

Guide

Guidelines for providing
home-based accommodation



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Introduction

The popularity of new types of home-based (peer-to-peer) accommodation has grown in recent years as a result of the increase in electronic channels via which such accommodation can be arranged. Even though you may only be providing home-based accommodation on an irregular basis, as an accommodation provider you should be aware of the legislation on the subject.

In these guidelines, home-based accommodation refers to the provision of temporary accommodation (such as a bed, room or apartment) by a private individual in his or her home on an irregular basis in return for payment. For example, a private individual may offer guest accommodation at home in connection with a summer event.

These guidelines have been drawn up jointly by the authorities.

1 Check the identity of guests

To ensure security and trust for both guests and host, you should check the identity of guests when they arrive, make a note of their contact details (name, address, phone number and email address) and retain this information.

NOTE: Professional accommodation services are governed by the Act on Accommodation and Food Service Operations. Professional accommodation service providers (including farm stays and bed-and-breakfast) are responsible for ensuring that a visitor notification as referred to in section 6 of the Act is completed for each guest. The Act also includes provisions on disclosing and storing guest details. The Act does not, however, apply to accommodation provided on an irregular basis.

More information on the responsibilities that apply when providing accommodation is available at:

<http://www.yrityssuomi.fi/en/lupa/-/julkaisu/majoitus-hotellit-hostellit-ym>



2 Pay attention to hygiene if providing breakfast

If you are providing a breakfast service, it is essential to ensure a good standard of hygiene (e.g. ensure that products which need to be cool, such as cheese, cold cuts and milk, are stored in the fridge, and observe the 'use by' dates).

If providing other meals, it is recommended that you take the Hygiene Passport food hygiene proficiency test.

NOTE: Under the Food Act, a food premises notification must be submitted and the legal provisions complied with if you are providing a regular meals service (excl. breakfast) in connection with the accommodation.



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3 Pay the appropriate taxes

In accordance with the Income Tax Act all income obtained as money or monetary benefit is taxable, however small, unless it is separately specified by law as being free of tax.

Payment given in return for accommodation to a private individual who is providing home-based accommodation is taxable income and must be declared to the tax authorities. The responsibility for declaring this lies with the person receiving the payment. The recipient of the payment must also pay the amount of tax to be prepaid.

- The payment given in return for accommodation is rental income that is treated for taxation purposes as capital income (tax rate of 30 per cent if the total taxable capital income does not exceed EUR 30,000 during the year).
- Expenses related to the rental income are deductible before the final tax is determined. However, the value of your own work is not deductible.
- Instead of the bookkeeping required under the Accounting Act, it is sufficient that you record income and expenditure and keep all receipts, without having to perform separate bookkeeping.

NOTE: If the turnover from your accommodation business for the full financial year exceeds the limit of EUR 10,000, you must register as being liable to pay value added tax.

If you also engage in other business activities, the EUR 10,000 limit is calculated on the basis of the gross proceeds from your business activities.



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- The value added tax payable on the provision of accommodation is 10 per cent, and the value added tax payable for providing meal services is 14 per cent.
- A party registered as liable to pay value added tax is entitled to deduct the value added tax incorporated in the price of purchases made in taxable business activities.
- If a party liable to pay tax takes goods or services that are in taxable use for private consumption, he or she will be required to pay tax on the personal use.
- More detailed provisions can be found in the Value Added Tax Act (1501/1993) and in the Finnish Tax Administration's guidance.



4 Pay attention to safety – in the interests of both host and guests

The accommodation provider is responsible for ensuring fire safety and the safety of emergency exits in the building:

- Each accommodation room must have at least one functioning fire alarm in addition to the fire alarms in other spaces.
- The fire extinguishing equipment in the accommodation facilities must be adequate and its location clearly marked.
- The emergency exits must be usable and free of obstruction.
- The information posted on the door of each accommodation room must feature guidelines showing the emergency exit routes and any assembly point, instructions for different accident situations, the exact address of the accommodation facilities and the contact details of the accommodation provider. (Rescue Act: 379/2011)



Safety checklist for accommodation providers and guests:

- Remember to check at regular intervals that the fire alarm works properly.
- Instruct guests in the safe use of e.g. barbeque equipment, fireplace, sauna.
- Remind guests
 - never to leave any naked flame unattended (e.g. candles or fireplace)
 - to extinguish candles in their rooms before going out, and
 - to refrain from smoking indoors.

Up-to-date advice of both a general and more detailed nature on fire safety matters is available on the following websites.

<http://www.kotitapaturma.fi/tapaturmatyypit/paloturvallisuus> (in Finnish)

<http://www.spek.fi/In-English/Safety-Information/Fire-Safety/Protect-your-home-from-fire>

NOTE: A written notification of establishment in accordance with section 13 of the Health Protection Act (763/1994) must be completed in the case of professional provision of home-based or holiday residence accommodation, and submitted to the municipal health protection authority no later than 30 days before the start of the operation.

NOTE: Providers of home-based or holiday residence accommodation must also take into account that if the site has its own well/water supply point, the household water must meet certain requirements and the water quality must be regularly monitored. You should contact your local municipal health protection authority.

5 Other things to consider

- Check that your home insurance also covers any loss or damage caused by guests.
- Make sure that you follow the rules of your housing company by, for instance, notifying the management company that you are providing accommodation.
- If the provision of home-based accommodation is in a rented home, make sure that you comply with the requirements of the Act on Residential Leases (481/1995), such as:
 - The tenant may not assign the apartment or any part of it for use by another person without consent as expressed in the lease agreement or given separately by the lessor.
 - The tenant is also liable to compensate the lessor for any damage to the apartment caused wilfully or through negligence or other carelessness by a person residing there with the permission of the tenant.



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MEE guidelines and other publications 6/2016
ISSN 2342-7922 (electronic publications)
ISBN 978-952-327-140-1

Layout:
TEM 5/2016

