

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

The Director of Economic Development decided to reject the support applications filed by the applicants mentioned in appendix 1, for stabilisation of the sole entrepreneurs' financial situation. The prerequisites for the support have not been met based on the applications, and the applicants have not provided further clarification to their incomplete applications within the time limit set in the request to supplement.

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. The Ministry of Economic Affairs and Employment decided on 27 April 2020 to grant a maximum amount of EUR 43,494,000 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. It has been possible to grant the non-recurring support for the period between 16 March and 30 September 2020. It has also been possible to apply for the support 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

Support can be granted to a sole entrepreneur. In the Government decree concerning government aid to municipalities for supporting sole entrepreneurs, 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 EUR 20,000.

The support for sole entrepreneurs is granted on an individual entrepreneur basis. If the sole entrepreneur has several companies, in which they work alone, then support is granted to the company, which is the entrepreneur's main occupation.

The support is a non-recurrent 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. In granting the non-recurrent support payment, the entrepreneur's own salary is not considered an expense that stems from the entrepreneurial activities.

According to the decree, Section 5, discretionary government transfers can be used for the stabilisation of the economic activity of sole entrepreneurs, provided that

1) the municipality makes an agreement concerning the support with the sole entrepreneur who receives the support, 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 epidemic;

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

Ground for rejection of the applications

The prerequisites for the support are not met based on the applications filed by the applicants mentioned in Appendix 1. The applications have been incomplete in terms of the appendices required and the applicants have been requested to supplement their application. How the applications should be supplemented is mentioned in the request to supplement.

According to Section 31, sub-section 2, of the Administrative Procedure Act parties shall provide evidence of the grounds for their claims. They shall also, in other respects, cooperate in the examination of the matter which they have filed. The examining of the matter requires information that is only available to the parties. The applicants have not provided further clarification to their incomplete applications within the time limit mentioned in the request to supplement. The matter must thus be solved based on the information available, i.e. the support applications. Based on the applications, the prerequisites for the support are not met and the applications must consequently be rejected.

Appendix 1: Support applicants

Instructions for appeal: Instructions concerning claims for a revised decision, City Board

Extracts: Support applicants