

Contractor's Obligations and Liability when Work is Contracted Out



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Introduction

There are many ways of combating the negative effects caused to enterprises by the “grey” or undeclared economy and unhealthy competition. This is the objective of the Act on the Contractor’s Obligations and Liability when Work is Contracted Out (1233/2006, Contractor’s Liability Act) in situations where temporary agency workers or subcontracting are used. According to the Act the ordering party is under the obligation to check a contracting partner’s ability to discharge their statutory obligations. At the same time it ensures that the subcontractors and agencies hiring out workers discharge their obligations as employers. The obligations laid down are also intended to ensure that the minimum terms of the employment relationship are fulfilled, also in the case of subcontracted and temporary agency workers.

The Act entered into force on January 1, 2007.

1 What or who is a contractor?

The contractor referred to in the Contractor's Liability Act is a party that uses temporary agency workers or workers employed under a subcontract.

The contractor may be any trader or enterprise that is liable to submit the notification of start-up referred to in the Trade Register Act. These include general or limited partnerships, limited companies, cooperatives, housing companies, mutual insurance companies, cooperatives, savings banks, state enterprises, non-profit associations and foundations and private traders that have permanent premises for carrying on their operations or have in their service at least one employee. The contractor may also be a foreign foundation or organisation that establishes a branch in Finland or a European Company (SE).

The state, municipalities, joint municipal authorities, parishes and other juridical bodies may also be contractors.

The contractor may also be an equivalent foreign enterprise while operating in Finland.

Those engaged in agriculture and fishing as a trade are not usually contractors in the sense of this Act, nor are private households.

2 When is the Act applied?

The Act is applied to work done in Finland. In addition it is applied to work done on board vessels sailing under the Finnish flag, even when the vessel is not in Finnish waters when the employee accompanies the vessel.

The Act applies to a contractor, *who uses temporary agency workers*. A temporary agency worker refers to an employee who has signed an employment contract with an employer who has assigned the employee with his or her consent for the use of another employer. The employer of temporary agency workers may operate in Finland or abroad.

The Act will be applied to a contractor in certain *employment situations based on a subcontract* provided that

- The contractor and the contracting party have a subcontract on an agreed work outcome against compensation.
- Employees in the service of a contracting party that has signed a subcontract are working for the contractor. Although the contractor need not be an employer, the other contracting party who has signed a subcontract with them is required to be an employer.
- The work is performed at the contractor's premises or work site. Normally the contractor's own employees also work at the contractor's premises. Subcontract work in which separate parts or materials or programmes are produced at the premises of the employer who has signed the subcontract, to be further assembled or processed at the contractor's premises, do not come under the scope of the Act. The contractor's work site may, however, be located elsewhere than at their premises. There are work sites of this kind in the construction, transport and haulage industries and in services where the service is produced at the premises of the service buyer or user.
- The work to be performed under a subcontract relates to the work tasks normally carried out in the course of contractor's operations. For this reason the tasks such as subcontracting of legal, educational, advertising and catering services remain outside the scope of applica-

tion of the Act, unless the companies concerned themselves operate in these sectors. Workplace catering, occupational health care and security services do not usually relate to the contractor's own sector. On the other hand, cleaning and generally also servicing and maintenance of equipment and premises can be regarded as being related to the jobs normally performed by the contractor enterprise.

However, all construction work, even if does not relate to the contractor's operations, falls within the scope of the Act, because contractors whose normal work does not include building often act as building contractors. Building includes not only housing construction but also maintenance and repair of buildings and civil engineering. In building work, the Act is also applied to all those contracting out part of the work, regardless of whether the contracting party is an employer or not.

Small subcontracts and contracts on the use of temporary agency workers are excluded from the scope of application of the Act by setting limit values.

The Act is not applied if

- The total duration of the work for which a temporary agency worker or workers are hired does not exceed 10 working days.
- The value of compensation in the case of a subcontract, excluding VAT, is less than EUR 7,500.

The obligations to check cannot be avoided by breaking the contract up into parts that remain below the given limit values. When calculating the limit values, the work is considered to have continued without interruption if the work or work outcome performed for the contractor is made up of successive, uninterrupted fixed-term contracts or with only short breaks between the contracts.

3 Content of the contractor's obligations to check

The provision on the content of the contractor's obligation to check is one of the key provisions in the Act, because the purpose is to give the contractor as accurate information as possible on whether the contracting party is reliable and whether they intend to act in compliance with legislation.

The contractor must acquire the information required by law before signing a contract, and the employer of temporary agency workers and the other contracting party to a subcontract are under an obligation to provide the contractor with this information. If the contractor acquires the information only later, it will be considered that they have neglected their obligation to check, unless the contract has a rescinding clause to provide for the case that the contractor would not have signed the contract on the basis of the information subsequently provided. The information and accounts can also be provided as copies or the contractor can take copies of them.

The obligation to check concerns

- Information on whether the enterprise is entered in the Prepayment Register in compliance with the Act on Prepayment of Tax, the Employer Register and registered as VAT-liable in the Value Added Tax Register in compliance with the Act on Value Added Tax.
- An extract from the Trade Register, showing the date on which the company was registered, its line of business, Board of Directors, other management, persons authorised to sign the company name, auditors, personal details of responsible persons and whether the latest final accounts documents have been submitted to the registration authority in compliance with law.
- A certificate of tax paid or tax debt, or an account that a payment plan has been made for tax debt. The Finnish Tax Administration only issues a certificate to the enterprise itself and therefore it must always be requested from the other party to a subcontract or the employer of temporary agency workers. To ensure that the information on the tax debt certificate does not lead to unfair discrimination against a party to the

contract, the party may simply notify the contractor that an agreement on payment arrangements has been made. This would prevent the enterprise concerned from getting into further difficulty as a result of a tax debt, since observance of a payment plan is evidence of the enterprise's intention to comply with the law.

- Certificates of pension insurance and payment of pension insurance premiums or an account that a payment agreement has been made on overdue pension payments. Pension institutions issue their customers with the certificates referred to here. From the employees' point of view, payment of employment pension contributions is crucial evidence that the employer is able and willing to take the responsibilities relating to the work, such as paying social security contributions. Here, too, the situation of an enterprise that has defaulted on payments is taken into consideration. If the enterprise intends to pay the arrears, it can prove its intention by arranging a payment plan and observing it.
- An account of the applicable collective agreement or the principal terms applicable to the work. An applicable collective agreement may be either one that is binding on the employer, or a universally binding collective agreement or another collective agreement that the employer applies in practice. The account of the principal terms of the employment covers, among other things, the employee's main tasks, the wage payment period, regular working hours, determination of annual leave and period of notice of dismissal. As regards information on wages, it is sufficient that the information describes how the wages and the different components are determined. It is not the intention to disclose personal details of wages to the contractor.

A foreign party to a contract must provide the contractor with information corresponding to the accounts and certificates referred to above in a way that is understandable to the contractor. The obligation to check is as extensive as for an enterprise operating in Finland, taking into account foreign legislation. Information of this kind primarily means an extract from a register complying with the legislation of the country where the enterprise is domiciled, or for example, a notice or certificate subject to oath that the party is engaged in trade or business. If in the state where the foreign enterprise is located there is no reliable information available comparable, for example, to a tax debt certificate or if the enterprise is not

obliged to take out pension insurance for its employees, the enterprise must provide the contractor with a reliable account of this. Correspondingly, information relating to social security provision by the foreign enterprise must be presented in some generally acceptable form, such as an account of insurances taken out by the enterprise in question.

If the foreign contracting party is unable to supply the accounts referred to above, because they do not exist, the contractor has the right to accept and the contracting party to provide the account in some other way that can be considered sufficient according to general understanding. If the state in question is a Member State of the EU or the EEA the employer posting workers can be requested to provide an E 101 certificate.

The contractor has the right to accept an account other than that given by an authority, if the account has been given by another party responsible for evaluating or registering information. Examples of such include the ePortti Internet service and Suomen Asiakastieto Oy and for construction companies Rakentamisen Laatu RALA ry (Construction Quality Association).

The contractor need not, however, request accounts and information if they have justified grounds for trusting that the contracting party discharges their statutory obligations.

Accounts need not be requested when trust is based on the fact that

- The contracting party is a state, municipality, joint municipal authority, parish, the Social Insurance Institution or the Bank of Finland etc.
- The contracting party is a public limited company (plc) as referred to in the Companies Act, a state enterprise, a company subject to private law wholly owned by a municipality, or an equivalent foreign organisation or enterprise.
- The operations of the contracting party are established. The primary condition to be fulfilled in this, too, is that the contractor has good reason to rely on the contracting party. The established nature of the operations is considered a factor contributing to trust when the enterprise has factually been engaged in business for at least three years.

- The contractor's and the contracting party's contractual relationship can be considered established. Earlier experiences of operations subject to contract between the parties are factors that increase trust. An established contractual relationship between the contractor and the contracting party is not required to be quite as long in duration as in the case of established operations, because it is easier during a contractual relationship to establish that other party discharges their obligations. A contractual relationship can be considered established after about two years, if during the said period the contractor and the contracting party have in practice concluded contracts.
- Other equivalent reason. Here too, the general criteria for applying the law must be met and equivalent reason must be interpreted in a narrow sense. Another equivalent reason may, for example, be the size of the enterprise, if on that basis, the public reliability of the contracting partner could be compared to that of the enterprises referred to above.

If a contract in force for more than 12 months has been signed between the contractor and contracting parties, the contracting party must provide the contractor at 12 month intervals, also during the contractual relationship, with certificates of taxes and pension insurances. Since contracts do not usually include rescinding clauses for the case that one of the contracting parties is no longer eligible for registration with an authority, or that they have failed to pay employer contributions, failure to observe this provision does not lead to the consequences of neglecting the obligation to check.

In order to ensure that the information describes the current state of an enterprise as well as possible, it may not be more than *three months old*. The contractor must ensure that they have all the information and accounts referred to above at their disposal before signing a contract, when the contract is being concluded for the first time. However, such information and accounts are not needed if the contractor signs a new contract with the same contracting party during the period that the information is still valid.

If the contractor concludes a new contract with the same contracting party before 12 months has elapsed from the date of discharging their obligation to check when signing the contract for the first time, the contractor has no new investigative obligation. Since a contractor who is committed to a contractual relationship has not always the same opportunities to withdraw

from the contract as those of a contractor considering entry into a new contract, the contractor still has an obligation to check if they have reason to believe that changes requiring a review have taken place in the situation of the contracting party. Such reasons may include, for example, the fact that an owner or responsible person in the enterprise has been barred from conducting business, a criminal investigation that has become public, or reasonable doubts presented by a personnel representative that the contracting party has violated their obligations as an employer.

The contractor must keep the information concerned for *at least two years* from the date on which the work referred to in the contract has been completed.

Some of the information that falls within the scope of the obligation to check is not in the public domain. From the perspective of continuing business operations, it is important that information concerning on enterprises does not spread wider than the intent of the law. For this reason the contractor or any person in their service may not disclose non-public information they have received to an outsider. Information of this kind includes information on payment of taxes or tax debt, or taking out and payment of pension insurance. The information may be disclosed if the contracting party him- or herself or a pertinent authority has disclosed it by virtue of law, or a pension institution has notified a credit information register. The duty of non-disclosure also applies to non-public information that has been acquired from records where other information is kept. The party responsible for maintaining records of information can always disclose information to a contractor, provided the contractor has received consent from the party in question.

As regards non-disclosure obligation of a civil servant or other official, the provisions of the Act on the Openness of Government Activities is nevertheless applicable. Information subject to the non-disclosure obligation may not be disclosed even after the entrepreneur or a person in their service ceases to perform the task in the course of which they have received the information. Penal provisions have been laid down for breach of the non-disclosure obligation.

4 Providing information to personnel representatives

In order to fulfil the intent of the law and promote more efficient supervision it is important that representatives of personnel also have information on the use of outside labour. For this reason the contractor is under an obligation to notify a shop steward, elected on the basis of a collective agreement, of any contract concerning temporary agency or subcontracted workers, or if no such representative has been elected, an elected representative as referred to in the Employment Contracts Act. Corresponding information must also be given to an occupational safety and health representative. The representatives of personnel are to request the information from the contractor, their employer.

The contractor must clarify the number of workers to be used, the identifying details of the enterprise hiring out workers or signing a subcontract, the work site, the tasks involved, the duration of the contract relating to the work, the collective agreement applicable to the employees working as temporary agency workers or under subcontract, or if there is no such agreement the principal terms of employment.

Said information does not have to be submitted if the Act is not applicable due to a general exemption provision pertaining to the scope of application. However, said information shall be provided in situations in which work conducted by a temporary agency or subcontracted workers as such falls within the scope of the Act, but a contractor does not have to request said information, for instance, in cases where the contracting party is a state or municipality or if the contractor's and the contracting party's contractual relationship can be considered established.

Notwithstanding any limitation provisions concerning the Act's scope of application, a personnel representative in a user company must always be provided with the necessary information in cases pertaining to the resolution of any disputes concerning acts or agreements relating to the temporary agency worker's wages or employment relationship. Obtaining said information is subject to the employee's authorisation.

5 Failure to discharge the obligation to check

The consequence of failure to discharge the obligation to check is a *negligence fee*, payable by the contractor. The negligence fee is paid to the state.

The negligence fee will be charged,

- If the contractor has neglected their obligation to check.
- If the contractor has signed a contract with an entrepreneur who has been barred from conducting business under the Act on Business Injunctions or with an enterprise in which a partner, member of the Board of Directors, Managing Director, or other person in a comparable position has been barred from conducting business. The Legal Register Centre keeps a register of business injunctions, and the information is also sent to the National Board of Patents and Registration of Finland by virtue of office. The register information is public and can be seen in the Extract from the Trade Register.
- If the contractor has signed a contract, despite the fact that they should have understood that the other contracting party had no intention of discharging their statutory obligations as a contracting party and as an employer. The provision applies mainly to cases where the contractor shows an indifference that is clear and easily discernible on the basis of general experience to the fact that their contracting partner does not discharge their obligations.

The minimum amount of the negligence fee is EUR 1 500 and the maximum EUR 15 000. In deciding the amount, the factors taken into account are the degree, type and extent of the negligence, and the value of the contract between the contractor and their contracting party. The amount of the negligence fee thus varies according to the seriousness of the negligence. The assessment is also affected by the question of whether the contractor is a small business with only a few employees or an enterprise that has hundreds of employees. The amount of the negligence fee is also influenced by the contractor's own actions, such as the intentional nature of the negligence or the indifference of the contractor towards statutory obligations.

If the negligence can be considered minor and reasonable considering the circumstances, the negligence fee may not be prescribed.

The amount of the negligence fee is determined by the local office of the Occupational Safety and Health Inspectorate, which gives an appealable decision on the matter. Before the negligence fee is imposed, the contractor must always be heard, in which case they can present the reasons that have contributed to the negligence and other factors that have influenced the matter. The Occupational Safety and Health Authority is entitled to receive the documents relating to the obligation to check from the contractor, and if necessary, a copy of these. The documents include the contract regarding subcontracting or temporary agency workers. The contractor may apply for amendment of the decision by appealing to an Administrative Court.

The right to give a decision on a negligence fee expires in two years. The date of expiry is counted from the date when the work concerned in the contract referred to in the Act has been completed. If it is suspected that the obligation to check has been violated, the matter must be dealt with urgently by the local office of the Occupational Safety and Health Inspectorate.

6 Supervision of compliance with the Act

The occupational safety and health authorities supervise compliance as prescribed in the Act on the Supervision of Occupational Safety and Health. The occupational safety and health authorities have the right under the Act on the Supervision of Occupational Safety and Health to enter workplaces and receive the information they need for supervision. According to the Contractor's Liability Act, the right to supervise also concerns those contractors who are not employers.

Act on the Contractor's Obligations and Liability when Work is Contracted Out (1233/2006)

In accordance with the decision of Parliament, the following is enacted:

Section 1 Objectives of the Act

The objectives of this Act are to promote equal competition between enterprises, to ensure observance of the terms of employment and to create the conditions in which enterprises and organisations governed by public law can ensure that enterprises concluding contracts with them on temporary agency work or subcontracted labour discharge their statutory obligations as contracting parties and employers.

Section 2 Scope of application

This Act shall apply to a contractor :

- 1) who in Finland uses temporary agency workers; or
- 2) at whose premises or work site in Finland an employee is working, who is in the service of an employer having a subcontract with the contractor, and whose tasks relate to the tasks normally performed in the course of the contractor's operations or to transportation relating to the contractor's normal operations.

In building, and in repair, servicing and maintenance relating to building, the Act is applied:

- 1) to construction contractors using subcontractors;
- 2) to all those contractors in the contractual chain contracting out part of the work at a shared workplace as referred to in the Act on Occupational Safety and Health (738/2002) Section 49.

This Act shall not apply when the vessel of an enterprise engaged in merchant shipping is outside the borders of Finland. On board a Finnish vessel, however, this Act shall be applied to work falling within the scope of the Seamen's Act (423/1978), even when the vessel is outside the borders of Finland.

Section 3 Definitions

In this Act:

- 1) *the contractor* shall mean a trader as referred to in Section 3 of the Trade Registers Act (129/1979), who is under an obligation to submit the basic notification referred to in the section in question, and a state, a municipality, a joint municipal authority, the Region of Åland, a municipality or joint municipal authority in Åland, a parish, a parish union, another religious community and other legal person governed by public law and an equivalent enterprise operating abroad;
- 2) *a temporary agency worker* shall mean an employee who has concluded an employment contract with an employer operating in Finland or abroad that has assigned the employee with his or her consent for use of another employer;
- 3) *a subcontract* shall mean a contract made between the contractor and his or her contracting partner to produce a certain work outcome against compensation.

Section 4 Derogations from the scope of the Act

This Act is not applied if:

- 1) the duration of the work by the temporary agency worker or workers does not exceed a total of 10 days; or
- 2) the value of the compensation referred to in Section 2, subsection 1, paragraph 2 is less than 7 500 euros without value added tax.

When calculating the limit values referred to in the above subsection 1, the work is considered to have continued without interruption if the work or work outcome performed for the contractor is based on successive, uninterrupted contracts or with only short breaks between them.

The limitation to the scope of application laid down in the above subsection 1, paragraph 1 shall not apply to the personnel representative's right to obtain information referred to in Section 6, subsection 2.

Section 5 The contractor's obligations to check

Before the contractor concludes a contract on the use of a temporary agency worker or on work based on a subcontract, the contractor shall require from the contracting partner, and he or she shall provide the contractor with:

- 1) an account of whether the enterprise is entered in the Prepayment Register in compliance with the Act on Prepayment of Tax (1118/1996) and the Employer Register, and is registered as VAT-liable in the Value Added Tax Register in compliance with the Value Added Tax Act (1501/1993);

- 2) an extract from the Trade Register;
- 3) a certificate of tax payment or of tax debt, or an account that a payment plan has been made regarding a tax debt;
- 4) certificates of pension insurances taken out and of pension insurance premiums paid, or an account that a payment agreement on outstanding pension insurance premiums has been made; and
- 5) an account of the collective agreement or the principal terms of employment applicable to the work.

If the employer of the temporary agency worker or the contracting partner to a subcontract is a foreign enterprise, the enterprise shall provide the contractor with information corresponding to that referred to in Section 1 above, by presenting an extract from a register or an equivalent certificate complying with the legislation of the country where the enterprise is domiciled, or in some other generally accepted way.

The contractor may also him- or herself procure the information referred to in subsection 1, paragraphs 1 and 2, and in subsection 2. The contractor has the right to accept an account other than an account or certificate provided by an authority as referred to in subsections 1 or 2, provided that it has been given by another party generally held to be reliable that is responsible for evaluating or maintaining information.

The contractor need not request the accounts and certificates referred to in subsections 1, 2 and 5 if he or she has good reason to trust that the contracting partner will discharge their statutory obligations on the grounds that:

- 1) the contracting partner is a state, a municipality, a joint municipal authority, the Region of Åland, a municipality

or joint municipal authority in Åland, a parish, a parish union, the Social Insurance Institution or the Bank of Finland, a public limited company as referred to in the Companies Act (624/2006), a state enterprise, a company subject to private law wholly owned by a municipality, or an equivalent foreign organisation or enterprise;

- 2) the operations of the contracting partner are established;
- 3) the contractual relationship between the contractor and the contracting partner can be held to be established on the basis of earlier contractual relationships; or
- 4) there is a reason for trust comparable to what is provided above in paragraphs 1-3.

If a contract as referred to in this Act is in force for more than 12 months, the contractor's contracting partner must provide the contractor, at 12 month intervals during the contractual relationship, with certificates as referred to in subsection 1, paragraphs 3 and 4, or with information equivalent to that referred to in subsection 2.

The accounts and certificates referred to in subsections 1 and 2 above must be kept for no less than two years from the date on which the work relating to the contract has been completed.

Section 6 Providing information to a representative of personnel

The contractor shall on request notify a shop steward elected on the basis of a collective agreement, or if no such representative has been elected, an occupational safety and health representative and an elected representative as referred to in

the Employment Contracts Act (55/2001) Chapter 13, Section 3, of any contract concerning temporary agency work or subcontracted labour as referred to in this Act. When providing this information, the number of employees engaged, the identifying details of the enterprise concerned, the work site, the tasks, the duration of the contract and the applicable collective agreement or principal terms of employment are to be made clear.

The employer of a temporary agency-worker must provide a personnel representative, as referred to in subsection 1, with any information necessary to resolving any disputes between the temporary agency worker and his or her employer concerning the application of acts or agreements relating to the temporary agency worker's wages or employment relationship, if the personnel representative is so authorised by the worker.

Section 7 Validity of information

The information, certificates and accounts presented by virtue of this Act shall not be more than three months old.

If the contractor concludes a new contract with the same contracting partner before 12 months has elapsed since he or she has discharged the obligation to check referred to in section 5 on concluding the contract for the first time, the contractor is not subject to a new obligation to check, unless he or she has reason to believe that changes requiring review have taken place in the contracting partner's circumstances.

Section 8 Confidentiality

The contractor or a person in his or her service shall not disclose any information as referred to in Section 5, received while performing the tasks provided in this Act, regarding the payment of tax or a tax debt or taking out or payment of pension insurance or outstanding pension premiums, unless the contracting partner himself or an authority by virtue of law has made it public, or an employment pension institution by virtue of law has disclosed it for entry in a credit information register. Information falling within the scope of the confidentiality obligation may not be disclosed to outsiders, even after the person no longer performs the task in the course of which he or she has received the information in question.

As regards the non-disclosure obligation of a civil servant or person acting in an official capacity, what is provided in the Act on the Openness of Government Activities (621/1999) and elsewhere in the law is applicable.

Section 9 Negligence fee

The contractor shall be obliged to pay a negligence fee if the contractor has:

- 1) neglected the obligation to check referred to in Section 5;
- 2) concluded a contract on work referred to in this Act with a trader who has been barred from conducting business under the Act on Business Injunctions (1059/1985) or with an enterprise in which a partner, a member of the Board of Directors, the Managing Director, or another person in a comparable posi-

tion has been barred from conducting business; or

- 3) has concluded a contract as referred to in paragraph 2, despite the fact that he or she must have known that the other contracting partner had no intention of discharging their statutory obligations as a contracting partner and as an employer.

The amount of the negligence fee is prescribed as no less than 1,500 euros and no more than 15,000 euros.

In determining the amount of the negligence fee, the factors taken into account are the degree, type and extent of the negligence, and the value of the contract between the contractor and the contracting partner. Factors to be considered for lowering the negligence fee are the contractor's effort to prevent or eliminate the effects of the negligence, and factors for raising the fee are the fact that the contractor's negligence has been repeated or systematic, and other circumstances.

It is possible that a negligence fee will not be prescribed, or a lower sum may be prescribed than the minimum amount, if the negligence can be considered minor and it can be considered reasonable to refrain from prescribing a negligence fee or to lower the negligence fee in consideration of the circumstances.

Section 10 Ordering the negligence fee

By its decision, the local office of the Occupational Safety and Health Inspectorate shall order the contractor to pay the negligence fee by the date stipulated in the decision. The right to give a decision

on a negligence fee expires if the matter concerning the ordering of the fee has not been taken up within two years from the date on which the work relating to the contract as referred to in this Act has been completed.

The contractor may apply for amendment of the decision given by the local office of the Occupational Safety and Health Inspectorate by appealing to an administrative court as provided in the Administrative Judicial Procedure Act (586/1996).

The negligence fee is payable to the state. Provisions on the enforcement of the fee are laid down in the Act on the Enforcement of a Fine (672/2002). For a payable negligence fee which has not been paid, at the latest, by the due date, interest for late payment shall be charged according to the rate of interest referred to in Section 4, subsection 1 of the Interest Act (633/1982).

Section 11 Penalty provision

The penalty for a confidentiality offence or violation as provided in Section 8 is prescribed according to the Penal Code (39/1889) Chapter 38 Section 1 or 2, unless the act is punishable under Chapter 40 Section 5 of the Penal Code, or a more severe penalty is provided elsewhere in the law.

Section 12 Supervision

The Occupational Safety and Health authorities supervise compliance with this Act as provided in the Act on the Supervision of Occupational Safety and Health

and Cooperation on Occupational Safety and Health at the Workplace (44/2006), unless otherwise ensuing from this Act.

The Occupational Safety and Health authorities have the right to receive from the contractor on request the documents relating to the obligation to check and to take copies of them if necessary. Should the inspector notice that the conditions for prescribing a negligence fee exist, he or she must immediately bring the matter to the local office of the Occupational Safety and Health Inspectorate for consideration. If the Occupational Safety and Health authority has received notification of suspicion that the obligation to check has been breached, the local office of the Occupational Safety and Health Inspectorate shall deal with the matter urgently.

Section 13 Entry into force

This Act shall enter into force on the 1st day of January 2007.

Measures relating to the implementation of the Act may be undertaken before its entry into force.

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