

1 Is "statutory interest" provided for in the Member State? If so, how is "statutory interest" defined in this Member State?

"Statutory interest" in the Finnish legislation means both the interest rate that applies to an outstanding debt before the due date and penalty interest for late payments. Provisions on both types of statutory interest are laid down in the Interest Act (633/1982). The obligation to pay interest or penalty interest for late payments is determined under the Interest Act, unless otherwise follows from the obligation of the debtor or a business practice or unless otherwise provided by law (Interest Act, section 2, subsection 1).

2 If yes, what is the amount/rate and legal basis for it? If different rates of statutory interest are provided for, what circumstances and conditions apply?

Interest payable on debts: The debtor is not liable to pay interest on the period preceding the due date of a debt (Interest Act, section 3, subsection 1).

However, it is possible to agree that interest should be paid. If the liability to pay interest has been agreed without determining the interest rate, the debtor must pay annual interest in accordance with the reference rate referred to in section 12 of the Interest Act (Interest Act, section 3, subsection 2).

For credit agreements made by consumers on withdrawals of cash, the provision of Chapter 7, section 17a of the Consumer Protection Act (38/1978) shall also apply, stating that if the amount of the credit or the credit limit is less than EUR 2 000, the APR of the credit may not exceed the reference rate referred to in section 12 of the Interest Act plus 50 percentage points.

Penalty interest on late payments: For agreements falling within the scope of the Act on the terms of payment for commercial contracts (30/2013), the statutory interest on late payments is eight percentage points higher than the reference rate in force at the time in question (Interest Act, section 4a, paragraph 1), i.e. currently the rate is 8.0% (figure for autumn 2017). For other agreements, the statutory penalty interest on late payments is seven percentage points higher than the reference rate in force at the time in question (Interest Act, section 4), i.e. currently 7.0% (figure for autumn 2017). As for consumer debt, the provisions of the Interest Act on penalty interest on late payments are mandatory legislation, and it is not possible to agree on a higher rate of interest on late payments (Interest Act, section 2, subsection 2). For other debt, it is possible to agree on the rate of interest on late payments. However, in contracts falling within the scope of the Act on the terms of payment for commercial contracts, it is not possible to agree that the creditor shall not have the right to charge penalty interest on late payments, and if the debtor is a contracting entity, it is not possible to agree on a lower interest rate for late payments than that determined according to section 4a, subsection 1 of the Interest Act (Act on the terms of payment for commercial contracts, section 8).

3 If necessary, is there further information available on how to calculate statutory interest?

The reference rate referred to in the Interest Act is the interest rate applied by the European Central Bank to its most recent main refinancing operation carried out before the first calendar day of each half-year rounded up to the nearest half-percentage point (Interest Act, section 12).

4 Is there free online access available to the legal basis mentioned above?

An unofficial English translation of the **Interest Act** can be found at: <http://www.finlex.fi/fi/laki/kaannokset/1982/en19820633.pdf>

The Finnish and Swedish versions of the Act can be found at:

<http://www.finlex.fi/fi/laki/ajantasa/1982/19820633?search%5btype%5d=pika&search%5bpika%5d=Korkolaki>

The **Act on the terms of payment for commercial contracts** can be found at: <http://www.finlex.fi/fi/laki/ajantasa/2013/20130030?se>

The **Consumer Protection Act** can be found at: <http://www.finlex.fi/fi/laki/ajantasa/1978/19780038?se>

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