

# FINNISH EMPLOYEE SHARE ISSUE REGIME

Saving up to 50% on tax

## SHARES CAN BE ISSUED BELOW FAIR VALUE

Shares can be issued at their "mathematical value" i.e. the equity value of the shares. No taxable income is triggered at the time of the subscription.



“  
But employees  
carry risk of loss  
of capital  
”

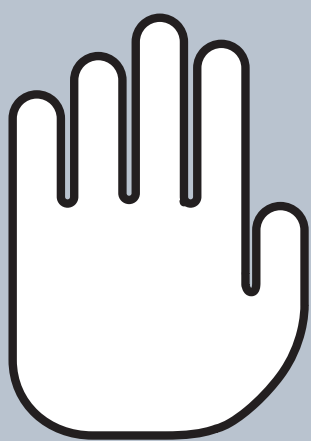
## TAX COST 18% - 34%

Future sale of shares will be taxed as capital gain 30% - 34% on the gain (not progressively taxed earned income as bonuses and employee options). Final tax cost often approx. 18% - 27% compared up to approx. 55% on earned income.\*

\*based on deemed acquisition cost of 20% and after 10 year holding period 40%.

## MAIN REQUIREMENTS

Must be available to over 50% of employees. Amount of offered share to be proportional employee's gross salary or otherwise measurable value of labor input.



## DOES NOT APPLY IF

1. Issuer is a publicly listed company
2. Issuer is not the direct employer
3. Issuer is not located in the EEA
4. Issuer is not carrying out business activities (BITA)
5. The employee holds directly or with family members more than 10% of the Issuers shares or voting rights

"GREAT WAY TO INCENTIVISE EMPLOYEES  
WITH SHAREHOLDER VALUE"

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