

Oil and Gas Regulation in Finland: Overview

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A Q&A guide to oil and gas regulation in Finland.

The Q&A gives a high-level overview of the domestic oil and gas sector, rights to oil and gas, regulation, transportation by pipeline, health safety and the environment, enforcement of regulation, and sale and trade in oil and gas.

Domestic Sector

1. What is the role of the domestic oil sector in your jurisdiction?

Domestic Production

Finland has no domestic crude oil production and there is no exploration or production activity for conventional or unconventional oil resources. All crude oil consumed is imported. Imported crude oil is refined domestically at a single refinery complex, and the resulting petroleum products are used primarily in:

- The transport sector.
- Heating buildings.
- Industrial processes.
- Feedstock for the petrochemical industry.

Oil Imports/Exports Market

Finland's reliance on imported oil is significant. Before Russia's invasion of Ukraine, Finland imported substantial volumes of crude oil and other energy commodities from Russia. Following the introduction of EU sanctions, Finland has ceased importing Russian crude oil and petroleum products and has diversified its sourcing to other international suppliers.

The composition of imported oil products has also shifted. Earlier imports consisted largely of Russian crude oil for domestic refining, whereas current imports are more diversified and increasingly comprise refined petroleum products and crude oil sourced from non-Russian markets.

Finland does not impose general export restrictions on oil products. However, EU sanctions restrict the trade of Russian-origin crude oil and petroleum products.

Domestic Market Structure

Neste Oyj (Neste) is Finland's sole oil refiner. The Finnish state owns about 44% of its shares. However, Neste operates commercially, without sector-specific regulation of oil pricing or output. It operates a single large refinery at Porvoo, following the consolidation of its operations and closure of its Naantali refinery in 2021. Neste has announced its intention to transition the Porvoo refinery to focus on renewable products, which would effectively mean the end of conventional fossil fuel refining in Finland.

Neste is also a global leader in the production of renewable fuels and operates a renewable product refinery in Porvoo. Neste mainly uses waste and residues as its renewable raw materials. Other market participants have also shown interest in biofuel production in Finland, although certain planned large-scale projects have not materialised.

Government Policy Objectives

The Finnish oil market is not specifically regulated. Government policy in the oil sector emphasises:

- Security of supply.
- Heavy taxation of fossil fuels.
- Sustainability.

There are no sector-specific restrictions on foreign ownership in the oil industry. However, under the *Act on the Screening of Foreign Corporate Acquisitions (172/2012, as amended)* (Foreign Acquisitions Screening Act), the *Ministry of Economic Affairs and Employment* can review and, where necessary, block acquisitions by foreign entities in sectors involving critical infrastructure or functions essential to national security or security of supply. This screening mechanism is not specific to the oil sector but applies generally across all industries. In practice, the acquisition of an entity operating critical oil infrastructure may be subject to review if it is deemed to have potential implications for Finland's security of supply or national defence.

2. What is the role of the natural gas sector in your jurisdiction?

Domestic Production

Finland has no domestic natural gas production, either onshore or offshore, conventional or unconventional (including shale gas).

Natural Gas Imports/Exports Market

Historically, Finland relied predominantly on a single pipeline connection to Russia for its gas supply. This changed in May 2022, when pipeline gas imports from Russia were halted following Russia's demand for payment in rubles and the introduction of wider EU sanctions. Finland has since diversified its gas supply through alternative infrastructure.

Finland has three permanent liquefied natural gas (LNG) import terminals providing gas to the Finnish market, located in Pori, Tornio, and Hamina. In addition, Finland chartered a floating LNG regasification unit deployed at Inkoo in late 2022 to ensure supply security. The Balticconnector, Finland's pipeline link with Estonia inaugurated in January 2020, also enables pipeline gas to flow from Baltic and European markets into Finland.

Natural gas only accounts for a small portion of Finland's total energy consumption (about 5% to 7% historically, declining to around 2% to 3% following the sharp reduction in consumption after 2022).

Domestic Market Structure

Gasgrid Finland Oy, a state-owned company established in 2020, owns and operates the national transmission network. Finland's gas market was liberalised on 1 January 2020, ending state-owned Gasum Oy's import monopoly. Gas importation and wholesale are now open to competition, and various traders supply gas via Gasgrid's system.

Government Policy Objectives

The Finnish Government's key policy objectives for the natural gas sector include ensuring security of supply, particularly following the cessation of Russian pipeline gas imports in 2022.

Finland has no underground natural gas storage facilities. Supply security is instead maintained through

- LNG storage capacities at import terminals.
- The floating regasification unit at Inkoo.
- Cross-border pipeline capacity via the Balticconnector.

There are no specific national restrictions on the export of natural gas from Finland. There are also no sector-specific limitations on foreign ownership of natural gas infrastructure. However, under the Foreign Acquisitions Screening Act, the Ministry of Economic Affairs and Employment can review and, where necessary, block acquisitions by foreign entities in sectors involving critical infrastructure or functions essential to national security or security of supply. In practice, the acquisition of an entity operating critical gas transmission or LNG infrastructure may be subject to review.

Under the [Natural Gas Market Act \(587/2017\)](#) (Natural Gas Market Act), where a transmission system operator is controlled by a person from outside the EU or EEA, the certification procedure includes a specific assessment of whether granting certification would jeopardise the security of energy supply of Finland or the EU.

The state ownership of Gasgrid Finland Oy serves to safeguard national control over the gas transmission network.

3. Are domestic energy needs met by domestic oil and gas production?

Oil Needs

Finland has no domestic crude oil production and meets all its domestic oil needs through imports. Oil constitutes about one fifth of Finland's total energy consumption and is used predominantly in the transport sector, but also for heating, industrial processes, and as petrochemical feedstock.

Natural Gas Needs

Finland has no domestic natural gas production and imports all its natural gas. Following the cessation of Russian pipeline gas imports in 2022, most of imported gas is sourced as LNG, supplemented by pipeline gas via the Balticconnector. Natural gas has historically accounted for about 5% to 7% of Finland's total energy consumption, declining to about 2% to 3% following a reduction in gas consumption.

4. Are there specific government policies to encourage the exploration and production of conventional or unconventional gas or oil?

There are no specific government policies to encourage the exploration or production of conventional or unconventional oil or gas in Finland, as the country lacks known commercially exploitable hydrocarbon reserves.

Rights to Oil and Gas

Ownership

5. How are rights to oil and gas held?

There is no separate legal regime specifically governing the ownership of oil and gas resources, as Finland has no domestic oil or gas production. However, under Finnish law, mineral resources located in the ground are not automatically owned by the

landowner. The *Mining Act (621/2011, as amended)* (Mining Act) governs the exploration and extraction of mineral deposits, including any potential hydrocarbon resources. A mining permit grants the permit holder the right to exploit the mineral deposit, and extracted minerals become the property of the permit holder. The landowner is entitled to compensation for the use of the land and for any minerals extracted. The Finnish state does not claim sovereign ownership of subsurface mineral resources, but controls access to them through the permitting regime under the Mining Act.

Nature of Oil and Gas Rights

6. What are the key features of the leases, licences, or concessions?

Lease/Licence/Concession Terms

Finland has no domestic oil or gas production and accordingly has no established practice of oil and gas leases, licences, or concessions. However, in principle, any exploration or extraction of subsurface hydrocarbons is governed by the Mining Act. Under the Mining Act:

- An exploration permit has a fixed term of up to four years and can be extended for up to three years at a time, subject to certain conditions.
- A mining permit has an indefinite term but is subject to review.
- A permit holder has the right to exploit the mineral deposit, and extracted minerals become the property of the permit holder.
- The rights conferred by a permit cannot be leased or licensed to a third party.

The government does not hold a participating interest in mining operations.

Fees

As Finland has no domestic oil or gas production, there is no established fee structure specific to hydrocarbon exploration or production. Generally, under the Mining Act:

- The holder of an exploration permit must pay an annual exploration compensation to the landowner.
- The holder of a mining permit must pay an excavation fee to the landowner, calculated on the basis of the quantity and value of minerals extracted.

Standard administrative fees apply to permit applications processed by the *Finnish Safety and Chemicals Agency* (Tukes).

Liability

As Finland has no domestic oil or gas production, there is no specific liability regime for hydrocarbon operations. Under the Mining Act, the permit holder:

- Is liable for any damage caused by exploration or mining activities (as applicable).
- Must provide security to ensure compliance with permit conditions and remediation of the mining site.

The general environmental liability regime also applies to any activities causing environmental harm.

Restrictions

Under the Mining Act, restrictions apply to exploration and mining activities regarding, for example:

- Nature conservation areas.
- Sámi areas.
- Areas of particular environmental or cultural significance.

Large-scale mining projects require an environmental impact assessment (EIA) (see [Question 14](#) and [Question 15](#)).

In addition, the Foreign Acquisitions Screening Act may apply to acquisitions of entities holding mining permits if such acquisitions are deemed to have implications for national security or security of supply.

7. How are rights to explore for and produce oil and gas awarded?

Tukes grants permits to explore for and extract subsurface mineral resources, including any potential hydrocarbons (Mining Act). Applicants must apply to Tukes for an exploration permit or a mining permit through a written application process.

Any natural or legal person can apply for a permit. Tukes grants permits if the statutory conditions are met, that is, terms are not individually negotiated. The key statutory conditions include that:

- The applicant has sufficient expertise and financial resources.
- The rights of landowners and other stakeholders are safeguarded.

- The activity does not cause unreasonable harm to the environment, public health, or general safety.

There is no public tender process for the award of permits. If several applicants seek permits for the same area, the applicant who first submitted a valid application has priority over subsequent applicants. There is no requirement for the Finnish state to hold a participating interest in any project.

As Finland has no domestic oil or gas production, there is no established practice of specific structures used by right holders in the hydrocarbon sector. In the mining sector generally, operations are typically conducted through limited liability companies, often as subsidiaries of foreign parent companies. In joint venture arrangements, the entity conducting the operations is typically a jointly owned limited liability company holding the relevant permits, as mining and exploration rights must be held by a single legal person and cannot be leased or shared, making the limited liability company the most flexible structure in practice.

Transfer of Rights

8. How are oil and gas rights transferred?

Transfer of Rights

An exploration permit or a mining permit can be transferred to another party with prior consent of Tukes. Tukes must grant consent to the transfer if the transferee meets the statutory requirements for holding a permit. A change of control of the permit holder does not in itself require separate approval, but the permit holder must notify Tukes of any changes in its corporate structure that may affect compliance with the permit conditions.

Restrictions on Transfer

The transfer of an exploration permit or a mining permit requires prior consent of Tukes (see above, [Transfer of Rights](#)). There are no statutory pre-emption rights in favour of the state or other parties in connection with the transfer of permits under the Mining Act. The Mining Act does not specifically address the pledging of permits as security for a loan. Mining permits are not transferable instruments that can be used as collateral in the same way as conventional property rights.

Regulation

Regulatory Bodies

9. Who regulates the exploration and production of oil and gas?

Oil

The key regulatory authorities with oversight of oil-related activities (such as refining, storage, handling, and distribution) include:

- The Ministry of Economic Affairs and Employment, which is responsible for overall energy policy.
- Tukes, which supervises exploration and mining activities and the safe handling and storage of dangerous chemicals, including oil products.
- The *Finnish Supervisory Agency* (*Lupa- ja valvontavirasto*), which grants environmental permits and supervises compliance for activities such as oil refining and large-scale storage of oil products.

Natural Gas

The principal regulatory authorities overseeing the natural gas sector are:

- The *Energy Authority*, which supervises the functioning of the gas market, including network licensing, third-party access, and pricing.
- Tukes, which supervises safety matters relating to natural gas infrastructure and operations.
- The Finnish Supervisory Agency, which grants environmental permits and supervises compliance for activities such as LNG terminals and large-scale natural gas infrastructure.
- The Ministry of Economic Affairs and Employment, which is responsible for overall energy policy and legislation governing the natural gas sector.

The Regulatory Regime

10. What is the regulatory regime for onshore and offshore oil and gas exploration and production?

As there is no oil or gas exploration or production in Finland, the regulatory framework for the energy sector only covers downstream activities, including the transmission, distribution, storage, and supply of natural gas and oil products.

Regulation of Transportation by Pipeline

11. What regulatory requirements apply to the construction of oil and gas pipelines?

Oil Pipelines

There is no specific regulatory framework governing oil transmission pipelines, as there are no long-distance oil transmission pipelines in Finland (although local pipeline infrastructure operates at refineries, ports, and storage facilities). Oil is transported over longer distances by road tankers, rail in tank containers, and ship.

Finnish law does not prohibit the construction of oil pipelines. This would require, among other things:

- An EIA (see [Question 14](#) and [Question 15](#)).
- An environmental permit (see [Question 16](#)).
- The necessary land use rights, which can be obtained through negotiation with landowners or, in larger projects, through expropriation under the [Expropriation Act \(603/1977, as amended\)](#).

The safety requirements applicable to the handling and storage of dangerous chemicals under the [Act on Safe Processing of Dangerous Chemicals and Explosives \(390/2005, as amended\)](#) (Dangerous Chemicals and Explosives Act) would also apply.

Gas Pipelines

Natural gas pipelines are almost exclusively constructed underground, delivering gas from the transmission grid to customers through connected distribution networks.

The construction of a cross-border transmission gas pipeline requires a permit from the government (Natural Gas Market Act). The construction of national transmission and distribution gas pipelines (including usage pipelines) requires a permit from Tukey. The safety requirements applicable to the construction and use of gas pipelines are set out in the [Government Decree on the Safety of Use of Natural Gas \(551/2009, as amended\)](#).

Most distribution network sections are built on land owned by local authorities. For smaller projects, the right to use land can be separately negotiated with individual landowners. In larger pipeline projects where more extensive land use rights are required, land can be expropriated by government decision under the Expropriation Act.

12. What regulatory requirements apply to the operation of oil and gas pipelines?

Oil Pipelines

There are no long-distance oil transmission pipelines in Finland. Oil is transported by road tankers, rail in tank containers, and ship. Accordingly, there is no regulatory regime governing the operation of oil pipelines.

Gas Pipelines

The operation of a natural gas grid requires a natural gas grid licence from the Energy Authority. A licence can be issued to a corporation (or, in the case of a distribution network, a municipal body) that meets the statutory requirements, including that the applicant:

- Has an organisation and sufficient staff corresponding to the scope and nature of its grid operations.
- Has appointed a supervisor for its natural gas grid in accordance with the Dangerous Chemicals and Explosives Act.
- Has sufficient funds and decision-making power over these funds necessary for the use, maintenance, and development of the grid, and for entering into connection and grid service agreements with grid users.

If the applicant conducts other operations in addition to grid operations, or conducts both transmission and distribution network operations, it must show that such operations are unbundled from each other.

Following the liberalisation of the natural gas market, grid operators must provide transmission and distribution services to grid users on a regulated third-party access basis against reasonable compensation. The Energy Authority supervises the pricing of transmission and distribution services and can issue binding decisions on the reasonableness of pricing applied by grid operators. The method for determining reasonable pricing is set out in the Energy Authority's confirmation decisions on pricing methods, which are issued for regulatory periods of typically four years (see [Energy Authority: Pricing Regulation](#)).

Grid operators must also, on request and against reasonable compensation, connect to the grid facilities such as renewable energy gas production plants and LNG terminals, provided that such facilities meet the applicable technical requirements. The transmission system operator (Gasgrid Finland Oy) is responsible for managing and operating the national transmission grid, including coordinating connections between the transmission grid and distribution networks. Distribution network operators are responsible for operating and maintaining their respective networks.

Health, Safety, and the Environment

Health and Safety

13. What is the health and safety regime for oil and gas exploration and production, and transportation by pipeline?

Exploration and Extraction

As there is no exploration or production of oil or gas in Finland, there is no sector-specific health and safety regime for upstream oil and gas activities. The applicable health and safety requirements derive from general occupational safety and industrial safety legislation (see below, [Transportation](#)). The key regulatory authorities responsible for the supervision of health and safety in these sectors are:

- Tukes, which supervises industrial safety and the safe handling of dangerous chemicals.
- The occupational safety and health authorities operating under the Finnish Supervisory Agency.

Transportation

The [Act on the Transport of Dangerous Goods \(541/2023\)](#) (Dangerous Goods Transport Act) regulates the transportation of oil by road and rail. Under this Act, operators must observe necessary diligence and care when transporting and handling dangerous goods, taking into account their type, quantity, and the mode of transport. In addition, any vehicle used to transport dangerous goods must be suitable for transporting the relevant goods.

Natural gas is transported to end consumers by pipeline. The operator of the natural gas grid is responsible for overseeing the pipelines and ensuring that they meet the applicable statutory safety requirements. When natural gas or LNG is transported by road, the Dangerous Goods Transport Act applies. As a rule, natural gas must be odourised to facilitate the detection of potential leaks. However, odourisation is not required where the gas is transported through Gasgrid Finland Oy's transmission pipeline.

The [Occupational Safety and Health Act \(738/2002, as amended\)](#) governs the safety of on-site personnel. The Act imposes a general duty of care on employers to ensure the health and safety of their employees. Employers must also:

- Continuously monitor the working environment.
- Ensure that any identified safety hazards are addressed without undue delay.
- Maintain an occupational safety and health action programme setting out the measures necessary to maintain and promote safety in the workplace.

The safe handling, storage, and industrial use of dangerous chemicals, including oil and gas products, is regulated by the Dangerous Chemicals and Explosives Act, which requires operators to obtain the necessary permits and to appoint qualified supervisors for their operations.

Environmental Impact Assessments (EIAs)

14. Is an EIA required before extracting or processing onshore or offshore oil and gas?

Under the *Act on the Environmental Impact Assessment Procedure (252/2017, as amended)*, an environmental impact assessment (EIA) must be performed before the start of any project that is likely to have a significant environmental impact, including the commercial processing of oil and gas. The operator planning to start the project conducts the EIA, and the Finnish Supervisory Agency directs and supervises the process.

15. What are the different stages of the EIA?

The EIA process starts when the operator submits an assessment programme to the Finnish Supervisory Authority. The assessment programme must include, among other things:

- The location and purpose of the project.
- Implementation alternatives for the project.
- Permits required to implement the project.

The operator must prepare an EIA report describing the environmental impact of the project and the different implementation alternatives, including a comparison of those alternatives and measures proposed to prevent and mitigate any adverse environmental impact.

Members of the public and other stakeholders affected by the project can submit their opinions to the Finnish Supervisory Agency. Once all required information and opinions have been gathered, the Finnish Supervisory Agency assesses the EIA report and issues a reasoned conclusion. The operator must consider this conclusion when subsequently applying for an environmental permit.

The EIA process typically takes 12 to 15 months to complete but can last up to 24 months in more complex cases.

Environmental Permits

16. Is there a permit regime for environmental damage or emissions produced during the extraction or processing of oil and gas?

Oil and gas processing and energy production fall within the environmental permit regime under the *Environmental Protection Act (527/2014)* (Environmental Protection Act). Any activity that may cause pollution or harm to the environment requires an environmental permit. As a general rule, both energy production and oil and gas processing require a permit. The Finnish Supervisory Agency is the competent authority for granting environmental permits. Obtaining a permit typically takes about a year.

Environmental Concerns

17. Are there any specific government policies and/or incentives aimed at meeting the environmental concerns associated with the exploration and production of oil and gas?

As there is no oil or gas exploration in Finland, there are no specific government policies or incentives addressing the environmental concerns associated with upstream oil and gas activities. The regulatory approach relies on compliance with the applicable environmental legislation and the conditions of environmental permits issued under the Environmental Protection Act (see [Question 16](#)). Operators engaged in the processing and transportation of oil and gas must comply with the permit conditions and applicable safety and environmental requirements.

Greenhouse gas (GHG) emissions from energy production and industrial processes, including oil and gas processing, fall within the EU Emissions Trading System (EU ETS), as implemented in Finland by the *Emissions Trading Act (1270/2023)*. Operators of installations falling within the scope of the EU ETS must hold emission allowances corresponding to their verified annual emissions.

The Finnish Oil Pollution Compensation Fund, which is managed by the *Ministry of the Environment*, covers costs and damages in cases where no operator can be held responsible for an oil spill, or the operator cannot cover these costs.

Waste

18. What are the regulations on the disposal of waste products resulting from oil or gas extraction or processing?

Oil waste is regulated by the *Waste Act (646/2011, as amended)* (Waste Act) and the *Government Decree on Waste (978/2021, as amended)* (Waste Decree). Under the Waste Decree, oil waste means any lubrication or industrial oil consisting wholly or partly of mineral oil or synthetic oil that has become unfit for its originally intended use, as well as any other waste containing oil. The Waste Decree sets out requirements for the collection, treatment, and transport of oil waste. The Waste Act and Waste Decree also regulate the collection, treatment, and transport of waste arising from the purification of natural gas.

Under the Waste Act, residual waste from the processing of oil and gas must be treated in accordance with the following order of priority:

- The primary objective is to reduce the quantity and harmfulness of waste generated.
- If waste is generated, it must first be prepared for re-use or recycled.
- If re-use or recycling is not possible, waste must be recovered in other ways (such as for energy purposes).
- Waste disposal is only permitted if none of the above alternatives is feasible.

The Waste Act defines disposal as:

- Depositing waste in a landfill site.
- Incinerating waste without energy recovery.
- Any other comparable activity that does not constitute recovery, even when a secondary consequence of the activity is the recovery of a substance or of energy contained in the waste.

The relevant municipality levies a waste charge for the organisation of waste management.

In addition, the *Waste Tax Act (1126/2010, as amended)* imposes a waste tax of EUR80 per tonne of waste deposited at a landfill. Operators must record all waste delivered for disposal in their accounts.

Flares and Vents

19. Do regulations apply to the flaring or venting of oil and gas?

As there is no exploration or production of oil or gas in Finland, there are no flaring or venting activities and, accordingly, no specific regulations governing such activities.

Decommissioning

20. What are the decommissioning obligations and liabilities that arise?

Under the Environmental Protection Act, environmental permits must include provisions on the decommissioning of permitted operations. If the permit does not address decommissioning in sufficient detail, the Finnish Supervisory Agency must specify the measures required. The operator must notify the Finnish Supervisory Agency before commencing decommissioning.

As a general rule, an environmental permit requires the operator to provide adequate financial security to cover the costs of decommissioning and the remediation of any environmental damage. The permit authority determines the security amount on a case-by-case basis in the environmental permit decision, taking into account the nature and scale of the operations and the potential environmental risks. The security can be:

- A bank guarantee.
- An insurance policy.
- Another form of financial assurance approved by the permit authority.

The security must be in place before the commencement of the permitted operations or by such date as specified in the permit decision, and must remain in force for the duration of the operations and, where necessary, until the completion of any post-closure remediation measures.

On completion of decommissioning, the operator may be required to carry out an environmental assessment of the site, including a plan for restoring the site to its original condition. If the condition of the site has materially deteriorated compared to its baseline state, the supervising authority may order the operator to take the necessary remedial measures.

Additional decommissioning obligations may arise under sector-specific legislation. In particular, natural gas operations fall within the scope of the Dangerous Chemicals and Explosives Act, which requires a gas network operator ceasing its operations to ensure that all dangerous chemicals have been safely disposed of and that all equipment and structures used in the operations are made safe on decommissioning.

Enforcement of Regulation

21. What are the various enforcement powers of the regulator(s)?

Orders

The Finnish Supervisory Agency is the competent authority for matters related to the Environmental Protection Act. It can issue orders to:

- Prohibit an operator from continuing activities that breach the Act or the conditions of an environmental permit.
- Require an operator to cease its operations, rectify any non-compliance, or carry out remediation measures.

Tukes is the competent authority for matters related to the Dangerous Chemicals and Explosives Act, including the supervision of the safe handling and storage of oil and gas. Under the Mining Act, Tukes is also responsible for the supervision of mining permits and exploration permits. Tukes can:

- Require an operator to rectify deficiencies in its operations.
- Restrict or prohibit the use of equipment or facilities that pose a safety risk.
- Suspend operations where there is an imminent risk of serious harm.
- Impose conditions on, or order the suspension or revocation of, mining and exploration permits in the event of material non-compliance.
- Require a permit holder to take remedial measures to address any harm caused by permitted activities.

The Energy Authority is the competent authority for matters regarding the Natural Gas Market Act. It can issue orders, impose conditional fines, and issue public warnings to ensure compliance with the Natural Gas Market Act. The Energy Authority can also revoke a permit to operate a natural gas network if the operator has materially or repeatedly failed to comply with its obligations under the Act.

Fines and Penalties

The competent authorities can enforce their orders by:

- Imposing a conditional fine.

- Giving notice that the required measures will be carried out at the operator's expense.
- Giving notice that operations will be suspended.

In addition, authorities can impose administrative penalty payments for certain violations.

Other

In addition to the administrative enforcement measures, more serious violations may give rise to criminal liability under the *Criminal Code (39/1889, as amended)* and relevant sector-specific legislation. Criminal penalties may include fines and imprisonment. Further, a court can order the forfeiture of any economic benefit obtained through non-compliance. Criminal liability may attach to both the individuals responsible for the violation and to the legal entity on whose behalf the violation was committed.

22. Is there a right of appeal against regulatory decisions?

Regulatory decisions can be appealed to the Administrative Court. Certain decisions of the Energy Authority regarding energy market matters are appealed to the Market Court.

An appeal must be filed within 30 days from the date of service of the decision on the appellant.

Sale and Trade

23. How is trade in oil and gas usually carried out?

Oil

Neste Oyj operates the only refinery in Finland and dominates the wholesale market. The wholesale market is not subject to price regulation or specific financial supervision. The retail oil market is similarly unregulated and operates through various Finnish and foreign oil companies that supply refined oil products to end users, primarily for use as fuel.

Gas

The Energy Authority supervises both the Finnish wholesale and retail natural gas markets under the Natural Gas Market Act.

On the retail market, private consumers purchase gas through local gas distribution companies whose distribution networks are connected to the transmission grid operated by Gasgrid Finland Oy. The Finnish gas transmission grid covers the southern and south-eastern parts of Finland.

Customers with larger gas needs can trade through *GET Baltic*, an online natural gas marketplace that has been providing gas exchange services in Finland since 1 January 2020. This platform allows customers to trade gas through an electronic trading system at market prices. GET Baltic is owned and operated by UAB GET Baltic, a Lithuanian company licensed as a natural gas market operator in the Finnish, Lithuanian, Latvian, and Estonian market areas and offering a common trading platform for energy traders in these markets.

Following the liberalisation of the natural gas market, any natural gas operator in the Finnish natural gas market is responsible for maintaining a continuous balance between:

- The procurement of natural gas.
- The use or supply of natural gas during the relevant balance settlement period.

24. Are oil and gas prices regulated?

Oil

The oil retail market operates freely in Finland, with prices largely dependent on global market trends. The government heavily taxes oil products through excise tax, VAT, and strategic stockpile fees levied on oil products supplied to end users.

Gas

The Energy Authority regulates the charges and terms and conditions for the transmission of natural gas in Finland (Natural Gas Market Act). The following requirements apply:

- Terms and conditions of transmission services must be impartial and non-discriminatory to all network users.
- Network operators can set their prices within the limits determined by the Energy Authority, provided they are reasonable as a whole.
- Operators must publish their general terms and conditions and prices for network services (including the methods for determining them).

The Energy Authority monitors the reasonableness of natural gas transmission and distribution pricing in four-year regulatory periods. It assesses whether network operators have exceeded their allowed revenue (that is, the maximum reasonable return that an operator can recover from network users during the regulatory period). It can take into account any excess returns in

the subsequent regulatory period by reducing the operator's permitted revenue. Under the Natural Gas Market Act, increases in transmission and distribution charges are generally capped at 15% of the customer group's average taxable total price during the preceding 12 months.

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