Taxi services in the Transport Code

Transport market legislation is currently being updated. The objective of this reform is to promote the creation of new service models, ease market entrance, dismantle national regulation that limits competition and reduce the level of public guidance. New provisions will be compiled into the Transport Code, which will be extended in stages to cover all forms of transport. This fact sheet covers proposed changes to taxi services.

Need for licence and licencing requirements

Current situation: A Taxi licence is required for the transport of individuals when this involves receiving remuneration with the aim of earning an income. Licences are vehicle-specific.

Proposed changes: Taxi transport licences will continue to be required for professional passenger transport. Licence application requirements would include legal capacity, a genuine and permanent office in Finland, a good reputation, sufficient solvency and sufficient professional proficiency. Requirements for transport operator course and 6-months experience as a taxi driver would be dropped. The taxi licence-holder must also appoint a person of good repute responsible for transport.

Taxis transport licenses will be operator-specific, not vehicle-specific. As long as operators comply with taxi transport requirements, operators holding passenger and goods transport licences may operate taxis. A requirement that applies to all taxi business activities stipulates that if the price of the journey is based on measuring the distance or time, a vehicle must have a taximeter, or some other device or system with which a similar level of measurement accuracy and standard of data protection can be achieved shall be used to determine the price. A taxi licence-holder shall have the right to use a taxi signal light.

Impact: Will ease market entrance and development of activities.

Requirements affecting drivers

Current situation: Drivers are required to have a taxi driver’s permit, which can only be attained after they have completed training and a test, proved that they have sufficient knowledge of the area and are in good health and have passed a criminal record check.

Proposed changes: Taxi drivers are still required to have a taxi driver’s permit, which necessitates good health and a criminal record check. Requirements concerning criminal record checks will be more stringent, because they will include all the same offences that are checked for people working with children. In order to acquire a taxi driver's permit, the driver must have a valid driver's licence for the vehicle type in question and at the least a B-class driver's licence that they have been granted at least 2 years ago. No test is required for customer service skills, but drivers must have these skills in practice. A taxi transport licence-holder is responsible for ensuring that a driver has the interaction and language skills necessary for each service situation and the ability to help people with disabilities. The Finnish Transport Safety Agency acts as a general supervisory authority.

Impacts: The ability to see to the welfare of customers is assessed continuously on the basis of feedback. The law does not require separate customer service training, but in practice a taxi driver must learn his/her duties and services in practice with the vehicle and other equipment in use, in order for the driver to be able to serve customers in the manner required by the law. Criminal records will be checked more thoroughly than currently.

Quantity of licences granted

Current situation: The number of taxi licences is limited. The ELY Centres confirm each year the maximum number of taxi licences for each municipality.
(the licence quotas), which then limit the number of taxis.

**Proposed change:** Limits on the number of taxi licences would be removed, thus removing limits on the number of taxis.

**Impact:** Eases access to the taxi sector, and companies can expand and diversify their operations.

**Vehicle**

**Current situation:** Taxi = private car that is used in conjunction with a taxi licence.

**Proposed change:** Taxis can also be another type of vehicle.

**Impact:** Demand, suitability of vehicle and cost effectiveness are the factors on which decisions regarding the kinds of vehicles are used in the future for providing transport services shall be based. Opportunities for business model development.

**Taxi zone of operation and obligation to return**

**Current situation:** A taxi licence is granted for a particular zone of operation (location or municipality), wherein taxi services can be provided. If the ride terminates outside the zone of operation, the taxi must return to its zone of operation empty.

**Proposed changes:** Taxi transport licences would be no longer tied to a zone of operation, so rides can be taken from and to any location. Taxi licences would be valid across the whole country.

**Impact:** Companies can expand their operations and use their vehicles more effectively. The number of empty vehicles will decrease.

**Taxi journey obligations and return to zone of operation**

**Current situation:** Taxis are to be in their zone of operation during the agreed shifts, but may also operate in other areas.

**Proposed changes:** The operator will determine his/her hours of service on the basis of demand-and-supply. A taxi transport license is not zone of operation-specific.

**Impact:** The service hours system does not even at present ensure 24-hour taxi availability in all parts of the country. As licenses will be easier to attain, this will bring new operators including part-time operators to the market. The opportunity to provide services in an area that is more extensive than the zone of operation will also improve services especially in sparsely populated areas.

**Price of taxi rides**

**Current situation:** The Government confirms the maximum rates for taxi rides each year. In practice, the maximum rates have become the set rates used by all.

**Proposed changes:** Price regulations would be dropped, but the price or the basis for its calculation must be provided to the customer in advance. The Finnish Transport Safety Agency (Trafi) would be given the option of intervening in pricing matters by issuing instructions regarding both communicating prices to customers and maximum prices above which a separate agreement must be made either in written form or otherwise in a verifiable manner. Trafi can specify a maximum price, if prices rise to an unreasonable extent.

**Impact:** Putting an end to regulation supports flexible pricing in keeping with supply and demand and the provision of different kinds of services.

**Passenger protection**

- Requirements for drivers regarding passenger safety.
- Drivers would continue to be obliged to choose either the cheapest route for the customer or the route specifically selected by the customer.
- Means of payment would continue to be cash and commonly accepted payment cards. In addition, the possibility for payment of the journey using other electronic means provided that the customer approves the means of payment in question before the journey begins will be facilitated.
- Transport service providers (incl. taxis) are obliged to ensure that the passenger has access to essential information about the services. As a rule, this information must be made accessible online, but small companies can be exempt from this rule.
- The general principles of contract law would continue to be applied in cases of taxi service misconduct. In addition, regulations such as those in the Consumer Protection Act regarding markets and consumer relationship procedures would apply also to taxi services; these include aspects such as the ban on unethical marketing practices.
- Taxi service centres would continue to face the same, Transport Code-based obligations as other transport service providers, even after the special regulations affecting such service centres are removed.