

Finland

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1. Fintech regulatory framework: a summary of the most relevant laws and regulations concerning fintech and financial innovation.

The fintech industry encompasses a wide range of new financial technologies and technology-enabled services across banking, insurance, financial and investment services, and payment services. Finland's fintech sector, as reported by Helsinki Fintech Farm, comprises over 220 companies operating in a diverse range of fields. These include:

- payments;
- blockchain and crypto assets;
- insurtech;
- security and regulatory compliance;
- APIs and platform solutions;
- data analytics;
- customer acquisition and service;
- financial software;
- wealth and asset management;
- investment services; and
- various financing solutions.

Financial software, back-end technologies, financing and payments are among Finland's strongest areas.

There is no single legal framework applicable to all fintech companies in Finland; instead, the applicable regulation depends on the sector in which a company operates. For example:

- fintech companies that receive deposits must be licensed as deposit banks (ie, credit institutions with the right to receive deposits) under the Credit Institutions Act;¹
- fintech companies that grant loans must be licensed as credit institutions where the lending is funded by repayable funds raised from the public;
- fintech companies that do not require a licence but that provide consumer credit must be registered with the Finnish Financial Supervision Authority (FIN-FSA) under the Act on Registration of Certain Creditors and Credit Intermediaries.² In addition, operators of peer-to-peer (P2P) lending platforms must be registered with the FIN-FSA where they act as a peer-to-peer loan broker by intermediating credit to consumers;

1 Laki luottolaitostoinnasta 610/2014.

2 Laki eräiden luotonantajien ja luotonvälittäjien rekisteröinnistä 186/2023.

- fintech companies operating crowdfunding platforms must be licensed as crowdfunding service providers under the Crowdfunding Services Act;³
- fintech companies engaged in the execution of payment transactions, the issuance of electronic money (eg, prepaid cards), money remittance, payment initiation services or account information services must be licensed as payment institutions under the Payment Institutions Act;⁴
- fintech companies engaged in any types of investment services, including securities brokerage and dealing, asset management, investment advice, underwriting and the operation of multilateral trading facilities or organised trading facility (OTF) venues, must be licensed as investment firms under the Investment Services Act;⁵
- fintech companies engaged in insurance sales or brokerage must be registered with the FIN-FSA; and
- fintech companies issuing or offering crypto assets, or providing crypto asset services, must assess whether their activities fall within the Markets in Crypto-Assets Regulation⁶ (MiCAR) and, if so, comply with MiCAR's authorisation and conduct requirements (see Section 2).

A fintech company licensed in another European Union or European Economic Area Member State may usually operate in Finland under the so-called passporting regime provided in the applicable piece of EU legislation.

Fintech companies that are licensed or registered with the FIN-FSA are subject to the Act on Preventing Money Laundering and Terrorist Financing,⁷ which imposes obligations such as carrying out a money laundering and terrorist financing risk assessment, conducting customer due diligence and ongoing monitoring, and reporting suspicious transactions. In addition, under the Act on the Bank and Payment Accounts Monitoring System,⁸ certain supervised entities, in particular credit institutions, payment institutions, e-money institutions and crypto asset service providers, must enable the disclosure of specified bank and payment account information to competent authorities through the Bank and Payment Account Monitoring System.

The Finnish legal and regulatory framework for the fintech industry is largely shaped by EU law, including directly applicable EU regulations and related technical standards. In particular, the following EU measures are relevant.

- MiCAR sets out requirements for the offer to the public and admission to trading of crypto assets (other than asset-referenced tokens and e-money tokens), as well as requirements for crypto asset service providers. See Section 2 for further discussion on crypto assets.

3 Laki joukkorahoituspalvelun tarjoamisesta 203/2022.

4 Maksulaitoslaki 297/2010.

5 Sijoituspalvelulaki 747/2012.

6 Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

7 Laki rahanpesun ja terrorismin rahoittamisen ehkäisystä 444/2017.

8 Laki pankki- ja maksutilien valvontajärjestelmästä 571/2019.

- The Digital Operational Resilience Act (DORA)⁹ focuses on strengthening cybersecurity and harmonising rules relating to ICT and operational resilience in the financial sector.
- The Payment Services Directive 3 (PSD3)¹⁰ and the accompanying Payment Services Regulation (PSR)¹¹ aim to enhance the safety and security of electronic payments and transactions while providing a greater choice of payment service providers in the market. PSD3 is expected to be formally adopted and published in mid-2026, with mandatory compliance for Member States likely between late 2027 and early 2028.
- The Financial Data Access Regulation (FiDA)¹² is intended to create an EU-wide open finance framework that goes beyond payment accounts. It is proposed as a directly applicable regulation and is expected to be applicable from 2027.
- The EU Instant Payments Regulation¹³ introduces phased requirements for euro instant credit transfers, including (among other things) obligations to offer instant payments (subject to scope), changes to sanctions screening processes, and the roll-out of verification of payee (name/IBAN checks). These developments are highly relevant for fintech companies providing payment services or qualifying as e-money institutions.
- The eIDAS Regulation¹⁴ and the forthcoming EU Digital Identity Wallet (EUDI Wallet) framework are expected to influence digital onboarding, authentication and credential use cases in financial services. Member States are expected to make EUDI Wallets available in late 2026, which may accelerate the adoption of interoperable digital identity solutions in customer journeys.
- The EU Artificial Intelligence Act¹⁵ bans certain unacceptable AI practices and imposes strict regulations on high-risk systems and transparency requirements on general-purpose AI (GPAI). In financial services, certain AI use cases (including, for example, AI-based creditworthiness assessment/credit scoring, and certain risk assessment and pricing in life and health insurance) are treated as high risk and will need to comply with heightened requirements. For fintech companies, the practical impact will depend on their role in the AI value chain (eg, provider, deployer, importer or distributor) and on whether they use high-risk systems, GPAI models, or lower-risk tools. Key workstreams typically include AI governance and compliance processes (risk management, data governance, technical documentation,

9 Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

10 Proposal for a Directive of the European Parliament and of the Council on payment services and electronic money services in the Internal Market amending Directive 98/26/EC and repealing Directives 2015/2366/EU and 2009/110/EC.

11 Proposal for a Regulation of the European Parliament and of the Council on payment services in the internal market and amending Regulation (EU) No 1093/2010.

12 Proposal for a Regulation of the European Parliament and of the Council on a framework for Financial Data Access and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2022/2554.

13 Regulation (EU) 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euros.

14 Regulation (EU) 2024/1183 of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework.

15 Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act).

logging and record-keeping, human oversight and quality management), customer-facing transparency measures where applicable (eg, informing users when they interact with certain AI systems), and enhanced vendor/model due diligence and contracting for third-party AI, alongside ongoing monitoring and incident handling.

2. Regulations on crypto assets: a summary of the legal framework regarding crypto assets and how they are regulated.

Crypto asset services and the issuance of crypto assets are primarily regulated in Finland under MiCAR and the related regulatory technical standards, which are directly applicable in Finland. MiCAR has been complemented by national legislation by means of the Act on Crypto Asset Service Providers and Markets in Crypto Assets.¹⁶ Firms that provide crypto asset services covered by MiCAR must comply with MiCAR's authorisation and conduct requirements, and are supervised by the FIN-FSA as Finland's designated competent authority.

In practice, MiCAR introduces:

- an EU-wide disclosure regime for offers to the public of, and admissions to trading of, crypto assets;
- a specific authorisation and ongoing obligations regime for issuers of asset-referenced tokens (ARTs) and e-money tokens (EMTs); and
- an authorisation regime for crypto asset service providers (CASPs) who, once authorised, may passport their services across the EU. MiCAR also includes organisational and prudential requirements for CASPs, as well as market abuse rules for crypto asset markets.

MiCAR is intended to regulate crypto assets that are not already covered by existing EU financial services legislation. Accordingly, where a crypto asset qualifies as a financial instrument (within the meaning of MiFID II) or as electronic money under the E-Money Directive, the relevant existing regulatory framework generally applies instead of MiCAR. In addition, certain crypto asset arrangements (such as genuinely non-fungible tokens and decentralised services without an identifiable provider) may fall outside MiCAR depending on their features and how they are structured.

MiCAR defines crypto assets as a digital representation of a value or of a right that can be transferred and stored electronically using distributed ledger technology or similar technology. MiCAR applies both to the issuance of crypto assets and to crypto asset services provided in the secondary market, including:

- providing custody and administration of crypto assets on behalf of clients;
- operation of a trading platform for crypto assets;
- exchange of crypto assets for funds;
- exchange of crypto assets for other crypto assets;

¹⁶ Laki kryptovarapalvelun tarjoajista ja kryptovaramarkkinoista 402/2024.

- execution of orders for crypto assets on behalf of clients;
- placing of crypto assets;
- reception and transmission of orders for crypto assets on behalf of clients;
- providing advice on crypto assets;
- providing portfolio management on crypto assets;
- providing transfer services for crypto assets on behalf of clients.

3. Payment service providers and digital wallets: a summary of regulations applying to payment service providers and/or digital wallets.

Payment services and e-money (including certain digital wallet models) are regulated primarily under:

- the Payment Services Act,¹⁷ which contains service-specific provisions on, for example, transparency and information requirements, the execution of transactions and the liability of payment service providers; and
- the Payment Institutions Act, which sets out the licensing regime and other institutional provisions, in line with the Second Payment Services Directive¹⁸ (PSD2).

The Payment Services Act provides for joint supervision of compliance by the FIN-FSA and the Consumer Ombudsman.

Payment services

Payment services are defined in the Payment Services Act in line with PSD2 to include:

1. services enabling cash to be placed on or withdrawn from a payment account as well as the operations required for operating and provision of a payment account;
2. execution of payment transactions by means of account transfers, transfers of funds on a payment account, direct debit or a payment card or a similar device;
3. issuing of payment instruments;
4. approval and handling of a payment transaction based on an agreement with the recipient of the payment, resulting in the transmission of payment to the recipient;
5. money remittance;

¹⁷ Maksupalvelulaki 290/2010.

¹⁸ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC.

6. payment initiation services; and
7. account information services.

Providers of payment services must be licensed under the Payment Institutions Act unless a specific exemption applies. Payment service providers that are exempt from the licensing requirement must nevertheless be registered in the Payment Institutions Register maintained by the FIN-FSA.

There are several exemptions. First, excluded services include:

- physical money transports;
- services whereby payments are made in cash directly from the payer to the payee in connection with the acquisition of goods or services; and
- services based on specific payment instruments that:
 - can be used only in a limited way;
 - can be used for the purposes of acquiring goods or services only in the premises of the issuer or within a limited network of service providers under direct commercial agreement with the issuer;
 - can be used only to acquire a very limited range of goods or services; or
 - are valid only in a single Member State, are provided at the request of an undertaking or a public sector entity, and regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a commercial agreement with the issuer.

Certain payment transactions are also excluded, most notably:

- payment transactions from the payer to the payee through a commercial agent authorised to negotiate or conclude the sale or purchase of goods or services on behalf of the payer or the payee only; and
- payment transactions related to securities asset servicing by licensed investment service providers or custodians as well as payment transactions within the same group of companies.

Further, under the Payment Institutions Act, payment services may be provided without a licence where the monthly average of the preceding 12 months' total value of payment transactions executed does not exceed €50,000 for a natural person or €3m for a legal person, and the payment services are not offered in another EEA Member State. No licence is required for the provision of account information services only.

In order to be granted a licence, a payment institution must meet the applicable capital and own funds requirements, fulfil the operational and financial requirements set out in the Payment Institutions Act, and its founders and owners must pass the regulatory fit and proper tests.

Payment institutions are subject to a set of the code of conduct rules of the Payment Institutions Act, such as:

- the prohibition against the provision of inaccurate or misleading information or the use of otherwise inappropriate means of conduct in connection with marketing;
- a prohibition against unreasonable or unrelated terms and conditions;
- a confidentiality obligation; and
- know-your-customer requirements.

Further, an obligation to segregate customer funds applies.

The Payment Services Act also includes detailed provisions concerning the authorisation and execution of payment transactions, including the refusal and irrevocability of payment orders, the obligation of the payment service provider to carry out the payment instructions and to provide evidence on its execution, and the procedure for the rectification of unauthorised or incorrectly executed payment transactions. Further, the execution time and value date are regulated in the Payment Services Act, as are the time and prerequisites for a payment transaction to be considered effective in relation to the payee and the payer's creditors and other third parties.

Electronic money institutions and wallets

Electronic money (e-money) is a digital alternative to cash that allows its users to make cashless payments with money stored on a card or a phone, or over the internet. Under its legal definition, e-money comprises a monetary value that is (1) stored electronically, including magnetically, and represented by a claim on the issuer, (2) issued on receipt of funds for the purpose of making payment transactions, and (3) accepted as payment by one or more persons.

Under the Payment Institutions Act, issuers of e-money must be licensed as electronic money institutions (EMIs) and meet the applicable capital and own funds requirements, except where the total value of the e-money issued by the issuer does not exceed €5m. An EMI is largely subject to the same code of conduct and other requirements as a payment institution under the Payment Services Act.

Future developments

The Finnish legal framework for payment services and issuers of e-money is expected to continue changing once PSD3 and the PSR are adopted and take effect. PSD3 and the PSR are expected to bring along the following key changes:

- granting non-bank payment service providers access to all EU payment systems;
- improving the legal framework for open banking, particularly concerning the performance of data interfaces, and removing barriers to open banking services;

- new initial capital, own funds and licensing requirements for payment and e-money institutions;
- more extensive, strong customer authentication (SCA) regulations and stricter rules on access to payment systems and account information; and
- improving consumer protection.

In addition to PSD3/PSR, payment providers and wallet operators should monitor:

- the EU Instant Payments Regulation, which introduces phased requirements for instant euro credit transfers; and
- the EU anti-money laundering (AML) package (AMLR/AMLD6/AMLA), which is expected to apply in stages from 2027 and will affect AML governance, customer due diligence and supervisory expectations for a wide range of obliged entities, including payment institutions, e-money institutions and crypto asset service providers.

Further, eIDAS and EUDI Wallet framework will influence authentication and onboarding flows for payment and wallet services over the coming years, depending on how wallet credentials are adopted in practice.

4. Special support for fintechs: a description of special programmes supporting the fintech ecosystem, fintech startups (eg, regulatory sandboxes and accelerator programmes) and regulations regarding special support.

There are no special regulatory programmes for the fintech ecosystem or fintech startups in Finland, and no special sandboxes or accelerator programmes exist.

5. Open banking: a summary of regulations regarding open banking and direct or indirect regulations that affect open banking.

Open banking was introduced in Finland in connection with the implementation of PSD2 in 2018 when the scope of application of the Payment Services Act was extended by bringing third party providers (TPPs) within the scope of regulation and supervision. Pursuant to the Payment Services Act, account servicing banks must provide TPPs access to customer accounts with the explicit consent of the customer. The payment initiation service provider and the account information service provider have the right to utilise SCA procedures provided to the customer by the account servicing bank.

The legislative landscape for open banking both in Finland and across the EU will change further in the coming years as the PSD3 and PSR framework are implemented. Additional changes will be introduced by the Financial Data Access Regulation (FiDA), which is intended to support the development of open finance by enabling broader, customer-permissioned access to financial data beyond payment accounts (including, for example, certain data relating to loans, savings and investments, insurance and pensions), supported by permission dashboards and standardised technical interfaces.



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