

Taxi and vehicle-for-hire services in the Act on Transport Services

Transport market legislation will be reformed. The objective of this reform is to promote the creation of new service models, ease market access, dismantle national regulation that limits competition and reduce the level of public guidance. New provisions will be compiled into the Act on Transport Services, which will be extended in stages to cover all modes of transport. This fact sheet describes changes to taxi and vehicle-for-hire services.

Licencing requirements and need for licence

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.

Change: Taxi licences will continue to be required for all professional passenger transport services. Licence application requirements will include legal capacity, a genuine and permanent office in Finland, a good reputation, sufficient solvency and sufficient professional proficiency. Requirements of attending a transport operator course and having six months experience as a taxi driver will be waived. A holder of a taxi licence must also appoint a person of good repute to be responsible for the transport service.

Taxi service licences will be operator-specific, not vehicle-specific. Operators holding passenger and goods transport licences may operate taxis too, as long as they comply with the requirements imposed for taxi transport services. According to a requirement that applies to all taxi transport services, 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.

Impact: Will ease market access and development of the 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, are in good health and have passed a criminal record check.

Change: 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. It is further required that the driver has passed the examination organised by the Finnish Transport Safety Agency. A holder of a taxi licence is also 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: Being a taxi entrepreneur and driving a taxi will remain subject to a licence. The ability to ensure the welfare of customers is assessed continuously on the basis of feedback. A taxi driver must learn to carry out his/her duties with the vehicle and other equipment in use, so that he/she can serve customers in the manner required by law. Criminal record checks will be carried out more thoroughly than currently.

Quantity of licences granted

Current situation: The number of taxi licences is limited. The Centres for Economic Development, Transport and the Environment confirm each year the

maximum number of taxi licences for each municipality (the licence quotas), which then limit the number of taxis.

Change: Limits on the number of taxi licences will be removed, thus removing limits on the number of taxis.

Impact: It is easier to gain 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.

Change: Other than passenger cars can also operate as taxis.

Impact: In the end, demand, feasibility of the vehicle fleet and cost effectiveness will define the criteria for cars to be used in future transport services. Vehicles are used in the future for providing transport services shall be based. Opportunities for business model development.

Zone of operation and obligation to return

Current situation: A taxi licence is granted for a particular zone of operation (location or municipality), where taxi services can be provided. If the ride terminates outside the zone of operation, the taxi must return to its zone of operation without passengers.

Change: Taxi licences will no longer be tied to a zone of operation, so rides can be taken from and to any location. Taxi licences will be valid throughout the country.

Impact: Companies can expand their operations and use their vehicles more effectively. The number of rides with no passengers will decrease.

Taxi journey obligations and return to zone of operation

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

Change: A taxi operator will define by him/herself when and where to offer services, but the information about the principal zone of operation and times of service must be openly available. A taxi licence is not specific to a zone of operation.

Impact: The service hours system does not even at present ensure 24-hour taxi availability in all parts of the country. As licences will be easier to attain, new operators, including part-time operators, will enter the market. The opportunity to provide services in an area more extensive than the zone of operation will also improve service provision 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.

Change: Price regulation will be removed, but the price or the basis for its calculation must be provided to the customer in advance. The Finnish Transport Safety Agency (Trafi) will be given the possibility of intervening in pricing by issuing regulations on informing the customer about the prices and on the price ceiling that cannot be exceeded without making a separate agreement either in written form or otherwise in a verifiable manner (total price). Trafi can specify a maximum price, if prices become unreasonably high. The defined total price and maximum price must be reviewed annually.

Impact: Deregulation supports both flexible pricing that follows supply and demand and the provision of different kinds of services.

Protecting the interests of the passenger

- Requirements for drivers regarding passenger safety.
- Drivers will continue to be obliged to choose either the cheapest route for the customer or the route specifically selected by the customer.
- Means of payment will continue to be cash and commonly accepted payment cards. In addition, a possibility will be provided to pay for the journey using other electronic means when the customer approves the means of payment in question before the journey begins.
- 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.
- The same obligations under the Act on Transport Services that apply to other transport service providers will also apply to taxi service centres, but the special regulations affecting such service centres are removed.