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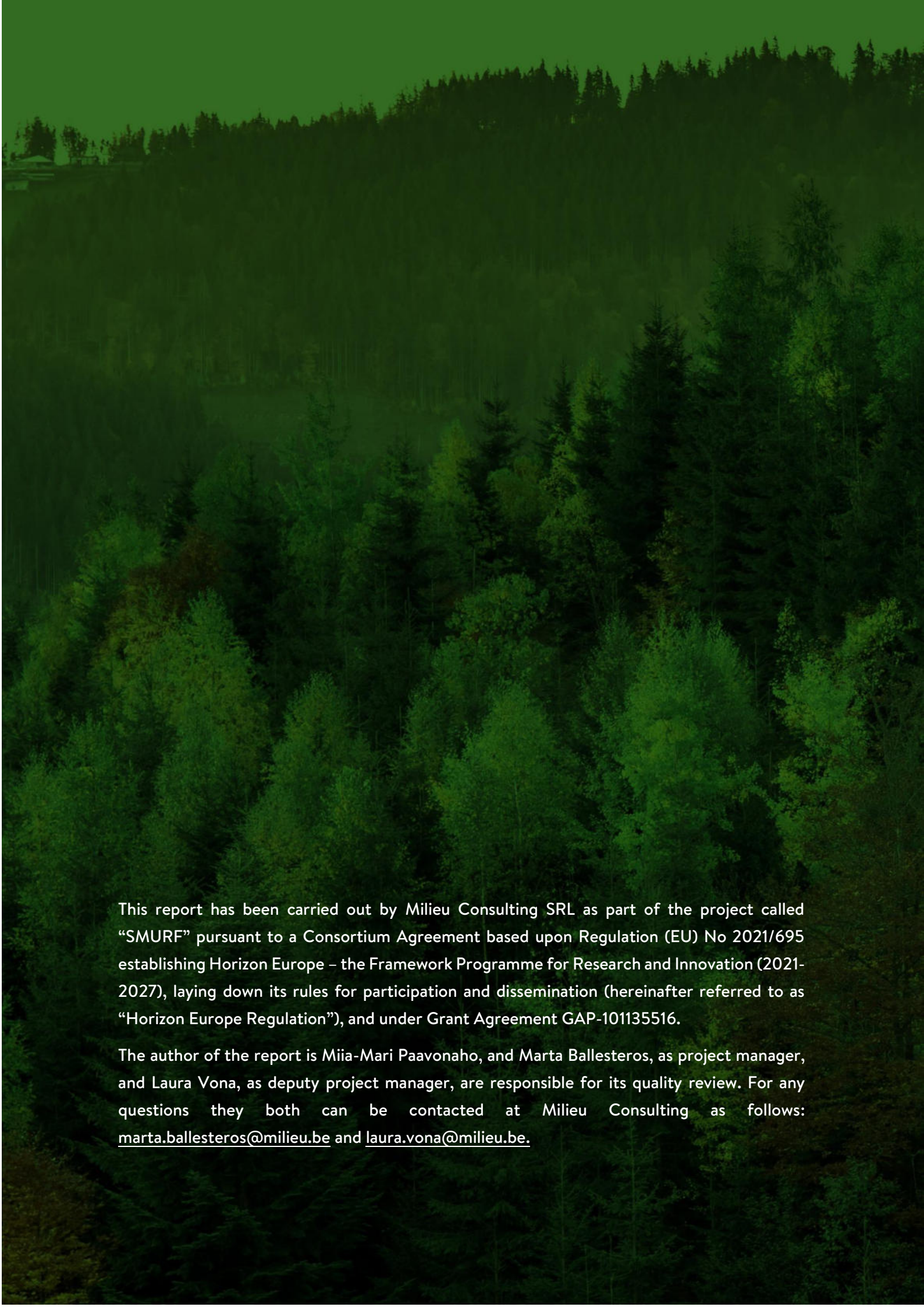
Legal and regulatory framework applicable to Small Forest Owners and Sustainable Forest Management

Country Fact Sheet
Finland

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Legal and regulatory framework applicable to Small Forest Owners and Sustainable Forest Management (SMURF) - WP2

Executive Summary

Finland is home to the largest forest area in Europe, with forests covering over 75 % of the country. Despite this vast resource, the legal framework governing forest ownership offers significant freedom, while balancing it with responsibilities. The Forest Act (Metsälaki) provides a foundation for sustainable forest use, setting minimum requirements for felling, regeneration, and biodiversity protection, without mandating specific practices like clear-cutting. This approach of freedom and responsibility is designed to balance economic use with environmental protection.

Finland has approximately 620,000 forest owners, accounting for 14% of the population. Forest ownership is recorded by the National Land Survey of Finland, and owners possess the right to manage their forests for forestry activities, including timber harvesting, provided they maintain forest health and productivity. Private ownership is predominant, but the state plays a significant role in forest management and conservation efforts.

Forest owners have the right to manage and use their forests under the Forest Act. They can harvest timber, sell forest products, and select management practices, while receiving state support. Their obligations include protecting biodiversity, ensuring forest health, and replanting after felling. Sustainable forest management (SFM) is largely voluntary, guided by various certification systems and support services like forest management associations. Thus, one of the key features of Finnish forestry is its voluntary nature.

Sustainable forest management has been practiced in Finland for a long time although not mandated by law. Practices are often voluntary, supported by forest certification systems like PEFC and FSC. These certifications require compliance with environmental, economic, and social sustainability criteria. Currently, 95% of Finland's forests are certified.

In 2023, Finland introduced the Temporary Incentive System for Forestry to further promote SFM through subsidies and incentives. SFM is also supported by the National Forest Strategy 2035, the National Biodiversity Strategy, the Forest Biodiversity Programme and various economic incentives such as tax advantages, support for environmental protection or conservation measures and grants to support fertilisation or nature protection.

While Finland has strong enablers for sustainable forest management such as financial support and advisory services, challenges remain. To better enforce sustainable forestry practices and protect biodiversity, regulatory measures such as promoting closer-to-nature forestry and selective logging should be enhanced. Given the significant role of private forests, a more proactive approach is needed to align private forest management with national sustainability goals. It is also important to ensure that economic incentives do not drive practices like intensive clear-cutting, which could harm biodiversity. Clearer guidelines for sustainable forest management are essential.

Introduction

This is a Horizon project with a strong research approach. The name of the project is 'Sustainable Management models and value chains for small Forests' known as SMURF with the reference HORIZON-CL6-2023-CIRCBIO-01.

The general objective is to provide an analysis of the legal and regulatory framework in EU Member States applicable to small forest owners (SFO) in their practices aiming to Sustainable Forest Management.

The specific project objectives are:

1. Prepare a report on the legal framework on SFO for most EU Member State.
2. Identify the basic legislation regulating SFO and the specific articles setting rights and obligations and *provide the links* to those basic and articles.
3. Define the rights and obligations for SFO in EU Member States.
4. Define the legal framework for the economic activity of SFO in EU Member States.
5. **Identify the main legal limitations or barriers for SFO in EU Member States.**
6. **Identify needs for legal reforms and propose specific legal improvements, when considered necessary.**
7. Prepare a comparative analysis of the legal framework SFO in the EU Member States.

These guidelines provide the basic information for the elaboration of the report on legal framework applicable to Small Forest owners/holders. It is complemented by a pilot report showing as a model to show the level of depth of the analysis.

When using the term "legal framework" we consider:

- The organizational model of forestry and the forest value chain.
- The institutional framework, identifying the distribution of competences among the different administration levels (European, national, regional and local) and administration sectors (agriculture and rural development, environment, industry, interior, economics and others).
- The regulatory framework, identifying laws and regulations that affect forestry and the forest value chain. The key articles that set basic rules for forestry will be explicitly referred and translated into English.

The analysis will be focused on factors that affect the participation of forest holdings in the market. There is a particular interest in identifying barriers, obstacles and measures or instruments that have had a significant positive impact in the present functioning of the forest markets.

The analysis will describe the nowadays situation of the framework, although a contextual and short reference of the origin and evolution of the framework when needed for a good understanding will be included.

The analysis will consider the national legislation and will only refer to the regional legislation as a way of example to confirm the national legal framework or to show that in some regions the situation may be rather different.

The analysis will take into consideration the forest sector legislation, but not only, because the main barriers and legal limitations might be derived from the inadequacy of other sectoral laws (societal, fiscal, real state and ownership, cadastral, insurances) or requirements in some pieces of national environmental legislation. It will refer to Nature or Biodiversity Conservation law and to the Environmental Impact Assessment legislation while it might also refer to relevant agriculture legislation.

1. Basic legal and regulatory framework applicable to small forest owners

1.1. Context to the legislation

Forestry has long been integral to Finland's national identity and economy. Forestry industry is one of the country's most significant export sectors accounting to 16 % of total export of goods. The Forestry sector employs over 100 000 individuals, and over 730 000 people get income from forestry. Achieving forest policy goals relies on sectoral responsibility where authorities and forestry sector share the duty of protecting and preserving the cultural and natural values of forests.

In 1886 the first Forest Act was laid down. The main idea was to support natural forest regeneration as authorities became concerned about the loss of forests due to clearcutting activities. From here on onwards, the main goal was not to destroy forests. Still today forestry in Finland is guided by the Forest Act (version from 1996). The Forest Act promotes economically, ecologically and socially sustainable management and use of forests. It sets the minimum requirements for wood harvesting, forest regeneration and protection of biodiversity. The Forest Act was amended in 2014, and it significantly increased the freedom of forest owners in the management of their forests. The idea behind decreasing binding legislation was to improve the profitability of forestry, influence the diversity of forests and motivate owners to take good care of forests.

Subsequently, Finland gives forest owners considerate autonomy, provided they meet the obligations of sustainability and regeneration. The aim is to balance timber production, environmental conservation, recreation, and cultural heritage preservation. In 2020, the Ministry of Agriculture and Forestry commissioned the Natural Resources Institute Finland to assess the impacts of the amendments to the Forest Act. According to the assessment, the objectives have been achieved in many ways.

1.2. Basic legal instruments

In addition to the Forest Act (Metsälaki)[1], the Forest Damages Prevention Act (Laki metsätuhojentorjunnasta)[2], Nature Conservation Act (Luonnonsuojelulaki)[3], the Environment Protection Act (Ympäristönsuojelulaki)[4] and the Decree of the Government on the Sustainable Management and Use of Forests (Valtioneuvoston asetus metsien kestävästä hoidosta ja käytöstä)[5] all have impacts on forestry.

The Forest Damages Prevention Act regulates the measures used to prevent, detect or combat disasters linked to insects, diseases, storms and excessive felling. The law obliges authorities and

[1] Metsälaki (12.12.1996/1093) https://www.finlex.fi/fi/laki/ajantasa/1996/19961093

[2] Laki metsätuhojentorjunnasta (1087/2013) https://www.finlex.fi/fi/laki/alkup/2013/20131087

[3] Luonnonsuojelulaki (9/2023) https://www.finlex.fi/fi/laki/ajantasa/2023/20230009

[4] Ympäristönsuojelulaki 27.6.2014/527 https://www.finlex.fi/fi/laki/ajantasa/2014/20140527

[5] Valtioneuvoston asetus metsien kestävästä hoidosta ja käytöstä (30.12.2013/1308) https://www.finlex.fi/fi/laki/ajantasa/2013/20131308

forest owners to cooperate in combating disaster, and it requires reporting and maintain the health of forests.

The Nature Conservation Act regulates biodiversity protection, including conservation areas and protection of endangered species. Although the Environmental Protection Act is related with the goal of protecting the environment and promoting sustainable development, it deals more broadly with the state of the environment and the impacts of human activity. It focuses on preventing and reducing environmental pollution and ensuring the well-being of nature and people.

The Government Decree sets out requirements in relation to sustainable development and preventing forest destruction. It also lays down felling rights and regrowth obligations. It is more specific with stating the distribution of trees to be left in the felling area and in low-yielding drained peatlands as well as the prerequisites for natural regeneration.

The Ministry of Agriculture and Forestry have a conclusive list of all legislations and regulations[6] that affect forest policy.

1.3. Basic Regulatory framework

Finnish Forestry guidance is based on legislation and programs, the National Forest Strategy 2025 (Kansallinen metsästrategia)[7], regional forest programs[8], regional water management action programs[9], and the criteria set by certification systems PEFC[10] and FSC[11].

The National Forest Strategy outlines guidelines for the preparation and implementation of forest policy. It takes into account the goals of the sector, sustainable development, and was extended to 2035 due to the importance of forests in mitigating and adapting to climate change. The Strategy describes the main goals and priorities for the development of forestry. It covers forestry, industry, production, processing, services, training and public goods[12]. The goal is to create a Finnish forestry sector that is competitive, renewable and responsible, and one that takes into account the human, the environment and the economy.

There are official Forest Management Recommendations[13] that gather the best tools, research and practical experience for sustainable management. The recommendation is prepared by forest scientists, experts and forest owners. The recommendations are continuously updated. There is even an artificial intelligence chatbot to assist forestry practitioners with their questions, as well as a podcast. Compliance with the recommendations is voluntary and they are not binding. It is also linked to the National Forest Strategy.

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[6] Maa- ja metsätalousministeriö, lainsäädäntö, https://mmm.fi/metsat/lainsaadanto
[7] Kansallinen metsästrategia, http://urn.fi/URN:ISBN:978-952-366-740-2
[8] Alueelliset metsäohjelmat, https://www.metsakeskus.fi/sites/default/files/document/amo-esite.pdf
[9] Vesienhoitosuunnitelmat, https://valtioneuvosto.fi/paatokset/paatos?decisionId=0900908f8076e013
[10] PEFC-metsäsertifiointi, https://www.pefc.fi/
[11] FSC sertifikaatti, https://fi.fsc.org/fi-fi
[12] Maa- ja metsätalous ministeriö, Kansallinen metsästrategia https://mmm.fi/kms
[13] Metsänhoidon suositukset, https://metsanhoidonsuositukset.fi/fi

Southern Finland's forest diversity action program METSO (Etelä-Suomen metsien monimuotoisuuden toimintaohjelma)[14] complements the National Forest Strategy as well. This program promotes forest diversity, restoring and caring for valuable forest habitats and safeguarding endangered species. Forest owners can apply for environmental protection for their forests using the state's program. The protection can either be temporary with subsidies or permanently protected by establishing a private nature reserve or selling the forest to the state as a conservation area.

Regional forest programmes 2021-2025 focus on the overall sustainability of forestry and business opportunities in the forestry sector. There are 14 programmes that take into account traditional forestry as well as participate in developing and innovating new forest products and services. These can be linked to tourism, outdoor activities, experiences and by-products. One goal is for example to increase wood construction and replace non-renewable oil-based products with wood.

[14] Metsäkeskus, Metso https://www.metsakeskus.fi/fi/metsan-kaytto-ja-omistus/metsien-suojelu-ja-elinymparistojen-hoito/metso-ohjelma

2. Governance and institutional framework

2.1. Distribution of competences between the State and Regional authorities.

- **According to the legal framework, what are the relevant competences and responsibilities regarding decisions on forest management and forest management practices at the different State level (national, regional, municipal) in your country?** Please describe the situation stating the legislation and relevant provisions.

Legal background

The Forest Act forms the core of Finnish forest legislation. It includes the duties of authorities, including the Ministry of Agriculture and Forestry (Maa- ja metsätalousministeriö)[15], The State Forest Management Agency (Metsähallitus)[16] and the Forest centre (Metsäkeskus)[17] in relation to changing use of forestry land to other purposes (Section 3), regeneration felling and obligations (Section 5a) and protected forests (Section 12) which together regulate sustainable forestry practices and the balance between conservation and production.

Forest governance is structured around a multilevel system where responsibilities are shared between national, regional and municipal authorities. National institutions provide policy and legislative frameworks, while regional and municipal bodies handle the implementation. The distribution of competencies is also influenced by EU legislation. At the national level, the Ministry of Agriculture and Forestry is the central authority responsible for forest policy development and it oversees that Finland's forest policies align with EU legal framework, with themes such as Natura 2000, climate change and rural development.

Central government oversees Metsähallitus which manages state-owned forests. Their obligations are stated in legislation (Laki Metsähallituksesta)[18], which include efficient use of public lands, conservation and sustainable forest management. It operates under the strategic direction of the Ministry of Agriculture and Forestry. The Forest centre is also under the direction of the Ministry and acts in between the national and regional level. It by law (Laki Suomen Metsäkeskuksesta)[19] needs to provide support to private forest owners and ensure that their practices adhere to national policies. Thus, it acts as an intermediary between national forest policy and regional and local practices. **National competences**

The Finnish government holds primary responsibility for legislation, policies and strategic initiatives. National authorities also ensure compliance with EU-level frameworks and other international agreements.

[15] Maa- ja Metsätalousministeriö, https://mmm.fi/etusivu

[16] Metsähallitus is a state business institution that manages more than 12 million hectares of state-owned land and water areas. Usually goes with name Metsähallitus even in English contexts. Metsähallitus, https://www.metsa.fi/

[17] Suomen Metsäkeskus, https://www.metsakeskus.fi/fi

[18] Laki metsähallituksesta, 8.4.2016/234, https://www.finlex.fi/fi/laki/ajantasa/2016/20160234

[19] Laki Suomen Metsäkeskuksesta 6.5.2011/418, https://www.finlex.fi/fi/laki/ajantasa/2011/20110418

- The Ministry of Agriculture and Forestry formulates national forest policy and legislation and oversees implementation of the National Forest Strategy, Forest Act and various other programmes.
- Metsähallitus manages state owned forests and implements forest management activities. They ensure the role of forests for commercial, conservation and recreational purposes.
- Finnish Forest centre implements forest policies, manage advisory services, administer subsidies, and maintain forest resource information systems. The operations are divided nationally according to their functions. They must secure the regional availability of services, linguistic rights and the functionality of provincial forest councils.
- Finnish Forest Associations (Metsänhoitoyhdistys)[20] play an essential role in supporting private forest owners in managing their properties in accordance with the Forest Act. The legislation (Laki Metsänhoitoyhdistyksestä) governs the activities of these organisations. It does not have regulatory power, but it helps forest owners to navigate the legal framework.
- Finnish Environment Institute (Suomen ympäristökeskus, SYKE)[21] coordinate environmental impact assessments, oversee implementation of biodiversity protection and Natura 2000 sites.
- Natural Resources Institute Finland (Luonnonvarakeskus, Luke)[22] is a research institution that helps with scientific support for forest policy. They also operate under the Ministry of Agriculture and Forestry.

Additionally, a forest owner comes in contact with other authorities depending on their objectives and activities such as the National Land Survey of Finland (Maanmittauslaitos), the Regional State Administrative Agency (Aluehallintovirasto)[23] who handle permits and oversee compliance with environmental protection laws, as well as the Tax authorities (Verohallinto)[24] who manage taxation related to forestry income and property taxes.

Regional competences

The main regional authorities include the ELY centres, County associations and provincial forest councils.

County associations (Maakuntaliitto)[25] most important tasks are regional development and land use plans. Other tasks include promoting eco-tourism, development of environmental issues, and some counties also distribute provincial development aid. Their role in forestry and conservation is to provide input into national forest policy from a regional perspective. There are 18 county associations in Finland and all municipalities belong to one. The associations are the most significant guardians of interests in their area. They are responsible for EU Structural Funds Programmes and their implementation. Every county association has special features, specific forest plans and objectives, and own leadership chosen in municipal elections. For example, in Lapland (Lappi) and Kainuu. Where forestry and forest use are particularly important

[20] Suomen metsäyhdistys, https://smy.fi/en/finnish-forest-association/activity/
[21] Suomen ympäristökeskus, https://www.syke.fi/fi-FI
[22] Luonnonvarakeskus, https://www.luke.fi/fi
[23] Aluehallintovirasto, https://avi.fi/etusivu
[24] Verohallinto, https://www.vero.fi/tietoa-verohallinnosta/
[25] Maakuntien liitot, https://www.kuntaliitto.fi/kuntaliitto/tietoa-kunnista-ja-kuntayhtymista/maakuntien-liitot

economically and culturally, the county associations have more focus on Natura 2000 areas, forests as carbon sinks and for recreation and winter sports. And in Southern Finland, as shown by the METSO programme, forest preservation is of importance as current per centage is not yet sufficient. However, they do not have independent legislative rights to prepare forest plans, as the management and use of forests is mainly regulated in the Forest Act, and other national regulations.

All County associations can be found here[26]:

- Etelä-Karjalan liitto
- Etelä-Pohjanmaan liitto
- Etelä-Savon maakuntaliitto
- Hämeen liitto
- Kainuun liitto
- Keski-Pohjanmaan liitto
- Keski-Suomen liitto
- Kymenlaakson Liitto
- Lapin liitto
- Pirkanmaan liitto
- Pohjanmaan liitto
- Pohjois-Karjalan maakuntaliitto
- Pohjois-Pohjanmaan liitto
- Pohjois-Savon liitto
- Päijät-Hämeen liitto
- Satakuntaliitto
- Uudenmaan liitto
- Varsinais-Suomen liitto

The Centres for Economic development, transport and the environment (Elinkeino-, liikenne- ja ympäristökeskus, ELY)[27] are responsible for regional implementation of the government. They promote regional competitiveness, sustainable use of forests and fight against climate change through regional strategies. There are fifteen centres, and they supervise the implementation of the Forest Act and the Nature Conservation Act and approve forest management plans for protected areas. They also monitor compliance with environmental permit decisions issued by the Regional State Administrative Agency and cooperate with County Associations on municipal land use and the organisation of construction activities.

Additionally, there are fourteen provincial forest councils (maakunnallinen metsäneuvos)[28] where councils are appointed for four years[29]. The maximum fifteen members include actors from NGOs, forest sector, public administration. The forest councils plan regional forest programs.

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[26] Maakuntien liitot, https://www.kuntaliitto.fi/kuntaliitto/tietoa-kunnista-ja-kuntayhtymista/maakuntien-liitot

[27] Elinkeino-, liikenne- ja ympäristökeskus, https://www.ely-keskus.fi/fi/

[28] Metsäkeskus, maakunnalliset metsäneuvostot, https://www.metsakeskus.fi/fi/metsan-kaytto-ja-omistus/alueelliset-metsaohjelmat/maakunnalliset-metsaneuvostot

[29] Laki Suomen metsäkeskuksesta 6.5.2011/418 https://www.finlex.fi/fi/laki/ajantasa/2011/20110418

Local/municipal competences:

Municipalities have an obligation in law to not only take care of the wellbeing of its residents but of its nature. They must promote nature and landscape protection in their area. Nearly all municipalities (309 in Finland) are forest owners, even though their forest surface area is relatively small. However, they form larger and more unified areas, compared to private owners thus can create protected areas more easily[30]. This comes into play for example, in relation to the METSO-program. If the municipality protects the forest, it earns money as subsidies from the state, which it can reinvest into the municipality and its people, and the forest remains for residents to use for recreation.

Municipalities are in charge of land-use planning under the Land Use and Building Act (Maankäyttö- ja rakennuslaki)[31] and they implement regulations from national and regional authorities. They nominate land for forestry, and make sure that forest activities align with zoning regulations and local conservation objectives. Linked to this, they promote local participation in Natura 2000 planning. On the other hand, the also decide on urban development which can cause loss of forest[32].

Municipalities also have strategic sustainability goals including circular economy and carbon neutrality and they can create their own forest strategies. These also do not have to be the same as the national strategy. For example, a city in southern Finland Turku has very progressive forest policy. Among other objectives, they are striving to be carbon neutral by 2029, when the carbon neutral goal of Finland is by 2035[33].

Forest coordination and advisory bodies

Although the Finnish Forest centre is a national authority, it also acts as the central coordinating body and provides advice and training. They have over 70 operation centres around the country and produce up-to-date information to support forest owners' decision-making. Forest owners can access their forest resource data collected in the field on their e-service Metsään.fi[34] which is the Forest Resource Information System. The Forest centre collects resource information by a remote sensing method that uses sample pot measurements, aerial photography and laser scanning. Based on this the Forest centre recommends management and logging proposals, and forest owners see maps and diverse environmental information. This is also needed to make forest use notifications or apply for government grants.

Forest management associations and the Finnish Forest centre play an important role in forestry. Two laws outline their rights, obligations and purpose. The Act on Finnish Forest centre (Laki Suomen metsäkeskuksesta)[35] states that the Forest centre is an independent public institution

[30] Kuntametsät asukkaiden ja luonnon keitaiksi. 2011. Laura Räsänen and Keijo Savola. Suomen Luonnonsuojeluliitto.
[31] Maankäyttö- ja rakennuslaki (5.2.1999 132) https://www.finlex.fi/fi/laki/ajantasa/1999/19990132
[32] Kuntametsät asukkaiden ja luonnon keitaiksi. 2011. Laura Räsänen and Keijo Savola. Suomen Luonnonsuojeluliitto.
[33] Kuntalehti, https://kuntalehti.fi/uutiset/ymparisto/kuntien-metsapolitiikka-on-yha-monipuolisempaa-lahimetsan-kohtalo-huolestuttaa-kuntalaisia-paastotavoitteet-kiinnittivat-huomion-hiilinieluihin/
[34] https://www.metsakeskus.fi/fi/asiointi/metsaanfi
[35] Laki Suomen metsäkeskuksesta 6.5.2011/418 https://www.finlex.fi/fi/laki/ajantasa/2011/20110418

that carries out tasks related to the sustainable management and use of forests and their mission is to promote forest-based livelihoods and implement forest legislation.

The National Forest Council (Metsäneuvosto) is a consultative body under the Ministry of Agriculture and Forestry. However, it includes representatives not only from the government, but also from NGOs and forest industries. They together create national forest policy. The Forest Council acts as a cooperation forum between the public administration and private sector actors.

2.2. Key representation organisations of the forest sector

1. **Forest owners**: Forest management associations (Metsänhoitoyhdistys) are interest organisations of forest owners. The purpose is to promote the profitability of forestry practiced by the forest owners and other objectives, and to promote an economically, ecologically and socially sustainable use and management of forests[36]. Forest owners who have the right to manage the forest located in the associations territory and who pay the forest management fee for the forest management association are considered members. The fee is decided by the council of each local association and the council is elected from members. The fee depends on the size of the forest and can be anywhere from 20 euros to 150.

The Forest management Associations have in total 200,000 members, 1,000 forestry experts and 30 associated companies[37].

The Forest Management Association Act (Laki metsänhoitoyhdistyksistä)[38] states that by law the role of the Associations is to promote the profitability of forestry practiced by forest owners. They must help forest owners to realise their goals and to promote economically, ecologically and socially sustainable forest use and management.

2. **Forest municipalities: N/A**

3. **Forest industry**: The large service providers include StoraEnso, UPM and Metsä Group. They focus on wood trade, forest industry, forestry services and wood processing[39].

4. **Forest clusters: N/A**

5. **Forest contractors**: Forest contractors (metsäpalveluyritykset/metsäpalveluyrittäjät) offer forestry services directly to forest owners and forest companies. They must register as businesses under the Trade Register (Kaupparekisteri). They do felling work, planting, clearing, nursery care and cross-country transportation of timber. They often work at the

[36] Laki metsönhoitoyhdistyksistä (534/1998) section 2 and 6 https://www.finlex.fi/fi/laki/alkup/1998/19980534?search%5Btype%5D=pika&search%5Bpika%5D=Laki%20mets%C3%A4nhoitoyhdistyksist%C3%A4

[37] Metsänhoitoyhdistys, https://www.mhy.fi/

[38] Laki metsänhoitoyhdistyksistä (534/1998) https://www.finlex.fi/fi/laki/alkup/1998/19980534

[39] Metsäkeskus, Metsäkeskus ja muut metsäalan toimijat, https://www.metsakeskus.fi/fi/metsakeskus-ja-muut-metsaalan-toimijat

municipal level. Information about forest service companies in forest owners' area are available on Metsään.fi free electronic platform, owned by the Forest Centre.

6. **Forest Professionals**: UPM Metsä is an organisation that buys wood from private owners for their factories. They offer forest services across all different stages of forest growth and for all types of forest owners[40].

7. **Forest Agents or rangers**: Forest ranger (metsänvartija) is an old title. They used to monitor the compliance of forest residents and keep up order and supervise forestry work. Nowadays some 90 forest rangers still exist through the Finnish Natural Heritage Foundation (Luonnonperintösäätiö)[41] but this is considered a volunteer position for passionate foresters. They visit their assigned protected forest areas a few times a year to follow the development and report back to the Foundation.

8. **Forest Sciences**: Natural Resources Institute Finland (Luonnonvarakeskus)[42] is a state research institute whose expertise focuses on renewable natural resources and responsible food production. Forest research is part their field of research.

9. **Forest certification:** Two main systems are used in Finland, FSC and PEFC. The association of Sustainable Forestry (Kestävän Metsätalouden Yhdistys ry)[43] represents PEFC Finland and is responsible for PEFC certificates. The association ensures compliance with PEFC standards. Regarding FSC, the responsible forest management association (Vastuullisen metsänhoidon yhdistys)[44] promotes the work of FSC in Finland and updates the Finnish FSC forest certification standard.

10. **Public enterprises** The Finnish Forest Centre (Suomen Metsäkeskus) collects and distributes information about forests and monitors compliance with forest legislation. The mission is to promote sustainable forestry and industry livelihoods and to advice forest owners in forest management. The Forest Centre is under the management of the Ministry of Agriculture and Forestry[45]. The Forest government (Metsähallitus)[46] is a state business institution that manages more than 12 million hectares of state-owned land and water areas.

11. **Forest cooperatives** Finnish Forestry Association (Suomen Metsäyhdistys ry)[47] is a cooperative organisation of the entire sector. It guards the interests of forest owners and

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[40] UPM Metsä, https://www.upmmetsa.fi/tietoa-ja-tapahtumia/tietoartikkelit/yleisimmat-toimijat/
[41] Luonnonperintösäätiö, https://luonnonperintosaatio.fi/
[42] Natural Resources Institute (Luonnonvarakeskus), https://www.luke.fi/fi
[43] PEFC, www.kestavametsa.fi
[44] FSC, www.fi.fsc.org
[45] Laki Suomen metsäkeskuksesta 418/2011, section 1
https://www.finlex.fi/fi/laki/alkup/2011/20110418?search%5Btype%5D=pika&search%5Bpika%5D=Laki%20mets%C3%A4nhoitoyhdistyksist%C3%A4
[46] Metsähallitus, https://www.metsa.fi/
[47] Suomen metsäyhdistys, https://smy.fi/

forest sector operators at various levels and cooperates with a variety of stakeholder including the state, municipalities, , authorities and decision makers.

12. Other **Forest organisations** There are associations for forest owners in all large cities. Urban forest owners have organised nationally as the Remote Forest Owners Association (Etämetsänomistajien liitto)[48]. There are also two significant foundations. The Foresters Foundation (Metsämiesten säätiö)[49] which has been working with forestry professionals since 1948 to develop the sector through grants and scholarships. Finnish Forest Foundation (Suomen Metsäsäätiö)[50] finances activities that strengthen the vitality of the forest industry.

[48] Etämetsänomistajien liitto, https://www.etamol.fi/
[49] Metsämiesten säätiö, https://www.mmsaatio.fi/
[50] Suomen Metsäsäätiö, https://www.metsasaatio.fi/

3. Forest land ownership structure

- **According to State statistics, what is the ownership structure of the forest in your country (at State level)?** Please include relative and absolute data of forest ownership types, including average size of public and private forests and the number of area of forests in each size category)

3.1. Data on national forests ownership structure

Finland has approximately 620,000 forest owners, representing about 14 % of the country's population. There are over a million forest owners when partners of jointly owned forests and all members of forest associations are counted. Private individuals are the predominant owners, holding three-fifths of all productive forest land which amounts to about 20 million hectares. Of Finland's land area, 26.3 million hectares are classified as forestry land.

Ownership per type of owner based on the latest data from the Forest centre in 2020[51]:

- A total of 60 % is owned by private persons alone or together with their spouse.
- The State, state enterprises and limited companies own 6 million hectares, which is 26% of the total productive forest areas in Finland.
- Estates own 9 %, often passed down through inheritance.
- Other entities such as foundations, organisations and municipalities own around 4 %.
- The Church owns around 1 % of the forest land.

Private ownership is predominant, but the state plays a significant role in forest management and conservation efforts.

3.2. Definitions of forest ownership in your country

Please provide the definitions identified in the legislation applicable in your country following the guidelines shared with you.

- **Forest owner**

Forest owner (metsänomistaja) is a person who owns real estate (forest) which contains land available for forestry at the beginning of a calendar year[52]. A forest owner is considered a natural person, or a group, association, or joint benefit[53].

[51] The latest data is from 2016 and is based on data for taxation purposes from Luke Statics Database, National Resources Institute https://www.luke.fi/fi/tilastot/metsamaan-omistus/metsamaan-omistus-2016 as well as from Metsäkeskus report Suomalainen metsänomistaja 2020, http://urn.fi/URN:ISBN:978-952-326-961-3

[52] Ownership is only considered at the beginning of the calendar year. If there are changes in ownership during the year, they are not taken into account until the beginning of the next calendar year. Changes in ownership are not reviewed every year, but recorded when the ownership officially changes.

[53] Laki metsänhoitoyhdistyksistä (534/1998), section 2, https://www.finlex.fi/fi/laki/alkup/1998/19980534

Usually forest owner and forest holder are the same person, but if they are separated, as explained in the following section, the holder has most of the rights. If forest owner and holder are the same person, the applicable definition is the one explained in this section[54].

- **Forest holder**

The holder of a forest is allowed to use the property despite not being the owner. In connection with transfer of a forest, the right of ownership and the right of forest holder (metsän haltija)[55] can be separated. In this case the ownership of the forest is transferred to a new owner, but the right of the forest holder remains, or vice versa. The forest holder in this case is the actual forestry practitioner who can for example receive income from timber trade and who pays forest taxes and maintenance costs. This can be for a limited amount of time or for life. This can be a suitable solution if for example the recipient of the forest estate is a student or a minor, or taxation purposes where the management right is deducted from the value of the forest property and thus the gift tax, inheritance tax or purchase price is reduced. Although the motive is not allowed to be simply lowering taxes. Forest holders cannot deduct forestry expenses in taxation, and they make the forest owner automatically a passive owner. The forest holder keeps the right to decide about cutting but may not lower the value of the forest property by excessive cutting. The owner still keeps the right not to agree to the sale of the property[56].

- **Forest manager**

Forest manager (metsänhoitaja)[57] is a title that a forestry student receives after graduating with a Master of Agricultural and Forestry Sciences degree. They can work as experts, teachers or researchers in the forest industry, universities, forest administrations and consulting companies. Often times the work includes creating forest management plans for clients, managing activities, acting as a forestry expert for customers and stakeholders.

- **Forest contractor**

Not defined in law but considered in practice. Forest contractors (metsäurakoitsija)[58] are professionals or companies hired to perform tasks such as harvesting, planting, felling, road building, and operate under contracts with forest owners.

- **Forest**

Finland adopts two definitions of forests: one is the FRA FAO 2000 definition[59]: “Forest is land spanning more than 0.5 ha with trees higher than 5 m and a canopy cover of more than 10%, or trees able to reach these 5 m thresholds in situ. It does not include land that is predominantly under agricultural or urban land use.” The second definition is the national definition of forest that in Finland is the same as in the two other Nordic countries, Sweden and Norway: forest is defined as a land capable of producing an annual increment of volume growing stock of at least

[54] Hallinta oikeus https://www.metsakeskus.fi/fi/metsan-kaytto-ja-omistus/metsanomistusmuodot/hallintaoikeus
[55] Forest holder rights mentioned in the Forest Act, chapter 2 section 1 and 9, chapter 5, section 14.
[56] Hallinta oikeus https://www.metsakeskus.fi/fi/metsan-kaytto-ja-omistus/metsanomistusmuodot/hallintaoikeus
[57] Metsänhoitaja, https://www.metsalehti.fi/tyopaikat/metsanhoitaja/
[58] Metsäurakoitsija, https://junnikkala.com/puun-osto/kumppaniverkosto/
[59] Food and Agriculture Organisation, https://openknowledge.fao.org/server/api/core/bitstreams/531a9e1b-596d-4b07-b9fd-3103fb4d0e72/ .

1 m3/ha per year over the rotation under the most favourable tree species composition, and not used for any other purpose than forestry or forestry related purposes[60]. In the Forest Act, forest is defined as an area where trees grow, and which is primarily intended for forestry. Thus, the latter is more commonly used in legislation.

Forest is seen as property. A forest owner can decide to see it as a source of income, as a place of recreation or to sign it up for protection and get funding from the State. Forest property includes the land, the trees, vegetation and water within the boundaries of the property[61]. Additionally, a unique feature of Finnish forests is that a third is peatland forests.

3.3. Forest ownership types in your country

- Please provide a **description of the types of forest ownership** (e.g. public forest, private forest) identified in the legislation applicable in your country. **Are there specific laws** for certain types of collective, communal, vicinal or neighbourhood forests?

There is no direct mention of private or public forests in legislation, but different owners have specific obligations. Forests are mainly owned privately in Finland by individuals and families. Public forests are owned by the state, municipalities and other public bodies. Metsähallitus is responsible for state forests and legislation defines the rights and obligations of Metsähallitus in the use of forests.

- Most often forests are owned by one person or married spouses together. Individuals are considered forestry practitioners and if forest land is jointly owned by spouses, it is usually treated as a joint venture.
- A tax partnership is a form of ownership where two or more people own one or more farms together. This is usually a group of parents and children or a group of siblings. Decisions require consensus.
- Forest ownership is transferred to the estate, typically to the family, in case the forest owner passes away. They can continue like normal until partition and inheritance distribution is carried out.
- Joint forests belong to joint real estates. The owners of joint properties form the joint forest shareholder association and manage the forest operations. The association pays taxes for the joint forest.
- Corporate forest ownership is uncommon. However, there are some limited liability forest companies by way of incorporating larger farms[62].

[60] Finnish Forest Research Institute, Metsäntutkimuslaitos METLA, 2009.

[61] Uuden metsänomistajan tietopaketti, https://www.metsalehti.fi/metsanomistus/uuden-metsanomistajan-tietopaketti/

[62] Metsäkeskus, metsänomistusmuodot, https://www.metsakeskus.fi/fi/metsan-kaytto-ja-omistus/metsanomistusmuodot

- Are there well-established programs for forest land consolidation? Are there public bodies promoting or responsible for these programs?

Forest Land Consolidation (Metsätilusjärjestelyt)[63] is managed by the National Land Survey of Finland and their programs help consolidate fragmented forest holdings to improve productivity and management. The increased plot size following forest land consolidation reduces overall costs of forest management and increases income. Forest owners can request a discussion with the National Land Survey to receive a land consolidation study which is free of charge. Other public bodies include the Finnish Forest centre and Ministry of Agriculture and Forestry which provides information, subsidies, funding and strategic guidance.

3.4. Proof of ownership: Land registry and Cadastre

- How is ownership proved?

The National Land Survey of Finland keeps a register of real estate and other register units in land and water areas. The register contains information about the characteristics of the units and their location, as well as other information. Property ownership data consists of the property identifier, the name of the property and the property owner´s name and address[64]. The information can be obtained from e-service or from customer service.

Real Estate Formation (Kiinteistönmuodostamislaki)[65] regulates the formation of real estate, changes in the property, confirmation of the matters and registration and amalgamation of real estate and other register units.

Forest ownership is determined by the registration of the ownership right. In addition to the right of ownership, the property itself is subject to the right of possession. Usually, it rests with the owner but in certain circumstances such as reassignment in a will, it may not. It is necessary to know who has the right to possession because this person practices forest management[66].

- Is there a legal obligation to register ownership/property?

Yes. A title registration (lainhuuto) needs to be applied for when the owner of a property changes. An application needs to be submitted within six months of signing a deed of sale or agreement. There will be a punitive transfer tax increase if the deadline is not met[67].

If the title to real estate is acquired by inheritance, the registration period begins when the estate distribution has become final. For acquisitions based on a will, the registration period starts when

[63] Maanmittauslaitos, tilusjärjestely, https://www.maanmittauslaitos.fi/kiinteistot/hae-maanmittaustoimitusta/tilusjarjestely

[64] Maanmittauslaitos, https://www.maanmittauslaitos.fi/en/real-property

[65] Kiinteistönmuodostamislaki 554/1995, https://www.finlex.fi/fi/laki/ajantasa/1995/19950554

[66] Metsäkeskus, metsänomistusmuodot, https://www.metsakeskus.fi/fi/metsan-kaytto-ja-omistus/metsanomistusmuodot

[67] Vero, Varainsiirto ja lainhuuto, https://www.vero.fi/henkiloasiakkaat/omaisuus/varainsiirtovero/kiinteiston-ostaja/

the will becomes final. If the acquisition is based on the distribution of matrimonial assets, the registration period begins when the distribution is finalised.

For acquisitions resulting from an official real estate formation measure, the registration period starts when the measure is recorded in the land register. The period for the registration of title to real estate sold by enforced auction begins when the deed of sale is handed over to the buyer. Title to State forests, expropriated units, land dedicated for public use, accretions and relictions, and common waters will not be registered[68].

If there has been an environmental aid agreement between the forest owner and the state, the forest owner must immediately notify the Forest centre if there is a change regarding the owner or the holder of the forest[69].

- Is there a registration fee?

There is a fee. At the moment it is 172 euros[70] for a property with a purchase price of less than 100,000 euros. It is for public notice and clarification or registration of ownership. If the price is higher, the auction fee percentage of 0.2 of the purchase prices will be calculated, but it has to be at least 172 euros.

- Is there an official register of forest owners and of forest holdings? Is it shared with agricultural registers? Is it harmonised with the general property/ownership register?

Finland has an official register of forest holdings and forest owners. The Forest Centre manages the Forest Resource Information System (Metsään.fi) which has data on forest resources and ownership[71]. The National Land Survey of Finland keeps a register of real estate and other register units in land and water areas. The register is kept in co-operation with 69 municipalities (with a town plan) and other authorities[72]. It manages the cadastre and land register Real Property (Kiinteistö asiointipalvelu) which contains ownership details for forest lands[73]. These two systems are harmonised.

The register is not combined with agricultural registers, although both are in the same systems.

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[68] Maakaari, Chapter 11, Section 1 https://www.finlex.fi/fi/laki/ajantasa/1995/19950540

[69] Laki metsätalouden määräaikaisesta kannustejärjestelmästä Chapter 6, article 43 https://finlex.fi/fi/laki/ajantasa/2023/20230071

[70] Maa- ja metsätalousministeriön asetus Maanmittauslaitoksen maksuista sekä kaupanvahvistuksesta perittävistä maksuista ja korvauksista vuonna 2025 563/2024 Chapter 2, article 4, https://www.finlex.fi/fi/laki/alkup/2024/20240563

[72] Ohje kiinteistörekisterin pitämisestä 2022, Maanmittauslaitos https://www.maanmittauslaitos.fi/sites/maanmittauslaitos.fi/files/attachments/2022/12/_Ohje%20kiinteistorekisterin_pit%C3%A4misest%C3%A4%202022.pdf

- **Is the Cadastre/register well updated and reflecting real forest owners/holders?**

The register of the National Land Survey of Finland contains information about the rights, obligations and limitations concerning real estate.

The information is updated continually, even in the case of longer cadastral procedures. The information on the real estate can be found across different registers using the same identification data, for instance, address data is up-to-date and information from the population register[74].

The registration practices have been unified in recent years across the different regions. The National Land Survey of Finland and the other relevant authorities are by law responsible for mistakes in the register[75].

[74] Kiinteistörekisterilaki 392/1985 https://www.finlex.fi/fi/laki/ajantasa/1985/19850392
[75] Vahingonkorvauslaki412/1974 https://www.finlex.fi/fi/laki/ajantasa/1974/19740412

4. Rights and obligations: forest owner/holder and forest contractor

4.1. Overview

- **According to the legal and regulatory framework what are the rights and obligations of forest owners/holders and forest managers in your country?**

Rights:

- Right to manage forests: carry out forestry operations such as felling, thinning and regeneration, in accordance with the Forest Act.
- Right to harvest timber: Forest owners have the right to harvest timber, provided that the harvest complies with the environmental and sustainable forestry regulations.
- Right to sell forest products: Forest owners, holders and managers have the right to sell timber and other forest products such as berries, mushrooms, wildflowers, lichens, mosses, pinecones and fungi.
- Right to choose forest management practices: Forest owners can make decisions on regeneration methods, forest improvement, preservation and conservation.
- Right to subsidies and support: Forest owners can apply for financial support from the state for forest regeneration, afforestation and other practices under schemes like the Finnish Forest centre's support programs.

Obligations:

- Protection of forests: Valuable sites for biodiversity have to be protected and habitats of protected species to be preserved. Additionally, forest owners and managers are obliged to prevent and manage forest damages as stated in the Forest damage Prevention Act.
- Forests need to be kept productive and healthy: combat forest destruction, preserve a good status of groundwater and natural aquatic habitat.
- Replanting obligation: As stated in the Forest Act, the forest owner has the responsibility for renewal of the forest after felling. They must regenerate the forest.
- Obligation to report felling. The landowner must submit a forest use notification to the Forest centre at least 10 days before cultivation felling, renewal felling or clear cutting and the implementation methods must be indicated. Such a notice is not needed if the yield is used for household consumption, if the size of the trees is small or the felling happens at the edge of a zone (for example train tracks, ditches, sewer lines etc.)[76].
- Sustainable Management: forest owners, holders and managers must comply with the regulations outlined in the Forest Act, including maintaining sustainable forest management practices and following guidelines for regeneration, thinning and felling.

[76] Metsälaki 12.12.1996/1093 Chapter 2, article 9 https://www.finlex.fi/fi/laki/ajantasa/1996/19961093

4.2. Legal rights of the forest owner/holder

- **Right to financial support/tax exemptions/subsidies? What are the requirements?**

In 2023, the Parliament decided on the Act on the Temporary Incentive System for Forestry (Laki metsätalouden määräaikaisesta kannustejärjestelmästä)[77] to promote sustainable forest management by giving subsidies. The Forest centre acts as the state aid authority in regard to subsidies which can only be granted to private forest owners. When applying for a grant to support fertilisation, forest road construction, maintenance of nature or water protection measures, a forest management plan approved by the Forest centre is needed[78]. The Act is valid until the end of 2029.

Additionally, there are various options for tax advantages and financial support. Income from timber sales is taxable but forest owners can deduct costs related to forest management, and small forest holdings may qualify for tax exemptions under certain circumstances. METKA subsidies received under the ACT on the Temporary Incentive System for Forestry can be available for the management of young forests[79].

If a game animal or other big wild animal has damaged the forest, the forest owner can apply for financial support which can be used for purchasing of materials, development of forest or research if the goal is to prevent damages in the future[80].

Whenever forest is bought or exchanged, a forest owner can enjoy significant tax advantage. 60 per cent of the purchase price creates a forest deduction base, for which wood from the forest can be sold tax-free[81].

Forest owners can also receive financial support for environmental protection measures, forest regeneration, and biodiversity preservation through programs like the Forest Biodiversity Programme for Southern Finland (METSO).

- **Is there a right to decide about the forest management practices in their forest land?**

Yes. Forest owners do not have any legal obligation to manage their forests[82]. The minimum level of forest management stated in law states that forest and its diversity must not be destroyed, and forest regeneration has to be taken care of after final felling. Forest owners only need to comply with these sustainability guidelines in the Forest Act.

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[77] Laki metsätalouden määräaikaisesta kannustejärjestelmästä (19.1.2023/71) https://finlex.fi/fi/laki/ajantasa/2023/20230071

[78] Valtioneuvoston asetus kestävän metsätalouden määräaikaisen rahoituslain voimaantulosta 13.5.2015/593 https://www.finlex.fi/fi/laki/ajantasa/2015/20150593

[79] Vero, https://www.vero.fi/henkiloasiakkaat/omaisuus/metsa/metsasta_saadut_muut_tulot/

[80] Riistavahinkolaki, chapter 3, article 7 https://finlex.fi/fi/laki/ajantasa/2009/20090105

[81] Stora Enso, https://www.storaensometsa.fi/21-tarkeinta-verovinkkia-metsanomistajalle/

[82] Uuden metsänomistajan tietopaketti, https://www.metsalehti.fi/metsanomistus/uuden-metsanomistajan-tietopaketti/

- **Is there a right to harvest?**

There is a right to harvest timber, and it is tied to forest ownership. Forest owners can freely harvest timber, as long as they do it sustainably. For commercial practices, forest owners must submit a harvesting notification to the Forest centre at least ten days before felling begins[83]. Harvesting is allowed, only it must not jeopardise forest regeneration or biodiversity.

The Timber Measurement Act (Laki puutavaran mittauksesta)[84] and Act on the Placing on the Market of Timber and Timber Products) (Laki puutavara ja puutuotteiden markkinoillesaattamisesta)[85] regulate the quality, export and import of timber products.

4.3. Limitations to the rights of forest owner/holder

- **Is there a limitation to change the land use of the land (from forestry to agriculture and/or urbanization)?**

The Forest Act does not prohibit forestry land to be used for agricultural or other purposes although it does protect forest lands to be used for forestry purposes. However, when forestry land is repurposed, a permit or zoning plan needs to be applied for and approved by the authorities[86]. The Land and Building Act regulates zoning and land use changes[87]. The conversion from forest land to agriculture or urbanisation must not conflict with sustainability or nature conservation goals. And for example, Natura 2000 areas have much stricter restrictions to prevent harm to sensitive ecosystems.

- **Is there a legal limitation to the right to harvest? Is there a ban on clear cutting?**

Owners must notify the Forest Cener before harvesting a larger area or for commercial use. The harvesting has to be done responsibly, and a certain number of trees have to be left to grow after felling depending on the size of the entire processing area. Natural growth conditions need to be taken into account[88].

There is no ban on clear cutting, but it is strictly regulated. If state subsidiaries are received for the upkeep of forest, clear cutting is not allowed unless there has been a natural disaster that requires the clearing of damaged trees for forest renewal[89]. Clear cutting is also more tightly regulated in peatland forests where additional approvals from authorities are needed. And

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[83] Metsäkeskis, tietoa oikeuksista ja velvollisuuksista, https://www.metsakeskus.fi/fi/metsan-kaytto-ja-omistus/oikeudet-ja-velvollisuudet/tietoa-oikeuksista-ja-velvollisuuksista

[84] Laki puutavaran mittauksesta (414/2013) https://finlex.fi/fi/laki/alkup/2013/20130414

[85] Laki puutavara ja puutuotteiden markkinoillesaattamisesta (13.12.2013/897) https://www.finlex.fi/fi/laki/ajantasa/2013/20130897

[86] Metsälaki 12.12.1996/1093 https://www.finlex.fi/fi/laki/ajantasa/1996/19961093

[87] Maankäyttö- ja rakennuslaki (Alueidenkäyttölaki) 132/1999 https://www.finlex.fi/fi/laki/ajantasa/1999/19990132

[88] Valtioneuvoston asetus metsien kestävästä hoidosta ja käytöstä, 30.12.2013/1308, chapter 2, article 2, https://www.finlex.fi/fi/laki/ajantasa/2013/20131308

[89] Laki metsätalouden määräaikaisesta kannustejärjestelmästä 19.1.2023/71 Chapter 6 section 41 https://finlex.fi/fi/laki/ajantasa/2023/20230071

restrictions apply in areas with high ecological value, in relation to conservation or water protection.

- **Are there limitations to carry out non-forest activities in forest land (like mining, energy plants, etc.)?**

Non-forest activities such as mining, energy projects or infrastructure are not automatically prohibited but require environmental impact assessments under the Environmental Protection Act (Ympäristönsuojelulaki)[90] to assess the potential effects on the environment. Approval from municipal authorities is also needed. If approved, these activities are not prohibited, unless in areas designated for conservation and can be carried out as long as they do not conflict with the conservation objectives.

- **Are there specific limitations to carry out agricultural activities, like extensive grazing or temporary cultivation, on forest land?**

If extensive grazing does not harm forest regeneration or biodiversity it can be allowed in specific areas with permits from authorities. It can be allowed if it does not harm the forests regeneration process or disrupt biodiversity. It is not allowed in protected or young growth forests.

Temporary cultivation is not prohibited but requires a permit and compliance with regional land use plans. Temporary cultivation may be restricted in areas with high ecological value[91].

- **Is hunting right linked to ownership right? Is it considered a forest activity or does it have specific regulations?**

Yes, the right to hunt belongs to the owner of the land. But often times owners rent out the area for hunting. Practically, the area is surrendered for hunting because the right to hunt is given free of charge[92]. The reason for this is that the hunting of moose in the forest will also have a positive impact on the damage to seedlings.

Hunting is governed by the Hunting Act (Metsästyslaki)[93] which states the hunting seasons, rules, species protection, and use of the hunting methods. It is not a primary forestry activity. However, hunting maintains the balance of ecosystems and influences forest management practices.

[90] Ympäristönsuojelulaki 27.6.2014/527 chapter 1, article 1, chapter 5 article 39 https://www.finlex.fi/fi/laki/ajantasa/2014/20140527

[91] Leki pellonraivauksen määräaikaisesta rajoittamisesta 1385/1991 https://www.finlex.fi/fi/laki/alkup/1991/19911385

[92] Uuden metsänomistajan tietopaketti, https://www.metsalehti.fi/metsanomistus/uuden-metsanomistajan-tietopaketti/

[93] Metsästyslaki 615/1993 https://www.finlex.fi/fi/laki/alkup/1993/19930615

- **Are there citizens' rights to collect wild products in forest land? Are they linked to the ownership right or not?**

The principle of Freedom to Roam (Jokaisenoikeudet)[94] allows anyone to use forests to collect wild products. Berries, mushrooms and wildflowers can be picked from any forest, regardless of ownership, as long as they respect the forest and do not cause harm. The forest owners can collect themselves or enter into an agreement for the collection of other products. These include lichens, mosses, pinecones and fungi that grow on trees[95].

- **Are there rights to access (walking) on forest land? Are there specific regulations for public use of forest land, hiking, riding, biking, etc.?**

Finland has an expansive Freedom to Roam policy which allows everyone staying in Finland to enjoy the forests openly, regardless of the owner. The only regulation is that no harm must be caused to trees, the soil or to animals, and no disturbances to the landowner, the nature or other people. Everyone is allowed to move on foot, go cycling, riding or skiing, go camping, swimming and out on a boat[96]. While general access is allowed, certain areas such as forest reserves, protected forests, or official private properties have more specific regulations regarding public use. However, movement can only be restricted if it is necessary to protect the fauna and flora. Other activities may be heavily restricted in nature conservation areas.

4.4. Forest owner/holder obligations and requirements.

- **Which requirements or obligations regarding forest management are imposed on owners?**

Forest and environmental legislation give the forest owner freedom and responsibility for forest management. The Forest Act states that valuable sites for biodiversity have to be protected, and habitats of protected species to be preserved. Forests need to be kept productive and healthy. On top of these, there is an obligation to report felling, to renew the forest after felling, combat forest destruction and lastly related to water, to preserve a good status of groundwater and natural aquatic habitat[97].

- **Is there a tax imposed on forest ownership?**

All forest owners need to pay taxes based on their sales of wood or even insurance claims. Forest expenses can be deducted from income. If income is higher than expenditure, taxable income from forestry is accumulated. Or on the other hand, if expenses are higher than income, a forestry deficit is created, and it can be deducted from other capital or earned income. Taxes need to be declared on the Tax Agency's website. 15 per cent of forest income for the tax year can be transferred to the following tax year. Forest owners also have obligations to pay VAT to the state annually if their annual sales exceed the amount of 20, 000 euros (valid from 1.1.2025).

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[94] Jokaisenoikeudet, https://www.luontoon.fi/fi/lajit/retkeily-ja-ulkoilu/jokaisenoikeudet

[95] Compensate Säätiö, Keruutuotteiden myynti, https://compensatefoundation.org/tuloa-metsasta-eri-tapoja-tienata-metsalla/

[96] Jokaisenoikeudet, https://ym.fi/jokaisenoikeudet

[97] Metsälaki, chapter 2 section 8 and chapter 3 section 10, https://www.finlex.fi/fi/laki/ajantasa/1996/19961093

Also, VAT is paid for all needed supplies and services, but this can be received back from the Tax Agency[98].

- What type of permits the forest owner needs to manage their land?

As stated in the Forest Act, the forest owner has the responsibility for renewal of the forest after felling. The landowner must submit a forest use notification to the Forest centre at least 10 days before cultivation felling, renewal felling or clear cutting and the implementation methods must be indicated[99]. The notification is free of charge. Such a notice is not needed if the yield is used for household consumption, if the size of the trees is small or the felling happens at the edge of a zone (for example train tracks, ditches, sewer lines etc.)

- How is the control of forest harvest determined? Is there an obligation to mark every tree to be cut or retained?

The forest owner does not have any legal obligation to cut down the forest[100]. However, if the forest owner wishes to harvest, it is controlled by the notification of harvest. The Finnish Forest centre oversees compliance with forest legislation, and they do occasional field inspections. Additionally, they take advantage of remote sensing to monitor forest harvesting. There is no obligation to mark every tree to be cut or retained. However, it is encouraged to mark trees when performing thinning or leaving retention trees as well as in protected habitats.

- Are there technical, administrative or economic specifications on the forest products market? Are forest harvest contracts legally defined for public or private forests or for some specific types?

The Forest Act ensures high quality timber products and that forestry operations follow sustainable practices. For certifiable forest products, some owners take part in PEFC or FSC certification schemes. The Forest centre has set technical standards for harvesting, wood measurements and grading. Forest owners have to submit a harvesting notification to the Forest centre before harvesting. Forest products also need to meet specific sanitary and custom requirements before exporting. Timber prices are regulated by the Finnish Forest Industries Federation[101], as well as influenced by demand and market prices. Owners and timber buyers create contracts which specify the type of harvesting, the measurement methods, delivery terms and payment. If the forests to be harvested are owned by the state, stricter rules apply as well as tenders and auctions.

[98] Vero, metsänomistajan arvolisävero, https://www.vero.fi/henkiloasiakkaat/omaisuus/metsa/mets%C3%A4nomistajan-arvonlis%C3%A4veroilmoitus/

[99] Metsäkeskus, tietoa oikeuksista ja velvollisuuksista, https://www.metsakeskus.fi/fi/metsan-kaytto-ja-omistus/oikeudet-ja-velvollisuudet/tietoa-oikeuksista-ja-velvollisuuksista

[100] Metsänomistajan tietopaketti, https://www.metsalehti.fi/metsanomistus/uuden-metsanomistajan-tietopaketti/

[101] Metsäteollisuus ry, yksityismetsien puukauppa, https://www.metsateollisuus.fi/uutishuone/yksityismetsien-puukauppa

- **Is there an obligation to prevent forest fires or other risks?**

The Finnish Forest centre has a monitoring plan which contains risk assessment, content of inspection, timescale of inspections and evaluation of the implementation. It is revised annually. The monitoring needs to prevent forest destruction and be impactful and efficient[102]. It is advised that a good forest management plan prevents forest fires.

Forest owners have an obligation to follow-up after a forest fire. They need to check the condition of the forest and if it needs to be renewed. If the forest got burned, it can be offered for voluntary conservation, and the state rents or buys it. Some owners have insurances for their forest holdings which can cover forest fires, storms, snow damage or insects. The state is responsible for deer or moose damage[103].

- **Is fencing or the use of forest roads regulated?**

Often times forest owners who have private roads that are used by others, they are part of a road association. It is considered that the existence of a forest road has a positive effect on the price of the wood and the land. State subsidies are available for improvement and construction of forest roads[104].

A forest owner who has been awarded subsidies to build a forest road, has to keep the roads free and available for other people. The usage can only be limited if it is necessary not to damage the road, to protect sensitive areas, or to ensure safe use of the road[105].

- **Is there an obligation for forest owners and/or forest managers to be associated?**

In the past there was an obligation for forest owners to be associated, however about ten years ago the Forest Management Association Act was amended[106]. The previously mandatory fee was turned in to a member fee. Now there is no obligation but around 200 000 forest owners are associated.

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[102] Laki metsätuhojen torjunnasta 1087/2013 Section 17, https://www.finlex.fi/fi/laki/alkup/2013/20131087

[103] Metsälehti, Uuden metsänomistajan tietopaketti, https://www.metsalehti.fi/metsanomistus/uuden-metsanomistajan-tietopaketti/

[104] Metsälehti, metsien omistus, https://www.metsalehti.fi/metsanomistus/uuden-metsanomistajan-tietopaketti/

[105] Laki metsätalouden määräaikaisesta kannustejärjestelmästä 19.1.2023/71
Chapter 6, article 40 https://finlex.fi/fi/laki/ajantasa/2023/20230071

[106] Metsäkeskus, metsää koskevia säädöksiä, https://www.metsakeskus.fi/fi/metsan-kaytto-ja-omistus/oikeudet-ja-velvollisuudet/metsaa-koskevia-saadoksia

4.5. Forest manager/contractor obligations

- **Which requirements or obligations on forest management are legally imposed on forest managers/contractors?**

There is no legal requirement to manage forests. Certain work is legally required to be undertaken which includes hay control, weed removal and replanting. During the first years of a new forest, care must be taken that seedlings are not destroyed under weeds. The nursery's early management is part of the obligation to renew forest, according to the Forestry Act.

Contractors and forest managers share the obligations of forest owners when working on behalf of them and thus must comply with safety and environmental regulations as well as protection of valuable sites for biodiversity and protected species. Forests need to be kept productive and healthy. On top of these, there is an obligation to report felling, and to renew the forest after felling.

- **What legal rights does the forest manager/contractor have in your country?**

Neither forest manager nor forest contractor are explicitly defined in the law but are used in practice. Most rights are linked to forest owners themselves, and managers or contractors are usually part of companies or are entrepreneurs and thus have separate laws regarding their businesses. Comparatively, private forest owners are not seen as entrepreneurs or businesses.

- **Is there a requirement of a forest management plan? Are there detailed prescriptions on that?**

There is no legal requirement to manage forest. The only requirement for the owner is to take care of the forest regeneration after final felling, establish new forest and ensure the survival of the new forest.

There are official forest management recommendations[107] that gather the best tools, research and practical experience for sustainable management. The recommendation is prepared by forest scientists, experts and forest owners. It is also linked to the National Forest Strategy. Compliance with the recommendations is voluntary and they are not binding. Based on their research, the recommendations are broadly followed regardless of voluntariness.

- **Is there an obligation to register the responsibility of forest manager/contractor?**

There is no legal obligation to register the responsibility of forest manager/contractor.

i. Is registration based on product income? N/A
ii. Is there a registration fee? N/A

[107] Metsänhoidon suositukset, https://metsanhoidonsuositukset.fi/fi

- **Is there a tax imposed on the forest manager? Is it based on income or hectares?**

Forest manager refers to a person who is responsible for managing the forest property. This includes the forest owner, forestry consultants, or companies who manage the forest on behalf of the owner. Taxes are paid based on forestry capital income. There is a 30 per cent tax on sales up to 30 000 euros, and over this amount, the tax percentage is 34 per cent. Capital income from forestry is subject to a five per cent entrepreneur deduction[108].

[108] Vero, https://www.vero.fi/henkiloasiakkaat/omaisuus/metsa/

5. Forest Management plans

- Are forest management plans required in the legislation of your country?
  ☒ No
  Specify where and the conditions as well as the amount of forest land with plans

According to the Forest Act, a forest plan (metsäsuunnitelma)[109] mentions timber resources and conditions, natural values, and an up-to-date plan on care and management. The purpose of the plan is to help the owner make more informed decisions. Preparing a forest plan does not bind the forest owner to anything but merely serves as a guideline for forest management and economic returns. It is highly recommended for especially those who are involved in commercial forestry or state subsidies.

The majority of private forests have a forest management plan in place. Many of them have used the help of a professional in the field to create one. The preparing of a forest plan is a deductible expense for forest taxation, and it is considered to increase the returns[110].

- Are there other type of plans required such as:
  ☐ Technical Plan
  ☐ Financial Plan
  ☐ Exploitation Plan
  ☐ Fire prevention Plan
  ☐ Hunting Plan

N/A.

- Please indicate the minimum size of forest requiring a forest management plan?

There is no obligation for forest management plans.

- On which legal basis are they required? Are they legally binding or only guidelines?

Forest management plans are voluntary and not legally binding, but the Forest Act requires forest owners to consider the requirements of sustainable forestry[111]. Forest management plans for forests in protected areas must align with the Nature Conservation Act. Many owners voluntarily have forest management plans. A forest management plan is an up-to-date plan stating the wood resources, condition, properties and management plan. Today, forest management plans are in digital form and behind login details. But access can be given to forest service providers.

[109] Metsälaki 12.12.1996/1093, chapter 1, article 4 https://www.finlex.fi/fi/laki/ajantasa/1996/19961093
[110] Metsäsuunnitelma, https://sijoitusmetsa.com/mika-on-metsasuunnitelma
[111] Metsälaki 12.12.1996/1093 Chapter 1 https://www.finlex.fi/fi/laki/ajantasa/1996/19961093

- Who has the responsibility for the implementation of forest management plans? Please include national, regional, and local levels as appropriate. Please distinguish between state and private ownership. Please distinguish between different protection status.

Most forests in Finland are privately owned. The responsibilities lie with the forest owners who can seek for advice and support from the Forest centre or local Forest Associations.

State forests are managed by the state-owned enterprise Metsähallitus. They develop and implement forest management plans. The Forest Act applies to the management and use of forests in forestry land. However, as stated in the law in Article 2, the Act does not apply to areas acquired by the state for conservation purposes or any other purpose.

Management of forests is largely done by forest owners and state bodies. However, regional and municipal authorities manage zoning and land-use which impacts forest management, and they manage Natura 2000 and other conservation forests.

There is no strict legal obligation for forest owners – whether private, corporate, municipal or state – to create or implement forest management plans, they must manage forests sustainably.

- Are forest management plans being enforced?

Forest management plans are voluntary for forest owners. Forest management plans are only enforced for protected areas.

- Is there an obligation to maintain a Forest Book (linked or related to the Farm Book of the Common Agricultural Policy (CAP)?

There is no legal obligation for private owners to maintain a Forest Book linked to the EUs common agricultural policy. However, forest management associations often keep records on behalf of the forest owners for taxes and subsidies. And Metsähallitus has to keep detailed records regarding state forests.

- How often do forest management plans need to be updated? Who is responsible for the update?

There is no requirement to update plans. Typically plans are updated every 10 years[112]. Private forest owners are responsible for their own forests, often with help from forestry consultants or associations and Metsähallitus is responsible for state owned forests.

- Are specific mechanisms put in place to guarantee that national legislation is in line with European guidelines and criteria on forest management plans (i.e. Natura 2000 Forest Management Plans?

The Nature Conservation Act has a chapter on the Natura 2000 network. When creating a Nature conservation plan or programme, areas part of Natura 2000 network have to be considered. Permits cannot be granted for projects that have a negative impact on Natura 2000 forests[113]. The Ministry of Agriculture and Forestry ensure national policies align with EU regulations and guidelines.

[112] Metsäsuunnitelma, https://tapio.fi/wp-content/uploads/2023/02/Metsasuunnittelun-maastotyoopas.pdf
[113] Luonnonsuojelulaki, 5.1.2023/9 Chapter 5, article 33, 39 https://www.finlex.fi/fi/laki/ajantasa/2023/20230009

- Are there any specific requirements for the **forest management plans** in terms of content, structure or criteria? If yes, please elaborate.

There are no specific requirements, but they often include forest inventory data about species, age, health, timber volume as well as sustainability goals about harvesting and regeneration.

- **Are there any supporting mechanism for the management plans? If yes, please elaborate.**

Forest owners can seek help from forest management associations, forest entrepreneurs or forest managers. Financial support is available from the state for plan preparation, forest regeneration and biodiversity.

- Are **there impact assessment required** in your country in relation to the adoption of the forest management plans? What mechanisms are in place in your country to ensure that forest management plans are developed to ensure sustainable forest management practices? If yes, please elaborate.

Impact assessments are not in general required, only in areas such as Natura 2000 sites, under the Nature Conservation Act or forestry projects with significant environmental effects, under the Environmental Protection Act.

- Are the **Natura 2000 sites plans already implemented and well-coordinated or integrated** with forest management plans? Are traditional forest activities recognised in those plans? Are there guidelines for small forest owners and managers on what they can and can't do?

The Finnish Forest centre monitors the habitats. Natura 2000 management plans are integrated with forest management plans. Guidelines are available for forest owners to ensure compliance with Natura 2000 objectives. For example, normally leaving behind rotting wood after felling is prohibited. In Natura 2000 forests adding rotting wood might be intentional and then the law on Prevention of Forest Destruction (Laki metsätuhojen torjunnasta) does not apply[114].

[114] Laki metsätuhojen torjunnasta, 1087/2013, chapter 6
https://www.finlex.fi/fi/laki/alkup/2013/20131087?search%5Btype%5D=pika&search%5Bpika%5D=Laki%20mets%C3%A4tuhojen%20torjunnasta%20

6. Sustainable forest management.

6.1. Sustainable forest management definition and forestry practices

- Is sustainable forest management (SFM) defined in your country?

  ☒ Yes

UPM Metsä defines as sustainable forest management[115] that forests are managed and used in an ecologically, economically, and socially sustainable manner. All of these three areas must be considered. Ecological sustainability takes into account forest diversity and valuable natural sites. Economic sustainability attaches vitality of forests to economic productivity. Taking care of forests results in healthy forests that produce good quality timber and work as carbon sinks. Lastly, social sustainability includes Freedom to Roam and considerations for the community around and future generations.

The concept aligns with the Forest Act which defines sustainable forestry[116]. Forest management must safeguard the forest's ability to regenerate, as well as protect biodiversity, climate change mitigation, and ecological and social values. The Act sets goals to ensure the sustainability of forest management and use, and forest owners have a duty to ensure that the forest is managed in a way that preserves the economic, ecological, and social values of the forest.

- Does the definition of SFM include specific objectives?

  ☒ Yes

The objectives include climate change mitigation, enhancing biodiversity, ensuring timber production and respecting Freedom to Roam, the cultural and recreational values of forests.

- Does your country have specific guidelines on Sustainable Forest Management? If yes, are those mentioned in the legislation?

  ☒ Yes, they can be found here: The Forest Act[117] requires regeneration, and sustainable forest use. The Act on the Financing of sustainable forestry[118] provides sustainable practices and financial incentives

Sustainable forest management has been practiced in Finland for a long time. The main objectives include climate change mitigation and adaptation, biodiversity and sufficient forest resources. Sustainable forest management covers economic, ecological, social and cultural dimensions[119]. Guidelines are also supported by certification systems.

- Does your country have a Forest Strategy and/or Forest Management Policy setting policy priorities that implement a SFM approach?

  ☒ Yes, they can be found here: The national forest strategy 2025[120] focuses on economic, ecological and social sustainability by implementing SFM

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[115] Kestävä metsätalous, the definition is right below the picture, https://www.upmmetsa.fi/tietoa-ja-tapahtumia/artikkelit/kestavan-metsatalouden-perusteet/

[116] In chapter 1 section 1 and 4. https://www.finlex.fi/fi/laki/ajantasa/1996/19961093

[117] Metsälaki 12.12.1996/1093 https://www.finlex.fi/fi/laki/ajantasa/1996/19961093

[118] Valtioneuvoston asetus kestävän metsätalouden määräaikaisen rahoituslain voimaantulosta 13.5.2015/593 https://www.finlex.fi/fi/laki/ajantasa/2015/20150593

[119] Puuinfo, Puutieto, kestävä metsänhoito, https://puuinfo.fi/puutieto/suomen-metsat-2/kestava-metsanhoito/

[120] Kansallinen metsästrategia, https://valtioneuvosto.fi/documents/1410837/2000444/Kansallinen+mets%C3%A4strategia_2025.pdf/

☒ Other sources setting the Forest strategy/policy

Additionally, regenerative forestry (Uudistava metsätalous) as a complementary approach aims to improve the diversity of forests by increasing diversification of tree species, the living conditions of different species in forests, adding old wood and decaying wood and protecting valuable habitats. On a practical level, regenerative forestry takes place part of the everyday forest management carried out by forest owners[121].

- Which requirements/obligations result from the legally binding requirement for SFM?

1. For forest owners
   - Ensure forest regeneration after harvesting
   - Submit a harvest notification to Forest centre before felling
   - Protect water bodies, biodiversity and habitats during forest operations, as stated in the Forest Act.
2. For forest managers

Forest managers work as experts, teachers or researchers in the forest industry, universities, forest administrations and consulting companies. Often times the work includes creating forest management plans for clients or managing forestry activities.

- Are specific criteria and/or indicators to determine whether SFM is being achieved? Where are they described (see table below)?

The Ministry of Agriculture and Forestry has set out indicators to measure SFM, including forest growth, protected areas and timber production[122]. Forest growth measures the rate at which forests grow by looking at annual growth in volume per hectare. It is linked to timber production by monitoring how sustainable timber production is over time and that the level of harvesting aligns with the growth. The percentage of protected forests and their coverage within the landscape is an indicator of ecological sustainability. The data comes from the Finnish forest centre which collects and analyses data by conducting regular forest inventory surveys and sustainability assessments.

Additionally, the National Forest Programme provides a framework for achieving sustainable forest management in Finland. It sets out long-term goals and priorities, with balancing ecological, economic and social aspects. However, no specific criteria or indicators to determine whether SFM is being achieved have been laid down.

- Are some forest managers implementing sustainable forest management practices voluntarily? If yes, how are these voluntary management practices taking place? Through citizen initiatives, local initiatives, or other ways? Please explain how forest managers ensure that forest management practices are sustainable.

Nearly all sustainable forest management practices are voluntary, as it is not legally necessary to have a plan. There is a variety of voluntary SFM practices, driven by forest certification, community-led initiatives, ecotourism, and private forest owners who go beyond legal

[121] Metsä Group, Uudistava metsätalous, https://www.metsagroup.com/fi/vastuullisuus/metsat-ja-puuraaka-aine/uudistava-metsatalous/

[122] Kansallinen metsästrategia, https://mmm.fi/documents/1410837/110695773/

requirements. Forest management associations (Metsänhoitoyhdistys) support forest owners in implementing sustainable practices by offering guidance, technical expertise and access to financial support. Additionally, the Forest biodiversity programme METSO is voluntary and aims to protect biodiversity on privately-owned lands.

Forest certificates require that forests are managed and used in a sustainable way ecologically, economically and socially. PEFC and FSC standards include requirements on biodiversity protection, carbon sequestration, soil and water protection, and forest managers undergo regular audits to ensure compliance. This covers nearly the whole country, as 95 % of Finland's forest area is certified[123].

- Which mechanisms are put in place to support the implementation of SFM? Which measures are in place to monitor implementation of the SFM?

There are financial mechanisms such as subsidies and payments for a variety of forestry activities in relation to sustainable forest management. Activities that support water protection, mitigate climate change, assist in adapting forests to climate change, promote natural management and encourage preservation are all eligible. In practice this can mean the management of samplings, health fertilisation or preparing management plans for peat land forests. Forest owners can receive both guidance on SFM practices and subsidies for SFM practices from the Forest centre, and they need to notify the Forest centre of planned harvesting to ensure compliance[124].

In addition, PEFC and FSC certificates promote SFM. And lastly, the Natural Resources Institute support SFM through research and data collection.

- Which forest management practices are required or prohibited by law in your forest/country? Please check below the proposed forest management practices and add supplementary ones if missing (Please include explanation of the legal requirements of the relevant techniques).

None of the following are required or prohibited by law in Finland. They are considered different forest management practices and can be regulated or promoted depending on their effects on the environment. The Forest Act encourages sustainable forest management practices and obliges forest owners to maintain forest health, regenerate forests after harvesting and preserve biodiversity.

☐ ~~Closer to nature silviculture practices~~

☒ Clear-cutting: not banned but regulated under the Forest Act. Clear-cutting can be a legitimate forest management practice if regulations on protecting forest ecosystems and biodiversity are followed. It can be allowed in mature commercial forests if followed by regeneration or reforestation. In conservation areas or Natura 2000 forests clear-cutting is not allowed.

☒ Shelterwood system: promoted as a more sustainable alternative to clear cutting. Forest owners are allowed to choose their harvesting method and the shelterwood

[123] Metsäkeskus, forest certfication, https://www.metsakeskus.fi/en/forest-use-and-ownership/rights-and-obligations/forest-certification

[124] Maa- ja metsätalousministeriö, metsätalouden tuet, https://mmm.fi/metsatalouden-tuet

system is often used when the goal is to maintain forest structure and allow natural regeneration.

☒ Selective logging: promoted as a more sustainable alternative to clear cutting. It maintains forest structure and biodiversity while thinning overcrowded stands and removing damaged trees or choosing specific trees for timber production. It was banned but the orest Act amendment allows it again.

☒ Afforestation and reforestation to enlarge forest areas: Afforestation is allowed and can even be encouraged as part of increasing forests and promoting biodiversity. Specific areas where afforestation can take place are regulated. It for example cannot occur in wetlands, peatlands or Natura 2000 sites. Reforestation is required by law after felling trees, as stated in the Forest Act.

☒ Controlled burn: permitted for forest regeneration, following permits and under specific conditions. The burns must be carried out under controlled conditions and have to follow fire safety measures. It is allowed however for enhancing biodiversity in dry heathlands or to improve conditions for the growth of certain tree species. It is prohibited to engage in unregulated burning.

☒ Mandatory salvage logging: The Forest Act requires salvage logging, if the forest has been damaged by a natural event and there is a risk for further damage, especially from pests or fungi.

- Are there limitations on the management models to be applied, like clearcuttings or their sizes? Is there a ban on clear cutting linked to SFM?

There is no ban on clear cutting. Forest owners can resort to clear cutting when there is no possibility for natural regeneration or clear cutting and replanting are considered more profitable. In any case, new forest must be planted. Forest certifications (FSC, PEFC) require at least five trunks of trees per hectare to be saved in clear cutting. The owner can choose the trees to be left based on value in terms of biodiversity or landscape, age, storm-resistance or size[125].

- Is there a defined/legal target for forest land to be managed for conservation and species protection objectives in your country or region?

There is no specific legal target. However, the legislation and forest management policies emphasise biodiversity and species protection. The aim is always to ensure the regeneration of a productive forest. Forest management should imitate the natural development of forests. Ecologically valuable trees, including dead and decaying trees are encouraged to be left in the forest during logging and care needs to be taken to preserve valuable natural features including the habitats of endangered species. Domestic species of local origin are preferred as they are better adapted to local environment conditions and maintain the forest ecosystems[126].

Are there forest owner obligations related to forest restoration after harvest?

The Forest Act requires forest owners to regenerate forests within three years of harvesting[127].

6.2. "Closer-to-nature" guidelines and practices

(This section relates to the Commission Guidelines on Closer to nature forest management but also Commission guidance on payment schemes for forest ecosystem services both aiming to provide information and guidance for sustainable forest management)

- Has your country incorporated the newly published Commission guidelines in their legal or regulatory framework?

Finland has not yet incorporated closer-to-nature forest management guidelines into its legislation, but its policies are aligned with EU biodiversity and climate goals.

[125] Forest.fi, clearcutting, https://forest.fi/article/not-just-clearcutting-finnish-state-forests-are-harvested-by-twelve-different-methods/

[126] Maa- ja metsätalousministeriö, Metsänhoidon suositukset, https://mmm.fi/metsat/metsatalous/metsatalouden-kestavyys/metsanhoitosuositukset

[127] Metsälaki, chapter 2, article 8 https://www.finlex.fi/fi/laki/ajantasa/1996/19961093

- Has your country **recognised under law/regulatory measure a closer-to-nature approach** in forest management? If yes please provide the source where this is explained and elaborate below.
  ☒ No
- Does your country have legislation/measures setting specific biodiversity targets/management objectives for sustainable forest management at a national or regional level?
  ☒ Yes, at national level – they can be found here: National biodiversity strategy and action plan (Kansallinen luonnon monimuotoisuuden strategia ja toimintaohjelma)[128].

Please describe them and elaborate:

Finland is currently creating a new National Biodiversity Strategy (Kansallinen luonnon monimuotoisuusstrategia)[129]. The previous strategy was until 2020, but a new strategy is being prepared because natural diversity continues to decline. The goal is to connect the national strategy with the new objectives set internationally by the UN Convention on Biological Diversity and the EU biodiversity strategy. It targets the root causes of nature biodiversity loss and promotes the recovery of degraded ecosystems. The aim is to improve the measurability of the implementation.

6.3. Climate change and Forest carbon absorption

- Does your country have legislation/measures setting specific climate change targets or objectives for sustainable forest management at a national or regional level?

The Climate Change Act (Ilmastolaki) sets national climate targets[130], and the National Forest Strategy[131] reaches for bioeconomy, carbon absorption and resource efficiency.

There is a separate law for forests in wilderness areas (Erämaalaki). These areas are established to preserve the natural environment, protect Sami culture and natural activities and to develop the versatile use of nature. These areas are located in Lapland. Special permissions are needed from the state for road construction, leasing of area or mining[132]. The management plan has to be confirmed by the Ministry of the Environment.

[128] Ympäristöministeriö, Kansallinen strategia, https://ym.fi/hankesivu?tunnus=YM039:00/2021

[129] Valtioneuvosto, Kansallinen luonnon monimuotoisuusstrategia, https://valtioneuvosto.fi/hanke?tunnus=YM039:00/2021

[130] Ilmastolaki 10.6.2022/423, https://www.finlex.fi/fi/laki/ajantasa/2022/20220423

[131] Kansallinen metsästrategia, https://mmm.fi/documents/1410837/2000444/Kansallinen-mets%C3%A4strategia_esite.pdf/

[132] Erämaalaki 17.1.1991/62 Sections 1-7 https://www.finlex.fi/fi/laki/ajantasa/1991/19910062

7. Forest land market

NOTE: The key objective is to identify and present information on the basic legal framework regulating market of forest land and inheritance processes.

- Are there specific legal requirements or limitations when selling and buying forest land?

There are no significant restrictions. If the forest owner is the legitimate owner and transactions comply with general property laws, there is a right to sell. The change in ownership must be registered with the National Land Survey of Finland. The buyers also have to apply for title registration within six months of the sale. The sale must be formalised with a written contract. The new owner must continue to comply with the Forest Act.

Individuals from Finland and the European Economic Area can freely buy forest land. Non-EEA buyers might need to obtain permissions depending on the location of the forest[133].

It is advised to follow the recommendations from the authorities and to make sure the potential subsidies received do not affect selling.

- Are there limitations to divide the land by selling or inheritances?

The Property Formation Act (Kiinteistönmuodostamislaki)[134] regulates land divisions to prevent fragmentation. Forest estates are often divided among inheritors as joint ownership structures, but economic viability has to be uncompromised. Almost 90 per cent of forests are inherited or bought through deals between relatives. The Inheritance and Gift tax Act (Perintö- ja lahjaverolaki)[135] even encourages family transfers by offering reduced tax rates.

- Are there institutions/bodies providing information related to the forest land market?

The Finnish Forest centre provides data on forest holdings and guidelines for forest owners. The Natural Resources Institute publishes statistics on forest land transactions and market trends.

- Are there institutions/bodies contributing to dynamize that market, like forest land banks or advisory bodies (similar to the CAP advisory bodies) and others? Is there regular information on the amount of forest land transferred and the prices of transmissions? (Information on this market is usually missing)

Forest owner associations facilitate transactions between buyers and sellers and between them and forest owners, as well as offer advisory services. The Forest centre upkeeps a public forest data portal and although not formalised, private forest investment funds engage in land trading and advisory services, such as Metsä Group[136]. Many banks in Finland, such as S-Pankki, OP[137] or

[133] Laki eräiden kiinteistönhankintojen luvanvaraisuudesta 29.3.2019/470 https://www.finlex.fi/fi/laki/ajantasa/2019/20190470

[134] Kiinteistönmuodostamislaki, 12.4.1995/554, https://www.finlex.fi/fi/laki/ajantasa/1995/19950554

[135] Perintö- ja lahjaverolaki, 12.7.1940/378 https://www.finlex.fi/fi/laki/ajantasa/1940/19400378

[136] Metsä Group, https://www.metsagroup.com/fi/tietoa-metsa-groupista/kasvun-strategia/investoinnit/

[137] OP, rahoitus metsätilan hankintaan, https://www.op.fi/henkiloasiakkaat/teemat/metsanomistajan-palvelut/rahoitus-metsatilan-hankintaan

Säästöpankki offer special loans for forest purchasing or upkeep and invest in forests around Finland and Europe[138].

- Are there **regulations of forest land leasing**? Are they common with agricultural land or independent and with specific requirements?

There are no provisions on forest land leasing under general property leasing laws.

- **Are there obligations and or access to insurances for forest land or forest activities?**

There is no obligation, but insurance products for forest owners are widely available from banks and insurance companies with specialised forest policies and insurances that cover risks such as fire, storms and pests[139].

- Are there specific regulations providing, **facilitating or limiting access to financial credits** for forest activities or mortgages on forest land?

Forest land can be used as collateral for loans[140]. Some banks also offer products specifically for forest owners. On the other hand, government loans and grants for sustainable forestry are available under the Act on the Financing of Sustainable Forestry[141].

[138] S-pankki, metsäsijoittaminen https://www.s-pankki.fi/fi/saastaminen-ja-sijoittaminen/rahastot/s-pankki-metsa-a/
[139] Uuden metsänomistajan tietopaketti, https://www.metsalehti.fi/metsanomistus/uuden-metsanomistajan-tietopaketti/
[140] OP, lainan vakuus, https://www.op-media.fi/omat-rahat/lainat/metsatila-kay-myos-lainan-vakuudeksi/
[141] Kestävän metsätalouden määräaikainen rahoituslaki, 34/2015, https://www.finlex.fi/en/laki/kaannokset/2015/en20150034?

8. Forest companies, Forest incentives and taxation.

Forest Companies

- **Is there a register of forest industries? Is there a register of forest contractors?**

There is no centralised register for forest industries. Finnish Forest Industries Federation (Metsäteollisuus ry)[142] represents and protects the interests of major forest industry companies including pulp, paper, paperboard manufacturers, sawmills and plywood mills.

Forest contractors on the other hand must register as businesses and the Forest centre maintains a register of them for advisory and training purposes.

- **Is there any specific regulation on forest ownership, forest cooperatives or other types of forest companies or are they all regulated under the Company Law?**

Forest cooperatives are regulated under the Cooperatives Act (Osuuskuntalaki)[143]. This act governs the formation and operations of forest cooperatives, which are often composed of private forest owners who join together for joint management. The largest cooperative in Finland is Metsäliitto[144] which plays a significant role in forest management, timber harvesting, and other services for its members. Private forest companies are governed by general Company Act (Osakeyhtiölaki)[145] which regulates all types of companies on corporate structures, management, and shareholder rights. Otherwise, there is no specific regulation on other enterprises.

- **Do small forest owners have access to the status of forest companies?**

Small forest owners can establish cooperatives or private companies if they want to manage their holdings collectively and increase the economic benefits of smaller plots.

Forest incentives and taxation

Apart from subsidies, several other incentives are available:

- Forest owners can deduct expenses related to forest management, such as costs for planting or thinning.
- Profits from the sale of timber or land can be exempted from capital gains tax and a 5 % self-employment tax deduction applies to capital income from forestry. Whenever forest is bought or exchanged, a forest owner can enjoy significant tax advantage. 60 per cent of the purchase price creates a forest deduction base, for which wood from the forest can be sold tax-free[146].
- And through the METSO programme, forest owners can receive financial support for forests set aside for conservation.

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[142]Metsäteollisuus ry, https://www.metsateollisuus.fi/

[143] Osuuskuntalaki, 14.6.2013/421, https://www.finlex.fi/fi/laki/ajantasa/2013/20130421

[144] Metsäliitto Osuuskunta, https://www.metsagroup.com/fi/sijoittajat/metsa-group-sijoituskohteena/metsaliitto-osuuskunta/.

[145] Osakeyhtiölaki, 21.7.2006/624, https://www.finlex.fi/fi/laki/ajantasa/2006/20060624

[146]Stora Enso, https://www.storaensometsa.fi/21-tarkeinta-verovinkkia-metsanomistajalle/

- Are there **effective subsidies** for forest owners and managers to implement SFM? And/or to carry out biodiversity conservation measures? If it does exist, please compare the total amount paid at national level in the last 3 years with available information with the amount defined as necessary at the Prioritised Actions Framework.

The state encourages forest owners to engage in long-term, profitable forestry and wood production. State funding is available as environmental support for protecting biodiversity and preserving nature. The subsidies are given to forest owners to help with basic improvements of forest roads, or various forestry works, and this will lead to activating and encouraging private forest owners to sustainable forest management. No subsidies are granted for commercial logging or for any activities considered as obligations of the owner[147].

- What taxes are applicable to Forest companies and forest owners?

Forest owners need to keep record of their forest activities. Forest owners pay taxes on forest income. Forest land is also subject to property taxes. The owner or the holder submits a tax return for the forest income and expenses once a year. And forestry businesses that have an annual turnover of over 20, 000 euros, have to register for VAT.

Buyers of wood in turn make necessary withholding tax on the income from the wood sale[148].

[147] Suomen sijoitusmetsät, https://sijoitusmetsat.fi/suomen-sijoitusmetsien-metsasijoituskoulu-osa-7-kuinka-paljon-metsa-tuottaa-hehtaaria-kohden/

[148] Uuden metsänomistajan tietopaketti, https://www.metsalehti.fi/metsanomistus/uuden-metsanomistajan-tietopaketti/

9. Enforcement: Forest control and penalties.

- Are there specific measures in place to enforce compliance with the legal requirements on forest management?

The legislative oversight lies mostly with the Forest Act, which ensures compliance with sustainable harvesting, reforestation and biodiversity conservation. The Finnish Forest centre monitors compliance and conduct regular inspections. They can investigate violations or enforce penalties such as fines, loss of subsidies or forced restoration of habitats, if needed.

The Nature Conservation Act protects forests with high biodiversity value and the Environmental Institute and Metsähallitus are responsible for enforcing compliance with this law.

- Forest owners are required to report felling activities to the Forest centre and they ensure compliance with the Forest Act. A permit is required in certain cases such as protected areas.
- The Forest Act outlines the need for replanting after harvesting. The Forest centre is responsible for ensuring compliance.
- Environmental impact assessments are required by the Environmental Protection Act for certain large-scale forest activities. ELY-centres are responsible for overseeing compliance.

10. Conclusions

10.1. Legal or regulatory barriers for SFM

- What are the main legal and regulatory barriers and enablers affecting the implementation of SFM in your country?

There are strong subsidy programmes and advisory services as well as a high percentage of certification which enables forest owners to implement SFM. On the other hand, the barriers include:

- Limited coordination between forest and land-use planning laws and inconsistencies in enforcing Natura 2000 protection zones across country. For example, only a small percentage of Southern Finland is part of the Natura 2000 network. However, the state has created the METSO-program that protects forests and biodiversity in Southern Finland.
- A high per centage of forests, around 95 % are certified under PEFC or FSC certificates. The PEFC forest certification standards are not stricter than the national legislation and although FSC certification requirements are stricter, they are still not sufficient in terms of biodiversity. In consequence, the legislation or forest certifications are not enough to ensure sustainable forest management preserves and restores forests and their natural values[149].
- Finland has strong subsidy programs that include biodiversity conservation, afforestation, climate-friendly forestry. They are government-backed initiatives. Simultaneously, voluntary conservation measures may not be comprehensive enough to ensure sustainable forest management.
- Metsähallitus owns and manages state forestry. While it is setting aside forests for conservation, there still are forestry revenue targets which can negatively impact implementation of sustainable forest management practices.

- Are there specific legal and regulatory barriers or challenges to implement a closer-to-nature approach in forest management in your country?

There is no real legal obligation to practice closer-to-nature techniques outside of the protected areas. Economic pressures can also favour more intensive forestry including clear cutting which has limitations on bio-diversity focused practices. Not enough forests are left outside of economic forestry or left as protected forests as only around 12 per cent of forest area in the country has been protected[150].

[149] Kuntametsät asukkaiden ja luonnon keitaiksi. 2011. Laura Räsänen and Keijo Savola. Suomen Luonnonsuojeluliitto.
[150] Luonnonvarakeskus, https://www.luke.fi/fi/uutiset/euroopan-metsat-2020-raportti-julkaistu-metsien-pintaala-ja-puuston-maara-ovat-kasvaneet-edelleen

- What are the main legal drivers for implementing a closer-to-nature approach in forest management for relevant actors?

The Finnish legislative framework promotes biodiversity, sustainability and environmental protection. The main legal drivers are the following:

- The Forest Act emphasises the need for forest management that balances economic, environmental and social goals. It encourages natural regeneration, which aligns with a closer-to-nature approach.
- The Nature Conservation Act promotes protected areas and old-growth forests. Forest management in Natura 2000 forests must restrict intensive forestry practices.
- The Environmental Protection Act
- The Forest Biodiversity Programme METSO encourages forest owners to conserve biodiversity by setting aside forest areas for preservation. This program compensates forest owners for maintaining natural forest structures and old-growth forests, aligning with a closer-to-nature approach by protecting forests with high biodiversity value.
- The National biodiversity strategy is pushing to integrate conservation into forest management which is built on the expectations from EU directives.
- And lastly, there is also in general a high consumer demand for more sustainable practices.

10.2. Legal or regulatory gaps in national forest legislation

Please provide key conclusions based on the information referred to in previous sections.

While Finland has strong enablers for sustainable forest management such as financial support and advisory services, challenges remain.

- Legal frameworks, including the Forest Act, the Nature Conservation Act and the Environmental Protection Act, are supportive but not sufficient to ensure closer-to-nature forestry, biodiversity preservation or climate change adaptation.
- While natural regeneration and sustainable forest management practices are encouraged, economic pressures, and in some cases even incentives, can push for more intensive forestry practices, such as clear-cutting, which can undermine biodiversity. Selective logging, shelterwood system and natural reforestation are promoted but there is no legal obligation to adopt these practices.
- The majority of Finland's forests are privately owned, and private owners have significant flexibility in how they manage their lands. While there are subsidy programs and advisory services, sustainable practices are not enforced. Regulatory tools could be strengthened to ensure private forests contribute more to national sustainability goals.

National experts on forest legislation and references

- **Please provide the names and contacts of 3 to 5 experts in forest legislation in your country,**
  - Ulla Pakarinen, Forest Lawyer, ulla.pakarinen@mhy.fi
  - Markku Remes, Leading Forestry Expert at Forest centre, markku.remes@metsakeskus.fi
  - Satu Rantala, Ministerial Adviser at Ministry of Agriculture and Forestry satu.rantala@gov.fi
- Provide **key books or articles analysing the national and/or regional forest legislation** in your country, particularly if they compare it with other countries, if they analyse the effect in actual management of SFM.
  - Jokiranta, A., Juntti P., Ruohonen A., & Räinä J. (2019). *Metsä meidän jälkeemme*. Like Kustannus Oy, https://doi.org/10.14214/ma.10303
  - Kukkanen A. (2012). *Suomalaisen metsätalouden monet kasvot*. Kansallisen metsäohjelman toimijoiden käsityksiä kestävästä metsätaloudesta ja suosituksia sen kehittämiseksi. https://helda.helsinki.fi/bitstreams/bf0fe5d4-2c49-4bbf-8e35-25c0a25d5ce5/download
  - Lillandt M. (2011). *Murroksen jälkeen – metsien käytön tulevaisuus Suomessa*. Metsätieteen aikakauskirja, https://metsatieteenaikakauskirja.fi/pdf/6646
  - And additionally, the National Forest Strategy 2025 (Kansallinen metsästrategia 2025).

PARTNERS



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