly digitalized energy market. In 2013, an online system called DataHub was introduced by Energinet, the country's transmission system operator. The system was upgraded in 2016 to further promote efficiency and market competition, as well as to harmonize and simplify communication and access to information among customers and market players. DataHub serves as an interface for all relevant parties, from customers to suppliers, utilities, and the transmission operator (see figure). A pioneer in developing this system, Denmark has been inspiring other Nordic countries, such as Norway, Finland, and Sweden, to create their own versions.[a] Norway's Elhub was launched in 2019; Finland introduced a similar system in February 2022; and Sweden has plans to implement its system in the coming years—although the process has been stalled due to pending regulatory reforms. In the meantime, Denmark is working on the development of a new version, called Green Energy Hub. The implementation of these platforms is overseen by NordREG, the organization of Nordic energy regulators, which aims to harmonize and promote a legal and institutional framework for the region's energy markets.

FIGURE B 2.4.1 DataHub facilitates the exchange of information in the Danish energy market



Source: Energinet.

a. Energinet. 2018. The Danish Electricity Retail Market: Introduction to DataHub and the Danish supplier-centric model. Doc. 16/07474-4. Available at https://en.energinet.dk/Energy-data/DataHub#Documents.

the association's and the utilities' websites.[54] Prices are overseen by the Danish Utility Regulator. In all cities except Copenhagen, a new connection costs 61.7% of income per capita. For the case considered by this study, a customer in Copenhagen would be classified in a different technical category than in the rest of the cities, and the costs would be slightly lower, at 59.5% of income per capita.[55] The waiting time to get a new electricity connection varies substantially across the country; it takes 36 days in Aarhus and 39 in Odense but 70 days in the capital (table 2.5). In terms of system reliability, all cities scored the maximum 8 points on the reliability of supply and transparency of tariffs index.[56]

TABLE 2.5 The cost and time of connection processes vary depending on the location

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs index (0–8)
Aarhus	1	85.35	6	36	61.7	8
Odense	2	85.03	6	39	61.7	8
Aalborg	3	83.51	6	53	61.7	8
Kolding	4	82.96	6	58	61.7	8
Næstved	5	82.74	6	60	61.7	8
Copenhagen	6	81.66	6	70	59.5	8

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average scores for the procedures, time, and cost associated with electricity connections, as well as for the reliability of supply and transparency of tariffs index. The score is normalized to range from 0 to 100 (the higher the score, the better).

Getting electricity connections varies less across Danish cities than within other Nordic countries

Overall, compared with its Nordic neighbors, Denmark has a more standardized process to obtain electricity connections. Entrepreneurs in different cities in Finland or Sweden experience much higher variations in the time and costs to get connected to the grid. Yet there are some variations within Denmark as well, as utilities in some cities provide new

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connections in very short times. Looking at the 115 cities in the EU measured by this project, Aarhus, with 36 days, has the third-fastest connection process, surpassed only by the Austrian cities of Linz (25 days) and Graz (34 days). On the other end, getting electricity takes 70 days in Copenhagen, the same as in Helsinki and closer to the regional EU average of 99 days. On average, getting electricity in Denmark is around 45 days faster than in the EU.

With an average connection cost of 61.3% of income per capita, obtaining electricity is significantly less expensive in Denmark than in the average EU member state, where it costs around 117.5% of income per capita. At the same time, connection fees are considerably lower in certain EU countries, costing a third less in Germany and Finland and less than half in the Netherlands (figure 2.16).

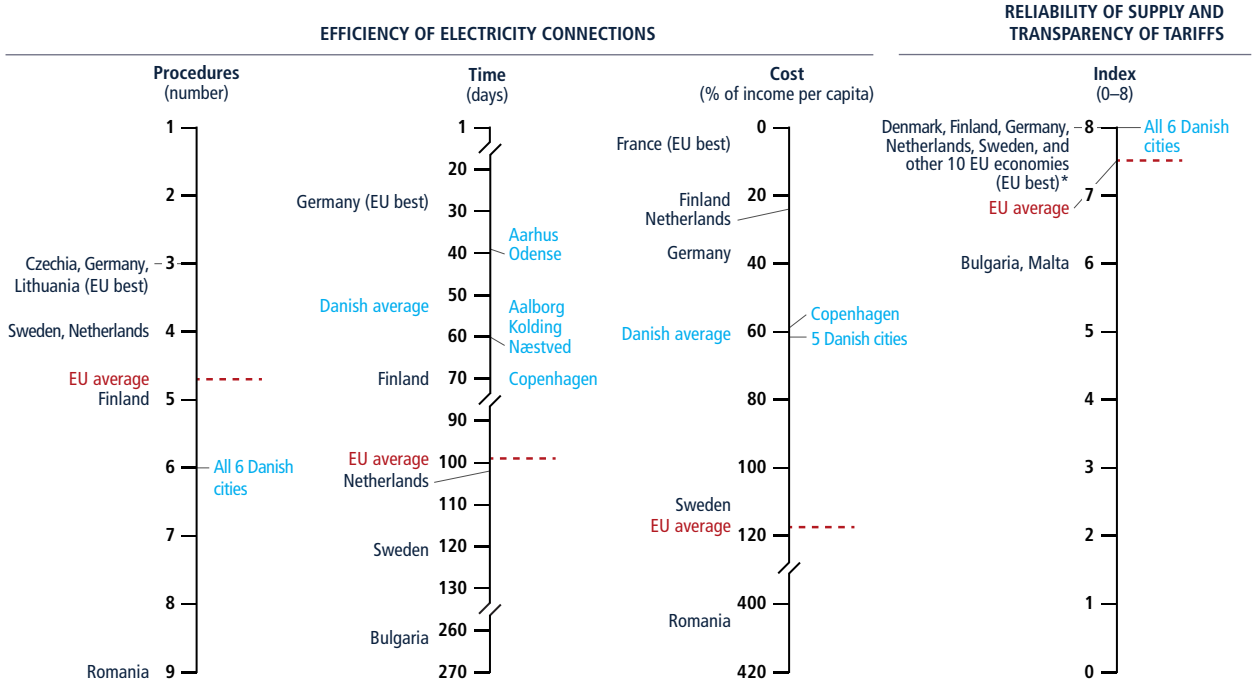
Firms in Danish cities must go through a six-step process to obtain a new connection to electricity. To put things in perspective, only in three other EU countries are more than five steps required—Belgium, Bulgaria, and Romania.

Denmark has a very reliable power supply and has regulations in place to promote high-quality electricity service. The Danish Energy Agency establishes mandatory targets for the reliability of electricity provision and imposes limitations to utilities' financial revenues in case of noncompliance.[57] Overall, reliability in Denmark is on par with countries such as Germany, the Netherlands, and Sweden. In all six benchmarked Danish cities, customers experience on average less than one power outage per year, with an average duration of less than one hour; both figures are less than half the number and duration of service interruptions in the average EU member state.[58]

Utility services are highly digitalized across Denmark

Getting connected to electricity involves a standardized and digitalized process across the country (figure 2.17). In all cities except Copenhagen, utilities use Installationsblanket, an online portal maintained by Green Power Denmark, to interact with applicants.[59] In the capital city, the utility's own system, ISB, is used for the same type of online interactions. To apply for a new connection, the customer's electrician must submit a form through the online portal. Within an average of two weeks, the utility will review the technical conditions, assess the capacity of local networks, calculate the applicable connection fee, and prepare an offer for the customer. In Copenhagen, this case is classified as a B-low connection. The utility charges a total fee of DKK 218,650 (EUR 29,383), which includes a commercial connection

FIGURE 2.16 On average, obtaining electricity in Denmark requires more interactions but is faster and less costly than in the EU



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

* The other countries with the maximum score in the reliability of supply and transparency of tariffs index are: Belgium, Cyprus, Czechia, Estonia, France, Ireland, Lithuania, Slovakia, Slovenia, and Spain.

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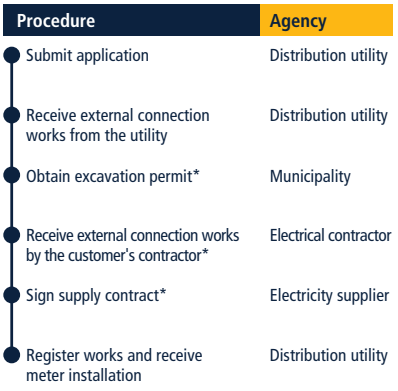
FIGURE 2.17 Getting an electricity connection requires the same six steps in all six Danish cities



* Procedure occurs simultaneously with previous one.
Source: Data collected for this publication.

fee of DKK 15,650 (EUR 2,103) for the first 25 amperes plus an additional DKK 1,160 (EUR 156) per ampere. In all other cities, this is considered a C-type customer, with a total cost of DKK 227,400 (EUR 30,558). It includes the same connection fee for 25 amperes plus an additional DKK 1,210 (EUR 163) per ampere.

The next step is to develop the network extensions to connect the building with the grid. Responsibility for the connection works is divided between the utility and the contractor hired by the customer. Each will develop its respective segments in parallel. The customer is responsible for the connection works from the building to the connection point, which is determined by the utility and can be placed up to 30 meters from the property's boundaries. The utility, on its end, needs on average one month to prepare and carry out the works for the other section, from the connection point to the existing power grid. In the case considered by this study, the works carried out by utilities involve an additional distance of 120 meters.

As part of their preparations, the clients' contractors need to obtain a permit from the city government to be allowed to dig and lay cables on public land. This takes from 4 to 5 days in all cities except for Copenhagen, where it takes 13 days. To prevent accidents and damages to existing underground utility cables, the contractors also need to obtain information on existing underground cables in the location where works are being planned; this can be done online, via the Danish Register of Underground Cable Owners (Ledningsejerregistret, or LER).[60] With permits in hand, the contractor carries out its part of the external connection works, normally in nine days. In parallel, the customer must choose an electricity provider and sign a supply contract. This is an online process and must be done before the meter is installed.[61]

At the final stage, once works have been completed and the supply contract signed, clients must notify the utility in order to register works and obtain the meter installation. This is done by sending a notification regarding completion of works through the Installationsblanket portal (except in Copenhagen, where it is done through ISB). Once they receive the notification and meter request, utilities will schedule a meter installation and then turn on the electricity, usually in around one week.

Getting an electricity connection is fastest in Aarhus and slowest in Copenhagen

Although Denmark has a harmonized electricity connection process, entrepreneurs experience different waiting times depending on their location (figure 2.18). The main reasons for those differences are the times it takes utilities to deliver the main steps in a connection: processing applications, carrying out connection works, and performing meter installations. Connection works account for the most variations, with times ranging from 18 days in Odense to more than twice as long in Copenhagen and Næstved. The time required for other steps also varies across cities: applications are processed in nine days in Aarhus but usually take three weeks in Copenhagen; meter installations take from five days in Næstved to nine days in Kolding.

Overall, the process takes longest in Copenhagen (70 days) and Næstved (60 days). The utilities in both cities belong to the same group and they both employ Nexel, a company within the group, to provide connection services. One reason for the longer delays faced by entrepreneurs in the nation's capital is the high workload experienced by the local utility (Radius Elnet A/S), which has more than a million customers, considerably more than in any other city.[62] Delays are also seen in Næstved, even though Cerius A/S, the local utility, has less than half the number of Radius's costumers. In Copenhagen, getting the municipal permits to carry out connection works on public land also causes delays: entrepreneurs need to wait nearly two weeks for a permit in the nation's capital, whereas all other cities issue permits in up to five days.

Aarhus has the fastest connection process among the six benchmarked cities. Together with Odense, this is the only city where the connection works take less than a month to be completed. Entrepreneurs in Aarhus benefit from agile utility services and fast processes to obtain municipal permits. The local utility, Konstant Net A/S, has a policy of reviewing and adjusting its services to aim for an efficient supply. For instance, until 2019 it allowed contractors hired by the customer to collect and directly install meters at the end of the connection works. After noticing that mistakes had to be frequently corrected, it shifted the policy and started to use its own external contractor to provide meter installations. To ensure a fast connection process, the utility has a deadline for the contractor, who needs to install the meters in two working days. By outsourcing it to a company based on a long-term contract, with specific time limitations, the utility was able to increase the quality of new connections within short service times.

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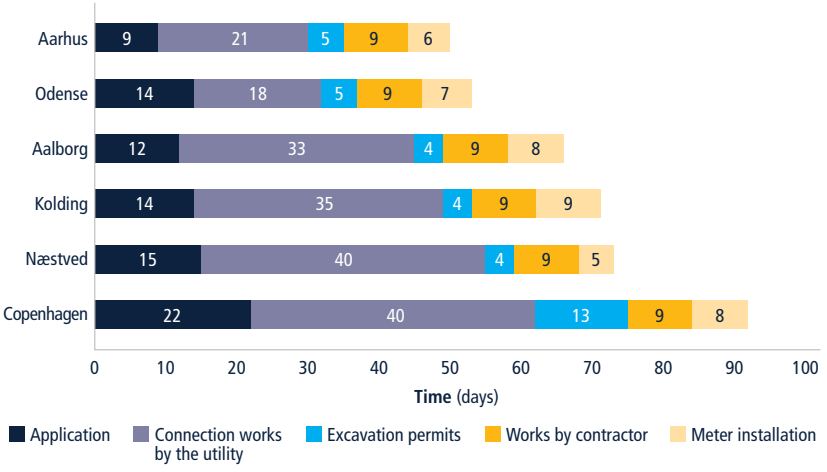
FIGURE 2.18 Aarhus and Odense have the shortest connection times in Denmark, thanks to agile utility services



Source: Data collected for this publication.

Note: During the time taken by the utility to prepare and carry out electrical connection works, the customers and their contractors obtain an excavation permit, carry out the connection works under their responsibility, and sign a supply contract. These procedures take place simultaneously, but the times were added to the figure for illustrative purposes. Signing a supply contract takes one day in all cities and can be done simultaneously with connection works. The time for this procedure is not included in this figure.

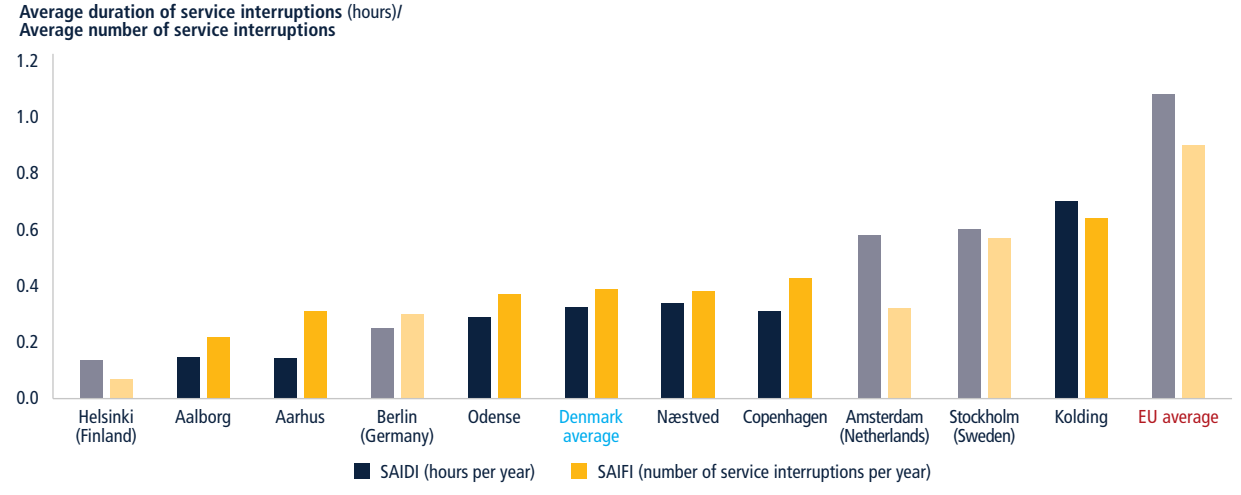
When it comes to system reliability, the six Danish cities benchmarked offer a reliable electricity supply, with higher service continuity levels than the EU average (figure 2.19). The lowest number of electrical outages in Denmark is registered in Aalborg, whereas Aarhus has the lowest outage duration. Outages are more frequent and longer in Kolding.

WHAT CAN BE IMPROVED?

Eliminate the requirement of registering works to obtain a meter installation

After customers sign a supply contract with the preferred electricity provider, among those available on the market, they need to go back to a distribution utility to get the meter installed and the lights switched on. Denmark could look at examples from other EU countries on how to merge these two steps. In Czechia, Ireland, and Poland, the final step for customers is to sign the supply contract with the chosen supplier. The electricity supplier will then directly contact the utility to have the meter installed and the electricity turned on, without any further action required from the customer. In Italy, meanwhile, customers choose a supplier at the very beginning of the process, and the supplier then handles the process with the distribution utility on behalf of the customer. These measures reduce the steps to get connected to the grid while maintaining the customer's independence to choose a supplier in the liberalized electricity market.

FIGURE 2.19 In all six cities, electricity supply is more reliable than the EU average



Source: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: SAIDI (System Average Interruption Duration Index) measures the total average duration of power outages per customer per year, whereas SAIFI (System Average Interruption Frequency Index) measures the total average frequency of power outages per customer per year. Data for individual economies are based on the most recent data collected for their capital city: 2020 for Denmark, Finland, and Sweden; 2019 for the Netherlands; and 2018 for Germany and for the average in the European Union, based on the *Doing Business 2020* database. The average for Denmark is based on the six benchmarked cities.

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Adopt legal and enforceable time frames for connection services

In Denmark, utilities follow the technical guidance and requirements established by Green Power Denmark, which stipulates and updates the rules for providing new connections to the grid.[63] This allows for a high level of standardization in the procedural steps and connection fees. Yet the time taken to establish a new connection varies considerably depending on the location. To address this issue and ensure timely services across the country, energy regulatory agencies in EU member states such as Austria, the Netherlands, and Poland impose legal deadlines for electricity connections. In these countries, utilities are required by the regulator to answer an application within an established number of days and complete a connection within the established legal deadline after signing a contract with the customer. Utilities are subject to penalties in case of noncompliance. The use of similar monitoring and enforcement mechanisms by the energy regulator could help speed up the process in Denmark.

At the utility level, internal actions can be taken to reduce delays and enhance the monitoring and control of connection services. In developing these initiatives, utilities can look for inspiration within the country. For example, in Aarhus, Konstant Net A/S provides agile services, reviewing applications in nine days, carrying out connection works in three weeks, and installing meters within six days. To ensure a timely service delivery, the utility subcontracts works and meter installations to professional electrical contracting firms and imposes internal deadlines for the services.

Publish statistics on connection services to promote transparency and accountability

One way to promote accountability of utility services is to have public access to data on processing times for new connections. Similarly, municipalities can be held accountable for the typical time taken to issue excavation permits and other services that are relevant for business activities. The publication of statistics on connection times by utility and region would contribute to transparency, comparability, and accountability, encouraging improvements in the performance of utilities and municipalities. Such measures can also help entrepreneurs to better estimate connection times and plan their activities. In Austria, the energy regulator publishes a report, the Kommerzielle Qualität Storm, with data on the various steps of the electricity connection process. It includes data on application processing times and on the time to complete a connection at different voltage levels, making the data easily comparable across cities and utilities.[64]

Assess the possibility of partially absorbing connection costs or providing the option of payments in separate installments

Entrepreneurs in Danish cities need to pay about DKK 251,520 (EUR 33,800) to get connected to electricity, more than 3.5 times as much as in Finland (EUR 9,429) and nearly triple the amount in the Netherlands (EUR 11,352). Danish utilities apply the fees established by Green Power Denmark, and the fees are overseen by the utility regulator. As the government is involved in electricity connection prices, a policy dialogue between the government and the association of electric utilities could lead to different possibilities and lower costs. Financial conditions could be considered to verify whether policies adopted in other EU member states could serve as inspiration for cost reforms. France, for instance, is able to provide connections at an average cost of EUR 1,795, as regulations require municipalities to partially absorb the cost of connection works.[65] Another strategy is to reduce upfront costs. This is done in countries such as Sweden and the Netherlands, where the total costs are distributed in installments. In Stockholm, in some cases customers are billed 30% of the connection fee when the offer is signed, 30% at the beginning of the works, and 40% upon completion. In the Netherlands, 20% of the fees are payable upon agreement, 70% before the connection works, and 10% once they have been completed.

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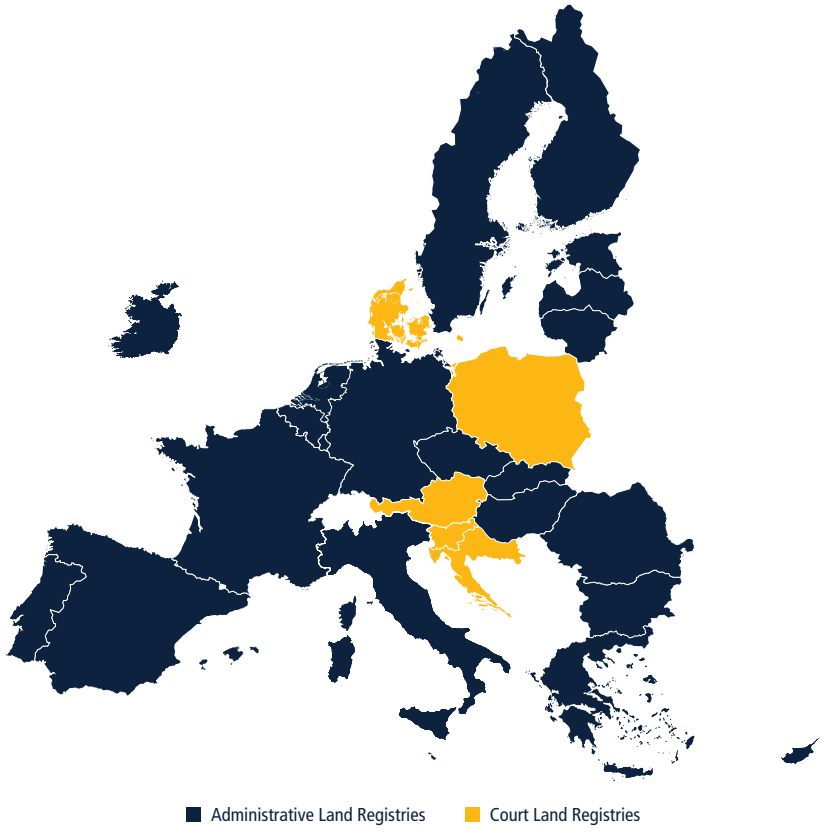
Property transfer

Two main institutions make up the land administration system in Denmark: the national cadastre (Matriklen) and the land registry (Tingbogen). The cadastre is maintained by the Danish Geodata Agency, under the Danish Ministry of Climate, Energy and Utilities. It consists of a country-wide cadastral map, an official register, and a cadastral archive.[66] The land registry is operated by the Land Registration Court, under the Ministry of Justice. Denmark remains one of only five EU member states with a court-managed land registry (figure 2.20). The others are Austria, Croatia, Poland, and Slovenia.

FIGURE 2.20 Five EU member states have court-based land registries



Source: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Denmark completely overhauled its process to transfer property in the last 30 years

Today, the Danish system for property registration is one of the most advanced in the world. However, that was not always the case. Until the 1990s, property registration was a complex process with an archive of around 80 million paper documents managed by 82 local district courts not connected to one another. Completing a property transfer required working with thick, heavy land books in the local district court—a long and burdensome process for employees and customers alike.[67]

The Danish government undertook a considerable legal and administrative effort to modernize the land administration system at the national level (figure 2.21). Starting in 1992, the Parliament amended the Land Registration Act to introduce computerization, with the aim of speeding up the registration process and improving customer service. Between 1993 and 2000, all property records were scanned and the country's judicial district courts computerized. While tens of millions of paper documents were being scanned, the work to develop a paperless registration system began. In 2006, the Land Registration Act was further amended to introduce digital registration and create a special Land Registration Court based in Hobro, which is responsible for managing land registration for the whole country.[68] The e-registration system, called Tinglysning, was developed in the following years through a public-private collaboration model.[69] The operation of this new central system is managed by the Land Registration Court. Standardized interfaces allowing external users to access the registration system were developed in cooperation with, among others, mortgage credit institutions and banks.

The e-registration system reduced the manual processing of documents to a minimum by integrating all land registry functions. The system is composed of registration case files that include all land and property data, a portal for internal users and another for external users, and service interfaces enabling external users to access the records directly from their own computers.[70] Automation was achieved thanks to the system's interoperability, which allowed for the exchange of information with several other government databases and increased the efficiency of the registration process. The interlinked databases include those of the

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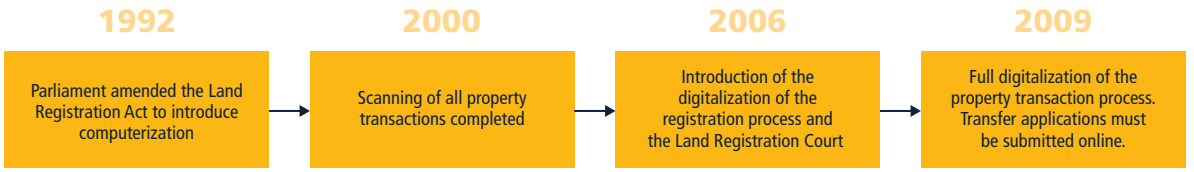
FIGURE 2.21 Denmark implemented a fully digital land registry in 17 years



Source: Data collected for this publication.

Civil Registration System,[71] the Central Business Register,[72] the Municipal Property Data System,[73] and the Danish Geodata Agency. By 2009, Denmark required all applications to be submitted online, enabling more efficient screening.

The national cadastre also went through major changes. During the 1980s, working in cooperation with the main stakeholders, it prepared a legal reform to revise and modernize cadastral legislation. The aim was to establish a cadastral information infrastructure accessible to all users and tailored for efficient interactions with other land data systems. The reform was gradually implemented and paved the way for a modernized cadastral system serving a wide range of functions in society. The cadastral register was computerized by 1986, and a pilot project for converting cadastral maps to a computer format was carried out between 1985 and 1989. The full digitization of about 15,000 original analog cadastral maps, covering the entire country and comprising about 2.5 million land parcels, was completed by 1997.[74] The cadastre was further innovated in 2008 with the introduction of a new digital database accessible online. Since then, surveyors have been able to directly update the cadastre through the use of a cadastral information and updating system.

These reforms have made the Danish property registration system one that many other economies aspire to have and few have managed to implement. The process is entirely digital and centralized. In the European Union, only Sweden has achieved a similar feat.

Today, transferring property in Denmark requires only three simple steps, all of which can be completed online. A single national land registration system processes all applications from anywhere in the country, and citizens and businesses can transfer property independently, with no involvement of third parties such as lawyers or notaries. Users can also obtain information on any property in Denmark, since the cadastre and land registry have full country coverage.

Danish companies have access to one of the most efficient systems to transfer property in the EU

In Denmark, transferring a property requires three procedures that are completed within four days. The number of procedural steps is among the lowest in the European Union. Only Portugal and Sweden require fewer: in these two countries, companies complete a property transfer in a single step. Denmark is also among the member states with the fastest process, outpaced only by Lithuania (3.5 days) and the Netherlands (3 days).

For a case such as the one considered by this study, the overall cost of transferring a property equals 0.6% of the property value, and it is set at the national level. This is significantly lower than the EU average of 4.8%, and the cost is lower only in Estonia, Poland, and Slovakia (figure 2.22).

Danish cities score 28 out of a maximum of 30 points on the quality of land administration index, which measures the existence of good practices in land and property management. This is 5 points higher than the EU average and only half a point behind the EU top performers in this area, Lithuania and the Netherlands.

Property transfers are standardized and centralized at the Land Registration Court

In Denmark, the property transfer process starts with the buyer obtaining transcripts of registered documents from the e-registration platform Tinglysning (figure 2.23). This step is not mandatory but is commonly done, as these documents show the ownership rights and restrictions, including the seller's title, mortgages, and liens.[75] The online platform is accessed using a digital signature available to all Danish citizens, called NemID.[76] The second step is obtaining a transcript from the digital platform of the Danish Business Authority (Virk.dk) to ensure that the buyer is legally entitled to act on behalf of the company in this transaction.[77] All these documents can be obtained online easily and at no cost.

Next, the parties draft and sign the sales agreement, and the deed containing the relevant details is prepared. Companies and parties may hire a lawyer to draft the deed, but it is not mandatory.[78]

Although not required by law, it is common to register the deed officially at the Land Registration Court, so that the transfer becomes opposable to third parties. The applicant inserts information from the deed on a registration page at the court's online platform and includes the email addresses of the buyer and seller. This allows them to sign the deed using their digital signatures. Once the

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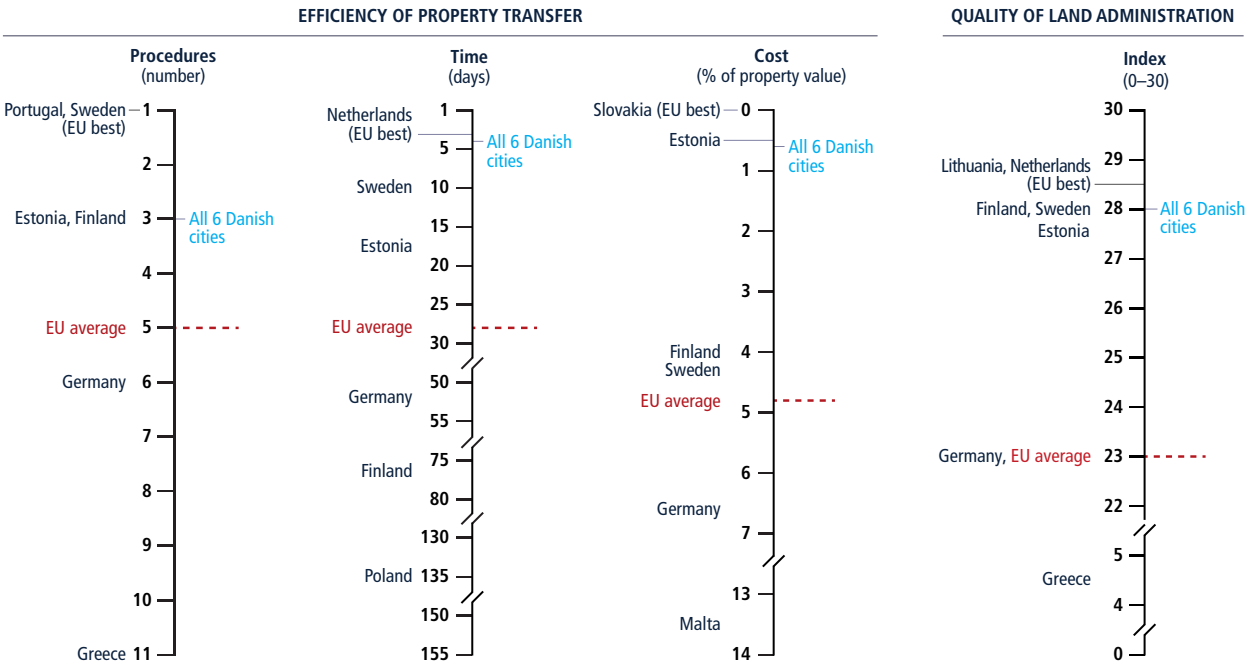
FIGURE 2.22 Transferring property in Denmark is simpler, faster, and less costly than the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

deed is signed online, the applicant can submit it. The court's e-platform then processes the application automatically and sends a confirmation via email to the person who registered the deed. The e-registration platform flags cases where additional information from the parties is needed. In those cases, the deed is extracted for manual review. According to the Land Registration Court, approximately 60% of the registrations get approved automatically, while 40% are approved manually.

A fixed fee of DKK 1,750 (EUR 235) for the registration and a variable fee—in this case, equal to 0.6% of the property value—are paid by credit card online through the e-registration platform. The payment happens when the registration of the property transaction is completed. Alternatively, the buyer can also pay the registration fee to the Tax Agency via its online TastSelv system.[79]

FIGURE 2.23 The process of transferring a property in Denmark is carried out entirely online

Preregistration

- Obtain online transcripts of registered documents from the e-registration platform Tinglysning at the Land Registration Court
- Obtain a transcript online from the Danish Business Authority documenting the power to bind the buyer

Registration

- Apply for registration with the Land Registration Court online

Source: Data collected for this publication.

Denmark stands out on its quality of land administration

Cities in Denmark score 28 out of a possible 30 points on the quality of land administration index. This is one of the highest scores globally. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights.[80] All Danish cities get a maximum score on the reliability of infrastructure component, which measures whether the land registry and mapping system (cadastre) have adequate infrastructure to guarantee high standards and reduce errors.

The transparency of information component measures whether and how the land administration system makes land-related information available to the public. All Danish cities score 4.5 points out of a maximum of 6. The Danish Geodata Agency keeps a database of property information that encompasses all of Denmark. The register, which is accessible to anyone, includes cadastral identification numbers, property size, roads, and rivers. Its archives go back to the 1800s. Ownership information is also publicly available and can be consulted at

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the Land Registration Court. Information on fee schedules and service standards for property transfers is also accessible, as are annual statistics on property transfers. Points are deducted due to the lack of a specific and independent mechanism for filing complaints for problems related to property registration and the lack of service standards for cadastral services. Although the Danish Geodata Agency publishes the average time it takes to transfer a property, it does not commit to a specific time frame.

The geographic coverage component measures the extent to which the land registry and mapping system provide complete geographic coverage of privately held land parcels. Every city scores the maximum points on this dimension as well, reflecting the high rate of formally registered and mapped properties in the country. In fact, all privately held land in Denmark is formally registered and mapped by the Danish Geodata Agency.

The land dispute resolution component measures the accessibility of conflict resolution mechanisms and the extent of liability for entities or agents recording land transactions. In addition, it looks at how efficiently the courts (as a last resort) handle disputes. Denmark has mechanisms in place to resolve property disputes out of court. All cities score 7.5 instead of 8 on this index because statistics on the number of land disputes in courts of first instance are not publicly available.

WHAT CAN BE IMPROVED?

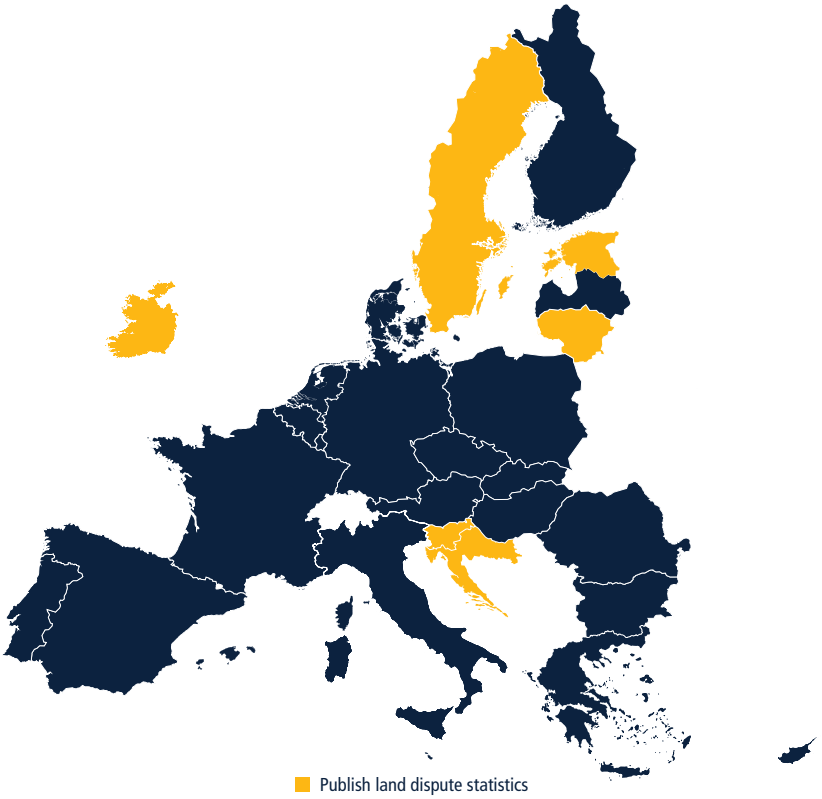
Strengthen complaints mechanisms related to services provided by the registry

A fully developed complaints system facilitates the correction of mistakes and increases the land system's reliability. Denmark does not have a dedicated and independent mechanism for filing complaints on property transactions. Establishing an independent complaints mechanism that handles issues specific to property transfers would allow for better monitoring of land registration activity, potentially revealing patterns of mistakes and systemic issues that might be addressed through corrective action. The United Kingdom has a specialized complaints mechanism that provides detailed information to the public on how a complaint will be received, processed, and resolved. Besides having detailed complaint procedures that can be addressed to the HM land registry, the United Kingdom also allows people to file a complaint with the Independent Complaints Reviewer (ICR). The ICR handles complaints related to the HM land registry only. The ICR is neither a civil servant nor an employee of the HM land registry. The ICR office's funding and staff come from the HM land registry but are managed independently by the ICR.

Increase transparency by collecting and compiling statistics on land disputes and ensure that the data are publicly available online

When land disputes occur, ensuring that they clear the courts quickly is important—citizens' resources should not be unnecessarily tied up in the legal system. However, Denmark does not make information on land disputes in the courts publicly available.[81] Such statistics inform citizens about the court's true performance. They also provide the court with information on current bottlenecks and challenges that can inform future reform initiatives. Court statistics should be published continuously and updated regularly. Croatia, Estonia, Ireland, Lithuania, Slovenia, and Sweden publish court statistics on land disputes (figure 2.24). Danish authorities should consider making such data publicly available in a user-friendly format, updated regularly or in real time.

FIGURE 2.24 Six EU member states make statistics on land disputes publicly available



Source: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

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Commercial litigation

Court proceedings across Denmark are governed by the Danish Administration of Justice Act (Retsplejeloven),[82] which sets out detailed rules for civil, criminal, and enforcement procedures. There are 24 district courts in Denmark which, as courts of first instance, hear both civil and criminal cases. Commercial cases are handled as ordinary civil cases, and district courts do not separate them in their caseloads. Bailiff's courts, as divisions of district courts, are responsible for the enforcement process.

Time and cost vary slightly across locations

Court efficiency varies across the country. The data show that courts are more efficient in Næstved and that Aarhus has the most room for improvement. To make the data comparable, this study considers a standardized commercial dispute between two local companies, valued at DKK 820,582 (EUR 110,271).[83] The commercial litigation process—initiating the case, resolving the dispute, and enforcing the judgment—is fastest in Næstved, where it takes 19 months (table 2.6). This is slightly faster than the 19.5 months the process takes in Odense and the 20 months in Aalborg and Copenhagen. In Aarhus, the slowest city benchmarked in this study, a similar case would be resolved in 22.5 months. At 17.1% of the claim value, litigating is more expensive in Copenhagen than in the other five analyzed cities. Litigation is the least expensive in Næstved and Kolding, where the cost represents 13% and 13.2% of the value claim, respectively. Attorney and expert fees are the main drivers of cost variations among the cities. The quality of judicial processes index, which evaluates the implementation of good judicial practices, is uniform across the country: all cities benchmarked in this study score 13 out of a maximum of 18 points.

Litigating a commercial dispute in Denmark is faster and less costly than in the EU on average

Compared with the EU average of 22 months, litigating a commercial case is somewhat faster across Denmark, except in Aarhus. The capital, Copenhagen, is almost two months faster than the EU member states on average. Still, there is room for further improvement. The fastest Danish city—Næstved—is more than three months slower than Sweden (figure 2.25).

Commercial litigation in Denmark is relatively inexpensive: at 14.3% of the claim value on average, it is 30% cheaper than the EU average. Similarly, on the quality of judicial processes index, Denmark scores above the EU average of 11.5 points out of the maximum of 18. All benchmarked Danish cities score 13 points, above Germany but below Estonia and Lithuania.

TABLE 2.6 Næstved ranks at the top of the commercial litigation indicator

City	Rank	Score (0–100)	Time (day)	Cost (% of claim)	Quality of judicial processes index (0–18)
Næstved	1	73.47	575	13.0	13
Odense	2	72.90	585	13.8	13
Aalborg	3	72.60	600	13.5	13
Kolding	4	71.89	630	13.2	13
Copenhagen	5	71.25	600	17.1	13
Aarhus	6	69.91	675	15.2	13

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average scores for time and cost associated with commercial litigation, as well as for the quality of judicial processes index. The score is normalized to range from 0 to 100 (the higher the score, the better).

Commercial litigation follows a consistent process across the country

District courts (Byretterne) have jurisdiction over the type of breach of contract dispute considered in this study. Denmark has a specialized court for certain types of commercial cases—the Danish Maritime and Commercial Court (Sø- og Handelsretten)—but it handles only matters such as intellectual property and competition and would not hear the hypothetical case at hand.[84]

The plaintiff initiates the litigation process by filing a writ of summons at the digital case portal administered by the Courts of Denmark.[85] Civil cases are processed digitally and no longer exist on paper in the court.[86] After ensuring that the writ meets all formal requirements, the court serves the summons on the defendant via Digital Post, an online mailbox that allows Danish citizens to receive digital communications from public authorities.[87]

The defendant usually has seven days to acknowledge the service through the digital case portal. If the defendant fails to do so, the court will serve the defendant via regular mail or personal service by a bailiff. Written response to the summons is provided through the digital portal at least 14 days after acknowledgment of the service. Upon request of the defendant, this time limit can be extended.

Once the court receives the written response, it convenes the parties to a

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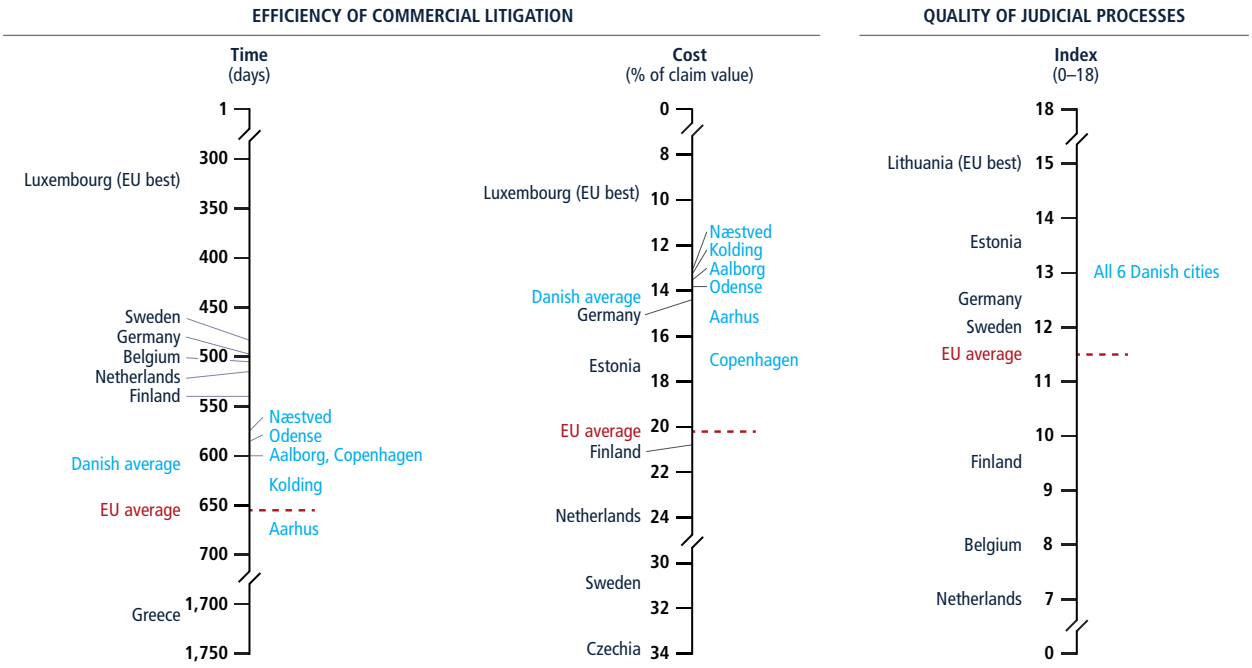
FIGURE 2.25 Danish courts outperform the EU average on both efficiency and judicial quality



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

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pretrial hearing to discuss each party's positions and the participation of experts, explore a settlement, and organize the time frame for the preparatory phase and the main hearing.[88] The pretrial hearing typically takes place via conference call between the lawyers representing each party and the judge. Additional pretrial hearings may be held if the court deems necessary. According to lawyers consulted for this study, adjournments are frequent at this stage and hearings are often postponed. During the preparatory phase, the court may decide that parties must submit a written pleading on a specific matter within a time limit set by the judge. This deadline is often extended upon parties' request. The court decides when the preparatory phase ends, which often depends on the nature and complexity of the case. If the court does not make that decision, the preparatory phase is considered completed four weeks before the date set by the court for the start of the main hearing.[89] If the court finds that further preparation is necessary, it may order a resumption of preparatory proceedings.

Once the date for a main hearing is set, further delays are rare. At the in-person main hearing, the parties discuss their claims, present evidence, and hear the experts' opinions. Once the presentation of evidence is completed, the parties have the opportunity to state their final view on the case. The judge renders a decision no later than four weeks after the evidence period has closed.[90] The losing party may appeal the judgment within four weeks.

The enforcement procedure is regulated by the Danish Administration of Justice Act.[91] Within the district courts, bailiff's courts are authorized to oversee the enforcement process. Judgments become enforceable 14 days after they are rendered.[92] The creditor initiates enforcement by filing the enforcement application via email. The bailiff's court checks the enforcement application and serves a summons on the debtor via Digital Post. This court also summons the parties to a mandatory meeting at which the debtor's financial situation is disclosed. The meeting is scheduled up to a month after the initiation of enforcement. During this meeting, the bailiff's court will instruct the debtor to pay the debt in 10 monthly installments if payment of the full amount is not possible. If no installment plan is agreed upon, the bailiff's court will take around four weeks to seize the assets and authorize a private auction house to organize a public auction. Unlike with real estate auctions, which are organized by the bailiff's court, private auction houses hold public sales to sell cars and other movable assets. Compulsory auctions are usually held in person. Auctions for movable assets are organized every three to four weeks. The creditor recovers the value of the claim usually within a month after the auction is completed.

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Resolving a commercial dispute is fastest in Næstved and Odense and takes the longest in Aarhus and Kolding

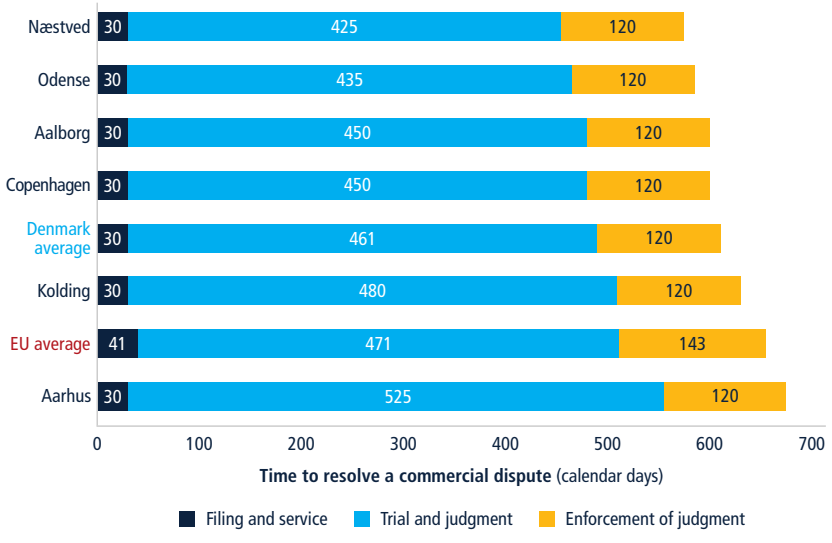
No subnational differences exist in the filing and serving phase, which is completed in one month in all cities. Similarly, the enforcement phase is consistent across Denmark, with judgments enforced within four months. It is the trial and judgment phase that drives the variations across cities (figure 2.26).

According to official statistics, the overall case processing time in Danish district courts has increased over the years, due to more complex cases and the prioritization of criminal matters.[93] For ordinary civil cases resolved through the main hearing, the average processing time increased from 16.6 months in 2017 to 18.4 months in 2020 and 20.6 months in 2021.[94]

Lawyers consulted for this study mentioned that the time required for the trial and judgment phase varies mainly depending on the local court's hearing schedule, the judge's caseload, and the approach to adjournment and continuances. Because district court judges hear both criminal and civil cases, they may not always have enough room on the docket for civil cases. Judges often grant more time for written pleadings, thus prolonging the preparatory phase and the main hearing.

In Aarhus, the slowest city benchmarked in this study, it takes 15 months to schedule the main hearing from the time the defendant is served; the same hearing is scheduled in 12 months in Copenhagen.[95] With 14 months to complete the entire trial and judgment phase, Næstved is the fastest benchmarked city. The court in Næstved sets a date for the main hearing during the preparatory phase. This is different than in Kolding and Odense, where the main hearing is often scheduled only after the preparatory phase has concluded. It takes seven and half months to hold the main hearing after the end of preparatory phase in Odense and nine months in Kolding.

FIGURE 2.26 The trial and judgment phase in Næstved is three months faster than in Aarhus



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The average time for Denmark is based on the average time for commercial litigation in the six cities benchmarked. EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

Enforcement fees in Denmark are among the lowest in the EU

Resolving the commercial dispute laid out in this study is the cheapest in Næstved and Kolding, while Aarhus and Copenhagen are the most expensive among the benchmarked cities. However, on average, each component of commercial litigation costs less in Denmark than in the European Union as a whole (figure 2.27). The low cost is the result of moderate attorney fees and an inexpensive process of enforcing a judgment.

Attorney fees, which comprise the bulk of the costs, are unregulated. The Danish Administration of Justice Act stipulates only that attorney remuneration must be reasonable.[96] Attorneys in Denmark generally charge per hour of work. The hourly rate is higher in Aarhus and Copenhagen, the two largest Danish cities, than in the rest of the country. Lawyers in Copenhagen would charge around 4,000 DKK (EUR 538), while a lawyer in Aarhus would charge around DKK 3,200 (EUR 430) for an hour of work.[97]

The Court Fees Act, adopted in 2021, regulates court expenses nationwide.[98] The plaintiff pays DKK 1,500 (EUR 202) to initiate the case and an additional DKK 14,000 (EUR 1,881) if the case proceeds to the main hearing. What varies across Danish cities are costs charged by experts, which are not uniform across the country. Expert fees are significantly higher in Copenhagen than in any other city benchmarked. For 10 hours of work, an expert in Copenhagen would charge around DKK 22,250 (EUR 2,990). That compares with DKK 15,000 (EUR 2,016) in Aarhus, DKK 12,500 (EUR 1,680) in Næstved, and DKK 10,000 (EUR 1,344) in Kolding.

Enforcement fees are among the lowest in the EU.[99] The creditor pays DKK 750 (EUR 101) for the enforcement of judgment, a fee that is the same throughout Denmark.[100] Private auction houses, which organize auctions and sell movable property, are paid out of the proceeds of the public sale.[101]

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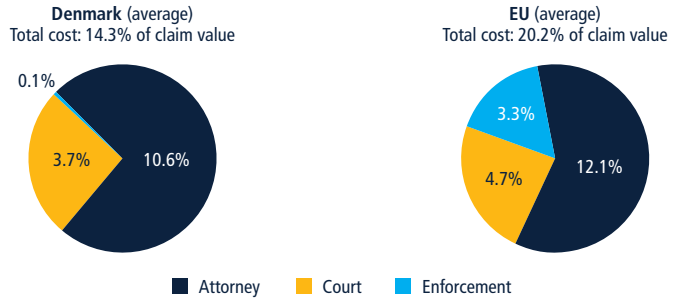
FIGURE 2.27 Each component of the cost of commercial litigation is lower in Denmark than in the EU on average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The cost values, expressed as % of claim, are rounded up to one decimal point. The average cost for Denmark is based on the average cost for commercial litigation in the six cities benchmarked. EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

Denmark is at the forefront of court automation in the EU

To complement the measures of efficiency, the judicial quality measure reflects the courts' adoption of various international good practices in four areas: court structure and proceedings, case management, court automation, and alternative dispute resolution.[102] Danish courts exhibit the same good practices in all areas and score 13 out of the maximum of 18 points (figure 2.28).

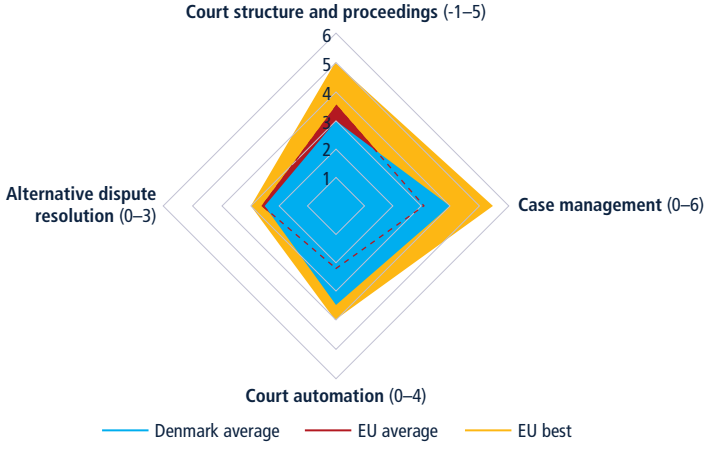
All benchmarked locations score 3 out of a maximum of 5 points on the court structure and proceedings component. Courts implement fast-track procedures for small claims and allow self-representation in these cases.[103] Pretrial attachment is allowed, and court cases are assigned to judges manually. Denmark has a specialized commercial court, the Maritime and Commercial Court, but its jurisdiction is limited to certain legal matters and it does not hear general commercial cases.

On the case management component, the benchmarked cities score 4 out of 6 points. Denmark publishes reports that show the courts' performance. Courts widely use pretrial conferences as a management technique to organize evidence, explore settlements, and agree on litigation time frames. Denmark is among 13 EU member states that have developed electronic case management systems that work well for both judges and lawyers.[104] However, Danish laws do not regulate most time standards for key litigation events, nor do they limit the maximum number or reasons for adjournments and continuances.

Within the EU, Denmark is at the forefront on court automation (box 2.5). Cities covered in this study score 3.5 points out of a maximum of 4, which places Denmark on par with Germany and slightly behind Estonia, Lithuania, and Slovakia. Plaintiffs can file a writ of summons electronically and pay court fees at the same digital portal. Moreover, defendants are served electronically through a digital mailbox. Appellate and Supreme Court judgments are available to the general public. Although the country does not publish judgments at all levels, the Courts of Denmark recently opened a new judgment database.[105] Since its opening, rulings from the Supreme Court and high courts have been prioritized for publishing. The database will be gradually expanded with the publication of judgments from courts of first instance.

Regarding alternative dispute resolution, all benchmarked cities score 2.5 out of a maximum of 3 points. Commercial arbitration and mediation are governed by consolidated laws. Denmark permits voluntary mediation and, in practice, enforces valid arbitration clauses. To

FIGURE 2.28 Court automation in Denmark is among the most developed in the EU



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states. Among EU member states, Croatia, Poland, and Romania have the highest score on court structure and proceedings; Latvia has the highest score on case management; Estonia, Lithuania, and Slovakia have the highest score on court automation; and Germany, Spain, Hungary, Italy, Lithuania, Latvia, Poland, and Romania have the highest score on alternative dispute resolution.

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BOX 2.5 Denmark is a leader in digitalization of the court system

Denmark has been digitalizing public services for more than two decades.[a] Since 2014, it became mandatory for Danish citizens to use the Digital Post, an online mailbox, for all communication with public authorities. Courts serve summonses through this mailbox, and parties use a digital signature (NemID) to log in to their personal Digital Post.[b]

Denmark has also developed a highly digitalized system for civil cases. In 2018, the country introduced a digital case portal, Sagsportalen.[c] All civil cases in Denmark must be filed and processed digitally through the portal since they no longer exist on paper in courts. Parties access Sagsportalen by using a digital signature.

Once a writ of summons is filed, all parties have access to documents and information relevant to the case. The plaintiff pays the court fees, and the defendant acknowledges the service of a summons through Sagsportalen. All written communication between litigants and the judge is also conducted through this portal.[d] The defendant provides a written response to the summons, and both parties can upload written pleadings during the litigation process. The losing party may appeal the judgment through the portal.[e]

The digital case portal is also used internally by court staff. Sagsportalen allows judges to automatically generate a hearing schedule; send notifications to lawyers; track the status of a case; view and manage case documents; and view court orders and judgments.[f]

a. The Danish Digital Journey, Agency for Digital Development, Ministry of Finance, available at https://en.digst.dk/policy/the-danish-digital-journey/.
b. Electronic ID (eID) in Denmark, Agency for Digital Development, Ministry of Finance, available at https://en.digst.dk/systems/mitid/eid-in-denmark/.
c. The digital portal Sagsportalen is available at https://minretssag.dk/frontpage.
d. Waage, Frederik, and Hanne Marie Motzfeldt. 2022. *Digitalization at the courts*. Nordic Council of Ministers, Copenhagen, available at https://norden.diva-portal.org/smash/get/diva2:1656106/FULLTEXT01.pdf.
e. Minretssag.dk guides, Courts of Denmark, available at https://domstol.dk/selvbetjening/blanketter-og-vejledninger/minretssagdk/.
f. Conversation with district court judges from Kolding, held during the consultation period of this study (April to June 2022).

achieve a full score in this area, Denmark could offer financial incentives for parties that attempt mediation.

WHAT CAN BE IMPROVED?

Strengthen case management practices during the preparatory phase and set deadlines for key litigation events

The Danish Administration of Justice Act establishes some deadlines for key litigation events. However, in most cases, these deadlines are flexible, and parties can request extensions to file and exchange documents. Such extensions are particularly frequent during the preparatory phase, as judges tend to be amenable to parties' requests so as to manage their own workload and put off the date of the main hearing. Attorneys consulted for this study confirmed that judges often grant additional time to parties or use the law's flexible time standards, potentially extending the duration of court proceedings.

Case management refers to a set of principles and techniques intended to ensure the timely and organized flow of cases through the court, from initial filing through disposition. It enhances processing efficiency and promotes early court control of cases.[106] While the case management principles adopted by courts vary depending on their needs and the local legal culture, some have been applied so consistently worldwide that they have evolved into a set of internationally recognized core principles. These include, among others, establishing firm time frames for procedures and for disposition of cases, creating realistic schedules such that events can reasonably be expected to occur as scheduled, and establishing firm and realistic appearance dates. Denmark could consider introducing new time limits to strengthen its procedural legislation and practice, leaving less discretionary power to parties and courts. Within the EU, 10 member states have laws in place that set time standards for various court events and respect them in practice.[107]

Limit the number, duration, and grounds for granting adjournments

Adjournments, while unavoidable at times, often lead to additional hearings and can limit court efficiency. Establishing regulations to limit their excessive use promotes timely justice. Currently, Denmark has no regulation limiting the number, duration, or basis for adjournments. The presiding judge has complete discretion to grant postponements and often does so during the preparatory phase. Such discretionary decision-making may lead to inconsistencies across the legal system. Moreover, a lack of explicit rules governing adjournments affords parties more latitude to ask for leave from court as a delaying tactic. Frequent postponements are also a hindrance to efficient dispute resolution because they delay the final judgment. Denmark should consider adopting clear rules on adjournments.

In the European Union, nine EU member states impose limitations on adjournments that are respected in practice.[108]

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With the exception of Greece, all of them focus on limiting adjournments to unforeseen and exceptional circumstances rather than limiting the total number of adjournments that may be granted. Outside the EU, Norway regulates adjournments strictly and ensures that hearings and trials are held as scheduled.[109] At the Tingrett Nedre Romerike District Court in Norway, the court's case administrators work actively to schedule cases within the set deadlines and targets, and lawyers are expected to conduct the case within official time limits. If the lawyer is unavailable, the administrators push for a transfer of the case to another lawyer at the same firm. The court's practice on adjournments is restrictive and mainly limited to illness documented by a doctor's certificate.[110]

Consider creating specialized commercial sections at the courts or expand the jurisdiction of the Maritime and Commercial Court

Having courts or divisions with general commercial jurisdiction is an internationally recognized good practice. When properly established, such courts can improve efficiency because they tend to have streamlined procedures and offer an alternative forum for litigants.[111]

Establishing standalone commercial courts in all of Denmark's district court jurisdictions may not make sense from an organizational perspective. In locations with fewer commercial cases, specialized commercial sections could provide a less expensive alternative to a commercial court. By contrast, court jurisdictions with large and complex commercial caseloads could consider introducing specialized commercial courts to deal exclusively with commercial cases. Danish courts could analyze their respective caseloads to determine the largest sources of delay, including the share of civil commercial cases on the docket and whether these types of cases are backlogged. The results of such an analysis may justify channeling resources to the creation of a specialized commercial court.

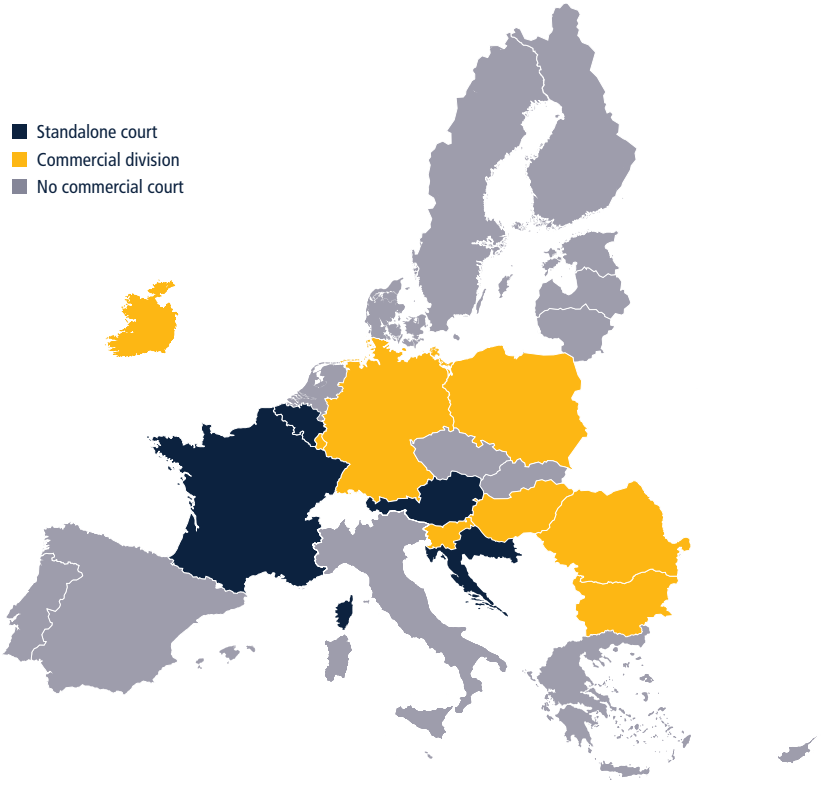
Since Denmark already has a specialized commercial court—the Maritime and Commercial Court, based in Copenhagen—expanding its jurisdiction to cover all general commercial cases could help alleviate the caseload at the district courts. Another option could be to turn that court into an online court with jurisdiction over general commercial cases filed across the country. The number of cases received from other regions could help determine where to add commercial divisions in existing courts or create additional standalone courts across the country.

Within the European Union, 12 member states have a specialized commercial jurisdiction—established by setting up a dedicated standalone court or a specialized commercial division within an existing court (figure 2.29).[112] Belgium is one of them, with nine commercial courts, including two in Brussels. Austria has one specialized commercial court located in Vienna. This court is highly regarded for its level of expertise in complex cases; many companies in Austria designate this court in the forum selection clause of their business agreement.

Provide financial incentives for parties that attempt mediation

Commercial arbitration and mediation are regulated in Denmark. The country has consolidated arbitration and mediation laws, and courts enforce valid arbitration clauses in practice. However, Denmark does not yet offer financial incentives to mediate disputes. As suggested by the

FIGURE 2.29 EU member states with standalone commercial court or commercial division



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.
Note: Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

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guidelines on mediation published by the European Commission for the Efficiency of Justice, granting monetary stimulus to parties could facilitate the use of alternative dispute resolution methods.[113]

Various countries in the EU have incentivized the use of alternative dispute resolution methods, offering financial stimulus to parties. For example, the German Court Fee Code[114] allows the federal states to reduce or completely waive court fees if the court procedure is ended after mediation or some other out-of-court settlement. Italy introduced a new Legislative Decree in 2010 (amended in 2013) which established specific financial incentives for parties to attempt mediation, as well as negative consequences for parties who refuse to attempt mediation in good faith.[115] Following the adoption of the decree, Italy reported over 200,000 mediations annually.[116]

NOTES

1. Denmark's public administration is among the most effective in the European Union, as measured by the World Bank's Worldwide Governance Indicators (2020).
2. European Commission. 2022. 2022 *Country Report – Denmark*. Brussels: European Commission. Available at https://ec.europa.eu/info/publications/2022-european-semester-country-reports_en.
3. European Commission. 2022. 2022 *Country Report – Denmark*.
4. World Bank Enterprise Surveys. 2020. *Denmark 2020 Country Profile*, available at https://www.enterprisesurveys.org/en/data/exploreeconomies/2020/denmark#1. See also European Investment Bank. 2021. *EIB Investment Survey 2021 – European Union Overview*, available at https://www.eib.org/en/publications/econ-eibis-2021-eu.
5. European Commission. Digital Economy and Society Index (DESI), 2021 edition available at https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2021 and 2022 edition at https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2022.
6. European Commission, Directorate-General for Structural Reform Support. Public administration and governance: "European Public Administration Country Knowledge, Country brief 2021, Denmark." Publications Office, 2022.
7. The six cities represent all five NUTS2 regions in Denmark. (The Nomenclature of Territorial Units for Statistics, or NUTS, is a geocode standard developed by the European Union for referencing the subdivisions of countries for statistical purposes.)
8. The cities were selected based on demographic and geographical criteria. The selection of cities was agreed upon between the World Bank project team, the European Commission's Directorate-General for Regional and Urban Policy, and the Danish Business Authority.
9. Farole, Thomas, Issam Hallak, Peter Harasztosi, and Shawn Tan. 2017. "Business Environment and Firm Performance in European Lagging Regions." Policy Research Working Paper 8281, World Bank, Washington, DC. Available at https://openknowledge.worldbank.org/handle/10986/29073.
10. Copenhagen has a population of 646,812. It is followed by Aarhus (355,607), Aalborg (221,093), Odense (206,144), Kolding (93,810), and Næstved (84,046). Source: Statistics Denmark. Data as of June 1, 2022.
11. The construction sector in Denmark is regulated at the national level by the Building Act of 2016 and by building regulations adopted in 2018.
12. In each Danish city, a different local company (owned by the municipality) is responsible for water and sewerage connections.
13. Central Denmark—home to Aarhus—is also the fastest region for obtaining an electrical connection, according to the World Bank Enterprise Surveys. It is followed by Zealand (where Næstved is located), the Capital Region (Copenhagen), North Jutland (Aalborg), and Southern Denmark (Kolding and Odense).
14. World Bank Enterprise Surveys. 2020. *Denmark 2020 Country Profile*.
15. Belgium, Cyprus, Finland, Ireland, and the Netherlands do not require any paid-in minimum capital at the time of business start-up. In Bulgaria, Czechia, France, Greece, Italy, Latvia, and Portugal, the paid-in minimum capital requirement is less than 0.1% of income per capita.
16. Registration of new businesses is regulated by the Danish Companies Act and the Central Business Register Act.
17. The EU member states that have been benchmarked at the subnational level are Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, Finland, Greece, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Romania, Slovakia, Spain, and Sweden. The full data set is available at: www.doingbusiness.org/eu.
18. The register, available at https://datacvr.virk.dk/, provides information on existing company names, CVR numbers, addresses, business type, and other information.
19. NemID is a digital identity system created in 2010 for Danish citizens which facilitates their communication with public authorities as well as the use of online banking and other private websites. Starting in 2021, NemID is being replaced by a new digital ID, called MitID.
20. According to section 48 of the Danish Value Added Tax Act, companies are required to register for VAT when turnover exceeds DKK 50,000 (EUR 6,719) within a period of 12 months. The case study company in this study is assumed to have a turnover of DKK 41,029,090 (EUR 5,513,551).
21. Since July 2018, Denmark has required companies to include information on beneficial owners in the public register of shareholders as part of the initial registration of the company.
22. As part of the transition to MitID, the NemID employee signature will be replaced by MitID Business (MitID Erhverv) in the course of 2022.
23. Workers' compensation insurance is regulated by the Workers' Compensation Act.
24. Geoffrey Elkind, "Minimum Capital Requirements: A Comparative Analysis" (U.S. Agency for International Development, Washington, DC, 2007). Other relevant studies include John Armour, "Legal Capital: An Outdated Concept?" European Business Organization Law Review 7, no. 1 (2006): 5–27; Friedrich Kübler, "A Comparative Approach to Capital Maintenance: Germany," European Business Law Review 15, no. 5 (2004): 1031–35; Joelle Simon, "A Comparative Approach to Capital Maintenance: France," European Business Law Review 15, no. 5 (2004): 1037–44; and Peter O. Mülbert and Max Birke, "Legal Capital—Is There a Case against the European Legal Capital Rules?" European Business Organization Law Review 3, no. 4 (2002): 695–732.

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25. The Finnish Tax Administration's employer register contains information on employers who regularly pay wages. A company that acts as a regular employer must always register with the employer register.
26. The Building Act stipulates the general rules, whereas the regulations contain the detailed requirements for the construction industry. See the Building Act at https://www.retsinformation.dk/eli/lta/2016/1178 and the building regulations at https://bygningsreglementet.dk/.
27. For background information on the shift of responsibilities, see https://bygningsreglementet.dk/Vejledninger/Andre_vejledninger/Vejledning/Spoergsmaal-og-svar-om-certificeringsordningen/.
28. The online platform, accessible at https://www.bygogmiljoe.dk/, was introduced in 2014 and incorporates all the construction permit processing steps required between the municipality and the developer.
29. Documents include the fire and structural engineering advisers' declarations, property details, drawing materials, and information about the use of the building and utility connections.
30. If the application gets rejected, the applicant can make a formal complaint, at no cost, to the independent administrative body for building cases, called Byggeklageenheden.
31. Virk.dk is an online platform managed by the Danish Business Authority. It is also used to perform other tasks, such as registering a new business. The WEA inspects some of the construction sites in connection with worker safety, most typically in the case of large construction projects.
32. The manual includes documents on the drainage, heating, cooling, water, and ventilation installations and energy supply systems. This manual must be available before the building is occupied, as it includes drawings indicating the location of installations requiring maintenance as well as specifications on how often maintenance is to be carried out.
33. The permitting platform Byg og Miljø randomly selects 10% of occupancy permit documents for more detailed examination.
34. The national guidelines on turnaround times for different types of construction are prepared by Local Government Denmark, the association of Danish municipalities, and include the following time frames: simple buildings (40 days); single-floor industrial and warehouse buildings (50 days); industrial buildings with multiple floors (55 days); and residential buildings with multiple floors (60 days). More information can be found at https://www.kl.dk/media/24271/aktivitetstyper-koblet-til-servicemaalsaftalens-kategorier.pdf.
35. Copenhagen received 9% fewer building permit applications in 2021 than in 2020, whereas the other cities saw an increase in applications. Information regarding the number of applications received in 2020 and 2021 is available at https://www.kl.dk/media/26698/kl-servicemaalsstatistik-2020.pdf and https://www.kl.dk/media/48542/kl-servicemaalstatistik-2021.pdf.
36. For information about the increasing processing time for building permit applications, see https://www.danskindustri.dk/arkiv/analyser/2022/3/ventetiden-pa-byggesagsbehandling-bliver-ved-med-at-stige/.
37. The law laying out the wastewater fee is available at https://www.retsinformation.dk/eli/lta/2010/633.
38. For information about the development over the years of fee policies in Copenhagen, see https://www.kk.dk/. Information about the decision to change the fee method can be found at https://www.dr.dk/nyheder/regionale/hovedstadsomraadet/koebenhavnske-politikere-goer-byggetilladelser-gratis-men.
39. World Bank Group. 2013. *Good Practices for Construction Regulation and Enforcement Reform: Guidelines for Reformers*. Investment Climate. Washington, DC: World Bank Group. https://openknowledge.worldbank.org/handle/10986/16612.
40. World Bank Group. 2011. "Leveraging Technology to Support Business Registration Reform: Insights from recent country experience." The Investment Climate in Practice Note Series No. 17. Washington, DC: World Bank Group.
41. This fast-track application model, known as an Article 7-a model, was introduced as part of reforms in 1999 to allow for construction to begin more quickly for certain categories of low-risk projects. See https://www.ris.bka.gv.at/eli/lgbl/WI/1930/11/P70a/LWI40010112.
42. World Bank Group. 2013. *Good Practices for Construction Regulation and Enforcement Reform: Guidelines for Reformers*. Investment Climate. Washington, DC: World Bank Group.
43. In Sweden, the permit fee paid by the developer is reduced by one-fifth for every additional week exceeding the statutory time limit.
44. The Aarhus platform is available at https://www.aarhusvand.dk/erhverv/ansog-vand/.
45. Srinivasan, Jayashree, Enrique Orellana Tamez, Kamal Chakaroun, Farrukh Umarov, and Lodovico Onofri. 2020. "From Paper to the Cloud: Improving Building Control through E-permitting." *Doing Business* Case Studies, World Bank, Washington, DC. http://documents.worldbank.org/curated/en/705331592344507733/From-Paper-to-the-Cloud-Improving-Building-Control-through-E-permitting.
46. The Netherlands' centralized platform is available at https://www.mijnaansluiting.nl. It allows users to go through a practice application, do a preliminary consultation with the utilities, calculate estimated costs, track an application, make online payments, and consult the knowledge center.
47. As of 2021, sewerage connection requests were limited to certain regions.
48. These data are automatically generated on the online application platform Byg og Miljø. Each year, the figures are made publicly available on the website of Local Government Denmark.
49. Srinivasan, Jayashree et al. "From Paper to the Cloud: Improving Building Control through E-permitting."
50. European Commission. European Construction Sector Observatory, Country profile Denmark, 2021, available at https://ec.europa.eu/growth/system/files/2021-11/ECSO_CFS_Denmark_2021.pdf.
51. World Bank Group. 2013. *Good Practices for Construction Regulation and Enforcement Reform: Guidelines for Reformers*. Investment Climate. Washington, DC: World Bank Group.
52. Denmark's electricity sector is regulated by the Electricity Supply Act, which was promulgated by Law No. 984 of May 5, 2021 (available at https://www.retsinformation.dk/eli/lta/2021/984). Additional information on the Danish Utility Regulator can be found at https://forsyningstilsynet.dk/ and on the Danish Energy Agency site at https://ens.dk/.
53. For more information on the power sector business association, see https://www.danskenergi.dk/ and https://greenpowerdenmark.dk/.
54. The standard connection fees and electricity tariffs are published on the website of the association previously called Danish Energy (https://www.danskenergi.dk/vejledning/nettariffer-priser-gebyrer).
55. A 140-kVA connection would be classified by the utility as either a B-low or a C-level customer, based on local technical conditions.
56. To measure the reliability of supply and transparency of tariffs, this study uses an index scored from 0 to 8 points. The index measures the monitoring of power outages by the energy regulator; the use of automated systems to monitor service interruptions and restore supply; the existence of financial deterrents aimed at limiting outages; and whether effective tariffs are available online and customers are notified of a change in tariffs a full billing cycle in advance. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
57. The financial deterrents to promote a reliable electricity supply are established in Chapter 4, Paragraphs 16 and 17, of the Executive Order on Revenue Limits for Network Companies (BEK No. 2248 of December 29, 2020, available at https://www.retsinformation.dk/eli/lta/2020/2248).
58. In line with the SAIDI and SAIFI indicators collected in this study, firm representatives who responded to the World Bank Enterprise Surveys 2020 in Denmark reported that the power supply across the country was outstanding. In all regions, they reported experiencing between zero and 0.1 outages in a typical month. These outages were reported to have caused losses no greater than 0.2% of annual sales in Denmark, compared with a global average of 4.3% for 153 economies. For more information, please refer to https://www.enterprisesurveys.org/en/data/exploreeconomies/2020/denmark.
59. The Installationsblanket portal is accessible at https://installationsblanket.dk/. In Copenhagen, the application and other online steps are completed at the utility's own system (ISB), which can be accessed at https://radiuselnet.dk/professionelle-aktoerer/elinstallation-og-isb/log-paa-isb/.

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60. The portal is managed by the Agency for Data Supply and Efficiency and is accessible at https://ler.dk/Portal/P.1.Forside.aspx.
61. The list of electricity providers (including prices) can be found at https://elpris.dk/#/home.
62. As mentioned during consultations with the team preparing this study and on the utility's website (https://radiuselnet.dk/om-radius/).
63. The standards and technical conditions for new electricity connections are publicly available at https://www.danskenergi.dk/vejledning/nettilslutning/aftaler-vedroerende-tilslutning-til-elnettet.
64. The Austrian regulator's website can be accessed at https://www.e-control.at/marktteilnehmer/erhebungen/erhebungen-zur-qualitaet-der-netzdienstleistung.
65. The French Energy Code (Article L342-11) specifies that urban planning commissions are to bear the cost of extension works for the electricity grid provided that the network extension can benefit future residents and firms.
66. Information about the Danish Geodata Agency can be found at https://gst.dk/om-os/lovgrundlag.
67. Nielsen, Soren R., and Birgit Kristiansen. 2008. "Reorganising Land Registration in Denmark." Paper presented at FIG Working Week: Integrating Generations, June 14-19, 2008, Stockholm, Sweden.
68. This amendment was part of a large centralization reform of the judicial system. Beginning in January 2007, 82 judicial district courts were converted into 25 new judicial district courts.
69. The land registration website can be accessed at www.tinglysning.dk.
70. Nielsen and Kristiansen. 2008. "Reorganizing Land Registration in Denmark."
71. The Civil Registration System includes information on everyone who has lived in Denmark or has been registered in a Danish municipality since April 2, 1968.
72. The Central Business Register contains primary information on all businesses in Denmark, regardless of economic and organizational structure, except for personal companies with a turnover under DKK 50,000 (EUR 6,719).
73. The Municipal Property Data System links properties with street codes and street names, as determined by municipal councils.
74. Enemark, Stig, and Pia Dahl Højgaard. 2017. "Transforming Society: The Story of the Danish Cadastre from late 1700s." Paper presented at FIG Working Week: May 29-June 2, 2017, Helsinki, Finland.
75. Information about land registry documents can be found at https://domstol.dk/tinglysningsretten/tingboegerne/fast-ejendom/udskrifter-fra-fast-ejendom/#tingbogsattest.
76. NemID is being gradually replaced by a new digital signature, MitID. For more information, see: https://digst.dk/it-loesninger/mitid/fra-nemid-til-mitid/.
77. Transcripts are accessible at https://datacvr.virk.dk/.
78. Information about the requirements for the deed can be found at https://boligejer.dk/skoede#:~:text=Sk%C3%B8det%20indeholder%20de%20helt%20basale,den%20offentlige%20ejendomsvurdering%20og%20overtagelsesdag.
79. Information about the payment methods for property transactions can be found at https://www.skat.dk/skat.aspx?oID=2048615.
80. The fifth component of the quality of land administration index measures legal provisions on equality of access to property rights for women and men. This subindicator is not discussed in this study, as women and men enjoy the same ownership rights in all EU member states.
81. Only statistics about general civil cases are made publicly available. For more information, see https://domstol.dk/om-os/tal-og-fakta/civile-sager/.
82. The Danish Administration of Justice Act, LBK No. 1835 of September 15, 2021, available at https://www.retsinformation.dk/eli/lta/2021/1835.
83. The value of the claim is 200% of income per capita.
84. The Maritime and Commercial Court has national jurisdiction with regard to certain types of cases specified in Sections 225 and 227 of the Danish Administration of Justice Act. These cases concern EU trademarks and European Community design, as well as international business, transport, intellectual property, consumer ombudsman matters, competition, marketing, and trade secrets. Information available at https://domstol.dk/soeoghandelsretten/sagsbehandling-og-vejledninger/civile-sager/.
85. The digital portal Sagsportalen is available at https://www.minretssag.dk/frontpage.
86. More information on case processing is available at https://domstol.dk/selvbetjening/blanketter-og-vejledninger/minretssagdk/vejledning-til-sagsbehandling/.
87. Digital Post is available at https://www.borger.dk/. Messages from public authorities can also be received with the Digital Post app and private platforms, such as, e-Boks and mit.dk. More information is available at https://lifeindenmark.borger.dk/apps-and-digital-services/Digital-Post.
88. The Danish Administration of Justice Act, Article 353 (1).
89. The Danish Administration of Justice Act, Article 356 (1).
90. The Danish Administration of Justice Act, Article 219 (3).
91. The Danish Administration of Justice Act, Chapter 45.
92. The Danish Administration of Justice Act, Article 478.
93. In 2021, the average processing time increased in both civil and criminal cases. The resolution of serious criminal cases takes 7.3 months, a 1.7-month increase over 2020. The same case in 2017 would be resolved in 4.1 months. The past five years have seen a 50% increase in cases received by district courts in which the prosecutor demands a prison sentence of at least four years. At the same time, the number of confession cases, which require a significantly lower use of resources, has been declining. See more in "Even longer processing times in 2021," March 18, 2022, Courts of Denmark (https://www.domstol.dk/aktuelt/2022/3/endnu-laengere-sagsbehandlingstider-i-2021/) and the Courts of Denmark 2021 Annual Report (https://domstol.dk/media/qcnnslyh/danmarks-domstoles-aarsrapport-2021.pdf).
94. Report "Key figures on case flow and case processing times," January 21, 2022, Courts of Denmark, available at https://domstol.dk/media/1qbewjdg/noegletal-2021.pdf.
95. Interviews with litigation attorneys from Aarhus and Copenhagen (April 2022).
96. The Danish Administration of Justice Act, Article 126 (2).
97. In Aarhus and Copenhagen, most of the legal work for a standardized commercial case would be done by associates who charge DKK 2,000 (EUR 269) per hour. Interviews with attorneys from Aarhus and Copenhagen (March to June 2022).
98. Court Fees Act, March 9, 2021, Articles 1 and 2, available at https://www.ft.dk/ripdf/samling/20201/lovforslag/l66/20201_l66_som_vedtaget.pdf.
99. At 0.1% of the claim value, Denmark is on par with Slovakia and Sweden. Only Spain, with no enforcement fees, is more affordable in the EU.
100. Under the Court Fees Act, Article 13, the fee of DKK 750 (EUR 101) is payable once the request for enforcement is submitted at the bailiff's court.
101. Interview with representatives of the private auction house in Kolding (June 2022).
102. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
103. Small claims involve cases with a financial value of no more than DKK 50,000 (EUR 6,719). The Danish Administration of Justice Act, Chapter 39.
104. In addition to Denmark, the following countries EU member states have a fully developed electronic case management system for judges and lawyers: Austria, Estonia, France, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Portugal, Romania, and Slovakia.
105. The judgment database, which opened on January 6, 2022, is available at https://domsdatabasen.dk/.
106. Michigan State Court Administrative Office. 2004. *Caseflow Management Guide*. Lansing, MI.
107. Bulgaria, Croatia, Greece, Hungary, Italy, Latvia, Malta, Portugal, Romania, and Slovenia all have laws that set time standards for key court events and respect them in practice.
108. Adjournments are regulated and respected in practice in the following EU member states: Bulgaria, Croatia, Estonia, Germany, Greece, Latvia, Lithuania, the Netherlands, and Poland.
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110. European Commission for the Efficiency of Justice. 2011. *Reports on the implementation of the CEPEJ guidelines for judicial time management in 7 pilot courts/institutions*. Strasbourg: European Commission for the Efficiency of Justice. Available at https://rm.coe.int/168074828a.
111. Botero, Juan Carlos, Rafael La Porta, Florencio López-de-Silanes, Andrei Shleifer, and Alexander Volokh. 2003. "Judicial Reform." *World Bank Research Observer* 18 (1): 67–8.
112. Courts with specialized commercial jurisdiction are available in Austria, Belgium, Bulgaria, Croatia, France, Germany, Hungary, Ireland, Luxembourg, Poland, Romania, and Slovenia.
113. European Commission for the Efficiency of Justice. 2019. *European Handbook for Mediation Lawmaking*, Strasbourg: European Commission for the Efficiency of Justice. Available at https://rm.coe.int/cepej-2019-9-en-handbook/168094ef3c#_Toc9936429.
114. Article 69b of the German Court Fee Code (Gerichtskostengesetz – GKG) available (in German) at https://www.gesetze-im-internet.de/gkg_2004/BJNR071810004.html#BJNR071810004BJNG001101311.
115. Article 17 of Italian Legislative Decree 28/2010 states that all acts and documents related to mediation are exempt from stamp duty, all expenses, taxes, and other charges. The court may also order sanctions for parties who refuse to attempt mediation in good faith. The judge can condemn a party who declines participation in the mediation process without a valid justification by ordering that party to make an additional payment.
116. European Parliament. 2014. *Rebooting' the Mediation Directive: Assessing the Limited Impact of its Implementation and Proposing Measures to Increase the Number of Mediations in the EU*. Brussels: European Parliament. Available at https://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL-JURI_ET(2014)493042.

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Subnational Investment Climate Assessment: FINLAND

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- **The report *Subnational Investment Climate Assessment: Finland* benchmarks business regulations that apply to small and medium-size domestic firms in six cities in Finland** (Helsinki, Mariehamn, Oulu, Tampere, Turku, and Vaasa) across five business regulation areas (business start-up, building permits, electricity connection and supply, property transfer, and commercial litigation).
- **Finland shows significant subnational performance gaps.** Even the five mainland cities benchmarked in this study show disparities in regulatory performance, especially in the areas related to building permits, electricity connection, and commercial litigation. Variations in regulatory performance are even more pronounced when comparing Mariehamn—the capital of the autonomous region of Åland—with the rest of the country. This is mainly driven by differences in performance for business start-up and property transfer. Entrepreneurs in Mariehamn must obtain a business permit for a company to operate and a land acquisition permit to acquire real property from the government of Åland.
- **No city is the top performer across all indicators.** Vaasa is the only city that scores among the top three locations in all benchmarked areas; all the others score in the top half in at least one area and the bottom half in another. Mariehamn has the highest score for building permits and electricity connection but the lowest for business start-up and property transfer. Tampere and Oulu rank first on property transfer, while Tampere ranks fifth on building permits. This uneven performance across indicators points to opportunities for Finnish cities to learn from each other's good practices.
- **Business start-up is the only area where no Finnish city scores above the EU average.** Although starting up a business is less expensive and requires fewer procedural steps in Finland, Finnish entrepreneurs spend more time completing these steps than in the European Union as a whole. Electricity connection is the one area where all six Finnish cities perform above the EU average. Utilities in Finland connect their customers in less time and with lower costs and the electricity supply is among the most reliable in the European Union.
- **Time is the main source of variation in performance among the Finnish cities benchmarked.** The time it takes to comply with bureaucratic requirements varies significantly depending on where Finnish entrepreneurs establish their business. Entrepreneurs in Oulu spend the least time complying with bureaucratic requirements in the five regulatory areas benchmarked—seven months less than their peers in Helsinki.
- **Finnish cities have opportunities to share good practices to improve the business environment,** especially in building permits, electricity connection, and commercial litigation. In business start-up and property transfer, good practices in other economies could encourage Finland to be more ambitious in the modernization of their regulatory framework.

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Finland is an attractive location for business, owing to a stable and transparent regulatory environment, a strong policy focus on research and innovation,[1] a skilled labor force, openness to trade and investment, and highly digitalized infrastructure.[2] Additionally, Finland ranks among the global economies where there is the lowest perception of corruption.[3]

Digitalization has been central to Finland's efforts to improve the business environment. As a result, Finland ranks first out of 27 EU member states on the 2022 Digital Economy and Society Index.[4] Over the past few decades, Finland has increasingly automated its regulatory processes and introduced several electronic platforms that have improved the business environment. In 2001, for example, the creation of the Business Information System allowed several government registries to be connected, which transformed the process of setting up a new business. Currently, entrepreneurs can submit a single start-up notification across agencies. In early 2010, many municipalities in Finland introduced e-permit systems that allowed developers to apply for a building permit digitally and track the status of their projects. In the same period, the Ministry of Justice introduced the AIPA Information System, an integrated digital system to help manage cases and documents in the courts. Judges can now track the status of court cases; view and manage all case documents, court orders, and judgments; and generate semi-automatic court orders.

Finland could continue its efforts to ease the administrative burden for companies in some regulatory areas. The challenges this study has documented include an absence of statutory time limits for regulatory processes, as well as low uptake of existing online platforms—due mainly to lack of public awareness, as in the case of the Property Transaction Service, or limited applicability, as in the case of the online business registration platform. A recent study by the Organisation for Economic Co-operation and Development (OECD) found that lengthy administrative procedures related to permitting, such as construction permits or approval of land-use planning, slow down some investment projects.[5]

Recognizing the importance of further improving the business environment, attracting investment, and mitigating the shocks caused by the COVID-19 pandemic, the Finnish government is making renewed efforts to develop digital solutions. There are ambitious initiatives underway to reform the Real Estate Code and make the property transfer process simpler and faster through enhanced digitalization. Similarly, the proposed reform of the Land Use and Building Act aims to accelerate the low-carbon transition, advance digitalization, streamline procedures, and improve the quality of construction.

This report presents subnational data on the efficiency and quality of the regulatory process in six cities: Helsinki, Mariehamn, Oulu, Tampere, Turku, and Vaasa.[6] It identifies bottlenecks in the five areas benchmarked—business start-up, building permits, electricity connection and supply, property transfer, and commercial litigation—and highlights good practices already in place that other cities could consider replicating to bridge the regulatory performance gap. The report also provides examples of good practices from other EU member states that could encourage Finnish cities to enhance regulatory conditions for small and medium businesses (SMEs).

MAIN FINDINGS

There is significant variation in regulatory performance among the cities benchmarked

While most areas analyzed in this report are regulated at the national level, local implementation and the efficiency of public agencies vary significantly. Even the five mainland cities benchmarked in this study show disparities in regulatory performance, especially in the areas related to building permits, electricity connection, and commercial litigation. Mainland cities show more homogeneous results on property transfer. Business start-up is the only area where all five mainland cities obtain the same score.

Variations in the business regulatory environment are even more pronounced when comparing Mariehamn—the capital of the autonomous region of Åland—with the rest of the country. In Mariehamn, where the Åland government must issue a business permit for a company to operate, the time to complete the process increases by almost a month and costs 100 euros more than in the mainland cities. Additionally, obtaining a land acquisition permit from the government of Åland to acquire real estate makes the process twice as long and more complex in Åland than in the mainland cities. While the Finnish construction permitting system is primarily regulated at the national level by the Land Use and Building Act, laws regulating aspects of land use and building activities in Mariehamn are established by the government of Åland. Similarly, the Åland Islands have their own regulations on land acquisition. The Energy Authority (Energiavirasto) regulates the electricity market in continental Finland, while the Åland Energy Authority (Ålands Energimyndighet) does so in the Åland region. The government of Åland plays a role in granting permits to operate a business or transfer property in Mariehamn, while new entrepreneurs in mainland cities deal only with national authorities.[7]

Of the 16 EU member states[8] assessed by this series, Finland has the second-highest average performance gap between the city with the lowest score and the city with the highest score across the five regulatory areas benchmarked (figure 3.1). The differences between the mainland cities and Åland account for much of this gap.

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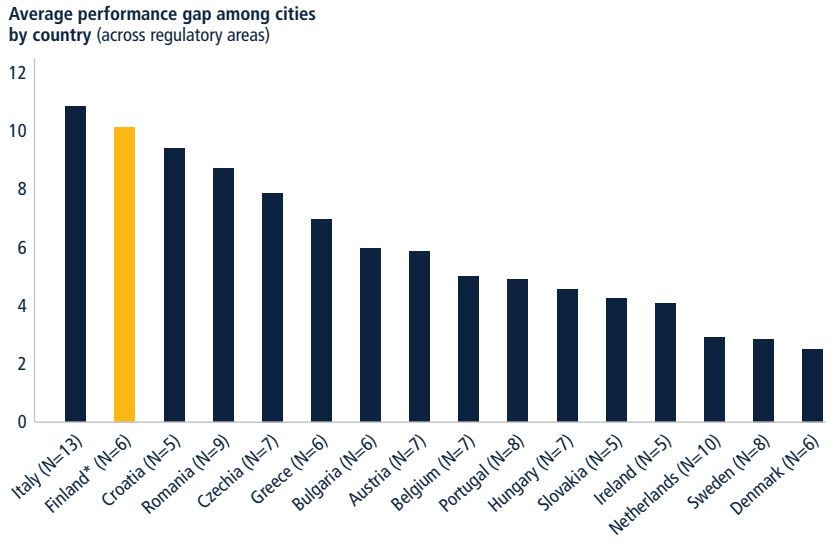
FIGURE 3.1 Finland has the highest average spread in regulatory performance after Italy



Sources: Data collected for this publication; *Subnational Doing Business* database.

Note: "N" reports the number of cities benchmarked in each economy. The figure considers only the EU member states that have been benchmarked at the subnational level. The full data for the series are available at: www.doingbusiness.org/eu.

*Among the five mainland cities in Finland, performance is much more homogeneous; the average spread is 4.3, similar to Slovakia.

On average Finnish cities score above the EU average in all regulatory areas benchmarked except for business start-up

Most Finnish cities outperform the EU average in at least three out of the five areas benchmarked. Electricity connection is the one area where all six Finnish cities perform above the EU average (figure 3.2). Utilities in Finland connect their customers in less time (52 days) and at a lower cost (22% of income per capita) than in the European Union (99 days and 117%, respectively). In Mariehamn—the fastest Finnish city and second-fastest after Linz (Austria) in the European Union—getting an electricity connection takes 27 days. Connecting to the electrical grid is faster and cheaper in Finland than in other Nordic countries such as Denmark and Sweden. Moreover, the electricity supply in Finland is among the most reliable in the European Union and has among the shortest durations of power interruptions. All six cities measured in Finland score the maximum of 8 points on reliability of supply.

Business start-up is less expensive and requires fewer procedural steps than in the European Union on average, but Finnish entrepreneurs spend more time completing these steps. Despite efforts to digitalize and streamline the business start-up process, Finnish entrepreneurs on the mainland still have to wait over a month to complete the process, almost three weeks longer than the EU average. Transferring a property in the five benchmarked cities in mainland Finland is less expensive than the EU average and requires only three steps—only in Portugal and Sweden is the process more streamlined. Still, it takes 76.5 days to complete these steps in mainland Finland, almost three times the EU average of 28 days. Denmark completes the same process in 4 days, Sweden in 10.

Mariehamn lags well behind the other Finnish cities and the EU average in both business start-up and property transfer, given the requirements to obtain business and land acquisition permits from the regional government. Business start-up takes nearly seven weeks longer and property transfer over four months longer in Mariehamn than the EU average. On the other hand, all Finnish cities are among the best in the European Union on the quality of land administration index, with Tampere and Oulu standing out in this regulatory area. On average, Finnish cities score 28.3 points (out of a maximum of 30)—5.4 points higher than the EU average.

On average Finnish cities outperform the EU average on the time and cost for construction permitting. In Finland, the process takes 120.8 days at a cost of 0.8% of the warehouse value—more than two months faster and half the cost of the EU average (188.5 days at a cost of 2.0%). The process in Finland is under municipal control, and Turku is the city that takes the most time (214 days), scoring below the EU average. Across Finland, there is room for improvement on number of procedures and measures of quality. Compared with Denmark,[9] the EU top performer with seven procedures, the process in Finland entails more than twice as many steps. On measures of quality, all Finnish cities score 11 out of 15 points, nearly a full point below the EU average (11.8 points) and far below Luxembourg, which scores the maximum of 15 points.

The six Finnish courts benchmarked resolve commercial disputes in 492 days on average—nearly 5.5 months faster than the EU average of 655 days. It is also less expensive in five cities in Finland (15.3% of claim value) than in the European Union (20.2%). The exception is Helsinki (20.8%)—the only Finnish city that lags behind the EU average on this indicator. All Finnish cities fall short of the EU average on the judicial quality index, particularly in the adoption of good practices related to court structure and proceedings as well as case management.

Mariehamn, Oulu, and Tampere top the rankings in more than one area benchmarked

It is easier to transfer property in Oulu and Tampere, obtain building permits and an electricity connection in Mariehamn, and

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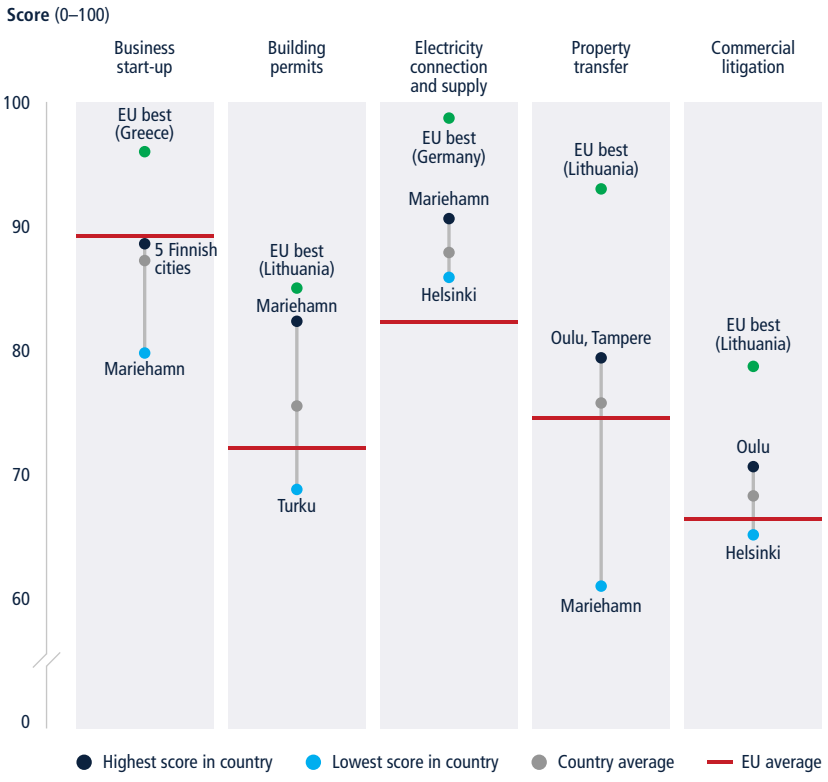
FIGURE 3.2 Business start-up is the only area where no Finnish city scores above the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The scores show how far a location is from the best performance achieved by any economy in each area. The scores are normalized to range from 0 to 100 (the higher the score, the better). EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

resolve a commercial dispute through the local court in Oulu. But cities that do very well in one area are sometimes at the bottom of the ranking in others (table 3.1). For example, Mariehamn has the highest score for building permits and electricity connection but the lowest for business start-up and property transfer. Helsinki and the other mainland cities share the top score for business start-up, but Helsinki ranks last in both electricity connection and commercial litigation. Tampere and Oulu rank first on property transfer, while Tampere ranks fifth for building permits. Turku ranks in the top half in three areas but last for building permits. Vaasa stands out as the only city that scores among the top three locations in all benchmarked areas.

This uneven performance across indicators points to opportunities for Finnish cities to learn from each other's good practices.

Entrepreneurs in Oulu spend the least time complying with bureaucratic requirements

Time is the dimension that varies the most across the five regulatory areas measured in this study. The time it takes to comply with bureaucratic requirements varies significantly depending on where Finnish entrepreneurs establish their business. Entrepreneurs spend seven months longer in Helsinki than in Oulu complying with bureaucratic requirements in the five regulatory areas benchmarked (figure 3.3).

The greatest variations in time are found in commercial litigation, building permits, and property transfer. It takes five months longer to resolve a commercial dispute through the court and enforce the judgment in Mariehamn than in Oulu. The

TABLE 3.1 Mariehamn, Oulu, and Tampere score the highest in at least two areas

	Business start-up		Building permits		Electricity connection and supply		Property transfer		Commercial litigation	
City	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)	Rank (1–6)	Score (0–100)
Helsinki	1	88.66	4	71.89	6	85.95	3	78.45	6	65.04
Mariehamn	6	79.75	1	82.20	1	90.61	6	60.95	5	66.28
Oulu	1	88.66	3	77.99	4	87.17	1	79.28	1	70.38
Tampere	1	88.66	5	71.58	2	89.86	1	79.28	2	69.56
Turku	1	88.66	6	68.72	5	86.28	3	78.45	3	68.60
Vaasa	1	88.66	2	80.03	3	87.33	3	78.45	3	68.60

Source: Data collected for this publication.

Note: The indicator scores show how far a location is from the best performance achieved by any economy in each area. The scores are normalized to range from 0 to 100 (the higher the score, the better). For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

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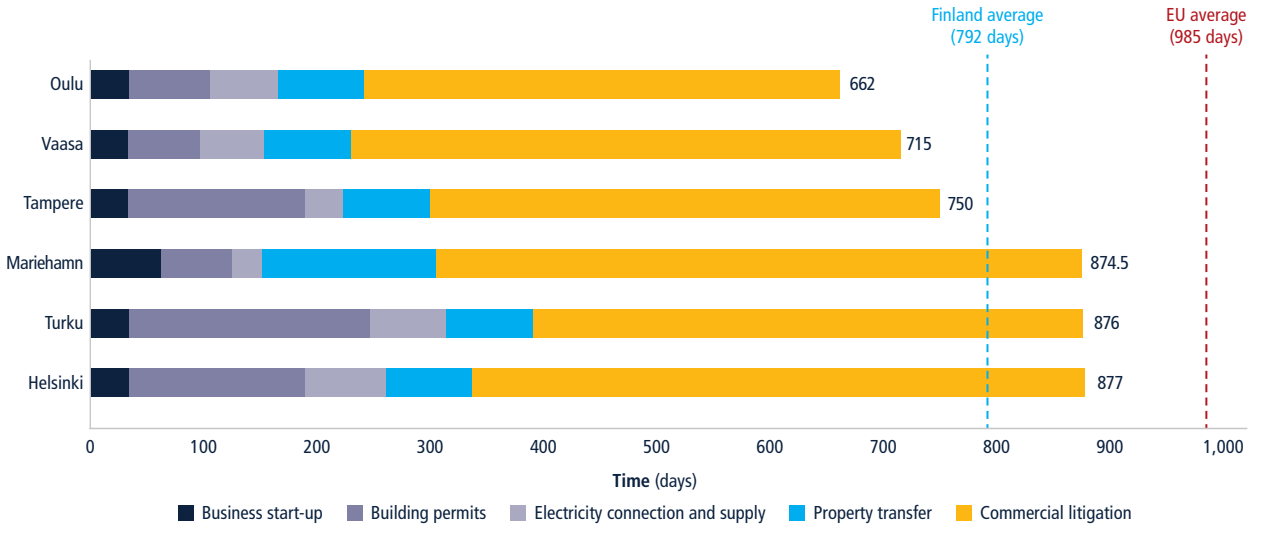
FIGURE 3.3 Oulu has the fastest turnaround time overall



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

District Court of Helsinki—the largest court, with the most complex litigation cases—is the second-slowest to complete the trial and judgment phase. The construction permitting process, meanwhile, takes seven months in Turku, more than triple the time it takes in Mariehamn. Entrepreneurs in Mariehamn spend twice the time to transfer a property than their counterparts in the other five cities benchmarked. Similarly, the business start-up process takes nearly twice as long in Mariehamn than in the rest of the benchmarked cities. An electricity connection takes 27 days in Mariehamn but 70 days in Helsinki.

WHAT IS NEXT?

Analyzing and comparing the different regulations and their local implementation can be an appropriate way to identify good regulatory practices and promote reforms. For each of the indicators analyzed by this study, this report identifies specific regulatory obstacles to business and highlights opportunities to improve the quality and efficiency of regulations and their implementation. Improvements could be achieved by replicating EU or global good practices or by looking to other cities in Finland. The objective is to help the private sector thrive by encouraging regulation designed to be efficient, accessible to all, and simple to implement.

Finnish cities have opportunities to share good practices to improve the business environment

Significant disparities in regulatory performance across cities can help policy makers identify opportunities to improve administrative processes and build the capacity of local institutions. Local governments can use the results of this study to support reform efforts and, when appropriate, emulate the good practices found in other cities. In most cases, implementing good practices that already operate efficiently in the same regulatory framework is a simpler process than adopting practices from other economies.

For example, obtaining a judgment and getting it enforced is fastest in Oulu, where it averages almost three months less time than in the rest of the benchmarked cities. Judges in Oulu make greater use of alternative dispute resolution methods such as mediation. Oulu is the fastest Finnish city for obtaining a building permit, taking five months less time than Turku, the slowest city. While part of the variation can be explained by the smaller volume of applications that Oulu receives for large projects, the city has also responded actively to resource needs and growing demand by temporarily reallocating staff from the inspection side to the construction permitting side. Oulu's active role in organizing webinars and information sessions for builders who construct small projects also contributes to its time efficiency.

Helsinki, despite its larger population and greater urban density, has the fastest process for obtaining an excavation permit for electricity connection works (one week)—less than half the time required in all other cities except Mariehamn, where a separate excavation permit is not required. The city government of Helsinki has cooperation agreements with local utilities to streamline permitting and increase cost predictability. It has established stricter internal targets for excavation permits, abiding by a rule to issue them in five working days. Helsinki has developed a digital tailored enterprise resource planning system that allows for the monitoring, coordination, and management of the entire permitting process.

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The process of obtaining construction approvals is smoothest in Mariehamn, where it takes the fewest procedures (13) and the shortest time (61.5 days). Mariehamn is also where the process costs the least (0.46% of the warehouse value). Mariehamn benefits from the relatively small size of its construction market but also from its efficient coordination among builders and local public authorities. The building authority and the utility company share information internally to ensure that buildings can be connected to a local water supply and sewerage network; as a result, the applicant does not need to interact separately with the utility. Thanks to efficient utility services and better agency coordination, utilities in Mariehamn also offer the fastest electricity connection in Finland and among the fastest in the European Union. An agreement between the electricity utility and the municipality allows the utility to proceed with electrical connection works by merely notifying the city government, without the need to obtain a permit to carry out connection works as required in the rest of the benchmarked cities.

Finland can also look to other EU member states and beyond for good practices to improve its business environment

In some cases, good practices in other economies could encourage Finnish cities to be more ambitious in the modernization of their regulatory framework. This report points to possible improvements based on both local and international good practices (table 3.2). However, this does not imply that all locations would automatically benefit from replicating existing good practices. Several factors determine whether replicating a good practice is beneficial, including local economic priorities, resource allocations, and tradeoffs between the advantages and cost limitations of implementing these changes.

To make business start-up easier, Finland could reduce the time it takes to register a company with the Finnish Patent and Registration Office and the Tax Administration, currently 32 calendar days. This is significantly higher than in other EU economies—including Denmark, Estonia, and Greece—where the entire company registration process takes less than a week. In these other EU economies, the use of online registration is available to all types of firms. Finnish authorities could also expand the use of standardized incorporation documents, making them flexible enough to accommodate most small businesses that want to use the online registration option. Slovenia, Portugal, Greece, and Denmark offer good examples that Finland could follow.

Finland could make substantial improvements by streamlining its preconstruction permitting process, particularly by consolidating requirements and improving coordination between offices. In Nicosia (Cyprus) and Valetta (Malta), a single focal point coordinates with all the agencies and issues a single preconstruction clearance. Finland could also consider adopting risk-based inspections, as Denmark and Sweden have done, to streamline the construction permitting process for low-risk buildings and free up resources for more complex projects.

The time it takes to transfer property in Finland—153 days in Mariehamn and 76.5 days in each of the other five benchmarked cities—is significantly higher than the EU average of 28 days. In Denmark, it has been obligatory since 2009 to submit registration applications electronically, enhancing the efficiency of screening and processing. Awareness campaigns could help motivate more users in Finland to shift to an electronic platform for property transfers. Committing publicly to service delivery standards within a specific time frame is key to ensuring that time limits are enforced in practice. Sweden is one of many economies that publish service standards for various public services.

On average, Finland outperforms the European Union on certain measures related to the efficiency and quality of the electricity supply. Yet it could learn from certain good practices implemented by other EU economies. The electricity connection process could be simplified by introducing a digital platform that would connect the entrepreneur's chosen supply company directly to the electricity utility when the entrepreneur first applies for a new connection. This would allow the electricity supplier, rather than the individual entrepreneur, to coordinate the different steps of the connection process through a shared digital interface. Certain EU member states such as Czechia, Ireland, and Poland offer good examples that Finland could consider.

In the area of commercial litigation, Finland could introduce statutory limits to its procedural legislation for key court events to make dispute resolution more predictable. Ten EU member states[10] have laws that set time standards for various court events and respect them in practice. Finnish courts also lag in terms of court automation. The country would benefit from adopting additional features such as electronic filing[11] of initial complaints for all types of civil cases, a tool that could improve access to justice and streamline procedures even further. For example, Denmark developed a highly digitalized system for civil cases where all written communication between litigants and the judge is filed and processed digitally through the Sagsportalen case portal.

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TABLE 3.2 Opportunities for regulatory improvement in Finnish cities

Regulatory area	Good practices	Relevant ministries, agencies and other stakeholders*	
		National level	Local/regional level
Business start-up	Expand the use of standard incorporation documents and online registration to all types of firms	• Finnish Patent and Registration Office (PRH) • Finnish Tax Administration	• Government of Åland
	Integrate the registration of beneficial owners with the company registration process		
	Streamline the process of obtaining a business permit in Mariehamn		
Building permits	Streamline the process by consolidating preconstruction procedures and enhance the existing online construction permitting system	• Ministry of the Environment • Finnish professional associations (builders, architects and engineers) • National Land Survey of Finland (NLS) • Finnish Patent and Registration Office (PRH) • E-permit systems (Cloudpermit and Trimble) • Insurance companies	• Building supervision authorities • Water/Sewerage companies • Rescue departments • Government of Åland • Regional State Administrative Agency
	Consider alternatives to the preplanning meeting with the building supervision authority		
	Introduce statutory time limits and fast-track options for obtaining a building permit		
	Enhance the private sector's role in the construction permitting process and introduce mandatory insurance and liability for builders and architects		
	Consider introducing risk-based oversight		
Electricity connection and supply	Establish, monitor, and enforce time frames for connection services	• Energy Authority • Ministry of Economic Affairs and Employment of Finland • Finnish Safety and Chemicals Agency (Tukes) • Fingrid Oyj (Finland's Transmission System Operator) • Energy Sector Employer's Association (Finnish Energy) • Finnish Electrical Workers' Union • Electrical Contractors´ Association of Finland (STUL)	• Electricity distribution utilities • Electricity suppliers • Government of Åland • Åland Energy Authority • Kraftnät Åland AB • Local municipalities • Local engineers associations
	Increase transparency and accountability by collecting and publishing statistics		
	Improve coordination between utilities and municipalities to replace siting agreements and excavation permits with a notification of works		
	Allow entrepreneurs to conclude all requirements needed to obtain a new electricity connection in one online step		
	Assess the possibility of reducing the financial burden of new connections		
Property transfer	Increase the uptake of the electronic platform for property transfers	• National Land Survey of Finland (NLS) • Ministry of Agriculture and Forestry • Ministry of Justice	• Government of Åland • Local authorities in Mariehamn • Public purchase witnesses • Real estate agents • Lawyers • Banks
	Consider introducing fast-track property transfer procedures		
	Introduce service delivery standards for all services provided by the National Land Survey of Finland and ensure that the standards are publicly available and binding		
	Consider streamlining the process to obtain the land acquisition permit in Mariehamn		
Commercial litigation	Study the courts' caseloads to identify causes of trial delays and consider setting time limits for key litigation events	• Ministry of Justice • Finnish Judiciary (Tuomioistuinlaitos)	• Local district courts
	Continue expanding and promoting the use of electronic features in courts		
	Consider introducing specialized commercial sections at the courts or expand the jurisdiction of the Market Court		
	Provide incentives to encourage more mediation in courts		

*The list includes the main ministries and agencies relevant to each regulatory area, but other entities might also be involved.

Note: All good practices are detailed at the end of the respective indicator section.

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Business start-up

The process for setting up a business in Finland is streamlined and affordable but time-consuming

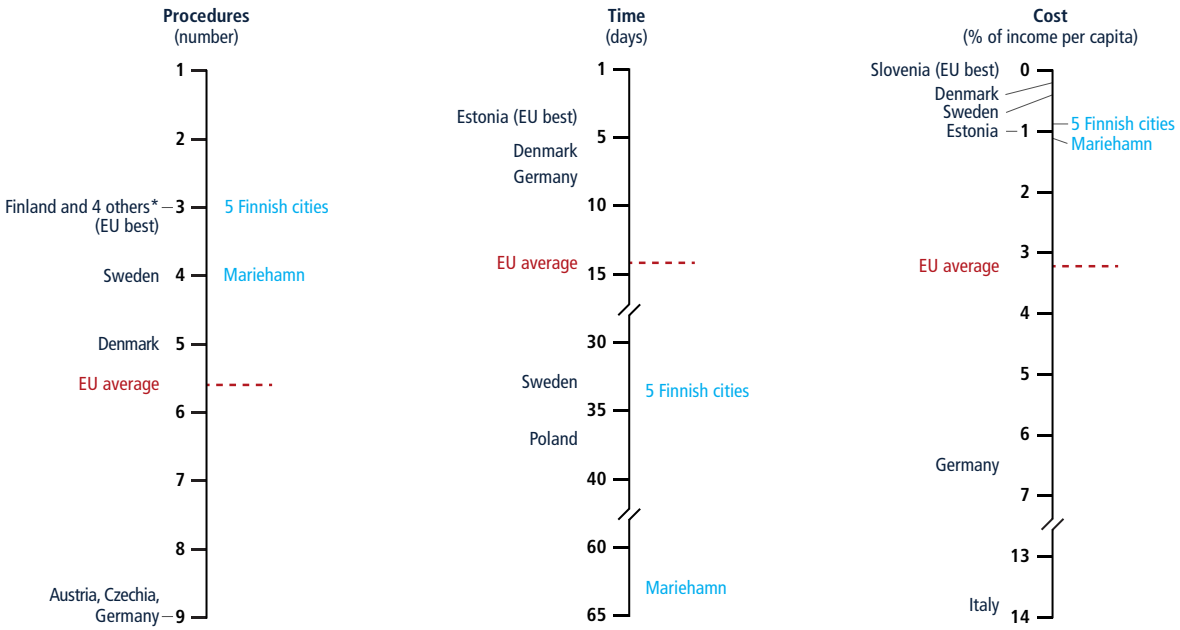
In five of the six cities measured, the business start-up process is regulated using only three procedures. Only four other EU member states—Estonia, Greece, Ireland, and Slovenia—manage to achieve this as well (figure 3.4). However, completing these three procedures takes over a month in Finland. In the European Union, only Poland has a lengthier process (37 days). In contrast, setting up a business in Estonia takes only 3.5 days; registration is done fully online for all types of companies, with the possibility of expedited registration procedures for limited liability companies (LLCs). Entrepreneurs in the benchmarked Finnish cities need to pay only about 0.9% of income per capita to register a new LLC—substantially less than the EU average of 3.2%. The exception is Mariehamn, where the requirement to obtain a local business permit from the government of Åland adds one step and 30 days to the process and increases the cost to 1.11% of income per capita (table 3.3).

Since 2019, Finnish entrepreneurs have no longer needed to deposit EUR 2,500 as share capital before incorporation.[12] Eleven other EU member states have also eliminated this requirement or have a paid-in minimum capital requirement of less than 0.1% of income per capita.[13]

Company registration in Finland requires three main steps

The registration of a new limited liability company (osakeyhtiö, oy) in Finland is centralized and requires three main steps in all benchmarked cities except Mariehamn, where a fourth step to obtain a local business permit is required (figure 3.5). All new companies must be registered with the trade register of the Finnish Patent and Registration Office (PRH). According to the Finnish Limited Liability Companies Act (624/2006), new companies must submit their registration notification within three months from the signing of the memorandum of association. Registration is managed through the Business Information System (BIS), which has been in operation since

FIGURE 3.4 Setting up a business in Finland is inexpensive but takes longer than the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

*Estonia, Greece, Ireland, Slovenia.

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TABLE 3.3 The process of setting up a business is the same across Finland except in Mariehamn

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of income per capita)
Helsinki	1	88.66	3	33.5	0.9
Oulu	1	88.66	3	33.5	0.9
Tampere	1	88.66	3	33.5	0.9
Turku	1	88.66	3	33.5	0.9
Vaasa	1	88.66	3	33.5	0.9
Mariehamn	6	79.75	4	63	1.1

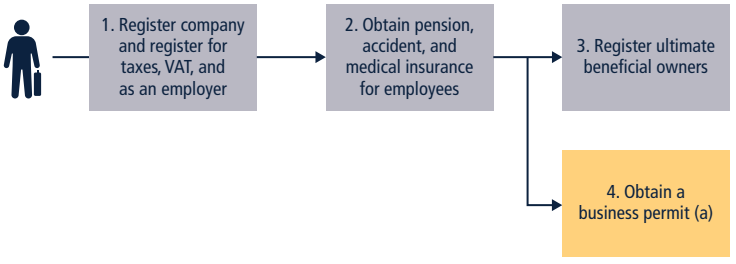
Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average score for the procedures, time, cost and paid-in minimum capital associated with business start-up. The score is normalized to range from 0 to 100 (the higher the score, the better).

2001 and is jointly maintained by the PRH and the Finnish Tax Administration. The system allows both agencies to exchange information in real time on new business registrations and closings and enables entrepreneurs to be registered with both authorities in a single notification (box 3.1). Once the entrepreneur submits the start-up notification to the trade register, the information is processed through the BIS and the company is entered into both the PRH's trade register and the Finnish Tax Administration's prepayment register,[14] as well as the employer and VAT registers. Companies that sell goods or services totaling more than EUR 15,000 per accounting period (12 months) must be entered into the VAT register, except for certain health and social services companies.[15] If the company has employees, it must be entered into the employer register.[16]

Registration can be completed online through the BIS[17] or in paper format by submitting the notification at the PRH central office in Helsinki or sending it by post (table 3.4). The paper format registration has a higher cost (EUR 380) and takes longer (32 days) than online registration (EUR 240 and 10 days, respectively). However, online registration is possible only when the following conditions are met: (i) the company's share capital and the subscription price of the share are both zero; (ii) the standard articles of association are used; and (iii) all company founders[18] have a Finnish social security number. If any of these conditions are not met, the company must follow the paper-based process. The hypothetical company used in this report has a start-up capital of EUR 434,087, so the case study assumes that a paper-based application is submitted to the trade register.

FIGURE 3.5 How does the business registration process work in Finland?



(a) Procedure applies only in Mariehamn

Source: Data collected for this publication.

Note: Obtaining a business permit in Mariehamn can be completed simultaneously with the registration of ultimate beneficial owners.

Before registration, business founders can check the availability of the company name on the PRH website.[19] While the name cannot be reserved before registration, founders can propose three different name options when submitting their start-up notification.[20] In addition to providing the requisite forms[21] and instructions, the website also offers a ready-made start-up package that contains templates for the memorandum of association and the articles of association, which companies can use or adapt to fit their needs.

If the company chooses to have share capital, it must open a bank account and deposit the share capital before registering in the trade register. Under Finnish law, the PRH must have proof of the deposited share capital in order to register the company. If the share capital is paid in the form of a contribution in kind, a certificate of transfer of assets issued by the company's auditor must be submitted to the PRH.

The paper-based registration takes on average 32 days. Once the start-up notification is processed through the BIS, the Business ID (Y-tunnus) is issued in a couple of days. The Business ID is issued on a preliminary basis until registration is formally completed. This number identifies the new company with the trade register and the Tax Administration and must be used by businesses on their invoices, business letters, and forms. The company then waits for the registration decisions from both agencies, which review the application in parallel. After the Business ID is issued, the PRH conducts a review of the documents, including the articles of association, to check their compatibility with the law. For its part, the Tax Administration reviews the company's line of business and checks the owners' background.

Applicants can monitor the progress of the registration process using the notification search in the Virre Information Service.[22] After registration is completed,

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BOX 3.1 Finland's e-government transformation to streamline business start-up and operation

The European Commission's Digital Economy and Society Index 2022 ranks Finland second in the European Union in digital public services, with high scores for the availability of pre-filled forms and online services for individuals and companies and a high usage rate of e-government services.[a] This reflects a long-term focus on increasing the level of automation in the services provided by the public sector.

Starting in the 1990s, an increase in internet use and adoption of information technology (IT) enabled public agencies to improve the collection of data on individuals and firms to streamline their services. For example, the Tax Administration used these data to ease the annual tax return process by sending a tax proposal to taxpayers for verification; if the information was correct, they did not have to file a tax return or any supporting documentation.

For entrepreneurs, the creation of the Business Information System (BIS) in 2001 transformed the process of setting up a new business. The system—called Yritys- ja yhteisötietojärjestelmä (YTJ)—was developed as a joint project between the Finnish Patent and Registration Office (PRH) and the Finnish Tax Administration, to allow them to exchange information on new businesses. Entrepreneurs could now submit one joint start-up notification to both agencies and cover their requirements for company, prepayment, employer, and VAT registration.

The unique business identification number (Business ID) was launched that same year to serve as the single identifier of companies and organizations. Business ID facilitated the exchange and update of data on new business registration, changes, and terminations. The public, meanwhile, gained access free of charge through the BIS to real-time data and information, such as the name of the company, its legal form, location, main line of business, language of operation, address, bankruptcy or reorganization status, and tax liabilities.

The availability of data, together with increased IT adoption for online banking and electronic identification, facilitated the expansion of e-services for businesses and individuals alike. These included the launch of a free online service for payroll calculation, wage payments, and official notifications for small employers in 2006, and a service for filing tax returns online in 2008. In 2018, after a multi-year IT modernization project, the Tax Administration launched the MyTax portal (OmaVero), which brought together all digital services for individuals and firms in a single platform.[b] Most recently, in 2021, the Ministry of Economic Affairs and Employment launched the Real-Time Economy project, which seeks to create a system in which all business transactions are processed digitally with data moving seamlessly, securely, and in real time. This will include e-invoicing and e-receipts and will enable businesses to easily transfer financial information to their partners and government agencies.[c]

a. European Commission. Digital Economy and Society Index (DESI) 2022, Finland country profile. Available at https://digital-strategy.ec.europa.eu/en/policies/countries-digitisation-performance.

b. Finnish Tax Administration. "The development of digitalization in Tax Administration." Available at https://www.vero.fi/en/About-us/finnish-tax-administration/the-development-of-digitalization-in-tax-administration/.

c. For more information on the Real-Time Economy project, see https://www.prh.fi/en/presentation_and_duties/current_information/projects/real-time_economy.html.

TABLE 3.4 Online registration is faster and less expensive, but it is not always possible

	Online registration	Paper-based registration
Minimum capital requirements	Share capital and subscription price of shares must be zero	Share capital and subscription price of shares may be above zero
Processing time	10 days	32 days
Cost	EUR 240	EUR 380
Articles of association	Only standard articles of association may be used	Standard articles of association may be adapted or new articles drafted to meet a company's needs
Method of submitting the notification	Submitted online through the BIS website	Submitted by post or in person at the central office

Source: Data collected for this publication.

Note: Time estimates for online and paper-based registration are based on the median estimate reported by private sector experts.

applicants will receive the trade register extract from the PRH and the registered articles of association, both by email and regular mail. They will also receive a message from the Tax Administration confirming their status as a corporate taxpayer and their registration in the various registers, either by mail or through the electronic service MyTax (OmaVero).[23]

After the company is formally registered, business owners obtain the necessary pension, accident, and medical insurance for their employees. Several private

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insurance companies in Finland offer these products. In parallel, business founders file information about beneficial owners with the PRH. This requirement, which has been in place since July 2019,[24] is done entirely online and is free of charge. To complete this procedure, the company submits a notification to the trade register that must be signed electronically by the same person who signs the company's other notifications.

Company registration makes up the bulk of the time and in Mariehamn, the local business permit adds time and cost

Across Finland, company registration with the PRH and the Tax Administration makes up the bulk of the time, taking 32 days (figure 3.6). The review of the articles of association is one of the main reasons for the length of this procedure. Requests for modifications in the documents can lengthen the process; this can be exacerbated during peak periods. Limited liability companies can use the standard articles of association as a basis but usually adapt them to their own needs. In addition, the PRH has experienced an increase in recent years in the number of filings, from 13,584 LLCs registered in 2016 to 21,706 in 2021, further adding to the workload.[25] Facing this challenge, the PRH has invested in improving its workflow methodology and internal IT processes to handle the applications and has slightly increased its staff.[26]

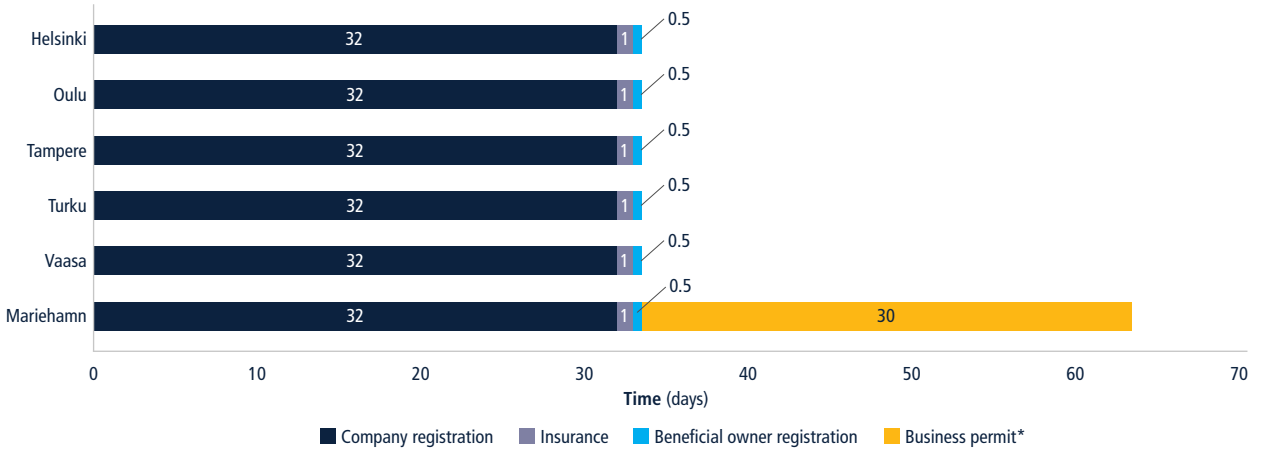
Among the locations measured, only in Mariehamn are companies required to register with regional authorities as well.[27] Obtaining a business permit from the government of Åland adds 30 days to the total time to set up a business. This requirement is based on the Act on the Right to Conduct Business (47/1996) and applies to all companies that carry out business activities in the Åland Islands. Businesses may apply for a permanent permit if at least one of the partners and one of the board members has the "regional citizenship" of Åland; otherwise, a temporary permit is required. The Åland government verifies, based on the submitted documents, that the language of operations is Swedish and checks the company's domicile, the nature of its activities, and the extent to which the company and its activities are rooted in the Åland Islands (including the use of local labor, services, and raw materials).[28] The application can be submitted online at a cost of EUR 100 for a permanent permit and EUR 80 for a temporary permit.

WHAT CAN BE IMPROVED?

Expand the use of standard incorporation documents and online registration to all types of firms

Company registration in Finland takes on average 32 calendar days. This is significantly higher than in other EU economies—including Denmark, Estonia, and Greece, where it takes less than a week to complete the entire registration process for limited liability companies, including tax, VAT, and employer registration. In these other EU economies, online registration is available for all types of companies, including those with a share capital above zero. Entrepreneurs in Finland can start a new LLC using the online system only when the share capital is zero, the standardized articles of association are sufficient, and all subscribers of shares have a Finnish social security number. Online registration takes on average 10 days, and these cases tend to be simpler and easier to evaluate. Paper-based applications tend to be more time-consuming, as they require more manual verification steps. In many cases, this involves a review of the submitted articles of association to ensure their compliance with the law. This process can require further interactions by mail

FIGURE 3.6 Obtaining a business permit nearly doubles the time to set up a business in Mariehamn



* Procedure occurs simultaneously with the previous one
Source: Data collected for this publication.

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with business founders, as modifications to the documents may be necessary, adding to the total time to complete the registration.

The PRH intends to move toward enabling online applications for cases involving companies with share capital, and it aims to have all registration applications done online by 2025. This will require changes to the regulations, which are now in their preliminary stages in the Finnish Parliament. The PRH will also need to make further upgrades to its IT systems to expand the service.

Finnish authorities could also expand the use of standardized incorporation documents, making them flexible enough to accommodate most small businesses that want to use the online registration. For simpler corporate structures, standardization could facilitate automatic information validation and compliance with the law. Larger companies with more complex structures and special requirements could still use customized incorporation documents. In Slovenia, for example, companies can use a one-stop shop (SPOT point) to create a simple limited liability company. This procedure makes use of standardized electronic articles of association and can be used by both single- and multi-member LLCs. Most entrepreneurs in Portugal register a company using preapproved standardized articles of association, which are available from Empresa na Hora. Through this initiative, entrepreneurs can instantly establish a one-person company, a private limited company, or a public LLC at just one desk. In Greece, a private company can be established online by using standard incorporation documents.[29] In Denmark, all company registrations are completed online through the portal Virk.dk regardless of the start-up capital amount. The portal provides a standardized template of the articles of association that founders of a new LLC can adapt to their needs and attach to their online registration application.

Integrate the registration of beneficial owners with the company registration process

Finland—together with other EU member states such as Belgium, the Netherlands, and Sweden—requires that new companies actively register or report their ultimate beneficial owners (UBO)—the natural person who ultimately owns or controls a company—as a separate interaction.[30] The process in Finland can be completed online in less than one day. However, entrepreneurs must wait for the company registration to be completed before being able to register beneficial owners on the PRH website. In other European economies, this information is submitted during incorporation.

To streamline this process, the authorities could integrate the beneficial owner registration with the company registration process. In Austria and Denmark, for example, once the commercial registration process is complete for a limited liability company like the one in the case study—in which all partners are natural persons—all relevant data are transferred automatically to the UBO register, eliminating the need for a separate procedure. In Germany, an entrepreneur who files all relevant information to register a company does not have to file the beneficial ownership structure separately with the Transparency Register. In Estonia, UBO information is submitted through the company portal as part of a company's registration in the Commercial Register. In Luxembourg, a notary can file the UBO registration online with the Register of Beneficial Owners at the same time as submitting the company registration.

Streamline the process of obtaining a business permit in Mariehamn

Obtaining the business permit with the government of Åland in Mariehamn almost doubles the total time to set up a business compared with the rest of Finland. Even though they can submit the application online, entrepreneurs need to wait up to 30 days to receive the permit and start operations. To streamline and speed up the process, the Åland government could review its internal procedures for reviewing and approving applications. The authorities could also consider setting statutory time limits for issuing the permit, making the process more predictable for entrepreneurs.

Alternatively, the laws and regulations could be reformed to allow entrepreneurs to self-certify that they comply with the requirements related to conducting business in Åland. Such reforms could enable the authority to conduct other controls after the fact, such as random inspections, without holding up a company's start-up operations. In other economies, authorities require permits only for companies in regulated or strategic sectors and industries. For others, a simple statement of own responsibility suffices. This is the case in Spain, where company founders file a declaration stating that they comply with the law applicable to the particular sector.

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Building permits

Finland's construction permitting system is primarily regulated at the national level by the Land Use and Building Act. The exception is the autonomous region of Åland, whose capital is Mariehamn and where laws regulating aspects of land use and building permits were established by the Åland government in 2008.[31] Implementation of the permitting system across Finland is the responsibility of the municipalities; local authorities are responsible for guiding and controlling land use planning and building within their territory. This leads to some variation in how developers manage construction permits throughout Finland. The Land Use and Building Act is currently undergoing a process of reassessment and modernization, led by the Ministry of the Environment.

Construction permitting takes more than three times longer in Turku than in Mariehamn

The six Finnish cities benchmarked in this study show notable differences in the efficiency of the construction permitting process (table 3.5). Obtaining construction approvals is easier and faster in Mariehamn, where the process takes the fewest procedures (13) and the shortest time (61.5 days). Mariehamn is also where the process costs the least (0.46% of the warehouse value). By contrast, the process is most difficult in Turku, where it requires two additional procedures, takes five months longer, and costs almost twice as much as in Mariehamn. Helsinki, Oulu, and Tampere require the most procedures (16), and Tampere is the most expensive city (1.1% of warehouse value).

Obtaining construction permits is faster and cheaper in Finland than in the European Union

On average, construction permitting in Finland requires completing 15.2 procedures over 120.8 days at a cost of 0.8% of the warehouse value (figure 3.7). The process entails one more step but is more than two months faster than the average in the member states of the European Union (where it takes 188.5 days) and costs less than half of the EU average (2.0%). The number of required procedures is higher in only eight EU member states.[32] Denmark, the European Union´s top performer with seven procedures (less than half the number than in Finland), uses a single national portal called Byg og Miljø,[33] which merges multiple steps into one. Sweden also has fewer procedures (nine) than Finland, but the process takes two weeks longer. On the building quality control index, all Finnish cities score 11 out of 15 possible points—below the EU average (11.8 points). Only a few EU member states—Czechia, Germany, the Netherlands, Poland, Slovakia, and Sweden—fall below 11 points.

Builders in Mariehamn, and to a lesser extent in Turku and Vaasa, need to comply with fewer formalities than in the rest of the country

For the most part, the construction permitting process follows a common scheme (figure 3.8). First, entrepreneurs must obtain building permit maps, including buildings´ height information, and a real estate extract as proof of ownership from the city´s survey services. Simultaneously, they schedule a preplanning meeting with the municipal building supervision authority for guidance on the requirements to obtain a building permit and to verify the qualifications of the designers proposed for the project. They also obtain an official opinion on the connection of the wastewater drain and water pipeline from the utility company. If the applicant is a company, it must obtain a trade extract online from the Finnish Patent and Registration Office (PRH).

The entrepreneur then applies for the building permit with the building supervision authority. The application includes the right of possession of the building site, a trade extract from the PRH, a real estate extract, building permit maps, master drawings, an official opinion on the connection of the utilities, and the notification of the neighbors, if the applicants choose to do this themselves.[34] After the building permit is granted and before construction begins, the applicant

TABLE 3.5 Construction permitting is easiest in Mariehamn and most difficult in Turku

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0–15)
Mariehamn	1	82.20	13	61.5	0.5	11
Vaasa	2	80.03	15	63	0.5	11
Oulu	3	77.99	16	73	0.8	11
Helsinki	4	71.89	16	157	0.8	11
Tampere	5	71.58	16	156	1.1	11
Turku	6	68.72	15	214	0.9	11

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average score for the procedures, time, and cost associated with building permits, as well as for the building quality control index. The score is normalized to range from 0 to 100 (the higher the score, the better). The cost values, expressed as % of warehouse value, are rounded to the first decimal place.

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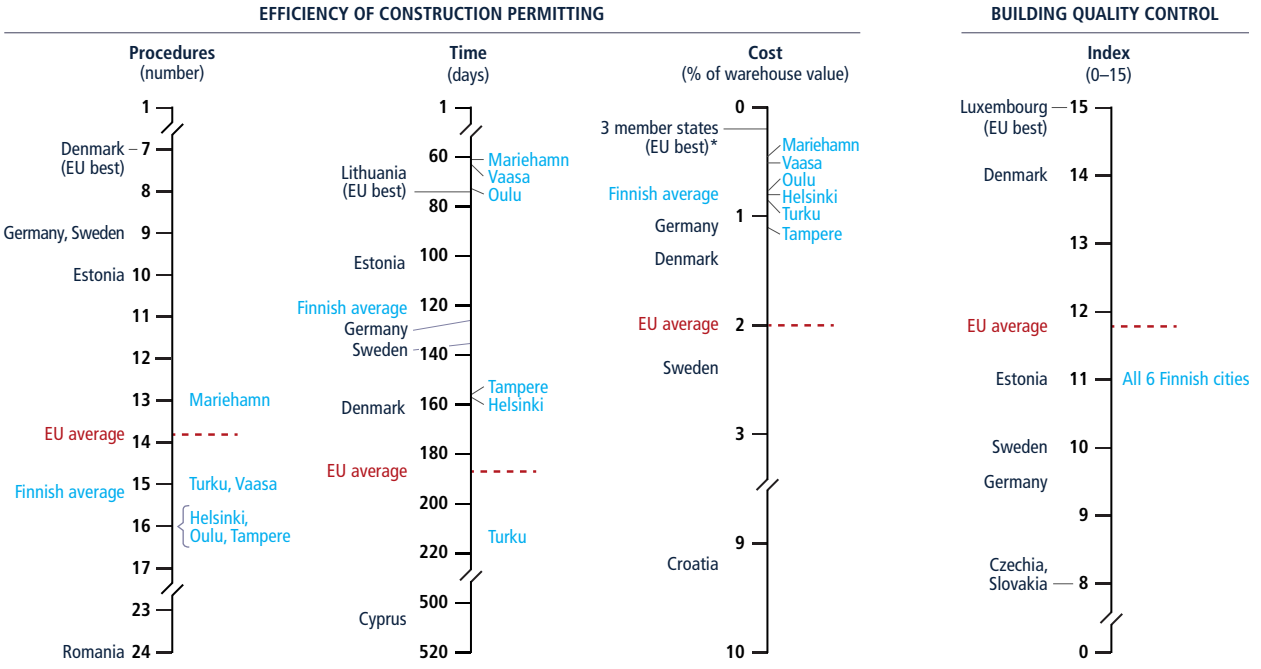
FIGURE 3.7 Finnish cities outperform the EU average on time and cost for building permits but have room for improvement on number of procedures and measures of quality



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

* Czechia, Estonia, Slovakia.

needs to schedule a start-up meeting with the building supervision authority to discuss the permit's conditions and the construction supervision plan,[35] convening all relevant players, such as the legal representative of the building project, the head designer, and the site manager. In some cases, excavation work can be done but the foundation may not be laid before the meeting with the building supervision authority. Since the COVID-19 outbreak, most cities have held these meetings remotely. Before the start of construction, the entrepreneur also needs to notify the Regional State Administrative Agency through an e-form.[36]

During the construction phase, developers need to provide information to the Finnish Tax Administration on their employees and construction services contracts. In this phase, various inspections by the municipal building inspectors take place, and the utility company inspects the sewerage and water pipelines after their completion. After the entrepreneur has signed the usage contract and paid the connection fee to the utility, the water and sewerage services are connected.

Once the building is finished, the municipal rescue department inspects it for fire safety purposes. A final inspection conducted by the building supervision authority takes place before the building can be occupied.[37]

Because of local differences in the implementation of regulations across the country, dealing with construction permits in Finland requires between 13 and 16 procedures, depending on the city. Local-level procedures, mainly municipal, represent two-thirds of the total.

Mariehamn has the fewest procedures, at 13. In this city, the official opinion on the connections of the sewerage and water pipelines is shared internally between the building authority and the utility company, without the need for any action from the applicant. Additionally, developers in Mariehamn do not need to undergo a preplanning meeting or a separate procedure for fire inspection. Only one meeting is required with the municipality—the start-up meeting—before construction can begin. At this meeting, the building supervision authority explains what inspections are required and how to request them. The final inspection from the building supervision authority includes the participation of the rescue department, which is responsible for the fire inspection. In the remaining cities, fire inspection is a separate procedure, taking place at a different time.

Turku and Vaasa require a total of 15 procedures each. In Turku, a preplanning meeting is not usually held for the

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FIGURE 3.8 The number of procedures ranges from 13 to 16, depending on location

(a) Procedure does not apply in Mariehamn and Turku
(b) Procedure does not apply in Mariehamn
(c) Procedure does not apply in Vaasa
↑↓ Procedure is completed simultaneously with the previous one
Source: Data collected for this publication.

construction of the assumed warehouse project, while Vaasa does not carry out a foundation inspection.[38]

The permitting process is fastest in Mariehamn and slowest in Turku

The time it takes to navigate the permitting process ranges from two months in Mariehamn to seven months in Turku. Apart from legislative differences, local conditions in Mariehamn lead to a faster process (box 3.2). This variation is mainly driven by the time needed for getting the building permit (figure 3.9).

Getting the building permit takes the lion's share of the time. On average across the six cities, it represents about 69% of the total time—from 41% in Oulu to 84% in Turku. Issuing a building permit takes one month in the fastest city (Oulu) and six months in the slowest (Turku). While part of the variation can be explained by the different volume and types of applications municipalities receive,[39] Oulu has also responded actively to resource needs and growing demand by reallocating staff from the inspection side to the building permit side on a temporary basis. Oulu´s active role in organizing webinars and information sessions several times a year to guide builders who construct small projects also contributes to its time efficiency. By anticipating the needs of smaller housing projects, municipal staff can spend time on other tasks. In the slowest cities (Turku, Tampere, and Helsinki), public officials and entrepreneurs who frequently apply for building permits have pointed to heavy workloads and staffing shortages at the municipal building supervision authority. There has also been an increase in the number of new buildings constructed.[40]

Other factors affecting the total time of the construction permitting process relate to the building supervision authority's administrative efficiency in conducting the preplanning and start-up meetings. The time for these steps varies from four days in Mariehamn—where a preplanning meeting is not required—to almost a month in both Tampere (24 days) and Helsinki (29 days).

Utility connection fees and building permit fees drive cost variations across cities

The cost of managing the construction permitting process in Finland ranges from 0.5% of the warehouse value in Mariehamn and Vaasa to more than twice as much in Tampere (1.1%). This variation is primarily driven by water and sewerage connection fees and, to a lesser extent, building permit fees. The cost for water and sewerage connection is EUR 2,200 in Mariehamn, less than one-fifth the cost in Tampere (EUR 12,021). Utility connection costs vary from city to city due to different fee schedules.

Building permit fees are set by each municipality, in compliance with national legislation, and cover the entire construction process, including inspection fees and the fire safety inspection. In Vaasa, a permit application for the warehouse considered by this case study costs EUR 6,253; the same permit in Tampere costs EUR 10,955. On average, permitting

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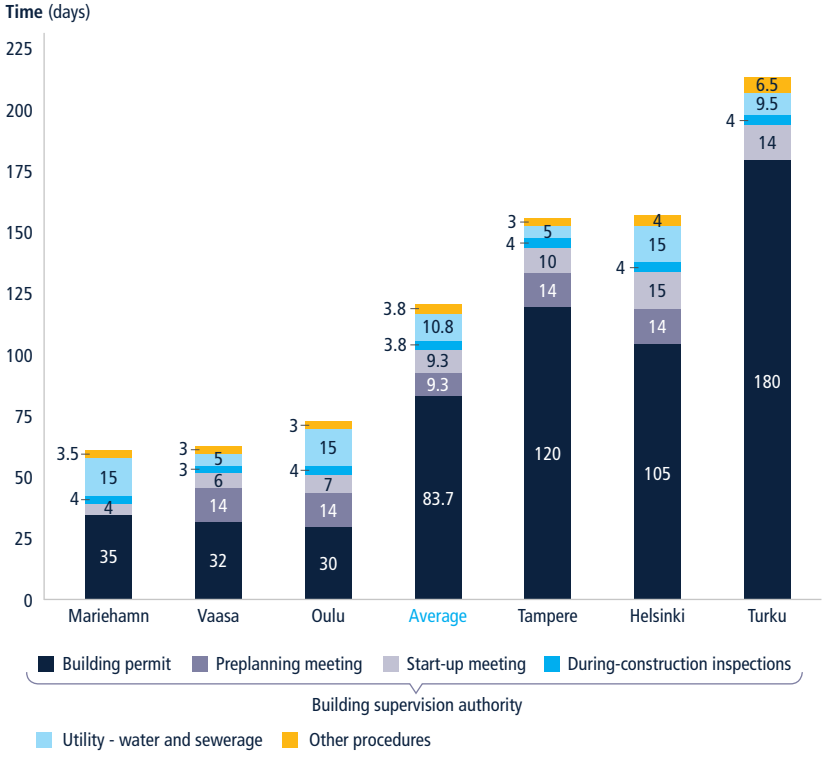
BOX 3.2 The process is less digitalized but fastest in Mariehamn

Mariehamn lies in the autonomous Swedish-speaking region of Åland. Since 2008, Åland has had its own building code specifying mandatory regulations and general recommendations on construction. This legal framework resembles that of continental Finland in both its efficiency and the quality-control measures for construction projects like the one measured in this report. The region is also looking to reform the current law on planning and building to modernize and simplify regulations and incorporate new EU directives; it is also closely monitoring the legislative changes underway at the national level in Finland.[a]

Obtaining a building permit in Mariehamn is less digitalized than in the other benchmarked cities. Building permit applications can be submitted in hard copy or via email, with the former being most common. The introduction of an e-permit system (Trimble eServices) is underway, aiming to centralize, facilitate, and speed up administrative access to the documentation required to file and review building permit applications. Formal permit decisions are taken monthly by the Building Committee. Still, the relatively small size of the construction market in Mariehamn[b] and its greater sector coordination—between builders, building inspectors, and municipalities, and between the local building supervision authority and the utility company—contribute to its efficiency at delivering building permits. It has the fastest construction permitting process in Finland, with the fewest procedures.

a. According to consultations with the Åland government for this study (February to April 2022).
b. The growth seen in construction (especially in commercial buildings or warehouses) is mainly happening in a neighboring municipality, Jomala.

FIGURE 3.9 Obtaining a building permit takes the biggest share of the total time and is the main driver of subnational variations in time



Source: Data collected for this publication.

Note: Obtaining an official opinion on the connection of the wastewater drain and water pipeline is done simultaneously with all other preapproval procedures. Thus, the effect of simultaneous procedures is reflected in the total time for "utility – water and sewerage" and in the total time for "other procedures."

"Other procedures" include (1) obtaining building permit maps and proof of ownership, (2) obtaining a trade extract, (3) providing notification about commencement of construction work, (4) reporting information to the Finnish Tax Administration, (5) receiving a fire inspection from the rescue department (not in Mariehamn), and (6) receiving a final inspection.

fees account for 53% of the cost of dealing with building permits across the six cities benchmarked (figure 3.10).

On the building quality control index, Finland lags on liability regimes and professional requirements

The six benchmarked Finnish cities score 11 out of 15 possible points on the building quality control index (table 3.6). Finnish cities do not get full marks in quality control during construction—scoring 2 out of the maximum 3 points—as inspections carried out during the construction are not risk-based. They do not score the full points on liability and insurance regimes either (1 out of 2 points) or on professional certification requirements (2 out of 4 points).

When structural defects are discovered during construction, it is important that the responsible parties are held liable and that the parties involved in the building design, supervision, and construction have insurance to cover the associated costs. In Finland, the law does not specify who is liable for structural defects (such as the construction company, the professional in charge of supervision, or the architect or engineer who designed the building plans). Additionally, there is no legal requirement

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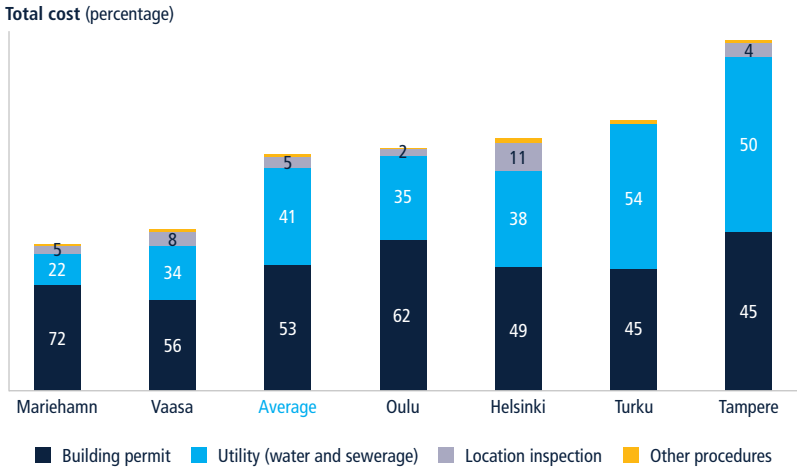
FIGURE 3.10 Permitting fees account for more than half the cost of the construction permitting process



Source: Data collected for this publication.

Note: ''Other procedures'' include fees for building permit maps, proof of ownership, and trade extract, representing between 0.3% of the total cost in Oulu and 2.1% in Helsinki. In Turku, the location inspection is paid as part of the building permit fee.

to obtain a latent defect liability insurance policy to cover structural flaws in the building once it is in use, even though this is commonly obtained in practice.

Having appropriate technical qualifications is also essential for professionals responsible for verifying that architectural plans or drawings comply with building regulations and for supervising the construction. In Finland, the local building supervision authority evaluates whether professionals have a valid education and work experience. However, national law[41] does not require those professionals either to be a registered member of the national order of architects or engineers or to pass a qualification exam; thus, Finland obtains 2 out of 4 possible points on this aspect.

WHAT CAN BE IMPROVED?

Streamline the process by consolidating preconstruction procedures and enhance the existing online construction permitting system

Streamlining preconstruction clearances is a key factor in making the permitting process more efficient. In Finland, most builders must complete at least four preconstruction procedures before applying for a building permit. This ends up being a bottleneck, with the need for separate

TABLE 3.6 Finland has room to improve on the building quality control index

BUILDING QUALITY CONTROL INDEX (0–15)		All cities: 11 points	
Quality of building regulations (0–2)	Are building regulations easily accessible? (0–1)	1	Available online; Free of charge.
	Are the requirements for obtaining a building permit clearly specified? (0–1)	1	List of required documents; Fees to be paid; Required preapprovals.
Quality control before construction (0–1)	Which entity(ies) is/are required by law to verify the compliance of the building plans with existing building regulations? (0–1)	1	Licensed architect; Licensed engineer.
Quality control during construction (0–3)	Are inspections mandated by law during the construction process? (0–2)	1	Inspections at various phases.
	Are inspections during construction implemented in practice? (0–1)	1	Mandatory inspections are always done in practice.
Quality control after construction (0–3)	Is a final inspection mandated by law? (0–2)	2	Yes, final inspection is done by government agency.
	Is a final inspection implemented in practice? (0–1)	1	Final inspection always occurs in practice.
Liability and insurance regimes (0–2)	Is any party involved in the construction process held legally liable for latent defects once the building is in use? (0–1)	0	No party is held liable under the law.
	Is any party involved in the construction process legally required to obtain a latent defect liability—or decennial (10-year) liability—insurance policy to cover possible structural flaws or problems in the building once it is in use? (0–1)	1	No party is required by law to obtain insurance; Insurance is commonly taken in practice.
Professional certifications (0–4)	Are there qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with the building regulations? (0–2)	1	Minimum number of years of experience; University degree in architecture or engineering.
	Are there qualification requirements for the professional who conducts the technical inspections during construction? (0–2)	1	Minimum number of years of experience; University degree in engineering, construction or construction management.

Maximum points obtained

Source: Data collected for this publication.

Note: For details on the scoring of each question, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

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interactions with different agencies lengthening the process. This contrasts with the European Union's best-performing economies such as Germany, where only a topographical survey of the land plot must be obtained before applying for the building permit; or Sweden, where the developer must order a construction map and hire a licensed private company to conduct construction supervision.[42]

In the medium term, one solution is to establish a single focal point that coordinates with all the agencies and issues a single preconstruction clearance. This coordinating role could be given to the building supervision authority. This single-window principle is being adopted widely by EU member states to solve similar problems. In Nicosia (Cyprus), the municipality is responsible for obtaining most of the required clearances on behalf of the applicant (telecom, sewerage, public works, archaeological department, and fire brigade). In Valetta (Malta), once the applicant submits the building permit application online, the Planning Authority automatically consults with 11 government agencies whose input may be relevant. The applicant does not interact with any of these agencies.

Additionally, leveraging technology can significantly reduce the time required to deal with construction permits. Online permitting systems are becoming increasingly common in Europe. The European Commission designated construction permits as one of the 20 primary e-government services.[43] And while Finland had already been one of the most advanced EU economies on the digital front,[44] the COVID-19 pandemic highlighted even further the importance of digitalization, particularly in facilitating communication between developers and municipalities. As a result of the pandemic, many Finnish cities accelerated the implementation of digital steps in the permitting process, such as by introducing virtual meetings for preplanning or even conducting inspections with the use of tablets. Most Finnish cities, except Mariehamn, already have digital records (for example, city maps through a geographic information system, or GIS) as well as e-permit systems to allow for preconstruction clearances to be merged. Using systems such as Cloudpermit or Trimble, the applicant can apply for a building permit digitally and upload the required documentation into the system;[45] track the status of the project; and communicate with the building supervision authority. However, private sector respondents state that calling is still a faster way to reach the relevant office than using the e-permit system.

Finland could make further improvements by allowing applicants to request all preapprovals through a single system; it could also add a built-in functionality for payment and improve the methods used to request inspections. Finnish authorities could also consider linking all relevant agencies (such as utility companies) to the existing online systems. The reform underway of the Land Use and Building Act is already aiming to improve the management and use of information and digitalize the process even further (box 3.3).

Consider alternatives to the preplanning meeting with the building supervision authority

Finnish cities could achieve substantial improvements at the preapproval phase by removing the developer's need to arrange a meeting with municipal authorities before applying for the building permit and by using different means to provide advice and guidance. The preplanning meeting is one of the steps that takes the most time in this phase, an average of 14 days. These consultations are conducted to help navigate building regulations and compliance requirements, with the aim of reducing chances of mistakes when the permit is requested. A typical construction project entails compliance with national laws, local regulations, and the technical standards of different public agencies—an arduous task for builders, especially small businesses. Expert respondents state that the complexity of regulation is a major hindrance to the process.

To simplify this task and prevent delays due to incomplete applications or errors in project documentation, economies around the world are introducing step-by-step process maps that help entrepreneurs navigate the regulatory complexities and ensure their projects' feasibility. In Portugal, Porto has come up with a detailed online manual for going through the construction permitting process, complete with process maps that cover a variety of possible scenarios.[46] In Finland, the need for a preplanning consultation—though not compulsory—could be reviewed and made necessary only for specific projects that are more complicated or risky. For simpler construction projects, updated agency-specific checklists and easily accessible guidance could help professionals prepare and submit complete applications and better predict compliance with the law. While most cities provide some information on the requirements and processes on their websites, local authorities should explore ways to simplify and better communicate to builders the requirements to obtain a building permit. This would save time and make the process of applying for permits easier.

Introduce statutory time limits and fast-track options for obtaining a building permit

Obtaining a building permit across the six benchmarked cities in Finland takes on average almost three months, with the longest time seen in Turku (180 days). The time can vary greatly depending on various factors such as the scale, complexity, location, and purpose of the project; seasonality (where most of the work is done in the spring and summer seasons); and whether the project is in line with the existing local master plan or detailed local plan. The building permit process currently takes longer in Turku, Helsinki, and Tampere. Delays may stem from limited staff resources

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BOX 3.3 Toward a more digitalized and sustainable construction process?

Currently, the Ministry of the Environment has prepared a proposal[a] for reforming the Land Use and Building Act. Since the law was passed, in 1999, it has been amended many times. The proposed reform, which is expected to be heard in the Finnish Parliament in the fall of 2022, would create two separate laws: the Building Act and the Zoning Act. The main goals are an enhanced circular economy and reduced carbon footprint, along with improved quality of construction and further digitalization.

The proposed reform would add new technical requirements for the building's carbon footprint and life cycle. The aim is to reduce greenhouse gas emissions in the construction sector, aligning with EU targets such as the EU Green Public Procurement criteria. According to the Ministry of the Environment, construction and buildings currently produce about one-third of Finland´s greenhouse gas emissions.[b]

In Finland, the building permit process is digitalized. Advanced modeling technology such as building information modeling (BIM)[c] software is already widely used in building planning. In terms of digitalization, the reform intends to create a national data platform, called the "built environment information system,"[d] which would provide centralized, easy access to information on land use and construction. This database would, for example, track the materials used in construction projects and enable more accurate calculations of buildings' carbon footprints. Currently, information is saved in several systems, especially for municipal zoning and the processing of building permits. The new system is expected to decrease manual processing of information and improve the reliability of information through more in-depth checks by the municipal authorities.[e] Beginning in 2024, delivering BIM plans would be made mandatory for building permits to be approved.

The new law also aims to improve quality control through different measures, such as by making the use of external supervision stricter. In addition, the proof of experience for the head planner and supervisors would be changed to a new model in which a certificate would be issued by an agency approved by the Ministry of the Environment. This is in contrast with the current model, where the evaluation of experience is left to the city building authorities.

Finally, the reform would also make the application process easier for small projects (such as a sauna under 30 square meters), since these would no longer need a building permit. This would allow building authorities to concentrate their resources on bigger and riskier projects.

a. For more information on the proposed reform, see https://mrluudistus.fi/.
b. Information on greenhouse gas emissions is available at https://ym.fi/vahahiilinen-rakentaminen.
c. BIM is a model-based process that provides a 3D digital representation of the physical and functional characteristics of places.
d. For more information on the future built environment information system, visit https://ym.fi/en/project-ryhti/the-built-environment-information-system.
e. Currently, there are development projects to use BIM further, such as the RAVA3Pro project, which aims to automate tasks to speed up the permitting process and standardize data contents. It includes around 20 Finnish municipalities, with Helsinki as the lead applicant and administrator.

of the municipal building supervision authorities, growing demand for building permits, an increase in the complexity of projects and regulations (in terms of energy efficiency), and work backlogs.

To reduce delays, one solution could be the introduction of a statutory time limit to issue a building permit; this has been implemented in Sweden, where it is set at 10 weeks. Sweden follows the good practice of having a penalty mechanism in place in case the municipalities do not meet the legally prescribed deadline. For every week that the permit is delayed beyond the deadline, the fee is reduced by one-fifth. Austria's federal statutory time limit for public authorities to issue industrial operating permits and building permits is six months, but in some Austrian cities such as Bregenz and Innsbruck, the state law sets a time limit of three months. These cities issue building permits in less than half the time allotted officially.[47] In Finland, given that cities would likely move toward a more automated system to review permit applications (box 3.3), setting statutory time limits would not seem to place an undue burden on local authorities and could push cities to deliver building permits faster. Statutory limits would need to be both achievable and relevant to cities' own standards and could be set at the national or local level or both. Such limits could improve efficiency without compromising safety and control mechanisms. It is equally important that legal time limits not be overly long.

To make statutory time limits more effective, their implementation could be accompanied by the introduction of systems to track compliance, for example by monitoring the performance of the officials responsible for each process. Further efficiency could be achieved if cities were to fast-track and simplify the building permit process by categorizing projects based on risk. In Germany, buildings are classified into five categories—with

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different design requirements and different forms of administrative and legal building approvals depending on the category of each building, and a long list of exemptions for types of small construction.[48] In Vienna, the regulation governing a common, low-risk construction allows a developer to begin construction one month after submitting the application.[49] If the approving authority fails to respond within the given time frame, the approval is automatically granted. This is an example of a "silence-is-consent" rule, a common tool used to streamline the permitting process in France and other economies.[50] In Finland, a building permit or other official approval is required for nearly all construction works.[51] The reform of the Land Use and Building Act plans to increase the size threshold so that in the future, small projects would no longer need a construction permit. Such a step can also allow local building supervision authorities to allocate more resources to riskier projects.

Enhance the private sector's role in the construction permitting process and introduce mandatory insurance and liability for builders and architects

Compliance with construction regulations is supervised by the municipal building supervision authority, mainly through on-site inspections. The understaffing that some municipalities are experiencing has led to delays in the issuance of building permits. In the medium term, giving private sector professionals a more significant role in the permitting process could help address the delays. Some EU economies have made a complete shift from public to private governance mechanisms in building regulation, reflecting a desire to improve the quality of regulation, reduce the administrative burden for applicants, and support a greater focus on risk mitigation.[52] But such a system needs to be accompanied by adequate safeguards, such as stringent qualification requirements for professionals who approve building plans to ensure building code compliance. On January 1, 2018, Denmark introduced its "certification scheme," which started a shift from a traditional public enforcement approach centered on municipal building authorities toward a third-party review conducted by certified practitioners. The reform took effect gradually, over several years.[53] Finland's current inspection regime allows private experts (for example, an electrical contractor) to carry out certain checks, filling out documents that are shown to the building supervision authority at the final inspection, but this aspect should be strengthened further. Also, the experts are not required by law to be hired externally (as contractors), even though they sometimes are. The country should make sure the new regulations leave space to make this transition. Keeping architects, practitioners, public officials, and supervising companies involved in current discussions is critical.[54]

In Finland, if a structural defect is discovered in a building once it is in use, no party is held liable by law and no party is required to hold latent defect liability insurance. In practice, however, entrepreneurs take out insurance to cover the costs associated with possible structural defects. Such insurance benefits clients and contractors, and it encourages construction companies—particularly small and medium-size companies—to pursue more projects.[55] Finland could also look to the example of the eight EU member states where parties are held liable by law and are required to obtain insurance to cover structural problems (Austria, Belgium, Bulgaria, France, Italy, Luxembourg, Malta, and Poland). Or it could emulate the example of France, an early adopter of mandatory decennial (10-year) insurance policies, which applies the same insurance requirement to all new buildings, regardless of their purpose, with some exceptions listed in its Insurance Code. Two coverage levels are required for structural defects: insurance taken out by the owner of the building (dommage ouvrage) and decennial insurance taken out by the builders to cover possible structural flaws. In Denmark, regulations require decennial insurance for the construction of new permanent dwellings. When issuing the occupancy permit, the municipality checks the validity of the insurance before issuing the building permit and before construction has been completed.

Consider introducing risk-based oversight

Categorizing building projects based on risk and adopting risk-based inspections can streamline preconstruction approvals and procedures during construction for low-risk buildings. In contrast to phased inspections, risk-based inspections allow municipalities and builders to allocate resources where they are most needed without compromising worker and public safety. The standard, phase-based approach to inspections can lead to delays and reduce efficiency, especially for relatively routine and straightforward projects. Finland already incorporates risk-based elements but could go further and consider a more targeted, risk-based oversight regime. Current risk-based categories in Finland are determined largely by the head planner, who classifies projects as "light," "regular," "challenging," or "exceptionally challenging," affecting their qualification requirements. Finland could try to further streamline its building inspection system—five benchmarked cities now require up to four inspections from the building supervision authority during construction—while setting high standards for quality control, taking inspiration from a variety of countries that have done this.

Austria in 1990 introduced a risk-based approach to inspections, replacing a regulatory system that required a building permit for almost any work. Different classes of buildings and construction work were introduced, with administrative procedures and safeguards adapted to each class according to its level of risk. The Austrian building quality control system gives substantial responsibility to private (and highly qualified) professionals and, for more complex projects, requires that these professionals be

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third-party actors. France has been using the risk-based approach the longest and has comprehensive classifications of building categories and risks based on size and use. France's 1978 Spinetta Law provided a legal framework for creating technical control agencies and dramatically modifying liabilities in construction works. Under this law, only private, state-licensed technical control agencies may inspect construction sites. Denmark's "certification scheme" of 2018 introduced a comprehensive system that differentiates buildings based on complexity and risk to ensure a high level of safety. The classification determines the level of project reviews, which creates a transparent framework for stakeholders and eliminates potential inconsistencies in the interpretation of the law by different municipal building offices. In Denmark, as in Sweden, inspections during construction are risk-based.[56]

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Electricity connection and supply

Like other countries in the European Union, Finland has a liberalized electricity market, with customers able to choose their preferred supplier. The electricity sector is governed by the Electricity Market Act.[57] About 80 different companies operate the distribution networks in the country. In continental Finland, they are regulated by the Energy Authority (Energiavirasto), the agency responsible for licensing and regulating gas and electricity as well as for promoting climate goals, reducing emissions, and encouraging the use of renewable energy. The Åland Energy Authority (Ålands Energimyndighet) regulates the electricity market in Mariehamn and across the autonomous region of Åland.[58]

Overall, it is easier to get a new electricity connection in Mariehamn, but processing times and costs vary greatly across Finnish cities

Firms need to go through the same five steps to get connected to the power grid in the six benchmarked cities in Finland, but the waiting time and the costs that must be paid change significantly depending on location (table 3.7). To compare different cities in the country, this study uses the case of a newly built warehouse, located in a commercial area outside the city center, which needs a 140 kilovolt-ampere (kVA) connection. Obtaining this connection takes 27 days in Mariehamn, less than half the time spent in Helsinki (70 days). When it comes to connection costs, firms pay more than twice as much in Vaasa (30.0% of income per capita) as in Oulu (13.6%). All six cities obtain the maximum score in terms of reliability of supply and transparency of tariffs.

Utilities in Finland provide an efficient connection process and the electricity supply is among the most reliable in the European Union

In all six Finnish cities, five steps are needed to get connected to the electrical grid, similar to the EU average of 4.7 procedures. However, utilities in Finland connect their customers in less time and with lower costs than in the European Union on average, where firms wait for more than three months and need to pay about 117% of income per capita for a new connection. With an average connection time of 52 days and an average cost of 22% of income per capita, Finnish cities are also faster and cheaper than other Nordic countries such as Denmark and Sweden.

In Mariehamn, the fastest Finnish city and among the fastest cities in the European Union, getting an electricity connection takes 27 days, more than three times faster than the European Union´s average and one day faster than in Germany. Of the 115 EU cities measured by this study, only Linz (Austria) has a shorter turnaround time, with connections delivered in 25 days. Electricity connections in Finland are cheapest in Oulu, with a cost equal to 13.6% of income per capita. In Europe, only France (5.0%) has lower costs (figure 3.11).

Finnish cities offer not only a relatively fast and inexpensive connection process, but also among the most reliable electricity supply in the European Union, with the duration of electrical outages being among the shortest in the EU member states (figure 3.12).[59] To promote a reliable supply, Finland implemented regulations that encourage utility performance and disincentivize outages.[60] As a result, the six cities in Finland score the maximum 8 points on the reliability of supply and transparency of tariffs index. This index measures the frequency and duration of power outages per year and the regulatory framework to ensure a reliable supply, as well as the transparency of electricity tariffs.[61] Customers in Finland see an average of 9.6 minutes of power interruptions per year, a fraction of the average of 65 minutes observed in the European Union as a whole. On average, each customer experiences 0.51 outages per year in Finland, around half the 1.08 interruptions occurring in the European Union. Mariehamn registers the lowest annual outage duration (six minutes), while Helsinki is where outages are least frequent (0.07 per customer in one year).

TABLE 3.7 Obtaining electricity is easier in Mariehamn and more difficult in Helsinki

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs index (0–8)
Mariehamn	1	90.61	5	27	25.4	8
Tampere	2	89.86	5	34	21.3	8
Vaasa	3	87.33	5	57	30.0	8
Oulu	4	87.17	5	59	13.6	8
Turku	5	86.28	5	67	19.9	8
Helsinki	6	85.95	5	70	21.7	8

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average scores for the procedures, time, and cost associated with electricity connections, as well as for the reliability of supply and transparency of tariffs index. The score is normalized to range from 0 to 100 (the higher the score, the better).

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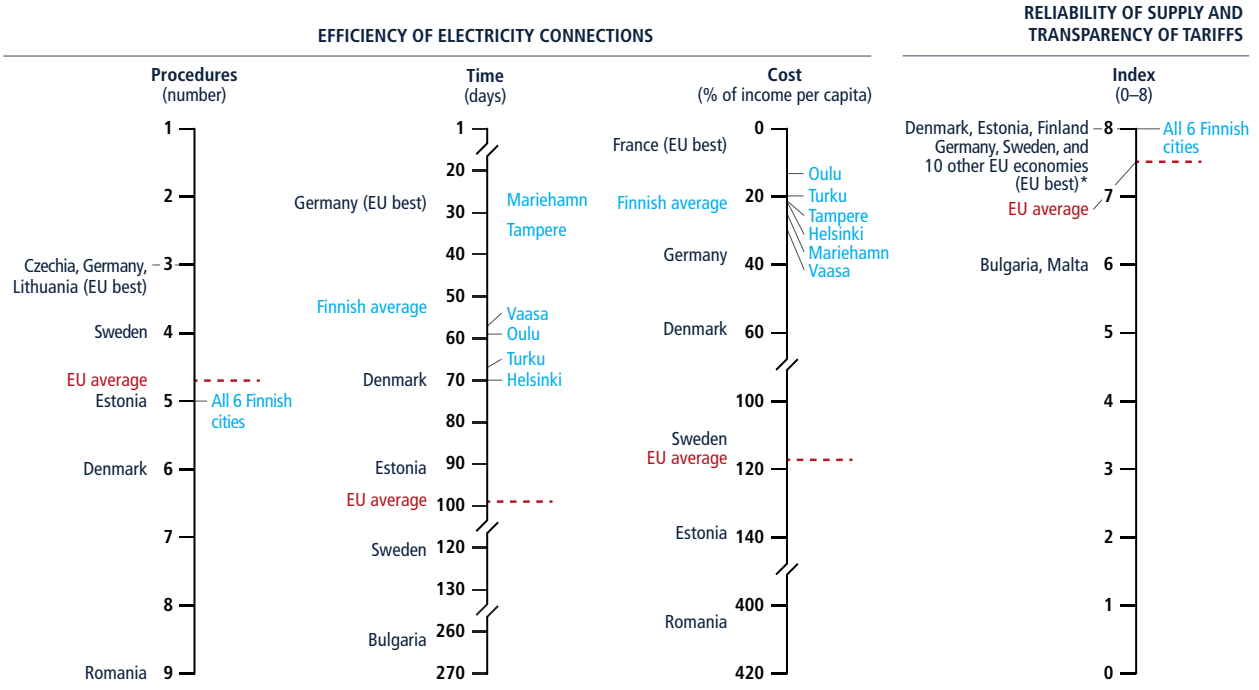
FIGURE 3.11 In all Finnish cities, getting connected to electricity is faster and cheaper than the EU average

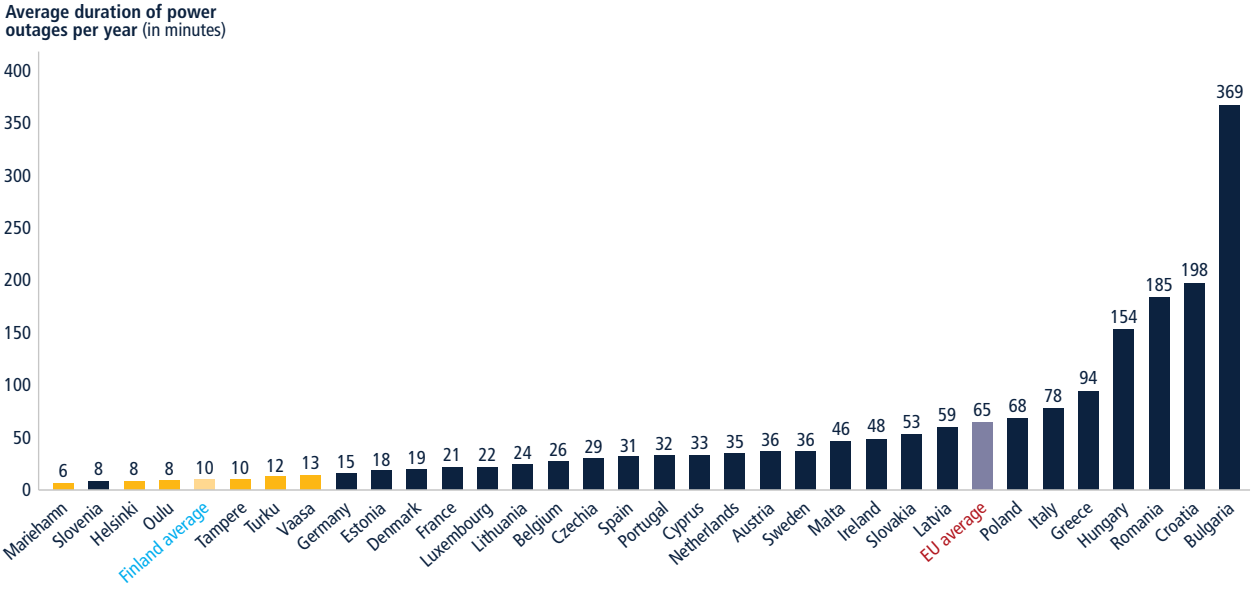


Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

* Belgium, Cyprus, Czechia, France, Ireland, Lithuania, Netherlands, Slovakia, Slovenia, Spain.

FIGURE 3.12 Finland offers an exceptionally reliable electricity supply, with the duration of power interruptions among the lowest in the European Union



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The duration of power outages per customer per year is measured by SAIDI (System Average Interruption Duration Index). The EU average uses capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent Doing Business measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states. The average for Finland is based on the six benchmarked cities.

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Getting connected to electricity involves five steps in all six cities in Finland

Cities in Finland are served by different distribution utilities, which operate electrical networks at the local level (figure 3.13). The procedures to get a new connection, though, are standardized, and the process involves the same steps in all cities (figure 3.14). The first step is to place an order request for a new connection, which is normally done online. The customer will then sign a connection agreement with the utility and pay the connection fees, usually within two weeks.

Once the contract has been signed, the utility plans and carries out the works needed to connect the new customer to the existing power grid, typically through subcontractors. To prepare for the works, in the five benchmarked cities in continental Finland the utility needs to obtain two permits from the municipality: an excavation permit (kaivulupa) and a siting agreement (sijoitussopimus or sijoituslupa). The latter allows cables and equipment to be installed on public land. In Mariehamn, the utility has a permanent agreement with the municipality and does not have to obtain a permit to carry out connection works; it only needs to notify the city government. For a 150-meter-long connection such as the one considered by this study, connection works take an average of one month to be delivered. During winter months, delays may occur in this construction phase. In the meantime, the customer chooses an electricity provider and signs a supply contract.

When the utility completes the electrical installation works, the contractor hired by the customer places an order, normally online, for meter installation. At this stage, the contractor confirms to the utility that the internal wiring has been completed and inspected, by submitting a confirmation of a commissioning inspection (käyttöönottotarkastus). After a week or two, the utility will then install the meter and turn on the power. A final step, which must be done within three months, is ordering a verification inspection (varmennustarkastus) from a certified third-party inspector.[62]

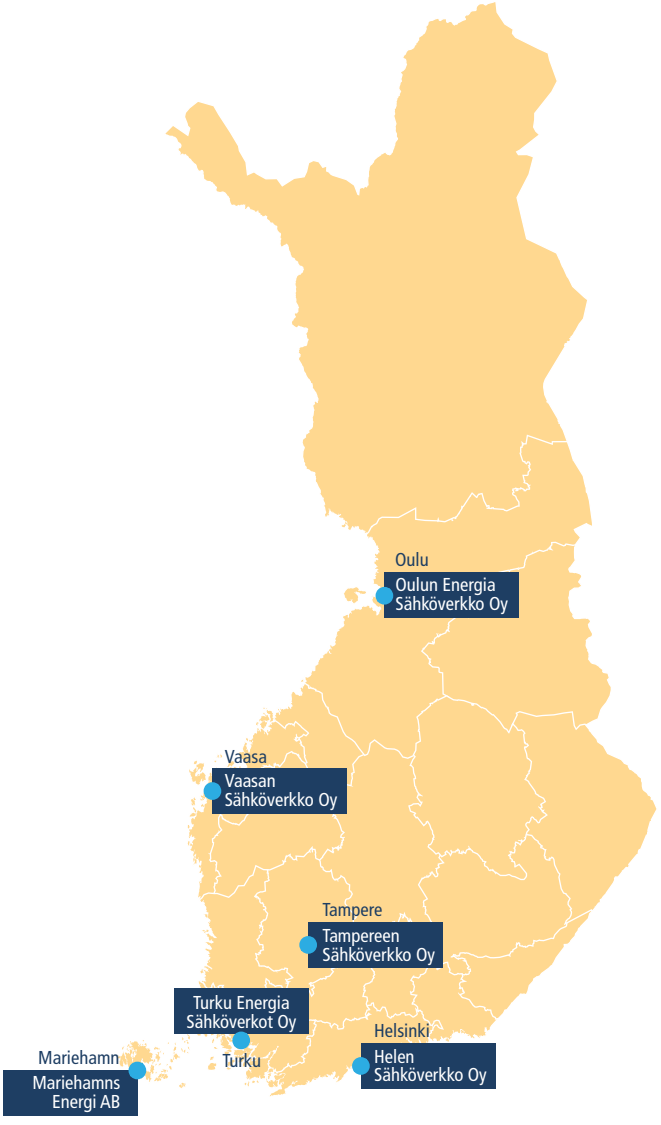
Once the connection process is done, customers start receiving electricity from their chosen supplier. As different

FIGURE 3.14 The process to get an electricity connection requires the same five steps nationwide

Procedure	Agency
Submit connection order request	Distribution utility
Receive external connection works	Distribution utility
Sign supply contract*	Electricity supplier
Request and receive meter installation	Distribution utility
Order third-party inspection and receive inspection certificate	Certified inspector

* Procedure occurs simultaneously with previous one.
Source: Data collected for this publication.

FIGURE 3.13 Cities in Finland are served by local distribution utilities



Source: Data collected for this publication.

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entities participate in the electricity market, countries in the Nordic region have been adopting technological solutions to promote integration and facilitate the exchange of information. Inspired by reforms in neighboring countries, Finland has been moving to harmonize and modernize the electricity sector and meet the demand for increased digitalization in the electricity market. In early 2022, substantial changes took place in the distribution and supply system with the introduction of Datahub, an online platform integrating market players in the electricity sector (box 3.4).

Mariehamn and Tampere stand out for having the shortest connection delivery times in the country

Thanks to efficient utility services and better agency coordination, utilities in Mariehamn and Tampere are more agile in completing the main steps required for providing a new connection to customers, from reviewing applications to carrying out connection works and providing meter installations. Completing each of these steps takes about half the time in these two cities as it does in the other four Finnish cities, on average. While applications are processed in four days in Tampere, it takes nearly two weeks in Helsinki. Similarly, meters are installed in five days in both Mariehamn and Tampere, but this takes two weeks in Helsinki and Vaasa.

Differences in city size and population may contribute to variations in the waiting period to get connected to electricity, but they are not the only factor at play. Connection times are longest in Helsinki, Finland's largest city, and shortest in Mariehamn, the smallest city benchmarked in this study. However, differences in the efficiency of utility services also matter. Utilities in cities such as Mariehamn and Tampere put in place a policy of close communication, flexibility, and adaptation to customers' requests.[63] Mariehamn, for instance, benefits by having fewer new connection requests due to its smaller population, but also from having better coordination between the utility and the city government. Mariehamn is the only city where the utility can directly carry out connection works after a simple notification to the municipality. Thanks to a combination of these factors, the utility in Mariehamn is able to provide new connections in 27 days, less than half the time required in all other cities except for Tampere, where it takes 34 days (figure 3.15). Tampere, Finland's second-largest urban center, ranks second in the speed of electricity connections. To minimize traffic disruptions, the city government in Tampere charges a daily fee for the excavation permit, providing an incentive for faster connection works. It takes the longest to get connected to electricity in Helsinki, with its larger population and greater urban density, yet the city issues excavation permits in a week, the fastest time in the six benchmarked cities. In certain cities, utilities face longer delays related to the seasonal workload and availability of their contractors, who are typically tasked with carrying out connection works and meter installations.

Firms pay more than twice as much to get connected to electricity in Vaasa than in Oulu

Firms need to pay a connection fee determined by the local utility based on factors such as location, capacity reservation fee, and fuse size. Utilities in all cities charge a single connection fee, except for in Turku, where customers pay an additional fee of EUR 310 for meter installation. For the case considered by this study, the connection fee averages EUR 8,944. However, it varies considerably; connection fees are most expensive in the two smallest benchmarked cities, Mariehamn and Vaasa. These fees range from EUR 5,187 in Oulu to EUR 10,681 in Mariehamn and EUR 12,680 in Vaasa. Vaasa is also the only city where the connection fees for a 140 kVA connection are not predetermined and made available in price lists published on the utility's

BOX 3.4 Integrating Finland's retail electricity market into Datahub

In February 2022, the electricity sector in Finland went through a major change, as 80 distribution utilities and 80 electricity providers were integrated into Datahub, an information exchange platform that replaced decentralized systems used by different companies in the country. Launched at a cost of approximately EUR 61 million, it aims to combine all information on electricity providers and customers in a single portal. The platform automatically imports data from all consumption points in the country, making updated information on customers available to all relevant parties. It also promotes the use of smart grids and smart meters, offering customers better options to save energy and monitor their consumption.

Datahub is managed by Fingrid, the entity responsible for the country's transmission networks. It is expected to streamline and facilitate the exchange and use of information by different parties in the market, including electricity providers, distribution utilities, and customers.[a] This reform has been overseen by NordREG, the organization of Nordic energy regulators, which aims to harmonize and promote the legal and institutional framework for the region's energy markets. Denmark and Norway, which already have data hubs in place, have served as inspiration for the development of Finland's system.[b]

a. For more information on Datahub, see https://www.fingrid.fi/en/electricity-market/datahub/.

b. NordREG. 2021. "Implementation of Data Hubs in the Nordic Countries. Status Report, December 2021." Available at http://www.nordicenergyregulators.org/wp-content/uploads/2021/12/6.1-NordREG-Status-report-on-data-hubs-2021.pdf.

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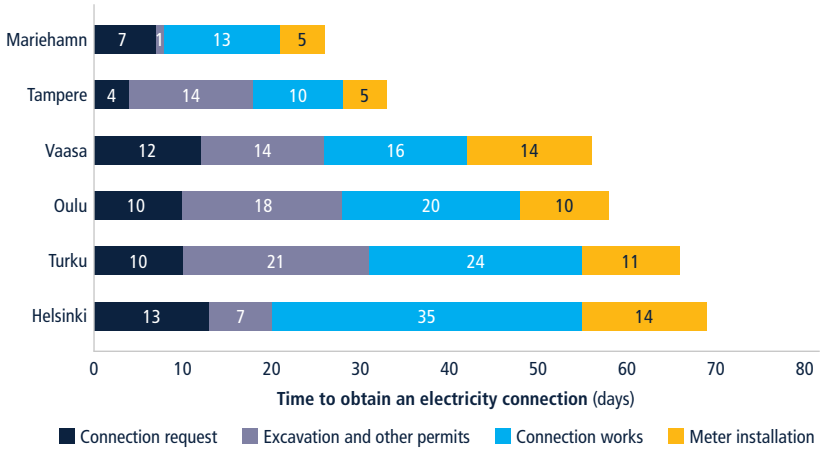
FIGURE 3.15 Mariehamn provides the fastest electricity connections within the country



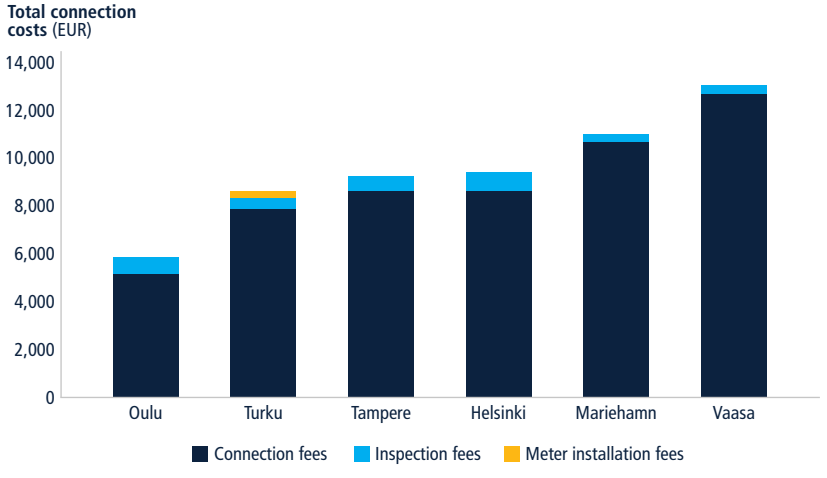
Source: Data collected for this publication.

Note: Two procedures (signing a supply contract and requesting an internal wiring inspection) are not reflected in this figure. The former is done simultaneously with connection works and does not involve additional time in any city. The latter adds one day to the process in all cities. The step of receiving external connection works involves two waiting periods: the time to obtain the excavation permit and other permits, and the time to receive the connection works from the utility. In the case of Mariehamn, the utility only submits a notification of works instead of applying for a permit.

website. For this type of connection, the utility in Vaasa charges a capacity reservation fee of EUR 8,000 plus the direct costs of connecting the building to the grid, equal to EUR 4,680.

The cost of hiring an inspector to certify that the internal wiring has been done according to the applicable standards and regulations tends to be higher in larger cities. Inspectors charge their customers based on hourly rates. The cost of an inspection ranges from EUR 800 in Helsinki and EUR 600 in Tampere to EUR 350 in Vaasa and EUR 325 in Mariehamn (figure 3.16).

FIGURE 3.16 Electricity connections are most expensive in Vaasa



Source: Data collected for this publication.

Note: Connection fees include all costs charged by utilities to provide a new connection to electricity (except for in Turku, where a separate fee is charged for meter installation). Inspectors usually charge per hour for the internal wiring inspection, and the cost is based on inspectors' average costs in each city.

WHAT CAN BE IMPROVED?

Establish, monitor, and enforce time frames for connection services

Utilities in Finland have the legal obligation to provide connections upon request and at a reasonable cost. The law stipulates that the conditions and requirements for a new connection must be fair and nondiscriminatory and that the utility must inform customers about them, as well as about the time frames for connection services. Utilities are also required to connect new customers to the grid within 24 months after a connection agreement has been signed.[64] Within this overall time frame, utilities are free to determine their internal service times, as long as they are considered to be "reasonable" under the legal standards. Certain EU member states, including Austria, the Netherlands, Poland, and Spain, establish precise time limits for utility services. In these countries, utilities are fined by the regulator if they fail either to respond to an application within an established number of days or to complete a connection within the established legal deadline after signing a contract with the customer. The monitoring and enforcement of time frames for new connections and other utility services has thus been a useful policy tool in efforts to reduce waiting times and promote utility efficiency in other economies and could serve as inspiration for Finland.

Increase transparency and accountability by collecting and publishing statistics

Beyond monitoring legal compliance, it is also critical that the public has access to data on utility performance. The national regulator already promotes an initiative to increase the transparency of utility data. Financial figures for utilities in continental Finland are collected and published annually. One option to consider might be to issue similar reports that would include performance indicators such as processing times for services delivered by municipalities and

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distribution utilities. Publishing statistics on connection times by utility and region would contribute to increased levels of transparency, comparability, and accountability, thereby incentivizing improvements in utility performance. For example, the energy regulator in Austria publishes a report, the Kommerzielle Qualität Storm, that includes data on application processing times and on the time needed to complete a connection at different voltage levels, facilitating comparisons across cities and utilities.[65] In Finland, reports could include the time it takes municipalities to issue excavation permits and other mandatory municipal permits. Such measures could allow entrepreneurs to better estimate waiting times and plan their projects accordingly.

Improve coordination between utilities and municipalities to replace siting agreements and excavation permits with a notification of works

Obtaining permits to carry out works on public land is an important part of the connection process. In the five benchmarked cities in continental Finland, utilities must request both a siting agreement and an excavation permit from the city government before works can start. One reason the municipality does an analysis before issuing permits is to minimize disruptions in city traffic. However, the permitting stage can take a considerable amount of the connection time. Getting the necessary permits takes up to 41% of the total time to obtain an electricity connection in Tampere and around one-third of the total time in Oulu and Turku.

To reduce the time to obtain excavation permits, Finnish cities could replicate local good practices identified in this study. City governments could learn from the case of Mariehamn, the capital of the autonomous region of Åland, where an agreement between the utility and the municipality allows the utility to proceed with connection works by merely notifying the city government. A strong level of coordination and communication between them helps ensure a reduced impact of connection works on local streets. The impact of this reduction in delays is noticeable: connection works take a total of 14 days, allowing businesses in Mariehamn to receive the fastest electricity connections in the country and among the fastest in the European Union.

If replacing a permit with a notification of works is not possible, Finnish cities can learn from local good practices adopted in Helsinki. Despite being Finland's largest city and having a high volume of construction, Helsinki has the fastest process for obtaining an excavation permit, one week. The city government has cooperation agreements with local utilities to streamline permitting and increase cost predictability. To incentivize fast permit deliveries, regulations foresee a 21-day time frame; however, Helsinki established stricter internal targets—for excavation permits, the municipality abides by a rule to issue them in five working days. The city has developed a tailored enterprise resource planning system that allows it to coordinate and manage the entire permit process, from preparing decisions to scheduling inspections and invoicing customers. Major applicants, including utilities, have a direct interface with the system. Speedy processing times in Helsinki show that efforts to streamline the regulatory process at the municipal level can succeed in removing bottlenecks in obtaining electricity connections.

Other examples of good practices can be found elsewhere in the European Union. In the Austrian city of Linz—which provides the fastest electricity connections in the European Union—the municipality and the utility adopted a general framework agreement for excavation permits. It contains an overview of all types of works allowed on public land and establishes a time-efficient system for issuing permits. Under this agreement, the utility still needs to request an excavation permit, but all general terms and conditions are clarified, allowing for a permitting process of just nine days. In other cases, the municipality uses a risk-based approach and imposes time limits to ensure fast processing. In the Netherlands, the city of Utrecht establishes a two-day time limit for excavation permit decisions.

Allow entrepreneurs to conclude all requirements needed to obtain a new electricity connection in one online step

Most steps involved in the connection process are done online in all cities. In Helsinki, the utility uses a portal that allows users to complete steps such as placing metering and connection orders and receiving notifications of subscription changes. The online portal for contractors (Urakoitsija Online) sends messages to keep customers updated on the status of their requests. Similar online portals are being considered by other utilities, such as in Oulu.

Finland has already been taking steps to modernize the electricity sector, with the introduction in 2022 of its centralized platform, Datahub. Future improvements in process streamlining could further increase the efficiency of utility services. In all cities, steps such as the connection request, meter installation, and contract signing require separate electronic applications. A digital platform, based on Urakoitsija Online or Datahub, could be enhanced to allow customers to apply for a connection, choose a supplier, and sign a contract at the same time through a single step. This could streamline the process, reducing the number of interactions involving the customer. Utilities and suppliers in certain countries have been striving to achieve such a simple connection process by streamlining and merging the steps to get connected to electricity. For example, in certain EU member states such as Czechia, Ireland, and Poland, the final step for the customer is to choose a supplier and sign the supply contract. The electricity provider will then directly contact the utility, on behalf of the customer, to have the meter installed and the electricity turned on. In Italy, meanwhile, the customer can choose a supplier as

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a first step and apply for the connection directly with this supplier. The selected supplier will then serve as the interface between the customer and the utility throughout the process and will communicate with the utility via an online platform. Economies of scale also make it easier for suppliers rather than individual customers to handle new connections.

Assess the possibility of reducing the financial burden of new connections

Getting a new connection to electricity in Finland is less expensive than in most EU countries. National regulations determine that utilities must provide a connection at a "reasonable" fee, and pricing guidelines issued by the regulatory agency are used to evaluate the degree of reasonableness and fairness of utilities' fees.[66] Nevertheless, important variations still exist within the country; in Vaasa, firms need to spend more than EUR 12,000 for a new connection to electricity. Certain European economies have designed different strategies to alleviate the financial burden of obtaining new connections. In France, where costs are subsidized, a new connection costs EUR 1,795, over six times lower than the average cost across the six benchmarked cities in Finland. French law requires municipalities to partially fund the cost of works, reducing the fees charged to entrepreneurs.[67]

Other examples can be found in Sweden and the Netherlands, where customers pay a portion of the connection costs upfront and the remaining part once the connection is done. In Sweden, for certain cases customers pay 30% of costs when the offer is signed, 30% when the connection works start, and the remaining 40% upon completion of the project. In the Netherlands, the total fee can also be paid in installments: 20% upon agreement, 70% before the works can start, and 10% upon completion.[68] Similar policies and arrangements could benefit firms by providing more flexibility to their financial conditions, easing the burden of getting connected to the grid.

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Property transfer

The system for transferring property in Finland has undergone significant changes in the past three decades. Today, it is managed by the National Land Survey of Finland (NLS). That agency is responsible for maintaining the Land Information System, which includes the real estate register as well as the title and mortgage register, and for carrying out various cadastral surveys. As a result of the system´s centralization (box 3.5), the property transfer process looks the same in cities across the mainland. The only differences are seen in Mariehamn, in the autonomous region of the Åland Islands.

The NLS has made significant strides in digitalization; since 2013, buyers and sellers have been able to choose whether to use the agency´s electronic Property Transaction Service or conduct the sale on paper. However, more than 90% of the parties still opt for paper transactions.[69]

Property transfers are mostly standardized across Finland, but additional requirements apply in Mariehamn

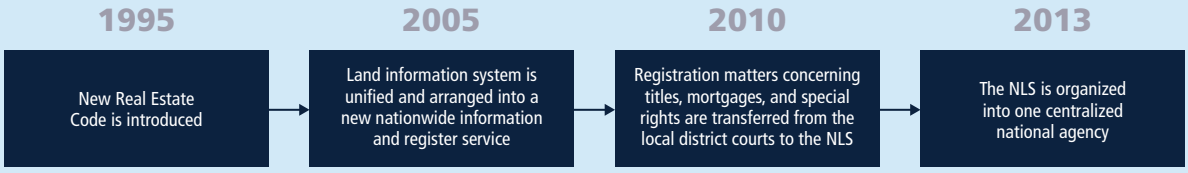
Overall, it is easier to transfer a property in Oulu and Tampere and more difficult in Mariehamn (table 3.8). The process in Oulu and Tampere is identical to the one

BOX 3.5 Finland's quest to centralize and automate its land management system

In recent decades, Finland has focused efforts on establishing a single unified land register, improving the accuracy and reliability of register information, and modernizing land-related legislation overall (figure B.3.5.1). In 1995, it replaced its Real Estate Code, which dated back to 1734, and it has continued to make significant adjustments to its procedures and systems since then. In 2005, the Land Information System was unified and arranged into a new nationwide information and registration service, replacing the cadastral records that had been maintained separately by the NLS and 86 municipalities. In 2010, registration matters concerning titles, mortgages, and special rights were transferred from the local district courts to the NLS. In addition to its responsibilities related to cadastral surveying and mapping, the NLS was now tasked with maintaining the title and mortgage register as well. In 2013, the NLS—which had consisted of numerous local offices with limitations on territorial jurisdiction—was organized into one centralized national agency. Today, the offices serve as customer service points, and the NLS is able to provide a wide variety of services no matter the location of the user or the property in the country.

While automatic data processing has long been used in the title and mortgage register, digital services for customers still need to be expanded; for instance, companies do not have the same access as natural persons to online services for submitting title applications. Nevertheless, there has been increasing interest in automated, artificial intelligence-based decision-making in administration, and a broader legislative reform on the topic has been initiated. Data transfer between public agencies has improved. As an example, since 2019, the Finnish Tax Administration has notified the NLS about payments for property transfer taxes, eliminating the need for the applicant to provide a receipt from the Tax Administration. The NLS has also developed an automatic tool to remind customers to pay the transfer tax. Moreover, a reform of the Real Estate Code is currently being discussed at the Ministry of Justice.[a] Such a reform would, among other measures, further promote digitalization to reflect the changing needs of society. For example, it questions whether the requirement of having a property sale witnessed by a "public purchase witness," in place since 1933, still serves a purpose in today´s legal landscape.

FIGURE B 3.5.1 The modernization of the Finnish property transaction system



Source: Data collected for this publication.

a. More information on the reforms related to automated decision-making and the Real Estate Code is available at https://oikeusministerio.fi/hanke?tunnus=OM021:00/2020 and https://oikeusministerio.fi/hanke?tunnus=OM056:00/2021, respectively.

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TABLE 3.8 Completing a property transfer in Mariehamn takes twice as long as in the other benchmarked cities

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of property value)	Quality of land administration index (0–30)
Tampere	1	79.28	3	76.5	4.0	29
Oulu	1	79.28	3	76.5	4.0	29
Helsinki	3	78.45	3	76.5	4.0	28
Turku	3	78.45	3	76.5	4.0	28
Vaasa	3	78.45	3	76.5	4.0	28
Mariehamn	6	60.95	7	153	4.0	28

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average scores for the procedures, time, and cost associated with property transfer, as well as for the quality of land administration index. The score is normalized to range from 0 to 100 (the higher the score, the better).

in Helsinki, Turku, and Vaasa with the same number of procedures, time, and cost. However, Tampere and Oulu perform slightly better on the quality of land administration index due to faster times to resolve a property dispute, one component of the index. In these two cities, the district courts have cleared their COVID-related backlogs and resolve property disputes in less than a year, compared with one to two years in the other benchmarked locations.

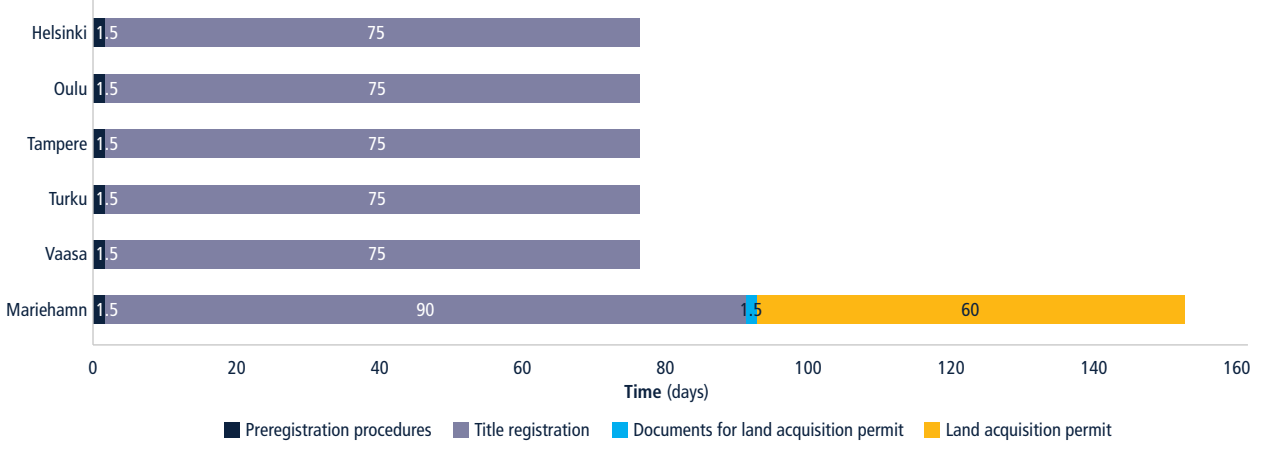
While three procedures are common across all cities, parties need to comply with one extra requirement in Mariehamn. There, a land acquisition permit must be obtained from the government of Åland, which involves an additional four procedures and a wait of 2.5 months.

Registering a property title at the NLS makes up the bulk of the time to complete a property transfer across Finland, taking approximately 75 days in Helsinki, Tampere, Turku, Oulu, and Vaasa. In Mariehamn, the NLS must also verify that the applicant has the right to possess immovable property in the region. As a result, title registration takes 90 days (figure 3.17).

The process at the NLS has been centralized, and for property located anywhere in the country, property titles are processed electronically. Paper form applications are scanned before processing. Although the NLS has a goal to process applications within 30 days, it has recently faced delays in its handling times, and applications typically sit in the queue waiting to be processed. The delays are mainly caused by a spike in the number of sales. Moreover, the NLS has been recently assigned new tasks—namely the establishment of the electronic Residential and Commercial Property Information System for housing company shares[70]—which might explain some of the delays.

The cost to transfer property is largely uniform across Finland, with only a slight variation for Mariehamn. The main component of the cost is the 4% transfer tax levied against the purchase price of the property, which is paid by the buyer. It constitutes 99.7% of the total cost to transfer property. The payment can be completed efficiently online via MyTax or online banking. The rest of the cost—around 0.3% of the total—consists of miscellaneous fees, including the fees charged by the NLS and the public purchase witness. The total cost for registration fees (EUR 264) can be lower (EUR 197) if the parties use the Property Transaction Service. In Mariehamn, an additional

FIGURE 3.17 Obtaining a land acquisition permit in Mariehamn adds 60 days to property transfers between companies



Source: Data collected for this publication.

Note: Preregistration procedures include the processes of signing the sale agreement, filing the transfer tax return, and paying the tax.

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amount of EUR 241 is due to obtain the land acquisition permit and meet its requirements.

Transferring a property in Finland is simpler and more affordable but slower than in most EU member states

The process of transferring a property in Finland is more streamlined and cost-efficient than the EU average. Transferring a property from one private company to another in five cities takes only three procedures—two less than the EU average—and costs 4% of the property value, slightly lower than the EU average. However, the time it takes to complete the three requirements is almost triple the EU average of 28 days (figure 3.18). Denmark completes the same process in 4 days, Sweden in 10.

Mariehamn lags the other benchmarked Finnish cities on procedural steps and time efficiency. Companies looking to transfer a property must undergo four additional procedures and the process lasts five months—longer than anywhere else in the European Union.

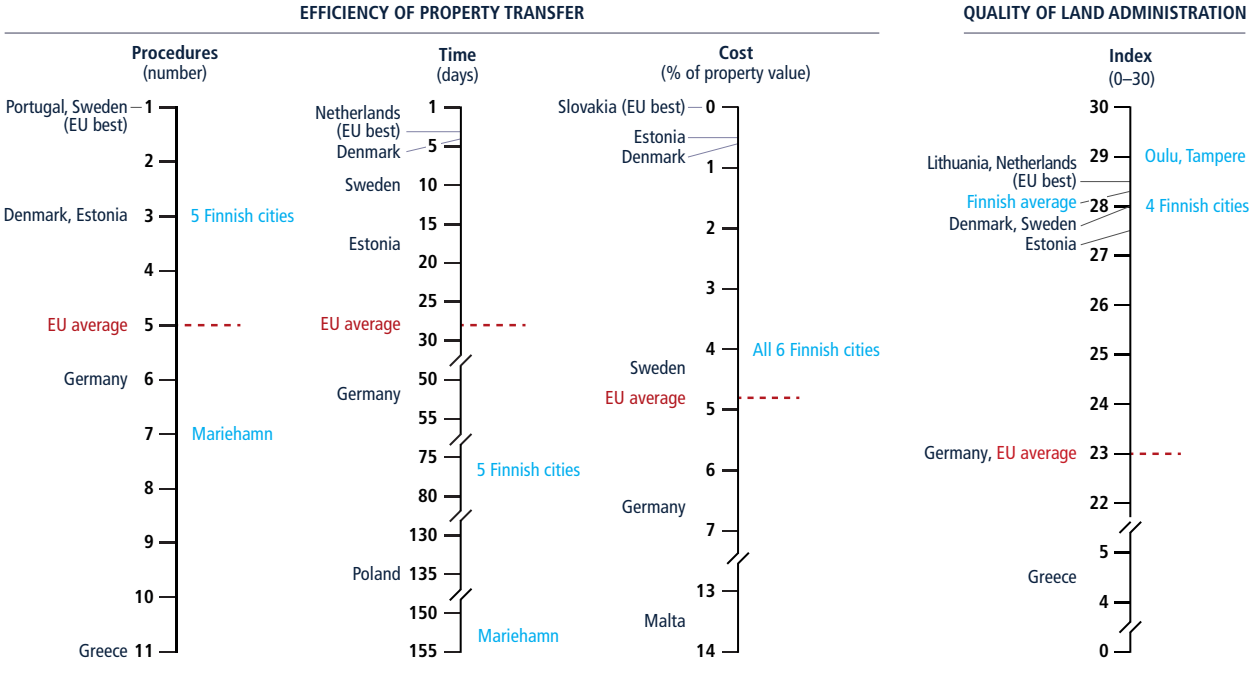
Lastly, all Finnish cities have high scores on the quality of land administration index, which uses a series of key indicators to assess an economy's land administration system. The Finnish cities are among the European Union´s best performers, averaging 28.3 points (out of a maximum of 30)—5.4 points higher than the EU average.

How does the property transfer process work in Finland?

The property transfer process is organized the same way across all the cities examined except for Mariehamn (Åland), where companies need a land acquisition permit when buying real estate (figure 3.19). The legal requirements applicable throughout the country are set out in the Real Estate Code,[71] the principal law governing the conveyance of immovable property in Finland. At the beginning of the process, when the buyer and the seller come to an agreement to transfer a piece of property, the parties can either sign the sale agreement on paper or online through the Property Transaction Service.[72] An agreement that concerns the sale of real estate must contain at least the following: the intent to convey property, the property being sold, details about the parties, and the sales price and any other compensation or consideration.[73]

More than 90% of the parties conduct the transaction on paper. In that event, the sale agreement needs to be signed in the presence of a public purchase witness,[74] who acts as an attesting notary to certify the transfer of the property. The witness verifies the identities of the parties, checks

FIGURE 3.18 Finnish cities outperform the EU average on cost and measures of quality but lag behind on the time it takes to transfer a property



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

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the property's identification number, ascertains that the formalities laid down in the Real Estate Code have been met, and informs the NLS of the transaction by filling out an electronic form. If asked, the public purchase witness can also apply for title registration on behalf of the buyer together with this notification (registration procedure in figure 3.19).

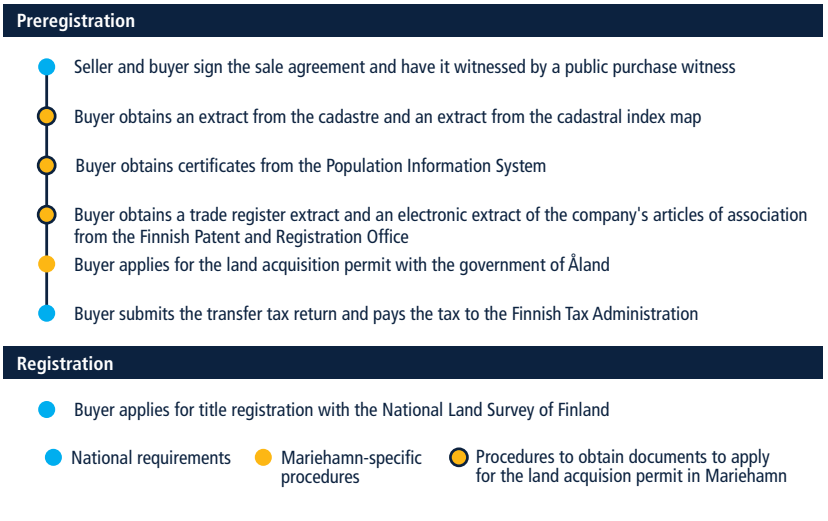
When using the online Property Transaction Service as an alternative, the representatives of the companies log in to the system via electronic secure identification[75] and draft and sign the sale agreement. After the signing, the process for title registration will begin automatically, no application needed. A public purchase witness is not necessary, as the online interface verifies in real time that the minimum required contents are included and that the information the parties include in the contract matches the information in the available registers.

When the sale has been concluded, the buyer submits the transfer tax return to the Finnish Tax Administration online via MyTax and makes the payment—an obligation that must be carried out within six months of the signing. The Tax Administration informs the NLS directly that the payment has been made. The title cannot be registered before this step is completed.

In the final step, the buyer—in this case study, a limited liability company—applies for title registration at the NLS. The buyer can either ask the public purchase witness to initiate the application along with the notification to the NLS or can do so on its own by filling out a paper form, available on the NLS website. The form can be sent by post, which can take up to a week, or dropped off at a local service point in person. It can also be sent via secure email.[76] Applications submitted in paper form need to be remitted to the National Land Survey's Vaasa office to be scanned. This step is not needed if the parties have used the Property Transaction Service, as the process for title registration is done automatically.

In Mariehamn, the transfer process must undergo the same three steps described above. However, companies must also apply for a land acquisition permit from the government of Åland and obtain all the necessary documents to submit the application, thereby adding four more procedures. All documents can be quickly purchased online, but the applicant has to visit different agency websites throughout the process. The buyer must apply for the land acquisition permit within three months of signing the sale agreement. A failure to do so may eventually lead to the property being auctioned off to a party that has the right to acquire it under the provisions of the Åland Land Acquisition Act. The application can be delivered to the government of Åland either by using its online form[77] or by filling out a paper form and sending it by post or email. The government of Åland may grant a land acquisition permit if (i) the company has been based in Åland continuously from its establishment or for at least five years; (ii) the property is suitable for its intended use; and (iii) at least two-thirds of the members of the company board have regional citizenship in Åland or have been living there for the past five years or longer. If certain requirements are met, the permit must be granted unless there are special grounds to deny it.[78]

FIGURE 3.19 Three to seven requirements are needed to transfer property in Finland



Source: Data collected for this publication.

Finnish cities outperform the EU average for quality of land administration

Finland's scores on the quality of land administration index are among the highest in the world: 28 in Helsinki, Turku, Vaasa, and Mariehamn and 29 in Tampere and Oulu, out of a maximum of 30 points. The index analyzes five aspects of the land administration system: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights.

All Finnish cities score the maximum 8 points on reliability of infrastructure. This component measures whether the land registry and mapping system (cadastre) have adequate infrastructure to guarantee high standards and reduce errors. The Finnish Land Information System, including the cadastre and land register, is completely digital and has a unique number to identify each property.

The geographic coverage component measures the extent to which the land

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registry and mapping system provide complete geographic coverage of privately held land parcels. All six cities benchmarked in Finland score the maximum 8 points on this component, reflecting the high rate of formally registered and mapped properties in the country. All privately held land in Finland is formally registered and mapped by the NLS and municipalities.

The transparency of information component measures whether and how an economy´s land administration system makes land-related information available to the public. All Finnish cities score 5 points, falling short of the maximum of 6 because the NLS does not commit to a specific deadline for its various procedures.[79] Nevertheless, the NLS publishes fee schedules, lists of required documents needed to register a property, and statistics on property transfers. Furthermore, it is possible to submit complaints on the institution's website, and these complaints are handled independently.

The land dispute resolution index measures the accessibility of conflict resolution mechanisms and the extent of liability for entities or agents recording land transactions. In addition, the index looks at how efficiently the courts (as a last resort) handle disputes. All Finnish cities score well on this component. Tampere and Oulu receive the maximum score of 8, while the remaining cities score 7. The difference stems from the time it takes to solve a property dispute case in the court of first instance. In Tampere and Oulu, where COVID-related backlogs have been cleared, it takes less than a year to resolve a dispute, whereas it typically takes between one and two years in Helsinki, Turku, Vaasa, and Mariehamn.

WHAT CAN BE IMPROVED?

Increase the uptake of the electronic platform for property transfers

A fully integrated and computerized land administration system saves resources and increases efficiency while maintaining a high quality of land-related services. Finland currently has a hybrid system, whereby the title registration application can be completed either online or in paper format. This creates another layer of work for NLS employees and increases the time for processing, since paper applications take longer to review than online applications, which are mainly checked automatically.[80]

Increasing the use of the Property Transaction Service would also eliminate one procedure, since title registration is automatically initiated if the sale is done online, and would reduce waiting times, since paper applications need to be scanned before processing.

Different procedures and processes can be confusing if users are not prepared for new systems and workflows. Global experience shows that it takes time for the population and the business community to adapt to change and that agencies can underestimate the importance of communication and how it affects the uptake of new services.[81] Continuous outreach campaigns to the private sector—real estate developers, notaries, lawyers, cadastral engineers, banks, and other relevant stakeholders—help to ensure that recent procedural improvements are fully and promptly reflected in practice. They also help avoid information gaps or the slow adoption of regulations. To this end, Finland should do an assessment of the main reasons behind the low uptake of the electronic platform and, if needed, leverage channels of communication (including social media, billboards, public broadcasts, and workshops) to effectively communicate the benefits of using the Property Transaction Service.

Denmark provides an interesting case of how to gradually introduce a fully digitalized land administration system. In 1992, the Danish Parliament amended the Land Registration Act, allowing for digital land registration. Between 1993 and 2000, the government implemented organized and systematic efforts to digitize all records, computerize 82 judicial district offices, and train relevant staff. In 2006, after all the land records had been digitized, the Land Registration Act was amended once more, to provide for digital land registration. In 2009 it became mandatory to submit registration applications only in electronic format, which enhanced efficiency in screening and processing. Today, transferring property in Denmark requires three procedures, all of which must be completed online within a few days.

Consider introducing fast-track property transfer procedures

The NLS handles applications in the order they are received. All paper-based transactions carry the same title registration fee of EUR 144, in addition to the public purchase witness' fee of EUR 120. If applicants use the Property Transaction Service, the total cost for registering a title is EUR 197. The NLS has made serious efforts to shorten the time it takes to register titles, such as by hiring more personnel. Nonetheless, backlogs remain, and it currently takes two to three months to process applications.

To reduce processing times for urgent projects and to help prioritize the work at the land registry offices, the NLS could consider offering fast-track processing of applications for an extra fee. Other European economies have introduced similar procedures with positive results. In Lithuania, registration with the Real Estate Register normally takes 10 business days. However, entrepreneurs who wish to have their property registered sooner can pay a higher registration fee for faster service: 30% more than the standard fee for registration in three business days, 50% more for registration in two business days, and 100% more for registration in one business day. Similarly, entrepreneurs in Portugal can register their property in just a day or two if they pay a 100% markup on the registration fee.

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Introduce service delivery standards for all services provided by the NLS and ensure that the standards are publicly available and binding

Public service delivery standards allow users to know what level of service they can expect from the administration, how much it will cost, and how long it will take. If the procedure is not completed within the specified time limit, users know that they need to follow up. It is also important to introduce strong monitoring tools and performance indicators to ensure that these time limits are enforced in practice. Managers in the registries and cadastres must take an active role in monitoring their staff performance and ensuring that targets for processing times are met. Fifteen EU member states have introduced service delivery standards at their land registries or cadastral agencies.[82] All of them provide this information online, except for Cyprus and Malta.

Although the National Land Survey of Finland publishes the fees and documents related to property transfers, it currently does not commit on public boards or online to delivering a legally binding document proving property ownership or an updated cadastral map within a specific time frame. The NLS could specify all land registry and cadastral services that it provides—such as title searches, approval of certificate of title, registration of immovable property, and provision of updated maps—and publicly commit to a deadline for delivering them. As an example, Singapore has created an online system allowing anyone to have access to information about fees, statistics, and requirements, as well as information on service delivery standards for both the land registry and mapping system.

Consider streamlining the process to obtain the land acquisition permit in Mariehamn

Obtaining a land acquisition permit in Mariehamn is a lengthy process for companies wishing to buy property in Åland. Supporting information is available on the regional government's website and the application is done online. The review is done by both the municipality of Mariehamn and the government of Åland in a process that can take up to three months. Introducing clearer guidelines and committing to service delivery standards would increase transparency and accountability for the agencies involved in the application review. These measures would improve the predictability of transferring property and help companies plan their resources.

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Commercial litigation

According to the 2022 EU Justice Scoreboard, the number of civil and commercial litigious cases coming before courts of first instance in Finland is lower than anywhere else in the European Union.[83] Finnish district courts also dispose of cases at a relatively fast pace—faster than the European Union on average. However, court performance varies across jurisdictions. Civil litigation, including the resolution of general commercial disputes, is regulated nationwide in Finland by the Code of Judicial Procedure (oikeudenkäymiskaari).[84] The courts of first instance are the district courts, and they have jurisdiction over criminal and civil cases. For civil disputes, depending on the case, courts may process them entirely in writing (written procedure, mostly for uncontested matters called summary civil cases) or through hearings (litigious cases). Civil cases can also be settled through court mediation.

Commercial litigation is easier in Oulu and more difficult in Helsinki and Mariehamn

Initiating litigation and obtaining and enforcing the judgment is easiest in Oulu, where the process takes 14 months (table 3.9). This is much faster than in Helsinki and Mariehamn, where the same case would be resolved in 18 and 19 months, respectively. The cost of litigation is the same in all cities (15.3% of the claim value) except in Helsinki, where costs represent 20.8% because of higher attorney and expert fees. Judicial quality, which is measured in this study by the adoption of various international good practices, is uniform across all cities. Out of a maximum score of 18 points, Finnish cities obtain 9.5.

Commercial litigation is relatively efficient, but courts still lack some good practices that enhance judicial quality

Compared with the performance of EU member states as a whole, commercial litigation is relatively fast and inexpensive in Finland. On average, the six Finnish courts benchmarked for this study resolve commercial disputes almost 5.5 months faster than the EU average of 22 months (figure 3.20). Courts in Oulu and Tampere are faster than those in 24 EU member states. Even in Mariehamn, where litigating a commercial dispute takes the longest time, the total time is almost three months faster than the EU average.

At 16.2% of the claim value, the average cost of litigating in Finland is relatively low. Commercial litigation is less expensive in only five other EU member states, including Germany. Finland lags on the quality of judicial processes index, though, scoring 9.5 points out of a maximum of 18, which is below the EU average (11.5 points).

TABLE 3.9 Commercial litigation in Finland: where is it easier?

City	Rank	Score (0–100)	Time (day)	Cost (% of claim)	Quality of judicial processes index (0–18)
Oulu	1	70.38	420	15.3	9.5
Tampere	2	69.56	450	15.3	9.5
Turku	3	68.60	485	15.3	9.5
Vaasa	3	68.60	485	15.3	9.5
Mariehamn	5	66.28	570	15.3	9.5
Helsinki	6	65.04	540	20.8	9.5

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average scores for time and cost associated with commercial litigation, as well as on the quality of judicial processes index. The score is normalized to range from 0 to 100 (the higher the score, the better).

Contract litigation and enforcement of judgments follow the same process throughout the country

A breach of contract dispute between two companies—valued at EUR 86,817,[85] as assumed by this study—is processed by courts as an ordinary civil case, and thus it is heard by a district court (käräjäoikeus). Although there is a specialized court in Finland that hears commercial cases (the Market Court, markkinaoikeus), its jurisdiction is limited, as it hears only certain legal matters pertaining to procurement, competition, market law, and intellectual property.[86]

Litigation starts when the plaintiff files a written application for a summons at the corresponding district court.[87] The application cannot be filed electronically, except for uncontested matters (summary civil cases).[88] The court screens the application to see if it is complete and issues the summons. Summonses are commonly sent by mail, but service can also be done by email or by phone.

Once served, the defendant must deliver the written response to the court registry. The Code of Judicial Procedure does not prescribe a specific deadline to respond, but the judge typically grants the defendant 30 days.

After the response, the court schedules a preparatory hearing (valmisteluistunto), which the parties prepare for by exchanging written pleadings prior to the hearing.

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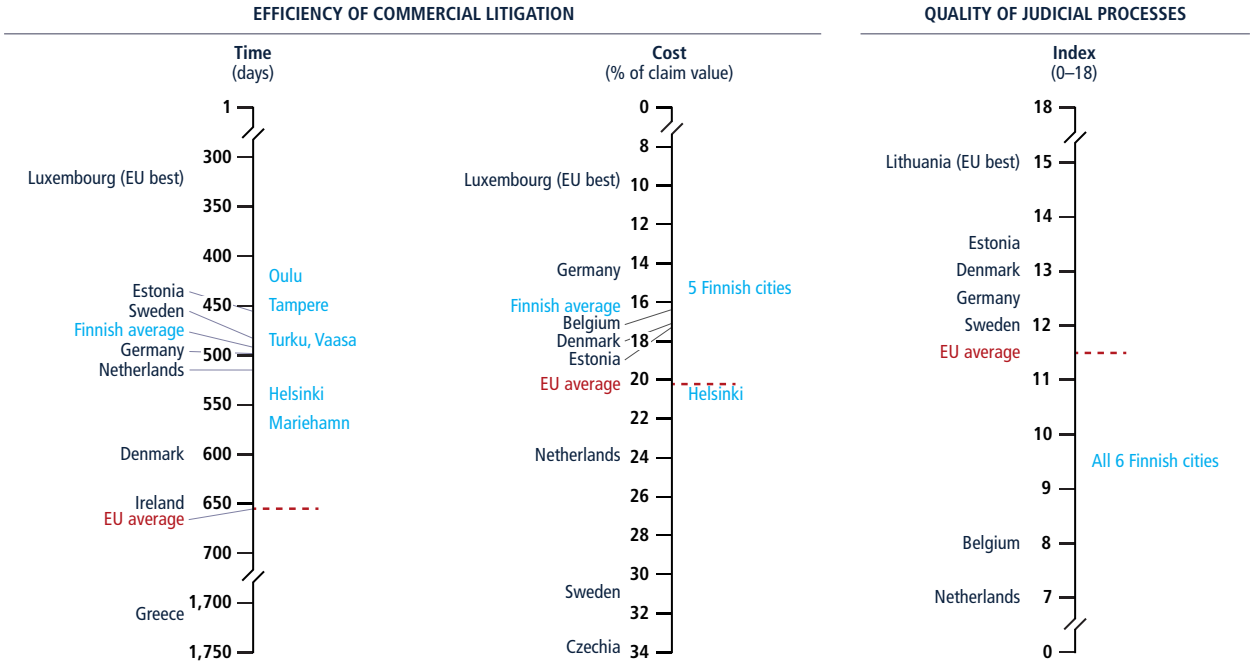
FIGURE 3.20 Resolving a commercial dispute across Finland is faster than the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

The law does not set specific time limits for this stage either. During the preparatory hearing, parties establish the grounds for their claims, narrow the issues in dispute, and agree on the evidence that each will present. The possibility of settling the dispute is also explored at the hearing.

The judge rules on the evidence, in this case an expert opinion, at a second hearing (main hearing, pääkäsittely). At the main hearing, the parties also offer their closing statements, and the judge usually delivers the judgment within 30 days.

Depending on the complexity of the issue, a case can be processed in writing, per the parties' agreement and the judge's concurrence, or resolved through court mediation. The plaintiff pays the court fee after the judgment is rendered. The fee varies depending on how the case was processed; it ranges from EUR 86 for cases decided through written procedure to EUR 530 if the case gets resolved after going through a main hearing.[89]

According to court statistics, more than 99% of civil cases in Finland follow the written procedure. These cases do not take more than three months to be resolved.[90] Even though they constitute the minority, litigious cases that cannot be resolved without a main hearing—such as the one measured in this study—take around 18 months on average, mainly due to judges' caseloads, delays in the scheduling of hearings, and staffing shortages at the courts.

The enforcement of court judgments is a separate judicial process corresponding to the National Enforcement Authority Finland, which operates under the Ministry of Justice. The Enforcement Authority was reorganized into a single national agency in December 2020 and has a network of 64 enforcement offices covering the entire territory of Finland.[91] The enforcement application can be filed electronically using the electronic enforcement service.[92] Once the application is received, an enforcement officer sends the notice of filing and payment request to the debtor by regular mail. If the debtor does not comply with the demand or does not contact the enforcement officer to propose alternatives to pay voluntarily, the enforcement officer proceeds with the seizure and sale of debtor assets at a public auction.[93] Auctions are usually conducted online through a national platform where bailiffs advertise the seized and foreclosed assets to be sold.[94] Creditors obtain their payments through the proceeds within two weeks following the auction.

The trial and judgment phase drives the variations in time, while litigation costs are the same everywhere except in Helsinki

The time to complete the filing and enforcement stages is uniform across the six benchmarked cities in Finland. Variations among the courts are mainly driven by the time that it takes to complete the trial and judgment phase —the

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period between the moment a defendant is served and the moment a judge renders the decision (figure 3.21).

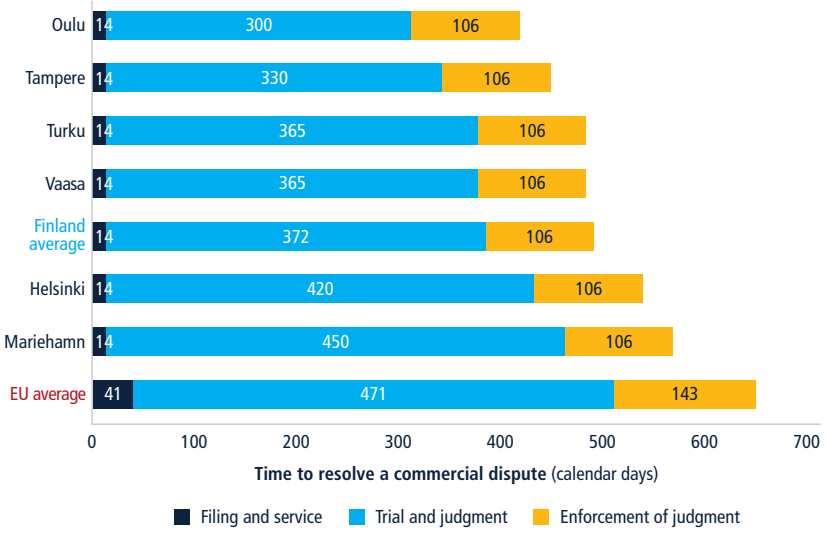
The trial time is 10 months in Oulu, which is faster than in the other benchmarked cities. Judges in Oulu make greater use of court mediation; per official statistics, in 2019 and 2020 almost as many cases in that city were handled through mediation as those that went through a main hearing.[95] According to attorneys consulted for this study, unnecessary delays are discouraged by judges in Oulu, and judges there have fewer cases and a steadier workload than in the other cities. In 2021, each judge in Oulu heard 1,109 cases on average; in the other five cities benchmarked, the average number was 1,250 cases per judge. Moreover, in Oulu the number of cases per judge has remain constant since 2019, whereas in cities such as Tampere, Turku, and Vaasa, cases per judge have been increasing on a yearly basis.[96] The District Court of Oulu has a separate division for civil cases, allowing some degree of specialization among judges.[97] Extensive use of remote connections to conduct court hearings in Oulu helped reduce the COVID-related backlog. In Tampere, Turku, and Vaasa, the trial and judgment phase takes slightly longer but does not exceed one year. Unlike in Oulu, judges in these courts have jurisdiction over both criminal and civil cases.

Delays in Mariehamn are more frequent. A much smaller court than the others, the District Court of Åland has only three judges, who process civil and criminal cases in a small venue with just two courtrooms. Attorneys who frequently litigate commercial disputes in Mariehamn have mentioned that because of these constraints, parties wait up to one year for the preparatory hearing. Judges grant frequent extensions to parties to submit their written statements, and in-court mediation is rarely used. Between 2015 and 2021, only two civil disputes were resolved through mediation.[98] The COVID-19 pandemic had greater impacts on the court's operation in Mariehamn. All hearings were canceled at the beginning of lockdown,[99] and few could be conducted after that because of limited space to maintain social distancing. Inland transportation from and to the Åland region was disrupted, making it difficult for attorneys and court personnel to reach the court. In preparation for a performance assessment in the fall of 2022, the court started managing its caseload by assigning more civil cases to one judge, hoping to encourage more specialization and improve efficiency.[100]

The District Court of Helsinki is the largest court in Finland, where the most complex litigation happens.[101] It is also the slowest court after that of Mariehamn. The court is aiming to become more efficient through the implementation of several initiatives. For instance, to balance the judges' workloads, the court implemented an organizational change in October 2021 with more divisions focused on processing civil cases and application cases,[102] thus allowing the judges to specialize. Since 2020, the court has also been investing in improving the quality of its mediation services, with the goal of resolving 30% of complex civil cases through mediation. To assist judges in mediation, the court hired three mediation professionals, who also participated in international exchange programs to develop mediation-specific skills.[103]

Litigation expenses consist of attorney fees, court costs, and enforcement fees. Attorney fees make up the bulk of the total cost (figure 3.22). Because court fees (EUR 530) and enforcement fees (EUR 225)[104] are regulated nationwide, the source of variation in the cost is driven by expert fees, which are part of the court costs, and attorney fees. Irrespective of the claim value, attorneys and expert witnesses charge by the hour, and their hourly rates are considerably higher in the capital, a business center for larger firms and more complex litigation cases. According to estimates provided by attorneys interviewed for this study, the average hourly rate charged by an attorney in Helsinki is around EUR 300, while in the other five benchmarked cities it is around EUR 220.

FIGURE 3.21 The trial and judgment phase in Oulu is five months shorter than in Mariehamn



Source: Data collected for this publication.

Note: The average time for Finland is based on the average time to resolve a commercial dispute in the six benchmarked cities. EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

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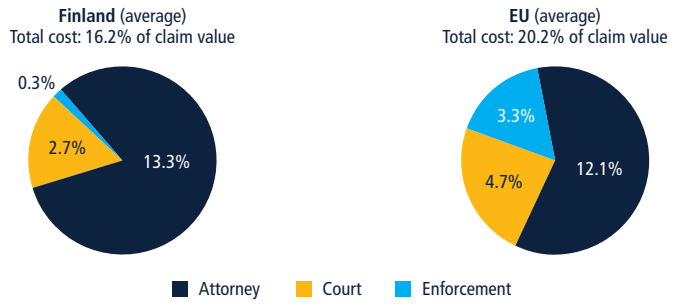
FIGURE 3.22 Court costs and enforcement fees are much lower in Finland, but attorney fees are slightly higher than the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The cost values, expressed as % of claim, are rounded up to one decimal point. The average cost for Finland is based on the average cost for commercial litigation in the six cities benchmarked. EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

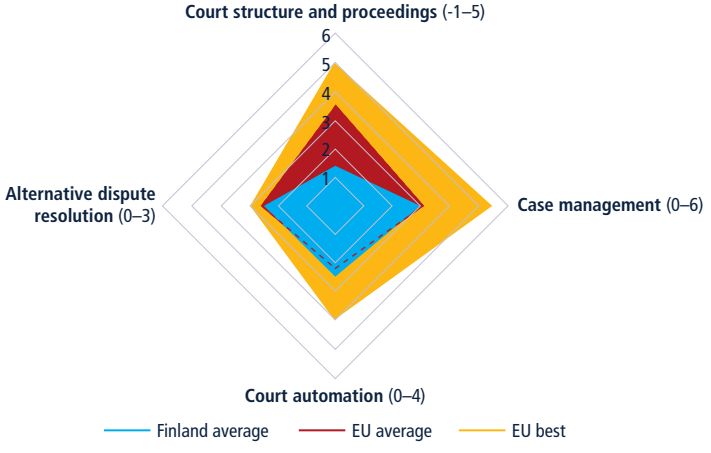
The same goes for expert fees, which are around EUR 250 per hour in Helsinki and around EUR 160 in the other cities covered in this assessment.

Finnish courts have room to catch up with the EU average on judicial quality

Performance on the judicial quality index is uniform across Finland. Out of 18 possible points,[105] all six cities obtain the same score—9.5. Compared with most EU economies, Finland lags on this index. It could achieve the most gains by improving its court structure and proceedings and enhancing case management at the courts (figure 3.23).

Regarding court structure and proceedings, all cities benchmarked score 1.5 out of a maximum of 5 points. The law allows for pretrial attachment of the defendant's movable assets, and courts exhibit good governance by randomly assigning cases to judges at the district courts, although not through an automated system. Despite some positive factors, Finland falls far short of the full 5 points in this area. Although there is a specialized commercial court that hears commercial disputes from all over Finland—the Market Court, based in Helsinki—this court has limited jurisdiction, as it processes only certain kinds of transactions. Moreover, there are no small-claims courts or simplified fast-track procedures to resolve civil and commercial disputes of low monetary value. Some legal experts are bringing attention to the lack of simplified procedures for small claims as a potential barrier to access to justice in Finland.[106]

FIGURE 3.23 Finland can achieve gains by improving case management systems and court structure and proceedings



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

In terms of case management, the cities covered in this study score 3 points out of a total of 6. Of the case management tools considered as good practice in this study, Finnish district courts use only a few. This is an area with potential for improvement in Finland, even though good practices are already in place. Courts across the country use pretrial hearings in all litigious cases; court statistics and performance reports are available online; and, most notably, an improved electronic case management system (AIPA) has recently been implemented to facilitate judges' handling of civil cases (box 3.6). Despite these good practices, lawyers do not yet have access to the system, procedural deadlines are mostly unregulated, and the law does not limit the number of adjournments that can be granted.

Regarding court automation, locations benchmarked in this study score 2.5 out of a maximum of 4 points. Service of process can be done through secure email, and court fees can be paid electronically. However, electronic filing is not available for all kinds of claims, only for summary civil cases. Appellate and Supreme Court judgments are published on the website of the Finnish judiciary, but no judgments from lower courts are published online.

With 2.5 out of 3 possible points, the six Finnish cities benchmarked perform

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BOX 3.6 Finland continues modernizing its courts through improved electronic case management platforms

In the 1990s, the judiciary in Finland introduced computerized tools to assist in managing civil and criminal cases.[a] For civil cases, the system (Tuomas) made it possible to register incoming cases and upload documents, but it did not allow case files to be kept in an electronic archive. Closed files needed to be printed and stored in paper format.[b]

To address these problems, the Ministry of Justice introduced the AIPA Information System, an integrated system for case and document management.[c] AIPA was launched in 2010 and has been implemented gradually, with the aim of replacing the Tuomas system by the end of 2022.[d] As of March 1, 2021, civil cases filed in courts are being processed through AIPA. Judges can now track the status of their cases; view and manage all case documents, court orders, and judgments; and generate semi-automatic court orders.[e] Unlike Tuomas, AIPA allows the court to keep electronic archives of documents, and it interfaces with the electronic systems of other state authorities. There are plans to make AIPA available to attorneys and other court users, but implementation timelines are not yet defined.[f]

a. Andersson, Matti. "The digitalization of District Courts in application matters – Experiences from officials of the District Court of Oulu about the user-driven change management of AIPA" (unofficial translation of title). Published by the University of Tampere, available at https://trepo.tuni.fi/bitstream/handle/10024/124439/AnderssonMatti.pdf?sequence=2.
b. Ministry of Justice. "Instruction for District Courts – the recording instructions of the Tuomas system," available at https://www.finlex.fi/data/normit/31061/tuomaskirjaamisohje2007.pdf.
c. Decision of the Ministry of Justice. December 21, 2007 (OM 12/31/2007).
d. Extension of the AIPA project until the end of 2022. Ministry of Justice, available at https://oikeusministerio.fi/en/project?tunnus=OM007:00/2015.
e. Conversations with public sector contributors to this study in Turku, Oulu, and Mariehamn, February to April 2022.
f. News release, Court of Appeal of Turku, available at https://oikeus.fi/hovioikeudet/turunhovioikeus/fi/index/ajankohtaista/2022/asianajajillejulkisilleoikeusavustajillesekaluvansaaneilleoikeudenkayntiavustajille.html.

well on alternative dispute resolution methods. Commercial arbitration and mediation are governed by consolidated laws.[107] Judges enforce arbitration clauses and resolve cases through mediation. However, the law in Finland does not grant financial incentives to encourage more mediation or conciliation.

WHAT CAN BE IMPROVED?

Study the courts' caseloads to identify causes of trial delays and consider setting time limits for key litigation events

The average duration of the trial phase in Finnish district courts exceeds one year (372 days). Though this is faster than the EU average, faster trial times are already achievable—not only in half of EU countries (such as Estonia, with 320 days) but within Finland (300 days in Oulu and 330 days in Tampere). Attorneys and judges agree that the courts' large caseloads lead to delays and affect judges' ability to schedule trial hearings. Courts could analyze what kinds of cases mainly account for the judicial backlog and adopt targeted measures to clear dockets—such as redistribution of cases among judges and fast-tracking procedures—especially considering that judges at the district courts process both civil and criminal cases.

The absence of legally established time frames for litigation causes additional delays. In some cases, parties request extensions of the deadlines to file and exchange documents, and judges tend to comply with these requests more liberally to manage their workload. Establishing realistic, traceable, and enforceable statutory time limits for key court events is at the core of effective case management and judicial quality and makes dispute resolution more predictable. Finland should thus consider introducing such time limits into its procedural legislation. Ten member states in the European Union have laws that set time standards for at least three court events and respect them in practice.[108]

Continue expanding and promoting the use of electronic features in courts

Courts in Finland currently allow for electronic service of process and payment of court fees. However, most documents are served by regular mail, and attorneys cannot submit initial complaints to courts electronically—except in summary civil cases where they can use an electronic system (Santra). The COVID-19 pandemic highlighted the benefits of greater use of technology in courts; jurisdictions with access to electronic filing, electronic case management, and remote connections with the courts were better prepared to weather the disruptions caused by lockdowns and social distancing.[109] E-justice platforms facilitate access to justice and streamline procedures even further. Lithuania, Estonia, and Slovakia, for example, have implemented all the e-features that are considered for scoring on court automation component in this study: filing an initial complaint, serving the defendant with the initial complaint, paying court fees, and publishing court judgments. Furthermore, Denmark developed a highly digitalized case portal—Sagsportalen—where all civil cases must be filed and processed digitally since they no longer exist on paper. All written communication between litigants and the judge is also conducted through this portal.

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Consider introducing specialized commercial sections at the courts or expand the jurisdiction of the Market Court

Locations in Finland with large caseloads and complex litigation could consider introducing specialized commercial courts—or commercial divisions within existing courts—to deal exclusively with commercial cases. Finnish courts could analyze their respective caseloads to determine the largest sources of delay, including the total share of civil commercial cases in the docket and whether these types of cases are backlogged. The results of such an analysis may justify channeling resources to the creation of a specialized commercial court.

As a general principle, specialized courts tend to improve efficiency and lead to faster and qualitatively better dispute resolution. Having specialized commercial courts or divisions reduces the number of cases pending before the main court of first instance. Also, judges become experts on commercial matters and can dispose of cases faster. Since there is already a specialized commercial court based in Helsinki, expanding its jurisdiction to cover a wider range of commercial transactions could help alleviate the congestion at the district courts. The court, however, should be provided with adequate resources to respond to increased demand to process general commercial cases.

Twelve EU member states have a specialized commercial jurisdiction,[110] established by setting up a dedicated stand-alone court or a specialized commercial section within an existing court. Belgium is one of them, with nine commercial courts, including two in Brussels—a French-speaking one and a Dutch-speaking one. These courts support consistency in the application of the law and increase predictability for court users.

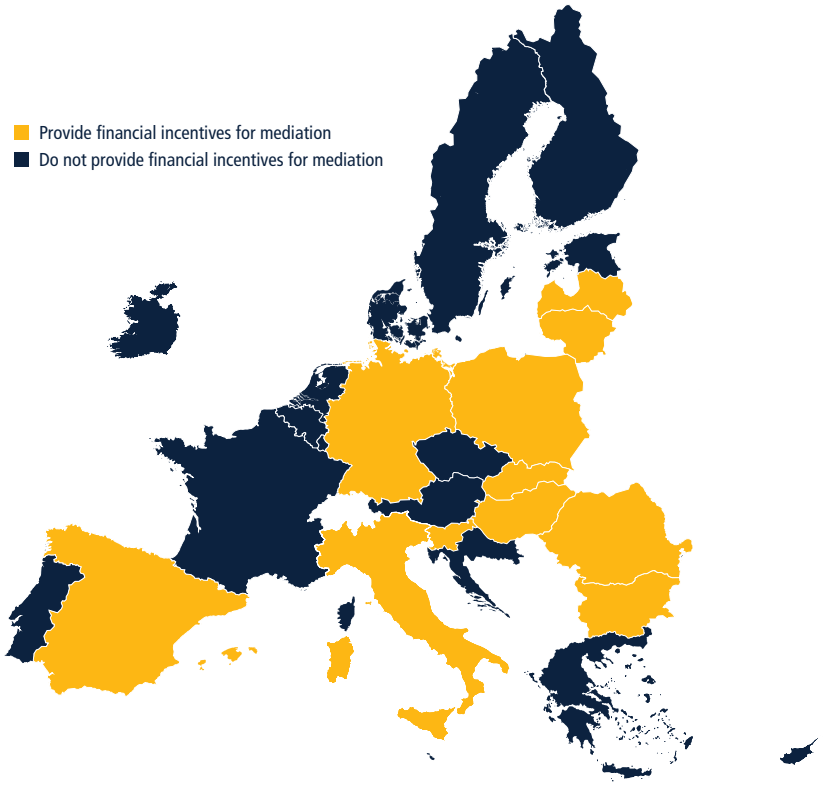
Lastly, to help judges specialize and apply laws consistently, Finland should also consider publishing anonymized judgments and courts orders in commercial cases at all levels of the court system. This should be coupled with learning and training opportunities for judges to specialize further.

Provide incentives to encourage more mediation in courts

Finland has a comprehensive legal framework for arbitration and mediation, but it does not yet offer financial incentives to the parties to mediate. In general, according to statistics, the success rate of court mediation in Finland is quite low. For example, in Vaasa, only 25 civil disputes—around 0.05% of all resolved civil disputes—were resolved through court mediation in 2021. The exception is Oulu, where judges make greater and more successful use of mediation to settle disputes.

Besides adequate training for arbitrators and judges, other means—including granting monetary incentives to parties—can encourage the use of alternative dispute resolution methods, according to guidelines on mediation published by the European Commission for the Efficiency of Justice.[111] Eleven EU countries have incentivized the use of alternative dispute resolution by offering financial incentives to parties (figure 3.24). In Germany, the German Court Fee Code[112] allows the federal states to reduce or waive court fees if the court procedure is ended after mediation or through some other out-of-court settlement. Italy introduced a new Legislative Decree in 2010 (amended in 2013), which established specific financial incentives for parties to attempt mediation, as well as negative consequences for parties who refuse to attempt mediation in good faith.[113] Following the adoption of the decree, Italy reported over 200,000 mediations annually.[114]

FIGURE 3.24 Eleven EU member states provide financial incentives for mediation



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

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NOTES

1. The percentage of firms that invest in research and development is three times higher in Finland than in other high-income economies, according to the World Bank Enterprise Surveys (2020), available at www.enterprisesurveys.org.
2. The Economist Intelligence Unit. 2021. Rankings overview, Finland. Available at http://country.eiu.com/article.aspx?articleid=831036466&Country=Finland&topic=Business&subtopic=B_3.
3. The percentage of firms in Finland identifying corruption as a major constraint is 1%, according to the World Bank Enterprise Surveys (2020). Finland summary available at https://www.enterprisesurveys.org/en/data/exploreeconomies/2020/finland. Also, in Transparency International's 2021 Corruption Perceptions Index, Finland, Denmark, and New Zealand share the top spot of cleanest countries (https://www.transparency.org/en/cpi/2021/index/fin).
4. For more information on the Digital Economy and Society Index (DESI), see https://digital-strategy.ec.europa.eu/en/policies/countries-digitisation-performance.
5. OECD. 2021. "The Impact of Regulation on International Investment in Finland." Available at https://www.oecd.org/publications/the-impact-of-regulation-on-international-investment-in-finland-b1bf8bee-en.htm.
6. The six cities represent all five NUTS2 regions in Finland. (The Nomenclature of Territorial Units for Statistics, or NUTS, is a geocode standard developed by the European Union for referencing the subdivisions of countries for statistical purposes.) The cities were selected based on demographic and geographical criteria. The selection of cities was agreed upon between the World Bank project team, the European Commission's Directorate-General for Regional and Urban Policy, and the Ministry of Economic Affairs and Employment of Finland.
7. This applies to property transfer and business start-up for a limited liability company like the one analyzed in this study. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
8. The EU member states assessed by this series are Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, Finland, Greece, Hungary, Ireland, Italy, the Netherlands, Portugal, Romania, Slovakia, and Sweden.
9. Denmarks's single national portal, called Byg og Miljø, incorporates all required interactions between the municipality and the developer during the construction process, merging multiple steps into one.
10. The EU member states that set time standards for various court events are Bulgaria, Croatia, Greece, Hungary, Italy, Latvia, Malta, Portugal, Romania, and Slovenia.
11. The following 12 EU member states have implemented electronic filing: Austria, Czechia, Denmark, Estonia, Germany, Greece, Hungary, Italy, Lithuania, Portugal, Slovakia, and Spain.
12. The minimum share capital requirement for private limited liability companies was removed from the Finnish Limited Liability Companies Act (624/2006) effective July 1, 2019.
13. The other EU member states that have eliminated or drastically reduced the need for share capital are Belgium, Bulgaria, Cyprus, Czechia, France, Greece, Ireland, Italy, Latvia, the Netherlands, and Portugal.
14. The Finnish Tax Administration's prepayment register contains information on the companies or individuals who can be paid without the payor withholding tax on the compensation.
15. Businesses with annual sales of less than EUR 15,000 can request entry into the VAT register voluntarily.
16. This provision is established in Section 31 of the Tax Prepayment Act.
17. Notifications can be filed online at ytj.fi. The online service is available only in Finnish and Swedish.
18. Those who must have Finnish social security numbers include all subscribers of shares, members of the board of directors, and anyone who may be entitled to represent the company.
19. The name-checking service for companies is available at https://nimipalvelu.prh.fi/nipa/fi.
20. When reviewing the application, the Finnish Patent and Registration Office (PRH) determines the acceptability of the chosen name options. If the proposed name is not available or cannot be accepted, the PRH will request the submission of new alternatives.
21. This includes the start-up notification Form Y1, the trade register's appendix Form 1, and the personal data form. Paper forms are available online at https://www.prh.fi/fi/kaupparekisteri/osakeyhtio/perustaminen/paperilomakkeet.html.
22. The Virre Information Service is available at https://virre.prh.fi/novus/tradeNoticeSearch?userLang=en&execution=e1s1.
23. The MyTax (OmaVero) Service is available at https://www.vero.fi/sahkoiset-asiointipalvelut/omavero/.
24. The European Union 5th Anti-Money Laundering Directive requires EU member states to establish beneficial ownership registers for corporate and other legal entities. To comply with this directive, Finland adopted the Act on Anti-Money Laundering and Terrorism Financing (444/2017), which mandated companies to file beneficial owner details with the trade register.
25. The statistics on new LLC registrations come from the Finnish Patent and Registration Office and are available at https://www.prh.fi/en/kaupparekisteri/tilastot.html.
26. Based on the information provided by the PRH during the consultative meeting for this study (March 15, 2022).
27. In the other benchmarked cities there are no business start-up requirements from local authorities applicable to a limited liability company like the one analyzed in this study. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
28. The Åland government may, if necessary, conduct further investigations in accordance with the law, which can include holding a hearing, taking testimony, or conducting a site visit. This rarely occurs in practice.
29. World Bank. 2021. *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*. Washington, DC: World Bank; World Bank. 2019. *Doing Business in the European Union 2020: Greece, Ireland and Italy*. Washington, DC: World Bank.
30. For EU member states, the UBO register is mandatory under EU Directive 2015/849, the 4th Anti-Money Laundering Directive. These directives have established standards for countries to combat money laundering and their related crimes and include the need to effectively identify and register the ultimate beneficial ownership of entities.
31. In Mariehamn, the Planning and Building Act (2008) governs land use and building permits.
32. Among EU states, only Bulgaria, Croatia, Czechia, Greece, Hungary, Malta, Romania, and Slovenia require more procedures.
33. The phrase means "Building and Environment."
34. According to Section 133 of the Land Use and Building Act, neighbors shall be notified when an application for a building permit is submitted. This procedure can be done by the applicant or, subject to a fee, can be delegated to the building supervision authority. For a case such as the one considered by this study, this procedure is required in all cities except Mariehamn. According to Åland's Planning and Building Act, Ch. 13, 73 §, neighbors need to be notified only if there is no detailed development plan for the plot or if the proposed building deviates from the detailed development plan.
35. The local building supervision authority may allow the supervision of construction to be assigned to the developer, in accordance with an approved supervision plan. It also decides where supervision by the authorities is not required (Land and Building Use Act 2003, Section 151).
36. The form is available at the website of Finland's Occupational Safety and Health Administration (https://www.tyosuojelu.fi/web/en/about-us/services/permits-and-notifications/construction-work).
37. As construction is highly seasonal and may be stopped or slowed down during winter, an occupancy inspection may take place to allow some parts of the building to be used beforehand. Otherwise, an oral confirmation that the building can be occupied is made at final inspection and a document is uploaded to the online application system—with no need to wait for this document to start using the building.
38. The preplanning meeting is implemented in Turku for more demanding or complex projects or those that would have a significant impact on the aesthetics of the location. In Vaasa, similarly, only in the case of more demanding projects does the building supervision authority conduct the foundation inspection.
39. Oulu receives fewer applications for large projects than Turku, Helsinki, and Tampere. In 2021, Helsinki had the highest number of square meters approved for construction among the benchmarked cities, followed by Tampere, Turku, and Oulu. Vaasa is not included in the statistics. For more information, see http://publish.kuopio.fi/kokous/2022834286-5-1.PDF.

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40. In Helsinki, the number of new dwellings rose sharply in 2020, reaching the highest numbers since the 1960s (https://asuminenhelsingissa.fi/fi/content/rakentamisen-vuositilastot#:~:text=K%C3%A4ytt%C3%B6tarkoituksen%20muutosten%20kautta%20asuntoja%20syntyi,joista%20k%C3%A4ytt%C3%B6tarkoituksen%20muutoksia%20oli%20345). In Turku, the number of building permits issued reached a high in 2021, increasing by 22% compared with 2020 (https://www.epressi.com/tiedotteet/kaupungit-ja-kunnat/turun-rakentamiselle-ennatysmaara-lupia-rakennusvalvonnan-vuoden-2021-tilastot-esiteltiin-lautakunnalle.html).
41. Åland law does not include such a requirement either (Planning and Building Ordinance, paragraph 4).
42. The supervisor may not be an employee of the developer.
43. European Commission. 2016. *eGovernment Benchmark 2016: A Turning Point for eGovernment Development in Europe?* Luxembourg: European Union.
44. Finland ranks first out of 27 EU member states on the Digital Economy and Society Index (DESI) 2022, Finland country profile. Available at https://digital-strategy.ec.europa.eu/en/policies/countries-digitisation-performance.
45. There is some variation in the user experience depending on which provider the city has selected and which package the city has purchased. Cloudpermit, with its Lupapiste platform, is the most popular option, used by 70% of municipalities in Finland. It was created in cooperation with the Ministry of Finance and the Ministry of the Environment.
46. Porto, Direção Municipal do Urbanismo, Departamento Municipal de Gestão Urbanística, "Manual de recomendações e boas práticas: elaboração de projetos," at https://balcaovirtual.cm-porto.pt/Conteudo/Documents/Manual%20Recomendações%20e%20Boas%20Práticas_urbanismo.pdf.
47. World Bank. 2021. *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*. Washington, DC: World Bank.
48. Federal Building Code (Baugesetzbuch, BauGB).
49. World Bank. 2021. *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*. Washington, DC: World Bank.
50. World Bank Group. 2013. *Good Practices for Construction Regulation and Enforcement Reform: Guidelines for Reformers*. Washington, DC: World Bank Group.
51. According to the Land Use and Building Act, 2003, Section 129, a minor construction project may require only an action permit or a notification to the municipal building supervision authority.
52. Visscher, Henk, and Frits Meijer. 2005. "Certification of Building Control in The Netherlands." OTB Research Institute for Housing, Urban and Mobility Studies. Delft University of Technology, The Netherlands.
53. For more information, see the section on Denmark in this report. *Box 2.3, Denmark's path to reform: a shift in responsibility toward the private sector*.
54. The reform process has already held public hearings that have included different stakeholders.
55. World Bank. 2015. *Doing Business 2016: Measuring Regulatory Quality and Efficiency*. Washington, DC: World Bank.
56. Due to the new certification scheme, inspections in Denmark are no longer conducted by the municipality but by certified professionals. In Sweden, by contrast, the municipality remains closely involved, even if a third party is hired.
57. The current Electricity Market Act was adopted by Law No. 588 of 2013, available at https://www.finlex.fi/fi/laki/ajantasa/2013/20130588. In Åland, the electricity sector is regulated by Provincial Act No. 103 of 2015, available at https://www.regeringen.ax/alandsk-lagstiftning/alex/2015103.
58. More information on the Energy Authority and the Åland Energy Authority is available at https://energiavirasto.fi/en/frontpage and https://www.regeringen.ax/understallda-myndigheter/alands-energimyndighet.
59. The quality and efficiency of the Finnish electricity sector is reflected in firms' perceptions. According to the World Bank Enterprise Surveys 2020 data for Finland, 2% of business owners and top managers identified electricity as the biggest obstacle to business activities in Finland, compared with 9% at the global level. Losses due to outages were reported to amount to 0.2% of annual sales, less than 5% of the global average for 153 economies. For more information, see https://www.enterprisesurveys.org/en/data/exploreeconomies/2020/finland.
60. Article 100 of the Electricity Market Act (Law No. 588 of 2013) establishes compensation for power service interruptions. In the five benchmarked cities in continental Finland, utilities must compensate their customers for interruptions longer than 12 hours, with increasing amounts based on the total duration. In Mariehamn, the local utility compensates customers for interruptions longer than 72 hours, as the region of Åland is composed of different islands and ferry schedules may not allow for faster service restoration in certain cases (according to consultations in April 2022 with the utility responsible for electricity distribution in Åland).
61. To measure the reliability of supply and the transparency of tariffs, this study uses an index scored from 0 to 8 points. The index measures the monitoring of power outages by the energy regulator; the use of automated systems to monitor service interruptions and restore supply; the existence of financial deterrents aimed at limiting outages; and whether effective tariffs are available online and customers are notified of a change in tariffs a full billing cycle in advance. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
62. This inspection is required for connections of 35 amperes or above in continental Finland; in Mariehamn (Åland), this requirement applies to connections of 20 amperes or above.
63. This according to interviews with distribution utilities, electrical contractors, and other private sector practitioners, carried out between November 2021 and April 2022.
64. Article 20 of the Electricity Market Act (Law No. 588 of 2013).
65. The Austrian regulator's website is available at https://www.e-control.at/marktteilnehmer/erhebungen/erhebungen-zur-qualitaet-der-netzdienstleistung.
66. Based on Article 20 of the Electricity Market Act (Law No. 588 of 2013) and on the pricing guidelines issued by the Energy Authority (https://energiavirasto.fi/documents/11120570/12768744/Liittymien-hinnoittelumenetelm%C3%A4t.pdf/4f688ec1-4da9-bf7c-2314-087ed394ac4c/Liittymien-hinnoittelumenetelm%C3%A4t.pdf?t=1593167892101#:~:text=Liittymien%20hinnoittelun%20tulee%20olla%20kohtuullista,sek%C3%A4%20tasapuolisia%20ja%20l%C3%A4pin%C3%A4kyv%C3%A4sti%20perusteltuja).
67. The French Energy Code (Article L342-11) specifies that urban planning commissions are to bear the cost of extension works for the electricity grid provided that the network extension can benefit future residents and firms.
68. World Bank. 2021. *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*. Washington, DC: World Bank; World Bank. 2018. *Doing Business in the European Union 2018: Croatia, Czech Republic, Portugal and Slovakia*. Washington, DC: World Bank.
69. Information on the percentage of paper transactions was provided by the NLS during consultative meetings as part of this study (March to April 2022).
70. In Finnish law, apartments are seen as movable property and the buildings are owned by housing companies (asunto-osakeyhtiö, fin). The apartment dwellers are considered shareholders.
71. The Real Estate Code (540/1995) (unofficial translation) is available at https://www.finlex.fi/fi/laki/kaannokset/1995/en19950540_19980964.pdf.
72. Information in English about the Property Transaction Service can be found at https://www.kiinteistoasiat.fi/english_info.
73. The requirements are based on the Real Estate Code 2:1.3.
74. The role of public purchase witness can be carried out by certain civil servants such as, public notaries, chief constables, chief bailiffs, and cadastral surveyors, or by private sector professionals (commonly, real estate agents) who have applied and received the right to act in this role. A search engine for public purchase witnesses is available online, at https://kaupanvahvistajarekisteri.nls.fi/public_html?command=browse.
75. Individuals can identify themselves electronically by using Finnish online bank accounts, mobile certificates or certificate cards.
76. Using the National Land Survey's website (https://turvaviesti.maanmittauslaitos.fi/), the client gets a secure email link for sending documents.
77. Information about submitting applications in Åland can be found at https://e-tjanster.ax/e-form/sv/4f52b832bd.
78. The conditions for being granted a permit are stated in the Provincial Regulation on the Land Acquisition Permit (2003:70) 6 §.
79. Average processing times are published on the NLS website, available at https://www.maanmittauslaitos.fi/en/application-processing-times. The applicant may ask the

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NLS for an individual estimate, as per the Administrative Procedure Act (434/2003) 23.2 §.

80. Based on unofficial estimates received in consultative meetings with the NLS in June 2022.
81. World Bank Group. 2011. "Leveraging Technology to Support Business Registration Reform: Insights from recent country experience." The Investment Climate in Practice Note Series No. 17. Washington, DC: World Bank Group.
82. The member states that have introduced service delivery standards are Bulgaria, Cyprus, Czechia, Estonia, Hungary, Ireland, Latvia, Lithuania, Malta, the Netherlands, Portugal, Romania, Slovakia, Spain, and Sweden.
83. European Commission. 2022. *The 2022 EU Justice Scoreboard*. Luxembourg: European Commission. Published on May 19, 2022. See figure 4, available at https://ec.europa.eu/info/files/eu-justice-scoreboard-2022_en.
84. Code of Judicial Procedure (4/1734; amendments up to 732/2015 included).
85. This study considers the applicable court to be the local court with jurisdiction over commercial contract cases worth 200% of income per capita.
86. Information about the Market Court is available at https://www.markkinaoikeus.fi/fi/.
87. There are 20 district courts in Finland, including the Swedish-speaking District Court of Åland in Mariehamn.
88. Applications for summonses in cases involving uncontested debts may be submitted to the district court using the electronic service of the judicial administration (Santra). E-services of the Justice Administration, available at https://asiointi2.oikeus.fi/karajaoikeus-haastehakemus/julkinen_ohje/listing.
89. Court Fees Act No. 1415 of December 11, 2015, Section 12, available at https://www.finlex.fi/fi/laki/ajantasa/2015/20151455#P12. As of January 1, 2022, the court fee for litigating at the district courts after the case is resolved through the main hearing is EUR 530. Decree of the Ministry of Justice on the revision of the fees stipulated in Section 2 of the Court Fees Act, available at https://finlex.fi/fi/laki/alkup/2021/20211122.
90. In 2021, 99.1% of civil cases (excluding application cases) were resolved through the written procedure. The average processing time for these civil cases was 2.63 months. Statistics available at the website of the Finnish judicial system (Tuomioistuinlaitos - oikeus.fi), https://oikeus.fi/tuomioistuimet/en/index/tuomioistuinlaitos/statistics.html.
91. National Enforcement Authority Finland, available at https://www.ulosottolaitos.fi/en/index.html#.
92. The enforcement application can also be filed by email or post or be delivered in person to a local enforcement office. The electronic enforcement service is available at https://www.ulosottolaitos.fi/en/index/informationonenforcement/tietoavelkojalle/ulosotonhakeminen.html#.
93. Enforcement Code (705/2007; amendments up to 987/2007 included), Ministry of Justice, Finland (unofficial translation), Chapter 5, Section 1, available at https://finlex.fi/fi/laki/kaannokset/2007/en20070705_20070987.pdf.
94. Chapter 5, Section 2, of the Enforcement Code allows enforcement officers to choose how to conduct the auctions, and there is the possibility of conducting them online. See https://huutokaupat.com/. Conversation with private sector contributor in Helsinki, February 2022.
95. In 2019, the District Court of Oulu resolved 123 civil disputes through mediation and 118 after a main hearing; in 2020, it resolved 107 disputes through mediation and 109 through a main hearing; and in 2021, there were 94 disputes decided through mediation and 118 through a main hearing. Statistics available at the website of the Finnish judicial system (Tuomioistuinlaitos - oikeus.fi), https://oikeus.fi/tuomioistuimet/en/index/tuomioistuinlaitos/statistics.html.
96. In 2021, the District Court of Oulu, staffed with 32 judges, received a total number of 35,479 cases, compared with 32,929 cases in 2020 and 37,093 in 2019. In the same period, the District Court of South West Finland in Turku, with its 40 judges, received a total of 60,911 cases in 2021; 59,611 cases in 2020; and 56,617 cases in 2019. The District Court of Ostrobothnia in Vaasa, with its 21 judges, showed even greater increases in the number of cases: it received 49,416 cases in 2021, up from 45,555 in 2020 and 28,641 in 2019. Statistics available on the website of the Finnish judicial system (Tuomioistuinlaitos - oikeus.fi).
97. The District Court of Oulu's 32 judges are divided into three departments: one department hears litigious civil cases (as well as family cases, mediation, and insolvency); the second one hears only criminal cases; and the third deals only with summary civil cases. 2021 Annual Report of the District Court of Oulu, see page 6, available at https://oikeus.fi/karajaoikeudet/oulunkarajaoikeus/fi/index/toimintakertomukset.html.
98. Information obtained from official statistics published on the website of the Finnish judicial system (Tuomioistuinlaitos - oikeus.fi).
99. National Court Administration Finland. Releases available at: https://tuomioistuinvirasto.fi/fi/index/ajankohtaista/tiedotteetjauutiset/2021/vuonna2020koronaviruspandemiaruuhkauttikarajaoikeudet.html.
100. Conversation with a district court judge in Mariehamn, held during the consultation period of this study (February to April 2022).
101. 2021 Annual Report of the District Court of Helsinki, page 16. The Court employs 99 judges, 180 office staff members, and 50 process servers. The report is available at https://oikeus.fi/karajaoikeudet/helsinginkarajaoikeus/fi/index/vuosikertomukset.html.
102. Application cases, which deal with different matters (such as registration of various rights, custody, family, or bankruptcy matters), are simpler and faster than litigation, as the applicant usually lacks a counterparty. Code of Judicial Procedure, Chapter 8, Section 1.
103. 2021 Annual Report of the District Court of Helsinki, page 11.
104. An enforcement fee is paid for pretrial attachment in the amount of EUR 225. List of enforcement fees available at https://ulosottolaitos.fi/en/index/informationonenforcement/enforcementfees.html.
105. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
106. Siro, Jukka. Blog post: "The most harmonious nation in Europe?" (unofficial translation of title). Finnish Association of Procedural Law, available at https://www.prosessioikeus.fi/euroopan-sopuisin-kansa/#_ftnref2.
107. Arbitration Act of Finland (967/1992; amendments up to 754/2015 included), unofficial translation, Ministry of Justice, Finland, available at https://www.finlex.fi/en/laki/kaannokset/1992/en19920967.pdf; Act on Mediation in Civil Matters and Confirmation of Settlements in General Courts (394/2011), unofficial translation, Ministry of Justice, Finland, available at https://www.finlex.fi/en/laki/kaannokset/2011/en20110394.pdf.
108. Laws that set time standards for key court events and are respected in practice are available in Bulgaria, Croatia, Greece, Hungary, Italy, Latvia, Malta, Portugal, Romania, and Slovenia.
109. Popova Oleksandra, Maroz Raman, and María Antonia Quesada Gámez. 2021. "The undeniable benefits of court automation." World Bank Blogs. Available at https://blogs.worldbank.org/developmenttalk/undeniable-benefits-court-automation.
110. Courts with specialized commercial jurisdictions are available in Austria, Belgium, Bulgaria, Croatia, France, Germany, Hungary, Ireland, Luxembourg, Poland, Romania, and Slovenia.
111. European Commission for the Efficiency of Justice (CEPEJ). 2019. *European Handbook for Mediation Lawmaking*. Strasbourg: CEPEJ. Avalable at https://rm.coe.int/cepej-2019-9-en-handbook/168094ef3c#_Toc9936429.
112. Article 69b of the German Court Fee Code (Gerichtskostengesetz – GKG), available (in German) at https://www.gesetze-im-internet.de/gkg_2004/BJNR071810004.html#BJNR071810004BJNG001101311.
113. Article 17 of Italian Legislative Decree 28/2010 states that all acts and documents related to mediation are exempt from stamp duty, all expenses, taxes, and other charges. The court may also order sanctions for parties who refuse to attempt mediation in good faith. For example, the judge can impose an additional payment on a party who declines to participate in the mediation process without a valid justification.
114. European Parliament. 2014. *Rebooting' the Mediation Directive: Assessing the Limited Impact of its Implementation and Proposing Measures to Increase the Number of Mediations in the EU*. Brussels: European Parliament. Available at https://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL-JURI_ET(2014)493042.

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Subnational Investment Climate Assessment: SWEDEN

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- **This report presents regional-level data and analyzes regulatory hurdles facing entrepreneurs in eight cities in Sweden** (Gävle, Göteborg, Jönköping, Malmö, Stockholm, Sundsvall, Umeå, and Uppsala) across five areas (business start-up, building permits, electricity connection and supply, property transfer, and commercial litigation).

- **The Swedish business environment is relatively homogenous across locations, despite subnational differences in three areas.** Of the 16 EU member states assessed by this series, Sweden has one of the most homogeneous business environments across locations. Swedish cities have the second-smallest gap between the city with the lowest score and the city with the highest score across the five regulatory areas benchmarked.

- **Where there is variation among locations, smaller cities in Sweden tend to perform better.** This is the case when it comes to building permits, electricity connection and supply, and commercial litigation.

- **Swedish cities outperform the EU average on most indicators, yet they lag behind the top EU performers.** All Swedish cities outscore the EU average in every area but business start-up, but they have room for improvement to achieve best practices in the European Union. The property transfer area is where the gap between the Swedish cities' performance and the best practice in the EU is narrowest.

- **Differences in time and cost drive the variations among Swedish cities in building permits, electricity connection, and commercial litigation.** The most notable differences are related to the electricity indicator. Getting a commercial electricity connection takes almost two months in Gävle and four months in Stockholm, while the cost to obtain a new electricity connection varies from 25.6% of income per capita in Jönköping to more than four times higher in Stockholm (111.5%).

- **Overall, Umeå and Sundsvall have the fastest turnaround times and are the least expensive cities across the five regulatory areas benchmarked.** Aggregating the total time and cost to comply with regulations in all five categories studied reveals that it takes entrepreneurs in Uppsala more than three months longer than their peers in Umeå to comply with bureaucratic requirements, and the cost of compliance in Sundsvall is about one-fourth less than in Stockholm.

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Sweden is an open economy that has successfully implemented sound economic policies over the years. During the five years before the start of the COVID-19 pandemic, its gross domestic product (GDP) grew at an average annual rate of 2.6%. In 2019, Sweden had the fourth-highest per capita GDP and the highest labor force participation rate in the European Union.[1] An integral part of Sweden's economic success is an investment climate conducive to business, which has been widely recognized by various global indexes. Sweden continually holds a prominent position on *Forbes'* Best Countries for Business list; it currently ranks second.[2] It also holds the number-three spot on the Global Innovation Index[3] and has maintained a top-ten ranking on the World Economic Forum's Global Competitive Index.[4] Sweden has ranked among the "cleanest" economies on Transparency International's Corruption Perception Index over the years.[5] Finally, with digitalization a high national priority, Sweden ranked among the top three EU economies, along with Denmark and Finland, on the European Commission's 2021 Digital Economy and Society Index (DESI) and fourth in 2022.[6] The high level of digitalization, internet penetration, and provision of online services in Sweden enabled remote work and continuity of government functions during the height of the COVID-19 crisis. This was important for the private sector and its recovery.

Sweden boasts a large number of major companies, many of which have a significant international footprint and contribute substantially to a vibrant domestic private sector, both in terms of employment and economic activity.[7] However, 99.9% of firms in Sweden are small and medium enterprises (SMEs), and they generate almost two-thirds of the private sector employment.[8] It is thus highly relevant to examine business regulations through investment climate indicators as they apply to domestic SMEs at the city level, given the importance of these smaller businesses to Sweden's economy. Circumstances in the world economy can change for reasons beyond the control of any one government and can heavily affect large international firms, including Swedish ones. But those firms typically have the bandwidth to withstand crisis. That is not always the case for domestic SMEs. Therefore, having an environment conducive to business, with sound regulations applicable to SMEs, is critical for the resilience of the economy in the long run.

Clear, simple, and coherent business regulations provide the stable and predictable rules that firms need to function effectively, and encourage long-term growth and sustainable economic development. Excessive regulation, on the other hand, can constrain the ability of firms to reach the minimum size required to be competitive, undercutting their chances of becoming more productive, operating internationally, and attracting foreign investment. This report aims to fill in some of the gaps in what is known about the quality and features of business regulations across Sweden. It compiles city-level data that can be used to analyze the regulatory hurdles entrepreneurs face in eight main cities: Gävle, Göteborg, Jönköping, Malmö, Stockholm, Sundsvall, Umeå, and Uppsala. The report highlights opportunities for local policy makers to adopt in-country examples of good practices to improve regulatory performance in their jurisdictions. It also provides examples of good practices from other EU member states.

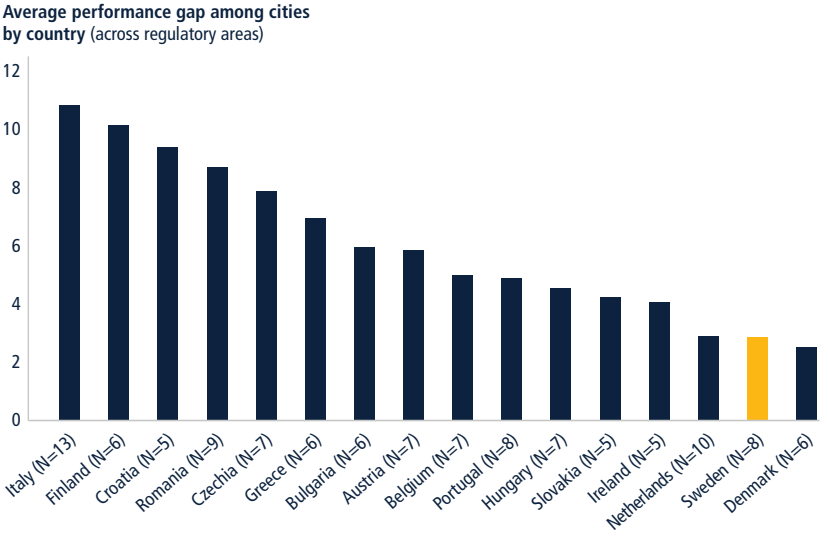
MAIN FINDINGS

The Swedish business environment is relatively homogenous across locations, despite subnational differences in three areas

Swedish entrepreneurs face a similar regulatory environment regardless of where in the country they establish their business. Of the 16 EU member states assessed by this series,[9] Sweden has one of the smallest average performance gaps between the city with the lowest score and the city with the highest score across the five regulatory areas benchmarked (figure 4.1).

All Swedish cities have identical scores in the areas of business start-up and property transfer (table 4.1). This is because

FIGURE 4.1 Sweden has the second-smallest average spread between the lowest- and highest-scored cities, after Denmark



Sources: Data collected for this publication; *Subnational Doing Business* database.
Note: "N" reports the number of cities benchmarked in each economy. The figure considers only the EU member states that have been benchmarked at the subnational level. The full data for the series are available at www.doingbusiness.org/eu.

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TABLE 4.1 Smaller cities tend to perform better in the three areas where there is variation at the local level

	Business start-up		Building permits		Electricity connection and supply		Property transfer		Commercial litigation	
City	Rank (1–8)	Score (0–100)	Rank (1–8)	Score (0–100)	Rank (1–8)	Score (0–100)	Rank (1–8)	Score (0–100)	Rank (1–8)	Score (0–100)
Gävle	1	87.05	3	77.43	6	85.53	1	90.17	2	70.62
Göteborg	1	87.05	7	76.28	3	88.00	1	90.17	6	67.44
Jönköping	1	87.05	8	75.96	2	90.75	1	90.17	2	70.62
Malmö	1	87.05	5	77.13	7	84.46	1	90.17	6	67.44
Stockholm	1	87.05	6	76.79	8	84.29	1	90.17	6	67.44
Sundsvall	1	87.05	1	78.61	1	91.71	1	90.17	2	70.62
Umeå	1	87.05	4	77.29	4	87.84	1	90.17	1	71.58
Uppsala	1	87.05	2	77.59	5	86.61	1	90.17	5	69.94

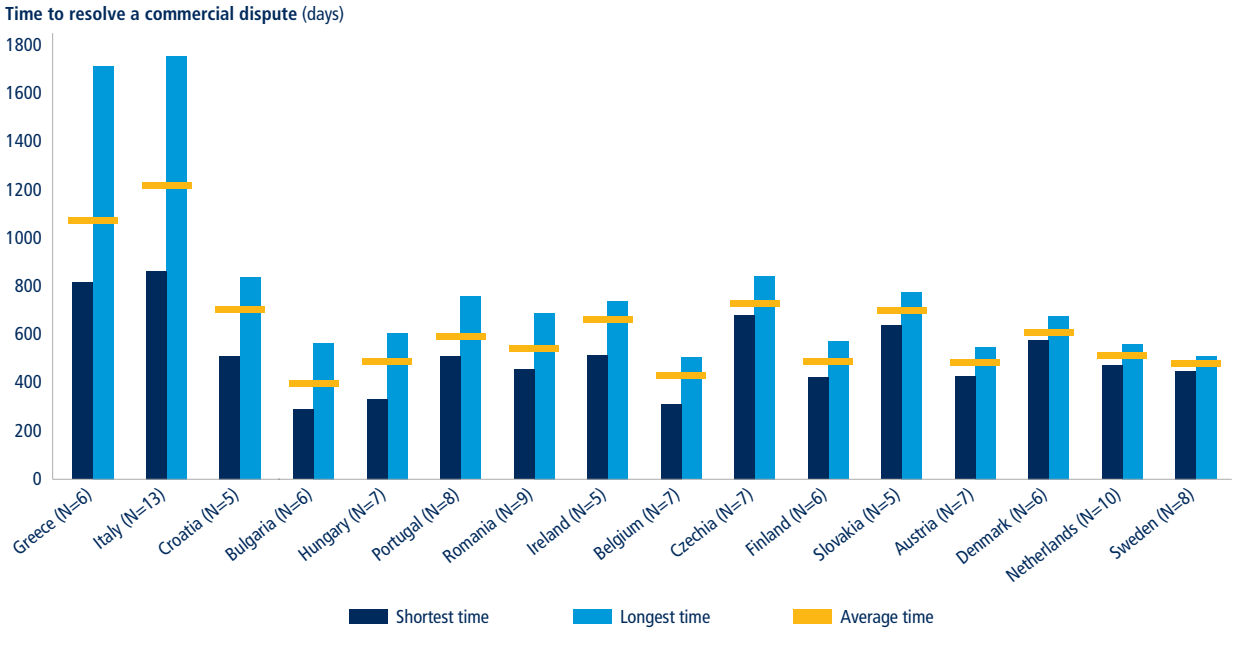
Source: Data collected for this publication.
Note: The indicator scores show how far a location is from the best performance achieved by any economy on each indicator. The scores are normalized to range from 0 to 100 (the higher the score, the better). For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

both areas are managed at the national level. Most entrepreneurs register their new companies through a national online platform, while most property transfer requests are completed electronically using an electronic identification service.

Although the rest of the regulatory areas measured in this report reveal differences, convergence trends are also observed in these areas. For example, in the area of building permits, the performance of Swedish cities is the most homogeneous among the 16 EU member states benchmarked by this series. All Swedish cities apply the procedural requirements uniformly and abide by national standards of service delivery regarding the time to issue building permits.

Similarly, in the area of commercial litigation, the Swedish National Courts Administration has made continuous efforts to allocate resources so as to achieve parity of service in courts across the country. Measures include reinforcement of the courts' workforce with retired judges as well as rotation of active judges between the courts in order to clear any backlogs. As a result, there is less variation in efficiency among Swedish courts than is the case in other EU member states (figure 4.2).

FIGURE 4.2 Sweden has the least variation in the time it takes to resolve a commercial dispute across cities



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.
Note: "N" reports the number of cities benchmarked in each economy. The figure considers only the EU member states that have been benchmarked at the subnational level. Economies are ordered based on the significance of variation in the time to resolve a commercial dispute. The full data for the series are available at www.doingbusiness.org/eu.

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Promoting a homogeneous business environment among regions and cities, as Sweden does, matters to business. It provides more certainty for investors and potentially a fairer regulatory environment for firms, regardless of their location within national borders. Research looking at cities across several EU member states found that firms located in places with a better business regulatory environment outperformed their peers from lagging regions within the same countries in sales, employment and productivity growth, and investment.[10]

Where there is variation among locations, smaller cities tend to perform better

Smaller cities in Sweden perform relatively better in building permits, electricity connection and supply, and commercial litigation—the three areas with local variations among the benchmarked cities. Sundsvall leads in the areas of building permits and electricity connection and supply, and it holds the number-two spot in the area of commercial litigation, along with Jönköping and Gävle. Jönköping also ranks second in electricity connection and supply. Umeå ranks among the top four cities in all three areas, taking the lead in commercial litigation.

By contrast, Stockholm ranks among the bottom three cities in all three of these areas, while Göteborg and Malmö are among the bottom three in two areas. The lower scores in the three largest cities are mostly driven by lower efficiency levels, especially in terms of time and cost.

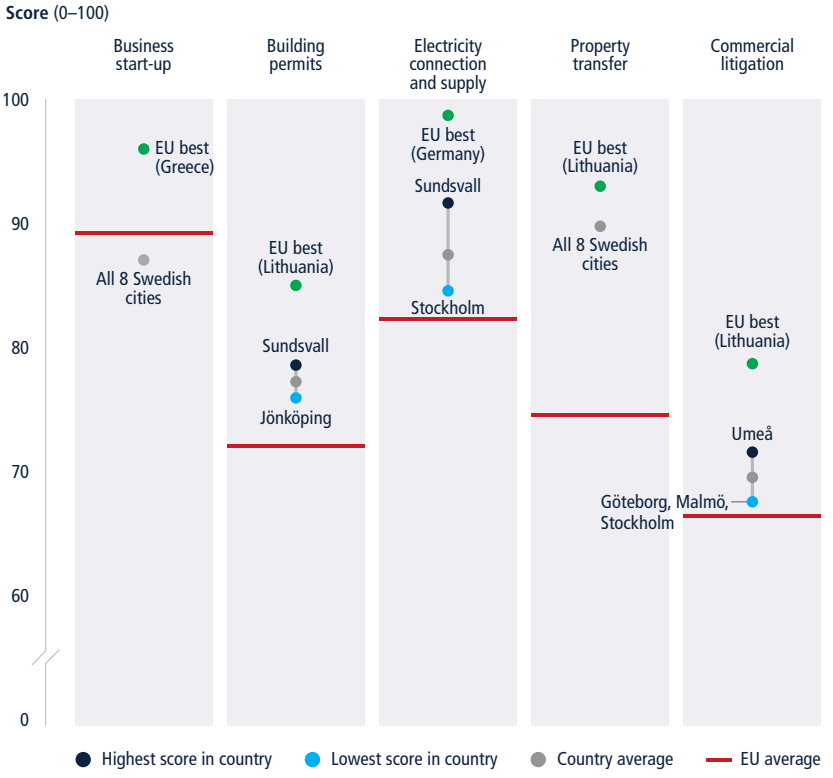
Swedish cities outperform the EU average on most indicators, yet they lag behind the top EU performers

All Swedish cities outscore the EU average in every area but business start-up (figure 4.3). This is in part due to faster times in the categories of building permits, electricity connection and supply, and commercial litigation. The results can be partially attributed to the consolidation of requirements, streamlining of procedures, digitalization and computerization, linking of databases, and better coordination among various agencies. Swedish cities also have high scores on the quality of regulations on property transfer as well as on electricity connection and supply.

In the area of property transfer, Swedish cities outperform the EU average in every category in terms of efficiency of implementation and quality of regulation. In fact, this area is where the gap between the performance of Swedish cities and the best practice in the EU is narrowest. It takes only 10 days for Swedish entrepreneurs to transfer a property—one-third the EU average of almost a month and the fifth-fastest time among the EU member states. Transferring a property from one private company to another requires only one procedure in Sweden, a good practice equaled only by Portugal among the EU economies. Lastly, Swedish cities score 28 points (out of a maximum of 30) on the quality of land administration index—just shy of the EU best practice of 28.5 found in the Netherlands and Lithuania.

To obtain a new electricity connection, Swedish firms need to complete four procedures over 80 days at a cost of 42.8% of income per capita—nearly three weeks faster and more than 60% less costly than in the average EU member state. Yet Sweden remains behind the top EU performers on procedural steps and time (Germany) as well as cost (France).

FIGURE 4.3 Swedish cities perform above the EU average in all areas but business start-up



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The scores show how far a location is from the best performance achieved by any economy in each area. The scores are normalized to range from 0 to 100 (the higher the score, the better). EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

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In terms of building permits, all eight benchmarked Swedish cities require nine procedures, which take an average of 134 days at a cost of 2.2% of the warehouse value. That is five fewer steps and nearly eight weeks faster than the EU average but slightly more costly. In the European Union's best-performing economies in this area, such as Denmark, the same process requires seven steps, and in Lithuania, the turnaround time is two months faster than the Swedish average. This indicator also includes the building quality control index to complement the efficiency components. Swedish cities score 10 out of 15 points—below the EU average of 11.8 points. By making improvements in the areas of liability and insurance regimes as well as requirements for professional certifications, Sweden could be on par with Luxembourg, which scores the maximum of 15 points.

The average time to resolve a commercial dispute and have the judgment enforced across Swedish cities is 16 months—considerably faster than the EU average of 22 months. But the cost of commercial litigation in Sweden is higher (at an average of 25.6% of claim value) than the EU average (20.2%) and much higher than in Germany (14.4%). This indicator also scores judicial quality by assessing whether the courts have adopted certain international good practices. Swedish courts score 12 out of 18 points on this index. By making several improvements, especially in the areas of court structure and case management, Sweden could surpass Lithuania, the top EU performer with 15 points.

Swedish cities also have room for improvement to close the gap with other EU economies in the business start-up area. The process is much slower in Sweden (33 days) than the EU average of two weeks, despite the availability of online services for business and tax registration. Both the Swedish Companies Registration Office and the Swedish Tax Agency take more than two weeks each to issue their respective decisions. The process of setting up a business in Sweden is among the slowest in the European Union. Business start-up takes longer only in Finland (33.5 days) and Poland (37 days).

Differences in time and cost drive the variations among Swedish cities in building permits, electricity connection and supply, and commercial litigation

The most notable differences among Swedish cities are observed in the indicator on electricity connection and supply (figure 4.4). Getting a commercial electricity connection takes almost two months in Gävle and four months in Stockholm. The time difference is mostly driven by the time it takes the utility to obtain excavation permits and complete connection works. In Gävle and Jönköping, the municipality delivers excavation permits in 10 days, whereas utilities in Stockholm can wait up to two months for an excavation permit. To carry out connection works, utilities need 25 days in Gävle but around two months in Malmö and Stockholm.

The cost to obtain a new electricity connection varies from 25.6% of income per capita in Jönköping to more than four times higher in Stockholm (111.5%). The Swedish capital stands out as the most expensive city due to specific local technical requirements and stricter regulations for designing and laying out the new connections. This makes the connection works complex and costly for the main local utility, Ellevio AB, which faces additional costs related to transporting the excavated soil to the city's outskirts. The costs can also vary by local distribution utility, as each is able to set its own connection fees.

In the area of building permits, even though all cities apply the same legal framework and have nine procedural requirements, there are differences in the time and cost it takes to implement the national regulations. The more significant variation is seen in the cost, which ranges from 1.8% of the warehouse value in Sundsvall to 2.8% in Göteborg. Water and sewerage utility connection fees and building permit fees account for the main cost differences. For instance, the utility in Uppsala charges about SEK 220,844 (EUR 21,450[11]) for the connection fee, while the utility in Göteborg charges more than twice as much, SEK 448,894 (EUR 43,600). Building permit fees are the least expensive in Umeå and Sundsvall—SEK 70,290 (EUR 6,827) in the former and SEK 78,820 (EUR 7,656) in the latter—and cost the most in Malmö, at SEK 162,288 (EUR 15,763).

Differences in the time needed to deal with construction permits are driven by the time it takes to obtain a new construction map and a building permit. Obtaining the map takes 10 days in Göteborg and more than three times longer in Jönköping (35 days). The time it takes to obtain a building permit varies from 53 days in Sundsvall to 70 days in Gävle, Göteborg, Jönköping, Malmö, and Uppsala.

In commercial litigation, the time to resolve a commercial dispute and enforce a judgment ranges between 15 months in Umeå and 17 months in Uppsala. All other cities fall halfway in between, at 483 days. The trial and judgment phase accounts for the difference, taking 11 months in Umeå and 13 months in Uppsala. Judges' workloads help explain some of the variation. Court statistics show that in Umeå, the number of cases per judge in 2021 was less than half the average found across the eight district courts. The cost of commercial litigation diverges sharply between the smaller cities (22.4% of claim value) and the three largest cities (30.9% of claim value), exclusively due to attorney costs.

These differences in regulatory performance across cities can help policy makers identify opportunities to improve administrative processes and build the capacity of local institutions.

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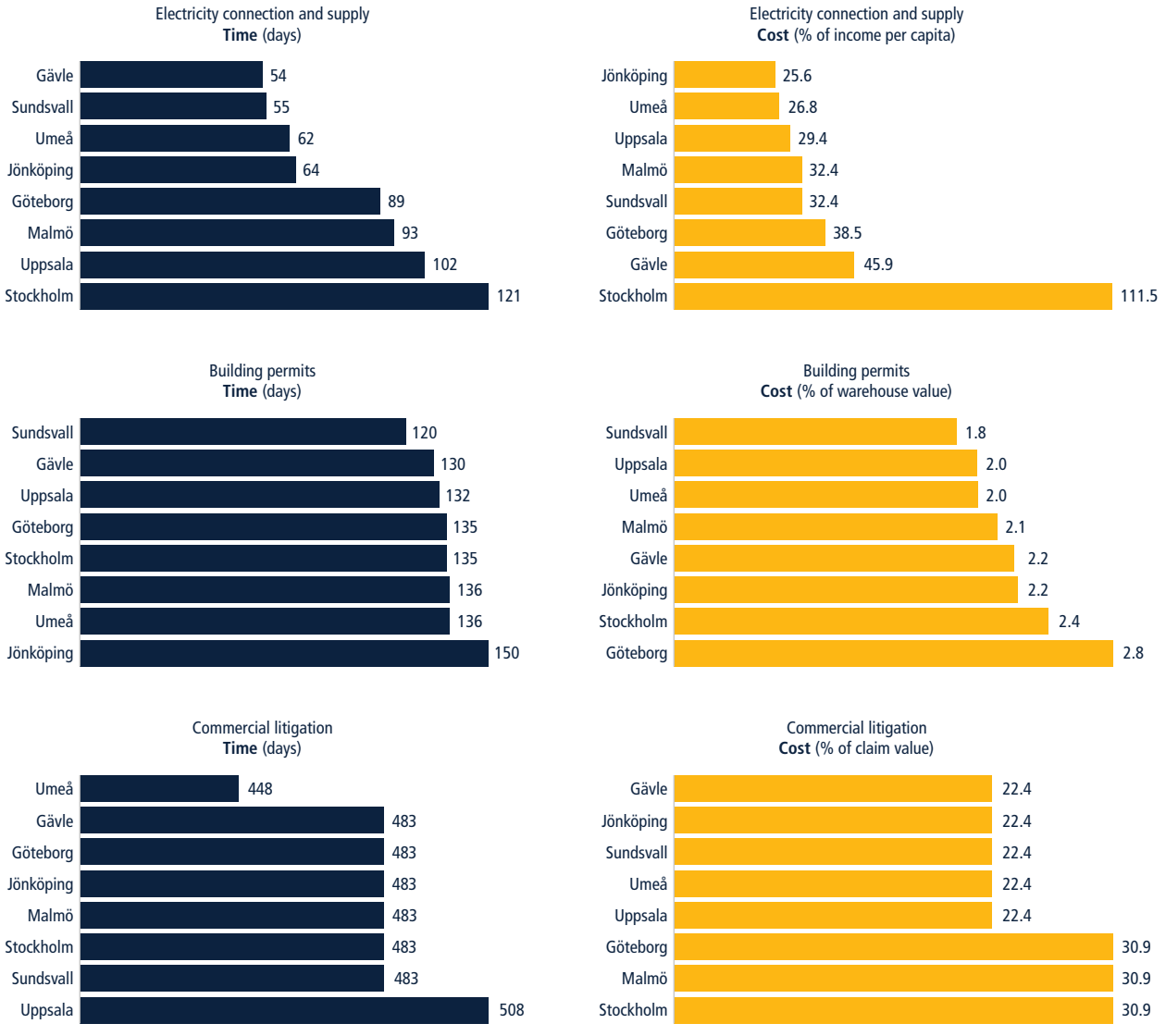
FIGURE 4.4 Time and cost are the factors that vary the most across the three regulatory areas with local differences



Source: Data collected for this publication.

Overall, Umeå and Sundsvall have the fastest turnaround times and are the least expensive cities across the five regulatory areas benchmarked

Aggregating the total time and cost to comply with regulations in all five categories studied reveals some interesting results (figure 4.5). It takes entrepreneurs in Uppsala more than three months longer than their peers in Umeå to comply with bureaucratic requirements, and the cost of compliance in Sundsvall is about one-fourth less than in Stockholm. Generally, the regulatory process is lengthier and more costly in the three largest cities. However, among the smaller cities there are a couple of exceptions—Uppsala with the longest time and Gävle with the third-highest cost. The trial and judgment phase takes longer in Uppsala than anywhere else in the country, while Gävle is second only to Stockholm in the cost to get an electricity connection.

WHAT IS NEXT?

Swedish authorities have excelled in attracting a gamut of commercial activity, boosting the country's economic performance and resilience over the years. Nevertheless, making the business environment more conducive to small and medium-size firms should continue to be a priority for local and national authorities. This report compares the different

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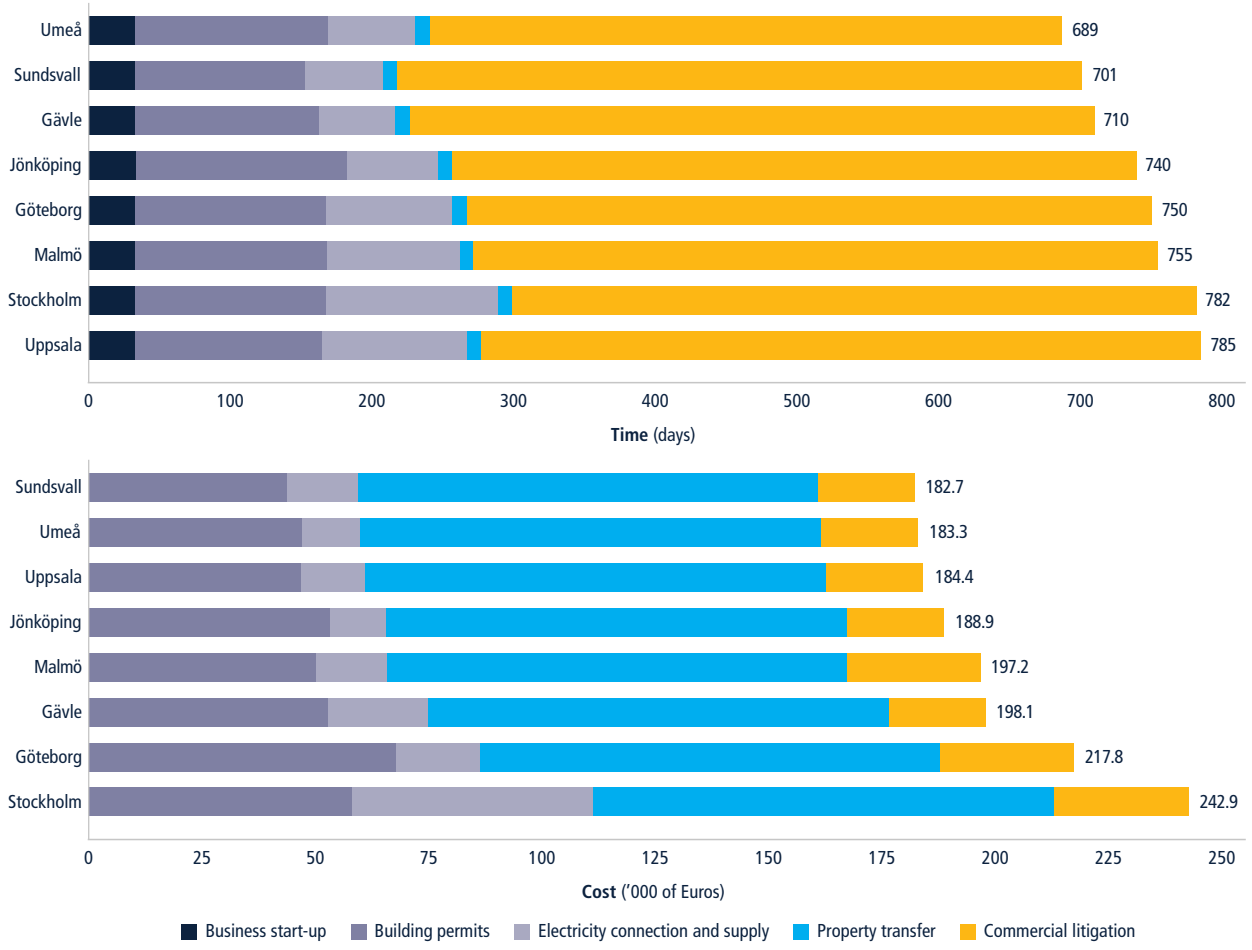
FIGURE 4.5 Entrepreneurs in Umeå and Sundsvall spend less time and resources complying with bureaucratic requirements than their peers in Stockholm or Uppsala



Source: Data collected for this publication.

regulations and their local implementation and points to possible improvements (table 4.2). It also identifies specific agencies in charge of initiating and implementing reforms. For some areas, such as business start-up and property transfer, the agencies are all national; for others, the reform process involves multiple national and local agencies. The objective is to encourage regulation that is designed to be efficient, accessible to all, and simple to implement, to help the private sector thrive.

The suggested improvements do not imply that all locations would automatically benefit from emulating a specific good practice. Several factors determine whether replicating a good practice is beneficial, including local economic priorities, resource allocations, and trade-offs between the results of improvement and the cost of implementation.

Swedish cities can improve the regulatory environment by adopting good practices already in place in EU member states—and in some cases, even within Sweden

Sweden remains among the 15 EU economies that maintain a significant paid-in minimum capital requirement for newly registered businesses—set at SEK 25,000 (EUR 2,428), the equivalent of 5.1% of income per capita. Reducing or eliminating the paid-in minimum capital requirement would be a straightforward legislative reform that national authorities could undertake to decrease the burden on entrepreneurs looking to start a business in Sweden. Twelve EU member states[12] have already eliminated the paid-in minimum capital requirement or reduced the amount required to less than 0.1% of income per capita.

Swedish entrepreneurs wait more than a month to start up a business. The same process in Denmark can be completed in just six days. Swedish authorities could take steps to reduce the delays; these

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could include implementing an automated name verification system and integrating tax registration into the business incorporation process. Automated name verification models have been implemented in Portugal, among other EU member states. Twelve EU economies[13] have already merged tax registration with company registration. The main ingredients to streamline the business start-up process are already in place in Sweden. Both the Swedish Companies Registration Office and the Swedish Tax Agency have electronic databases and online registration platforms. Sharing information and eventually merging the registration online would be the ultimate goal.

Some of the reforms recommended for business start-up in Sweden have already been achieved in the area of property transfer. For instance, all necessary steps to register a real estate transaction have been merged into one registration procedure (a global good practice), which takes a fast 10 days.

To increase the efficiency of issuing construction permits, Sweden could enhance its permitting systems by making them fully electronic. Some core prerequisites would be in order—such as the implementation of a robust geographic information system (GIS) to generate comprehensive maps. Good GIS practices already exist in multiple EU member states, including a state-of-the-art platform in Lithuania. The final goal of such reforms in Sweden would be to create a single-service window for building permits that entrepreneurs could easily access electronically. Diversifying statutory time limits and project scrutiny based on construction complexity would also help increase efficiency, especially for entrepreneurs with simple construction projects. The introduction of mandatory liability regimes for covering structural defects would improve quality assurance mechanisms in the country. Several EU member states have already established such regimes, including Austria, Belgium, Bulgaria, France, Italy, Luxembourg, and Poland.

Electricity connection and supply is another area where regional and local good practices could be adopted. The establishment of a data hub system could be used to combine connection steps in a digital platform, minimizing interactions and providing ease of access to applicants. Efforts are already underway to do so through regional initiatives being developed by NordREG, the organization of Nordic energy regulators, although implementation will depend on pending legal reforms. Introducing legal deadlines for connection services in Sweden would help make the process more efficient, while publishing statistics would increase transparency. Lastly, Swedish utilities could look to local good practices to explore the possibility of reducing the cost of electricity connections or providing payment plans. For instance, Ellevio AB, the main utility serving Stockholm, in some cases allows customers to pay fees in separate installments rather than all at once and upfront.

Creating a specialized commercial court or a commercial division of a court is a widely accepted good practice for more efficient commercial dispute resolution—12 EU member states[14] have already adopted such practices. In Sweden, the concept could be piloted in a single city and then adopted in other districts courts as needed. Other measures that Swedish authorities could consider to make commercial litigation more efficient include, but are not limited to, setting deadlines for key litigation events and making greater use of case management tools to improve efficiency; publishing judgments at all court levels and making them available online; and expanding the use of electronic case management systems for lawyers. Ten EU member states[15] apply legal time limits for various court events and respect them in practice. One-third of EU economies publish judgments handed down in commercial cases by courts at all levels. Lastly, 13 EU member states[16] have electronic case management tools for both lawyers and judges, including a good model developed in Denmark.

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TABLE 4.2 Opportunities for regulatory improvement in Swedish cities

Regulatory area	Good practices	Relevant ministries and agencies*	
		National level	Local/regional level
Business start-up	Eliminate the paid-in minimum capital requirement	• Swedish Companies Registration Office (Bolagsverket) • Swedish Tax Agency (Skatteverket)	
	Introduce an automated name verification system		
	Streamline tax registration and integrate it into the company incorporation process		
	Integrate registration of beneficial owners with company registration		
Building permits	Implement a robust GIS system that provides appropriate access for the private sector	• Ministry of Finance • National Board of Housing, Building and Planning (Boverket) • Swedish Association of Local Authorities and Regions • Mapping, Cadastral and Land Registration Authority (Lantmäteriet) • Work Environment Authority (Arbetsmiljöverket)	• Municipalities • Water and sewage companies
	Improve electronic permitting systems and create a single-service window for construction permitting		
	Adjust the law to include qualification and educational requirements for professionals reviewing permit applications		
	Diversify mandated time limits and scrutiny based on project complexity to enable fast-tracking for simpler permit applications		
	Introduce mandatory liability requirements to cover professionals in the event of structural defects in construction		
Electricity connection and supply	Establish a data hub system and combine connection steps in a digital platform	• Svenska Kraftnät • Swedish Energy Markets Inspectorate (Energimarknadsinspektionen) • National Electrical Safety Board	• Electricity distribution utilities • Electricity suppliers • Local municipalities
	Introduce legal deadlines for connection services and publish statistics to increase transparency		
	Consider the possibility of reducing the financial burden of electricity connections		
Property transfer	Strengthen complaints mechanisms related to services provided by the land registry	• Mapping, Cadastral and Land Registration Authority (Lantmäteriet)	
Commercial litigation	Consider creating specialized commercial courts or commercial divisions	• Ministry of Justice • Swedish National Courts Administration (Domstolsverket)	• District courts
	Establish deadlines for key litigation events and make greater use of existing case management tools		
	Make judgments at all court levels available online		
	Expand use of electronic case management system for lawyers		

*The list includes the main ministries and agencies relevant to each regulatory area, but other entities might also be involved.

Note: All good practices are detailed at the end of the respective indicator section.

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Business start-up

Setting up a business in Sweden is simpler and less costly than the EU average but takes significantly longer

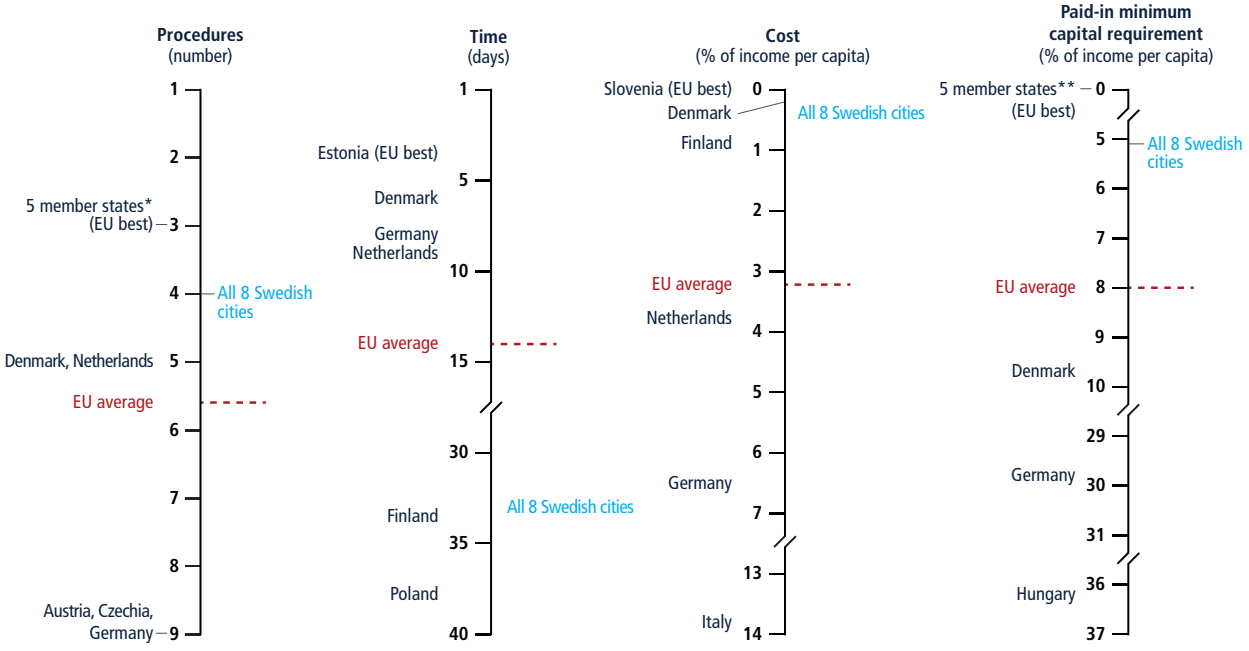
Registering a new limited liability company (Aktiebolag, AB) takes only four procedures regardless of where in Sweden the company is located. This is fewer than the EU average of 5.6 procedures (figure 4.6); however, that does not mean the process is faster. Despite the availability of online services for business and tax registration, the process takes 33 days—more than twice as long as the EU average of 14.2 days—as each agency takes more than two weeks to complete the registration of a new business and issue its respective decision. Only Finnish and Polish entrepreneurs wait longer to set up a business in Europe. On the other hand, the cost to set up a new business in Sweden is relatively low—0.44% of income per capita compared with the EU average of 3.2%—as entrepreneurs can go through the process without needing to request the services of third parties such as notaries or lawyers. Only four other EU economies (Denmark, Ireland, Romania, and Slovenia) have a lower cost than Sweden.

Sweden remains one of the EU member countries that maintains a paid-in minimum capital requirement, which entrepreneurs must deposit in a bank before registering a new limited liability company (LLC). Twelve EU economies have eliminated this requirement or set an amount below 0.1% of income per capita.[17] In Sweden, the minimum capital requirement remains significant, at 5.1% of income per capita, even though the amount was cut in half in 2020, from SEK 50,000 (EUR 4,856) to SEK 25,000 (EUR 2,428).

Entrepreneurs can register a new limited company in four steps

The process to set up a business is the same across all Swedish cities, as no local authorities intervene in the case of new companies performing general commercial activities (figure 4.7). As a first step, entrepreneurs must open an

FIGURE 4.6 Company registration in Sweden is a lengthy process compared with the EU average



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

*Estonia, Finland, Greece, Ireland, Slovenia.

**Belgium, Cyprus, Finland, Ireland, the Netherlands.

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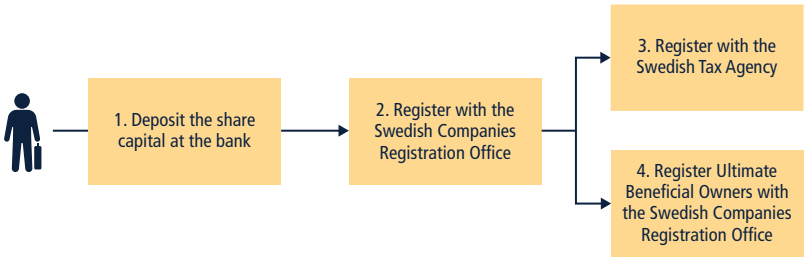
FIGURE 4.7 How does the business registration process work in Sweden?



Source: Data collected for this publication.

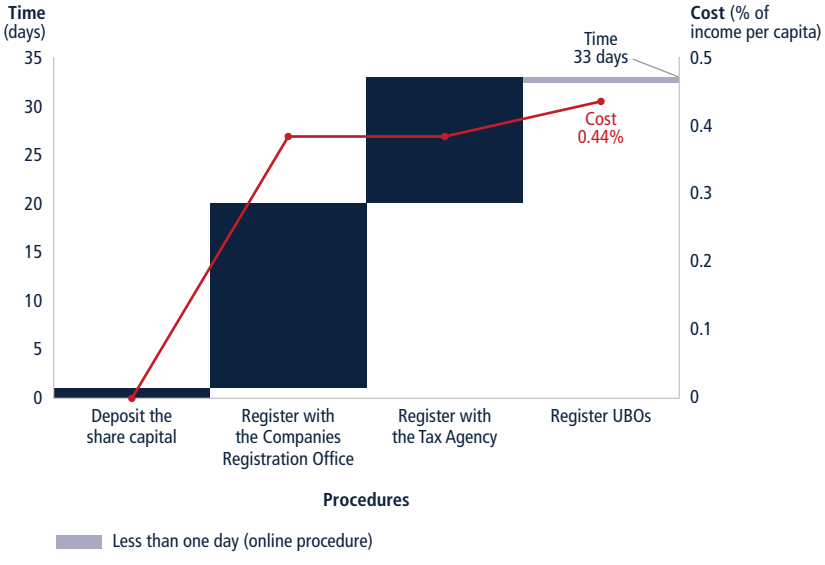
account with a bank, credit market company, or credit institution to deposit the required minimum capital. A new company can be registered only once the minimum capital has been deposited in a credit institution.[18] To open an account on behalf of the company being formed, the partners present the executed memorandum of association (Stiftelseurkund), the articles of association to be adopted, and proof of the identities of the partners. Once the shares are paid, the bank or credit institution issues a certificate (bankintyg), either electronically or on paper, which must be submitted to the Swedish Companies Registration Office (Bolagsverket) to complete the registration process.

Most new limited liability companies in Sweden are registered through an online portal for businesses and entrepreneurs called Verksamt.se. This platform brings together the services of four government agencies: the Swedish Companies Registration Office, the Swedish Tax Agency (Skatteverket), the Swedish Public Employment Service (Arbetsförmedlingen), and the Swedish Agency for Economic and Regional Growth (Tillväxtverket).[19] The portal also provides general guidance for business founders regarding the selection of a company name and allows them to check whether their desired name is already in use. However, the Swedish Companies Registration Office must still conduct a thorough review once it receives the application for company registration.

To register a company online, entrepreneurs must use electronic identity verification (e-identification), which allows applicants to sign the notification electronically to make it legally binding.[20] According to data from the Swedish Companies Registration Office, more than 95% of registrations of new LLCs are done online.[21] The exceptions include cases where the applicant either is not familiar with digital services and prefers a paper-based process or is not a registered resident of Sweden with a Swedish personal identity number, which is necessary for e-identification.

Registration with the Swedish Companies Registration Office takes on average 19 calendar days (figure 4.8). The application goes through different stages, starting with a queuing period from the moment it is submitted to the time it starts being processed. The agency reviews the documents filed by the applicants, including the memorandum and articles of association. It also verifies that the company's partners are not subject to any legal restriction or under personal bankruptcy. According to the Swedish Companies Registration Office, the review and approval of the company name is a step that accounts for a significant amount of the time to register a business.[22] The proposed name is reviewed to make sure that it complies with the provisions established by law, and it is checked against several criteria—including similarity with existing names, distinctiveness, and whether it could be misleading or could be confused with another name or brand. If the name cannot be accepted, the Swedish Companies Registration Office may require the applicant to submit alternative company names, which can lengthen the process.

FIGURE 4.8 It takes approximately one month to register with the Swedish Companies Registration Office and the Swedish Tax Agency



Source: Data collected for this publication.

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In the past two years, the Swedish Companies Registration Office experienced a 27% increase in the number of new LLC registrations, reportedly due to the reduction in the minimum capital requirement in 2020.[23] This surge led to significantly longer processing times by adding delays in the different steps of the registration process. Facing a large volume of applications, the agency had to reallocate and hire staff. Still, training staff on the assessment of company names took time and contributed to reduced efficiency.[24]

After the registration is approved, the Swedish Companies Registration Office assigns the company an organization identity number (Organisationsnummer), issues a certificate of registration delivered by regular post or email, and publishes a notice in the Official Gazette (Post- och Inrikes Tidningar).[25] The organization number is a unique business identification number used by all government agencies.

Once the company is registered with the Swedish Companies Registration Office, the founders must register it with the Swedish Tax Agency. In a single application, the company can register for value added tax (VAT) and for what is called F-tax status (which allows entrepreneurs to receive payment for services without the client deducting preliminary tax), as well as register as an employer. The application can be submitted online or in paper form. Data from the Swedish Tax Agency show that 75% of tax registration applications are received through the electronic service.[26] Similar to the company registration, applicants can submit online applications through Verksamt.se using their personal e-identification (if they are the company's authorized representatives). When registration is complete, the company receives by postal mail the documentation it needs to account for and pay VAT and income tax and make social security contributions.

Registering with the Swedish Tax Agency takes on average 13 days. All applications received nationwide are processed centrally. The Swedish Tax Agency conducts a thorough review of the documents filed by the applicants, including a background check of the business founders. In some cases, further communication with the applicant is necessary to correct the details or request additional documentation.[27] Processing times also increased beginning in January 2021, as a result of changes to the regulations affecting tax registration for foreign companies, which increased the number of applications received by the Swedish Tax Agency.[28]

As a final step, the company must inform the Swedish Companies Registration Office of the identity of the beneficial owners.[29] This requirement has been in place since August 2017, when the Act on the Registration of Beneficial Owners came into force. The identities of the beneficial owners must be registered within four weeks from the date of the company registration and can be done in parallel with the tax registration. A legal entity is required to submit information regarding its beneficial owners and the nature and extent of the beneficial owners' interest in it.[30] It is compulsory to complete this registration through the online service at the Swedish Companies Registration Office website, with an associated cost of SEK 250 (EUR 25).[31]

WHAT CAN BE IMPROVED?

Eliminate the paid-in minimum capital requirement

Historically, the minimum capital requirement for new businesses has served the purpose of trying to ensure that companies are sustainable, that creditors have their investments protected, and that insolvency is less likely. However, there are other factors that influence the chances of failure which cannot be compensated by the minimum capital requirement; these include poor cash management, low employee retention, and competition. Mechanisms other than minimum capital requirements can be used instead to provide security to creditors, such as assessments of a firm's income statements, business plan, and other indicators. The United States, for example, used to impose significant requirements on how much capital had to be contributed and maintained in a corporation. Today, creditors rely primarily on negotiated contractual protections as stipulated in statutory and incorporation agreements.[32] Having a high minimum capital requirement can have a negative effect on new business creation. While Sweden reduced this requirement in 2020 and now requires a lower amount than the EU average, the minimum capital requirement still amounts to 5.1% of income per capita—relatively high considering the EU economies that have reduced it to less than 0.1% of income per capita or eliminated it altogether (figure 4.9).

Worldwide, more than 120 economies have reduced or eliminated their paid-in minimum capital requirements. In 2011, for example, Portugal allowed companies to choose freely the minimum capital amount and to contribute their paid-in capital up to one year after the company's creation.[33] In 2012, Italy lowered the minimum capital requirement from EUR 10,000 to EUR 1 with the introduction of the simplified limited liability company.[34] Most recently, Finland eliminated the requirement to deposit a minimum of EUR 2,500 as paid-in share capital before registration.[35]

Introduce an automated name verification system

Private sector experts and the Swedish Companies Registration Office indicate that the approval of the proposed company name can lengthen the process to register a new company. Entrepreneurs have access to the company registry through Verksamt.se to check if their desired name has already been taken, and the portal also provides guidance on how to choose a company name. However, even if the desired name has not been registered for another company, that does not mean it will be approved

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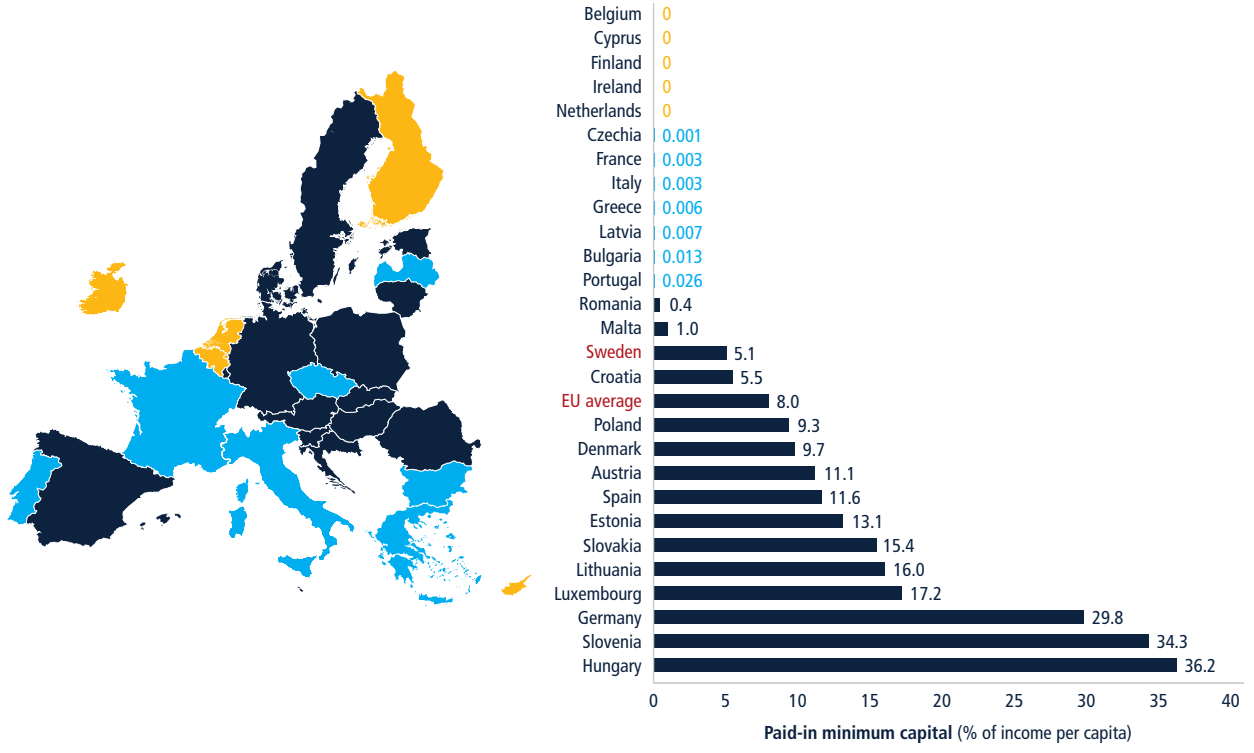
FIGURE 4.9 Twelve EU member states have eliminated or significantly reduced the paid-in minimum capital requirement for new companies



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

by the Swedish Companies Registration Office.

Entrepreneurs can also ask the agency for a preview of a proposed company name to check its availability and verify that there are no other impediments to using it.[36] However, this adds a step, with an additional cost of SEK 1,400 (EUR 136), and it does not reserve the company name or guarantee that it will be accepted when the entrepreneur applies for company registration, as other similar names may be registered in the meantime.

When the company registration application is submitted, the proposed name is subject to a thorough review to evaluate whether it meets the criteria mentioned above. The rejection of the name can prolong the process of company registration as new alternatives are requested.

To streamline the company registration process, Sweden could consider adopting an automated name verification system that would allow entrepreneurs to verify for themselves not only that the desired name is not in use but also that it complies with the legal requirements for company registration. In the United Kingdom, the online registration website alerts entrepreneurs if the desired company name cannot be used and provides guidance for choosing an alternative.[37] Other economies allow entrepreneurs to choose from a list of preapproved company names. In Portugal, entrepreneurs can choose from a list on the business registry's website and register the company through a single contact point, Empresa na Hora.[38] Swedish authorities could also assess the feasibility of adopting a similar approach to Denmark, where the company is registered the same day the application is submitted. The Danish Business Authority only checks to determine whether the proposed name is in use or not at the time of registering the company, without conducting any additional assessment. Entrepreneurs are responsible for ensuring that the name meets the established requirements and does not infringe on the rights of others. In case of conflict, the disagreements can be brought to court for resolution and the company may be required to change its name.

Streamline tax registration and integrate it into the company incorporation process

Registering for taxes in Sweden is a relatively slow process that takes an average of 13 days. The Swedish Tax Agency conducts a thorough review of the documents presented by the applicants, including a background check of the business founders. Adding to the delays are the changes made in 2021 regarding the registration requirements for foreign companies, as well as the lack of sufficient staff to process applications—especially during peak times. In more complicated cases that require further investigation and

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communication with the applicants, the process can take more than one month.

To facilitate the tax registration process, the Tax Agency could streamline its risk screening at the point of registration so that the resources used to perform that activity could be reallocated to other compliance actions. Croatia uses this kind of approach, and obtaining a decision on VAT registration there takes only one to two days. After registration, checks can be performed to assess the accuracy of the information submitted, and the registration can be revoked if errors are found.

In the long term, Sweden could consider making tax registration part of the company registration process with the Swedish Companies Registration Office. Company registration and tax registration in Sweden can be completed online. However, both remain separate, non-concurrent processes, with entrepreneurs having to submit different applications to complete the formalities and begin operations. In 12 EU economies,[39] tax registration is completed as part of the company registration process. In Hungary, once the application for company registration is submitted, the Registration Court registers the company with the State Tax Authority (for VAT and income tax purposes) and the statistical office through an online system. In Italy, limited liability companies electronically file a single notice (Comunicazione Unica) with the Register of Enterprises, which automatically registers the company with the Revenue Agency (to obtain the tax identification number, or TIN, and the VAT number), Social Security Administration (INPS), and Accident Insurance Office (INAIL). Similarly, in France, entrepreneurs file a joint application for company incorporation that allows them to fulfill the formalities required by the various competent authorities, including the tax authorities. In all of these EU economies, registration takes just two days.

Integrate registration of beneficial owners with company registration

Sweden is among the nine EU member states that require new companies to register or report the beneficial owners to the ultimate beneficial owner (UBO) register as a separate interaction.[40] The process is completed in less than one day through the Bolagsverket website, but it takes place only after the company registration is complete. This can lead to cases where the business founders overlook this postregistration procedure.[41]

The authorities could integrate the beneficial owner registration with the company registration process. In Austria and Denmark, for example, once a limited company is registered, all relevant data regarding the beneficial owner are transferred automatically from the commercial registry to the UBO register. In Germany, if entrepreneurs file all relevant information with the company register, they are not required to file the beneficial ownership structure separately with the Transparency Register.

The Swedish Companies Registration Office is already considering this initiative. To streamline UBO registration, the data on the beneficial owners could be extracted from the articles of association during the company registration process. This type of change would also require reforms to the Act on the Registration of Beneficial Owners; these are currently under discussion and expected to be adopted in early 2023.

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Building permits

Permit processing time and costs drive differences across cities

The construction permitting system in Sweden is regulated at the national level and implemented locally by municipal building committees.[42] The system is standardized and consistent across the eight cities benchmarked, requiring the same nine procedures for the type of two-story commercial warehouse considered by this study. Yet cities show differences in time and cost (table 4.3). Obtaining building permits is fastest and cheapest in Sundsvall, where the process takes four months at a cost of 1.8% of the warehouse value. The process is slowest in Jönköping, where entrepreneurs wait five months, and the most expensive city is Göteborg, where the cost is 2.8% of the warehouse value.

Sweden outperforms the EU average in procedures and time, but the process costs more

To complete the construction permitting process across the Swedish cities, entrepreneurs complete nine procedures in an average of 134.3 days at a cost of 2.2% of the warehouse value (figure 4.10). The process in Sweden entails nearly five fewer steps and is more than 7.5 weeks faster than the EU average. However, in the European Union's best-performing economies in this area, such as Denmark, the same process requires seven steps; in Lithuania, meanwhile, the turnaround time is two months faster than the Swedish average. The permitting process is slightly more expensive in Sweden (2.2% of the warehouse value) than in the average EU member state (2.0%). On the building quality control index, Swedish cities score 10 points—below the EU average (11.8 points) and significantly below Denmark (14 points) and Lithuania (15 points).

Entrepreneurs benefit from a standardized permitting process

The construction permitting process for the two-story warehouse measured in this study requires the same nine procedures in all eight benchmarked cities (figure 4.11). As a first step, the developer orders a map from the municipality. Next, the developer hires a third-party certified adviser to supervise the project and prepare an inspection plan. After completing these steps, the developer applies for a building permit.[43] A building permit administrator reviews the application and determines whether it fits in with the zoning plan and the surrounding environment. (The administrator does not review the technical aspects of the application at this stage.) Once the permit is approved, the municipality informs the neighbors and posts an announcement online regarding the new construction project.[44] At the same time, a technical meeting is organized between the developer, the certified supervisor, and the municipal building inspector to review the technical aspects of the project.[45]

Through the technical consultation, the municipality ensures that the project satisfies the regulatory requirements, and at that point the municipality can issue a clearance to commence construction. Construction can start only after the developer notifies the Tax Agency, through an online platform, as well as the Work Environment Authority (Arbetsmiljöverket), through an email form, about the estimated number of active workers who will be on the site.[46] The developer also reports information to the WEA on the contractors involved and the professionals in charge of workplace safety coordination during construction. While construction is underway, the municipal building inspector visits the site. The utility also connects the warehouse to the water and sewerage. As a final step, a meeting takes place between the developer and the municipal building inspector. The municipality then issues an occupancy clearance, and the building can be placed into service.

Obtaining a new construction map and a building permit account for the main variations in time across Sweden

The time variations among the cities assessed for this study are primarily

TABLE 4.3 Construction permitting is easiest in Sundsvall and most difficult in Jönköping

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0–15)
Sundsvall	1	78.61	9	120	1.8	10
Uppsala	2	77.59	9	132	2.0	10
Gävle	3	77.43	9	130	2.2	10
Umeå	4	77.29	9	136	2.0	10
Malmö	5	77.13	9	136	2.1	10
Stockholm	6	76.79	9	135	2.4	10
Göteborg	7	76.28	9	135	2.8	10
Jönköping	8	75.96	9	150	2.2	10

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average score for the procedures, time, and cost associated with building permits, as well as for the building quality control index. The score is normalized to range from 0 to 100 (the higher the score, the better).

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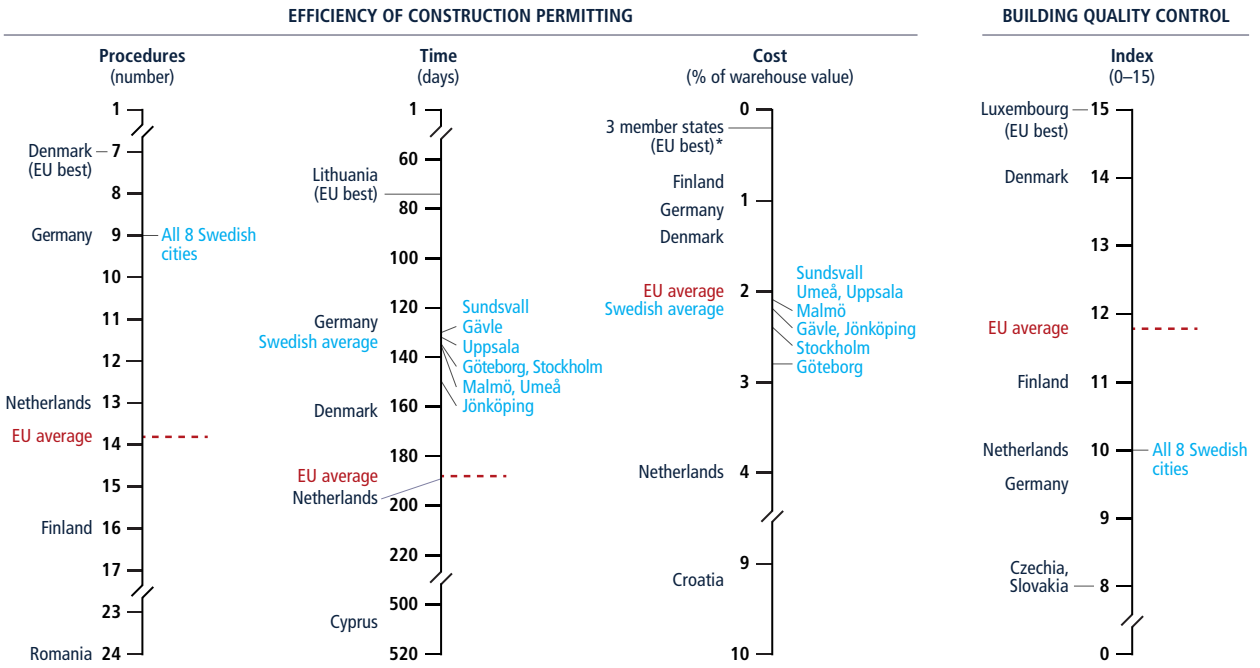
FIGURE 4.10 Swedish cities lag their EU peers on measures of quality in construction permitting



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

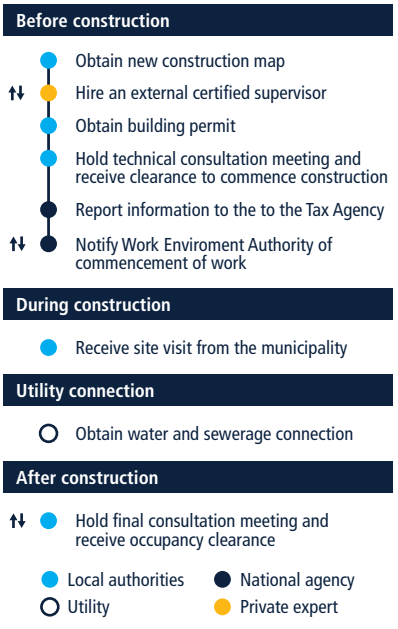
* Czechia, Estonia, Slovakia.

driven by how long it takes to obtain a new construction map and a building permit (figure 4.12). Obtaining a map takes 10 days in Göteborg and more than three times longer in Jönköping (35 days). The time is affected by how long it takes municipalities to consolidate information from different agencies and sources, as not all material is digital.

Another major source of variation is the time it takes to obtain a building permit. By law, authorities have 10 weeks to respond to the applicant, and in most cases, they take the full 10 weeks.[47] However, the time varies from 53 days in Sundsvall to 70 days in five Swedish cities (Gävle, Göteborg, Jönköping, Malmö, and Uppsala). The municipalities' efficiency and internal processes help to account for the variations in time across cities. For example, anecdotal evidence from municipal authorities suggests that staff shortages and turnover are frequent, new building permit administrators often lack enough experience, and incomplete applications contribute to delays in the process. Another aspect that may affect the time is caseload. For instance, Sundsvall is among the cities that receive the fewest building permit applications.[48]

Four other procedures contribute to differences in time: holding the first technical consultation meeting, receiving clearance to commence construction, holding the final consultation meeting on site, and receiving the occupancy clearance. The differences largely stem from the availability of the municipal building inspector to schedule the technical consultations before and after construction. Most of the cities benchmarked take around 15 days to hold the first technical consultation; Gävle improves that time by almost a week. Scheduling the final consultation takes five days in Jönköping and nearly three times longer in Uppsala. Another factor is the difference in the time it takes municipalities to process

FIGURE 4.11 The construction permitting process requires nine steps in Sweden



↑↓ Procedure is completed simultaneously with the previous one

Source: Data collected for this publication.

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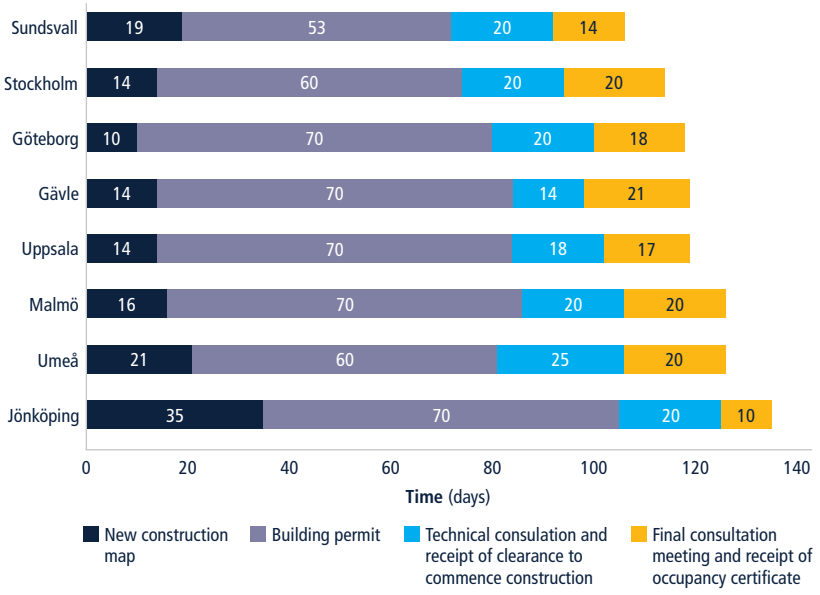
FIGURE 4.12 Dealing with all municipal requirements is nearly a month faster in Sundsvall than in Jönköping



Source: Data collected for this publication.

clearances. Issuing a clearance to commence construction takes three days in Uppsala and ten days in Umeå. Issuing an occupancy clearance takes three days in Uppsala and four times longer in Gävle.

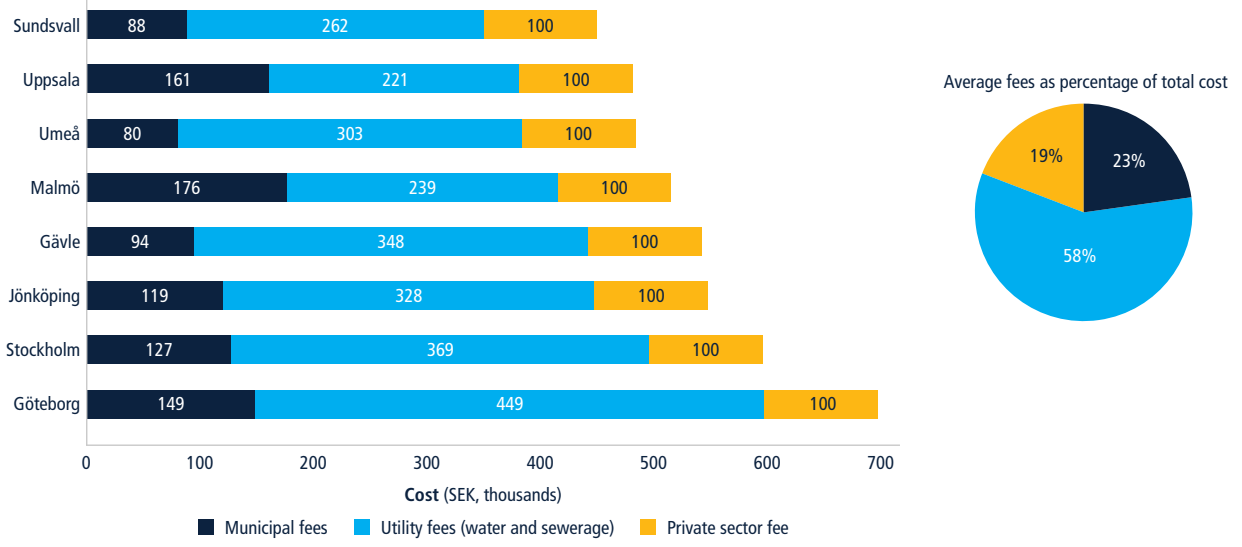
Lastly, processing water and sewerage applications and finalizing connections is faster in Jönköping (where it takes 23 days) than in the other benchmarked cities. The utility in Jönköping has worked closely with the building permit department—the department notifies the utility as soon as a permit application is submitted—and as a result, the process is faster than in the other benchmarked cities.

Utility connection fees and building permit fees drive cost variations across cities

The average cost of the permitting process across Swedish cities is 2.2% of the warehouse value, ranging from 1.8% in Sundsvall to 2.8% in Göteborg. Utility connections and building permit fees comprise nearly 80% of the total cost of the permitting process on average and are the main drivers of variation across Swedish cities (figure 4.13).

Connecting to water and sewerage systems is a costly endeavor in Sweden: entrepreneurs pay on average SEK 314,882 (EUR 30,584), which constitutes 58% of the total cost of the permitting process.[49] Utility connection charges consist of five components: community contribution for pipes; community contribution for connection points; usage charges based on the size of the plot;[50] usage charges based on the size of the building;[51] and, in some instances, charges based on the dimension

FIGURE 4.13 Utility connection fees comprise 58% of the average cost of the permitting process



Sources: Data collected for this publication.
Note: Municipal fees include the cost of a building permit and the cost of a new construction map. The private sector fee includes the fees paid for hiring a certified adviser.

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of the pipes. Utility charges vary from city to city, as rates are set locally; however, fees are not allowed to exceed what is needed to cover the cost necessary for utilities to set up and operate the water and sewerage system.[52] Overall, the utility in Uppsala charges the lowest fee for the connection, at SEK 220,844 (EUR 21,450), while the utility in Göteborg charges more than twice as much, SEK 448,894 (EUR 43,600). The differences are driven by the community contribution charges—the utility in Göteborg charges nearly five times more than the one in Uppsala.

The municipal fees for the building permit and for a new construction map account for nearly one-quarter of the total costs of the permitting process, on average. Building permit fees are the least expensive in Umeå, at SEK 70,290 (EUR 6,827), and cost the most in Uppsala, at SEK 148,000 (EUR 14,375), and Malmö, at SEK 162,288 (EUR 15,763). The permit fee in Gävle is a simple flat rate for any project within a specified range of building sizes.[53] Most of the other cities also have ranges based on building size, but they break down the fee into two separate components: a flat fee for the building permit and a flat fee for the technical review of the project. Permit fees in Malmö and Jönköping include a base fee and multipliers (an administrative fee based on building size, and a municipality adjustment).

The cost of obtaining a new construction map from the municipality is another factor that accounts for cost differences; the fees range from SEK 8,580 (EUR 833) in Göteborg to twice as much in Stockholm, where they are SEK 17,030 (EUR 1,654)). The private sector fees are the same in the eight cities benchmarked; these include the cost of hiring a certified supervisor for the construction, which accounts for about one-fifth of the total cost of dealing with building permits, on average. The cost of the certified supervisor for a two-story warehouse construction is estimated at SEK 100,000 (EUR 9,713) across Sweden. This fee depends on the market hourly rate and the complexity of the project.

Swedish cities have robust quality control mechanisms

The building quality control index is based on six dimensions: the quality of building regulations; quality control before, during, and after construction; liability and insurance regimes; and professional certifications. Swedish cities benchmarked on this assessment score 10 out of 15 points on the index (table 4.4). They score the maximum points (2 out of 2) for their easily accessible and transparent building regulations. They also score the maximum points for quality control: it is legally required that an architect or an engineer verify compliance of the building plans with existing building regulations (1 out of 1), and technical inspections before and after construction are required by law and carried out in practice (3 out of 3).

Swedish cities do not get full marks on liability and insurance regimes (1 out of 2

TABLE 4.4 Sweden could do better on the building quality control index by reforming rules governing liability regimes and professional certification

BUILDING QUALITY CONTROL INDEX (0–15)		All cities: 10 points	
Quality of building regulations (0–2)	Are building regulations easily accessible? (0–1)	1	Available online; Free of charge.
	Are the requirements for obtaining a building permit clearly specified? (0–1)	1	List of required documents; Fees to be paid; Required preapprovals.
Quality control before construction (0–1)	Which entity(ies) is/are required by law to verify the compliance of the building plans with existing building regulations? (0–1)	1	Licensed architect; Licensed engineer.
Quality control during construction (0–3)	Are inspections mandated by law during the construction process? (0–2)	2	Inspections by external engineer or firm; Unscheduled inspections; Risk-based inspections.
	Are inspections during construction implemented in practice? (0–1)	1	Mandatory inspections are always done in practice.
Quality control after construction (0–3)	Is a final inspection mandated by law? (0–2)	2	Yes, final inspection is done by government agency; Yes, external engineer submits report for final inspection.
	Is a final inspection implemented in practice? (0–1)	1	Final inspection always occurs in practice.
Liability and insurance regimes (0–2)	Is any party involved in the construction process held legally liable for latent defects once the building is in use? (0–1)	0	No party is held liable under the law.
	Is any party involved in the construction process legally required to obtain a latent defect liability—or decennial (10-year) liability—insurance policy to cover possible structural flaws or problems in the building once it is in use? (0–1)	1	No party is required by law to obtain insurance; Insurance is commonly taken in practice.
Professional certifications (0–4)	Are there qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with the building regulations? (0–2)	0	There are no specific requirements.
	Are there qualification requirements for the professional who conducts the technical inspections during construction? (0–2)	0	There are no specific requirements.

Maximum points obtained

Source: Data collected for this publication.

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points), as no party involved in the construction process is held legally liable to obtain insurance for latent defects once the building is in use. Swedish cities score no points on professional certifications (0 out of 4 points) because the law does not require the professional to have a minimum number of years of practical experience, hold a university degree in architecture or engineering, or be a registered member of the national association of architects or engineers. In Sweden, a building permit administrator and a building inspector review the building plans before construction; however, they are not required by law to be licensed architects or engineers, hold a university degree, or be certified (0 out of 2 points). During construction, a certified supervisor must oversee the construction works. While the building code outlines certification requirements for the supervisor (including a degree, minimum years of professional experience, and an exam), the educational requirements can be waived if the person has more than 10 years of relevant practical experience (0 out of 2 points).[54]

WHAT CAN BE IMPROVED?

Implement a robust GIS system that provides appropriate access for the private sector

Developers in Sweden must request a new construction map from the municipality before submitting a building permit application and requesting a utility connection. This map[55] combines data from several sources that are not always available online, requiring additional processing time. When the developer submits a request, the municipality verifies the cartographic material. If the information is not current, a municipal surveying team goes to measure the site. The municipality also requests information from other entities such as the local utility, which provides the piping plan for the site, to be incorporated into the map, and reviews the utility connections. Requests can also be made to the road management division for information such as spot heights on the roads connected to the site. The municipality also adds zoning information from the detailed development plan to the map. These development plans are often older documents that exist only as scanned copies, which means that the municipal planners must check the scanned documents and draw the pertinent information onto the new map.[56] Once completed, the map serves as an accurate snapshot of the site, for which the municipality is legally responsible.

Sweden could implement advanced geographic information systems (GIS) as part of its digitalization strategies. GIS is an integrated system of computer hardware, software, and trained personnel capable of assembling, storing, manipulating, and displaying topographic, demographic, utility, facility, image, and other geographically referenced resource data. To be fully functional, a robust GIS must be linked to the appropriate city master plan. The maps should be accessible and contain all relevant zoning, infrastructure, and construction information to allow designers to proceed with their plans without having to contact authorities for further details. Lithuania, for example, has implemented an advanced GIS portal in response to the need for a common spatial data-sharing infrastructure. Developers can access the portal and have access to several datasets to meet their business needs. It serves as an open-source system to access and distribute geographic data from the land register, data on buildings, construction projects, houses, and apartments.[57] Lithuania also introduced an interactive cadastral map using a GIS portal called REGIA. Multiple layers were added to the interactive platform, which contains data from all registries and utility companies (figure 4.14). Today, the system provides citizens, firms, and government agencies with a comprehensive spatial data-based tool for information management, including utility and transport networks.[58]

Improve electronic permitting systems and create a single-service window for construction permitting

Leveraging technology can help make the construction permitting process more

FIGURE 4.14 In Lithuania, REGIA offers a comprehensive GIS system to citizens, businesses, and public agencies

Source: REGIA (https://www.regia.lt/en/).

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efficient. It significantly reduces the time to deal with permits, enabling building departments and utilities to streamline and automate their planning, zoning, and building procedures.[59] Currently in Sweden, e-service options are not fully accessible to developers at each step of the permitting process. For example, only in some cities can developers rely on e-services to request a new construction map and a building permit. In Stockholm, requesting a construction map is done via email or regular mail, unlike the other cities benchmarked, where it is done online. In Gävle, developers request a building permit via email or regular mail. In Umeå, the municipality is currently working on replacing its e-service with a new platform designed to automate parts of the permitting process. There is no e-service option for utility connections: developers submit their requests via email or post. In Sundsvall, only submissions by mail are accepted.

Swedish cities could consider introducing electronic application platforms for building permits and utility connections. Such platforms provide benefits such as faster application submissions, easier transfer of documents between agencies, and closer tracking of documents. The ability to track which offices have already reviewed the file, identified any missing documents, and allowed revisions to be made would give the applicant more control over the process. Many European countries benefit from e-permitting, and some (such as Hungary, the Netherlands, and Finland) benefit from the use of a centralized online platform for building permit and utility applications. Centralized platforms help streamline the permitting process, harmonize local and national laws, and promote economies of scale.

In 2014, Denmark introduced a centralized online platform, called Byg og Miljø[60] ("Building and Environment"), where a developer submits a permit application to the municipality and tracks each step of the process. The platform incorporates all the required procedures and allows for communication among the various stakeholders during the process (municipality, developer, private professionals). The platform also generates relevant statistics on processing times for different types of construction.[61] In the Netherlands, developers apply for most utility connections (gas, electricity, water, sewerage,[62] heating, media, communication) through an integrated utility platform, Mijnaansluiting, regardless of the company providing the service. Applications are sorted within the platform and forwarded to the appropriate utility, which then processes the application. The platform is the result of cooperation among the various utility companies operating in the country to simplify the application process. A similar platform could be implemented in Sweden and then further integrated or interconnected with an electronic permitting platform in a single window that could be more user-friendly and allow developers to request and track all their project-related applications in one place. As digitalization efforts continue, user feedback will be particularly important in future platform development. Training for municipal employees and offices on how to operate and maintain electronic systems is crucial. Such platforms are typically linked to ambitious regulatory reforms and online government programs. Another key to having a successful online permitting platform is to integrate digital mapping using GIS technology.

In the long term, Sweden could also look into the advantages offered by building information modeling (BIM) software systems. Many construction projects in Sweden already rely on BIM systems, especially in the design phases.[63] BIM software can be integrated with an e-service permitting platform, effectively incorporating building regulation parameters into project design.[64] The software helps professionals plan projects that comply with national and local regulations, and it makes conducting post-design checks easier and faster for public authorities. Australia, which uses a BIM system, developed the DesignCheck program, which provides an automated tool for designers to check code requirements at varying stages of project design and enables basic building-code compliance tests to be done rapidly and automatically.[65] The system has accelerated the process and made it less discretionary and more predictable. Introducing BIM technology requires a financial investment and training for both private professionals and public sector officials. A strong collaboration between professional associations, certified professionals, the private sector, and municipalities would be essential to prepare and implement such a system.

Adjust the law to include qualification and educational requirements for professionals reviewing permit applications

Currently, Swedish law does not stipulate qualification or educational requirements for professionals who approve standard building plans. As for technical supervision during construction, the law allows for educational requirements to be waived for professionals with 10 years of experience.[66] In contrast, half of the world's economies legally mandate that professionals approving a building plan and supervising construction must meet the following requirements: have a minimum amount of experience; hold a university degree in architecture or engineering; be a registered architect or engineer; and pass a certification exam. Introducing robust professional requirements would automatically increase the technical competence and efficiency of the Swedish building permitting system.

To address these issues, Sweden could expand the role of certified private sector professionals.[67] This may require legislative action; however, the benefit of having a highly specialized, flexible workforce could be substantial. Sweden has already shifted some responsibilities to the private sector; a third party prepares an inspection plan for the project. However,

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the system is fragmented, as the municipality's building inspector is still heavily involved in the permitting process.[68] Research shows that construction permitting is more efficient in economies that rely on private sector participation in the permitting process.[69] There are also fewer delays and bottlenecks with local building authorities. However, such a system needs adequate safeguards like robust qualification and licensing requirements for professionals who approve and supervise construction to ensure building code compliance.

Denmark fully shifted from a traditional public enforcement strategy (centered on public building authorities) toward a strategy focused on third-party enforcement. The introduction of the new reform in Denmark meant that developers must hire certified building advisers to document and review the conditions of the building structures and fire safety. As a result, the municipalities no longer inspect the building site or review the technical aspects of the building or the occupancy clearance application.[70] To ensure a high level of safety, the new regulation introduced a comprehensive classification scheme that differentiates buildings into four categories based on complexity and risk. This classification determines the level of project reviews, creating a transparent framework for stakeholders. A third-party review, in general, results in a more customer-focused service and stimulates innovations for the public and private sectors. The new reforms led to a more efficient and harmonized permitting system across the country and supported a greater focus on risk mitigation.

Diversify mandated time limits and scrutiny based on project complexity to enable fast-tracking for simpler permit applications

Sweden follows the good practice of having a national law in place to mandate the time limit to issue a building permit (10 weeks).[71] To further expedite the process for applications involving straightforward cases, the law can be updated to diversify the statutory time limits based on the type or size of the construction project. Modern regulations establish different levels of scrutiny—and therefore different time frames—for different levels of project complexity. For example, more time may be allowed for a high-rise commercial building than for a small residential building.[72] This approach allows fast-tracking for simple projects, freeing public authorities and utilities to focus on riskier projects. Currently in Sweden, a fast-track option is available only for smaller projects meeting certain conditions, for example for accessory buildings up to 30 square meters in size built on residential plots. Effective risk-based approaches include a comprehensive classification of risks. In Vienna, the municipality implemented a simplified, fast-track building permit process for a low-risk construction.[73] It allows a developer to begin construction one month after applying for a building permit if the municipality has not processed the application. This type of "silence-is-consent" rule is used to streamline the permitting process in other economies, including France and Italy.[74]

Introduce mandatory liability requirements to cover professionals in the event of structural defects in construction

In Sweden, if a structural defect is discovered in a building once it is in use, no party is held liable by law for latent defects. Instead, the Swedish construction industry relies largely on so-called General Conditions of Contract, or standardized contract templates, that include provisions on liability. The best practice for liability is not to be dictated solely by private contract terms but also by a law that stipulates the responsible parties and the applicable time frame.

When defects are discovered during construction, they are more likely to be easily fixed. However, defects are often discovered only after the building has been occupied. Remedying defects at that stage can be both costly and time-consuming. More than 110 economies have introduced latent defects provisions, typically holding the construction company and architect liable. Sweden could amend its legislation on construction to extend protection to prospective owners for a defined duration. The duration of the liability period varies from economy to economy. For example, in Belgium, France, and Italy, multiple parties are held liable for any construction failure for 10 years.

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Electricity connection and supply

Sweden's electricity sector is composed of several companies that operate generation, transmission, and distribution networks across the country. They are overseen by the Swedish Energy Markets Inspectorate (Energimarknadsinspektionen, or Ei), which regulates the electricity market as established in the 1998 Electricity Act.[75] In addition, a separate entity, the Energy Agency (Energimyndigheten), is responsible for producing data and knowledge on energy use and supply and for promoting energy efficiency, new technologies, and renewable energy sources.[76]

The time and costs to get an electricity connection vary greatly across cities in Sweden, but most cities perform well in terms of reliability of supply

The eight benchmarked cities in Sweden show notable differences in the efficiency of the connection process (table 4.5). To compare the process across cities, this study uses a hypothetical case of a newly built warehouse, located in a commercial area outside the city center, which needs a 140 kilovolt-ampere (kVA) connection. In all cities, getting a new connection involves four steps: submitting an application, receiving connection works, signing a supply contract, and obtaining the meter installation. However, obtaining a new connection is easier overall in Sundsvall, where firms can get connected in 55 days at a cost equivalent to 32.4% of income per capita. The time to get an electricity connection varies from 54 days in Gävle to 121 days in Stockholm; connection costs range between 25.6% of income per capita in Jönköping and 111.5% in Stockholm. On the reliability of supply and transparency of tariffs index, most cities obtained the maximum score of 8 points, except for Gävle (6 points) and Malmö and Umeå (7 points each). Customers in these cities experience a less reliable power supply or are not notified of tariff changes at least a month in advance.[77]

Getting an electricity connection take less time and is less expensive in Sweden than in most other EU member states

Compared with most countries in the European Union, Sweden has a relatively easy electricity connection process (figure 4.15). To obtain a new connection, Swedish firms need to complete four procedures, which on average take 80 days and cost 42.8% of income per capita. The process is nearly three weeks faster and more than 60% less costly than in the average EU member state.[78] Getting connected to electricity requires fewer steps in Sweden than in other Nordic countries such as Denmark and Finland. At the same time, the process is on average cheaper but slower in Sweden than in Denmark, and Sweden is outperformed by Germany and Finland in both connection time and costs. On the reliability of supply and transparency of tariffs index, Swedish cities obtained an average of 7.5 out of 8 points, on par with the EU average, but behind just over half the countries in the EU, including Denmark, Finland, and Germany (8 points each).

Electricity connections involve four steps across Sweden

Firms experience variations in time and costs to get connected to electricity, as cities are served by different utilities. In some cases, more than one utility provides electricity to different areas within a city (figure 4.16). However, the process of applying and getting connections is uniform across the country; it involves four steps in all cities, regardless of the utility operating in that location (figure 4.17). First, customers need to apply for a new connection by submitting a form (föranmälan) to the utility, usually electronically. In Stockholm, the application must be submitted by an electrician registered with the utility and licensed with the National Electrical Safety Board (Elsäkerhetsverket). In other cities, this is recommended but not mandatory. The utility analyzes the technical conditions, prepares a quote, and provides an offer to the customer. This takes two and a half weeks on average. In all locations, the customer pays a single connection

TABLE 4.5 Getting electricity is easier in Sundsvall and more difficult in Stockholm

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs index (0–8)
Sundsvall	1	91.71	4	55	32.4	8
Jönköping	2	90.75	4	64	25.6	8
Göteborg	3	88.00	4	89	38.5	8
Umeå	4	87.84	4	62	26.8	7
Uppsala	5	86.61	4	102	29.4	8
Gävle	6	85.53	4	54	45.9	6
Malmö	7	84.46	4	93	32.4	7
Stockholm	6	84.29	4	121	111.5	8

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average scores for the procedures, time, and cost associated with electricity connections, as well as for the reliability of supply and transparency of tariffs index. The score is normalized to range from 0 to 100 (the higher the score, the better).

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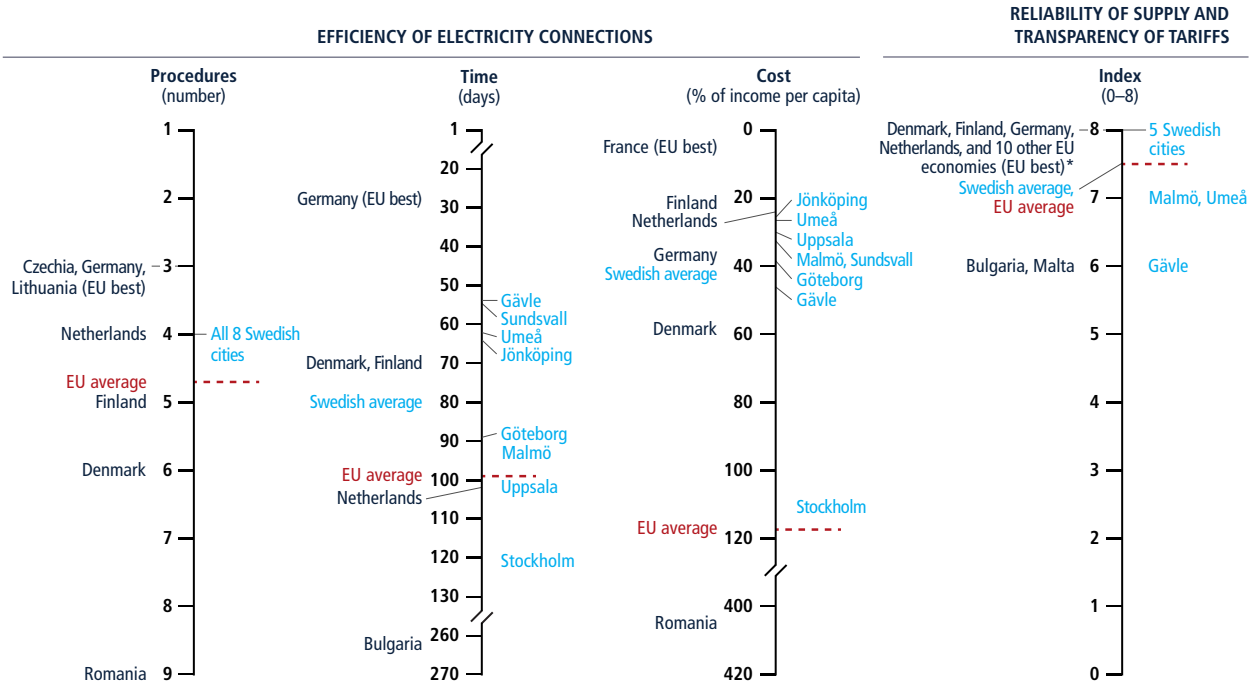
FIGURE 4.15 Getting connected to electricity is easier in most Swedish cities than in the average EU member state



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

* Belgium, Cyprus, Czechia, Estonia, France, Ireland, Lithuania, Slovakia, Slovenia, Spain.

fee, which includes all costs involved with providing a new connection, such as the costs of connection works and associated permits.

Once the customer has accepted the offer, the utility proceeds to prepare and carry out the connection works between the customer's property and the public grid. In this study's scenario, works require a network extension of 150 meters, which on average takes 44 days across the benchmarked cities. There are, however, seasonal variations: works in winter months can require thawing of permafrost; in other cases, the workload is concentrated during the summer. As part of works, the utility is also responsible for obtaining municipal permits to excavate and place cables under a public street. The permitting process usually takes around three weeks. During this time, the customer signs a supply contract with a selected electricity provider.

After the completion of the connection works, the electrician who installed the internal wiring submits a certificate (färdiganmälan) guaranteeing that the internal wiring has been done according to quality and safety standards.[79] The utility will then schedule a meter installation, normally in two to four weeks. While the electrician is responsible for the safety of the electrical installation, Göteborg and Malmö are the only cities where the utility also inspects the internal wiring as part of the meter installation process. In Jönköping, the utility opts to perform periodic inspections. Inspections for this type of connection are not done in other cities.

Excavation permits and connection works take longest in larger cities and are the main drivers of variations in time

Differences in connection times are driven by variations in the efficiency of utility services and in the municipal permits for connection works (figure 4.18). Applications are processed in 10 days in Jönköping but take one month in Göteborg and Stockholm. To carry out connection works, utilities need 25 days in Gävle but around two months in Malmö and Stockholm. The final stage, meter installation, is fastest in Sundsvall, where it takes 12 days. Entrepreneurs in Uppsala and Stockholm, by contrast, must wait about one month for the meter to be installed and the electricity turned on.

Connection times vary due to several factors, including city size; firms tend to face considerably shorter waiting times in smaller cities. In the four cities with populations under 100,000—Gävle, Sundvall, Umeå, and Jönköping—the entire connection takes about two months, while in larger cities it takes an average of more than three months.

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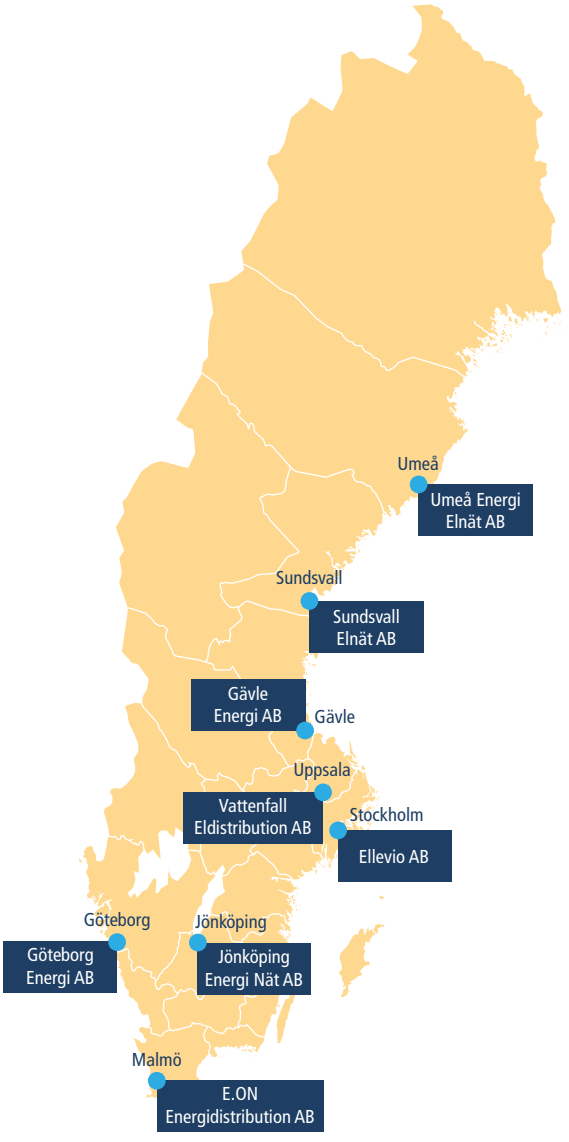
FIGURE 4.16 Cities in Sweden are served by different distribution utilities



Source: Data collected for this publication.

Note: Some Swedish cities are served by more than one utility. Of the eight cities benchmarked in this study, five have a second utility serving a minority portion of the local market: Gävle (where 7% of the market is shared by Ellevio AB and Vattenfall Eldistribution AB); Göteborg (Ellevio AB serves about 5% of customers); Jönköping (E.ON Energidistribution AB and Vattenfall Eldistribution AB provide energy to 20% of the market); Sundsvall (around 38% of customers are served by E.ON Energidistribution AB); and Uppsala (8% of customers are served by Upplands Energi). In Malmö, Stockholm, and Umeå, the main utility provides electricity to at least 99% of local customers.

FIGURE 4.17 Four steps are needed to get an electricity connection in the eight Swedish cities

Procedure	Agency
Submit application and await cost estimate	Distribution utility
Pay connection costs and receive external works	Distribution utility
Sign supply contract*	Electricity supplier
Submit electrician's certificate and receive meter installation	Distribution utility

* Procedure occurs simultaneously with previous one.
Source: Data collected for this publication.

Stockholm, where getting a new connection takes about four months, is the only municipality with a population of more than one million. Utilities in smaller cities may have fewer applications, and the municipalities need to handle fewer permits for connection works. In Gävle and Jönköping, the municipality delivers excavation permits in 10 days, whereas utilities in Stockholm can wait up to two months for the permitting process. In cities such as Gävle and Sundsvall, the utility and the municipality have a fixed price agreement for permits. The utility pays a general annual fee instead of paying for each permit, expediting the permitting process. Applying for permits is a major component of the time needed for connection works, but differences in the time to perform the actual works also play a role. The availability and workload of contractors hired by the utility tend to be important factors in larger cities.

Stockholm stands out with the highest connection costs, due to complex local requirements and more expensive connection works

Municipal permits not only contribute to longer connection times in some cities but also result in costlier processes, especially in Stockholm. Utilities operating in the nation's capital reported that they must follow specific technical guidelines in designing the layout of new connections.[80] These stricter regulations concerning the location of cables on local streets often result in more complex and costlier works. Due to local requirements, for instance, Ellevio AB, the main utility in Stockholm, faces additional costs related to transporting the excavated soil to specific areas in the city's outskirts. In certain cases, the utility must purify the asphalt as well. City regulations also determine the duration of the winter period every year, when the utility must pay additional costs related to the removal of permafrost. The costs of these activities are incorporated into the connection fees charged to the customer, leading to higher overall costs.

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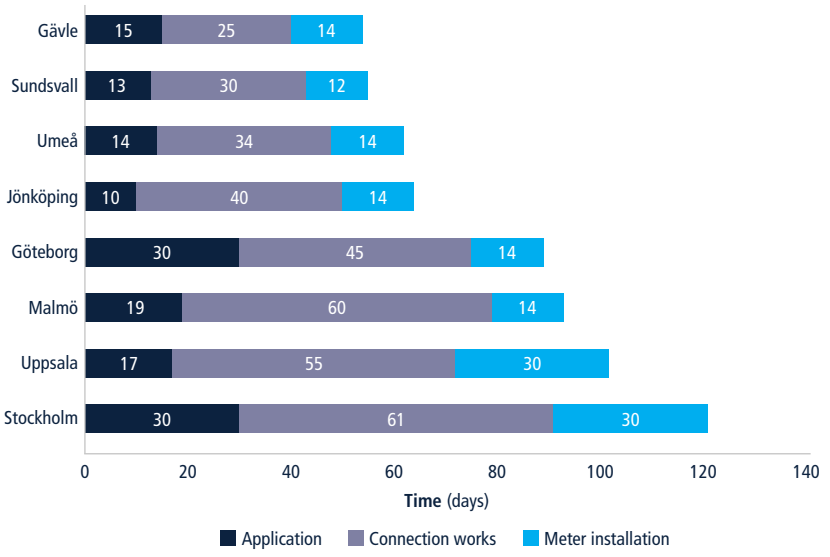
FIGURE 4.18 Getting connected to electricity is fastest in Gävle and Sundsvall



Source: Data collected for this publication.

Note: Signing a supply contract takes one day in all cities and can be done simultaneously with connection works. The time for this procedure is not included in this figure. The time for connection works includes all steps carried out by the utility to provide the external connection, including obtaining an excavation permit.

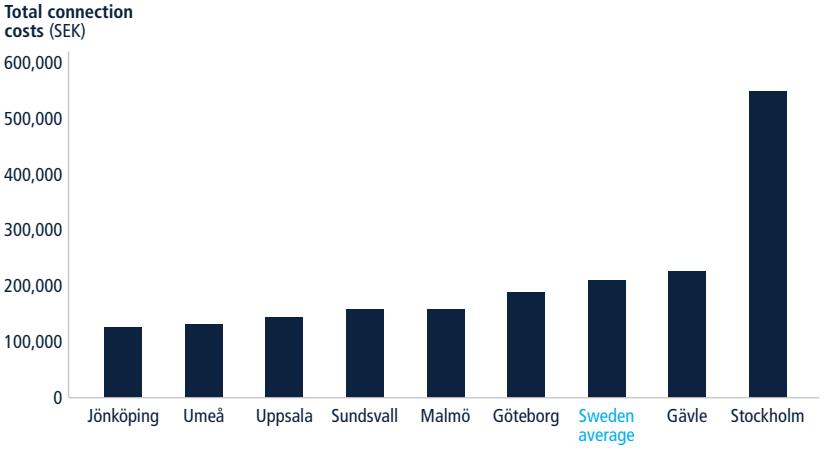
Another driver of variations in costs is the local market for electrical works. Higher labor and material costs translate into higher connection fees in larger cities such as Stockholm, Göteborg, and Malmö. Gävle is an exception among smaller cities. The local utility, Gävle Energi AB, is the only utility charging a separate fee for meter installations. Customers pay a connection fee of SEK 136,400 (about EUR 13,250) plus a metering fee of SEK 90,000 (about EUR 8,740), resulting in the second-highest cost among Swedish cities (figure 4.19).

Sweden offers reliable electricity, but Gävle and Umeå have more or longer outages than the EU average

Electricity companies deliver high-quality supply across Sweden, in compliance with national regulations that aim to promote system reliability. Under the Electricity Act, users are entitled to financial compensation for power outages lasting longer than 12 hours.[81] In the eight cities, customers experience an average of 0.6 electrical outages per year, compared with one outage on average in the European Union. The duration of power interruptions is also one-third less than the regional EU average. The cities with the lowest duration and frequency of interruptions in power supply are Jönköping and Göteborg, respectively. In 2020, Jönköping had 0.4 hours of outages per customer and Göteborg had 0.3 outages per customer. On the other end, outages were most frequent in Gävle, and the longest average duration of service interruptions was registered in Umeå (figure 4.20).

This study uses an index to measure reliability of supply and transparency of tariffs across Swedish cities. It measures outage frequency and duration, as well as the level of automation of outage monitoring, the regulatory oversight, the financial instruments used to limit outages, and the level of tariff transparency. Five cities in Sweden score the maximum 8 points on the index. Gävle, Malmö, and Umeå have lower scores due to a lower level in transparency of electricity tariffs or due to a higher occurrence of power outages. Utilities in Malmö and Gävle notify their customers 15 days ahead of a tariff change. In other cities, customers receive notifications of price changes at least one billing cycle in advance (typically one month). Customers in Gävle experience more than one outage per year and in Umeå more than two hours of outages, resulting in lower scores on the index.[82]

FIGURE 4.19 Connection fees are lowest in Jönköping and far higher in Stockholm



Source: Data collected for this publication.

Note: Connection fees are calculated by utilities based on determinants such as required capacity and connection length. In all cities, the costs presented are applicable to a standardized connection, which requires a capacity of 140 kVA and a network extension of 150 meters. For more information on the assumptions used, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology. The average for Sweden is based on the eight benchmarked cities.

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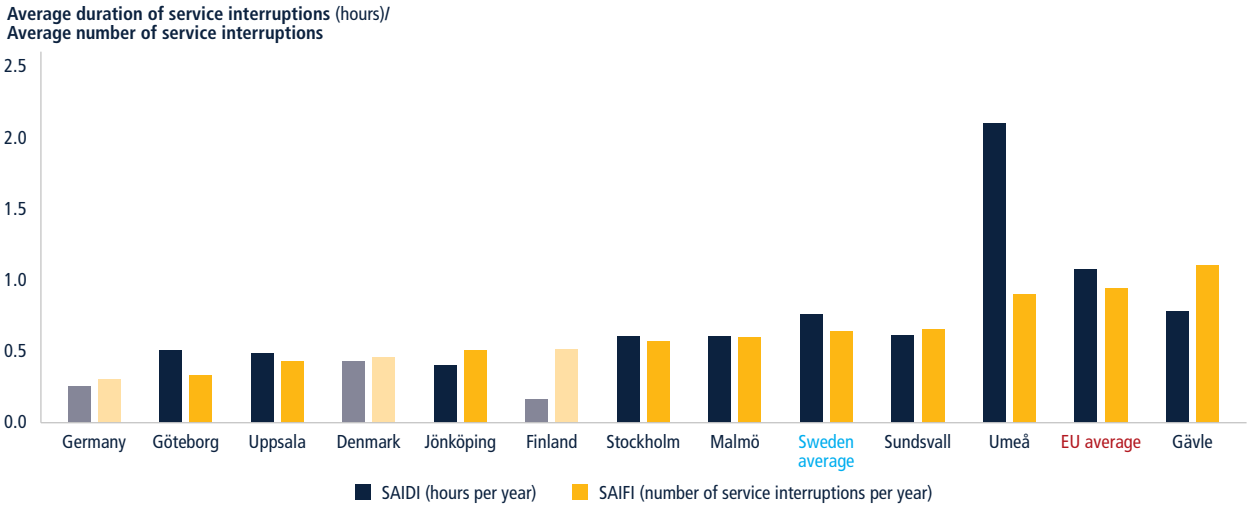
FIGURE 4.20 Customers experience on average less than one hour of power outage per year in Sweden



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: SAIDI (System Average Interruption Duration Index) measures the total average duration of power outages per customer per year, whereas SAIFI (System Average Interruption Frequency Index) measures the total average frequency of power outages per customer per year. EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states. The average for Sweden is based on the eight benchmarked cities.

WHAT CAN BE IMPROVED?

Establish a data hub system and combine connection steps in a digital platform

Following an initiative promoted by NordREG, the organization of Nordic energy regulators, Sweden has been developing plans to introduce a data hub, a digital platform to serve as a single entry point for customers, power suppliers, and distribution utilities. The main purpose is to establish a supplier-centric market where customers are jointly billed by their supplier for both distribution and consumption. The system also aims at increasing transparency, exchange of information, and market competition. Sweden's transmission company, Svenska kraftnät, is responsible for implementing the data hub based on regulations established by the Energy Markets Inspectorate. In September 2020, the project was put on hold in view of delays in necessary changes to legislation.[83] By adopting the legal reforms needed to introduce the data hub, Sweden can follow the steps of its Nordic neighbors and enhance the level of integration of market players in the power sector. Similar systems are already in use in Denmark and Norway, and Finland launched its version of a data hub in February 2022.

The data hub can also be a tool to simplify the connection process in Sweden. Customers carry out most steps online, such as applying for a connection, signing a supply contract, or submitting the certification from the electrician. The process requires separate steps but could be streamlined and combined into unified procedures. A data hub would link utilities, electricity suppliers, and customers. By having direct and real-time access to information, it could be used to merge steps. For example, the system could allow customers to choose a supplier and sign a supply contract when they submit an application or request a meter. Certain features of an online simplified process can be found in other European countries. In Czechia, Ireland, and Poland, meter installations and supply contracts require a single interaction. Customers sign the supply contract with a selected supplier, which then contacts the distribution utility to request the meter installation. This relieves the customer of the need to carry out both tasks. In Italy, customers choose a supplier at the beginning, when applying for a connection, and the supplier in turn handles the process with the utility.

Introduce legal deadlines for connection services and publish statistics to increase transparency

Sweden's Electricity Act promotes timely utility services. Utilities are required to inform customers of connection fees, time frames, and other conditions for a new connection "without delay." The legislation also establishes that connection services must be provided "within a reasonable time" and that the entire connection process must not last longer than two years.[84] The authorities are legally competent to issue more specific regulations requiring grid concessionaires to provide timely information on connection fees and conditions. While these regulations are complied with, in practice customers aiming to get a connection to the grid in Sweden experience considerable variations in waiting times

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depending on their location, given that the overall two-year time frame allows for wide disparities in efficiency. Sweden could consider reforms to its regulatory framework to introduce legal and enforceable limitations to specific connection services and establish specific time frames for different connection types and capacity. Certain examples could serve as inspiration for reform. In the Netherlands and other European countries, the energy regulator establishes and monitors a time frame for electricity connections, imposing fines if connection times exceed these limits. Utilities have specific time limits in which to respond to applications and also to provide connection works once applications have been approved.

Public access to data on connection services can be used to promote transparency and accountability in the power sector. It can also make connections more predictable to new entrepreneurs. The case of Austria can serve as inspiration, as the energy regulator publishes a report, the Kommerzielle Qualität Storm, with data on application processing times and on the time needed to obtain a new connection in different cities.[85] Similar initiatives can be adopted to encourage efficiency in local government services. Data on times taken to deliver municipal excavation permits and other relevant services for the business environment could serve as a basis for comparisons across the country, allowing policy makers to identify areas for reform and opportunities for improvement.

Consider the possibility of reducing the financial burden of electricity connections

Electricity connections in Sweden cost on average SEK 211,000 (about EUR 20,500), but costs may be as high as SEK 550,000 (EUR 53,420) in the case of Stockholm. During winter months, utilities may charge additional construction costs. In comparison, a similar connection would be less expensive in Finland (EUR 9,542), the Netherlands (EUR 11,352), and Germany (EUR 15,500). To reduce the burden of new connections for entrepreneurs in Sweden, the regulatory agency and other players in the electricity sector could assess the possibilities of lowering costs. One example of an initiative of this kind can be found in France, where connections cost on average EUR 1,795, since regulations require municipalities to partially absorb the cost of connection works.[86] Inspirations for different options can also be found within Sweden: when costs are higher than SEK 200,000 (EUR 19,425), Ellevio AB, the utility in Stockholm, allows the customer to pay the fees in separate installments. In this option, 30% is paid when the offer is signed, 30% when the connection works start, and the remaining 40% is payable upon completion.[87] Similar approaches exist in countries such as Croatia and the Netherlands. These initiatives could be considered in other cities, along with other possibilities to lessen the burden of electricity connections.

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Property transfer

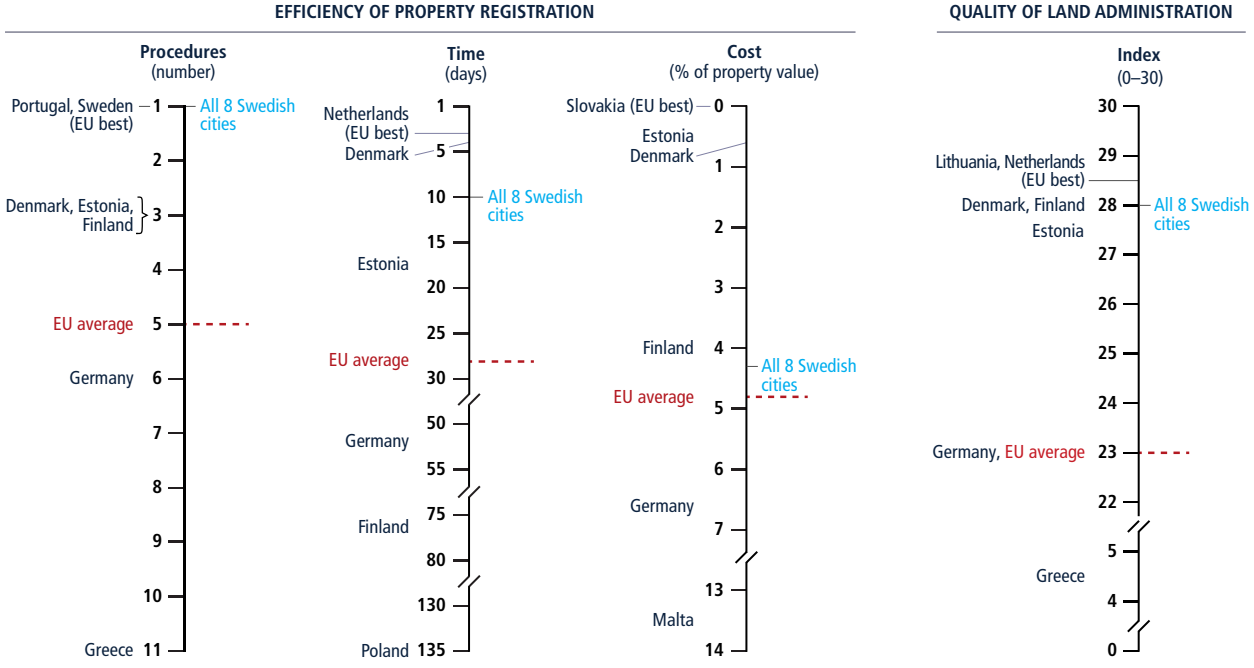
The Swedish cadastral authority was first established in 1628, and throughout its nearly 400-year history it has sought to ensure efficiency and security of rights in the property system. One significant development was the decision to centralize the cadastral or mapping system. That eventually led to the current structure where a single agency—the Swedish Mapping, Cadastral and Land Registration Authority (Lantmäteriet)—is in charge of maintaining the cadastre and managing all procedures related to property registration and ownership.[88] Another important development was the ambitious digitalization process begun in the early 1970s, when it was declared that the land register was to be "based on automatic data processing."[89] Sweden was one of the first economies in the world to implement and transition to a completely digitalized system. The process took nearly 25 years, with the first trials starting in Uppsala County. By 1995, the entire land register was digitalized and included complete information on ownership, easements, mortgage deeds, and property associations.

Digitalization was the stepping stone to the creation of a fully centralized system in Sweden (box 4.1). As a result of this major undertaking, there are no local variations to consider when buying or selling property in Sweden. The buyer and the seller liaise with only one authority when completing a transfer, and all relevant data on any property are contained within one database, which is open to the public.

Sweden is one of the fastest and easiest places to transfer property in the EU and globally

The property transfer process in Sweden is more efficient and less costly than the EU average. Transferring a property from one private company to another in Sweden requires one procedure. The only other EU member state to achieve such a feat is Portugal. Completing a property transfer takes on average 10 days in Sweden at a cost of 4.3% of the property value (figure 4.21), which

FIGURE 4.21 Swedish cities outperform the European Union on both the efficiency of property transfer and the quality of land administration index



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

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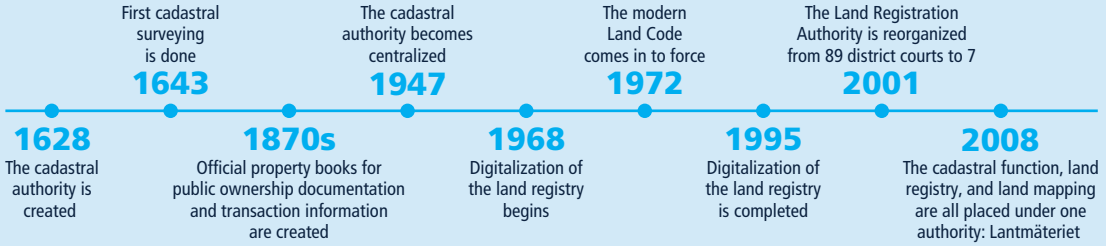
BOX 4.1 A long history of reform: from local courts to a centralized land registration system

The local courts traditionally played an important role in the business of trading land and property in Sweden. Anyone who was interested could go to the courthouse for information about property in the area and about any purchases. Courts recorded information about properties and transactions in books, which were the source of information linking the property to its owners. The practice of recording in books was legislated in 1870, and it was the record-keeping method used for over a century. In the 1970s, the new Swedish Land Code introduced the possibility of using databases instead of physical books. Thus began the work of transferring the information from the land books, along with the development of the digital technology system. It took more than two decades to transfer the information on all the property units in Sweden (figure B 4.1.1). Meanwhile the use of digital information was implemented—now a standardized procedure in every kind of real estate transaction.

FIGURE B 4.1.1 Sweden completely overhauled its property management system in the past 40 years

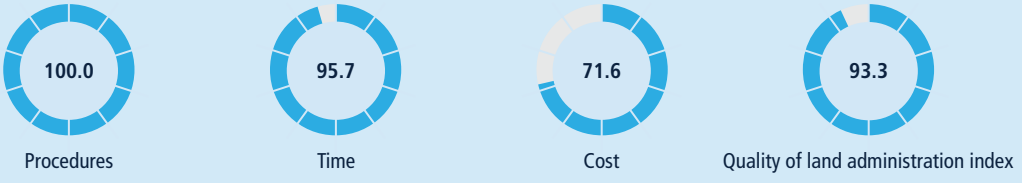


Source: Data collected for this publication.

The possibility to interact virtually with authorities and obtain information, as well as to store important information in databases, decreased the need for staffing across the country. In 2001, a major reorganization reduced the number of land registration offices from 89—these had been small offices that were part of the Swedish courts—to just 7. In 2008, the land registration process was moved from the courts to become part of Lantmäteriet—the Swedish Mapping, Cadastral and Land Registration Authority—with seven registration offices across Sweden.

Currently, Sweden has one of the most advanced and reliable systems in the world. It is one of the few countries in the European Union—along with Portugal—that successfully streamlined the property transfer process to one step. The country is at or close to the global best in procedures and time for property transfer and on the quality of land administration index (figure B 4.1.2).

FIGURE B 4.1.2 Sweden stands at the forefront of global best practices in the area of property transfer



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The numbers represent scores showing how far a location is from the best performance achieved by any economy on each indicator. The scores are normalized to range from 0 to 100 (the higher the score, the better). For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.

includes the stamp duty on property transfers. While the cost in Sweden is lower than the EU average (4.8%), it is higher than some of its Nordic peers such as Denmark (0.6%) and Finland (4%). The average time it takes to transfer property is faster in Sweden than in most other EU economies; only the Netherlands, Lithuania, Denmark, and Cyprus can complete the process in less time. Lastly, Swedish cities have high scores on the quality of land administration index, 28 points out of a maximum of 30—5 points higher than the EU average.

Property registration in Sweden is regulated and managed at the national level

The property transfer process is regulated in the Land Code (1970:994) (Jordabalken), which specifies that the transfer of a property is completed by

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the signing of a written sales contract. To be valid, the sales contract must, at a minimum, contain information on the property, on the seller and the buyer, and the sale price. Swedish law does not restrict foreign ownership of property.

The parties are not required to involve a lawyer, notary, or real estate agent in the transfer process. However, for the seller to gain the title deed and become the protected owner of the property, the sales contract must be signed by two witnesses (a witness can be any natural person over the age of 15)[90] who attest to the correctness of the contract.

While the sales contract is binding between the parties, the buyer becomes the registered and protected owner of the property only once he or she has received the title deed following registration in the land register. To get a title deed, the buyer applies for registration with the Swedish Mapping, Cadastral and Land Registration Authority, attaching copies of the sales contract (and the purchase letter[91] where applicable). No additional documents need to be submitted, and this is the only step in the registration process. The request can be completed by application on paper or electronically by using the Swedish e-identification service.[92] Preparing the application is a simple process, and the parties can proceed without hiring a lawyer.

Once an application has been submitted, the Swedish Mapping, Cadastral and Land Registration Authority verifies that the transfer has been carried out in accordance with the Land Code and checks to see whether there are any legal hindrances to grant a land title to the buyer (such as an incorrect application). If everything is in order, it issues the title deed.[93] The buyer must apply for registration within three months of purchasing the property, except for in a few specific circumstances.[94] The registration authority offers guidance by phone and email on how to conduct a property transfer; this service is also available in English.

Even though the Swedish Mapping, Cadastral and Land Registration Authority has local offices, the internal processing of transactions has been centralized electronically. Paper applications are sent to a central processing office (located in Norrtälje), where the information is entered into the system. The case is then assigned to a handler and processed electronically. Because of Sweden's high level of open data and systems interoperability, the authority can access the business and civil registers to ascertain the parties' identities. In addition to its other advantages, the country's robust digital infrastructure allowed its property registration system to remain operational throughout the COVID-19 pandemic. Experts interviewed for this study indicated that the Swedish Mapping, Cadastral and Land Registration Authority had minimal disruptions to service delivery during the more difficult months of the pandemic.

Stamp duty makes up the largest portion of the cost to transfer a property

The cost to transfer property is regulated at the national level and is composed of a stamp duty and a registration fee. The main component of the cost in Sweden is the 4.25% stamp duty for legal entities (1.5% for individuals). The stamp duty is calculated based on the transfer value or the tax assessment value of the real estate, whichever is higher. The rest of the cost—around 0.1% of the total—corresponds to a SEK 825 (EUR 80) registration fee paid to the Swedish Mapping, Cadastral and Land Registration Authority. To make the payment, the authority issues an invoice to the buyer, who can make the payment efficiently using online banking.

Almost all good practices for land administration are implemented uniformly across the country

All cities in Sweden score 28 out of a maximum of 30 points on the quality of land administration index. The score is among the highest in the world. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights.[95]

In Sweden, all property units are registered in the land register, which is administered by the Property Registration Office (Fastighetsinskrivningen), part of the Swedish Mapping, Cadastral and Land Registration Authority. Each property is assigned a specific name and code, normally consisting of the name of the municipality or city where the property is situated, an area name, and a number for local identification. The land register contains information on every property unit, including the location of the property, the registered owner, mortgages easements, tax assessment values, and the most recent transfer, including the purchase price. The records and documents submitted to the Swedish Mapping, Cadastral and Land Registration Authority are public, and anyone can request and obtain information from the register through a certificate of search.

The reliability of infrastructure component measures whether the land registry and mapping system (cadastre) have adequate infrastructure to guarantee high standards and reduce errors. Swedish cities get a maximum score on the reliability of infrastructure index (8 points). Both the cadastre and the land registry databases are completely digital and interconnected and have a unique number to identify each property.

The geographic coverage component measures the extent to which the land registry and mapping system provide complete geographic coverage of privately held land parcels. Every city measured in Sweden scores the maximum 8 points on this index, reflecting the high rate of formally registered and mapped properties in the country. All privately held land in Sweden is formally registered and mapped.

The transparency of information component measures whether and how

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the land administration system makes land-related information available to the public. Swedish cities score 5 points out of a maximum of 6. The Swedish Mapping, Cadastral and Land Registration Authority has an impressive online portal where all maps dating back to the 1800s can be accessed. Ownership information is also publicly available, as well as information on fee schedules and service standards. A point has been deducted only due to the lack of a specific and independent mechanism for filing complaints for problems related to property registration. Statistics are published online, disaggregated by county and type of transaction.

The land dispute resolution index measures the accessibility of conflict resolution mechanisms and the extent of liability for entities or agents recording land transactions. In addition, the index looks at how efficient the courts are (as a last resort) at handling property disputes. Swedish cities score 7 out of 8 on this component. They fall just shy of the maximum score because of the time it takes to resolve a property dispute case in a court of first instance. Across the eight cities measured, it typically takes between one and two years to resolve the hypothetical dispute laid out in this case study. In other EU member states, such as the Netherlands and Denmark, such decisions are obtained in less than a year.

WHAT CAN BE IMPROVED?

Since the 1970s, Sweden has been a pioneer in land administration reform. From centralization to digitalization and even experimentation with blockchain technology, Sweden has a land administration system that other countries turn to when implementing reforms. Nevertheless, some areas for improvement remain.

Strengthen complaints mechanisms related to services provided by the land registry

A fully developed complaints system facilitates the correction of mistakes and increases the land system's reliability. The establishment of an independent complaints mechanism that handles issues specific to property transfers would allow for better monitoring of land registration activity, potentially revealing patterns of errors and systemic issues that might be addressed through corrective action. The United Kingdom has a specialized complaints mechanism that provides detailed information to the public on how a complaint will be received, processed, and resolved. Besides having detailed complaint procedures that can be addressed to the HM Land Registry, the United Kingdom also allows people to file a complaint with the Independent Complaints Reviewer (ICR). The ICR handles complaints related to the HM Land Registry only. The ICR is neither a civil servant nor an employee of the HM Land Registry. The ICR office's funding and staff come from the HM Land Registry but are managed independently by the ICR. Users in Finland can also file complaints on the website of the National Land Survey of Finland (NLS). Complaints concerning the actions of the NLS or its civil servants are handled and investigated by the Director-General of the NLS. Besides Finland, the only other EU member states that have an independent and specific mechanism for complaints related to the land registry are Belgium, Italy, the Netherlands, Portugal, Romania, and Slovakia (figure 4.22).

FIGURE 4.22 Seven EU member states have complaints mechanisms for reporting problems related to the land registry

Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

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Commercial litigation

The Swedish Code of Judicial Procedure (Rättegångsbalken)[96] governs criminal and civil procedures, including commercial litigation, across the country. There are 48 district courts (tingsrätter) in Sweden that hear criminal and civil cases in first instance. Enforcement of judgments is handled separately by enforcement officers under the Swedish Enforcement Authority (Kronofogdemyndigheten) and is regulated by the Enforcement Code.[97]

Judicial performance does not vary widely across Sweden

There is some variation in court performance across cities in Sweden, especially in the cost of dealing with a commercial dispute through the courts. The variation in time is less pronounced. This is unsurprising, given the level of centralization and coordination within the Swedish judiciary. Every year, the government, through the Ministry of Justice, sets performance objectives for the country's courts.[98] The Swedish National Courts Administration (Domstolsverket) strives to meet these objectives, monitoring the courts, allocating them resources, and supporting their operation to ensure equal access to justice and judicial quality.[99]

This case study compares commercial litigation across eight Swedish cities, using a breach-of-contract dispute valued at SEK 986,383 (EUR 95,804) between two local companies.[100] Resolving this dispute is easiest in Umeå, where litigation is slightly faster than anywhere else in the country (table 4.6). The cost of litigation varies depending on the size of the city. In the larger cities of Stockholm, Göteborg, and Malmö, it is significantly more expensive because of higher attorney fees. The quality of judicial processes—an evaluation of good practices that promote quality and efficiency in the court system—is the same in all jurisdictions. The eight cities measured in this study obtain the same score, 12 points out of a maximum of 18.

Commercial litigation in Sweden is efficient but expensive compared with the EU average

The total time to resolve a commercial dispute and have the judgment enforced is 16 months on average in Sweden. This is faster than in most EU member states; the EU average is 22 months (figure 4.23). However, commercial litigation in Sweden is significantly more expensive compared with the EU average of 20.2% of claim value. Companies bringing their claims to courts in Sweden can expect to incur expenses representing on average 25.6% of the claim value, which is considerably higher than costs in Germany (14.4% of the claim value) and Denmark (17.1%). Across locations in Sweden, the cost of commercial litigation is the closest to the EU average in five cities. But Stockholm, Göteborg, and Malmö are among the most expensive locations in the European Union; the costs are higher only in Czechia, where they represent 33.8% of the claim value.

On the quality of judicial processes index, all Swedish locations score 12 points—slightly higher than the EU average (11.5 points) and significantly above the Netherlands (7) and Finland (9.5). Nevertheless, Sweden could still adopt several good practices, especially in the areas of court structure and case management, to be on par with Lithuania, the country that has adopted the largest number of good judicial practices in the region, scoring an EU high of 15 points on the index.

TABLE 4.6 Commercial litigation in Sweden: cost is higher in larger cities

City	Rank	Score (0–100)	Time (day)	Cost (% of claim)	Quality of judicial processes index (0–18)
Umeå	1	71.58	448	22.4	12
Gävle	2	70.62	483	22.4	12
Jönköping	2	70.62	483	22.4	12
Sundsvall	2	70.62	483	22.4	12
Uppsala	5	69.94	508	22.4	12
Göteborg	6	67.44	483	30.9	12
Malmö	6	67.44	483	30.9	12
Stockholm	6	67.44	483	30.9	12

Source: Data collected for this publication.

Note: Rankings are calculated on the basis of the unrounded scores, while scores are displayed in the table with only two digits. Rankings are based on the average scores for time and cost associated with commercial litigation, as well as on the quality of judicial processes index. The score is normalized to range from 0 to 100 (the higher the score, the better).

District courts across Sweden follow the same rules and procedures

According to the Swedish Code of Judicial Procedure, contractual disputes between individuals or companies are processed as civil cases (tvistemål or civilmål). There are no specialized commercial courts in Sweden that would hear general commercial claims. District court judges hear a wide range of cases, with the majority being criminal cases, according to court statistics showing new filings in 2021.[101]

Civil litigation starts when the plaintiff files a written application for a summons

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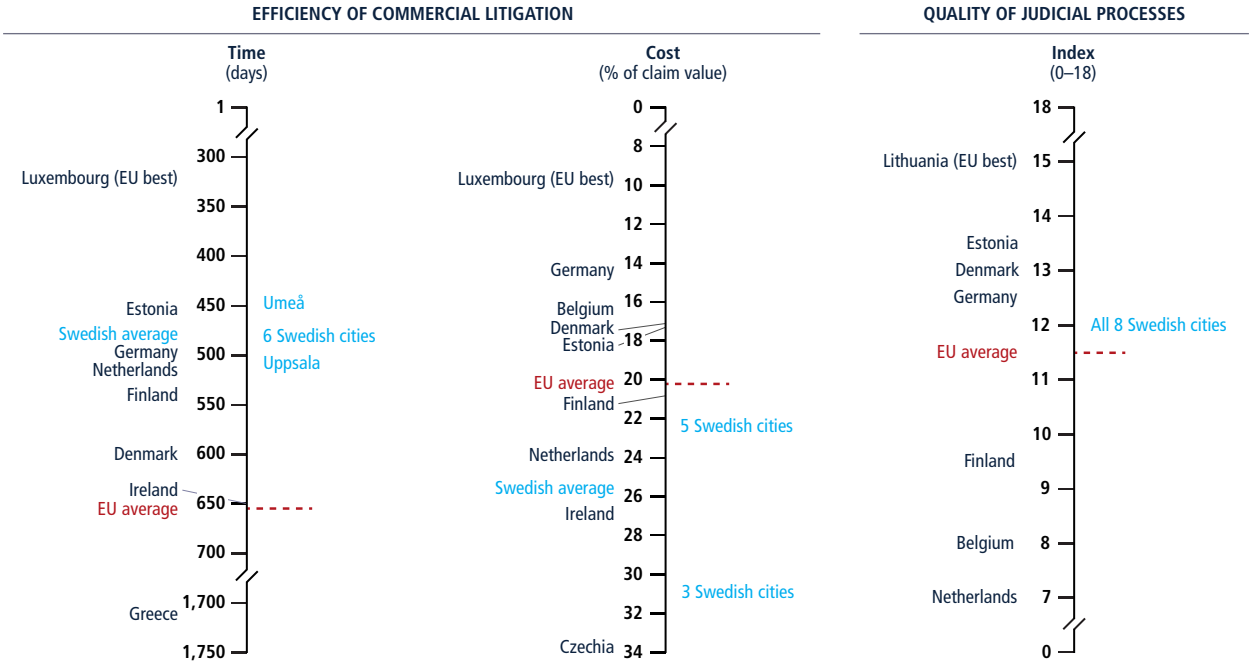
FIGURE 4.23 Swedish courts are fast, but the cost of litigation is among the highest in Europe



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

(stämningsansökan) before the district court with jurisdiction.[102] Plaintiffs can download, complete, and submit a standardized form to apply for a summons using a centralized website for the courts. They can also pay the court fee through the website.[103] Upon payment of the fee, the court screens the application to make sure it is complete, then serves the writ of summons to the defendant, typically by mail.[104] Service of process can also be done by email, although it is less common. In Sweden, it usually takes four weeks to complete the entire filing and service phase.

The trial and judgment phase begins after the defendant has been served and the defendant delivers to the court registry a written response to the claim.[105] The Code of Judicial Procedure does not set a deadline to file the defense, but judges typically grant 14 days to respond. The court then schedules a pretrial hearing, held within four to six months, where parties and the judge organize the litigation process, narrow the issues in dispute, and explore a settlement. Prior to the hearing, and in preparation for it, parties exchange written pleadings. The trial preparation phase may continue beyond the pretrial hearing without specific time limits. After the pretrial hearing, the judge schedules a main hearing. In civil cases, as a general rule, three judges of the court must hear the case. Procedural rules require judges to render their judgments within two weeks after the main hearing and, according to attorneys consulted for this study, judges comply with this deadline.

The Swedish Enforcement Authority is a government agency with 32 offices throughout the country.[106] The agency registers, monitors, and collect debts and enforces court judgments. The winning plaintiff files an enforcement application physically or online using electronic enforcement services, with the court judgment as an enforceable title (exekutionstitel).[107] Enforcement officers conduct the entire process: they identify and seize the debtor's assets and sell them at public auctions, which can be conducted online.[108] After the sale, the plaintiff commonly receives the recovered funds within two weeks.

There is little variation in time across Swedish cities, while attorney fees account for larger differences in cost

The filing stage in all cities takes roughly four weeks, and judgments are executed in three months. There are small differences in time at the trial and judgment phase, which ranges between 11 months in Umeå and 13 months in Uppsala (figure 4.24). These differences depend mostly on the length of pretrial proceedings and the waiting times for case hearings. The waiting time for preparatory hearings is between four months (Umeå) and six months (Stockholm); it is between nine months (Umeå) and around one year (Uppsala) for main hearings. Judges' workloads could help explain these slight variations in performance. In 2021,

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according to court statistics,[109] the average number of cases coming before each judge at the eight district courts was 345. In Umeå—the fastest court—the number of cases per judge was less than half this average (143). In Uppsala, where trial time is the longest, the number of incoming cases per judge (416) not only exceeded the average but was almost double the number of cases per judge in Stockholm and triple the number in Umeå.[110]

Nevertheless, performance across local Swedish courts is relatively homogeneous and judges are effective. In this regard, the Swedish National Courts Administration plays a key role in monitoring the courts to seek judges' compliance with rigorous performance targets. One of these is for judges to resolve 75% of the civil cases in their dockets within seven months. Per official statistics, judges in most courts achieved this goal in 2021.[111] According to attorneys consulted for this study, criminal cases may take priority at the district courts, and these cases may also require a main hearing to be resolved. Because of this, a civil commercial dispute that goes through a main hearing—like the one in this study—takes longer to resolve at the local courts, surpassing the seven-month target.[112]

Additionally, since 2012, the Swedish National Courts Administration has been implementing an initiative to support the courts by reinforcing their workforce with retired judges from different backgrounds who can step in for short periods of time to help process cases, or by rotating active judges between the courts to fill in as needed.[113] According to attorneys consulted for this study, the initiative has been successful in clearing backlogs, alleviating congestion in the courts, and filling vacancies.

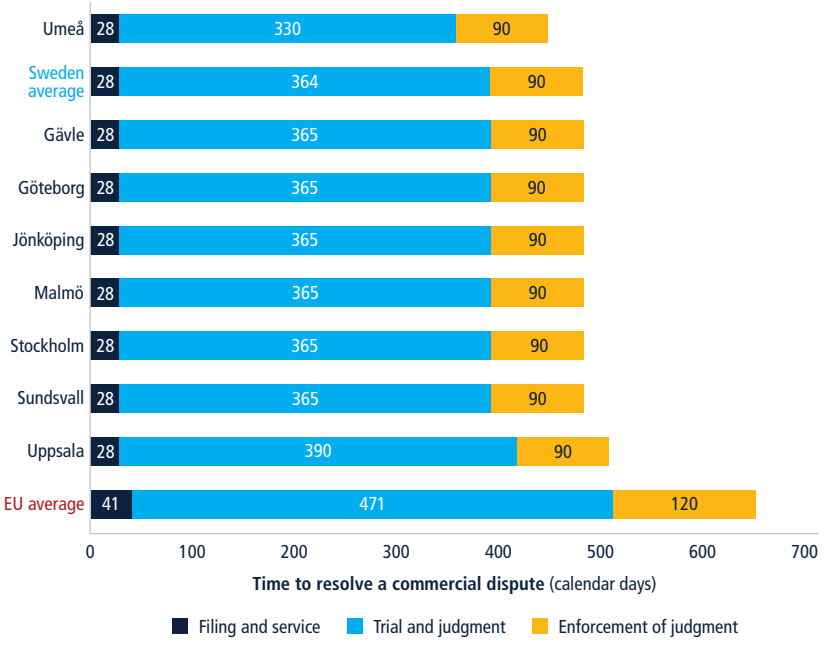
Litigation expenses are high in Sweden. They vary according to the local market and are driven mainly by attorney fees (figure 4.25). In Sweden, these fees are nearly twice as high on average as in the rest of the European Union. Attorney fees are not regulated in Sweden, and lawyers charge hourly fees regardless of the claim value. Hourly rates are higher in the largest business centers—Stockholm, Malmö, and Göteborg—and less expensive elsewhere. Court fees are regulated nationwide; all courts collect the same application fee of SEK 2,800 (EUR 272).[114] The sole source of variation among the benchmarked cities is the cost of local expert witnesses, which is also higher in the larger cities. Enforcement fees are inexpensive, at SEK 600 (EUR 58), and do not vary throughout the country.[115]

To complement the measures of efficiency, the quality of judicial processes index reflects the courts' adoption of international good practices in four areas: court structure and proceedings, case management, court automation, and alternative dispute resolution.[116] Courts across Sweden exhibit the same good practices in all areas.

On the court structure and proceedings component, the eight benchmarked cities score 3.5 out of 5 points. District courts process small claims of less than SEK 24,150 (EUR 2,346) through simplified procedures with one presiding judge, and parties are allowed to represent themselves. Pretrial attachment of the defendant's movable assets is available to plaintiffs under the law, and courts assign cases to judges randomly, through a computerized system. There are no specialized commercial courts or commercial divisions within the courts, which prevents Sweden from attaining the full score on this section.

Courts have adopted some good practices on case management (a score of 3 points out of the maximum of 6). Holding pretrial conferences to plan the litigation is a well-established practice in all courts. Court performance statistics are published periodically, and judges

FIGURE 4.24 Only a two-month difference separates the fastest and slowest courts at the trial and judgment phase



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The average time for Sweden is based on the average time to resolve a commercial dispute in the eight benchmarked cities. EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

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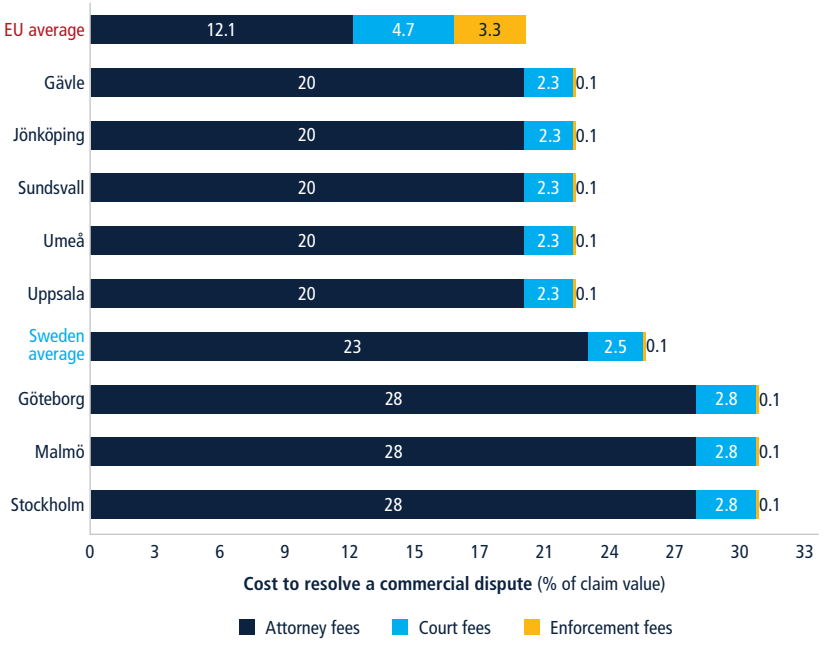
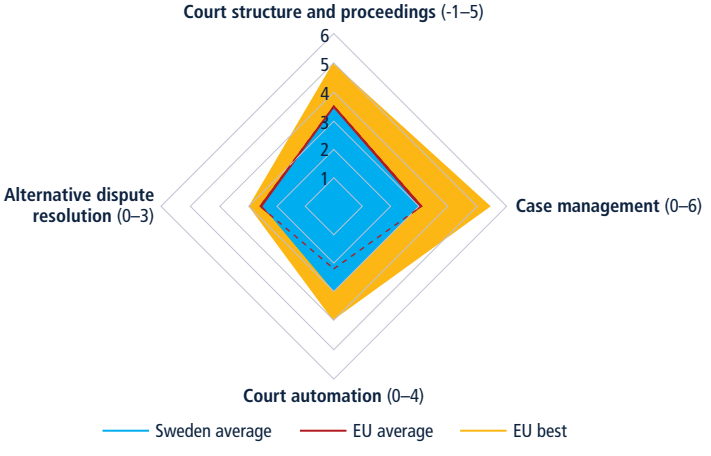
FIGURE 4.25 Attorney fees in Sweden are higher than the average total cost of litigation in the EU



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: The cost values, expressed as % of claim, are rounded up to one decimal point. The average cost for Sweden is based on the average cost for commercial litigation in the eight cities benchmarked. EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium; and the Netherlands, and May 2019 for all other EU member states.

FIGURE 4.26 Court automation is advanced in Sweden



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.

Note: EU averages use capital city data for the 27 member states of the European Union. Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states. Among EU member states, Croatia, Poland, and Romania have the highest score on court structure and proceedings; Latvia has the highest score on case management; Estonia, Lithuania, and Slovakia have the highest score on court automation; and Germany, Spain, Hungary, Italy, Lithuania, Latvia, Poland, and Romania have the highest score on alternative dispute resolution.

have computerized tools to assist them in managing cases. However, there are no electronic case management tools for lawyers or procedural deadlines for key court events, and limits to adjournments are not regulated.

Court automation in Sweden is advanced (figure 4.26). Out of the four automated court features that are scored, Sweden has implemented three and scores the same number of points. Plaintiffs can file their claims and pay court fees online. Service of process can be done via email, but this option is not yet widely used. Although Supreme Court judgments are available online, courts do not publish appeal judgments or decisions of lower courts.

Finally, Sweden allows voluntary mediation and regulates commercial arbitration (2.5 points out of 3). In practice, the courts enforce valid arbitration clauses or agreements. However, there are no financial incentives to encourage mediation or conciliation.

WHAT CAN BE IMPROVED?

Consider creating specialized commercial courts or commercial divisions

Twelve EU member states have established commercial courts, or commercial divisions within their courts, to process general commercial cases (figure 4.27).[117] Sweden is not among them, and all commercial disputes are resolved in first instance by district court judges who also hear criminal cases.

Having courts or divisions with general commercial jurisdiction is an internationally recognized good practice. As a general principle, specialized courts tend to improve efficiency and promote consistency in the application of the law. This is because judges become experts on commercial matters and can dispose of cases faster. Depending on the needs and the composition of court caseloads,

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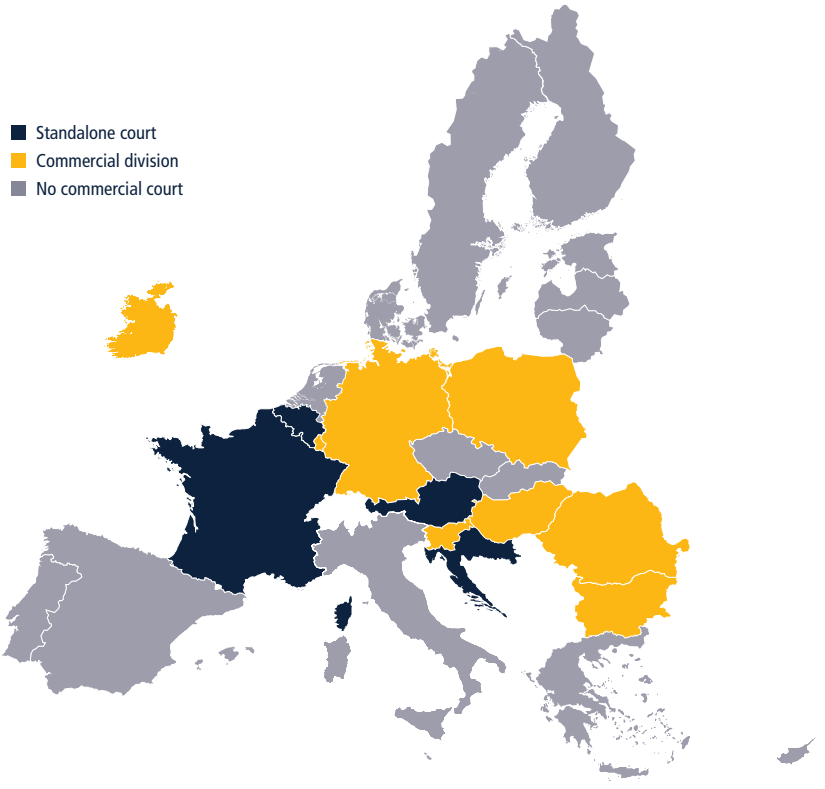
FIGURE 4.27 EU member states with standalone commercial court or commercial division



Sources: Data collected for this publication; *Subnational Doing Business* and *Doing Business* databases.
Note: Data are current as of the date of the most recent *Doing Business* measurement and EU subnational assessment: April 2022 for Denmark, Finland, and Sweden; December 2020 for Austria, Belgium, and the Netherlands; and May 2019 for all other EU member states.

countries that favor having specialized judges have set up one or more commercial courts. Belgium has nine commercial courts, two located in the capital; Austria has one in Vienna.

The Swedish National Courts Administration could conduct an analysis of caseloads—including the share of commercial cases in each court—and determine whether judges' processing of both civil and criminal cases is affecting the ability to clear the civil commercial caseload.[118] The result of this analysis could justify introducing a standalone commercial court or several commercial sections. Starting in Stockholm, or any of the country's business centers, a commercial court with national jurisdiction could adapt the existing electronic processes and case management systems to process cases filed by companies conducting business in other locations.

Establish deadlines for key litigation events and make greater use of existing case management tools

Litigation time frames are not regulated by the Swedish Code of Judicial Procedure, except for the two-week deadline to deliver final judgments. There are no deadlines for serving process on defendants, filing statements of defense, or scheduling main hearings. The evidence period is not subject to time limits either. But, depending on the case, the Code of Judicial Procedure gives judges leeway to impose deadlines on parties to finalize their complaints, submit documents, or introduce evidence.[119] Judges can even end the preparatory phase and reject additional evidence when they believe the parties' intention is to delay the process unnecessarily. However, attorneys consulted for this study mentioned that judges rarely make use of this case management tool, and thus deadlines continue to be flexible, potentially extending the duration of court proceedings. In line with good practices to make time standards for the courts realistic, traceable, and enforceable, 10 member states in the EU have laws that set time standards for at least three court events and respect them in practice.[120]

Make judgments at all court levels available online

Sweden publishes only Supreme Court judgments.[121] Publishing judgments at all levels strengthens the judiciary by enhancing transparency and public trust. It is also vital for a strong investment climate. Disseminating information on the outcome of commercial cases—especially on the courts' interpretation and application of laws—makes court judgments more predictable, which strengthens the confidence of businesses and investors.

As an example, Estonia publishes court decisions at all levels. On the website of the State Gazette, it is possible to search for all the decisions adopted at first and second instance as of 2006, and all Supreme Court decisions.[122] Publishing judgments in commercial cases at all levels of the court system would help judges in Sweden specialize in commercial matters and apply the law more consistently. It would also place Sweden next to only nine other EU economies where judgments for commercial cases at all levels are available to the public.[123]

Maintaining a well-classified, searchable electronic database of decisions in commercial cases is also beneficial for reliable record-keeping of decisions and allows interested parties to examine a particular topic more efficiently. If lawyers and litigants at all court levels understand how courts generally decide certain types of cases and when appeals are successful

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or not, appeals tend to be better justified and litigant decision-making tends to improve.

Expand use of electronic case management system for lawyers

Electronic case management tools can help increase court efficiency, but developing them is costly. Across EU member states, only 13 have such a system for both lawyers and judges.[124] Sweden developed a system that allows judges to manage their cases but does not grant lawyers access to it.

The gold standard is an integrated system that grants judges access to laws and judgments across the court system, generates hearing schedules, enables tracking of individual cases and their history, affords access to case details and documents (such as evidence, motions, and briefs), assists with the drafting of judgments, makes the generation of court orders semi-automatic, and sends notifications to the litigants. The ideal system also includes lawyers or is linked to a platform they use. Such a system allows lawyers to view and manage case documents, file briefs and documents with the court, and access courts orders, among other features.

While few current systems include all these features, the best platforms have most of them. Denmark's integrated system is one of these, and its functions are available to both judges and lawyers. In 2018, the country introduced a digital case portal, Sagsportalen. All civil cases in Denmark must be filed and processed digitally through the portal since they no longer exist on paper in courts. All written communication between litigants and the judge is also conducted through this portal. The digital case portal allows judges to automatically generate a hearing schedule; send notification to lawyers; track the status of a case; view and manage case documents; and view court orders and judgments.

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NOTES

1. European Commission. 2022. *2022 Country Report – Sweden*. Commission Staff Working Document. Brussels: European Commission. Available at https://ec.europa.eu/info/system/files/2022-european-semester-country-report-sweden_en.pdf.
2. *Forbes*. 2022. Best Countries for Business. Available at https://www.forbes.com/best-countries-for-business/list/#tab:overall.
3. Global Innovation Index. 2021. Available at https://www.globalinnovationindex.org/home.
4. World Economic Forum. 2020. Global Competitiveness Report. Available at https://www.weforum.org/reports/the-global-competitiveness-report-2020/.
5. Transparency International. 2021. Corruption Perceptions Index. Available at https://www.transparency.org/en/cpi/2021.
6. European Commission. Digital Economy and Society Index (DESI). Sweden in the Digital Economy and Society Index. Both the 2021 and 2022 editions are available at https://digital-strategy.ec.europa.eu/en/policies/desi-sweden.
7. According to the European Commission's Small Business Administration Fact Sheet for Sweden, large companies generate more than one-third of the private sector employment and almost 40% of the value added. The Fact Sheet is available at https://ec.europa.eu/docsroom/documents/38662/attachments/28/translations/en/renditions/native.
8. European Commission. 2019. SBA Fact Sheet Sweden.
9. This series covers Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, Finland, Greece, Hungary, Ireland, Italy, the Netherlands, Portugal, Romania, Slovakia, and Sweden.
10. Farole, Thomas, Issam Hallak, Peter Harasztosi, and Shawn Tan. 2017. "Business Environment and Firm Performance in European Lagging Regions." Policy Research Working Paper 8281, World Bank, Washington, DC. Available at https://openknowledge.worldbank.org/handle/10986/29073.
11. The exchange rate (1 EUR/ SEK 10.2958) used to calculate equivalent amounts in euros was obtained on April 29, 2022, from the European Central Bank. Current rates are available at https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html.
12. The countries that have eliminated the paid-in minimum capital requirement or lowered it to below 0.1% of income per capita are Belgium, Bulgaria, Cyprus, Czechia, Finland, France, Greece, Ireland, Italy, Latvia, the Netherlands, and Portugal.
13. The countries that have merged tax registration with company registration are Denmark, Finland, France, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Slovenia, and Spain.
14. Austria, Belgium, Bulgaria, Croatia, France, Germany, Hungary, Ireland, Luxembourg, Poland, Romania, and Slovenia have courts with specialized commercial jurisdiction.
15. The EU member states that apply legal time limits for various court events and respect them in practice are Bulgaria, Croatia, Greece, Hungary, Italy, Latvia, Malta, Portugal, Romania, and Slovenia.
16. Electronic case management tools are available for lawyers and judges in Austria, Denmark, Estonia, France, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Portugal, Romania, and Slovakia.
17. The following economies have eliminated the paid-in minimum capital requirement or reduced it to under 0.1% of income per capita: Belgium, Bulgaria, Cyprus, Czechia, Finland, France, Greece, Ireland, Italy, Latvia, the Netherlands, and Portugal.
18. This provision is found in Chapter 2 of the Companies Act [Aktiebolagslag (2005:551)].
19. Through the services offered on the Verksamt.se platform, entrepreneurs can register the company, apply for tax registration, complete the employer registration, and file preliminary tax returns, for example.
20. Entrepreneurs must apply for registration within six months from the date of signing the deed of foundation. The application must be signed by a board member or the managing director. It must be accompanied by an original or verified copy of the deed of foundation, the bank's certificate of the share capital deposit, a copy of the articles of association, and the share subscription list.
21. Based on information provided by the Swedish Companies Registration Office during a consultative meeting with the project team (March 28, 2022).
22. "Time to choose a company name? The administrators give you the best tips." Swedish Companies Registration Office. Available at https://bolagsverket.se/omoss/nyheter/nyhetsarkiv/nyhetsarkiv2021/dagsattvaljaforetagsnamnhandlaggarnagerdigdebastatipsen.2387.html.
23. Based on information provided by the Swedish Companies Registration Office during a consultative meeting with the project team (March 28, 2022).
24. "Continued high number of new businesses in 2021 – High pressure on registration activities at the Swedish Companies Registration Office." Swedish Companies Registration Office. Available at https://bolagsverket.se/omoss/nyheter/nyhetsarkiv/nyhetsarkiv2021/fortsatthogtnyforetagandeunder2021hogttryckparegistreringsverksamhetenpabolagsverket.2377.html.
25. The notice includes the name, mailing address, and identity number of the board members, directors, and all other authorized signatories.
26. Based on information provided by the Swedish Companies Registration Office during a consultative meeting with the project team (March 28, 2022).
27. Based on information provided by the Swedish Tax Agency during a consultative meeting with the project team (April 7, 2022).
28. On November 4, 2020, the Swedish Parliament adopted the government's bill on "Economic employer concept – changed tax rules for temporary work in Sweden." Effective January 1, 2021, foreign companies must deduct tax from employees' earnings for any work carried out in Sweden and must be registered as employers with the Swedish Tax Agency. In addition, foreign companies with employees working in Sweden that send invoices to Swedish companies should apply for F-tax registration if they wish to avoid tax withholding.
29. The European Union 5th Anti-Money Laundering Directive requires EU member states to establish beneficial ownership registers for corporate and other legal entities. In Sweden, ultimate beneficial ownership registration has been mandatory since 2017 with the adoption of the Act on the Registration of Beneficial Owners (2017:631).
30. In addition to basic information, such as the company name, address, and proof of incorporation, the notification must provide information regarding the name, personal identity number, citizenship, and country of domicile of the beneficial owners as well as the extent of their control and information on whether the individual or individuals own or control the company together with close family members or through other companies.
31. The application is submitted through the Swedish Companies Registration Office website, available at https://bolagsverket.se/omoss/etjanster/verklighuvudmanetjanster/anmalverklighuvudman.4212.html.
32. Booth, Richard A. 2005. "Capital Requirements in United States Corporation Law." University of Maryland Legal Studies Research Paper 2005–64, University of Maryland School of Law, Baltimore.
33. Law Decree No. 33/2011 of March 7, 2011.
34. Law Decree No. 1/2012 of January 24, 2012.
35. The minimum share capital requirement for private limited liability companies was removed from the Finnish Limited Liability Companies Act (624/2006) effective July 1, 2019.
36. Company name preview. Swedish Companies Registration Office. Available at https://bolagsverket.se/foretag/foretagsnamn/valjaforetagsnamn/forhandsgranskningavforetagsnamn.1169.html.
37. For more information on registering a company with Companies House in the United Kingdom, see the website at www.gov.uk/limited-company-formation/register-your-company.
38. The list of preapproved names can be found on the website of the Portuguese Ministry of Justice: Bolsa de firmas e denominações, http://bolsafirmasdenominacoes.justica.gov.pt/index.php?app=enh.
39. The countries that have merged tax registration with company registration are Denmark, Finland, France, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Slovenia, and Spain.
40. Belgium, Croatia, Czechia, Finland, Ireland, the Netherlands, Poland, and Slovenia are the other EU countries that require entrepreneurs to actively register or report their beneficial owners to the UBO register.
41. Based on information provided by the Swedish Companies Registration Office during a

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consultative meeting with the project team (March 28, 2022).

42. Construction permitting is regulated by the Planning and Building Act of 2010, available at https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/plan--och-bygglag-2010900_sfs-2010-900, and by the Planning and Building Ordinance of 2011, available at https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/plan--och-byggforordning-2011338_sfs-2011-338.
43. The application includes a project description, application form, information on the certified supervisor, various drawings, and a site plan.
44. Announcements are submitted on a national notification platform. See the website at https://poit.bolagsverket.se/poit-app/. The permit decision can be appealed within three weeks from the point of notification and four weeks from the point of publication. During this time, the process can continue with the technical consultation.
45. The developer submits additional documentation for the consultation, such as the proposed inspection plan prepared by the certified supervisor and any technical documentation required.
46. The Tax Agency also requires a developer to have a ledger system in place to register the workers during construction. The application platform for the Tax Agency is available at https://sso.skatteverket.se/ke/ke_pligg/login.do, and the form to fill out for the WEA is available at https://www.av.se/produktion-industri-och-logistik/bygg/forhandsanmalan-av-byggarbetsplats/.
47. The Planning and Building Act, 2010, Chapter 9, § 27, stipulates that municipalities have 10 weeks to issue the building permit. See https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/plan--och-bygglag-2010900_sfs-2010-900.
48. In 2021, Gävle received 1,044 applications (with a total caseload of 1,268); Sundsvall, 1,048 (caseload of 1,422); Umeå, 1,344 (1,792); Jönköping, 1,644 (2,131); Uppsala, 2,026 (2,723); Malmö, 2,553 (3,507); Göteborg, 4,413 (5,931); and Stockholm, 5,756 (7,390). Data based on municipal self-reporting in the "Permits, construction and monitoring survey 2021" carried out by the National Board of Housing, Building and Planning, available at https://www.boverket.se/sv/om-boverket/publicerat-av-boverket/oppna-data/plan--och-byggenkaten/.
49. Utility connection fees are adjusted annually and developed by the association of Swedish utilities (Svenskt Vatten). See more information at https://www.svensktvatten.se/va-chefens-verktygslada/ekonomi--taxa/va-taxa/anlaggningsavgifter/anlaggningstaxans-konstruktion.
50. The case study warehouse measured here has a plot size of 929 square meters, multiplied by the usage fee set by the utilities.
51. For calculating the usage fee based on the size of the building, the utilities use the following method: the property's constructed area (1300.6 square meters for the two-story warehouse in the case study), divided by a set number of square meters that is defined locally. It varies between 120 and 250. The resulting figure is then rounded up and multiplied by a set fee determined locally.
52. The Public Water Services Act, 2006, 30 §, is available at https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/lag-2006412-om-allmanna-vattentjanster_sfs-2006-412.
53. For example, the rate applicable to this case study in Gävle is based on a fixed charge for buildings between 1,001 and 5,000 square meters in size.
54. National Board of Housing, Building and Planning's Mandatory Provisions and General Recommendations on the Certification of Supervisors, 2011, 4 §, available at https://rinfo.boverket.se/BFS2011-14/pdf/BFS2011-14.pdf.
55. The map includes detailed property information such as existing buildings and utility lines and pipes, topographical details, boundaries, road lines, and development rights.
56. Any new detailed development plan must be in digital format as of January 1, 2022, and made accessible nationally, following the EU INSPIRE Directive, such as through the National Geodata Platform administered by the Swedish Mapping, Cadastral and Land Registration Authority. The Swedish government is also considering a mandate that all other existing development plans be digitalized by 2028.
57. The portal is available at www.geoportal.lt. From its inception, data providers have included several government institutions and enterprises connected by a centralized national metadata system and the federal geographic data system. In parallel, the government created the State Enterprise Center of Registers to integrate all cadastral information and real estate records, which were added to the GIS.
58. REGIA (https://www.regia.lt/en/) also serves as a site for reporting municipal-level issues such as damaged roads or power outages.
59. Srinivasan, Jayashree, Enrique Orellana Tamez, Kamal Chakaroun, Farrukh Umarov, and Lodovico Onofri. 2020. "From Paper to the Cloud: Improving Building Control through E-permitting." *Doing Business* Case Studies, World Bank, Washington, DC. Available at https://documents.worldbank.org/en/publication/documents-reports/documentdetail/705331592344507733/from-paper-to-the-cloud-improving-building-control-through-e-permitting.
60. Denmark's online platform is accessible at https://www.bygogmiljoe.dk/.
61. Statistics for Denmark are available at https://www.kl.dk/kommunale-opgaver/teknik-og-miljoe/baeredygtige-bygninger/byggelov-og-sagsbehandling/. In Sweden, the National Board of Housing, Building and Planning collects data on building permits from municipalities through an annual survey. However, not all municipalities submit answers (in 2021, 96% of them did), and some data points are missing. At the municipal level, only Umeå publishes statistics on its website.
62. As of today, sewerage connection requests are limited to certain regions.
63. For example, the Swedish Transport Administration uses BIM software for infrastructure projects, according to the European Construction Sector Observatory, Country profile Sweden, 2021, available at https://ec.europa.eu/growth/sectors/construction/observatory/country-fact-sheets/sweden_en. Research projects in Sweden are also looking at integrating BIM software into the permitting process. The research is being carried out by the public and private sector. For more information, see https://www.smartbuilt.se/projekt/informationsinfrastruktur/informationsforsorjning/smart-planering/4-bim-for-bygglov/.
64. Srinivasan, Jayashree, Enrique Orellana Tamez, Kamal Chakaroun, Farrukh Umarov, Lodovico Onofri. 2020. *From Paper to the Cloud: Improving Building Control through E-permitting*. Doing Business Case Studies. World Bank, Washington, DC.
65. World Bank Group. 2013. *Good Practices for Construction Regulation and Enforcement Reform: Guidelines for Reformers*. Investment Climate. Washington, DC: World Bank Group. Available at https://openknowledge.worldbank.org/handle/10986/16612.
66. For the certified supervisor, a degree, minimum years of experience, and certification are required; however, if the professional has 10 years of relevant experience in the construction sector, the requirements may be waived. This according to the National Board of Housing, Building and Planning's Mandatory Provisions and General Recommendations on the Certification of Supervisors, 2011, 4 §, available at https://rinfo.boverket.se/BFS2011-14/pdf/BFS2011-14.pdf.
67. Changes to the Planning and Building Act (2010) are currently being discussed regarding private sector engagement for some residential projects (the exact type has yet to be determined). The new legislation was to be introduced by August 1, 2022. If it passes, drawings produced by a certified design company will require less permit processing at the municipality.
68. In Sweden, the municipality's building inspector is in charge of reviewing the technical aspects of the building. The inspector leads the initial technical consultations and the final consultations, makes a site visit, and issues the clearance to commence construction as well as the occupancy clearance.
69. Moullier, Thomas. 2017. "Building Regulatory Capacity Assessment: Level 2—Detailed Exploration." World Bank, Washington, DC.
70. Only 10% of the cases are randomly selected by the building permit platform Byg og Miljø, and documentation is reviewed in detail before an occupancy clearance is issued.
71. Under Swedish law, municipalities that do not meet the legally prescribed deadline are subject to a penalty mechanism. The developer's permit fee is reduced by one-fifth when the deadline is exceeded and

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then further reduced by one-fifth for every additional week.

72. Denmark establishes different time frames for different types of construction—for example, for simple construction projects, 40 days; smaller industry and warehouse buildings, 50 days; larger industrial buildings, 55 days; and residential buildings, 60 days. However, Denmark follows service delivery standards rather than statutory time frames.
73. The fast-track application model was introduced in Vienna as part of reforms in 1999 to allow for construction to begin more quickly for certain categories of low-risk projects. It is available at https://www.ris.bka.gv.at/eli/lgbl/WI/1930/11/P70a/LWI40010112.
74. World Bank Group. 2013. *Good Practices for Construction Regulation and Enforcement Reform: Guidelines for Reformers*. Washington, DC: World Bank Group.
75. The Electricity Act (Ellag (1997:857)) entered into force on January 1, 1998. The law and its subsequent amendments are available at https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/ellag-1997857_sfs-1997-857.
76. Information about the Swedish Energy Markets Inspectorate is available at https://ei.se/. For information about the Energy Agency, see http://www.energimyndigheten.se/.
77. To measure the reliability of supply and transparency of tariffs, this study uses an index scored from 0 to 8 points. The index measures the monitoring of power outages by the energy regulator; the use of automated systems to monitor service interruptions and restore supply; the existence of financial deterrents aimed at limiting outages; and whether effective tariffs are available online and customers are notified of a change in tariffs a full billing cycle in advance. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
78. Firms perceive Sweden's electricity services to be reliable and efficient. The World Bank Enterprise Surveys project surveyed nearly 600 firms in different sectors and regions in Sweden in 2020, and nearly all firms reported experiencing zero power outages in a typical month. If there were outages, firms' revenue losses were at or below 0.4% of annual sales in Sweden, compared with 4.3% on a global level. For more information, please refer to https://www.enterprisesurveys.org/en/data/exploreeconomies/2020/sweden.
79. Safety regulations are established in the Electrical Safety Act (2016:732).
80. The need to follow specific technical guidelines was reported by distribution utilities and electrical contractors during consultations with the team preparing this report.
81 Requirements for compensation are established in Chapter 10, Section 10, of the Electricity Act (Ellag (1997:857)).
82. For score calculations on the reliability of supply and transparency of tariffs index, see the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
83. For more information, see NordREG. 2021. "Implementation of Data Hubs in the Nordic Countries. Status Report, December 2021." Available at http://www.nordicenergyregulators.org/wp-content/uploads/2021/12/6.1-NordREG-Status-report-on-data-hubs-2021.pdf.
84. Sections 7a and 11 of Sweden's Electricity Act (Ellag (1997:857)) establish requirements for connection times.
85. The Austrian regulator's website can be accessed at https://www.e-control.at/marktteilnehmer/erhebungen/erhebungen-zur-qualitaet-der-netzdienstleistung.
86. The French Energy Code (Article L342-11) specifies that urban planning commissions are to bear the cost of extension works for the electricity grid, provided that the network extension can benefit future residents and firms.
87. Information about paying in installments was provided during consultations with distribution utilities in Sweden.
88. SOU 1969:43, *Nytt Lantmäteri* (Preparatory work 1969:43, A New Cadastral Authority).
89. See announcement (1968:379) on the establishment of a new property register, available at https://riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/kungorelse-1968379-om-upplaggande-av-nytt_sfs-1968-379.
90. See Law 1946:805 on special provisions concerning witnesses in certain legal acts: Sw. Lag (1946:805) med särskilda bestämmelser angående vittne vid vissa rättshandlingar.
91. A purchase letter, which is separate from the sales contract, may be required in the sales contract as a way of expressing that the acquisition is dependent on the payment of the purchase fee. See Chapter 4, Section 5, of the Land Code.
92. The Swedish electronic identification service is a government-sanctioned form of digital ID. More information is available at https://www.elegitimation.se/en.
93. See Chapter 20 of the Land Code, which regulates the registration process.
94. See Chapter 20, Section 2, of the Land Code.
95. The fifth component measures legal provisions on equality of access to property rights for women and men. This subindicator is not discussed in this study, as women and men enjoy the same ownership rights in all EU member states.
96. The Swedish Code of Judicial Procedure (SFS 1942:740) is available at https://www.government.se/contentassets/a1be9e99a5c64d1bb93a96ce5d517e9c/the-swedish-code-of-judicial-procedure-ds-1998_65.pdf.
97. The Enforcement Code (1981:774) entered into force on January 1, 1982. It is available (with amendments up to SFS 2001:377) at https://www.riksdagen.se/sv/dokument-lagar/dokument/departementsserien/ds-2002-45-_GQB445/html.
98. Ministry of Justice. Government decision I:25. December 16, 2021. Regulation letter for the financial year 2022 regarding the Courts of Sweden (Regleringsbrev för budgetåret 2022 avseende Sveriges Domstolar). Available at https://www.esv.se/statsliggaren/regleringsbrev/?rbid=22580.
99. Ordinance (2007:1073) with instructions for the Swedish National Courts Administration. November 22, 2007. Available at https://rkrattsbaser.gov.se/sfst?bet=2007:1073.
100. The value of the claim is 200% of income per capita, calculated using DataBank resources. Available at https://databank.worldbank.org/home.aspx.
101. In 2021, Swedish district courts received 122,399 criminal cases and 84,158 civil cases. Table 1.1., Court statistics 2021. Official statistics of Sweden. Swedish National Courts Administration. Available at https://www.domstol.se/contentassets/65a838e5ba2a42418f57b1c39ef389ab/court_statistics_2021.pdf/.
102. See Chapter 42, Section 1, of the Swedish Code of Judicial Procedure.
103. The electronic portal where the application form for summons (DV 161) can be downloaded and the application filed is hosted at the website of Courts of Sweden. The same website hosts a platform for payment of application fees. The portal can be found at https://www.domstol.se/amnen/tvist-om-pengar/ansok-om-stamning/.
104. See Chapter 42, Section 5, of the Swedish Code of Judicial Procedure.
105. See Chapter 42, Section 7, of the Swedish Code of Judicial Procedure.
106. Swedish Enforcement Authority, available at https://kronofogden.se/om-kronofogden.
107. The application for enforcement is sent via the electronic enforcement service, available at https://kronofogden.se/ingivare/vara-tjanster-for-ingivare/verkstallighet.
108. The National auction platform Auktionstorget, is available at https://auktionstorget.kronofogden.se/auktionstorget.
109. Court statistics provided by the Ministry of Justice at the request of the project team.
110. Judges in Uppsala heard 416 cases on average in 2021, while in Umeå this number was 143 cases per judge. Stockholm, with 268 incoming cases per judge on average, was below the average number of 345 incoming cases per judge at the eight district courts.
111. In 2021, among the eight cities covered in this study, only Gävle was above the target, with an average time of 7.1 months. All other cities met the target: Göteborg, 6.4 months; Jönköping, 6.7 months; Malmö, 5.6 months; Stockholm, 4.4 months; Sundsvall, 5.9 months; Umeå, 5.8 months; and Uppsala, 6.2 months. Appendix: Performance of the time targets – results of individual courts. Court statistics 2021. Official statistics of Sweden. Swedish National Courts Administration.
112. Excluding small claims (civil cases below SEK 24,150), settlements, joint petitions (divorce, dissolution of civil partnership, and child custody), and other family cases, the median time at the 75th percentile for litigious cases in the cities covered in this study is 11 months. (The 75th percentile indicates how long it takes to determine 75% of the incoming cases.) The fastest city is Umeå, which takes 7.9 months to resolve a case; Uppsala takes 10.9 months. Major cities such

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as Göteborg, Malmö, and Stockholm need 11.5 months, 10.9 months, and 11 months, respectively, to resolve these cases. Based on data received from the Swedish National Courts Administration and coded by project team members.

113. "Reinforcement task force expands – and becomes faster" (unofficial translation of title). The Swedish National Courts Administration, June 16, 2020, available at https://www.domstol.se/en/nyheter/2020/06/forstarkningsstyrkan-utokas---och-blir-snabbare/.
114. Application fees for summons, Courts of Sweden, available at https://www.domstol.se/tjanster-och-blanketter/betala-ansokningsavgift/.
115. Application for enforcement, the Swedish Enforcement Authority, available at https://kronofogden.se/e-tjanster-och-blanketter/application-for-enforcement.
116. For more details, refer to the *Doing Business* methodology at https://archive.doingbusiness.org/en/methodology.
117. Courts with specialized commercial jurisdictions are available in Austria, Belgium, Bulgaria, Croatia, France, Germany, Hungary, Ireland, Luxembourg, Poland, Romania, and Slovenia.
118. Lawyers consulted for this study confirmed that criminal cases are being prioritized in Sweden over commercial cases. According to official statistics, in 2021, 66.9% of criminal cases determined through a judgment were decided following a main hearing. Court statistics 2021. Official statistics of Sweden. Swedish National Courts Administration.
119. Code of Judicial Procedure, Chapter 42, Section 15 and 15a; The Referee Blog. "What does it mean when the court threatens with the gallows?" Available at https://www.domarbloggen.se/vad-innebar-det-nar-domstolen-hotar-med-stupstock/.
120. Laws that set time standards for key court events and are respected in practice are available in Bulgaria, Croatia, Greece, Hungary, Italy, Latvia, Malta, Portugal, Romania, and Slovenia.
121. Website of the Supreme Court of Sweden, available at https://www.domstol.se/hogsta-domstolen/avgoranden/.
122. Website of the State Gazette of Estonia, available at https://www.riigiteataja.ee/kohtulahendid/koik_menetlused.html.
123. Court judgments for all commercial cases are publicly available in Bulgaria, Croatia, Cyprus, Estonia, Latvia, Lithuania, Malta, the Netherlands, and Slovakia.
124. Case management tools for both lawyers and judges are available in Austria, Denmark, Estonia, France, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Portugal, Romania, and Slovakia.

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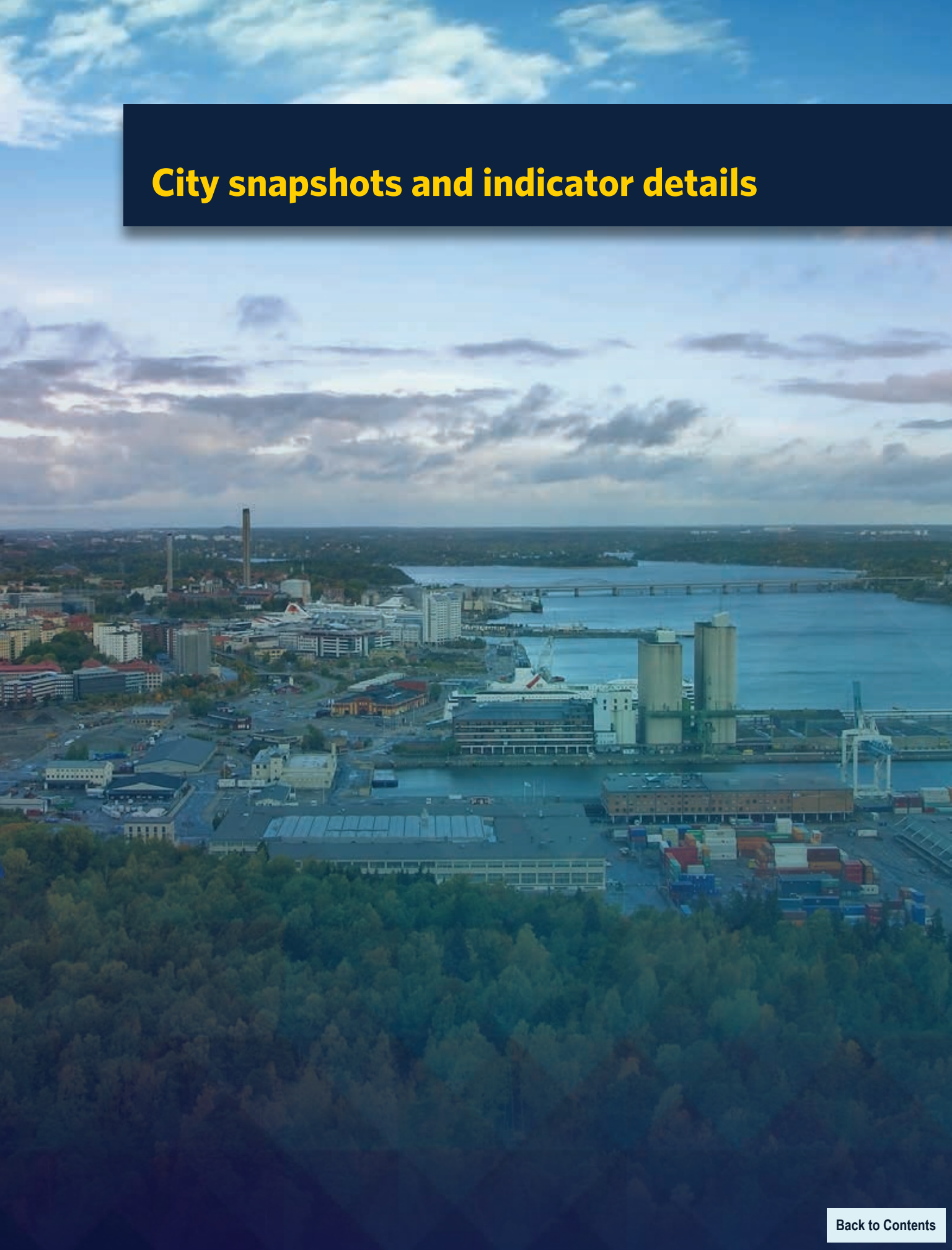
City snapshots and indicator details



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Denmark

DENMARK

Aalborg

Business start-up (rank)	1
Score for business start-up (0–100)	92.11
Procedures (number)	5
Time (days)	6
Cost (% of income per capita)	0.2
Paid-in minimum capital (% of income per capita)	9.7

Building permits (rank)	4
Score for building permits (0–100)	87.75
Procedures (number)	7
Time (days)	118
Cost (% of warehouse value)	1.6
Building quality control index (0–15)	14

Electricity connection and supply (rank)	3
Score for electricity connection and supply (0–100)	83.51
Procedures (number)	6
Time (days)	53
Cost (% of income per capita)	61.7
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	92.79
Procedures (number)	3
Time (days)	4
Cost (% of property value)	0.6
Quality of land administration index (0–30)	28

Commercial litigation (rank)	3
Score for commercial litigation (0–100)	72.60
Time (days)	600
Cost (% of claim value)	13.5
Quality of judicial processes index (0–18)	13.0

Aarhus

Business start-up (rank)	1
Score for business start-up (0–100)	92.11
Procedures (number)	5
Time (days)	6
Cost (% of income per capita)	0.2
Paid-in minimum capital (% of income per capita)	9.7

Building permits (rank)	2
Score for building permits (0–100)	88.85
Procedures (number)	7
Time (days)	103
Cost (% of warehouse value)	1.5
Building quality control index (0–15)	14

Electricity connection and supply (rank)	1
Score for electricity connection and supply (0–100)	85.35
Procedures (number)	6
Time (days)	36
Cost (% of income per capita)	61.7
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	92.79
Procedures (number)	3
Time (days)	4
Cost (% of property value)	0.6
Quality of land administration index (0–30)	28

Commercial litigation (rank)	6
Score for commercial litigation (0–100)	69.91
Time (days)	675
Cost (% of claim value)	15.2
Quality of judicial processes index (0–18)	13.0

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Copenhagen

Business start-up (rank)	1
Score for business start-up (0–100)	92.11
Procedures (number)	5
Time (days)	6
Cost (% of income per capita)	0.2
Paid-in minimum capital (% of income per capita)	9.7

Building permits (rank)	6
Score for building permits (0–100)	84.74
Procedures (number)	7
Time (days)	162
Cost (% of warehouse value)	1.4
Building quality control index (0–15)	14

Electricity connection and supply (rank)	6
Score for electricity connection and supply (0–100)	81.66
Procedures (number)	6
Time (days)	70
Cost (% of income per capita)	59.5
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	92.79
Procedures (number)	3
Time (days)	4
Cost (% of property value)	0.6
Quality of land administration index (0–30)	28

Commercial litigation (rank)	5
Score for commercial litigation (0–100)	71.25
Time (days)	600
Cost (% of claim value)	17.1
Quality of judicial processes index (0–18)	13.0

Kolding

Business start-up (rank)	1
Score for business start-up (0–100)	92.11
Procedures (number)	5
Time (days)	6
Cost (% of income per capita)	0.2
Paid-in minimum capital (% of income per capita)	9.7

Building permits (rank)	3
Score for building permits (0–100)	88.65
Procedures (number)	7
Time (days)	106
Cost (% of warehouse value)	1.5
Building quality control index (0–15)	14

Electricity connection and supply (rank)	4
Score for electricity connection and supply (0–100)	82.96
Procedures (number)	6
Time (days)	58
Cost (% of income per capita)	61.7
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	92.79
Procedures (number)	3
Time (days)	4
Cost (% of property value)	0.6
Quality of land administration index (0–30)	28

Commercial litigation (rank)	4
Score for commercial litigation (0–100)	71.89
Time (days)	630
Cost (% of claim value)	13.2
Quality of judicial processes index (0–18)	13.0

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Næstved

Business start-up (rank)	1
Score for business start-up (0–100)	92.11
Procedures (number)	5
Time (days)	6
Cost (% of income per capita)	0.2
Paid-in minimum capital (% of income per capita)	9.7

Building permits (rank)	1
Score for building permits (0–100)	90.00
Procedures (number)	7
Time (days)	85
Cost (% of warehouse value)	1.7
Building quality control index (0–15)	14

Electricity connection and supply (rank)	5
Score for electricity connection and supply (0–100)	82.74
Procedures (number)	6
Time (days)	60
Cost (% of income per capita)	61.7
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	92.79
Procedures (number)	3
Time (days)	4
Cost (% of property value)	0.6
Quality of land administration index (0–30)	28

Commercial litigation (rank)	1
Score for commercial litigation (0–100)	73.47
Time (days)	575
Cost (% of claim value)	13.0
Quality of judicial processes index (0–18)	13.0

Odense

Business start-up (rank)	1
Score for business start-up (0–100)	92.11
Procedures (number)	5
Time (days)	6
Cost (% of income per capita)	0.2
Paid-in minimum capital (% of income per capita)	9.7

Building permits (rank)	5
Score for building permits (0–100)	85.42
Procedures (number)	7
Time (days)	151
Cost (% of warehouse value)	1.5
Building quality control index (0–15)	14

Electricity connection and supply (rank)	2
Score for electricity connection and supply (0–100)	85.03
Procedures (number)	6
Time (days)	39
Cost (% of income per capita)	61.7
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	92.79
Procedures (number)	3
Time (days)	4
Cost (% of property value)	0.6
Quality of land administration index (0–30)	28

Commercial litigation (rank)	2
Score for commercial litigation (0–100)	72.90
Time (days)	585
Cost (% of claim value)	13.8
Quality of judicial processes index (0–18)	13.0

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BUSINESS START-UP IN DENMARK – PROCEDURES REQUIRED TO SET UP A BUSINESS, BY CITY

Standard company legal form: Anpartsselskab (ApS) *Paid-in minimum capital requirement: DKK 40,000.00* *Data as of: April 30, 2022*		Aalborg	Aarhus	Copenhagen	Kolding	Næstved	Odense	Comments
1. Deposit startup capital at a bank	Time (days)	1						A private limited company (ApS) must have a startup capital of at least DKK 40,000. An amount equal to 25% of the share capital, but not less than DKK 40,000, is required as paid-in minimum capital. According to the Danish Companies Act section 33, upon registration, companies may deposit partial paid-in minimum capital with the bank, rather than making the lump sum deposit. When the deposit has been transferred to the company's business bank account, a third party—a bank official, a lawyer or notary—must confirm so to the Danish Business Authorities (DBA) to finalize the application process. A company is required by law to have a bank account designated as a NemKonto (EasyAccount). Through the NemKonto the company will be able to receive payments from public authorities such as the Tax Agency. The company can assign a NemKonto to an existing company account by requesting it to the bank for free.
	Cost (DKK)	No cost						
2. File for company, tax and VAT registration with the Danish Business Authority (DBA)	Time (days)	A few hours for business incorporation + 2-3 days for tax and VAT registration						The Danish Business Authority (DBA) provides limited liability companies with a one-stop, centralized online service for business and tax registration called Virk.dk. To register online, business founders, or their representatives such as lawyers, can use their personal electronic identification NemID/MitID to complete their application. Companies fill out a registration form and submit the Memorandum of Association and the Articles of Association through the website. During the application process, the owners of the new ApS have also the option to make a request for tax and VAT registration. According to section 48 of the Danish Value Added Tax Act, companies are required to register for VAT when turnover exceeds DKK 50,000 within a period of 12 months. Companies must also register the ownership, voting rights, or pledge of 5% or more of a company's shares in the public register of shareholders, which can be done at the same time as company registration. In addition, from 1 July 2018, information on beneficial owners is required to be entered in the public register of shareholders in relation to the initial registration of the company. When the registration process is completed, the client receives a registration receipt via email containing a unique business identification number (CVR). Confirmation of registration may be accessed at datacvr.virk.dk and at the electronic National Gazette (www.statstidende.dk). New companies are also required to have a Digital Post to receive correspondence from public authorities which is automatically created when the company receives the CVR number.
	Cost (DKK)	670						
3. Obtain an electronic employee signature (NemID/ MitID)	Time (days)	Less than one day (online procedure)						New companies are required to use digital services when dealing with government agencies. When a new limited company is owned by several partners it requires a NemID employee signature (medarbejdersignatur) for its representatives to identify themselves electronically on behalf of the company. The employee signature can be obtained online on www.medarbejdersignatur.dk. During 2022 the NemID employee signature will be replaced with MitID Business as part of the transition to a new electronic identification system. NemID consists of a user ID, password, and a key card with "keys" (single-use codes). When an employee logs on, he or she must enter the user ID and password, and then a key from the key card. A NemID employee signature with key card indicates that the company employee is authorized to do the following: - contact public authorities on behalf of the company; - access secure government portals; - sign documents and forms; - receive access to information from a public authority; - send and receive encrypted and signed emails; - access company's data from government portals via home office. - log on to private web services and internal IT systems (as applicable). A company may request up to 3 NemID employee signatures free of charge and additional NemID signatures will be subject to a charge depending on the type of employee signature requested.
	Cost (DKK)	No cost						
4. Register as an employer with the Danish Business Authority (DBA) on Virk	Time (days)	Less than one day (online procedure)						In order to comply with the requirement to report withholding tax, companies who have employees must register as employers with the Danish Business Authority. After the company has been registered with the DBA and has received their central business registration number (CVR-number) it can register as an employer on virk.dk.
	Cost (DKK)	No cost						
5. Register employees for workers' compensation insurance	Time (days)	1						Employees must be insured against industrial accidents and occupational illnesses. The terms of the insurance depend on the private insurance company. The chosen insurance company must complete a form and register the insurance policy with the DBA. If the new business has a car, motor insurance must also be purchased. More information on insurance companies can be found at www.forsikringogpension.dk.
	Cost (DKK)	No cost						

Source: Data collected for this publication.

*Takes place simultaneously with previous procedure.

BUILDING PERMITS IN DENMARK – PROCEDURES REQUIRED TO OBTAIN A BUILDING PERMIT, BY CITY

Warehouse value: DKK 20,514,545 (USD 3,136,000) *Data as of: April 30, 2022*		Aalborg	Aarhus	Copenhagen	Kolding	
1. Hire a certified fire advisor to supervise the technical conditions of the building	Time (days)	1	1	1	1	
	Cost (DKK)	100,000				
2. Hire a certified static advisor to supervise technical conditions of the building*	Time (days)	1	1	1	1	
	Cost (DKK)	75,000				
3. Request and obtain building permit from the Municipality	Time (days)	72	55	73	67	
	Cost (DKK)	2,940 (DKK 490 fee per hour of permit processing)	4,926 (DKK 821 fee per hour for permit processing)	No cost	4,734 (DKK 789 fee per hour for permit processing)	
4. Notify the Workers' Environment Authority of commencement of work	Time (days)	Less than one day (online procedure)				
	Cost (DKK)	No cost				
5. Notify the Municipality of commencement of work*	Time (days)	Less than one day (online procedure)				
	Cost (DKK)	No cost				
6. Request and obtain connection to water and sewage	Time (days)	25	25	56	18	
	Cost (DKK)	140,188 [DKK 53,594 (wastewater connection fee) * 2 (as a rounded number of the property's plot size per the utility's fixed plot size of 800 m^2) + DKK 33,000 (water connection fee)]	132,539 [DKK 53,594.7 (wastewater connection fee) * 2 (as a rounded number of the property's plot size per the utility's fixed plot size of 800 m^2) + DKK 25,350 (water connection fee)]	120,167 [DKK 53,594.4 (wastewater connection fee) * 2 (as a rounded number of the property's plot size per the utility's fixed plot size of 800 m^2) + DKK 12,978 (water connection fee)]	131,153 [DKK 53,594 (wastewater connection fee) * 2 (as a rounded number of the property's plot size per the utility's fixed plot size of 800 m^2) + DKK 23,965 (water connection fee)]	
7. Send notice of completion and receive occupancy permit	Time (days)	18	20	30	18	
	Cost (DKK)	2,695 (DKK 490 processing fee per hour)	4,516 (DKK 821 processing fee per hour)	No cost	4,340 (DKK 789 processing fee per hour)	

Source: Data collected for this publication.
*Takes place simultaneously with previous procedure.

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	Næstved	Odense	Comments
	1	1	The developer must hire a certified fire advisor to conduct the fire supervision, including any necessary inspections. The certified advisor prepares a start declaration on the fire conditions of the building, which is submitted for the building permit application, and prepares a final declaration, which is submitted for the occupancy permit application.
	100,000		
	1	1	The developer must hire a certified static advisor to conduct construction supervision, including any necessary inspections. The certified advisor prepares a start declaration on the static conditions of the building, which is submitted for the building permit application, and prepares a final declaration, which is submitted for the occupancy permit application.
	75,000		
	30	101	Once the municipality receives the building permit application online through the centralized national platform Byg og Miljø, it checks if the application is complete, reviews the building's exterior drawings according to the local plan, approves the overall project and issues a building permit. The municipalities charge an hourly fee based on the time spent on processing the application, except for Copenhagen, where the municipal processing is free of charge. On January 1, 2018, Denmark introduced the so-called "certification scheme", which shifted from a traditional public enforcement approach centered on municipal building authorities toward a certified practitioner/third party-focused review. Since 2020, developers have been required to hire certified fire and static advisors to review the building structures and fire safety measures that are submitted as part of the building permit application.
	2,136 (DKK 356 fee per hour for permit processing)	4,140 (DKK 690 fee per hour for permit processing)	
	Less than one day (online procedure)		The developer notifies the Workers' Environment Authority (WEA) as soon as the construction site has been established and before the construction work can commence. The developer fills out a standard form and sends it electronically via Virk.dk to WEA—a digital platform managed by the Danish Business Authority.
	No cost		
	Less than one day (online procedure)		Before the construction work can start, the developer must notify the municipality through the centralized online platform, Byg & Miljø. The municipality does not inspect the site. The municipalities, except for Copenhagen, charge an hourly fee based on the time spent for this procedure at the end of the building case processing.
	No cost		
	34	26	The developer submits the water and sewage request at the utility. After the request has been submitted, an invoice of the full cost must be paid. After payment, the supply lines will be connected to the property. The connection from the supply line and into the building is then made by an independent constructor.
	162,557 [DKK 53,594.7 (wastewater connection fee) * 2 (as a rounded number of the property's plot size per the utility's fixed plot size of 800 m^2) + DKK 45,000 (water connection fee) + 11.16 (water connection fee for industrial and commercial per sq.m. of the plot size] * 929 (the plot size of the warehouse in m^2)]	130,880 [DKK 53,590 (wastewater connection fee) * 2 (as a rounded number of the property's plot size per the utility's fixed plot size of 800 m^2) + DKK 12,750 (water connection fee) + DKK 10,950 (water connection fee for establishing on public ground)]	
	18	21	Once the municipality receives the notice of completion, it checks that all documentation required by the building regulations is included to issue the occupancy permit. However, the municipality no longer reviews the application in detail. The municipalities, except for Copenhagen, charge an hourly fee for processing this request.
	1,958 (DKK 356 processing fee per hour)	3,795 (DKK 690 processing fee per hour)	

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BUILDING PERMITS IN DENMARK – BUILDING QUALITY CONTROL INDEX		
	All cities	
	Answer	Score
Building quality control index (0–15)		**14**
Quality of building regulations index (0–2)		2
How accessible are building laws and regulations in your economy? (0–1)	Available online; Free of charge.	1
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0–1)	List of required documents; Fees to be paid; Required preapprovals.	1
Quality control before construction index (0–1)		1
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0–1)	Licensed architect; Licensed engineer.	1
Quality control during construction index (0–3)		3
What types of inspections (if any) are required by law to be carried out during construction? (0–2)	Inspections by in-house engineer; Risk-based inspections.	2
Do legally mandated inspections occur in practice during construction? (0–1)	Mandatory inspections are always done in practice.	1
Quality control after construction index (0–3)		3
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0–2)	Yes, in-house engineer submits report for final inspection.	2
Do legally mandated final inspections occur in practice? (0–1)	Final inspection always occurs in practice.	1
Liability and insurance regimes index (0–2)		1
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0–1)	No party is held liable under the law.	0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use? (0–1)	No party is required by law to obtain insurance; Insurance is commonly taken in practice.	1
Professional certifications index (0–4)		4
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0–2)	Minimum years of experience, University degree in architecture or engineering, Qualification exam.	2
What are the qualification requirements for the professional who supervises the construction on the ground? (0–2)	Minimum years of experience, University degree in architecture or engineering, Qualification exam.	2

Source: Data collected for this publication.

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ELECTRICITY CONNECTIONS AND SUPPLY IN DENMARK – PROCEDURES REQUIRED TO OBTAIN A NEW ELECTRICITY CONNECTION, BY CITY

Data as of: April 30, 2022

Name of utility:		Nord Energi Net	Konstant	Radius Elnet	Trefor El-net	Cerius	Vores Elnet	
		Aalborg	**Aarhus**	**Copenhagen**	**Kolding**	**Næstved**	**Odense**	**Comments**
1. Submit application to the utility and await conditions for connection	Time (days)	12	9	22	14	15	14	The electricity contractor submits an online application form to the electricity distribution utility (DSO) through the online system "www.installationsblanket.dk". For connections greater than 63 amperes, the electrician also needs to submit drawings of the meter and installations board, and a test protocol for the power transformers. The installation department of the DSO reviews the application, assesses the capacity in the system, and determines the connection point to which the contractor needs to connect the cables. The connection point will typically be no further than 30 meters from the border of the land plot. The DSO uses detailed GIS maps in determining the connection point, thus it does not need to physically visit the site location. The DSO also determines the connection fee based on standard prices from the trade organization "Green Power Denmark". The electrical contractor responsible for the external works needs to be registered with and authorized by the Danish Safety Technology Authority.
	Cost (DKK)	No cost						
2. Pay connection fee and await completion of external works by utility	Time (days)	33	21	40	35	40	18	The DSO is responsible for the external connection works between the connection point (usually in a cable box) and the electricity network, in this case 120 meters from the connection point. The difference in costs between Copenhagen and the other cities is due to a difference in the classification of customer type. In Copenhagen, a customer would be classified as a B-low type customer; in the other cities, they would be classified as C-customers. Before starting the connection works, the DSO – or the contractor hired by the DSO – need to make sure that all necessary permits and approvals have been obtained. This includes the excavation permit from the municipality and obtaining information about cables underground through the Danish Register of Underground Cable Owners (LER).
	Cost (DKK)	227,400 (Connection fee of DKK 15,650 for the first 25 Amperes for businesses + DKK 1,210 per Ampere (over 25 Amperes) for C-type business customers)		218,650 (Connection fee of DKK 15,650 for the first 25 Amperes for businesses + DKK 1,160 per Ampere (over 25 Amperes) for B-low-type business customers)	227,400 (Connection fee of DKK 15,650 for the first 25 Amperes for businesses + DKK 1,210 per Ampere (over 25 Amperes) for C-type business customers)			
3. Obtain excavation permit from local authority*	Time (days)	4	5	13	4	4	5	The electrical contractor hired by the client needs to obtain an excavation permit in order to dig in public land and lay out the cables. As a part of the preparation phase of the works, they will also need to obtain information about existing cables underground through the Danish Register of Underground Cable Owners (LER).
	Cost (DKK)	No cost						
4. Await completion of external connection works by the client's contractor*	Time (days)	9	9	9	9	9	9	The authorized contractor is responsible for the external connection works (layout of cables) from the building up to the connection point, usually a cable box 30 meters from the land plot (in cases similar to this scenario). When the authorized electrical contractor has received information about the connection point from the DSO (cable box number), they can start the works. The contractor will also need to purchase the cables and obtain municipal permits for the external works.
	Cost (DKK)	25,575						
5. Sign a supply contract with an electricity provider*	Time (days)	1	1	1	1	1	1	The electricity market in Denmark is liberalized and consumers can choose among several electricity providers. Choosing an electricity provider is an integrated part of the process of obtaining a new electricity connection. It is done entirely online, and there is no need for any kind of paperwork to be submitted. The client is required to choose an electricity provider to be able to have the meter installed.
	Cost (DKK)	No cost						
6. Register works with the utility and obtain meter installation and electricity flow	Time (days)	8	6	8	9	5	7	When the authorized electricity contractor has completed the works from the building to the connection point, they need to notify the DSO. This is done through the online platform www.installationsblanket.dk. The DSO will then come and install the meter and turn on electricity.
	Cost (DKK)	No cost						

Source: Data collected for this publication.

*Takes place simultaneously with previous procedure.

ELECTRICITY CONNECTIONS AND SUPPLY IN DENMARK – RELIABILITY OF SUPPLY AND TRANSPARENCY OF TARIFFS INDEX	
Reliability of supply and transparency of tariffs index (0–8)	**8 (all cities)**
Total duration and frequency of outages per customer a year (0–3)	3 (all cities)
System average interruption duration index (SAIDI)	0.14 (Aarhus) 0.15 (Aalborg) 0.29 (Odense) 0.31 (Copenhagen) 0.34 (Næstved) 0.70 (Kolding)
System average interruption frequency index (SAIFI)	0.22 (Aalborg) 0.31 (Aarhus) 0.37 (Odense) 0.38 (Næstved) 0.43 (Copenhagen) 0.64 (Kolding)
Mechanisms for monitoring outages (0–1)	1 (all cities)
Does the distribution utility use automated tools to monitor outages?	Yes (all cities)
Mechanisms for restoring service (0–1)	1 (all cities)
Does the distribution utility use automated tools to restore service?	Yes (all cities)
Regulatory monitoring (0–1)	1 (all cities)
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes (all cities)
Financial deterrents aimed at limiting outages (0–1)	1 (all cities)
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes (all cities)
Communication of tariffs and tariff changes (0–1)	1 (all cities)
Are effective tariffs available online?	Yes (all cities)
Are customers notified of a change in tariff ahead of the billing cycle?	Yes (all cities)

Source: Data collected for this publication.

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PROPERTY TRANSFER IN DENMARK – PROCEDURES REQUIRED TO TRANSFER A PROPERTY, BY CITY								
Property value: DKK 20,514,545 (USD 3,136,000) *Data as of: April 30, 2022*		Aalborg	Aarhus	Copenhagen	Kolding	Næstved	Odense	Comments
Obtain relevant documents at the Land Registry online	Time (days)	0.5						The following documents are obtained at the Land Registry: - copy of entries on the Land Register - transcript of owner's property return - copies of easements and other encumbrances registered on the property
	Cost (DKK)	No cost						These documents are obtained online. It is necessary to previously register with the Land Registry and get a user name. In general, professionals are the usual subscribers to the Land Registry.
Obtain a transcript from the Danish Business Authority documenting the power to bind the buyer	Time (days)	0.5						The buyer or the representative obtains transcript from the Danish Business Authority documenting the power to bind the buyer. The buyer or the buyer's representative prepares a conveyance (sale contract), which is signed by the buyer and the seller.
	Cost (DKK)	No cost						
Apply for registration with the Land Registry online	Time (days)	3						A deed is prepared containing the relevant details from the Sale Agreement. Anyone can write the deed. Normally a lawyer (conveyancer) writes the deed, but it is not mandatory. The title deed must be prepared in accordance with formal requirements laid down in or pursuant to the Land Register Act. There is no longer a requirement that the seller's signature is confirmed by two witnesses, instead a digital signature is used.
	Cost (DKK)	124,837.27 (Registration fee: DKK 1,750 + 0.6% of transaction price)						At this moment, ownership is transferred, but it is still necessary to register with the Land Registry in order to make it opposable to third parties. Registration is made online and the system sends back an email immediately mentioning that the transaction is now complete. The registration fee is paid online.

Source: Data collected for this publication.

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PROPERTY TRANSFER IN DENMARK – QUALITY OF LAND ADMINISTRATION INDEX		
	Answer	Score
Quality of the land administration index (0–30)		**28 (all cities)**
Reliability of infrastructure index (0–8)		8
In what format land title certificates are kept at the immovable property registry—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Fully digital	2
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)? (0–1)	Yes	1
In what format cadastral plans are kept at the mapping agency—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Fully digital	2
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)? (0–1)	Yes	1
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases, or in separate databases? (0–1)	Single database	1
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties? (0–1)	Yes	1
Transparency of information index (0–6)		4.5
Whether information on land ownership is made publicly available without providing the title certificate number at the agency in charge of immovable property registration? (0–1)	Freely accessible by anyone	1
Is the list of documents that are required to complete all types of property transactions made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Is the applicable fee schedule for all types of property transactions at the agency in charge of immovable property registration made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Does the agency in charge of immovable property registration formally commit to deliver a legally binding document proving ownership within a specific timeframe–and if so, how does it communicate the service standard? (0–0.5)	Yes, online	0.5
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration? (0–1)	No	0
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency? (0–0.5)	Yes, online	0.5
Are cadastral plans made publicly available? (0–0.5)	Freely accessible by anyone	0.5
Is the applicable fee schedule for accessing maps of land plots made easily publicly available—and if so, how? (0–0.5)	Yes, online	0.5
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency? (0–0.5)	Yes	0.5
Geographic coverage index (0–8)		8
Are all privately held land plots in the economy formally registered at the immovable property registry? (0–2)	Yes	2
Are all privately held land plots formally registered at the immovable property registry in the measured city? (0–2)	Yes	2
Are all privately held land plots in the economy mapped? (0–2)	Yes	2
Are all privately held land plots mapped in the measured city? (0–2)	Yes	2
Land dispute resolution index (0–8)		7.5
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties? (0–1.5)	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee? (0–0.5)	Yes, state guarantee	0.5
Is there a specific out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry? (0–0.5)	Yes	0.5
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)? (0–0.5)	Yes, registrar	0.5
Does the legal system require verification of the identity of the parties to a property transaction? (0–0.5)	Yes, registrar	0.5
Is there a national database to verify the accuracy of government issued identity documents? (0–1)	Yes	1
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)? (0–3)	< 1 year	3
Are there publicly available statistics on the number of land disputes in the first-instance court? (0–0.5)	No	0

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PROPERTY TRANSFER IN DENMARK – QUALITY OF LAND ADMINISTRATION INDEX (continued)		
	Answer	Score
Equal access to property rights index (-2–0)		**0**
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0
Do married men and married women have equal ownership rights to property?	Yes	0

Source: Data collected for this publication.

COMMERCIAL LITIGATION IN DENMARK – TIME, COST AND QUALITY OF JUDICIAL PROCESSES, BY CITY

	Time (days)				**Cost** (% of claim)				**Quality of judicial processes index** (0–18)				
City	Filing and service	Trial and judgment	Enforcement of judgment	Total time	Attorney fees	Court costs	Enforcement costs	Total cost	Court structure and proceedings (-1–5)	Case management (0–6)	Court automation (0–4)	Alternative dispute resolution (0–3)	Total score (0–18)
Aalborg	30	450	120	600	10.0	3.4	0.1	13.5	3.0	4.0	3.5	2.5	13.0
Aarhus	30	525	120	675	11.4	3.7	0.1	15.2	3.0	4.0	3.5	2.5	13.0
Copenhagen	30	450	120	600	12.4	4.6	0.1	17.1	3.0	4.0	3.5	2.5	13.0
Kolding	30	480	120	630	10.0	3.1	0.1	13.2	3.0	4.0	3.5	2.5	13.0
Næstved	30	425	120	575	9.5	3.4	0.1	13.0	3.0	4.0	3.5	2.5	13.0
Odense	30	435	120	585	10.0	3.7	0.1	13.8	3.0	4.0	3.5	2.5	13.0

Source: Data collected for this publication.

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COMMERCIAL LITIGATION IN DENMARK – QUALITY OF JUDICIAL PROCESSES INDEX

	Answer	Score
Quality of judicial processes index (0–18)		**13 (all cities)**
Court structure and proceedings (-1–5)		**3**
1. Is there a court or division of a court dedicated solely to hearing commercial cases? (0–1.5)	No	0
2. Small claims court (0–1.5)		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available? (0–1)	Yes	1
4. Are new cases assigned randomly to judges? (0–1)	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's? (-1–0)	Yes	0
Case management (0–6)		**4**
1. Time standards (0–1)		0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	No	
1.c. Are these time standards respected in more than 50% of cases?	No	
2. Adjournments (0–1)		0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report? (0–1)	Yes	1
4. Is a pretrial conference among the case management techniques used before the competent court? (0–1)	Yes	1
5. Are there any electronic case management tools in place within the competent court for use by judges? (0–1)	Yes	1
6. Are there any electronic case management tools in place within the competent court for use by lawyers? (0–1)	Yes	1
Court automation (0–4)		**3.5**
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court? (0–1)	Yes	1
2. Is it possible to carry out service of process electronically for claims filed before the competent court? (0–1)	Yes	1
3. Can court fees be paid electronically within the competent court? (0–1)	Yes	1
4. Publication of judgments (0–1)		0.5
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0–3)		**2.5**
1. Arbitration (0–1.5)		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation (0–1.5)		1
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	

Source: Data collected for this publication.
n.a. = not applicable

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Finland

FINLAND

Helsinki

Business start-up (rank)	1
Score for business start-up (0–100)	88.66
Procedures (number)	3
Time (days)	33.5
Cost (% of income per capita)	0.9
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	4
Score for building permits (0–100)	71.89
Procedures (number)	16
Time (days)	157
Cost (% of warehouse value)	0.8
Building quality control index (0–15)	11

Electricity connection and supply (rank)	6
Score for electricity connection and supply (0–100)	85.95
Procedures (number)	5
Time (days)	70
Cost (% of income per capita)	21.7
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	3
Score for property transfer (0–100)	78.45
Procedures (number)	3
Time (days)	76.5
Cost (% of property value)	4.0
Quality of land administration index (0–30)	28

Commercial litigation (rank)	6
Score for commercial litigation (0–100)	65.04
Time (days)	540
Cost (% of claim value)	20.8
Quality of judicial processes index (0–18)	9.5

Mariehamn

Business start-up (rank)	6
Score for business start-up (0–100)	79.75
Procedures (number)	4
Time (days)	63
Cost (% of income per capita)	1.1
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	1
Score for building permits (0–100)	82.20
Procedures (number)	13
Time (days)	61.5
Cost (% of warehouse value)	0.5
Building quality control index (0–15)	11

Electricity connection and supply (rank)	1
Score for electricity connection and supply (0–100)	90.61
Procedures (number)	5
Time (days)	27
Cost (% of income per capita)	25.4
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	6
Score for property transfer (0–100)	60.95
Procedures (number)	7
Time (days)	153
Cost (% of property value)	4.0
Quality of land administration index (0–30)	28

Commercial litigation (rank)	5
Score for commercial litigation (0–100)	66.28
Time (days)	570
Cost (% of claim value)	15.3
Quality of judicial processes index (0–18)	9.5

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Oulu

Business start-up (rank)	1
Score for business start-up (0–100)	88.66
Procedures (number)	3
Time (days)	33.5
Cost (% of income per capita)	0.9
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	3
Score for building permits (0–100)	77.99
Procedures (number)	16
Time (days)	73
Cost (% of warehouse value)	0.8
Building quality control index (0–15)	11

Electricity connection and supply (rank)	4
Score for electricity connection and supply (0–100)	87.17
Procedures (number)	5
Time (days)	59
Cost (% of income per capita)	13.6
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	79.28
Procedures (number)	3
Time (days)	76.5
Cost (% of property value)	4.0
Quality of land administration index (0–30)	29

Commercial litigation (rank)	1
Score for commercial litigation (0–100)	70.38
Time (days)	420
Cost (% of claim value)	15.3
Quality of judicial processes index (0–18)	9.5

Tampere

Business start-up (rank)	1
Score for business start-up (0–100)	88.66
Procedures (number)	3
Time (days)	33.5
Cost (% of income per capita)	0.9
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	5
Score for building permits (0–100)	71.58
Procedures (number)	16
Time (days)	156
Cost (% of warehouse value)	1.1
Building quality control index (0–15)	11

Electricity connection and supply (rank)	2
Score for electricity connection and supply (0–100)	89.86
Procedures (number)	5
Time (days)	34
Cost (% of income per capita)	21.3
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	79.28
Procedures (number)	3
Time (days)	76.5
Cost (% of property value)	4.0
Quality of land administration index (0–30)	29

Commercial litigation (rank)	2
Score for commercial litigation (0–100)	69.56
Time (days)	450
Cost (% of claim value)	15.3
Quality of judicial processes index (0–18)	9.5

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Turku

Business start-up (rank)	1
Score for business start-up (0–100)	88.66
Procedures (number)	3
Time (days)	33.5
Cost (% of income per capita)	0.9
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	6
Score for building permits (0–100)	68.72
Procedures (number)	15
Time (days)	214
Cost (% of warehouse value)	0.9
Building quality control index (0–15)	11

Electricity connection and supply (rank)	5
Score for electricity connection and supply (0–100)	86.28
Procedures (number)	5
Time (days)	67
Cost (% of income per capita)	19.9
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	3
Score for property transfer (0–100)	78.45
Procedures (number)	3
Time (days)	76.5
Cost (% of property value)	4.0
Quality of land administration index (0–30)	28

Commercial litigation (rank)	3
Score for commercial litigation (0–100)	68.60
Time (days)	485
Cost (% of claim value)	15.3
Quality of judicial processes index (0–18)	9.5

Vaasa

Business start-up (rank)	1
Score for business start-up (0–100)	88.66
Procedures (number)	3
Time (days)	33.5
Cost (% of income per capita)	0.9
Paid-in minimum capital (% of income per capita)	0.0

Building permits (rank)	2
Score for building permits (0–100)	80.03
Procedures (number)	15
Time (days)	63
Cost (% of warehouse value)	0.5
Building quality control index (0–15)	11

Electricity connection and supply (rank)	3
Score for electricity connection and supply (0–100)	87.33
Procedures (number)	5
Time (days)	57
Cost (% of income per capita)	30.0
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	3
Score for property transfer (0–100)	78.45
Procedures (number)	3
Time (days)	76.5
Cost (% of property value)	4.0
Quality of land administration index (0–30)	28

Commercial litigation (rank)	3
Score for commercial litigation (0–100)	68.60
Time (days)	485
Cost (% of claim value)	15.3
Quality of judicial processes index (0–18)	9.5

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BUSINESS START-UP IN FINLAND – PROCEDURES REQUIRED TO SET UP A BUSINESS, BY CITY

Standard company legal form: osakeyhtiö (oy) *Paid-in minimum capital requirement: none* *Data as of: April 30, 2022*		**Helsinki, Oulu, Tampere, Turku, Vaasa**	**Mariehamn**	**Comments**
1. Submit a single start-up notification form to the Finnish Patent and Registration Office (PRH) and the Tax Administration as well as VAT registration	Time (days)	32		Limited liability companies in Finland must be registered with the Trade Register of the Finnish Patent and Registration Office (PRH). All registrations to the Trade Register and to the Tax Administration are performed with the same basic declaration. Companies that sell goods or services for more than EUR 15,000 per accounting period (12 months) must also be entered in the VAT register. If the company has employees, the company must be entered into the Employer Register which happens at the same time as company registration. It is possible to register a business online provided that the company's share capital and the subscription price of the shares are zero euros, and the standard articles of association are sufficient. Companies with a share capital above zero euros must follow the paper-based process. After registration is completed, the applicant will receive an extract from PRH and the registered articles of association both by email and regular mail.
	Cost (EUR)	240 (online startup notification); 380 (startup notification in paper)		
2. File at a private insurer for pension insurance, accident insurance, and medical insurance of employees	Time (days)	1		Under the statutory pension insurance scheme, an employer must subscribe its employees for pension insurance with a pension provider handling earnings-related pensions. The employer also pays the pension institution statutory employee earnings-related contributions, such as accident insurance, unemployment insurance, and group life assurance premium.
	Cost (EUR)	No cost		
3. File information about beneficial owners with PRH	Time (days)	Less than one day (online procedure)		Newly registered limited liability companies must register beneficial ownership information. The notification can be filed online at ytj.fi and it is free of charge.
	Cost (EUR)	No cost		
4. Obtain a business permit (procedure applies only in Mariehamn)*	Time (days)	n.a.	30	A business permit is necessary to start a business in Åland. The government of Åland verifies the language of operations, the company's domicile, the nature of the company's activities and the de facto rootedness in the Åland Islands of the company and its activities including the use of local labor, services, and raw materials.
	Cost (EUR)	n.a.	80 for a temporary license; 100 for a permanent license	

Source: Data collected for this publication.

n.a. = not applicable

*Takes place simultaneously with previous procedure.

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LIST OF PROCEDURES
BUILDING PERMITS

FINLAND

Helsinki

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Obtain official opinion on the connection of the wastewater drain and water pipeline
Agency: Helsinki Region Environmental Services Authority (HSY)
Time: 14 days
Cost: No cost (included in the connection fee)

Procedure 2*. Schedule pre-planning meeting
Agency: Helsinki Building Supervision Authority
Time: 14 days
Cost: No cost (included in the building permit)

Procedure 3*. Obtain building permit maps and proof of ownership
Agency: Helsinki Environmental Services
Time: 3 days
Cost: EUR 268 [EUR 250 (maps) + EUR 18 (proof of ownership)]

Procedure 4*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 5. Obtain building permit
Agency: Helsinki Building Supervision Authority
Time: 105 days
Cost: EUR 8,521 [EUR 5.9 per square meter + EUR 847 for each building]

Procedure 6. Schedule start-up meeting
Agency: Helsinki Building Supervision Authority
Time: 15 days
Cost: No cost (included in the building permit)

Procedure 7. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 8. Receive foundation work inspection
Agency: Helsinki Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 9. Receive location inspection
Agency: Helsinki Environmental Services (City Measuring Unit)
Time: 1 day
Cost: EUR 1,908

Procedure 10. Receive structure inspection
Agency: Helsinki Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Receive ventilation inspection
Agency: Helsinki Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 12. Receive sewer and water pipeline inspection
Agency: Helsinki Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 13. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 14. Request and obtain water and sewage connection
Agency: Helsinki Region Environmental Services Authority (HSY)
Time: 14 days
Cost: EUR 6,594 [EUR 5,371.5 (connection fee) + EUR 1,222.4 (construction work)]

Procedure 15. Receive fire inspection
Agency: Helsinki Rescue Department
Time: 1 day
Cost: EUR 102

Procedure 16. Receive final inspection
Agency: Helsinki Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Mariehamn

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Obtain building permit maps, real estate extract and proof of ownership
Agency: Mariehamn Community Infrastructure Department (Surveying Unit)
Time: 1 day
Cost: EUR 92 [EUR 55.72 (official plot map) + EUR 18 (real estate extract) + EUR 18 (proof of ownership)]

Procedure 2*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 3. Obtain building permit
Agency: Mariehamn Building Supervision Authority
Time: 35 days
Cost: EUR 7,254 [EUR 5.28 per square meter + EUR 289.61 (base fee) + EUR 97.14 (fee for approval of lead work manager)]

Procedure 4. Schedule start-up meeting
Agency: Mariehamn Building Supervision Authority
Time: 4 days
Cost: No cost (included in the building permit)

Procedure 5. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6. Receive foundation work inspection
Agency: Mariehamn Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 7. Receive location inspection
Agency: Mariehamn Community Infrastructure Department (Surveying Unit)
Time: 1 day
Cost: EUR 523

Procedure 8. Receive sewer and water pipeline inspection
Agency: Mariehamn Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

**Takes place simultaneously with previous procedure.*

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Procedure 9. Receive structure inspection
Agency: Mariehamn Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 10. Receive ventilation inspection
Agency: Mariehamn Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 12. Request and obtain water and sewage connection
Agency: Mariehamn Water and Sewage Works
Time: 14 days
Cost: EUR 2,200 (connection fee)

Procedure 13. Receive final inspection
Agency: Mariehamn Building Supervision Authority and Public Rescue Service
Time: 1 day
Cost: No cost (included in the building permit)

Oulu

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Schedule pre-planning meeting
Agency: Oulu Building Supervision Authority
Time: 14 days
Cost: No cost (included in the building permit)

Procedure 2*. Obtain official opinion on the connection of the wastewater drain and water pipeline
Agency: Oulu Waterworks
Time: 7 days
Cost: No cost (included in the connection fee)

Procedure 3*. Obtain building permit maps and proof of ownership
Agency: Oulu Environmental Services
Time: 2 days
Cost: EUR 46 [EUR 32.18 (maps) + EUR 14 (proof of ownership)]

Procedure 4*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 5. Obtain building permit
Agency: Oulu Building Supervision Authority
Time: 30 days
Cost: EUR 10,374 [EUR 7.3 per square meter + EUR 565 for each building + 3 x EUR 105 (foreman approvals)]

Procedure 6. Schedule start-up meeting
Agency: Oulu Building Supervision Authority
Time: 7 days
Cost: No cost (included in the building permit)

Procedure 7. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 8. Receive foundation work inspection
Agency: Oulu Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 9. Receive location inspection
Agency: Oulu Building Supervision Authority
Time: 1 day
Cost: EUR 401

Procedure 10. Receive structure inspection
Agency: Oulu Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Receive ventilation inspection
Agency: Oulu Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 12. Receive sewer and water pipeline inspection
Agency: Oulu Building Supervision Authority and Oulu Waterworks
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 13. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 14. Request and obtain water and sewage connection
Agency: Oulu Waterworks
Time: 14 days
Cost: EUR 5,846 [EUR 4,838 (connection fee) + EUR 358 (water meter installation) + EUR 650 (water fee)]

Procedure 15. Receive fire inspection
Agency: Oulu-Koillismaa Rescue Department
Time: 1 day
Cost: No cost

Procedure 16. Receive final inspection
Agency: Oulu Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit cost

Tampere

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Schedule pre-planning meeting
Agency: Tampere Building Supervision Authority
Time: 14 days
Cost: No cost (included in the building permit)

Procedure 2*. Obtain official opinion on the connection of the wastewater drain and water pipeline
Agency: Tampere Waterworks
Time: 7 days
Cost: No cost (included in the connection fee)

Procedure 3*. Obtain building permit maps and proof of ownership
Agency: Tampere Map Services
Time: 3 days
Cost: EUR 114 [EUR 100 (maps) + EUR 14 (proof of ownership)]

Procedure 4*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 5. Obtain building permit
Agency: Tampere Building Supervision Authority
Time: 120 days
Cost: EUR 10,955 [EUR 8 per square meter + EUR 550 for each building]

**Takes place simultaneously with previous procedure.*

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Procedure 6. Schedule start-up meeting
Agency: Tampere Building Supervision Authority
Time: 10 days
Cost: No cost (included in the building permit)

Procedure 7. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost (included in the building permit)

Procedure 8. Receive foundation work inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 9. Receive location inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: EUR 900

Procedure 10. Receive structure inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Receive ventilation inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 12. Receive sewer and water pipeline inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 13. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 14. Request and obtain water and sewage connection
Agency: Tampere Waterworks
Time: 4 days
Cost: EUR 12,021 [EUR 6,010.62 (wastewater drain connection fee) + EUR 6,010.62 (water connection fee)]

Procedure 15. Receive fire inspection
Agency: Pirkanmaa Rescue Department
Time: 1 day
Cost: EUR 125

Procedure 16. Receive final inspection
Agency: Tampere Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Turku

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Obtain official opinion on the connection of the wastewater drain and water pipeline
Agency: Turku Waterworks
Time: 7 days
Cost: No cost (included in the connection fee)

Procedure 2*. Obtain building permit maps and proof of ownership
Agency: Turku Environmental Services Office
Time: 3 days
Cost: EUR 114 [EUR 100 (maps) + EUR 14 (proof of ownership)]

Procedure 3*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 4. Obtain building permit
Agency: Turku Building Supervision Authority
Time: 180 days
Cost: EUR 8,394 [EUR 6.10 per square meter + EUR 460 for each building]

Procedure 5. Schedule start-up meeting
Agency: Turku Building Supervision Authority
Time: 14 days
Cost: No cost (included in the building permit)

Procedure 6. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 7. Receive foundation work inspection
Agency: Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 8. Receive location inspection
Agency: Turku Environmental Services and Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 9. Receive structure inspection
Agency: Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 10. Receive ventilation inspection
Agency: Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Receive sewer and water pipeline inspection
Agency: Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 12. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 13. Request and obtain water and sewage connection
Agency: Turku Waterworks
Time: 5 days
Cost: EUR 9,953 (connection fee)

Procedure 14. Receive fire inspection
Agency: Varsinais-Suomi Rescue Department
Time: 1 day
Cost: EUR 111 (fire inspection fee which includes 2 hours of work)

Procedure 15. Receive final inspection
Agency: Turku Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

**Takes place simultaneously with previous procedure.*

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Vaasa

Warehouse value: EUR 2,170,436 (USD 2,481,000)
Data as of: April 30, 2022

Procedure 1. Schedule pre-planning meeting
Agency: Vaasa Building Supervision Authority
Time: 14 days
Cost: No cost (included in the building permit)

Procedure 2*. Obtain official opinion on the connection of the wastewater drain and water pipeline
Agency: Vaasa Water
Time: 7 days
Cost: No cost (included in the connection fee)

Procedure 3*. Obtain building permit maps and proof of ownership
Agency: Vaasa Real Estate Office and Measuring Services
Time: Less than one day (online procedure)
Cost: EUR 81 [EUR 67 (maps) + EUR 14 (proof of ownership)]

Procedure 4*. Obtain trade extract
Agency: Finnish Patent and Registration Office
Time: Less than one day (online procedure)
Cost: EUR 2.60

Procedure 5. Obtain building permit
Agency: Vaasa Building Supervision Authority
Time: 32 days
Cost: EUR 6,253 [EUR 4.50 per square meter + EUR 400 for each building]

Procedure 6. Schedule start-up meeting
Agency: Vaasa Building Supervision Authority
Time: 6 days
Cost: No cost (included in the building permit)

Procedure 7. Notify of commencement of the construction work
Agency: Regional State Administrative Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 8. Receive location inspection
Agency: Vaasa Real Estate Office and Measuring Services
Time: 1 day
Cost: EUR 915 (for building over 600m^2)

Procedure 9. Receive structure inspection
Agency: Vaasa Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 10. Receive ventilation inspection
Agency: Vaasa Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 11. Receive sewer and water pipeline inspection
Agency: Vaasa Building Supervision Authority and Vaasa Water
Time: 1 day
Cost: No cost (included in the building permit)

Procedure 12. Report information to the Finnish Tax Administration
Agency: Finnish Tax Administration
Time: Less than one day (online procedure)
Cost: No cost

Procedure 13. Request and obtain water and sewage connection
Agency: Vaasa Water
Time: 4 days
Cost: EUR 3,750 (connection fee)

Procedure 14. Receive fire inspection
Agency: Pohjanmaa Rescue Department
Time: 1 day
Cost: EUR 100 (includes two hours of work)

Procedure 15. Receive final inspection
Agency: Vaasa Building Supervision Authority
Time: 1 day
Cost: No cost (included in the building permit)

**Takes place simultaneously with previous procedure.*

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BUILDING PERMITS IN FINLAND – BUILDING QUALITY CONTROL INDEX	All cities	
	Answer	Score
Building quality control index (0–15)		**11**
Quality of building regulations index (0–2)		2
How accessible are building laws and regulations in your economy? (0–1)	Available online; Free of charge.	1
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0–1)	List of required documents; Fees to be paid; Required preapprovals.	1
Quality control before construction index (0–1)		1
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0–1)	Licensed architect; Licensed engineer.	1
Quality control during construction index (0–3)		2
What types of inspections (if any) are required by law to be carried out during construction? (0–2)	Inspections at various phases.	1
Do legally mandated inspections occur in practice during construction? (0–1)	Mandatory inspections are always done in practice.	1
Quality control after construction index (0–3)		3
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0–2)	Yes, final inspection is done by government agency.	2
Do legally mandated final inspections occur in practice? (0–1)	Final inspection always occurs in practice.	1
Liability and insurance regimes index (0–2)		1
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0–1)	No party is held liable under the law.	0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use? (0–1)	Law does not require it, but insurance is commonly obtained.	1
Professional certifications index (0–4)		2
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0–2)	Minimum number of years of experience; University degree in architecture or engineering.	1
What are the qualification requirements for the professional who supervises the construction on the ground? (0–2)	Minimum number of years of experience; University degree in engineering, construction or construction management.	1

Source: Data collected for this publication.

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ELECTRICITY CONNECTIONS AND SUPPLY IN FINLAND – PROCEDURES REQUIRED TO OBTAIN A NEW ELECTRICITY CONNECTION, BY CITY

Data as of: April 30, 2022

Name of utility:		Helen Sähköverkko Oy	Mariehamns Energi AB	Oulun Energia Sähköverkko Oy	Tampereen Sähköverkko Oy	Turku Energia Sähköverkot Oy	Vaasan Sähköverkko Oy	
		Helsinki	**Mariehamn**	**Oulu**	**Tampere**	**Turku**	**Vaasa**	**Comments**
1. Submit connection order request to utility	Time (days)	13	7	10	4	10	12	The client submits an order request for a new connection through an online form or in person at a service point. When the client has submitted the order request (including the blueprints of the building's internal wiring and information about the location of the connection point), the utility company prepares an initial connection plan. Finally, the utility company prepares a connection agreement and sends it to the client to be signed. In Helsinki, the required documents can be submitted through an online portal for contractors (Urakoitsija Online). In Mariehamn, an approved local business license is also needed to apply for an electricity connection.
	Cost (EUR)	No cost						
2. Receive external works from the utility	Time (days)	42	14	38	24	45	30	The utility company plans and carries out the connection works from the existing electricity grid to the border of the client's property. First, the utility company applies for the required permits (typically, a siting agreement (sijoitussopimus) and an excavation permit (kaivulupa). The excavation and connection works outside the property are carried out by the utility company's subcontractor. The client's electrician is required to submit a document stating that the internal wiring complies with regulations. In Mariehamn, the utility company has a permanent permit for works, so it only has to inform the city government. The cost is based on zone, capacity, and fuse size.
	Cost (EUR)	8,629	10,681 (EUR 7,261 for 100 meters + EUR 3,420 for the remaining 50 meters)	5,187	8,639	7,850	12,680 (For connections over 3 x 100 A, pricing is calculated on a case-by-case basis. The capacity reservation fee for this case is EUR 8,000 and the connection costs are EUR 4,680)	
3. Sign supply contract with electricity supplier*	Time (days)	1	1	1	1	1	1	When the client has completed the connection agreement with the utility company, they will receive a location code that is needed to enter into an electricity sales agreement. The client can then make an electricity sales agreement with any electricity supplier they choose. This is typically done online or on the phone. The electricity supplier and the local electricity network company exchange information through a coordinated national database named Datahub. In Mariehamn, the client is automatically assigned to Mariehamns Energi as their electricity supplier if they do not make an active choice for another electricity supplier.
	Cost (EUR)	No cost						
4. Request and receive meter installation	Time (days)	14	5	10	5	11	14	The client's contractor orders metering directly from the utility company confirming that a commissioning inspection (conducted by the contractor that carried out the internal wiring installation) has been completed. The utility company then schedules the meter installation with a subcontractor. In Turku, a separate metering fee is charged, while in other cities, metering is included in the cost of a new connection. In Vaasa, the meter request can be made simultaneously with construction works, but it can only be activated once works are completed.
	Cost (EUR)	No cost	No cost	No cost	No cost	310	No cost	
5. Order third-party inspection and receive inspection certificate	Time (days)	1	1	1	1	1	1	The contractor orders a verification inspection (varmennustarkastus) from a certified third-party inspector. Inspection can be done up to 3 months after the building has been handed over to the user. One calendar day is required to conduct the verification inspection. In Mariehamn this inspection is commonly conducted by a certified inspector from Mariehamns Energi.
	Cost (EUR)	800	325	700	600	500	350	

Source: Data collected for this publication.

*Takes place simultaneously with previous procedure.

ELECTRICITY CONNECTIONS AND SUPPLY IN FINLAND – RELIABILITY OF SUPPLY AND TRANSPARENCY OF TARIFFS INDEX	
Reliability of supply and transparency of tariffs index (0–8)	**8 (all cities)**
Total duration and frequency of outages per customer a year (0–3)	3 (all cities)
System average interruption duration index (SAIDI)	0.14 (Helsinki) 0.10 (Mariehamn) 0.14 (Oulu) 0.16 (Tampere) 0.20 (Turku) 0.22 (Vaasa)
System average interruption frequency index (SAIFI)	0.07 (Helsinki) 0.50 (Mariehamn) 0.73 (Oulu) 0.70 (Tampere) 0.46 (Turku) 0.60 (Vaasa)
Mechanisms for monitoring outages (0–1)	1 (all cities)
Does the distribution utility use automated tools to monitor outages?	Yes (all cities)
Mechanisms for restoring service (0–1)	1 (all cities)
Does the distribution utility use automated tools to restore service?	Yes (all cities)
Regulatory monitoring (0–1)	1 (all cities)
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes (all cities)
Financial deterrents aimed at limiting outages (0–1)	1 (all cities)
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes (all cities)
Communication of tariffs and tariff changes (0–1)	1 (all cities)
Are effective tariffs available online?	Yes (all cities)
Are customers notified of a change in tariff ahead of the billing cycle?	Yes (all cities)

Source: Data collected for this publication.

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PROPERTY TRANSFER IN FINLAND – PROCEDURES REQUIRED TO TRANSFER A PROPERTY, BY CITY

Property value: EUR 2,170,436 *Data as of: April 30, 2022*		**Helsinki, Oulu, Tampere, Turku, Vaasa**	**Mariehamn**	**Comments**
Seller and buyer sign the sale agreement and have it witnessed by a public purchase witness	Time (days)	1		The parties can prepare the sale agreement on their own either on paper or online in the Property Transaction Service without any involvement of a lawyer or a real estate agent. More than 90% of the transactions are conducted on paper. No matter what option is chosen, an agreement that concerns the sale of real property must contain at least the following information: the intent to convey property, the object being sold, details about the parties, and the sales price and any other compensation or consideration. When the parties transfer a property on paper, the sale agreement must be signed in the presence of a public purchase witness. The witness verifies the identities of the parties, checks the property's identification number, ascertains that the formalities laid down in the Real Estate Code have been met, and informs the National Land Survey of the transaction by filling out an electronic form. If asked, the public purchase witness can also apply for title registration on behalf of the buyer together with this notification. To access the electronic Property Transaction Service, the representatives of the parties must log in via secure electronic identification and sign the deed, after which the process of title registration commences automatically. If the parties use this service, the total cost for registering a title is EUR 197 (which includes the fees for registration and signing the sale agreement).
	Cost (EUR)	120		
Buyer obtains an extract from the cadastre and an extract from the cadastral index map[a]	Time (days)	n.a.	Less than one day (online procedure)	The documents can be ordered online via the National Land Survey of Finland's e-service and are delivered as pdfs by email.
	Cost (EUR)	n.a.	36 (EUR 18 for each extract)	
Buyer obtains certificates from the Population Information System[a]	Time (days)	n.a.	Less than one day (online procedure)	Certificates for the land acquisition permit can be ordered online via the self-service of the Digital and Population Data Services Agency and delivered as pdfs.
	Cost (EUR)	n.a.	50 (EUR 10 for each extract)	
Buyer obtains a trade register extract and an electronic extract of the articles of association[a]	Time (days)	n.a.	Less than one day (online procedure)	The documents can be bought online and saved as pdfs via the Finnish Patent and Registration Office's e-service Virre.
	Cost (EUR)	n.a.	5.20 in total excluding VAT (EUR 2.60 for each extract)	
Buyer applies for the land acquisition permit[a]	Time (days)	n.a.	60	Unless certain conditions described in regional legislation are met, the buyer must apply for a land acquisition permit with the government of Åland within three months of the signing of the sale agreement. The application can be delivered either using an electronic online form or by filling out a form and sending it by post or email. The government of Åland may grant an individual land acquisition permit for a company after examining its application. The buyer may be given a permit if it has been based in Åland continuously from its establishment or at least for five years; if the property is suitable for its intended use; and if at least two-thirds of the members of the company board have regional citizenship in Åland or have been living there for the past five years or longer. If all members of the board fill said requirement and the company has been based in the region continuously since its establishment or for at least five years, the permit shall be granted unless there are special grounds to deny it.
	Cost (EUR)	n.a.	150	
Buyer submits the transfer tax return and pays the tax	Time (days)	Less than one day (online procedure)		The transfer tax must be filed online via MyTax and paid either through MyTax or online banking to the Finnish Tax Administration within six months of the signing of the sale agreement. The buyer receives a certificate of the paid transfer tax electronically in MyTax and via mail, which does not need to be enclosed in the title registration application, as the National Land Survey of Finland is notified of the payment automatically. If the buyer fails to file and pay the necessary transfer tax in time, the Finnish Tax Administration may impose a late-filing penalty or an increased tax. In case of the payment itself being overdue, the buyer shall pay late-payment interest.
	Cost (EUR)	86,817 (4% of the price paid for the property)		
Buyer applies for title registration	Time (days)	75	90	The buyer is under an obligation to register its title to the property in the National Land Survey of Finland's title and mortgage register within six months of the signing of the deed. Failure to do so does not lead to the company losing its right to apply for registration, but its transfer tax will automatically increase by 20% for every six-month period thereafter, the maximum increase being 100%. The increase will have to be paid regardless of whether the transfer tax itself has been paid previously. If the purchase has been made on paper, the buyer can either ask the public purchase witness to initiate the application for it or fill out a form, which can be delivered to the National Land Survey of Finland via mail or secure email or in person at a customer service point. When using the Property Transaction Service, the buyer does not have to apply for title registration separately, as the application is initiated automatically in the system.
	Cost (EUR)	144		

Source: Data collected for this publication.
n.a. = not applicable
[a] Procedures to obtain documents to apply for the land acquisition permit in Mariehamn.

PROPERTY TRANSFER IN FINLAND – QUALITY OF LAND ADMINISTRATION INDEX		
	Answer	Score
Quality of the land administration index (0–30)		**29 (Tampere, Oulu) 28 (Helsinki, Turku, Vaasa, Mariehamn)**
Reliability of infrastructure index (0–8)		8 (all cities)
In what format are land title certificates kept at the immovable property registry—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Fully digital	2
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)? (0–1)	Yes	1
In what format are cadastral plans kept at the mapping agency—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Fully digital	2
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)? (0–1)	Yes	1
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases, or in separate databases? (0–1)	Single database	1
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties? (0–1)	Yes	1
Transparency of information index (0–6)		5 (all cities)
Whether information on land ownership is made publicly available without providing the title certificate number at the agency in charge of immovable property registration? (0–1)	Anyone who pays the official fee	1
Is the list of documents that are required to complete all types of property transactions made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Is the applicable fee schedule for all types of property transactions at the agency in charge of immovable property registration made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Does the agency in charge of immovable property registration formally commit to deliver a legally binding document proving ownership within a specific timeframe–and if so, how does it communicate the service standard? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration? (0–1)	Yes	1
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency? (0–0.5)	Yes, online	0.5
Are cadastral plans made publicly available? (0–0.5)	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made easily publicly available—and if so, how? (0–0.5)	Yes, online	0.5
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency? (0–0.5)	Yes	0.5
Geographic coverage index (0–8)		8 (all cities)
Are all privately held land plots in the economy formally registered at the immovable property registry? (0–2)	Yes	2
Are all privately held land plots formally registered at the immovable property registry in the measured city? (0–2)	Yes	2
Are all privately held land plots in the economy mapped? (0–2)	Yes	2
Are all privately held land plots mapped in the measured city? (0–2)	Yes	2
Land dispute resolution index (0–8)		8 (Tampere, Oulu) 7 (Helsinki, Turku, Vaasa, Mariehamn)
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties? (0–1.5)	Yes	1.5 (all cities)
Is the system of immovable property registration subject to a state or private guarantee? (0–0.5)	Yes	0.5 (all cities)

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PROPERTY TRANSFER IN FINLAND – QUALITY OF LAND ADMINISTRATION INDEX (continued)		
	Answer	Score
Is there a specific out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry? (0–0.5)	Yes	0.5 (all cities)
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)? (0–0.5)	Yes	0.5 (all cities)
Does the legal system require verification of the identity of the parties to a property transaction? (0–0.5)	Yes	0.5 (all cities)
Is there a national database to verify the accuracy of government issued identity documents? (0–1)	Yes	1 (all cities)
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)? (0–3)	Less than 1 year (Tampere, Oulu) Between 1 and 2 years (Helsinki, Turku, Vaasa, Mariehamn)	3 (Tampere, Oulu) 2 (Helsinki, Turku, Vaasa, Mariehamn)
Are there publicly available statistics on the number of land disputes in the first-instance court? (0–0.5)	Yes	0.5 (all cities)
Equal access to property rights index (-2–0)		**0 (all cities)**
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0
Do married men and married women have equal ownership rights to property?	Yes	0

Source: Data collected for this publication.

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COMMERCIAL LITIGATION IN FINLAND – TIME, COST AND QUALITY OF JUDICIAL PROCESSES, BY CITY

	Time (days)				**Cost** (% of claim)				**Quality of judicial processes index** (0–18)				
City	Filing and service	Trial and judgment	Enforcement of judgment	Total time	Attorney fees	Court costs	Enforcement costs	Total cost	Court structure and proceedings (-1–5)	Case management (0–6)	Court automation (0–4)	Alternative dispute resolution (0–3)	Total score (0–18)
Helsinki	14	420	106	540	17.0	3.5	0.3	20.8	1.5	3.0	2.5	2.5	9.5
Mariehamn	14	450	106	570	12.5	2.5	0.3	15.3	1.5	3.0	2.5	2.5	9.5
Oulu	14	300	106	420	12.5	2.5	0.3	15.3	1.5	3.0	2.5	2.5	9.5
Tampere	14	330	106	450	12.5	2.5	0.3	15.3	1.5	3.0	2.5	2.5	9.5
Turku	14	365	106	485	12.5	2.5	0.3	15.3	1.5	3.0	2.5	2.5	9.5
Vaasa	14	365	106	485	12.5	2.5	0.3	15.3	1.5	3.0	2.5	2.5	9.5

Source: Data collected for this publication.

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COMMERCIAL LITIGATION IN FINLAND – QUALITY OF JUDICIAL PROCESSES INDEX	Answer	Score
Quality of judicial processes index (0–18)		**9.5 (all cities)**
Court structure and proceedings (-1–5)		**1.5**
1. Is there a court or division of a court dedicated solely to hearing commercial cases? (0–1.5)	No	0
2. Small claims court (0–1.5)		0
2.a. Is there a small claims court or a fast-track procedure for small claims?	No	
2.b. If yes, is self-representation allowed?	n.a.	
3. Is pretrial attachment available? (0–1)	Yes	1
4. Are new cases assigned randomly to judges? (0–1)	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's? (-1–0)	Yes	0
Case management (0–6)		**3**
1. Time standards (0–1)		0
1.a. Are there laws setting overall time standards for key court events in a civil case?	No	
1.b. If yes, are the time standards set for at least three court events?	n.a.	
1.c. Are these time standards respected in more than 50% of cases?	n.a.	
2. Adjournments (0–1)		0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	Yes	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report? (0–1)	Yes	1
4. Is a pretrial conference among the case management techniques used before the competent court? (0–1)	Yes	1
5. Are there any electronic case management tools in place within the competent court for use by judges? (0–1)	Yes	1
6. Are there any electronic case management tools in place within the competent court for use by lawyers? (0–1)	No	0
Court automation (0–4)		**2.5**
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court? (0–1)	No	0
2. Is it possible to carry out service of process electronically for claims filed before the competent court? (0–1)	Yes	1
3. Can court fees be paid electronically within the competent court? (0–1)	Yes	1
4. Publication of judgments (0–1)		0.5
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0–3)		**2.5**
1. Arbitration (0–1.5)		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation (0–1.5)		1
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	

Source: Data collected for this publication.
n.a. = not applicable

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Sweden

SWEDEN

Gävle

Business start-up (rank)	1
Score for business start-up (0–100)	87.05
Procedures (number)	4
Time (days)	33
Cost (% of income per capita)	0.4
Paid-in minimum capital (% of income per capita)	5.1

Building permits (rank)	3
Score for building permits (0–100)	77.43
Procedures (number)	9
Time (days)	130
Cost (% of warehouse value)	2.2
Building quality control index (0–15)	10

Electricity connection and supply (rank)	6
Score for electricity connection and supply (0–100)	85.53
Procedures (number)	4
Time (days)	54
Cost (% of income per capita)	45.9
Reliability of supply and transparency of tariffs index (0–8)	6

Property transfer (rank)	1
Score for property transfer (0–100)	90.17
Procedures (number)	1
Time (days)	10
Cost (% of property value)	4.3
Quality of land administration index (0–30)	28

Commercial litigation (rank)	2
Score for commercial litigation (0–100)	70.62
Time (days)	483
Cost (% of claim value)	22.4
Quality of judicial processes index (0–18)	12.0

Göteborg

Business start-up (rank)	1
Score for business start-up (0–100)	87.05
Procedures (number)	4
Time (days)	33
Cost (% of income per capita)	0.4
Paid-in minimum capital (% of income per capita)	5.1

Building permits (rank)	7
Score for building permits (0–100)	76.28
Procedures (number)	9
Time (days)	135
Cost (% of warehouse value)	2.8
Building quality control index (0–15)	10

Electricity connection and supply (rank)	3
Score for electricity connection and supply (0–100)	88.00
Procedures (number)	4
Time (days)	89
Cost (% of income per capita)	38.5
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	90.17
Procedures (number)	1
Time (days)	10
Cost (% of property value)	4.3
Quality of land administration index (0–30)	28

Commercial litigation (rank)	6
Score for commercial litigation (0–100)	67.44
Time (days)	483
Cost (% of claim value)	30.9
Quality of judicial processes index (0–18)	12.0

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Jönköping

Business start-up (rank)	1
Score for business start-up (0–100)	87.05
Procedures (number)	4
Time (days)	33
Cost (% of income per capita)	0.4
Paid-in minimum capital (% of income per capita)	5.1

Building permits (rank)	8
Score for building permits (0–100)	75.96
Procedures (number)	9
Time (days)	150
Cost (% of warehouse value)	2.2
Building quality control index (0–15)	10

Electricity connection and supply (rank)	2
Score for electricity connection and supply (0–100)	90.75
Procedures (number)	4
Time (days)	64
Cost (% of income per capita)	25.6
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	90.17
Procedures (number)	1
Time (days)	10
Cost (% of property value)	4.3
Quality of land administration index (0–30)	28

Commercial litigation (rank)	2
Score for commercial litigation (0–100)	70.62
Time (days)	483
Cost (% of claim value)	22.4
Quality of judicial processes index (0–18)	12.0

Malmö

Business start-up (rank)	1
Score for business start-up (0–100)	87.05
Procedures (number)	4
Time (days)	33
Cost (% of income per capita)	0.4
Paid-in minimum capital (% of income per capita)	5.1

Building permits (rank)	5
Score for building permits (0–100)	77.13
Procedures (number)	9
Time (days)	136
Cost (% of warehouse value)	2.1
Building quality control index (0–15)	10

Electricity connection and supply (rank)	7
Score for electricity connection and supply (0–100)	84.46
Procedures (number)	4
Time (days)	93
Cost (% of income per capita)	32.4
Reliability of supply and transparency of tariffs index (0–8)	7

Property transfer (rank)	1
Score for property transfer (0–100)	90.17
Procedures (number)	1
Time (days)	10
Cost (% of property value)	4.3
Quality of land administration index (0–30)	28

Commercial litigation (rank)	6
Score for commercial litigation (0–100)	67.44
Time (days)	483
Cost (% of claim value)	30.9
Quality of judicial processes index (0–18)	12.0

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Stockholm

Business start-up (rank)	1
Score for business start-up (0–100)	87.05
Procedures (number)	4
Time (days)	33
Cost (% of income per capita)	0.4
Paid-in minimum capital (% of income per capita)	5.1

Building permits (rank)	6
Score for building permits (0–100)	76.79
Procedures (number)	9
Time (days)	135
Cost (% of warehouse value)	2.4
Building quality control index (0–15)	10

Electricity connection and supply (rank)	8
Score for electricity connection and supply (0–100)	84.29
Procedures (number)	4
Time (days)	121
Cost (% of income per capita)	111.5
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	90.17
Procedures (number)	1
Time (days)	10
Cost (% of property value)	4.3
Quality of land administration index (0–30)	28

Commercial litigation (rank)	6
Score for commercial litigation (0–100)	67.44
Time (days)	483
Cost (% of claim value)	30.9
Quality of judicial processes index (0–18)	12.0

Sundsvall

Business start-up (rank)	1
Score for business start-up (0–100)	87.05
Procedures (number)	4
Time (days)	33
Cost (% of income per capita)	0.4
Paid-in minimum capital (% of income per capita)	5.1

Building permits (rank)	1
Score for building permits (0–100)	78.61
Procedures (number)	9
Time (days)	120
Cost (% of warehouse value)	1.8
Building quality control index (0–15)	10

Electricity connection and supply (rank)	1
Score for electricity connection and supply (0–100)	91.71
Procedures (number)	4
Time (days)	55
Cost (% of income per capita)	32.4
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	90.17
Procedures (number)	1
Time (days)	10
Cost (% of property value)	4.3
Quality of land administration index (0–30)	28

Commercial litigation (rank)	2
Score for commercial litigation (0–100)	70.62
Time (days)	483
Cost (% of claim value)	22.4
Quality of judicial processes index (0–18)	12.0

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Umeå

Business start-up (rank)	1
Score for business start-up (0–100)	87.05
Procedures (number)	4
Time (days)	33
Cost (% of income per capita)	0.4
Paid-in minimum capital (% of income per capita)	5.1

Building permits (rank)	4
Score for building permits (0–100)	77.29
Procedures (number)	9
Time (days)	136
Cost (% of warehouse value)	2.0
Building quality control index (0–15)	10

Electricity connection and supply (rank)	4
Score for electricity connection and supply (0–100)	87.84
Procedures (number)	4
Time (days)	62
Cost (% of income per capita)	26.8
Reliability of supply and transparency of tariffs index (0–8)	7

Property transfer (rank)	1
Score for property transfer (0–100)	90.17
Procedures (number)	1
Time (days)	10
Cost (% of property value)	4.3
Quality of land administration index (0–30)	28

Commercial litigation (rank)	1
Score for commercial litigation (0–100)	71.58
Time (days)	448
Cost (% of claim value)	22.4
Quality of judicial processes index (0–18)	12.0

Uppsala

Business start-up (rank)	1
Score for business start-up (0–100)	87.05
Procedures (number)	4
Time (days)	33
Cost (% of income per capita)	0.4
Paid-in minimum capital (% of income per capita)	5.1

Building permits (rank)	2
Score for building permits (0–100)	77.59
Procedures (number)	9
Time (days)	132
Cost (% of warehouse value)	2.0
Building quality control index (0–15)	10

Electricity connection and supply (rank)	5
Score for electricity connection and supply (0–100)	86.61
Procedures (number)	4
Time (days)	102
Cost (% of income per capita)	29.4
Reliability of supply and transparency of tariffs index (0–8)	8

Property transfer (rank)	1
Score for property transfer (0–100)	90.17
Procedures (number)	1
Time (days)	10
Cost (% of property value)	4.3
Quality of land administration index (0–30)	28

Commercial litigation (rank)	5
Score for commercial litigation (0–100)	69.94
Time (days)	508
Cost (% of claim value)	22.4
Quality of judicial processes index (0–18)	12.0

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BUSINESS START-UP IN SWEDEN – PROCEDURES REQUIRED TO SET UP A BUSINESS, BY CITY			
Standard company legal form: Privat Aktiebolag (Privat AB) *Paid-in minimum capital requirement: SEK 25 000* *Data as of: April 30, 2022*		**Gävle, Göteborg, Jönköping, Malmö, Sundsvall, Stockholm, Umeå, Uppsala**	**Comments**
1. Deposit the share capital and obtain a certificate from the bank certifying that the total cash amount to be paid for shares has been deposited	Time (days)	1	According to the Companies Act (Aktiebolagslag (2005:551)) a new limited company can only be registered if at least the minimum capital has been deposited in a credit institution. New limited companies need to open an account with a bank, credit market company or credit institution to deposit the required paid-in minimum capital. After the shares are paid, a bank certificate (bankintyg) is issued either in paper or electronically as proof of deposit. To submit the electronic bank certificate, the founder includes the contact information of the representative of the bank at the time of submitting the application to set up a company online with the Swedish Companies Registration Office. The representative subsequently receives a message and creates a bank certificate online signing it with the electronic identity legitimization. When the electronic bank certificate is finalized, the founders can continue completing the company's registration application.
	Cost (SEK)	No cost	
2. Submit the application to the Swedish Companies Registration Office (Bolagsverket) and obtain the registration certificate	Time (days)	19	New limited companies in Sweden must register with the Swedish Companies Registration Office (Bolagsverket). Bolagsverket and the Swedish Tax Agency (Skatteverket), the Swedish Public Employment Service and the Swedish Agency for Economic and Regional Growth administer a joint website (www.verksamt.se) that serves as a one stop shop for the registration of new businesses. It is possible to register the company and apply for tax registration (income and VAT), employer registration and to file a preliminary tax return through this website. The website also provides guidance on how to choose a company name and check its availability before submitting the registration application. However, the availability of the name does not mean it will be approved as Bolagsverket conducts a thorough review of the proposed name once the application is received. Registration forms are available online and can be downloaded, printed out or ordered by telephone, free of charge, to be signed by hand and sent by ordinary mail. Application and registration forms can also be filled in and filed entirely electronically. Upon approval, Bolagsverket assigns the company an organization identity number and publishes a notice in the Official Gazette (Post- och Inrikes Tidningar). The final certificate of the company's registration is delivered by regular post, or email.
	Cost (SEK)	For ordinary filings SEK 2,200, for electronic filings SEK 1,900	
3. Register with the Swedish Tax Agency (Skatteverket)	Time (days)	13	Any employer or a company subject to VAT and intending to do business in Sweden must register with the Swedish Tax Agency (Skatteverket). Registration is a prerequisite for a company to deduct VAT and to receive payment for services without deducting preliminary tax (F-tax registration). An employer must withhold social security tax for employee salary and account for such charges in the monthly returns. F-tax registration is a prerequisite to require payment for services rendered without the customer having to withhold preliminary income tax. The application can be done online or in paper form. Online registration is done through Verksamt.se using the applicant's personal e-identification as in the case of company registration. If the application is done in paper the forms can be downloaded from the Skatteverket website or they can be ordered and received by postal mail free of charge. When registration is complete, the company receives by postal mail the documentation necessary to account for and pay VAT, income tax and social security contributions.
	Cost (SEK)	No cost	
4. File information about beneficial owners with the Swedish Companies Registration Office (Bolagsverket) *	Time (days)	Less than one day (online procedure)	Newly registered companies and associations must register beneficial ownership information within four weeks from their registration date. The company must be registered before it can send in an application for registration of beneficial ownership. A legal entity is obliged to submit to Bolagsverket reliable information regarding their beneficial owners and the nature and extent of the beneficial owner's interest in the legal entity. It is compulsory to register beneficial ownership information online through Bolagsverket's website.
	Cost (SEK)	SEK 250 for electronic registration	

Source: Data collected for this publication.

*Takes place simultaneously with previous procedure.

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LIST OF PROCEDURES
BUILDING PERMITS

SWEDEN

Gävle

Warehouse value: SEK 24,659,571 (USD 2,690,000)
Data as of: April 30, 2022

Procedure 1. Obtain new construction map
Agency: Gävle Municipality, Planning and Building Services
Time: 14 days
Cost: SEK 13,200 (flat fee for a new construction map)

Procedure 2*. Hire an external certified supervisor
Agency: Private company
Time: 1 day
Cost: SEK 100,000

Procedure 3. Obtain building permit
Agency: Gävle Municipality, Planning and Building Services
Time: 70 days
Cost: SEK 80,400 (fee for building permit and technical review for a new project between 1,001-5,000 sq.m. in size)

Procedure 4. Hold technical consultation meeting and receive clearance to commence construction
Agency: Gävle Municipality, Planning and Building Services
Time: 14 days (9 days to hold a technical consultation; and 5 days to receive clearance to commence construction)
Cost: No cost

Procedure 5. Report information to the Tax Agency
Agency: Swedish Tax Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6*. Notify Work Environment Authority of commencement of work
Agency: Swedish Work Environment Authority
Time: Less than one day (online procedure)
Cost: No cost

Procedure 7. Receive site visit from the municipality
Agency: Gävle Municipality, Planning and Building Services
Time: 1 day
Cost: No cost

Procedure 8. Obtain water and sewerage connection
Agency: Municipal Utilities Company (Gästrike Vatten AB)
Time: 30 days
Cost: SEK 348,128
Cost breakdown: SEK 44,892 (community contribution fee for already established water, sewerage, and rainwater pipes) + SEK 50,674 (community contribution fee for already established utility connection points) + SEK 23,179 (SEK 24.95 plot size fee per sq.m. of the plot) + SEK 229,383 (SEK 20,853 usage fee for every 120 sq.m. of the building size)

Procedure 9*. Hold final consultation meeting and receive occupancy clearance
Agency: Gävle Municipality, Planning and Building Services
Time: 21 days (9 days to hold a final consultation; and 12 days to receive occupancy clearance)
Cost: No cost

Göteborg

Warehouse value: SEK 24,659,571 (USD 2,690,000)
Data as of: April 30, 2022

Procedure 1. Obtain new construction map
Agency: City of Göteborg, City Planning Office
Time: 10 days
Cost: SEK 8,580 (flat fee for a new construction map for a plot size between 0-5,000 sq.m.)

Procedure 2*. Hire an external certified supervisor
Agency: Private company
Time: 1 day
Cost: SEK 100,000

Procedure 3. Obtain building permit
Agency: City of Göteborg, City Planning Office
Time: 70 days
Cost: SEK 139,920
Cost breakdown: SEK 47,520 (fee for building permit for a new project between 1,001-5,000 sq.m. in size) + SEK 92,400 (fee for technical consultation to occupancy clearance for a new project between 1,001-5,000 sq.m. in size)

Procedure 4. Hold technical consultation meeting and receive clearance to commence construction
Agency: City of Göteborg, City Planning Office
Time: 20 days (14 days to hold a technical consultation; and 6 days to receive clearance to commence construction)
Cost: No cost

Procedure 5. Report information to the Tax Agency
Agency: Swedish Tax Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6*. Notify Work Environment Authority of commencement of work
Agency: Swedish Work Environment Authority
Time: Less than one day (online procedure)
Cost: No cost

Procedure 7. Receive site visit from the municipality
Agency: City of Göteborg, City Planning Office
Time: 1 day
Cost: No cost

Procedure 8. Obtain water and sewerage connection
Agency: City of Göteborg, Waste and Water Administration
Time: 33 days
Cost: SEK 448,894
Cost breakdown: SEK 158,000 (community contribution fee for already established utility pipes) + SEK 157,000 (community contribution fee for water and sewerage connection) + SEK 54,000 (community contribution fee for rainwater connection) + SEK 79,894 (SEK 86 usage fee per sq.m. of the plot size)

Procedure 9*. Hold final consultation meeting and receive occupancy clearance
Agency: City of Göteborg, City Planning Office
Time: 18 days (10 days to hold a final consultation; and 8 days to receive occupancy clearance)
Cost: No cost

Jönköping

Warehouse value: SEK 24,659,571 (USD 2,690,000)
Data as of: April 30, 2022

Procedure 1. Obtain new construction map
Agency: Jönköping Municipality, City Planning Office
Time: 35 days
Cost: SEK 8,694
Cost breakdown: SEK 48.3 (base fee) * 150 (multiplier for a new construction map for a plot size less than or equal to 1,999 sq.m.) * 1.2 (multiplier for municipal adjustment)

**Takes place simultaneously with previous procedure.*

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Procedure 2*. Hire an external certified supervisor

Agency: Private company
Time: 1 day
Cost: SEK 100,000

Procedure 3. Obtain building permit

Agency: Jönköping Municipality, City Planning Office
Time: 70 days
Cost: SEK 110,588
Cost breakdown: SEK 48.3 (base fee) * 36 (object multiplier for a new project between 1,200-1,999 sq.m. in size) * 53 (administrative multiplier for a new project between 1,200-1,999 sq.m. in size) * 1.2 (multiplier for municipal adjustment)

Procedure 4. Hold technical consultation meeting and receive clearance to commence construction

Agency: Jönköping Municipality, City Planning Office
Time: 20 days (15 days to hold a technical consultation; and 5 days to receive clearance to commence construction)
Cost: No cost

Procedure 5. Report information to the Tax Agency

Agency: Swedish Tax Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6*. Notify Work Environment Authority of commencement of work

Agency: Swedish Work Environment Authority
Time: Less than one day (online procedure)
Cost: No cost

Procedure 7. Receive site visit from the municipality

Agency: Jönköping Municipality, City Planning Office
Time: 1 day
Cost: No cost

Procedure 8. Obtain water and sewerage connection

Agency: Jönköping Municipality, Water and Sewage Administration
Time: 23 days
Cost: SEK 328,114
Cost breakdown: SEK 31,680 (SEK 10,560 community contribution fee for an already established pipes per water, sewerage, and rainwater) + SEK 39,000 (community contribution fee for already established water, sewerage, and rainwater connection points) + SEK 35,673.60 (SEK 9.6 plot size fee per sq.m., per water, sewerage, rainwater, and rainwater on the street) + SEK 221,760 (SEK 20,160 usage fee for every 120 sq.m. of the building size for water and sewage)

Procedure 9*. Hold final consultation meeting and receive occupancy clearance

Agency: Jönköping Municipality, City Planning Office
Time: 10 days (5 days to hold a final consultation; and 5 days to receive occupancy clearance)
Cost: No cost

Malmö

Warehouse value: SEK 24,659,571 (USD 2,690,000)
Data as of: April 30, 2022

Procedure 1. Obtain new construction map

Agency: City of Malmö, City Planning Office
Time: 16 days
Cost: SEK 14,200
Cost breakdown: SEK 48.3 (base fee) * 210 (multiplier for new construction map, plot size less than 1,999 sq.m.) * 1.4 (multiplier for municipal adjustment)

Procedure 2*. Hire an external certified supervisor

Agency: Private company
Time: 1 day
Cost: SEK 100,000

Procedure 3. Obtain building permit

Agency: City of Malmö, City Planning Office
Time: 70 days
Cost: SEK 162,288
Cost breakdown: fees for building permit: SEK 48.3 (base fee) * 27 (administrative multiplier: includes administration; zoning compliance and building checks) * 40 (multiplier for a new project between 1,200-1,999 sq.m. in size) * 1.4 (multiplier for municipal adjustment) + fees for clearances: SEK 48.3 (base fee) * 33 (administrative multiplier, includes administration; supervisor registration; technical consultation; clearance to commence construction; site inspection; and final consultation and occupancy clearance) * 40 (multiplier for building between 1,200 – 1,999 sq.m. in size) * 1.4 (multiplier for municipal adjustment)

Procedure 4. Hold technical consultation meeting and receive clearance to commence construction

Agency: City of Malmö, City Planning Office
Time: 20 days (15 days to hold a technical consultation; and 5 days to receive clearance to commence construction)
Cost: No cost

Procedure 5. Report information to the Tax Agency

Agency: Swedish Tax Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6*. Notify Work Environment Authority of commencement of work

Agency: Swedish Work Environment Authority
Time: Less than one day (online procedure)
Cost: No cost

Procedure 7. Receive site visit from the municipality

Agency: City of Malmö, City Planning Office
Time: 1 day
Cost: No cost

Procedure 8. Obtain water and sewerage connection

Agency: Municipal Utilities Association (VA SYD)
Time: 28 days
Cost: SEK 238,793
Cost breakdown: SEK 18,758.40 (fee for water per property) + SEK 9,611.20 (fee for community contribution fee for already established water pipe) + SEK 146,374.73 (SEK 112.544 usage fee for sewerage per sq.m. of the building size) + SEK 18,758.40 (community contribution fee for already established sewerage pipe) + SEK 19,122.54 (SEK 20.584 plot size fee for rainwater per sq.m. of the plot) + SEK 18,758.40 (community contribution fee for an already established rainwater pipe) + SEK 18,758.40 (additional fee for hard surfaces) - SEK 11,348.80 (SEK 5,674.40 reduction per pipe in addition to first pipe requested)

Procedure 9*. Hold final consultation meeting and receive occupancy clearance

Agency: City of Malmö, City Planning Office
Time: 20 days (10 days to hold a final consultation; and 10 days to receive occupancy clearance)
Cost: No cost

**Takes place simultaneously with previous procedure.*

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Stockholm

Warehouse value: SEK 24,659,571 (USD 2,690,000)
Data as of: April 30, 2022

Procedure 1. Obtain new construction map

Agency: City of Stockholm, City Planning Office
Time: 14 days
Cost: SEK 17,030 (flat fee for a new construction map for plot size between 0-1,200 sq.m.)

Procedure 2*. Hire an external certified supervisor

Agency: Private company
Time: 1 day
Cost: SEK 100,000

Procedure 3. Obtain building permit

Agency: City of Stockholm, City Planning Office
Time: 60 days
Cost: SEK 109,800
Cost breakdown: SEK 54,900 (fee for building permit for a new building 1,001-1,500 sq.m. in size) + SEK 54,900 (fee for technical consultation to occupancy clearance for a new building 1,001-1,500 sq.m. in size)

Procedure 4. Hold technical consultation meeting and receive clearance to commence construction

Agency: City of Stockholm, City Planning Office
Time: 20 days (15 days to hold a technical consultation; and 5 days to receive clearance to commence construction)
Cost: No cost

Procedure 5. Report information to the Tax Agency

Agency: Swedish Tax Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6*. Notify Work Environment Authority of commencement of work

Agency: Swedish Work Environment Authority
Time: Less than one day (online procedure)
Cost: No cost

Procedure 7. Receive site visit from the municipality

Agency: City of Stockholm, City Planning Office
Time: 1 day
Cost: No cost

Procedure 8. Obtain water and sewerage connection

Agency: Municipal Utilities Company (Stockholm Vatten och Avfall AB)
Time: 39 days
Cost: SEK 368,932
Cost breakdown: SEK 63,600 (community contribution fee for already established water, sewerage, and rainwater pipes) + SEK 63,600 (community contribution fee for already established water, sewerage, and rainwater connection points) + SEK 68,932 (SEK 74.20 plot size fee per sq.m. of the plot) + SEK 172,800 (19,200 usage fee for every 150 sq.m. of the building size)

Procedure 9*. Hold final consultation meeting and receive occupancy clearance

Agency: City of Stockholm, City Planning Office
Time: 20 days (10 days to hold a final consultation; and 10 days to receive occupancy clearance)
Cost: No cost

Sundsvall

Warehouse value: SEK 24,659,571 (USD 2,690,000)
Data as of: April 30, 2022

Procedure 1. Obtain new construction map

Agency: Sundsvall Municipality, Mapping, Cadastral and Land Registration Office
Time: 19 days
Cost: SEK 8,680 (flat fee for a new construction map for a plot size between 0-1,999 sq.m.)

Procedure 2*. Hire an external certified supervisor

Agency: Private company
Time: 1 day
Cost: SEK 100,000

Procedure 3. Obtain building permit

Agency: Sundsvall Municipality, City Planning Office
Time: 53 days
Cost: SEK 78,820
Cost breakdown: SEK 36,380 (fee for building permit, for a new project between 1,001-1,500 sq.m. in size) + SEK 42,440 (fee for technical consultation to occupancy clearance, for a new project between 1,001-1,500 sq.m. in size)

Procedure 4. Hold technical consultation meeting and receive clearance to commence construction

Agency: Sundsvall Municipality, City Planning Office
Time: 20 days (15 days to hold a technical consultation; and 5 days to receive clearance to commence construction)
Cost: No cost

Procedure 5. Report information to the Tax Agency

Agency: Swedish Tax Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6*. Notify Work Environment Authority of commencement of work

Agency: Swedish Work Environment Authority
Time: Less than one day (online procedure)
Cost: No cost

Procedure 7. Receive site visit from the municipality

Agency: Sundsvall Municipality, City Planning Office
Time: 1 day
Cost: No cost

Procedure 8. Obtain water and sewerage connection

Agency: Municipal Utilities Company (Mittsverige Vatten och Avfall AB)
Time: 26 days
Cost: SEK 262,296
Cost breakdown: SEK 80,000 (community contribution fee for already established water, sewerage, and rainwater pipes) + SEK 40,000 (community contribution fee for already established water, sewerage, and rainwater connection points) + SEK 22,296 (SEK 24 plot size fee per sq.m. of the plot) + SEK 120,000 (SEK 12,000 usage fee for every 140 sq.m. of the building size)

Procedure 9*. Hold final consultation meeting and receive occupancy clearance

Agency: Sundsvall Municipality, City Planning Office
Time: 14 days (9 days to hold a final consultation; and 5 days to receive occupancy clearance)
Cost: No cost

**Takes place simultaneously with previous procedure.*

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Umeå

Warehouse value: SEK 24,659,571 (USD 2,690,000)
Data as of: April 30, 2022

Procedure 1. Obtain new construction map

Agency: Umeå Municipality, Department of the Built Environment
Time: 21 days
Cost: SEK 10,117 (flat fee for a new construction map for a plot size less than or equal to 2,000 sq.m.)

Procedure 2*. Hire an external certified supervisor

Agency: Private company
Time: 1 day
Cost: SEK 100,000

Procedure 3. Obtain building permit

Agency: Umeå Municipality, Department of the Built Environment
Time: 60 days
Cost: SEK 70,290
Cost breakdown: SEK 36,210 (fee for building permit, for a new building between 1,001-5,000 sq.m. in size) + SEK 34,080 (fee for technical consultation to occupancy clearance, for a new building between 1,001-5,000 sq.m. in size)

Procedure 4. Hold technical consultation meeting and receive clearance to commence construction

Agency: Umeå Municipality, Department of the Built Environment
Time: 25 days (15 days to hold a technical consultation; and 10 days to receive clearance to commence construction)
Cost: No cost

Procedure 5. Report information to the Tax Agency

Agency: Swedish Tax Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6*. Notify Work Environment Authority of commencement of work

Agency: Swedish Work Environment Authority
Time: Less than one day (online procedure)
Cost: No cost

Procedure 7. Receive site visit from the municipality

Agency: Umeå Municipality, Department of the Built Environment
Time: 1 day
Cost: No cost

Procedure 8. Obtain water and sewerage connection

Agency: Municipal Utilities Company (Vatten och Avfallskompetens i Norr AB)
Time: 28 days
Cost: SEK 303,053
Cost breakdown: SEK 64,080 (community contribution fee for already established water, sewerage, and rainwater pipes) + SEK 48,273 (community contribution fee already established water, sewerage, rainwater connection points) + SEK 45,242 (SEK 48.70 plot size fee per sq.m. of the plot for water) + SEK 145,458 (SEK 24,243 usage fee for every 250 sq.m. of the building size for water)

Procedure 9*. Hold final consultation meeting and receive occupancy clearance

Agency: Umeå Municipality, Department of the Built Environment
Time: 20 days (10 days to hold a final consultation; and 10 days to receive occupancy clearance)
Cost: No cost

Uppsala

Warehouse value: SEK 24,659,571 (USD 2,690,000)
Data as of: April 30, 2022

Procedure 1. Obtain new construction map

Agency: Uppsala Municipality, City Planning Administration
Time: 14 days
Cost: SEK 12,900 (flat fee for a new construction map for a plot size max. 3,000 sq.m.)

Procedure 2*. Hire an external certified supervisor

Agency: Private company
Time: 1 day
Cost: SEK 100,000

Procedure 3. Obtain building permit

Agency: Uppsala Municipality, City Planning Administration
Time: 70 days
Cost: SEK 148,000
Cost breakdown: SEK 94,000 (fee for building permit, for a new project between 1,001-2,000 sq.m. in size) + SEK 54,000 (fee for technical consultation to occupancy clearance, for a new project between 1,001-2,000 sq.m. in size)

Procedure 4. Hold technical consultation meeting and receive clearance to commence construction

Agency: Uppsala Municipality, City Planning Administration
Time: 18 days (15 days to hold a technical consultation; and 3 days to receive clearance to commence construction)
Cost: No cost

Procedure 5. Report information to the Tax Agency

Agency: Swedish Tax Agency
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6*. Notify Work Environment Authority of commencement of work

Agency: Swedish Work Environment Authority
Time: Less than one day (online procedure)
Cost: No cost

Procedure 7. Receive site visit from the municipality

Agency: Uppsala Municipality, City Planning Administration
Time: 1 day
Cost: No cost

Procedure 8. Obtain water and sewerage connection

Agency: Municipal Utilities Company (Uppsala Vatten och Avfall AB)
Time: 28 days
Cost: SEK 220,844
Cost breakdown: SEK 34,992 (community contribution fee for already established water, sewerage, and rainwater pipes) + SEK 31,026 (community contribution fee for already established water, sewerage, and rainwater connection points) + SEK 29,906 (SEK 32.192 plot size fee per sq.m. of the plot) + SEK 124,920 (SEK 13,880 usage fee for every 150 sq.m. of the building size)

Procedure 9*. Hold final consultation meeting and receive occupancy clearance

Agency: Uppsala Municipality, City Planning Administration
Time: 17 days (14 days to hold a final consultation; and 3 days to receive occupancy clearance)
Cost: No cost

**Takes place simultaneously with previous procedure.*

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BUILDING PERMITS IN SWEDEN – BUILDING QUALITY CONTROL INDEX	All cities	
	Answer	Score
Building quality control index (0–15)		**10**
Quality of building regulations index (0–2)		2
How accessible are building laws and regulations in your economy? (0–1)	Available online; Free of charge.	1
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0–1)	List of required documents; Fees to be paid; Required preapprovals.	1
Quality control before construction index (0–1)		1
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0–1)	Licensed architect; Licensed engineer.	1
Quality control during construction index (0–3)		3
What types of inspections (if any) are required by law to be carried out during construction? (0–2)	Inspections by external engineer or firm; Unscheduled inspections; Risk-based inspections.	2
Do legally mandated inspections occur in practice during construction? (0–1)	Mandatory inspections are always done in practice.	1
Quality control after construction index (0–3)		3
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0–2)	Yes, final inspection is done by government agency; Yes, external engineer submits report for final inspection.	2
Do legally mandated final inspections occur in practice? (0–1)	Final inspection always occurs in practice.	1
Liability and insurance regimes index (0–2)		1
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0–1)	No party is held liable under the law.	0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use? (0–1)	No party is required by law to obtain insurance; Insurance is commonly taken in practice.	1
Professional certifications index (0–4)		0
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0–2)	There are no specific requirements.	0
What are the qualification requirements for the professional who supervises the construction on the ground? (0–2)	There are no specific requirements.	0

Source: Data collected for this publication.

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ELECTRICITY CONNECTIONS AND SUPPLY IN SWEDEN – PROCEDURES REQUIRED TO OBTAIN A NEW ELECTRICITY CONNECTION, BY CITY

Data as of: April 30, 2022

Name of utility:		Gävle Energi AB	Göteborg Energi AB	Jönköping Energi Nät AB	E.ON Energidistribution AB	Ellevio AB	Sundsvall Elnät AB	Umeå Energi Elnät AB	Vattenfall Eldistribution AB	
		Gävle	**Göteborg**	**Jönköping**	**Malmö**	**Stockholm**	**Sundsvall**	**Umeå**	**Uppsala**	**Comments**
1. Submit application to the utility and await cost estimate	Time (days)	15	30	10	19	30	13	14	17	Applications for an electricity connection are submitted through a form (föranmälan), which is a standardized document for applications in Sweden. This form can be downloaded from the utility's website, and the application can be submitted electronically by electricians registered with the respective utility.
	Cost (SEK)	No cost								
2. Pay connection costs and receive external works from the utility	Time (days)	25	45	40	60	61	30	34	55	The external connection works are carried out by the utility, who also obtains all required permits to excavate and build the connection lines on the public land. The customers are responsible for the portion of the connection on their private property. In all cities, the customer pays only a single connection fee that combines all costs involved with connection works (including the fees for excavation permits and other costs).
	Cost (SEK)	226,400 [Connection fee of SEK 136,400 for 200 Amperes + meter fee of SEK 90,000]	190,000	126,300	160,000	550,000	160,000 [Connection fee calculated for each case for this capacity level]	132,000	145,000 [Fees based on the required capacity and connection length]	
3. Sign a supply contract with an electricity provider*	Time (SEK)	1	1	1	1	1	1	1	1	The customers sign a supply contract with a supplier they choose from the free electricity market.
	Cost (SEK)	No cost								
4. Submit electrician's certificate to the utility and obtain meter installation	Time (days)	14	14	14	14	30	12	14	30	Once the external connection works are completed, the electrician who installed the internal wiring submits a certificate (färdiganmälan) to the utility. Through this document, the electrician guarantees that the internal wiring installation has been done according to the Electrical Safety Act (2016:732) and applicable regulations.
	Cost (SEK)	No cost								

Source: Data collected for this publication.

*Takes place simultaneously with previous procedure.

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ELECTRICITY CONNECTIONS AND SUPPLY IN SWEDEN – RELIABILITY OF SUPPLY AND TRANSPARENCY OF TARIFFS INDEX								
City	**Gävle**	**Göteborg**	**Jönköping**	**Malmö**	**Stockholm**	**Sundsvall**	**Umeå**	**Uppsala**
Reliability of supply and transparency of tariffs index (0–8)	**6**	**8**	**8**	**7**	**8**	**8**	**7**	**8**
Total duration and frequency of outages per customer a year (0–3)	2	3	3	3	3	3	2	3
System average interruption duration index (SAIDI)	0.78	0.50	0.40	0.60	0.60	0.60	2.10	0.49
System average interruption frequency index (SAIFI)	1.10	0.33	0.50	0.60	0.57	0.66	0.90	0.43
Mechanisms for monitoring outages (0–1)	1	1	1	1	1	1	1	1
Does the distribution utility use automated tools to monitor outages?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mechanisms for restoring service (0–1)	1	1	1	1	1	1	1	1
Does the distribution utility use automated tools to restore service?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Regulatory monitoring (0–1)	1	1	1	1	1	1	1	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial deterrents aimed at limiting outages (0–1)	1	1	1	1	1	1	1	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Communication of tariffs and tariff changes (0–1)	0	1	1	0	1	1	1	1
Are effective tariffs available online?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Are customers notified of a change in tariff ahead of the billing cycle?	No	Yes	Yes	No	Yes	Yes	Yes	Yes

Source: Data collected for this publication.

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PROPERTY TRANSFER IN SWEDEN – PROCEDURES REQUIRED TO TRANSFER A PROPERTY, BY CITY			
Property value: SEK 24,659,571 *Data as of: April 30, 2022*		**Gävle, Göteborg, Jönköping, Malmö, Sundsvall, Stockholm, Umeå, Uppsala**	**Comments**
Submit the original and one copy of the transfer deed at the Land Registry with the signatures of both parties	Time (days)	10	After the buyer purchases the property, the buyer (or the buyer's bank if a loan is involved) applies for registration of new ownership at the Land Registry within three months. With the application for registration of ownership, the purchase contract should be attached. The seller and the buyer must sign a deed of transfer. The signature of the transferor must be witnessed by two persons. The deed must contain the purchase price, the identity of the seller and the buyer as well as the identity of the property. As the transaction is between two legal entities, documents attesting that the signer has the right to act on behalf of the legal entity must also be attached. Ownership is transferred at the moment of signing the deed. The purpose of registration is to protect the interests of any party holding the right to a property and to inform anyone else affected by that right in any possible way, by publishing the registered information and to guarantee the correctness of the information through a government guarantee.
	Cost (SEK)	SEK 825 + 4.25% of the value of the property	

Source: Data collected for this publication.

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PROPERTY TRANSFER IN SWEDEN – QUALITY OF LAND ADMINISTRATION INDEX

	Answer	Score
Quality of the land administration index (0–30)		**28 (all cities)**
Reliability of infrastructure index (0–8)		8
In what format are land title certificates kept at the immovable property registry—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/ Fully digital	2
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)? (0–1)	Yes	1
In what format are cadastral plans kept at the mapping agency—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/ Fully digital	2
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)? (0–1)	Yes	1
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases, or in separate databases? (0–1)	Different databases but linked	1
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties? (0–1)	Yes	1
Transparency of information index (0–6)		5
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city? (0–1)	Freely accessible by anyone	1
Is the list of documents that are required to complete all types of property transactions made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Is the applicable fee schedule for all types of property transactions at the agency in charge of immovable property registration made publicly available–and if so, how? (0–0.5)	Yes, online	0.5
Does the agency in charge of immovable property registration formally commit to deliver a legally binding document proving ownership within a specific timeframe–and if so, how does it communicate the service standard? (0–0.5)	Yes, online	0.5
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration? (0–1)	No	0
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency? (0–0.5)	Yes, online	0.5
Are cadastral plans made publicly available? (0–0.5)	Freely accessible by anyone	0.5
Is the applicable fee schedule for accessing maps of land plots made easily publicly available—and if so, how? (0–0.5)	Yes, online	0.5
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard? (0–0.5)	Yes, online	0.5
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency? (0–0.5)	Yes	0.5
Geographic coverage index (0–8)		8
Are all privately held land plots in the economy formally registered at the immovable property registry? (0–2)	Yes	2
Are all privately held land plots formally registered at the immovable property registry in the measured city? (0–2)	Yes	2
Are all privately held land plots in the economy mapped? (0–2)	Yes	2
Are all privately held land plots mapped in the measured city? (0–2)	Yes	2
Land dispute resolution index (0–8)		7
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties? (0–1.5)	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee? (0–0.5)	Yes, state guarantee	0.5
Is there a specific out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry? (0–0.5)	Yes	0.5
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)? (0–0.5)	Yes, registrar	0.5
Does the legal system require verification of the identity of the parties to a property transaction? (0–0.5)	Yes, registrar	0.5
Is there a national database to verify the accuracy of government issued identity documents? (0–1)	Yes	1

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PROPERTY TRANSFER IN SWEDEN – QUALITY OF LAND ADMINISTRATION INDEX (continued)		
	Answer	Score
How long does it take on average to obtain a decision from the first-instance court for a land dispute case (without appeal)? (0–3)	Between 1 and 2 years	2
Are there publicly available statistics on the number of land disputes in the first-instance court? (0–0.5)	Yes	0.5
Equal access to property rights index (-2–0)		**0**
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0
Do married men and married women have equal ownership rights to property?	Yes	0

Source: Data collected for this publication.

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COMMERCIAL LITIGATION IN SWEDEN – TIME, COST AND QUALITY OF JUDICIAL PROCESSES, BY CITY

	Time (days)				**Cost** (% of claim)				**Quality of judicial processes index** (0–18)				
City	Filing and service	Trial and judgment	Enforcement of judgment	Total time	Attorney fees	Court costs	Enforcement costs	Total cost	Court structure and proceedings (-1–5)	Case management (0–6)	Court automation (0–4)	Alternative dispute resolution (0–3)	Total score (0–18)
Gävle	28	365	90	483	20.0	2.3	0.1	22.4	3.5	3.0	3.0	2.5	12.0
Göteborg	28	365	90	483	28.0	2.8	0.1	30.9	3.5	3.0	3.0	2.5	12.0
Jönköping	28	365	90	483	20.0	2.3	0.1	22.4	3.5	3.0	3.0	2.5	12.0
Malmö	28	365	90	483	28.0	2.8	0.1	30.9	3.5	3.0	3.0	2.5	12.0
Stockholm	28	365	90	483	28.0	2.8	0.1	30.9	3.5	3.0	3.0	2.5	12.0
Sundsvall	28	365	90	483	20.0	2.3	0.1	22.4	3.5	3.0	3.0	2.5	12.0
Umeå	28	330	90	448	20.0	2.3	0.1	22.4	3.5	3.0	3.0	2.5	12.0
Uppsala	28	390	90	508	20.0	2.3	0.1	22.4	3.5	3.0	3.0	2.5	12.0

Source: Data collected for this publication.

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COMMERCIAL LITIGATION IN SWEDEN – QUALITY OF JUDICIAL PROCESSES INDEX	Answer	Score
Quality of judicial processes index (0–18)		**12 (all cities)**
Court structure and proceedings (-1–5)		**3.5**
1. Is there a court or division of a court dedicated solely to hearing commercial cases? (0–1.5)	No	0
2. Small claims court (0–1.5)		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available? (0–1)	Yes	1
4. Are new cases assigned randomly to judges? (0–1)	Yes, computerized	1
5. Does a woman's testimony carry the same evidentiary weight in court as a man's? (-1–0)	Yes	0
Case management (0–6)		**3**
1. Time standards (0–1)		0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	No	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments (0–1)		0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report? (0–1)	Yes	1
4. Is a pretrial conference among the case management techniques used before the competent court? (0–1)	Yes	1
5. Are there any electronic case management tools in place within the competent court for use by judges? (0–1)	Yes	1
6. Are there any electronic case management tools in place within the competent court for use by lawyers? (0–1)	No	0
Court automation (0–4)		**3**
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court? (0–1)	Yes	1
2. Is it possible to carry out service of process electronically for claims filed before the competent court? (0–1)	Yes	1
3. Can court fees be paid electronically within the competent court? (0–1)	Yes	1
4. Publication of judgments (0–1)		0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
Alternative dispute resolution (0–3)		**2.5**
1. Arbitration (0–1.5)		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation (0–1.5)		1
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	

Source: Data collected for this publication.
n.a. = not applicable

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Acknowledgments

Subnational Investment Climate Assessment 2022: Denmark, Finland and Sweden was produced by a team led by Trimor Mici, Tommaso Rooms and Ana Santillana. The team comprised Tobias Akerlund, Leo Henricus Bouma, Edgar Chavez, Laura Diniz, Lilla Marta Fordos, Marko Grujicic, Christina Hansen, Ulla-Stina Henttonen, Elsa Huhtala, Tanja Larsen, Marie Lendelova, Erik Lidman, Ilias Liimatta, Mira Luoma, Maria Camila Roberts, Erick Tjong and Marilina Vieira. The report was prepared under the direction of Madalina Papahagi.

The team is grateful for valuable peer review comments provided by colleagues from across the World Bank Group. Santiago Croci, Hulya Ulku and Alessio Zanelli reviewed the full text.

Norman Loayza, Gallina Vincelette, Jakob Kopperud, Steven Jouy, Reena Badiani-Magnusson, Julie Biau, Iona Lee and Hassan Hirsi provided guidance and leadership. Giovanni Bo, Antonio Borges, Corina Grigore, Maksym Iavorskyi, Irina Koval, Monique Pelloux, Patrizia Poggi, Serge Randriamiharisoa, Goran Tinjic and Julien Vilquin provided valuable assistance and inputs at various stages of the project. The website (http://www .doingbusiness.org/EU) was developed by Manasi Amalraj, Varun V. Doiphode, Anna Maria Kojzar, Akash Pradhan, Balasubramanian Ramakrishnan and Shrikant Bhaskar Shinde. The report was edited by Janelle Conaway, and the layout produced by Luis Liceaga.

The study was funded by the European Commission, Directorate-General for Regional and Urban Policy. It was undertaken under the auspices of the Danish Business Authority; the Ministry of Economic Affairs and Employment of Finland; and Sweden Statistics in Sweden.

The project team extends special thanks for information and assistance provided throughout the project to (i) the Danish Court Administration, the Danish Energy Agency, the Danish Housing and Planning Authority, the Danish Tax Authority, Green Power Denmark, the Land Registration Court, the Ministry of Justice, as well as Danish Business Authority local offices, local utilities, district courts, and municipalities across Denmark; (ii) the Ministry of Justice, the National Enforcement Authority Finland, the Energy Authority, the Ministry of the Environment, the Finnish Tax Administration, the government of Åland, the Finnish Patent and Registration Office, the National Land Survey of Finland, as well as local utilities, district courts, and municipalities across Finland; (iii) Mapping, Cadastral and Land Registration Authority, Ministry of Justice, National Board of Housing, Building and Planning, Swedish National Courts Administration, National Electrical Safety Board, Swedish Companies Registration Office, Swedish Energy Markets Inspectorate, Swedish Tax Agency, Svenska Kraftnät as well as district courts, local utilities and municipalities across Sweden.

Data collection was carried out in collaboration with (i) *Bruun & Hjejle* (team led by Morten Stadil), the *Danish Association of Architectural Firms*, the *Danish Association of Consulting Engineers, FRI* (team led by Henrik Garver and Inge Ebbensgaard), and *Ramboll* in Denmark; (ii) the *Association of Finnish Architects´ Offices ATL* (team led by Kalle Euro), *Borenius Attorneys Ltd* (team led by Tero Kovanen), *DKCO Attorneys-at-law Ltd* (team led by Niko Johansson), *Forecon Ltd* (team led by Tuomas Laitinen, including Markku Riihimaki, Timo Koskinen, Janne Puustelli and Pekka Pajakkala), and the *Electrical Contractors´ Association of Finland, STUL* (team led by Toivo Lötjönen) in Finland; (iii) *Byggfakta* (team led by Madelene Westling, including Peter Åhs), *Prognoscentret* (team led by Johan Grip, including Anna Brinkhagen) and *Vinge* (team led by Silvia Dahlberg, including Stina Karinsdotter) in Sweden.

More than 500 lawyers, engineers, electricians, architects, construction experts, utility providers, public officials, judges and enforcement agents contributed to *Subnational Investment Climate Assessment 2022: Denmark, Finland and Sweden*. The team would like to express its special gratitude to the national and local public officials and members of the judiciary who participated in the project and who made valuable comments during the consultation and data review period. The names of those wishing to be acknowledged are listed on the following pages.

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