

Support granted to sole entrepreneurs for stabilisation of the financial situation, which has been temporarily weakened as a result of the COVID-19 epidemic

Decision

Acting Director of Economic Development decided to reject the support applications, filed by the sole entrepreneurs mentioned in appendix 1, for stabilisation of the financial situation of the sole entrepreneurs.

Appendices 2–5 of the decision include applicant specific grounds for the rejection of the support application.

Grounds for the decision

Background

The municipalities grant support to sole entrepreneurs for the stabilisation of operations disrupted by the COVID-19 epidemic. The Government decree on discretionary government transfers to municipalities intended for supporting sole entrepreneurs was given on 8 April 2020 (199/2020). According to the decree, municipalities may apply for their calculated share of the discretionary government transfers from the Ministry of Economic Affairs and Employment.

The Chief Financial Officer has applied on 14 April 2020, Section 21, for discretionary government transfers from the Ministry of Economic Affairs and Employment to the City of Helsinki to cover costs caused by the support granted to sole entrepreneurs for stabilisation of the financial situation, which has been temporarily weakened as a result of the COVID-19 epidemic. Ministry of Economic Affairs and Employment decided on 27 April 2020 to grant a maximum of EUR 43,494,000 to be used for the stabilisation of the temporarily weakened financial situation of Helsinki-based sole entrepreneurs.

The support can be applied for in the domicile (municipality) of the company. Helsinki-based sole entrepreneurs have been able to apply electronically (asiointi.hel.fi) or using a paper form in Finnish, Swedish and English as of 20 April 2020. The one-off support can be granted for the period 16 March–31 August 2020. The support can also be applied for retrospectively.

Processing of the applications

The Economic Development of the Helsinki City Executive Office is in charge of the processing of the sole entrepreneurs' support applications. The processing has been made in the order in which the applications were received.

Prerequisites for the support

The support can be granted to a sole entrepreneur. In the Government decree concerning support to sole entrepreneurs (199/2020), sole entrepreneur means a full-time entrepreneur in Finland, who engages in economic activity alone, regardless of the legal form of activity or source of financing, who does not have employees on the payroll and who is insured under the self-employed persons' pension insurance (YEL) or can present an annual entrepreneurial income or invoicing of at least 20,000 euros.

The support to sole entrepreneurs is granted to individual entrepreneurs. If the sole entrepreneur has several companies in which they are the sole employee, support will be granted to the company in which the entrepreneur works full-time.

The support is a lump-sum payment of EUR 2,000, which is intended to cover costs arising from the entrepreneur's business activities such as costs of premises and equipment purchased for business purposes, as well as accounting and other office expenses. The support may be used for any other costs except not to cover the entrepreneur's own salary.

According to the Government decree (199/2020), Section 5, discretionary government transfers can be used for the stabilisation of the financial situation of sole entrepreneurs, provided that

1) the municipality makes an agreement concerning the support with the recipient sole entrepreneur, in accordance with Section 7 (3) in the Act on Discretionary Government Transfers.

2) the sole entrepreneur's financial situation and turnover have deteriorated after 16 March 2020 due to the coronavirus outbreak;

3) it is deemed that the sole entrepreneur has the potential for profitable business; and

4) the support that the sole entrepreneur receives is de minimis aid as per the commission regulation (EU) No 1407/2013 given on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

Appendices 2–5 of the decision include applicant specific grounds for the rejection of the support application.