

## Interest Act

(633/1982; amendments up to 32/2013 included)

### Section 1—*Scope of application*

- (1) This Act lays down provisions on the interest for monetary debts.
- (2) This Act does not apply to:
  - (1) a debt subject to public law;
  - (2) motor liability insurance, patient insurance, employers' liability insurance or statutory pension insurance nor employees' group life insurance or a comparable benefit granted by a municipal pension institution; (974/1993)
  - (3) regularly paid maintenance which has been confirmed by virtue of the Marriage Act (234/1929, *avioliittolaki*) nor to a claim under the right of recourse of a municipality based on a maintenance allowance paid to a child by virtue of the Maintenance security act (671/1998, *elatusturvalaki*); nor to (675/1998)
  - (4) an obligation to refund a received compensation or benefit when a contract is annulled or the benefit proves to be unfounded, in so far as paying interest prior to the due date of the debt is concerned. (943/1983)

### Section 2—*Freedom of contract* (340/2002)

- (1) The obligation to pay interest is determined under this Act, unless otherwise follows from the obligation of the debtor or a business practice or unless otherwise provided by law.
- (2) If the debtor's obligation is related to a contract concerning consumer credit or another consumer good or service between a business and a consumer or to a contract according to which the debtor acquires, by purchasing or renting, accommodation for himself or herself or the members of his or her family, the obligation is invalid in so far as the debtor would be liable to pay higher interest for late payment than laid down in sections 4—11. In such cases, if the debtor has undertaken to pay a commission, fee or other comparable recurrent payment in lieu of or in addition to the interest for late payment, the obligation is invalid in so far as the combined amount of the interest for late payment and the said payment exceeds the interest calculated under sections 4—11.

Section 3—*Interest for debt* (340/2002)

- (1) The debtor is not liable to pay interest for the time preceding the due date of a debt.
- (2) If the liability to pay interest for a debt has been agreed on without determining the interest rate, the debtor must pay annual interest in accordance with the reference rate referred to in section 12 in force at the time in question.

Section 4—*Amount of the interest for late payment* (846/2009)

- (1) In case the payment of a debt is delayed, the debtor must pay annual interest for late payment for the delayed amount. The amount of the interest is seven percentage points higher than the reference rate referred to in section 12 in force at the time in question.
- (2) If the interest for late payment determined under subsection 1 is lower than the interest paid for the debt prior to the due date, interest for late payment must be paid in accordance with the same grounds as prior to the due date. However, if the debtor's obligation is related to a contract concerning consumer credit or to another contract referred to in section 2(2), interest for late payment must be paid in accordance with the same grounds as prior to the due date for a maximum of 180 days from the date when the debt became due in full. If a court judgment concerning the debt is passed before the above-mentioned period of 180 days has elapsed, interest must be paid in accordance with the same grounds as prior to the due date until the court judgment is passed.

Section 4 a—*Amount of the interest for late payment in commercial contracts* (32/2013)

- (1) If the delay concerns a payment referred to in section 1 of the Act on the terms of payment for commercial contracts (30/2013, *laki kaupallisten sopimusten maksuehdoista*), the debtor must pay annual interest for late payment for the delayed amount. The amount of the interest is eight percentage points higher than the reference rate referred to in section 12 in force at the time in question.
- (2) If the interest for late payment determined under subsection 1 is lower than the interest paid for the debt prior to the due date, interest for late payment must be paid in accordance with the same grounds as prior to the due date.

Section 5—*Interest for late payment for a debt with a due date*

- (1) If the due date of a debt has been fixed in advance in a manner binding on the debtor, interest for late payment must be paid from the due date onwards.
- (2) Interest for a debt of an agent or another person based on accountability must be

paid from the date the accounts are presented. If the accounts have not been presented on time, interest for late payment must be paid from the date on which the accounts were, at the latest, to be presented.

*Section 6—Interest for late payment for a debt without a due date (340/2002)*

- (1) If the due date has not been fixed in advance in a manner binding on the debtor, interest for late payment must be paid when 30 days have passed from the date on which the creditor sent an invoice to the debtor or otherwise requested payment of a fixed amount of money. The debtor is not, however, liable to pay interest for late payment for the period preceding the receipt of the invoice or request.
- (2) If the matter concerns a debt referred to in section 2(2), the invoice or another request for payment must include the amount of the interest for late payment in force at the time in question and the date from which the interest for late payment must be paid. The debtor is not liable to pay interest for late payment for the period that has passed before he or she received information on the interest for late payment from the creditor.

*Section 7—Interest for late payment for compensation of damages (340/2002)*

- (1) Interest for late payment for compensation of damages or a corresponding debt, the grounds for and the amount of which require a specific investigation, must be paid when 30 days have passed from the date on which the creditor presented his or her claim and provided such information on the grounds for and the amount of the compensation that can reasonably be required of him or her, taking also the debtor's possibilities to obtain such information into account. If the information is found insufficient only with regard to the amount of the debt, interest for late payment must, nevertheless, be paid for the part of the debt that can reasonably be found to be established.
- (2) Provisions on the time limit of an insurer for fulfilling a payment obligation are laid down in section 70 of the Insurance Contracts Act (534/1994, *vakuutusopimuslaki*).

*Section 8—Interest for late payment for compensation of damages for an intentional offence*

Interest for late payment for compensation of damages caused by an intentional offence must be paid from the date the damages occurred.

Section 9—*Commencement of the obligation to pay interest for late payment in certain cases* (340/2002)

However, in cases referred to in sections 6 and 7 above, interest for late payment must be paid, at the latest, from the date on which a summons concerning the payment of the debt was served on the debtor or, if the claim is presented during court proceedings, from the date on which the claim was presented.

Section 10—*Grounds for a release from liability*

- (1) If it has been impossible to pay the debt on time due to a reason attributable to the creditor, the debtor is liable to pay interest after the due date only from the date when he or she became aware of the cessation of the hindrance.
- (2) If the payment is delayed due to a provision of law or an interruption in the public transport or payment transactions or other similar case of force majeure, the debtor is liable to pay only such interest for the duration of the delay caused by the hindrance that he or she was liable to pay prior to the due date of the payment.

Section 11—*Adjustment of the interest for late payment* (340/2002)

- (1) Interest for late payment may be adjusted if the debtor is a natural person and the debt is not related to the debtor's business activities. The requirements for the adjustment are that:
  - (1) the payment is delayed due to financial difficulties that the debtor has suffered because of illness, unemployment or other special reason which is primarily not attributable to the debtor himself or herself;
  - (2) there are weighty reasons for the adjustment when the amount of the interest for late payment in relation to the financial status of the debtor is taken into consideration and the delay of payment is not attributable to a manifestly frivolous attitude towards incurring or payment of the debt on the part of the debtor; or
  - (3) the debtor is found to have had a justified reason to refuse to pay his or her debt.
- (2) Interest for late payment may be adjusted under subsection 1(2) also for the part of the debt that has previously been confirmed by a final judgment.

Section 12—*Reference rate* (340/2002)

The reference rate referred to in this Act is the interest rate applied by the

European Central Bank to its most recent main refinancing operation carried out before the first calendar day of each half-year rounded up to the nearest half-percentage point. The reference rate in force on the first calendar day of the half-year in question applies for the following six months.

Section 12 a—*Notice of confirmation of the reference rate (32/2013)*

The Bank of Finland must, without delay, publish a notification of the reference rate referred to in section 12 and its period of validity in The Statutes of Finland. The notification must also include the amounts of interests for late payment referred to in sections 4(1) and 4 a(1).