



### Good practice fiche

<b>Title of the policy or measure (in English)</b>	Special Action Plan as part of the National Strategy for tackling the grey economy and economic crime for 2016-2020
<b>Case study/good practice name</b>	Finland: action programme to tackle the grey economy and economic crime
<b>Country</b>	Finland
<b>Sectors</b>	All sectors
<b>Target groups</b>	Employers and employees, companies, citizens and different authorities
<b>Type of measure</b>	Choose an item
<b>Short sentence summarising the measure</b>	The Action Plan against the Grey Economy and Economic Crime consists of 20 measures under four key project areas, central to achieving the objectives of the government's National Strategy for Tackling the Grey Economy and Economic Crime for 2016-20.
<b>Background</b>	
<ul style="list-style-type: none"><li>Background context driving the implementation of the measure</li></ul>	<p>Since 1996, the Finnish government issued seven resolutions under an action plan to reduce the grey economy and economic crime. The first action plan covered the years 1996–98 and the latest one covered the years 2012–15. The resolutions were prepared through cooperation between different ministries and government agencies and the preparations were coordinated by the Ministry of the Interior.</p> <p>Then on 12 April 2016 the Ministerial Committee on Economic Policy adopted a strategy to tackle the shadow economy and economic crime through a government resolution. To implement the strategic objectives, the Steering Group for the prevention of economic crime (from within the Ministry of the Interior) prepared a separate action plan which lists concrete measures and their goals (see below), the responsible parties, a timetable for the measures, and means for assessing their impact.</p>
<ul style="list-style-type: none"><li>When was the measure implemented? (including start date and end date/ongoing)</li></ul>	A resolution on a National Strategy for Tackling the Grey Economy and Economic Crime was issued by the government on 28 April 2016. The strategy will cover the period 2016-20. In order to monitor and follow the implementation of the programme a special steering group established within the Ministry of the Interior.
<ul style="list-style-type: none"><li>Names(s) of authorities/bodies/organisations involved</li></ul>	<p>The Ministry of the Interior coordinates the work connected to the shadow economy. It appointed a steering group for the prevention of economic crime representing a broad range of ministries and other public authorities e.g. Ministry of Economic Affairs and Employment, Ministry of Social Affairs and Health, Ministry of Finance, Finnish Competition and Consumer Authority Ministry of Justice, Office of the Prosecutor General etc. The steering group prepared the special action plan to combat the shadow economy and economic crime, together with all relevant ministries.</p> <p>Each ministry must prepare the necessary legislation and other measures agreed in the action plan and also initiate follow-up on the measures in the</p>

	plan for which they are responsible. The steering group for the prevention of economic crime will also, as necessary, coordinate the implementation of the measures and any further actions. It will also monitor and report to the Ministerial Committee on Economic Policy on progress made in the implementation of the strategy, assess the need to amend it and report annually on the progress of the projects to the Ministerial committee.
<ul style="list-style-type: none"> <li>• Scope of the measure (a pilot project, nationwide, regional wide)</li> </ul>	Nationwide
<ul style="list-style-type: none"> <li>• Type of (policy) measure</li> </ul>	It is an action plan as part of a national strategy for tackling the shadow economy and economic crime.
<b>Key objectives of the measure</b>	<p>According to the Grey Economy Information Unit the aim is “to ensure corruption-free business and a level playing field for all companies.”<sup>1</sup></p> <p>The strategic objectives are:</p> <ul style="list-style-type: none"> <li>• To promote healthy competition between companies;</li> <li>• To prevent the grey economy and economic crimes;</li> <li>• To increase the effectiveness of the action taken by the authorities for tackling the grey economy and economic crimes by improving their cooperation; and</li> <li>• To enhance the process of combatting crime related to the grey economy.</li> </ul> <p>The measures that are central to achieving the objectives set out in the national strategy and those with the widest impact are included in the action plan.</p>
<b>Specific measure</b>	
<ul style="list-style-type: none"> <li>• Description of how the measure operates in practice</li> </ul>	The accompanying action plan to the strategy is currently made up of 20 measures (for which various ministries are responsible) that have been divided on the basis of four key projects identified in the strategy. The four key projects and associated measures include the following:

<sup>1</sup> The Grey Economy 2016, Grey Economy Information Unit, Finnish Tax Administration. Internet: [https://www.vero.fi/download/The\\_Grey\\_Economy\\_2016/%7B30075BD0-6B33-4C12-80FA-F05BBF7C743B%7D/12687](https://www.vero.fi/download/The_Grey_Economy_2016/%7B30075BD0-6B33-4C12-80FA-F05BBF7C743B%7D/12687)

**Key project 1: Ensure well-functioning markets and healthy competition by improving opportunities for companies and citizens to act honestly, by reducing the administrative burden and by enhancing anti-corruption action;**

1.1 Increasing the availability of and public access to free information on the fulfilment of obligations and on actors potentially engaged in the shadow economy

1.2 Setting up a National Income Register

1.3 Reducing the regulatory burden arising from action against the shadow economy and economic crime, and its monitoring

1.4 Enhancing the prevention, identification and detection of corruption

1.5 Cross-sectoral study on measures to tackle the shadow economy in the sharing economy

**Key project 2: The authorities will intervene proactively in phenomena associated with the shadow economy and economic crime and take action to influence people's attitudes;**

2.1 Situation awareness function to combat the shadow economy and economic crime

2.2 Tackling undeclared work and promoting national and international cooperation

2.3 Action plan to step up the fight against money laundering

2.4 Study on the applicability of type-approved point-of-sale systems in Finland

2.5 Action plan to step up the fight against financial market abuse

2.6 Promoting the preparation of plans under the EU Waste Shipment Regulation (EC/1013/2006) to control international shipments of waste

**Key project 3: Improve exchange of information between the authorities;**

3.1 Further development of the powers of public authorities and of provisions on the exchange of information

3.2 Study on problems caused by companies declared insolvent during the enforcement procedure

**Key project 4: Enhance the effectiveness of the process of combating crime related to the shadow economy and further develop administrative sanctions;**

4.1 Extending the scope of application of administrative sanctions

4.2 The criminal investigation authorities, the Office of the Prosecutor General, the Finnish Tax Administration and the Bankruptcy Ombudsman will create an operating model which when applied in practice may ensure the imposition of criminal liability by determining the scope of pre-trial investigation and by applying effective administrative sanctions

4.3 Study on the effectiveness of detection and investigation of tax abuses

4.4 Review of the scale of punishments for economic offences

4.5 Reducing the duration of the criminal procedure

4.6 Cooperation project between the authorities responsible for enforcement, prosecution, criminal investigation and taxation to enhance the tracing, safeguarding and confiscation of the proceeds of crime

4.7 Enhancing enforcement procedures for confiscating the proceeds of crime after final judgment, especially in international cases

The steering group for the prevention of economic crime will, as necessary, coordinate the implementation of the measures and any further actions. The action plan may be updated during its period of validity in response to the monitoring of the implementation and as required by the decisions made by the government. The aim is to amend the action plan as necessary to meet any development needs that may arise as the situation changes.

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<ul style="list-style-type: none"> <li>Which groups are targeted by the measure?</li> </ul>	Employers and employees, companies and citizens, authorities
<ul style="list-style-type: none"> <li>What resources and other relevant organisational aspects are involved?</li> </ul>	The steering group for tackling economic crime will supervise the progress of implementing the action plan. It also evaluates the need for changes in the plan and reports on the implementation to the Ministerial Committee on Economic Policy annually.
<ul style="list-style-type: none"> <li>What are the source(s) of funding?</li> </ul>	Government funding – each authority is responsible for the measures which are relevant to them within their own current budget.
<b>Evaluation and outcome</b>	
<ul style="list-style-type: none"> <li>Has the measure achieved its objectives?</li> </ul>	It has been agreed that the action plan will be followed up at intervals of six months by the steering group of the plan. The organisations (ministries and authorities) which are responsible for the actions must report on progress made in implementing the plan, and on the evaluation of the effectiveness of the projects and measures.
<ul style="list-style-type: none"> <li>Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved</li> </ul>	Each responsible ministry and authority will report to the steering group and each are responsible for implementing the actions which are their responsibility and are also responsible for evaluations or assessments of whether the goals are being achieved. Not all measures will be evaluated via independent studies due to the lack of financial resources.
<ul style="list-style-type: none"> <li>What are lessons learnt and the key conditions for success?</li> </ul>	<ul style="list-style-type: none"> <li>Cooperation between authorities plays a central role in preventing and combatting the grey economy and economic crime and enhancing the effectiveness of the action of the authorities, and it could be significantly improved by better coordination and exchange of information;</li> <li>Removing barriers and limits to the exchange of information would be a cost-effective way of combatting the grey economy (this also applies to the exchange of information at international level and how this process can be influenced);</li> <li>Permanent structures need to be in place to prevent and combat the grey economy and economic crimes.</li> </ul>
<ul style="list-style-type: none"> <li>Level of transferability (e.g. other countries/groups/sectors)</li> </ul>	How transferable this measure is depends on the national context.
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<b>Sources</b>	Reducing economic crime and the shadow economy:

	<a href="http://www.intermin.fi/en/development_projects/reducing_economic_crime_and_the_shadow_economy">http://www.intermin.fi/en/development_projects/reducing_economic_crime_and_the_shadow_economy</a> Tax Administration - Combating the grey economy: <a href="https://www.vero.fi/en-US/Tax_Administration/Combating_the_grey_economy">https://www.vero.fi/en-US/Tax_Administration/Combating_the_grey_economy</a> The Grey Economy 2016, The Grey Economy Information Unit, Finnish Tax Administration <a href="https://www.vero.fi/download/The_Grey_Economy_2016/%7B30075BD0-6B33-4C12-80FA-F05BBF7C743B%7D/12687">https://www.vero.fi/download/The_Grey_Economy_2016/%7B30075BD0-6B33-4C12-80FA-F05BBF7C743B%7D/12687</a>
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