

# RESTAURANT BUSINESS **ABC**

Advice for starting a cafe or restaurant



Helsinki

# GOOD PLANNING MAKES STARTING EASIER

This guide includes practical advice to make the first steps of your business easier. Starting a cafe or restaurant is a long journey, during which you will face many obligatory responsibilities regarding regulations, rules, permits and authorities.

This guide focuses on the most common matters you will need to take care of. Careful preparation, thorough plans and doing things in the right order will ensure that everything goes smoothly. When you follow the

advice in the guide, you can get your business off to a faster start.

The last pages contain some useful contact information and links where you can find more information about starting a business. The guide was compiled by NewCo Helsinki. NewCo is a service centre for aspiring and established entrepreneurs. It offers the services needed by entrepreneurs, all in the same place, starting from the creation of a business idea.

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# THE MAIN STAGES OF STARTING A CAFE OR RESTAURANT



# 1. A BUSINESS PLAN CREATES A STRONG FOUNDATION FOR A COMPANY



A successful company needs a clear concept and a carefully-devised business plan. The necessary customer flow and sales require a suitable location, a concept that interests customers and professional implementation. City of Helsinki Urban Facts can provide information on the demographics of different neighbourhoods, for instance.

The profitability and viability of a business is also affected by things such as investments, the cost structure and its flexibility, and the funding required by the start-

It is particularly important to ensure that you have sufficient funding.

ing expenses and future seasonal fluctuations.

It is particularly important to ensure that you have sufficient funding. When starting a business, you need

to have capital to cover your expenses until you have sufficient income.

A business plan includes an estimate of the funding and other resources required to start the business and of the development of sales and the financial result. There are several business plan templates available online. A business plan is an important tool for you, and it is also a good basis for negotiations with financiers. You can also get advice and sparring help for your business plan from the business advisers at NewCo Helsinki.

**Options for starting a company**

You can start a cafe or restaurant by buying an existing company, business or share in one. Making such a purchase requires you to familiarise yourself with the business carefully and make explicit and detailed contracts. It is recommended that you use an independent expert (such as an accountant, auditor or corporate lawyer) or an agent who specialises in the restaurant industry. You can find good advice in specialised literature.

Starting a business includes the normal procedures related to

founding a company, but in the restaurant industry, the regulations related to the location, health and safety regulations, alcohol licences and many other things also require you to contact a number of different city authorities. In these matters, a professional principal designer is an invaluable partner.

Taking the contents of this guide into consideration will allow you to start your business smoothly and without surprises. Co-operation with the authorities will be easy from the beginning.

You can start a cafe or restaurant by buying an existing company, business or share in one.



# CALCULATIONS

It is recommended that you make a written business plan and calculations for your restaurant. This guide includes examples of a funds statement, a profitability calculation and a sales calculation. The funds statement shows both the amount of funding needed and the sources of funding. The profitability calculation shows the profitability of the business at a monthly and yearly level. The calculation also shows the daily and hourly sales targets. A sales calculation estimates the sales volume at a monthly level.

The examples have been calculated for a fictional 50-seat restaurant in a Helsinki neighbourhood. The company is a limited liability company with two entrepreneurs. In addition to the entrepreneurs, the personnel include two full-time employees. The restaurant serves lunch, à la carte dishes, desserts, cafe products, non-alcoholic and alcoholic beverages and cigarettes. The restaurant is open five days a week from 11 am to 10 pm. The restaurant's rent is €1,500 a month + VAT 24%. The rental deposit equals two months of rent. The water and electricity expenses of the restaurant are, on average, €400 + VAT 24% per month.

## Funds statement

The "required funds" column of the statement includes expenses relating to intangible assets, reservations for machinery and equipment, expenses relating to movable property, the working capital reserved for three months and the required current and financial assets. The sources of funding include share capital of €2,500, a shareholder loan of €35,000, a bank loan of €41,000, a supplier loan of €500 and a loan of €6,000 from the entrepreneurs' parents. The required funds and the

<b>An example of a funds statement (a limited liability company)</b>		<b>EUR</b>	
<b>REQUIRED FUNDS</b>			
<b>Intangible assets</b>	Founding expenses	380	
	Other: a shareholders' agreement, alcohol licences, etc.	2,000	
<b>Machines and equipment</b>	IT	500	
	Production equipment to be purchased	15,000	
	Contributions in kind (such as a computer and equipment)	0	
	Vehicles	0	
	Furniture	10,000	
	Phone/fax/internet, incl. installation fees	200	
	Machinery and hardware installations	2,000	
	Renovation of the premises	2,000	
<b>Movable property</b>	Office supplies	500	
	Other utility goods, such as cutlery	5,000	
<b>Working capital (three months)</b>	Initial marketing/flyers	3,000	
	Premises expenses	Rent and rental deposit	7,500
	Equipment expenses	Equipment hire/leasing	600
	Salaries	Personnel expenses	12,000
	Entrepreneur's income		15,000
<b>Current and financial assets</b>	Initial stock	8,700	
	Working capital reserve/cash	620	
<b>REQUIRED FUNDS IN TOTAL</b>		<b>85,000</b>	
<b>SOURCES OF FUNDING</b>		<b>EUR</b>	
<b>Equity</b>	Share capital	2,500	
	Shareholders' investments	0	
	Means of production and equipment owned by shareholders	0	
	Other	0	
<b>Loan capital</b>	Shareholder loan	35,000	
	Bank loan	41,000	
	Finnvera loan	0	
	Other	0	
	Loans from suppliers	500	
<b>Other funding</b>	Loan from parents	6,000	
<b>Difference</b>		0	
<b>SOURCES OF FUNDING IN TOTAL</b>		<b>85,000</b>	

sources of funding equal the same amount, €85,000. The entrepreneurs will repay the bank loan of €41,000 in five years, and the interest on and expenses relating to the loan amount to 5% of the loan sum. The shareholders will start repaying the shareholder loan and the loan from their parents later when it is possible. This is why the profitability calculation does not include the management expenses of these loans. The supplier loan will not be repaid as it is an advance bulk discount for the restaurant.

### Profitability calculation

A profitability calculation starts with the definition of a profit target. The profit target is set at €10 per month: this means the company will make a small profit. In the beginning, you should know how much you need to sell to cover all expenses. The margin percentage is at 60%, approximately, meaning material expenses amount to more than €130,000 in a year. The restaurant pays 24% and 14% in value-added tax for the sales of alcohol and cigarettes, and the sales of food and non-alcoholic beverages, respectively. In the calculation, the average VAT percentage is calculated as 15.4%. The restaurant will be closed for two weeks annually, meaning it will be open for 11.5 months a year. The restaurant will be open on 21 days a month. According to the calculation, the daily turnover needs to be at least €1,349, meaning there needs to be €1,557 in the cash till/bank account at the end of each day to cover all expenses.

### Sales calculation

The figures in the sales calculation do not include VAT. In the calculation, the average price for each product group is given. For example, the prices of the à la carte dishes range from €7 to €22, but the average price is €15. Customers are divided into daytime and evening customers. The entrepreneurs estimate that the restaurant's daily sales

<b>Example of a profitability calculation: (Limited liability company, two entrepreneurs)</b>	<b>Month</b>	<b>Year (12 mos.)</b>
<b>= Profit target (net)</b>	10	120
+ loan instalments (loan period of 5 years; €41,000)	683	8,200
<b>AFTER-TAX INCOME</b>	693	8,320
+ 20% corporate tax	173	2,080
<b>= Financing requirements</b>	867	10,400
+ loan interest (5%)	171	2,050
<b>A. OPERATING MARGIN (required)</b>	<b>1,038</b>	<b>12,450</b>
+ Fixed expenses (VAT 0%)		
YEL: self-employed persons' pension insurance, 24.1% (based on annual income of €24,250; reduction of 22% for first 4 years)	380	4,557
Other insurance policies	200	2,400
Salaries	4,000	48,000
Add-on expenses to salaries, 50%	2,000	24,000
Entrepreneurs' salaries	5,000	60,000
Add-on expenses to entrepreneurs' salaries, 3%	150	1,800
Premises expenses	1,900	22,800
Leasing expenses	200	2,400
Telecommunications expenses (phone, internet, etc.)	100	1,200
Accounting, auditing, filing tax returns	200	2,400
Office expenses	50	600
Travel and vehicle expenses, daily allowances	200	2,400
marketing expenses	300	3,600
Training, books, journals	150	1,800
Repairs and maintenance	150	1,800
Unemployment fund contributions	28	336
Other expenses (music licences, MaRa, Helsingin Yrittäjät, work clothes, cleaning)	250	3,000
<b>B. FIXED EXPENSES IN TOTAL</b>	<b>15,258</b>	<b>18,093</b>
<b>REQUIRED GROSS MARGIN (A+B)</b>	<b>16,296</b>	<b>195,552</b>
+ purchases (materials and equipment) (VAT 0%), margin 60%	10,864	130,368
<b>REQUIRED TURNOVER</b>	<b>27,160</b>	<b>325,920</b>
- other net proceeds		
+ VAT 15.4% (weighted average of 14% and 24%)	4,183	50,196
<b>REQUIRED SALES/INVOICING IN TOTAL</b>	<b>31,343</b>	<b>376,116</b>
Monthly invoicing target, 11.5 months	20,341	32,706
Daily invoicing target, 21 days	1,349	1,557
Hourly invoicing target, 11 hours	123	142

will consist of 45 lunches, making €945 a month, 58 à la carte meals, making €1,218 a month; 22 desserts/cafe products, making €462 a month; 50 non-alcoholic beverages, making €1,050 a month; 45 alcoholic beverages, making €945 a month; and 40 packets of cigarettes. The positive difference of the

restaurant's result is €4,534 a month compared to the result of €10, meaning the restaurant is more profitable than was planned. If the difference was negative, the restaurant would need to raise its prices, reduce expenses or increase the sales volume to achieve a positive result.

### Example of a sales calculation (one month):

PRODUCT	Lunch buffet €9	A la Carte dish €15	Desserts €7	Non-alcoholic beverages €4	Alcoholic beverages €7	Cigarettes €7	EUR/ month (VAT 0%)						
Price per unit	7.90	13.16	6.14	3.51	5.65	5.65							
- expenses	3.40	4.70	2.50	1.50	2.30	5.05							
= margin	4.50	8.46	3.64	2.01	3.35	0.60							
Customer group	num- ber	Total	num- ber	Total	num- ber	Total	num- ber	Total	num- ber	Total	num- ber	Total	In total €/month
Daytime cus- tomers	945	4,253			42	153	420	844	105	352	10	6	
Evening cus- tomers			1,218	10,304	420	1,529	630	1,266	840	2,814	30	18	
Sales margin total		4,253		10,304		1,682		2,111		3,166		24	21,539
Product sales total	945	7,466	1,218	16,029	462	2,837	1,050	3,686	945	5,339	40	226	35,582

Below, you can also see an example of a sales forecast for three years. You should draw up a sales forecast if you apply for funding from Finnvera, for instance.

REQUIRED SALES MARGIN	Month	Year
Turnover (VAT 0%)	35,582	409,191
Expenses total	-14,043	-161,496
Sales margin total	21,539	247,695
Required sales margin in the profitability calculation, 11.5 months	17,005	195,552
DIFFERENCE (potential need for additional sales)	4,534	52,143
Difference in % (the goal is to achieve a difference of below 80%)	79%	79%

ANNUAL GROWTH PERCENTAGE	Year 2	Year 3
Income	15%	10%
Expenses	10%	5%

### An example of a sales forecast for three years:

PROFIT PLAN	Year 1	Year 2	Your estimate	Year 3	Your estimate
<b>Sales revenue</b>	470,569	541,154		595,268	
VAT	61,378	70,585		77,643	
<b>Turnover</b>	409,191	470,569		517,625	
Materials and supplies	161,496	177,645		186,527	
Personnel expenses	138,357	152,192		159,801	
Rent	22,800	25,080		26,334	
Marketing	6,600	7,260		7,623	
Other business-related expenses	18,336	20,169		21,177	
<b>Operating margin</b>	61,602	88,223		116,163	
Financing expenses	2,050	1,640		1,230	
Taxes	10,425	16,203		22,151	
Gross ordinary surplus	49,127	70,380		92,782	
Depreciations	7,425	5,568		4,176	
<b>Result</b>	41,702	64,812		88,606	

## 2. FINDING PREMISES AND STARTING TO USE THEM



The premises for a cafe or restaurant are usually rented. The rental contract needs to be made in writing and for a sufficient period of time. Typically, a contract is fixed-term for 5–10 years in the beginning, after which it will continue as a non-fixed-term agreement using the period and terms of notice agreed on. The contract should be made for a sufficiently long period so that the repairs, renovations, equipment purchases and marketing investments made in the premises can be repaid during the contract period. However, a contract period that is too long may become a burden. The premises also need to have sufficient seating capacity, as well as sufficient working and

storage space, to accommodate the intended operations.

A fixed-term contract binds the tenant for the entire duration of the contract. According to the law, a tenant can transfer the contract to the buyer when selling the business. However, it is common that rental contracts include a provision that states the landlord's consent is required for transfer, meaning that

the landlord may review the new tenant prior to the transfer. Use of the premises as cafe or restaurant premises must be agreed on in the rental contract. The contracts also needs to include the rent sum, the liabilities for use and maintenance, and the terms of when and how the rent may be raised. When purchasing premises, you should investigate all matters related to the purpose of use, restrictions, charges, etc. of the premises.

The landlord, seller or agent of the premises must inform the tenant of major plumbing or facade renovations or similar operations that may have a negative impact on the cafe or restaurant business.

**Suitable premises are key in a successful restaurant business.**

### **The premises need to be suitable for use as a cafe or restaurant**

When procuring premises, you must ensure they may be used as food premises where food can be prepared, stored, sold or served. Even if the premises have housed a cafe or restaurant in the past, it is possible that they are not suitable for a new restaurant business as such. You should verify the suitability of the premises before signing a rental or sales contract, or include a condition regarding potential changes into the contract.

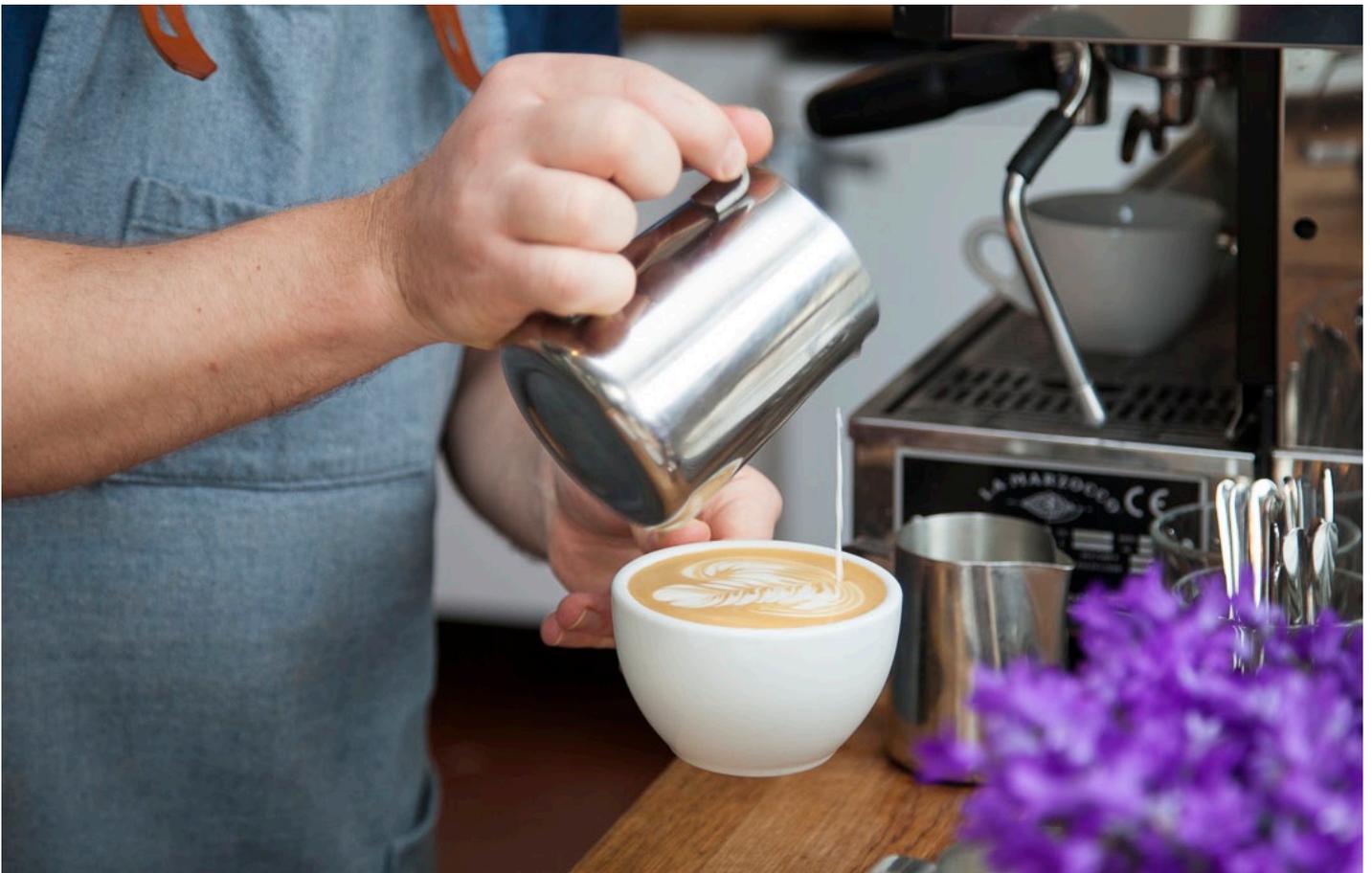
If the premises do not have a permit from the building control services for use for a restaurant business, the purpose of use of the premises needs to be changed, with the

**Cafe or restaurant premises need to comply with food safety regulations.**

building control services' approval, before the premises can be used. A promise from the property owner, housing co-operative or property manager is not sufficient proof that the premises may be used for a cafe or restaurant. Many requirements related to the building, heating, plumbing, air conditioning, hygiene, safety, accessibility, city plan, cityscape or other matters may prevent

the start of the business or require expensive alterations or renovations, in which case you need to ensure in advance that the alterations or renovations can be made.

Even if the business that previously operated in the premises had the required permits, you should consult the relevant authorities, nevertheless. New or changed requirements may be placed on the new business to continue operating on the premises. In addition to building control, this also applies to the requirements related to food safety and rescue services. You can find more information on these matters later in this guide. You should also inspect the rental contract and compliance of the premises when purchasing a restaurant.



### Alterations require a building permit from the building control services

Renovations and alterations that go beyond renovating and redecorating the surfaces and the interior usually require a building permit. A building permit is required regardless of seating capacity or other matters related to the restaurant industry. Outdoor terraces, serving counters, fences, furniture, advertisement signs, etc. often require a separate minor construction permit or other location permits. A permit is not required if the work is done according to the outdoor purpose instructions of the building control services. Further instruction on the permits related to terraces: [https://www.hel.fi/static/rakvv/ohjeet/Ulkotarjoilualueet\\_terassit\\_2014.pdf](https://www.hel.fi/static/rakvv/ohjeet/Ulkotarjoilualueet_terassit_2014.pdf)

When planning alterations, it is recommended that you hire a principal designer and contact the building control services to see if the alterations to the premises can be made. Helsinki is divided into areas by district. The permit secretaries of each area can help you proceed with your renovations. [www.hel.fi/rava](http://www.hel.fi/rava)

Generally, the owner or holder (housing co-operative or property company) of the plot will request a change of purpose or a building permit, but they may also grant the business owner a power of attorney to request the permit. The housing co-operative or property company may set requirements and restrictions for the business or changes regarding opening hours, noise level, smoking, the facade or the use of the yard and pavement areas. You should clarify and write down such restrictions when making the rental contract.



Outdoor terraces, serving counters, fences, furniture, advertisement signs, etc. often require a separate minor construction permit or other location permits.

### Documents and plans required for the building permit

- The application must be filed online: [www.lupapiste.fi](http://www.lupapiste.fi)
- A power of attorney (if the housing co-operative will not be signing the application), a description on the right of possession and the minutes of the applicable board meeting
- Drawings related to the permit
- Layout on which city plan markings and regulations are marked
- Ground plans
- Profile drawings
- Facade drawings
- A photo of the building to be altered
- Changes to the seating capacity

### In addition, the following are required:

- HPAC plans and drawings
- Structural drawings if the structures will be changed

The building services engineering units of the building control services supervise the construction and carry out the inspections mentioned in the permit, which are: initial notification/meeting, structural inspection, sanitary engineering inspection, ventilation inspection and final inspection. The premises may only be commissioned after the final inspection.

### Use the services of a professional designer

The building permit and the associated procedures require the use of a qualified principal designer. When planning the alterations, requirements related to matters such as the building code, hygiene and noise level regulations and rescue and occupational safety regulations must be considered. Design and planning require expertise, and experts can also help you with the permit processes and working with the building control services.

When the building control services receive plans and designs pro-

duced by a professional, where requirements have been taken into account, the necessary permits may be processed smoothly and the alteration work can be started quickly: this will allow you to keep to the schedule and open your restaurant as planned.

When you have high-quality plans, it will be easier to request quotes from building contractors and furniture and equipment suppliers, and make express contracts regarding installations, schedules, etc.

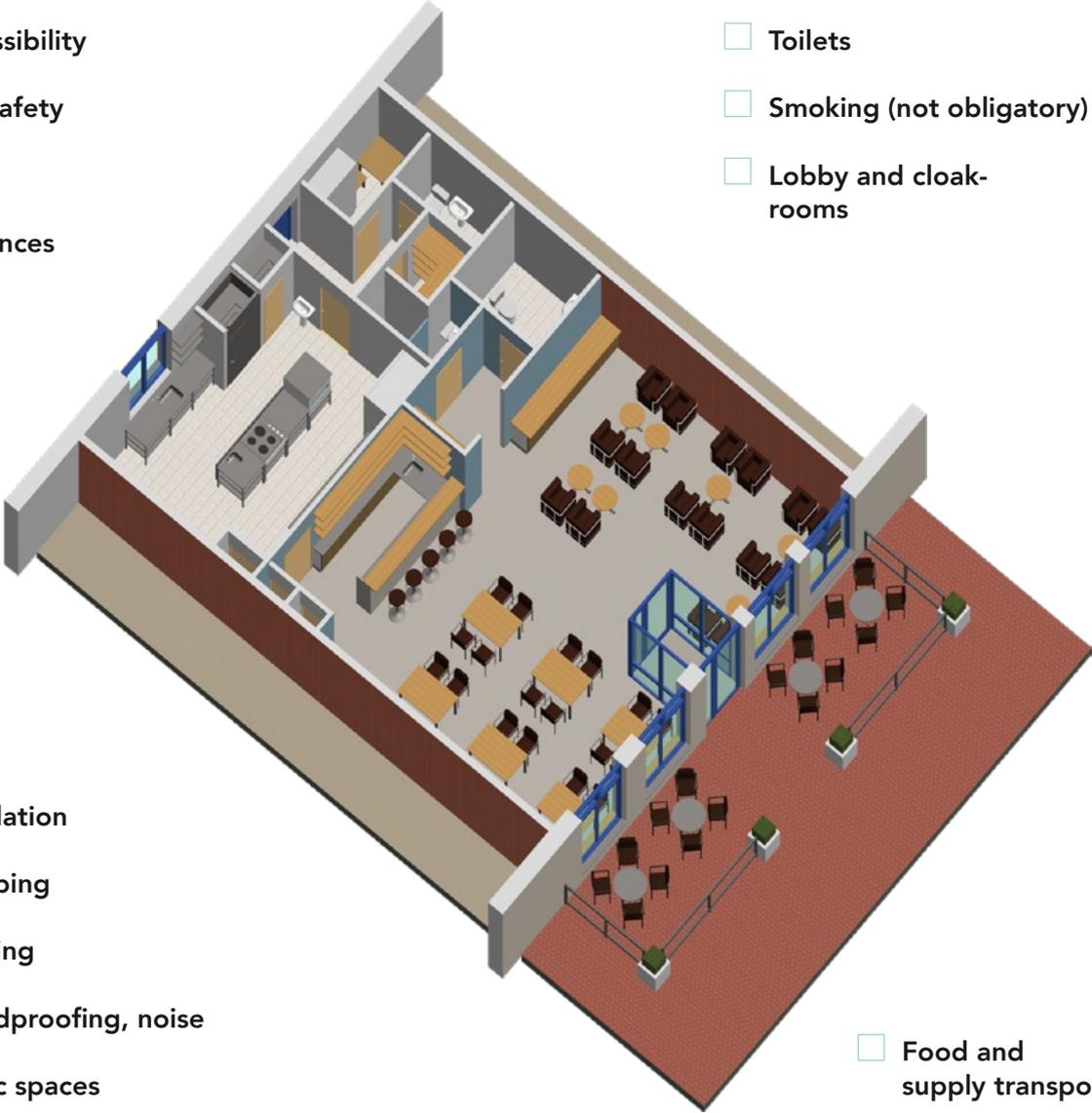
There are many building, safety and food safety regulations related to

cafe and restaurant premises. Many of the requirements depend on the approved seating capacity.

On the next pages, we list the most important matters you will need to consider when planning any cafe or restaurant.



**THINGS TO CONSIDER WHEN MAKING ALTERATIONS TO A CAFE OR RESTAURANT**

- 
- A 3D isometric floor plan of a restaurant. The plan shows a kitchen area with a stove and sink, a dining area with several tables and chairs, a bar area, and an entrance area with a glass door. The layout is designed to show the spatial arrangement of different parts of the restaurant.
- City plan
  - Protection of the building
  - Accessibility
  - Fire safety
  - Exits
  - Entrances
  - Personnel facilities
  - Cleaning and waste management
  - Toilets
  - Smoking (not obligatory)
  - Lobby and cloak-rooms
  - Ventilation
  - Plumbing
  - Lighting
  - Soundproofing, noise
  - Public spaces
  - Dining hall
  - Kitchen
  - Food and supply transport
  - Dry storage and cold storage spaces
  - Terrace and outdoor serving area
  - Advertising equipment and awnings

A building permit is required for altering the premises for restaurant use or significant renovations and alterations.

The building permit is applied for by the owner of the property or the business operating within the property, with the permission of and a power of attorney from the property owner.

The building permit requires you to use an approved principal designer and to have the construction supervised. The expenses caused by these should be included in the calculations.

Any protection regulations concerning the building need to be complied with.

### An example of a layout

Kaupunginosa/Kylä	Korttel/Tila	Tontti/Rno	Viranomaisen nimekirjoja
Rakennuksen numero/Rakennusten numerot/Rakennustunnus/Rakennustunnukset			
Rakennuslomperole	Piirustustyö	Juokseva no	
MUUTOSTYÖ	PÄÄPIIRUSTUS		
Rakennuskohde	Piirustuksen sisältö	Mittakaava	
	ASEMAPIIRUSTUS	1:500	
Suunnittelijan yhteystiedot: yritys, osoite ja puhelinnumero	Työnumero	Piirustuksen tunnus	Muutos
Vastuullinen suunnittelija: nimi, tutkinto, allekirjoitus ja päiväys	Suunnitteluala	Tiedosto	

**ASEMAKAAVAMERKINNÄT JA MÄÄRÄYKSET**

**K** Liike- ja toimistorakennusten korttelialue. Katutasoon on sijoitettava myymälä-, ravintola-, kahvila- tai muita asiakaspalvelutiloja. Rakennusten ylimpiin kerroksiin saa sijoittaa asuntoja edellyttäen, että hyvät asumisolosuhteet turvataan.

--- 2 m kaava-alueen rajan ulkopuolella oleva viiva.

— Korttelin, korttelinosan ja alueen raja.

- - - Osa-alueen raja.

— Ohjeellinen tontin raja.

X Risti merkinnän päällä osoittaa merkinnän poistamista.

4 Kaupunginosan numero.

162 Korttelin numero.

2 Ohjeellisen tontin numero.

3826 +ma272 Rakennusoikeus kerrosalaneliömetreinä.

Lukusarja yhteenlaskettuna osoittaa rakennusoikeuden kerrosalaneliömetreinä korttelialueella. Ensimmäinen luku osoittaa maanpäällisen kerroksissa sallitun kerrosalan. Toinen luku osoittaa maanalaississa tiloissa sallitun neuvottelu-, kuntokeskusi- ja liiketilojen kerrosalan. Tilat voidaan toteuttaa ehdolla, että niitä voidaan osittain valaista suoralla tai välillisellä luonnonvalolla.

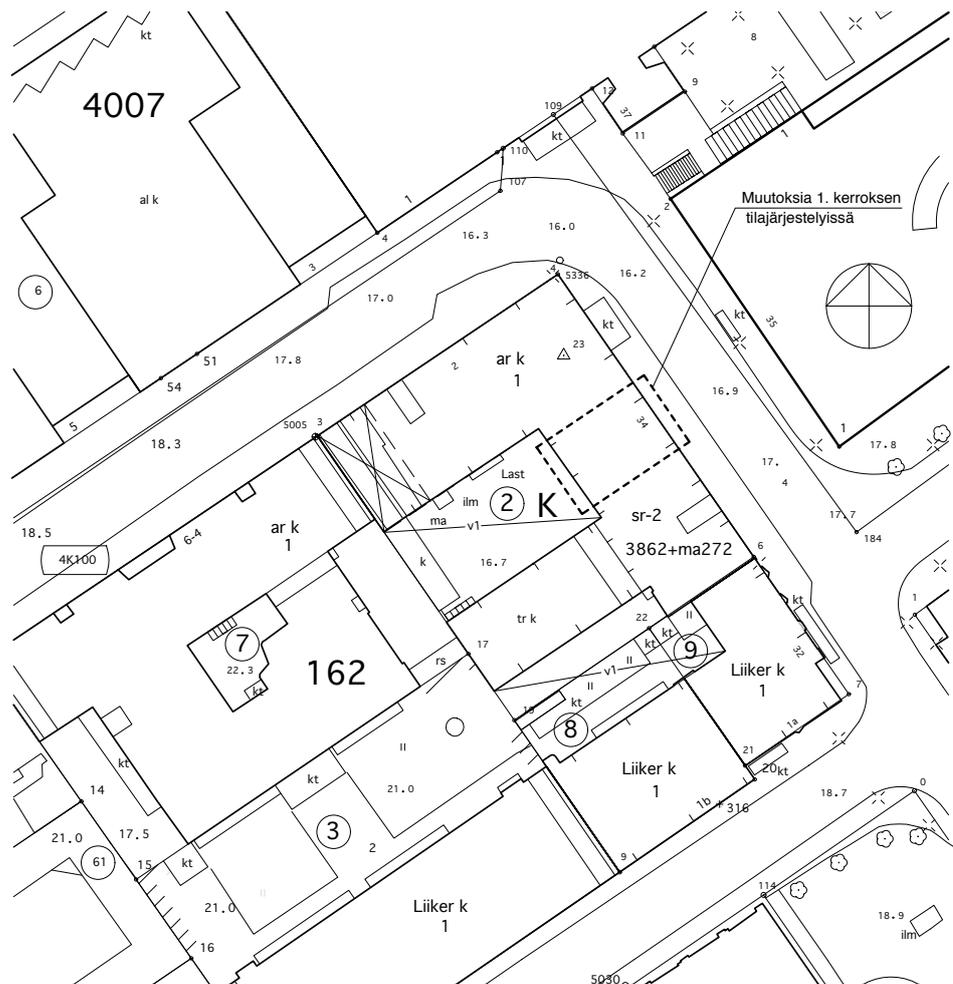
I Roomalainen numero osoittaa rakennuksen, rakennuksen tai sen osan suurimman sallitun kerrosalun.

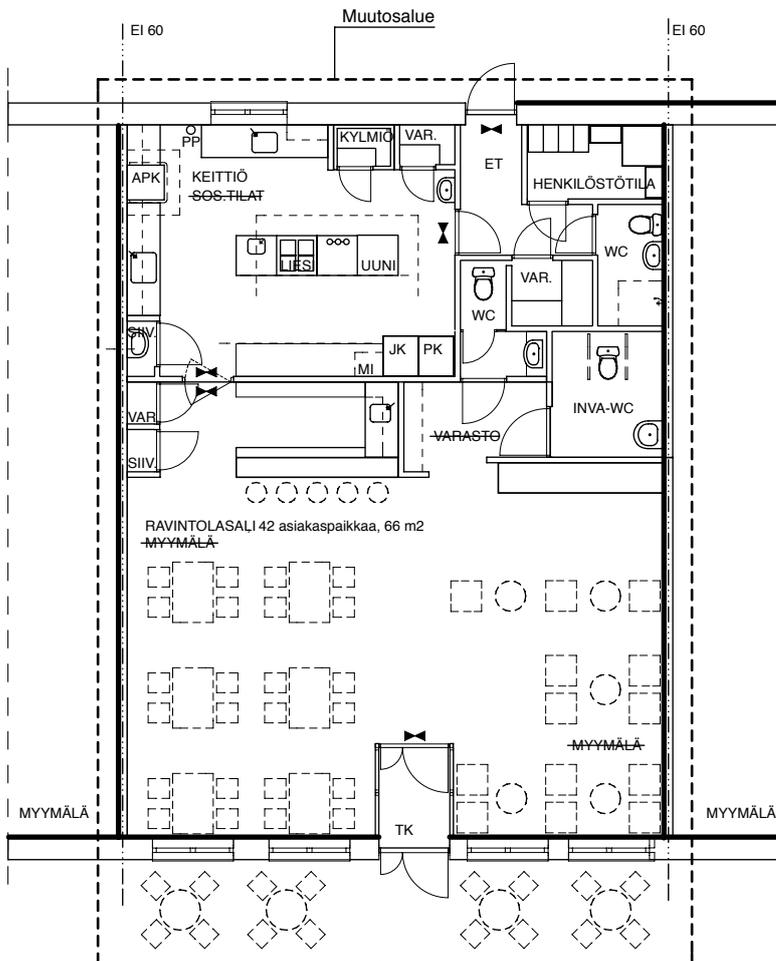
— Rakennusala.

— Rakennukseen jätettävä kulkuaukko.

— Lasikatteinen tila. Lasikatteen on oltava vähintään 300 m<sup>2</sup>. Aukot alempaan kerrokseen on oltava vähintään 35 m<sup>2</sup>.

— Suojeltava rakennus. Rakennusta ei saa kaupunkikuvallisesti arvokkaana purkaa eikä siinä saa suorittaa sellaisia lisärakentamis- tai muutostöitä, jotka turvelevat ka-  
tujen kisivujen arvoa tai tyylä.





### The permit drawings need to include:

- changes to the premises' purpose of use and the borders of the area
- seating capacity (in a dining hall: at least 1 square metre per seat)
- equipment and fixtures required for preparing food and the chosen method of heating (electricity/gas)
- serving areas and their size
- smoking area and its size (not obligatory)
- grease duct
- the area the changes apply to (marked with dashed lines)
- structures to be demolished (marked with dot-and-dash lines)
- old structures (bolded or marked with two lines, one of which is a thicker line)
- new structures
- boundaries of fire compartments
- accessible path
- advertising equipment

HPAC and electricity work needs to be planned and performed by experts.

### An example of a ground plan

Kaupunginosa/Kylä	Kortteli/Tila	Tontti/Rno	Viranomaisten mmerkintöjä
Rakennuksen numero/Rakennusten numerot/Rakennustunnus/Rakennustunnukset			
Rakennustoimenpide <b>MUUTOSTYÖ</b>	Pinustustyyppi <b>PÄÄPIIRUSTUS</b>	Jutkeveva no	
Rakennuskohde	Pinustuksen sisältö <b>POHJAPIIRUSTUS</b>	Mittakaava <b>1.100</b>	
Suunnittelijan yhteystiedot: yritys, osoite ja puhelinnumero	Työnumero	Pinustuksen tunnus	Muutos
Vastuullinen suunnittelija: nimi, tutkinto, allekirjoitus ja päivätys	Suunnitteluala	Tiedosto	

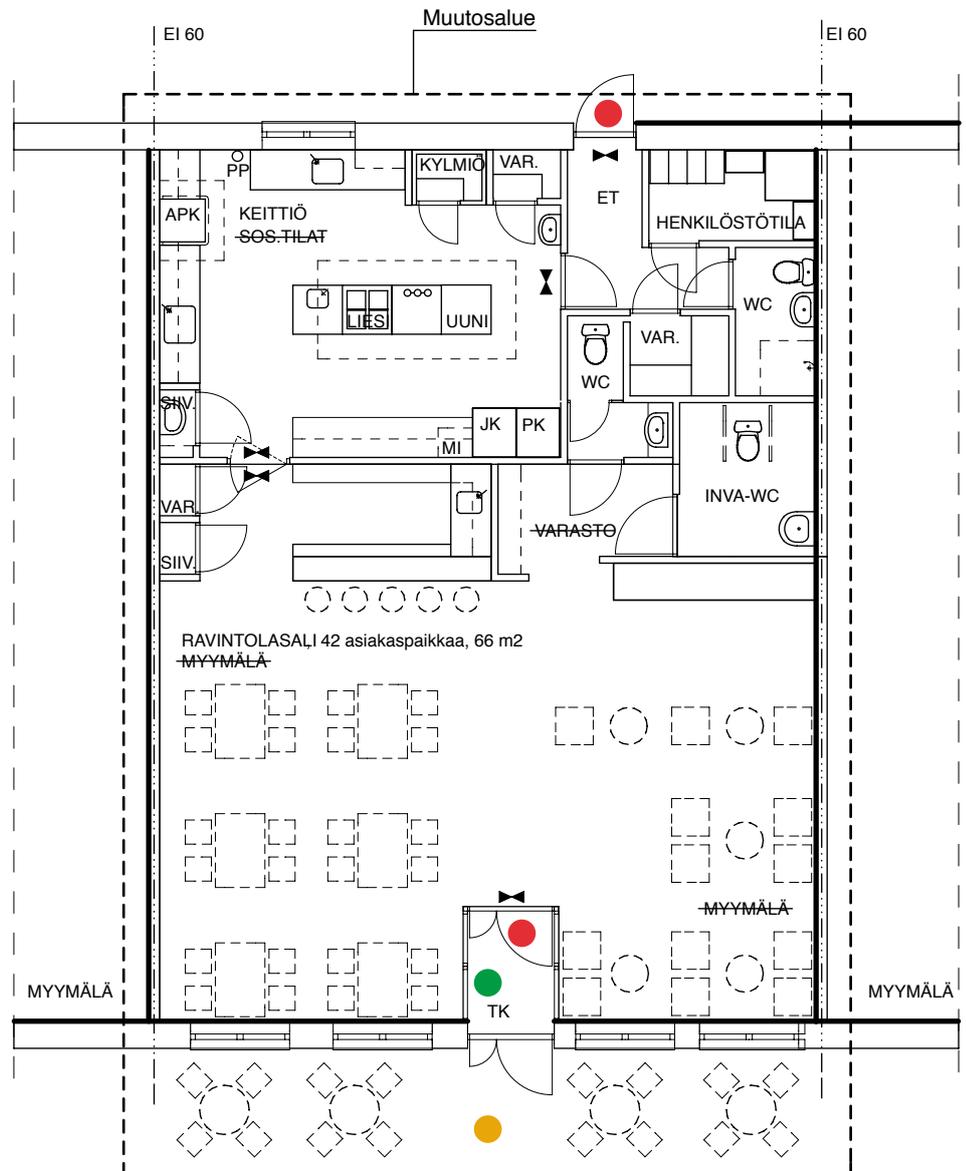
## Fire and rescue requirements

The Rescue Act requires the entrepreneur to prevent risks related to the business and prepare for both the risks becoming a reality and for any measures they will need to take during dangerous situations or accidents.

Restaurants with a seating capacity of over 50 require an emergency plan. Terrace seats need to be included in the seating capacity even if they are only used during the summer. To make an emergency plan, you must make a risk assessment of the restaurant. The results of the risk assessment, as well as the safety arrangements and the instructions given to employees and customers need to be recorded in the plan.

 The number and width of **exits** are determined by the maximum number of people allowed on the premises. The exits must be unobstructed, meaning that nothing may be stored in front of the doors or in the passages. The exit routes must be clearly visible. The signage along the routes depends on the requirements set out in the building permit. In new commercial premises, the routes need to be equipped with battery-backed, lit signs.

The premises must be divided into fire compartments according to the regulations. The fire compartments need to be kept in the condition required by the building permit. The fire compartments are entered through fireproof doors, which must be kept closed during normal use. If the fireproof doors need to be kept open for the customers to move about, for example, the doors need to be equipped with automatic shutting systems that react to a fire. When purchasing furniture and



surface materials, pay attention to their flammability classifications. In public spaces, fire-resistant materials should be used wherever possible. The building permit may include special conditions for the flammability classifications. Flammability must also be considered in decorations and the use of fire. When burning candles, take particular care. The use of fire must always be supervised. It is recommended that you use safety candles, for example.

The restaurant must have a sufficient number of suitable small hand extinguishers (typically, 6-litre liquid extinguishers or 6-kilogram powder extinguishers, at the minimum). The extinguishers must be inspected, marked and attached to the wall. Kitchen facilities must have fire blankets. In addition, it is recommended that the kitchen include an F-class extinguisher in case of a grease fire if a deep fryer or similar is used.

The use and storage of hazardous chemicals, such as liquid gas or flammable liquids, is regulated by the Chemicals Safety Act and the decrees based on the Act. In leisure facilities, liquid gas may be stored in the amounts required for the operations. If the amount of liquid gas is 200 kg or more, the Rescue Department must be informed of its storage.

Guide on chemical and safety risks in small businesses: [http://www.tukes.fi/Tiedostot/kemikaalit\\_kaasu/Pikkuriskiopus.pdf](http://www.tukes.fi/Tiedostot/kemikaalit_kaasu/Pikkuriskiopus.pdf)

Decree on the fire safety of buildings:

<http://www.ym.fi/download/noname/%7B66288BFB-A697-4FCB-B602-CE0316F2C37B%7D/134002>

The fire inspectors can advise you on all general matters related to fire safety. More information and the inspectors' contact information is available at [www.hel.fi/pela](http://www.hel.fi/pela)

### Audio technology

A cafe or restaurant business may cause a **noise nuisance** for the residents living in the property. The soundproofing between the business and residences and the rest of the environment must be in accordance with the building regulations. However, following the building regulations may not be sufficient as noise nuisances are evaluated with regard to the residents' health. Live music and disco music are evaluated differently.

The noise level restrictions at night are stricter than during the day. For example, music or bass that can be heard in an apartment at night almost always exceeds the base value for noise.



Decree on the sound environment of buildings:

<https://www.finlex.fi/fi/laki/alkup/2017/20170796>

● **Entry** to the premises must be through a structure that prevents draught.

● The cafe or restaurant needs to be accessible. Accessibility requires sufficient passageways and openings, wheelchair ramps at the angles specified in the relevant regulations, necessary railings and handles and thresholds of a maximum height of 20 mm. In new construction, planning and imple-

mentation need to comply with the accessibility principles. In reconstruction, accessibility is advised. Cafes or restaurants with a seating capacity of over 25 must typically have an accessible entrance and an accessible toilet.

Decree on the accessibility of buildings:

<http://www.ym.fi/download/noname/%7BBCF040FC-C9A8-4859-B7B6-A2E8A40317AD%7D/127521>

**Food preparation and the handling of dirty dishes and waste** must be separated.

Food preparation equipment must be placed under a ventilation hood fitted with a grease filter. From the hood, waste air must be transferred above the roof of the building through a separate channel compliant with fire safety regulations. If the channel runs on the outside of the building, it requires a building permit.

Separate water connections need to be provided for food preparation and the pre-cleaning and washing of dishes, respectively. Kitchen personnel must have a separate **hand-washing station** in the kitchen facilities.

Sufficient **dry storage and cold storage spaces** must be available for storing ingredients, foods and beverages.

The preparation kitchen must be equipped with a **grease duct and filter** (pizza ovens and convection ovens excluded). The grease duct needs to be cleaned often enough to ensure that the grease does not form a fire hazard – once a year, at the minimum. The suitable cleaning intervals in relation to the amount of grease accumulating in the duct are to be agreed on with the cleaner. The filter must also be cleaned regularly, usually once a week. The restaurant must maintain a record to prove cleaning has been carried out, and the sewer must include a grease trap. Guide on using grease in a restaurant:

[https://www.vvy.fi/site/assets/files/1087/rasvaesite\\_vvy\\_2014\\_verkkoversio.pdf](https://www.vvy.fi/site/assets/files/1087/rasvaesite_vvy_2014_verkkoversio.pdf)

The regulations on the storage and use of **liquid gases and flammable liquids** must be complied with. Up to 25 kg of liquid gas may be stored indoors. The recommended bottle type is a composite bottle. You

should discuss the use of liquid gas with the rescue services.

A cafe or restaurant can reduce its environmental load by paying attention to the ingredients, the amount of food waste and other waste produced, the energy consumption of fixtures and equipment and the consumption of chemicals and water.

The technical and structural requirement of the kitchen depend on the type and extent of the business.

The type of kitchen is determined according to the food preparation method used. The method places requirements on the layout, equipment, ventilation and fire safety. Kitchens can be classified into the following types:

**A preparation kitchen:** the food is prepared in the kitchen, starting from the raw ingredients. The preparation process may include cooking, frying, deep frying and baking. This type of activity poses great risks in terms of food safety.

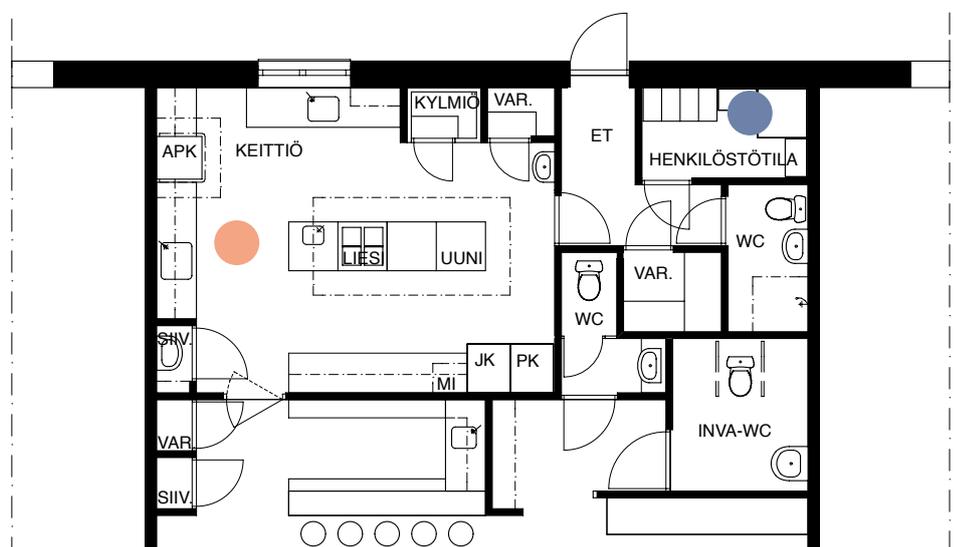
**A heating kitchen:** pre-cooked or premade food is heated in a combination oven, in a water bath or by cooking.

**A distribution kitchen:** the food has been prepared elsewhere and it is only divided into portions in the kitchen.

**Employees** must have separate locker rooms, washrooms and toilets (separate facilities for men and women, if necessary).

Food premises must include suitable storage and maintenance space for cleaning equipment. **It is recommended that the customer facilities and kitchen facilities have their own storage and maintenance space for cleaning equipment.**

**Outdoor serving area**  
An outdoor serving area requires the permission of the land owner (in cities and population centres, this is the municipality or the housing co-operative) and the property owner. When the serving area would be in a public area (such as a street or park), a permit from the area use and supervision services is also required. In a residential building or in the immediate vicinity of residential buildings, outdoor serving areas must be closed by 10 pm, unless the business has a special permit. Outdoor serving must take place in the immediate vicinity of the cafe or restaurant.



### The following must be ensured in the realisation of an outdoor serving area:

- The area is operatively connected to and managed from the cafe or restaurant.
- The area is separated from the restaurant by nothing more than a street.
- The area does not hinder access into the property, accessibility, traffic or the use of public space.
- Half of the seating capacity is included when calculating the number of toilets required.
- Other hygiene and waste management requirements are fulfilled.

Outdoor serving requires a minor construction permit or a building permit for fixed structures from the building control services. Such arrangements must also fulfil the environmental services' requirements related to the seating capacity, the product selection and other hygiene, customer toilet and waste management solutions. The boundaries of the serving area must be marked clearly so that customers can see them with ease and so that the area can be supervised.

### An outdoor serving area must be realised with as few structures as possible.

A minor construction or building permit from the building control services is not needed if the outdoor serving area is realised with as few structures as possible, without bordering or fencing, and if the structures within the area do not deviate from the instructions below:

- If the area needs to be bordered, it should be bordered off from the rest of the street with light rope rails or open, dark-coloured, steel-structured railings with a maximum height of 90 cm.
- The furniture must be placed directly on the pavement without stands and the furniture must high-quality and in-keeping with

the environment (for example, no white plastic chairs or pressure-treated table-bench combinations).

- Canopies or walls must not be built: the street must remain open.
- No advertising: ad-free parasols may be used as sunshades or umbrellas if their shape, colour and structure are in-keeping with the building and the environment.

### Music in the outdoor serving area

The noise caused by the serving area or the music played there may disturb the nearby residents, which is why activities in the area may be restricted. A permit from the environmental services is required to use audio equipment outdoors.

### Serving alcohol in an outdoor area

To serve alcohol outdoors, the serving licence must be extended to

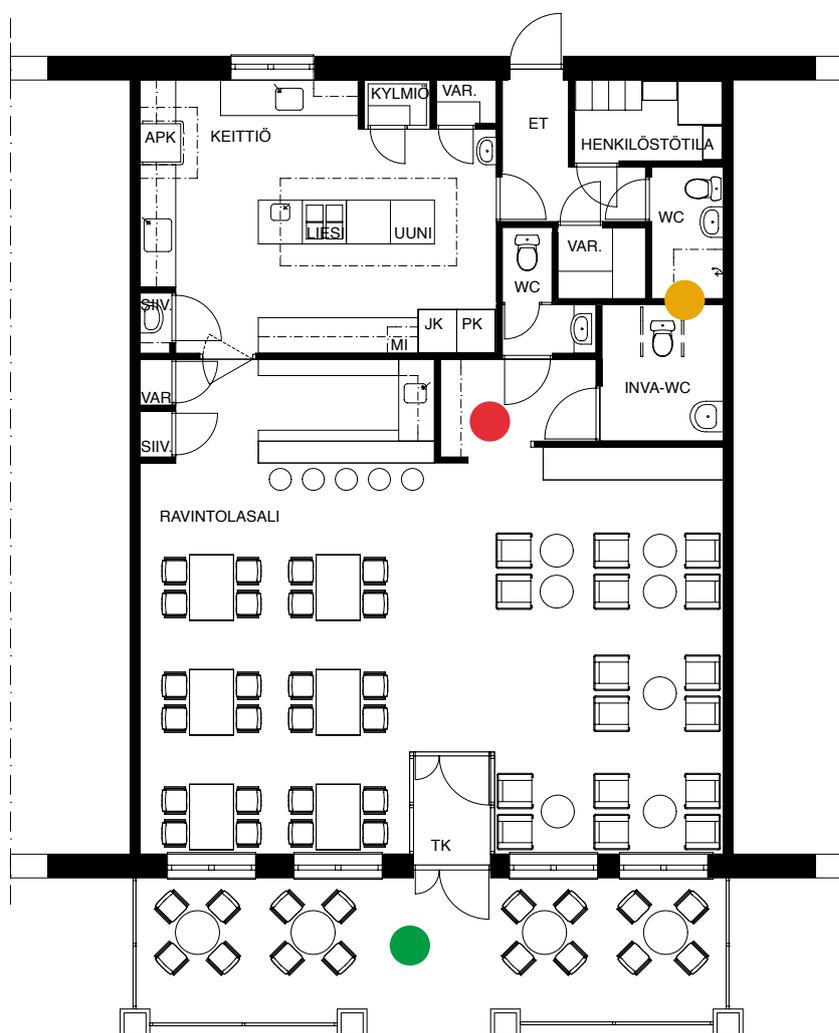
cover the outdoor serving area, and the area must be clearly bordered and constantly supervised. To serve alcohol in an outdoor serving area, you will need to file an application for changes to the serving area with AVI if the application was not included in the original application for a serving licence. For areas owned by the City of Helsinki, outdoor serving licences are requested from the City's Building Control Services.

[www.avi.fi](http://www.avi.fi), [www.hel.fi/rava](http://www.hel.fi/rava)

### Outdoor sales: mobile kiosks

Mobile kiosks refers to motor vehicles or trolleys from where food is sold ('food trucks'). The building control services grant permits for mobile kiosks, and the environmental services must be informed of the start of the operations.

Structures other than the ones described here require a minor



construction or building permit from the building control services.

Specific instructions are applicable to **advertising equipment**. A minor construction permit may be required regarding the appearance and location of the advertisements. It is recommended that you apply for this permit when you are applying for the building permit for alterations. You do not need to apply for a permit if you adhere to the specific instructions published by the building control services. Advertising equipment usually requires approval from the property owner or holder, as well.

**Personnel must be able to access toilet facilities reserved exclusively for them.**

The door of the toilet must not open onto the food processing facilities, which is why personnel toilets must be behind two doors or further away from the food processing facilities. If the restaurant has a seating capacity of more than six customers, the premises must also have customer toilets that are accessible directly from the customer facilities. The table below shows the toilet requirements for each capacity level.

Outdoor terraces must be taken into account when planning toilet facilities. The seating capacity of an outdoor terrace increases the number of customer toilets required by the number of seats multiplied by 0.5.

Customer toilets based on seating capacity		
Seating capacity	Ladies'/seated toilet	Men's/seated toilet + urinal
Max 6		No toilet required
7–25		One unisex toilet*
26–50	1	1
51–100	3	1+1
101–150	4	1+2
151–200	4	2+2
201–250	5	2+3
251–300	5	2+4
301–400	6	3+4
Larger restaurant premises on a case-by-case basis		

\*If the restaurant premises are mainly used to serve alcoholic beverages, there must be separate toilet facilities for men and women, regardless of capacity.

In exceptional circumstances, the personnel may need to use the same toilets as the customers. In this case, the customers must be able to access the toilets directly from the customer facilities. Such exceptional circumstances must be discussed with a food safety authority representative.

With permission from the supervisory authority, the personnel and customers toilets may be located in a separate space or building. This may be the case in places like shopping centres, for instance.

The restaurant may also stay open when the rest of the shopping centre is closed. In this case, customers may not be able to access the toilets of the shopping centre, and the restaurant will need to have separate customer toilets in addition to the personnel toilets.

**Arranging a smoking area**

Smoking is prohibited indoors unless a closed, separately ventilated smoking area is available. Smoking is allowed in a smoking area that is at least 7 square metres in size, structurally separated from other areas and exhaust ventilated in such a way that waste air is separately transferred outside or to the exhaust air duct and cannot circulate back. Arranging a smoking area is not obligatory.

A smoking area always requires a building permit. There are specific regulations on the capacity, fire safety and accessibility of a smoking area. Read the building control services' instructions on applying for a building permit for a smoking area: [https://www.hel.fi/static/rakvv/ohjeet/Tupakointila\\_raklupa.pdf](https://www.hel.fi/static/rakvv/ohjeet/Tupakointila_raklupa.pdf)

A smoking area is only intended for smoking. Consuming food or drink or playing recreational games in the smoking area is forbidden, and alcohol may not be served there. It is forbidden to work in the smoking area outside tasks that are necessary for order and safety. The smoking area may be cleaned only after it has been carefully ventilated. Further instructions on building are available on the website of the building control services.

[www.hel.fi/rava](http://www.hel.fi/rava)

Smoking may be allowed on a terrace or other outdoor area managed by the restaurant. Tobacco smoke must not travel indoors through doors, windows or a ventilation system. If you wish to establish an outdoor smoking area, you should first discuss this with the housing co-operative.

**Retail selling of tobacco products**

The Environmental Services of the City of Helsinki grant retail sales permits for selling tobacco products. A sales permit requires an acceptable sales spot arrangement, supervision of the sales and an approved in-house control plan. A tobacco sales permit is specific to a business and location. Instructions on the sales permits and in-house control, as well as the online application form, are available on the Valvira website: [www.valvira.fi](http://www.valvira.fi)

Smoking prohibitions also apply to electronic cigarettes and plant-based products intended for smoking.

## 3. OTHER PERMIT-RELATED MATTERS



The cafe and restaurant industry entails many requirements related to health, safety and environmental impact. The product range, processing and preparation of foods and the seating capacity affect the requirements related to hygiene facilities, ventilation, the number of water points, exit routes and safety equipment.

### Food safety control

In Helsinki, the Environmental Services of the City of Helsinki must be notified of a new cafe or restaurant four weeks prior to starting the operations, as specified in the Food Act. During the processing of your notification, the authorities will request further information, if necessary. You will receive a written statement confirming the processing. A risk-based inspection

Good food hygiene  
minimises food-  
related health risks  
and reduces the  
food waste of a  
business.

of the cafe or restaurant will be made within 1–3 months of starting the operations. The notification can be submitted online: <https://asiointi.hel.fi> (notification of food premises). The processing of the notification and the inspection are subject to a charge. The notification must include a ground plan of the premises.

According to the Food Act, a cafe or restaurant must have sufficient and correct information on the food it produces, processes or distributes. The company must have a written plan for in-house control, according to which the company will monitor the quality and safety of its food and the suitability of the operating environment. The results of inspections and the actions taken to fix defects must be written down in the in-house control documents.

The in-house control plan and the related records must be made available to the authorities during official inspections. In addition to inspections, the execution of in-house control and the quality of food are monitored through samples taken by the authorities and during in-house controls.

The in-house control plan must be kept up-to-date. The business must operate according to the plan. Read more about an in-house control plan: [www.hel.fi/kaupunkiymparisto](http://www.hel.fi/kaupunkiymparisto)

Foods that spoil easily must be stored at the temperatures specified by relevant laws. Food poisoning cases must be immediately reported to Environmental Services by phone or via an online form.

The food safety authorities regularly inspect cafes and restaurants. Inspections are carried out in accordance with the Oiva system. An inspection report and an Oiva report are written on the results of the inspection. The inspection report will include observations made during the inspections and any time limits. The Oiva report will show the results with a smiley face scale. Only the Oiva report will be published online: [www.oivahymy.fi](http://www.oivahymy.fi). The Oiva report will also need to be visible by the entrance of the cafe or restaurant.

The Oiva scale consists of four smileys:

 **Excellent:** The operations comply with the legal requirements.

 **Good:** There are small issues with the operations, which do not impair food safety or mislead consumers.

 **To be corrected:** There are issues with the operations, which impair food safety or mislead consumers. These issues must be rectified within a set period of time.

 **Poor:** There are issues with the operations, which jeopardise food safety or considerably mislead consumers, or the operator has failed to comply with orders that have been issued. These issues must be rectified with immediate effect.



More information and instructions: [www.oivahymy.fi](http://www.oivahymy.fi)

Persons who handle unpackaged, perishable food in their work on food premises must possess both a proficiency certificate (a hygiene passport) to show their food hygiene proficiency and a report on their health in accordance with the Infectious Diseases Act.

Good food hygiene minimises food-related health risks, and it may also reduce the food waste of a business. Persons handling food are required to have hygiene competence related to various fields: microbiology, food poisoning, hygienic working methods, personal hygiene, sanitation, in-house control and legislation.

You can find more information on in-house control and a hygiene passport on Evira's website, from the City of Helsinki's Environmental Services, from educational institutions related to the restaurant industry and from MaRa. [www.evira.fi](http://www.evira.fi), [www.mara.fi](http://www.mara.fi), [www.hel.fi/kaupunkiymparisto](http://www.hel.fi/kaupunkiymparisto)

### Licence to serve alcohol

To sell alcoholic beverages to customers, you will need a serving licence that can be applied for from AVI. The licence is specific to a single location and to a single business or entrepreneur. The premises must be easily monitorable. The applicant is also required to have an in-house control plan. Licensed premises must have a sufficient number of personnel – based on the extent and nature of the operations – to ensure efficient monitoring and policing. The Alcohol Act also sets out other requirements regarding the reliability and financial prerequisites of the applicant. Please note that the serving licence of an existing restaurant will not be automatically transferred to the new entrepreneur when the business is sold.

### The alcohol passport

The serving licence holder must ensure that the manager in charge of serving or another person appointed for this task has an alcohol passport showing their expertise on the Alcohol Act. In the licensed premises, the responsible manager or another person appointed by the licence holder must be present as the licence holder's representative when the restaurant is open for customers. The alcohol passport may be granted by an educational institution providing catering services training, based on an operating licence issued by the government or an organisational licence issued by the Ministry of Education.

### Retail sales of alcoholic drinks on licensed premises

The indoor areas of licensed premises may be granted a licence for retailing alcoholic beverages served at the premises. The retail licence only allows for the selling of bever-

ages with a maximum alcohol volume of 5.5%. Alcoholic drinks may only be retailed in sealed, pre-filled packages. Beverages covered by the retail licence and with an alcohol percentage greater than 2.8% may only be retailed between 9:00 am and 9:00 pm. The licensing authority may set requirements for the cashier and sales arrangements for retailing, related to, for example, sales reporting, if the premises are also used to serve alcoholic beverages.

### **Notification of serving at an occasion**

If premises used for an occasion such as an event, meeting or party or a similar area have been licensed for serving alcoholic beverages, subject to declaration, the licence holder may serve alcoholic beverages during the occasion after simply notifying the authorities. The authorities must be informed of the serving at least three days before the start of the occasion. A serving licence may also be granted to an applicant with no serving premises.

Further information is available on the websites of AVI [www.avi.fi](http://www.avi.fi) and Valvira [www.valvira.fi](http://www.valvira.fi).

### **Music licences**

If you wish to play music in your cafe or restaurant or a connected terrace, you will need a music licence. A licence is needed if you play background music via a radio, a television, a record or a computer, and for performing live music if you organise

a gig or a concert in your cafe or restaurant. The licence needed to play background music can be requested at [Musiikkiluvat.fi](http://Musiikkiluvat.fi)

The Musiikkiluvat licensing service is owned by the copyright associations



Gramex and Teosto, through which the licence fees are distributed fairly to the authors, publishers, performers and producers of the music. The prices of music licences are negotiated and agreed on with cafe and restaurant entrepreneurs or with umbrella organisations representing them, such as MaRa.

### **Personnel and the entrepreneur**

A good cafe or restaurant employee is professional and knows how to provide a pleasant service for the customers. Depending on their tasks, employees may need a hygiene passport or alcohol passport, as mentioned above. Security personnel may need to be approved by the police.

The safety and first-aid skills of employees are important in the event of accidents or dangerous situations. Occupational safety in the restaurant industry involves protection against noise and tobacco smoke, in particular.

It is recommended that you make sign employment contracts with

your employees. The contracts should comply with the collective agreement for the hospitality industry.

According to law, the employer is responsible for organising occupational healthcare for their employees and taking care of occupational safety.

Employees may be found via recruitment agencies, some of which are specialised in supplying kitchen and service personnel for hospitality businesses.

As an entrepreneur, you also need to take care of your own social security, pension and unemployment insurance. You should also survey any risks and take out the necessary insurance policies with an insurance company.

You can find more information on practical matters on the websites of authorities, insurance companies, PAM, and MaRa and in the guides provided by Restamark.

## 4. USEFUL RESOURCES AND LINKS

NewCo Helsinki

[www.newcohelsinki.fi](http://www.newcohelsinki.fi)

### Services of the City of Helsinki:

Building Control Services

[www.hel.fi/rava](http://www.hel.fi/rava)

Environmental Services

[www.hel.fi/kaupunkiymparisto](http://www.hel.fi/kaupunkiymparisto)

Rescue Department

[www.hel.fi/pel](http://www.hel.fi/pel)

City of Helsinki Urban Facts

[www.hel.fi/tietokeskus](http://www.hel.fi/tietokeskus)

Helen (electricity services)

[www.helen.fi](http://www.helen.fi)

Helsinki Wholesale Market

[www.heltu.fi](http://www.heltu.fi)

### Other authorities

AVI – Regional State Administrative Agencies

[www.avi.fi](http://www.avi.fi)

Evira – Finnish Food Safety Authority

[www.evira.fi](http://www.evira.fi)

Valvira – National Supervisory Authority for Welfare and Health

[www.valvira.fi](http://www.valvira.fi)

Information on all public services is available at [www.suomi.fi](http://www.suomi.fi)

### Other useful organisations:

Helsingin Yrittäjät – Regional Organisation of Enterprises in Helsinki

[www.yrittajat.fi/helsinginyrittajat](http://www.yrittajat.fi/helsinginyrittajat)

MaRa

– the Finnish Hospitality Association

[www.mara.fi](http://www.mara.fi)

Hotel and restaurant supplies

Restamark [www.restamark.fi](http://www.restamark.fi)

PAM – Trade union for the service sector

[www.pam.fi](http://www.pam.fi)

Musiikkiluvat.fi – music licences

[www.musiikkiluvat.fi](http://www.musiikkiluvat.fi)

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[www.newcohelsinki.fi](http://www.newcohelsinki.fi)

