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## Finland: Update on National Insolvency Statistics (2024)



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**Since our last country report in January 2023, the number of insolvency proceedings has risen in Finland. Two years ago, the COVID-19 pandemic and the impacts of the conflict in Ukraine had not yet significantly influenced the number of insolvency proceedings in Finland.**

However, likely due to the prolonged economic recession, high interest rates and generally uncertain economic situation, the number of insolvency proceedings has gone back to pre-pandemic levels. The number of bankruptcies has been high especially in the service, commerce, and construction sectors.

After a dip during the pandemic, the number of restructuring applications has exceeded the average level of 448 restructuring applications per year which was the average number after the financial crisis of 2008. Last year, the number of bankruptcy filings in Finland exceeded those recorded after 2008. The number of applications for preventive restructuring proceedings has remained low.

On a general level, the economic recession in Finland has led to a decrease in investments and consumption, along with an increase in unemployment. Additionally, the financial situation in the European Union and globally also affects the Finnish economy, for instance, by reducing exports. The challenging economic conditions have started to hinder larger companies. Previously, most of the insolvency applications concerned small and medium-sized

companies. Now there has been an increase in the number of applications concerning large-scale companies also.

### **Preventive restructuring proceedings**

As reported in our country report in January 2023, new preventive restructuring proceedings were introduced in Finland in July 2022. In 2023, a total of four preventive restructuring proceeding applications were filed. By the end of Q3/2024, only two applications had been filed. In total, only eight preventive restructuring proceedings were filed between July 2022 and Q3/2024. The numbers are low compared to the number of regular restructuring proceedings.

It seems the preventive restructuring proceedings have not caught on yet. The reasons are unclear but we assume this may be the result of novelty of the proceedings and the fact that restructuring applications supported by creditors are available as an alternative only in regular restructuring proceedings.

### **Regular restructuring proceedings**

A rising trend in restructuring applications started in 2022 and continued through 2023 and 2024. In 2022, the total number of applications was 339, whereas a total of 449 regular restructuring proceedings were initiated in 2023. In 2024, the total number of regular restructuring proceedings was 462.

The number of filings in 2023 and 2024 was quite close to the

average number of filings since the financial crisis in 2008 when there were 448 filings per year. This would imply that the dip in proceedings during the pandemic was only temporary.

### **Bankruptcy proceedings**

The number of bankruptcy applications grew drastically in 2023 and the rising trend continued in 2024. In 2023, a total of 3,315 bankruptcy applications were filed, which is more than during the financial crisis in 2009 when the total was 3,275. By the end of the year of 2024, a total of 3,484 filings had been made, surpassing even this number. Furthermore, in 2024, monthly bankruptcy filings exceeded those in 2023, with the exceptions of January, September, and November.

### **Summary**

It remains to be seen whether the rising trend in insolvency proceedings continues in 2025. While Finland's economy can be expected to slowly recover from the recession, uncertainty about the global economic outlook remains. Political changes in the USA and possible tariffs on European goods could hit the EU's largest economies hard which would also have an impact on Finland. Moreover, while a decrease in interest rates has been anticipated, it has not yet fully materialized. The uncertain economic environment diminishes companies' propensity to invest, which can consequently result in more bankruptcies among other businesses and generally impede economic growth. ■