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Guarantee Fund Act¹

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Amended by the following acts

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20.11.2002	RT I 2002, 102, 600	26.12.2002
14.04.2004	RT I 2004, 30, 208	01.05.2004
14.04.2004	RT I 2004, 36, 251	01.05.2004
14.04.2004	RT I 2004, 37, 252	01.05.2004
08.12.2004	RT I 2004, 90, 616	01.01.2005
19.10.2005	RT I 2005, 59, 464	15.11.2005
22.11.2006	RT I 2006, 56, 417	01.01.2007
24.01.2007	RT I 2007, 15, 76	01.05.2007
24.10.2007	RT I 2007, 58, 380	19.11.2007
28.02.2008	RT I 2008, 13, 89	15.03.2008
23.10.2008	RT I 2008, 48, 269	14.11.2008
23.10.2008	RT I 2008, 48, 269	01.01.2009
10.12.2008	RT I 2008, 59, 330	01.01.2009
22.04.2010	RT I 2010, 22, 108	01.01.2011, enters into force on the date which has been determined in the Decision of the Council of the European Union regarding the abrogation of the derogation established in respect of the Republic of Estonia on the basis provided for in Article 140 (2) of the Treaty on the Functioning of the European Union, Council Decision 2010/416/EU of 13 July 2010 (OJ L 196, 28.07.2010, pp. 24 - 26).
08.12.2010	RT I, 21.12.2010, 3	01.01.2011
23.02.2011	RT I, 24.03.2011, 1	01.06.2011
16.06.2011	RT I, 08.07.2011, 6	18.07.2011
16.04.2014	RT I, 09.05.2014, 2	19.05.2014
19.06.2014	RT I, 29.06.2014, 109	01.07.2014, the titles of ministers replaced on the basis of subsection 107 ³ (4) of the Government of the Republic Act in the wording in force as of 1 July 2014.
18.02.2015	RT I, 19.03.2015, 3	29.03.2015

Chapter 1

GENERAL PROVISIONS

§ 1. Scope of application of Act

This Act provides for objective, the legal status and the bases and procedure for the activities of the Guarantee Fund (hereinafter *Fund*).

§ 2. Objective of Fund

(1) The objective of the Fund is to guarantee, under the conditions and to the extent provided by this Act, protection of funds deposited by clients of credit institutions (hereinafter *depositors*), clients of investment institutions (hereinafter *investors*), unit-holders of mandatory pension funds (hereinafter *unit-holders*) and policyholders of insurers' pension contracts (hereinafter *policyholders*) and accumulate funds for financing the implementation of the resolution tools and powers, thereby increasing the reliability and stability of the financial sector.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

(2) In order to achieve its objective, the Fund shall:

1) collect single and quarterly contributions from credit institutions, investment institutions, management companies of mandatory pension funds (hereinafter *pension management companies*) and insurers entering into pension contracts (hereinafter *insurers*);

[RT I 2008, 48, 269 - entry into force 14.11.2008]

2) under the conditions, to the extent and pursuant to the procedure provided by this Act, compensate depositors for deposits placed thereby with credit institutions;

3) under the conditions, to the extent and pursuant to the procedure provided by this Act, compensate investors for their investments;

4) under the conditions, to the extent and pursuant to the procedure provided by this Act, compensate for any damage caused by a pension management company to unit-holders;

4¹) under the conditions, to the extent and pursuant to the procedure provided by this Act, support the transfer of insurer's pension contracts insurance portfolio to another insurer;

[RT I 2008, 48, 269 - entry into force 14.11.2008]

4²) accumulate the funds necessary for financing the implementation of the resolution tools and powers;

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

5) perform other duties arising from this Act.

§ 3. Legal status of Fund

(1) The Fund is a legal person in public law founded by this Act. The passive legal capacity of the Fund arises as of the entry into force of this Act.

(2) The Fund is the legal successor of the Deposit Guarantee Fund which operated on the basis of the Deposit Guarantee Fund Act until the entry into force of this Act.

(2¹) The Fund shall be registered in the state register of state and local government agencies pursuant to the procedure provided for in the statutes of the register.

(3) The Fund shall operate pursuant to this Act, the statutes of the Fund (hereinafter *statutes*) and other legislation. The statutes shall be approved and amended by the Government of the Republic on the proposal of the minister responsible for the area.

(4) Merger, division or transformation of the Fund is not permitted.

(5) The Fund is dissolved pursuant to law.

[RT I 2002, 57, 357 - entry into force 01.08.2002]

§ 4. Sectoral funds

(1) The Fund shall establish the following pools of assets (hereinafter *sectoral funds*) out of the contributions received by the Fund:

1) the Deposit Guarantee Sectoral Fund;

2) the Investor Protection Sectoral Fund;

3) the Pension Protection Sectoral Fund.

4) the Pension Contracts Sectoral Fund.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

5) the Resolution Sectoral Fund.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

(2) The Deposit Guarantee Sectoral Fund shall be established out of the contributions of credit institutions and used in order to guarantee and compensate, under the conditions and to the extent provided by this Act, for deposits placed with credit institutions by persons entitled to receive compensation.

(3) The Investor Protection Sectoral Fund shall be established out of the contributions of investment institutions and used in order to ensure that the interests of investors are protected under the conditions and to the extent provided by this Act.

(4) The Pension Protection Sectoral Fund shall be established out of the contributions of pension management companies and used in order to ensure that the interests of unit-holders are protected under the conditions and to the extent provided by this Act.

(5) The Pension Contracts Sectoral Fund shall be established out of the contributions of insurers and used in order to guarantee the pension payments to policyholders according to pension contracts on the conditions and to the extent provided by this Act.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

(6) The Resolution Sectoral Fund shall be established out of the contributions of the credit institutions and investment firms specified in § 2 of the Financial Crisis Prevention and Resolution Act and the resolution tools and powers shall be financed for the account thereof under the terms and conditions provided for in the Financial Crisis Prevention and Resolution Act and this Act.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 5. Name

(1) The name of the Fund shall be “Tagatisfond” [Guarantee Fund] and the names of the sectoral funds shall be “hoiuste tagamise osafond” [Deposit Guarantee Sectoral Fund], “investorikaitse osafond” [Investor Protection Sectoral Fund], “pensionikaitse osafond” [Pension Protection Sectoral Fund], “pensionilepingute osafond” [Pension Contracts Sectoral Fund] and “kriisilahenduse osafond” [Resolution Sectoral Fund].

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

(2) The Fund has the exclusive right to its own name and to the names of the sectoral funds.

(3) If the interests of the Fund are damaged by unlawful use of its name or the name of a sectoral fund, the Fund may demand termination of the unlawful use of the name and compensation for any damage caused thereby.

Chapter 2 MANAGEMENT OF FUND

Division 1 Supervisory Board

§ 6. Competence of supervisory board

(1) The highest directing body of the Fund is the supervisory board of the Fund (hereinafter *supervisory board*).

(2) The supervisory board shall:

1) make proposals for approval and amendment of the statutes to the Government of the Republic through the minister responsible for the area;

2) approve the operating strategy of the Fund;

3) approve the budget of the Fund (hereinafter *budget*) and amendments thereto, and the amounts of transfers made from sectoral funds in order to cover the general expenses of the Fund;

4) appoint and remove the Director of the Fund (hereinafter *Director*);

5) decide on the conclusion, amendment, suspension and termination of the agreement with the Director;

6) approve the organisational structure of the Fund and the bases for remuneration of the Director and the employees of the Fund;

[RT I 2006, 56, 417 - entry into force 01.01.2007]

7) exercise supervision over the activities of the Director;

8) establish the rates of quarterly contributions to be made into the sectoral funds;

9) pursuant to the provisions of §§ 81–84 of this Act, approve the specific bases and procedure for investing the assets of the Fund;

10) decide on entry into insurance contracts for managing the risks of the Fund;

11) decide on the payment of compensation for guaranteed deposits, investments and loss out of the sectoral funds, and the conditions for compensation;

11¹) decide on supporting the transfer of pension contracts insurance portfolio out of the sectoral fund, and the conditions for such transfer;

[RT I 2008, 48, 269 - entry into force 14.11.2008]

12) decide on the taking of loans by the Fund and the conditions for taking the loans;

12¹) decide on the collection of extraordinary contributions paid retroactively to the Resolution Sectoral Fund based on the provisions of § 73²⁰ of this Act;

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

13) decide on the use of the funds of a sectoral fund for performing the obligations of the Fund which are to be covered out of another sectoral fund, and the conditions of such use;

14) decide on any application for state guarantees for the Fund and the conditions thereof;

15) approve the annual report of the Fund;

[RT I 2006, 56, 417 - entry into force 01.01.2007]

16) appoint the auditor of the Fund and determine the procedure for remunerating the auditor;

17) decide on other matters which are placed in the competence of the supervisory board by law or the statutes or concerning which the Director has requested a decision.

(3) Members of the supervisory board shall be liable for the consequences of the decisions specified in subsection (2) of this section pursuant to the provisions of § 17 of this Act.

§ 7. Members of supervisory board

(1) The supervisory board shall consist of nine members appointed as follows:

[RT I 2008, 48, 269 - entry into force 14.11.2008]

1) two members appointed by the Riigikogu³ from among the members of the Riigikogu on the proposal of the Finance Committee;

[RT I 24.03, 2011, 1 - entry into force 01.06.2011]

2) one member appointed by the Government of the Republic on the proposal of the minister responsible for the area;

3) one member appointed by the President of Eesti Pank;

4) one member appointed by the Financial Supervision Authority (hereinafter *Supervision Authority*);

5) one member appointed by the organisations representing credit institutions;

6) one member appointed by the organisations representing investment institutions;

7) one member appointed by the organisations representing pension management companies;

8) one member appointed by the organisations representing insurers.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

(2) The written consent of a person and his or her written confirmation that he or she meets the requirements provided by this Act for members of the supervisory board is necessary for the appointment of the person as a member of the supervisory board.

(3) The organisations specified in clauses (1) 5)-8) of this section shall be determined by the minister responsible for the area. If such organisations fail to appoint a member of the supervisory board within thirty days after the minister responsible for the area has made the corresponding proposal or if the provisions of this Act or the statutes are violated upon appointment, the member of the supervisory board shall be appointed by the Supervision Authority. In case of absence of the organisation uniting the institutions specified in clauses (1) 5)-8) of this section, the minister responsible for the area can make a proposal to the respective institutions for the appointment of their representative.

[RT I 08.07, 2011, 6 - entry into force 18.07.2011]

(4) The specific procedure for appointment of the members of the supervisory board shall be provided by the statutes.

§ 8. Requirements for members of supervisory board

(1) A member of the supervisory board shall be an Estonian citizen with active legal capacity who has an academic degree recognised by the state or education corresponding to such level, an impeccable professional and business reputation, and the experience necessary to manage an agency in the financial or public sector.

(2) The following shall not be appointed as members of the supervisory board:

1) persons under preliminary investigation for or accused of a criminal offence for which the law prescribes imprisonment or persons with a criminal record for criminal official misconduct or any other intentionally committed criminal offence;

2) persons whose previous unlawful act or omission has caused the bankruptcy or compulsory dissolution or revocation of the activity licence of a company;

3) bankrupts or persons who are subject to a prohibition on business or from whom the right to engage in economic activity has been taken away pursuant to law.

(3) The compliance of the members of the supervisory board specified in clauses 7 (1) 5)-8) of this Act with the requirements provided by this Act shall be verified by the Supervision Authority. The Supervision Authority has the right to demand information necessary for such purpose from the members of the supervisory board.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 9. Term of authority of supervisory board

(1) The term of authority of the supervisory board shall be four years as of the date of holding the first meeting of the supervisory board. The above four-year term of authority shall be applied to members of the supervisory board specified in clauses 7 (1) 2)-8) of this Act.

(2) The authority of the member of the supervisory board appointed by the Riigikogu shall be in force until suspension or termination of his or her authority as a member of the Riigikogu. The above member of the supervisory board shall continue his or her activities until a new member of the supervisory board has been appointed by the Riigikogu.

(3) Upon expiry of the term of authority of the supervisory board, the supervisory board shall continue its activities until the first meeting of the new membership of the supervisory board. During this period, the supervisory board shall avoid adoption of a resolution specified in clause 6 (2) 1), 2), 4)–6), 8)–10), 12)–14) or 16) of this Act unless the resolution is strictly necessary.

(4) The new membership of the supervisory board is the membership of the supervisory board that was formed as the result of the appointment of members of the supervisory board specified in clauses 7 (1) 2)-8) of this Act after the expiry of the term of authority of the previous supervisory board.

[RT I, 24.03.2011, 1 - entry into force 01.06.2011]

§ 10. Removal of member of supervisory board

(1) A member of the supervisory board shall be removed by the person who appointed him or her (hereinafter *appointing person*).

(2) A member of the supervisory board may resign by submitting a corresponding written application to the appointing person. The member of the supervisory board shall send a transcript of the application to the Fund. The member of the supervisory board shall be deemed to have resigned as of the date on which the appointing person makes the corresponding decision, but not later than three months after submission of the letter of resignation to the appointing person.

(3) A member of the supervisory board shall be removed immediately if:

- 1) a judgment of conviction in a criminal matter has entered into force with regard to him or her;
- 2) a bankruptcy ruling has entered into force or a prohibition on business is applied with regard to him or her or if the right to engage in economic activity pursuant to law is taken away from him or her;

[RT I 2008, 59, 330 - entry into force 01.01.2009]

3) he or she does not meet the requirements provided by this Act or if he or she has submitted false information regarding his or her compliance with such requirements;

4) he or she fails to perform his or her duties to a material extent or damages the interests of the Fund or there is any other good reason why he or she is unsuitable to perform his or her duties.

(4) A member of the supervisory board may be removed before the expiry of his or her term of authority if he or she suffers from an illness lasting for more than four months and is unable to perform his or her duties due to the illness. Termination of his or her employment or service relationship or expiry of his or her authority as a member of the Government of the Republic may also serve as a basis for removal.

[RT I, 24.03.2011, 1 - entry into force 01.06.2011]

(5) If circumstances specified in subsection (3) of this section appear and the organisations specified in clauses 7 (1) 5)-8) of this Act fail to remove the person appointed thereby from the supervisory board within thirty days after the appearance of such circumstances, the member of the supervisory board shall be removed by the Supervision Authority.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

(6) Upon the removal, resignation or death of a member of the supervisory board, he or she shall be replaced by a new member whose authority shall commence on the date of his or her appointment and continue, excluding the member of supervisory board appointed by the Riigikogu, until the end of the term of authority of the supervisory board.

[RT I, 24.03.2011, 1 - entry into force 01.06.2011]

(7) The specific procedure for the removal and resignation of members of the supervisory board shall be provided by the statutes.

§ 11. Chairman and deputy chairman of supervisory board

(1) The members of the supervisory board shall elect the chairman of the supervisory board (hereinafter *chairman*) and the deputy chairman of the supervisory board (hereinafter *deputy chairman*) from among themselves pursuant to the procedure provided by the statutes. Upon appointment of a new membership of

the supervisory board, a new chairman and deputy chairman shall be elected. During its term of authority, the supervisory board may elect a new chairman or deputy chairman if this is requested by at least five members of the supervisory board.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

(2) A meeting of the supervisory board deciding on the election of the chairman and deputy chairman has a quorum if all appointed members of the supervisory board participate in the meeting. The chairman shall be elected before the election of the deputy chairman.

(3) Upon the removal, resignation or death of the member of the supervisory board who is the chairman or deputy chairman of the supervisory board, a new chairman or deputy chairman shall be elected at the meeting of the supervisory board following the appointment of a new member of the supervisory board. Upon the resignation of a member of the supervisory board from the position of chairman or deputy chairman, the supervisory board shall elect a new chairman or deputy chairman at the meeting of the supervisory board following the resignation.

(4) The chairman shall:

- 1) organise the work of the supervisory board;
- 2) convene and chair the meetings of the supervisory board;
- 3) conclude, amend, suspend and terminate the agreement with the Director on behalf of the Fund;
- 4) perform other duties placed in the competence of the chairman pursuant to the statutes.

(5) In the absence or temporary absence of the chairman, his or her duties shall be performed and the rights of the chairman shall be exercised by the deputy chairman, and in the absence of both the chairman and the deputy chairman, the duties shall be performed and the rights exercised by the eldest member of the supervisory board present.

§ 12. Meeting of supervisory board

(1) Meetings of the supervisory board shall be held at least once every three months.

(2) Meetings shall be convened by the chairman. A meeting of the supervisory board shall be convened if so requested by at least two members of the supervisory board or by the minister responsible for the area, the President of Eesti Pank or the chairman of the management board of the Supervision Authority.

(3) The Director shall convene the first meeting of a new membership of the supervisory board within one month after the date of appointment of the last member of the supervisory board, without taking into account the date of appointment of the members appointed by the Riigikogu. In the absence of the Director or if the Director fails to convene a meeting on time, the meeting of the supervisory board shall be convened by the minister responsible for the area.

[RT I, 24.03.2011, 1 - entry into force 01.06.2011]

(4) Meetings of the supervisory board shall be closed unless the supervisory board decides otherwise. The Director shall attend the meetings of the supervisory board unless the chairman of the supervisory board decides otherwise.

(5) The procedure for announcing and conducting meetings of the supervisory board, and other issues regarding the meetings shall be provided by the statutes.

§ 13. Resolutions of supervisory board

(1) Resolutions of the supervisory board shall be adopted at a meeting or without convening a meeting.

(2) A meeting of the supervisory board has a quorum if at least six members of the supervisory board are present.

(3) Each member of the supervisory board has one vote. Members of the supervisory board do not have the right to abstain from voting or to remain undecided, except in the cases provided for in subsection (4) of this section.

(4) A member of the supervisory board shall not participate in a vote by which the commencement or termination of a court action against him or her is decided, and in other cases provided by law.

(5) If a member of the supervisory board is personally interested, whether directly or indirectly, in a resolution on an issue to be discussed, he or she shall notify the supervisory board of such interest pursuant to the procedure provided by the statutes.

(6) If a relative (a child, parent, sister or brother), spouse or relative by marriage (a child, parent, sister or brother of the spouse) of a member of the supervisory board or a family member residing with him or her is the Director or a person to be appointed Director, the member of the supervisory board shall notify the supervisory board thereof before voting on issues provided for in clause 6 (2) 4) of this Act.

(7) A resolution of the supervisory board is adopted if more than one-half of the members of the supervisory board who participate in the voting, but not less than five members of the supervisory board, vote in favour. Upon an equal division of votes, the vote of the chairman governs.
[RT I 2008, 48, 269 - entry into force 14.11.2008]

(8) A member of the supervisory board who votes against a resolution of the supervisory board has the right to submit his or her dissenting opinion.

§ 14. Adoption of resolutions without convening meeting

(1) The supervisory board has the right to adopt resolutions without convening a meeting of the supervisory board if all members of the supervisory board hold a certificate for giving digital signatures issued pursuant to the Digital Signatures Act.

(2) The supervisory board does not have the right to adopt resolutions on issues specified in clauses 6 (2) 1)–5) and 8)–15) of this Act without convening a meeting of the supervisory board.

(3) Upon adoption of a resolution of the supervisory board in the manner provided for in subsection (1) of this section, all proposals, positions and decisions shall be certified by digital signatures.

(4) The chairman shall send a draft resolution of the supervisory board to all members of the supervisory board and shall specify the term by which the members of the supervisory board are to present their positions. An explanation concerning the draft resolution and the reasons why the resolution is to be adopted without convening a meeting shall be annexed to the draft.

(5) The provisions of § 13 of this Act apply to the adoption of resolutions. If a member of the supervisory board does not submit a written reply by the due date specified by the chairman of the supervisory board, he or she shall be deemed to have voted against the draft resolution.

(6) Voting results shall be documented in a voting record (hereinafter *voting record*) which shall be sent promptly to all members of the supervisory board and to the Director.

§ 15. Minutes

(1) Minutes shall be taken of meetings of the supervisory board. The information to be recorded in the minutes and other requirements for the minutes of a meeting shall be provided by the statutes.

(2) Minutes shall be signed by the chairman and the person taking the minutes at the request of the chairman. Voting records shall be signed by the chairman and the Director.

(3) Written dissenting opinions submitted by members of the supervisory board shall be annexed to the minutes. A notation shall be made in the minutes concerning the annexing of a dissenting opinion, and the member of the supervisory board who submitted the opinion shall confirm the notation by his or her signature.

(4) The Fund shall preserve minutes of meetings of the supervisory board and voting records indefinitely. The preservation of minutes and annexes thereto shall be organised pursuant to the Archives Act. The Director shall be responsible for preservation of the minutes.

§ 16. Remuneration of members of supervisory board

Members of the supervisory board shall receive monthly remuneration in the amount of the minimum monthly wage. No remuneration shall be paid to the member of the supervisory board who is a member of the Government of the Republic.

[RT I 2006, 56, 417 - entry into force 01.01.2007]

§ 17. Liability of members of supervisory board

(1) Members of the supervisory board shall be solidarily liable for damage caused to the Fund by violation of Acts, the statutes and other legislation and by failure to perform their obligations.

(2) Members of the supervisory board who cause damage to a creditor of the Fund by failing to perform their obligations or by performing their obligations inadequately shall be liable to the creditor solidarily with the Fund.

(3) A member of the supervisory board shall be released from liability to the Fund or to a creditor if he or she was against the resolution which was the basis for the corresponding activity and submitted a written dissenting opinion or if he or she did not participate in the adoption of the resolution.

(4) The limitation period for assertion of claims against a member of the supervisory board shall be five years from the occurrence of the violation or the end of the violation.

Division 2

Director

§ 18. Competence of Director

(1) The Fund shall be managed and represented by the Director.

(2) The Director shall:

- 1) make proposals to the supervisory board for adoption of resolutions specified in clauses 6 (2) 1–3), 6) and 8)–17) of this Act;
- 2) organise the activities and the accounting of the Fund;
- 3) decide on the making of expenditure which is necessary for the activities of the Fund according to the budget;
- 4) approve the internal procedure rules and other internal documents necessary for the activities of the Fund;
- 5) enter into, amend, suspend and terminate employment contracts with the employees of the Fund;
- 6) determine the remuneration of the employees of the Fund within the limits of expenditure prescribed therefor in the budget;
- 7) submit an overview of the activities of the Fund, implementation of the budget of the Fund and the economic situation of the Fund to the supervisory board at least once every three months;
- 8) decide on other matters falling within the competence of the Director pursuant to law, the statutes or the resolutions of the supervisory board;
- 9) perform other duties arising from legislation or assigned by the supervisory board.

(3) The Director is also competent to decide on matters regarding activities of the Fund which are not specified in subsection (2) of this section and are not within the competence of the supervisory board or any other body pursuant to law, the statutes, other legislation or a resolution of the supervisory board.

(4) The Director shall be subordinate and report to the supervisory board. The activities of the Director shall be based on the resolutions of the supervisory board.

(5) The Director shall immediately notify the supervisory board of any deterioration in the financial situation of the Fund and of other material circumstances related to the activities of the Fund.

§ 19. Requirements for Director

(1) The Director shall be an Estonian citizen with active legal capacity who has an academic degree recognised by the state or education corresponding to such level, an impeccable professional and business reputation and a total of at least five years' work experience in the field of internal control, auditing, finance or law or as a public servant in a position relating to such fields.

(2) The following persons shall not be appointed as Director:

- 1) members of the supervisory board;
 - 2) persons under preliminary investigation for or accused of a criminal offence or persons with a criminal record for criminal official misconduct or any other intentional act punishable pursuant to criminal procedure;
 - 3) persons whose previous unlawful act or omission has caused the bankruptcy or compulsory dissolution or revocation of the activity licence of a company;
 - 4) bankrupts or persons who are subject to a prohibition on business or from whom the right to engage in economic activity has been taken away pursuant to law;
 - 5) members of the supervisory board or management board or employees of a credit institution, investment institution, pension management company or insurer or a company belonging to the same consolidation group with such a company;
- [RT I 2008, 48, 269 - entry into force 14.11.2008]
- 6) public servants.

(3) The Director may be a member of the supervisory board or management board of a company or work for another employer only with the consent of the supervisory board.

§ 20. Agreement with Director

(1) The Director shall enter into an agreement prescribing the rights and obligations of the Director and the remuneration for performing the duties of Director.

(2) Before entry into the agreement, a candidate for the position of Director shall submit the following to the supervisory board in writing:

- 1) a curriculum vitae providing an overview of his or her education, training, experience and other material circumstances;

- 2) a complete overview of the positions and offices held by him or her and of his or her engagement in economic activity during the previous ten years at the least;
- 3) information regarding punishments entered in the punishment register with regard to him or her;
- 4) confirmation that no circumstances specified in this Act exist which would preclude his or her right to be appointed as Director.

(3) The Director shall notify the chairman immediately of any material changes in the information specified in subsection (2) of this section and of any circumstances which would preclude his or her right to work as Director.

§ 21. Term of authority and substitution

(1) The term of authority of the Director shall be three years.

(2) The authority of the Director shall commence as of the date provided for in the resolution on his or her appointment.

(3) In the absence of the Director and, upon expiry of his or her term of authority, until the appointment of a new Director, the duties of the Director shall be performed by an employee of the Fund appointed by the chairman.

(4) The provisions of §§ 18, 19 and 23 of this Act concerning the Director apply to an employee of the Fund performing the duties of the Director.

§ 22. Removal of Director

(1) The Director shall be removed before the end of his or her term of authority within one month after receiving his or her corresponding written application.

(2) The Director shall be removed immediately if:

- 1) a judgment of conviction in a criminal matter has entered into force with regard to him or her;
 - 2) a bankruptcy ruling has entered into force or a prohibition on business is applied with regard to him or her or if the right to engage in economic activity pursuant to law is taken away from him or her;
- [RT I 2008, 59, 330 - entry into force 01.01.2009]

3) he or she does not meet the requirements provided by this Act or if he or she has submitted false information regarding his or her compliance with such requirements;

4) he or she fails to perform his or her duties to a material extent or damages the interests of the Fund or there is any other good reason why the Director is unsuitable to perform of his or her duties.

(3) The Director may be removed before the expiry of his or her term of authority if he or she suffers from an illness lasting for more than four months or there is any other good reason why he or she is unable to perform his or her duties.

(4) Upon the removal or death of the Director, the supervisory board shall immediately appoint a new Director.

§ 23. Liability of Director

(1) The Director shall be liable for any damage he or she causes to the Fund by violating law or the statutes or by failing to perform his or her obligations.

(2) If the Director causes damage to a creditor of the Fund by failing to perform his or her obligations or by performing his or her obligations inappropriately, he or she shall be liable to the creditor solidarily with the Fund.

(3) The limitation period for assertion of claims against the Director shall be five years from the occurrence of the violation or the end of the violation.

Chapter 3

DEPOSIT GUARANTEE SECTORAL FUND

Division 1

Guaranteed Deposits

§ 24. Deposit

(1) For the purposes of this Act, a deposit refers to claims arising from the settlement contract of a depositor against the credit institution managing the account of the depositor and to claims arising from the settlement or loan contract of a depositor against the borrowing credit institution.

(2) For the purposes of this Act, a deposit also means a sum for the transfer of which depositors or other persons have issued a corresponding payment order for their own account but the credit institution has not executed the payment order by the date on which deposits become unavailable.

(3) Non-transferable registered acknowledgements of obligation pertaining to deposits (deposit certificates) are also deemed to be deposits.

(4) For the purposes of this Act, a joint deposit is a deposit which belongs to two or more persons jointly.

§ 25. Level of guarantee of and compensation for deposits

(1) Deposits of depositors of credit institutions registered in Estonia (hereinafter in this Chapter *credit institutions*) and Estonian branches of foreign credit institutions (hereinafter in this Chapter *branches*) shall be guaranteed and compensated for out of the Deposit Guarantee Sectoral Fund (hereinafter in this Chapter *the Sectoral Fund*) in accordance with the provisions of this Act. Deposits shall be guaranteed and compensated for out of the Sectoral Fund also in case credit institutions take deposits in foreign countries on cross-border basis. [RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) Deposits, together with the interest thereon as at the date on which the deposits become unavailable, shall be guaranteed and compensated for, but not more than in the amount of 100,000 euros per depositor in any one credit institution. [RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(3) For the purposes of compensation for a joint deposit, each owner of the joint deposit shall be deemed to be a depositor.

(3¹) Funds of third parties deposited on the account opened for notary's and bailiff's deeds shall be handled by the Sectoral Fund in compensation for deposits as separate deposits for each person. [RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(4) Interest on a deposit shall be calculated on the basis of the rates provided for in the settlement or loan contract specified in subsection 24 (1) of this Act or, in the absence of a written agreement, on the basis of the rates provided for in the standard depositing terms valid in the credit institution on the date on which the deposits become unavailable.

§ 26. Date on which deposits become unavailable

(1) For the purposes of this Act, the date on which deposits become unavailable is one of the following dates, whichever occurs first:

1) sixth working day after a moratorium is declared on a credit institution if the disbursement of deposits is suspended upon declaring the moratorium for a longer period than five working days;

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

2) the date on which the authorisation of a credit institution is revoked;

3) the date on which the authorisation issued to a foreign credit institution for foundation of a branch in Estonia is revoked;

4) the date on which bankruptcy proceedings are commenced against a credit institution on the basis of a court ruling;

5) the date of any other event or act which is provided for in the legislation of the home country of a foreign credit institution with a branch in Estonia and which is similar in terms of its consequences to the provisions of clauses 1)–4) of this subsection and upon the occurrence of which deposits are subject to compensation pursuant to such legislation.

(2) On the date on which deposits become unavailable, the due date for repayment of deposits shall be deemed to have arrived.

(3) The Fund is required to compensate for deposits under the conditions and pursuant to the procedure provided by this Act as of the date on which the deposits become unavailable.

(4) The Supervision Authority shall promptly notify the Fund of performing the act or becoming aware of the event or the act specified in subsection (1) of this section. In case another body or person has the above information before the Supervision Authority, he or she shall promptly notify thereof the Fund and the Supervision Authority.

[RT I 2006, 56, 417 - entry into force 01.01.2007]

§ 27. Guarantee of deposits in branches

(1) Deposits of the depositors of a branch (hereinafter *deposits in branches*), which, under a guarantee scheme of the home country of the credit institution, are guaranteed to the same or a higher level than prescribed by this Act shall not be guaranteed on the basis of this Act. For the purposes of this Act, the home country of a credit institution is the state where the credit institution is registered and the competent authority of which has issued the authorisation of the credit institution.

(2) In cases not specified in subsection (1) of this section, deposits in a branch shall be guaranteed on the basis of this Act.

(3) The Supervision Authority shall decide whether the guarantee scheme of the home country of a credit institution complies with the conditions provided for in subsection (1) or (2) of this section on the basis of a corresponding application of the credit institution within thirty days after submission of the application. If information regarding a guarantee scheme or the reliable functioning thereof is not sufficient, the scheme is presumed not to be in compliance with the conditions provided for in subsection (1) of this section.

[RT I 2002, 102, 600 - entry into force 26.12.2002]

§ 28. Guarantee of deposits in Estonian branches of credit institutions of Contracting States

(1) Deposits in the Estonian branch of a credit institution of a state which is a Contracting Party to the European Economic Area Agreement (hereinafter *Contracting State*) shall be guaranteed pursuant to this Act only to the extent that such deposits are not guaranteed under a guarantee scheme of the home country of the credit institution.

(2) In order to guarantee deposits pursuant to subsection (1) of this section, a credit institution of a Contracting State may, in its discretion, submit a corresponding application to the Fund. The list of information to be submitted upon application and the procedure for submission and review of the application shall be provided by the statutes.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(3) The supervisory board shall decide on the conditions for satisfaction of an application within two months after submission of the application.

(4) If a credit institution of a Contracting State fails to pay contributions to the extent and within the terms prescribed by the supervisory board pursuant to this Act, the supervisory board may decide that the deposits of the Estonian branch of the credit institution shall not be guaranteed by the Fund.

(5) A resolution specified in subsection (4) of this section enters into force not earlier than twelve months after submission of a notice specified in subsection 93 (5) of this Act to the corresponding supervisory body of the Contracting State.

[RT I 2004, 30, 208 - entry into force 01.05.2004]

§ 29. Guarantee of deposits in foreign branches of Estonian credit institutions

(1) Deposits in a foreign branch of an Estonian credit institution which are guaranteed under a guarantee scheme of the host country of the branch to the same or a higher level than prescribed by this Act shall not be guaranteed pursuant to this Act.

(2) The provisions of subsection (1) of this section do not apply to deposits in branches of Estonian credit institutions located in Contracting States.

(3) A decision that the deposits in a branch of an Estonian credit institution which is located in a foreign state are not subject to guarantee on the basis of this Act pursuant to subsection (1) of this section shall be made by the Supervision Authority on the basis of a corresponding application of the credit institution within thirty days after submission of the application. Information to prove that the guarantee scheme of the host country of the branch meets the conditions provided for in subsection (1) of this section shall be submitted upon application.

[RT I 2004, 30, 208 - entry into force 01.05.2004]

§ 30. Deposits not subject to guarantee and compensation

(1) Deposits belonging to any of the following Estonian or foreign persons as at the date on which the deposits become unavailable shall not be guaranteed or compensated for out of the Sectoral Fund:

- 1) the state;
- 2) a local government;
- 3) an insurer;
- 4) an investment fund;
- 5) an investment firm;

- 6) a management company;
- 7) a credit institution;
- 8) a legal person, which principal and permanent activity of which is to acquire holdings or conclude one or more of the transactions specified in clauses 6 (1) 2)-12) of the Credit Institutions Act.
[RT I, 21.12.2010, 3 - entry into force 01.01.2011]
- 9) a company belonging to the same consolidation group as the given credit institution;
- 10) a member of the supervisory board or management board or an auditor of the same credit institution or a company belonging to the same consolidation group as the credit institution, and a person holding at least five per cent of the share capital of the credit institution or a company belonging to the same consolidation group as the credit institution;
- 11) the spouse, child or parent (hereinafter *close relative*) of a person specified in clause 10) of this subsection or a third party acting on behalf of such person.

(2) The following deposits shall not be compensated for out of the Sectoral Fund:
1) deposits the owner of which has liabilities that have fallen due to the same credit institution, to the extent of such liabilities;

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

2) deposits the owner of which cannot be identified by the credit institution.

(3) Funds left at the disposal of a credit institution which are recorded under the own funds of the credit institution shall neither be guaranteed nor compensated for the account of the Sectoral Fund.

[RT I, 09.05.2014, 2 - entry into force 19.05.2014]

(4) Deposits confiscated on the basis of a judgment of conviction in a court case concerning money laundering or terrorist financing shall not be guaranteed out of the Sectoral Fund. If the disposal of the deposit has been restricted by the precept of the Financial Intelligence Unit or the deposit has been seized in criminal proceedings of a case concerning money laundering or terrorist financing, the compensation for the deposit shall be suspended until the precept has been revoked or the court judgment has entered into force.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(5) [Repealed - RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(6) [Repealed - RT I, 21.12.2010, 3 - entry into force 01.01.2011]

§ 31. Obligations of credit institution

(1) A credit institution shall notify depositors of the level of guarantee and the conditions and procedure for compensation for deposits provided for in this Act, including the deposits specified in § 30 of this Act that are not subject to guarantee and compensation.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) Credit institutions shall not use the deposit guarantee provided by this Act for advertising purposes.

Division 2 Contributions

§ 32. Contributions and types thereof

(1) The contributions to the Sectoral Fund are the single contribution and quarterly contributions.

(2) Contributions shall be paid to the Fund. Contributions shall not be paid in the cases provided for in subsections 27 (1) and 29 (1) of this Act.

(3) Contributions shall not be refunded to credit institutions unless otherwise provided by law.

§ 33. Single contribution

(1) The size of the single contribution shall be 3200 euros.

[RT I 2010, 22, 108 - entry into force 01.01.2011]

(2) A credit institution shall pay the single contribution within one month after notification of the resolution to issue authorisation to the credit institution.

(3) In the case provided for in subsection 27 (2) of this Act, a foreign credit institution is required to pay the single contribution within one month after authorisation to found a branch in Estonia is granted to the credit institution.

(4) In the case provided for in subsection 28 (1) of this Act, a credit institution of a Contracting State shall pay the single contribution within ten days after the applicant is notified of the resolution specified in subsection 28 (3) of this Act.

§ 34. Quarterly contribution

(1) A credit institution or a branch shall pay quarterly contributions on a regular basis by the 15th day of the second month of each quarter.

(2) The collection of quarterly contributions may be suspended on the basis of a resolution of the supervisory board if the assets of the Sectoral Fund constitute at least 3 per cent of the total amount of the deposits provided for in subsection 35 (1) of this Act.

§ 35. Size of quarterly contribution

(1) The size of a quarterly contribution (hereinafter in this Division *contribution*) shall be calculated on the basis of the total amount of the deposits of a credit institution or branch as on the last banking day of the quarter preceding payment of the contribution. Deposits of the depositors specified in clauses 30 (1) 1–9) and subsection 30 (3) of this Act and deposits in the branches specified in subsection 27 (1) and subsection 29 (1) of this Act shall not be included in the total amount of deposits. The amount of the deposits denominated in foreign currencies shall be converted into euros on the basis of the daily exchange rate of the European Central Bank. [RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) The size of a contribution shall be calculated by multiplying the total amount of deposits provided for in subsection (1) of this section by the contribution rate.

(3) The total amount of deposits provided for in subsection (1) of this section and the size of a contribution to be paid shall be calculated by the credit institution. The credit institution shall submit a report to the Fund on the size of the contribution pursuant to the procedure provided for in subsection 92 (2) of this Act.

§ 36. Contribution rate

(1) The supervisory board shall establish the contribution rate as a percentage of the total amount of deposits provided for in subsection 35 (1) of this Act and it shall not exceed 0.125 per cent.

(2) A uniform contribution rate shall be applied to all credit institutions and branches unless otherwise arising from subsection (3) of this section.

(3) In the case specified in subsection 28 (1) of this Act, a separate contribution rate shall be established for each branch, calculated pursuant to the necessity to guarantee compensation for deposits out of the Sectoral Fund to the extent not guaranteed under the guarantee scheme of the host country of a credit institution that founded the branch in Estonia.

[RT I 2006, 56, 417 - entry into force 01.01.2007]

(4) Any amendment of a contribution rate shall enter into force as of the beginning of a quarter, but not earlier than three months after adoption of the corresponding resolution of the supervisory board.

Division 3 Compensation for Deposits

§ 37. Giving notification to depositors

(1) Within three working days after the date on which deposits become unavailable, the Fund shall publish a notice in two daily national newspapers on two occasions setting out at least the following information:

- 1) the name of the credit institution or the branch of a credit institution in which deposits have become unavailable;
- 2) the procedure and terms for gaining access to the information specified in clause 38 (1) 1) of this Act and for the submission of positions on the correctness thereof;
- 3) the term and procedure for payment of compensation;
- 4) a list of the documents required upon the payment of compensation.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) The Fund and the Supervision Authority shall immediately publish the data specified in subsection (1) of this section on their web sites.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

§ 38. Procedure for granting compensation

(1) Not later than within seven working days after the date on which deposits become unavailable, the trustee in bankruptcy, moratorium administrator or liquidator of a credit institution (hereinafter in this Division *trustee*) is required to:

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

- 1) ensure that each depositor has the opportunity to gain access to the accounting information regarding the deposit thereof and to receive a balance statement regarding the deposit;
- 2) provide the Fund with information regarding the depositors and the balances of their deposits, indicating separately the information regarding the depositors and deposits specified in the second sentence of subsection 25 (1) and §§ 29 and 30 of this Act.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(1¹) A notary or bailiff shall provide the trustee within three working days after the date on which deposits become unavailable with the information regarding the third parties and their deposits specified in subsection 25 (3¹) of this Act.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) The President of Eesti Pank shall establish the exact list of information to be submitted pursuant to clause (1) 2) of this section and the procedure for submitting such information.

(3) Depositors have the right to submit their positions regarding the correctness of the balance of their deposits to the trustee within twelve working days after publication of the last notice specified in subsection 37 (1) of this Act.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(4) If a deposit is compensated for before receipt of the position of the depositor in an amount not corresponding to the amount subject to compensation, the Fund shall compensate for the deficit within the term specified in subsection 41 (2) of this Act or collect the overpaid amount from the person.

§ 39. Grant of compensation

(1) The Fund shall determine the deposits subject to compensation and the amount of compensation payable to each depositor under the conditions and pursuant to the procedure provided for in this Act on the basis of the information submitted by the trustee.

(2) Deposits in a branch shall not be compensated for to the extent that such deposits are compensated for under a guarantee scheme of the home country of the credit institution.

(3) Deposits in a foreign branch of an Estonian credit institution shall not be compensated for to the extent that such deposits are compensated for under a guarantee scheme of the host country of the branch.

(4) Compensation for joint deposits shall be paid to the depositors in equal amounts unless otherwise provided for in the settlement or loan contract.

§ 40. Payment of compensation

(1) Compensation shall be paid by transfer to the bank account indicated by the depositor or, on the basis of an application of the depositor, in cash through one or several Estonian or foreign credit institutions specified in a resolution of the supervisory board.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) The Fund shall open an account in a credit institution specified in subsection (1) of this section for payment of compensation and shall submit the information regarding the compensation to be paid to the credit institution not later than two working days before commencement of the payment of compensation pursuant to the provisions of subsection 41 (1) of this Act.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(3) Fees relating to the payment of compensation in cash or by bank transfer shall be paid by the depositors unless otherwise agreed upon between the Fund and the credit institution making the payments. If the fee payable by a depositor for payment of compensation in cash or by a bank transfer is higher than or equal to the amount of compensation, the compensation shall not be paid. The fee charged for payment of compensation shall not exceed the ordinary fee charged by the credit institution for similar services.

(4) Compensation for deposits denominated in foreign currencies shall be paid in euros according to the daily exchange rate of the European Central Bank as at the date on which the deposits become unavailable.

[RT I 2010, 22, 108 - entry into force 01.01.2011]

(5) Compensation for deposits seized pursuant to the procedure prescribed by law shall be paid after the entry into force of the corresponding judgment or ruling by a court or any other competent authority.

§ 41. Term of compensation

(1) Payment of compensation shall be commenced not later than ten working days after the date on which deposits become unavailable.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) Payment of compensation shall be completed within twenty working days as of the date on which deposits become unavailable. The supervisory board of the Fund may extend the term for payment of compensation under extraordinary circumstances and with good reason, but not more than by 10 working days.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(3) Amounts of compensation not paid within the term specified in subsection (2) of this section shall be deposited by the Fund in a credit institution in accordance with a resolution of the supervisory board.

(4) If the Fund fails to pay compensation within the term specified in subsection (2) of this section or pays less compensation than prescribed, the depositor has the right to file a claim against the Fund. The limitation period for filing a claim shall be five years.

§ 41¹. Payment of compensations in framework of resolution

(1) In case the Supervision Authority has implemented a resolution tool or power pursuant to the Financial Crisis Prevention and Resolution Act and provided that this tool or power ensures that depositors continue to have access to their deposits, the following may be compensated based on the resolution of the Supervision Authority for the account of the Sectoral Fund:

1) when the bail-in tool is applied, the amount by which covered deposits would have been written down in order to compensate for the damage of a credit institution based on clause 78 (2) 1) of the Financial Crisis Prevention and Resolution Act, had covered deposits been included within the scope of bail-in and been written down to the same extent as creditors with the same level of priority in bankruptcy proceedings, or

2) when one or more resolution tools other than the bail-in tool is applied, the amount of losses that covered depositors would have suffered, had covered depositors suffered losses in proportion to the losses suffered by creditors with the same level of priority in bankruptcy proceedings.

(2) In no case specified in subsection (1) of this section, the compensation paid by the Fund shall exceed the amount of damage that the Fund had to bear had the credit institution been liquidated under bankruptcy proceedings.

(3) When the bail-in tool is applied, the Fund shall not compensate for the costs of recapitalising the credit institution or bridge institution pursuant to clause 78 (2) 2) of the Financial Crisis Prevention and Resolution Act.

(4) If as a result of additional valuation provided for in § 54 of the Financial Crisis Prevention and Resolution Act it is determined that the Fund's contribution to resolution was greater than the net losses the Fund would have incurred had the credit institution been terminated and liquidated under bankruptcy proceedings, there is the right to request compensation to the extent of the corresponding difference for the account of the Resolution Sectoral Fund in compliance with § 80 of the Financial Crisis Prevention and Resolution Act.

(5) The amount payable by the Fund on the basis of subsections (1)–(4) of this section shall be determined pursuant to the terms and conditions provided for in Chapter 5 of the Financial Crisis Prevention and Resolution Act.

(6) The payment made out of the Sectoral Fund pursuant to subsections (1)–(4) of this section shall be made in cash.

(7) Where deposits subject to guarantee at a credit institution under resolution are transferred to another entity through the transfer of shares and assets or the implementation of the bridge institution tool, the depositors have no right to file claims against the Fund in relation to any part of the deposits at the credit institution under resolution that are not transferred, provided that the amount of funds transferred is equal to or more than the level of guarantee of and compensation for deposits provided for in § 25 of this Act.

(8) Irrespective of the provisions of subsections (1)–(7) of this section, if the financial means of the Fund are used in accordance therewith and are subsequently reduced to less than two thirds of the target level of the Sectoral Fund established by the supervisory board, the supervisory board shall determine the amount of the quarterly contribution to the Sectoral Fund which provides an opportunity to achieve the target level within six years.

(9) The Fund's liabilities pursuant to this section shall in no case exceed:

1) 50 per cent of the target level of financing established by the supervisory board for the Deposit Guarantee Sectoral Fund;

2) the expenses the Fund would have borne in a similar case in bankruptcy proceedings.
[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

Chapter 4

INVESTOR PROTECTION SECTORAL FUND

Division 1

Guaranteed Investments

§ 42. Investment

(1) For the purposes of this Act, an investment is a claim which is based on an agreement between the parties or on legislation and pursuant to which an investment institution is required to:

- 1) repay the money owed to or belonging to investors and held or managed for their account by the investment institution in connection with the provision of investment services;
- 2) return to investors the securities owed to or belonging to them and held, managed or administered for their account by the investment institution in connection with the provision of investment services.

(2) For the purposes of this Act, a joint investment is an investment which is jointly owned by two or more persons.

(3) For the purposes of this Act, the value of an investment is the value of the money and securities specified in subsection (1) of this section, determined pursuant to the methods established by the minister responsible for the area mainly on the basis of the market value of the money and securities.

§ 43. Investment institution and investment service

(1) For the purposes of this Act, the following are investment institutions:

- 1) investment firms within the meaning of the Securities Market Act;
- 2) credit institutions;
- 3) management companies which have been granted the right specified in clause 13 (1) 1) or 3) of the Investment Funds Act.

[RT I 2008, 13, 89 - entry into force 15.03.2008]

(2) For the purposes of this Act, an investment service is the service specified in § 43 and clause 44 1) of the Securities Market Act.

§ 44. Level of guarantee of and compensation for investments

(1) Investments made through an investment institution registered in Estonia (hereinafter in this Chapter *investment institution*) or the Estonian branch of a foreign investment institution (hereinafter in this Chapter *branch*) shall be guaranteed and compensated for the investors out of the Investor Protection Sectoral Fund (hereinafter in this Chapter *the Sectoral Fund*) in accordance with the provisions of this Act. Investments shall be guaranteed and compensated for out of the Sectoral Fund also in case investment institutions provide investment services in foreign countries on cross-border basis.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) Investments subject to compensation on the basis of §§ 52 and 53 of the Estonian Central Register of Securities Act shall not be guaranteed or compensated for on the basis of this Act.

(3) Investments shall be guaranteed and compensated for pursuant to the provisions of this Act in their value as at the date of compensation but not more than in the amount of 20,000 euros per investor in any one investment institution.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(4) For the purposes of compensation for a joint investment, each owner of the joint investment shall be deemed to be an investor.

(5) Securities owned by third parties that are kept on a securities account opened for notary's and bailiff's deeds shall be handled separately for each person by the Sectoral Fund in compensation for investments.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

§ 45. Guarantee of investments in branches

(1) Investments of the investors of a branch (hereinafter *investments in branches*) which under a guarantee scheme of the home country of the investment institution are guaranteed to the same or a higher level than prescribed by this Act shall not be guaranteed on the basis of this Act. For the purposes of this Act, "home country of an investment institution" means the state where the investment institution is registered and the competent authority of which has issued the activity licence of the investment institution.

(2) In the cases not specified in subsection (1) of this Act, the investments of a branch shall be guaranteed on the basis of this Act.

(3) The Supervision Authority shall decide whether the guarantee scheme of the home country of an investment institution is in compliance with the conditions provided for in subsection (1) or (2) of this section on the basis of a corresponding application of the investment institution within thirty days after submission of the application. If information regarding a guarantee scheme or the reliable functioning thereof is not sufficient, the scheme is presumed not to be in compliance with the conditions provided for in subsection (1) of this section.

§ 46. Guarantee of investments of Estonian branches of investment institutions of Contracting States

(1) Investments of the Estonian branch of an investment institution of a Contracting State shall be guaranteed pursuant to this Act only to the extent that such investments are not guaranteed under a guarantee scheme of the home country of the investment institution.

(2) In order to guarantee investments pursuant to subsection (1) of this section, an investment institution of a Contracting State may, in its discretion, submit a corresponding application to the Fund. The list of information to be submitted upon application and the procedure for submission and review of the application shall be provided by the statutes.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(3) The supervisory board shall decide on the conditions for satisfaction of an application within two months after submission of the application.

(4) If an investment institution of a Contracting State fails to pay contributions to the extent and within the terms prescribed by the supervisory board pursuant to this Act, the supervisory board may decide that the investments of the Estonian branch of the investment institution shall not be guaranteed by the Fund.

(5) A resolution specified in subsection (4) of this section enters into force not earlier than twelve months after submission of a notice specified in subsection 93 (5) of this Act to the corresponding supervisory body of the Contracting State.

(6) The provisions of subsections (1)–(5) of this section do not apply to branches of investment institutions specified in clause 43 (1) 3) of this Act.

[RT I 2004, 30, 208 - entry into force 01.05.2004]

§ 47. Guarantee of investments of foreign branches of Estonian investment institutions

(1) Investments of a foreign branch of an Estonian investment institution which are guaranteed under a guarantee scheme of the host country of the branch to the same or a higher level than prescribed by this Act shall not be guaranteed pursuant to this Act.

(2) The provisions of subsection (1) of this section do not apply to investments in branches of Estonian investment institutions specified in clauses 43 (1) 1) and 2) of this Act and located in Contracting States.

(3) A decision that the investments of a branch of an Estonian investment institution which is located in a foreign state are not subject to guarantee pursuant to this Act pursuant to subsection (1) of this section shall be made by the Supervision Authority on the basis of a corresponding application of the investment institution within thirty days after submission of the application. Information to prove that the guarantee scheme of the host country of the branch meets the conditions provided for in subsection (1) of this section shall be submitted upon application.

[RT I 2004, 30, 208 - entry into force 01.05.2004]

§ 48. Investments not subject to guarantee and compensation

(1) Investments belonging to professional investors or any of the following Estonian or foreign persons as at the date specified in subsection 55 (1) of this Act shall not be guaranteed or compensated for out of the Sectoral Fund:

- 1) the state;
 - 2) a local government;
 - 3) a legal person, which principal and permanent activity of which is to acquire holdings or conclude one or more of the transactions and operations specified in clauses 6 (1) 2)-12) of the Credit Institutions Act.
- [RT I, 21.12.2010, 3 - entry into force 01.01.2011]
- 4) a company belonging to the same consolidation group as the given investment institution;
 - 5) a member of the supervisory board or management board or an auditor of the same investment institution or a company belonging to the same consolidation group as the investment institution, and a person holding at least five per cent of the share capital of the investment institution or a company belonging to the same consolidation group as the investment institution;

6) a close relative of a person specified in clause 5) of this subsection or a third party acting on behalf of such person.

(2) For the purposes of this Act, a professional investor is an investor specified in subsection 6 (2) of the Securities Market Act.

(3) An investment the owner of which has liabilities that have fallen due to the same investment institution shall not be compensated for out of the Sectoral Fund to the extent of such liabilities.
[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(4) Investments confiscated on the basis of a judgment of conviction in a court case concerning money laundering or terrorist financing shall not be guaranteed out of the Sectoral Fund. If the disposal of the investment has been restricted by the precept of the Financial Intelligence Unit or the investment has been seized in criminal proceedings of a court case concerning money laundering or terrorist financing, the compensation for the investment shall be suspended until the precept has been revoked or the judgment has entered into force.
[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(5) [Repealed - RT I, 21.12.2010, 3 - entry into force 01.01.2011]

§ 49. Obligations of investment institution

(1) An investment institution shall notify investors of the investor protection scheme and the level of guarantee and the conditions and procedure for compensation for investments provided for in this Act.

(2) Investment institutions shall not use the investment guarantee provided by this Act for advertising purposes.

Division 2 Contributions

§ 50. Contributions and types thereof

(1) The contributions to the Sectoral Fund are the single contribution and quarterly contributions.

(2) Contributions shall be paid to the Fund. Contributions shall not be paid in the cases provided for in subsections 45 (1) and 47 (1) of this Act.

(3) Contributions shall not be refunded to investment institutions unless otherwise provided by law.

§ 51. Single contribution

(1) The size of the single contribution shall be 1300 euros.
[RT I 2010, 22, 108 - entry into force 01.01.2011]

(2) An investment institution shall pay the single contribution within one month after notification of the resolution to issue an activity licence to the investment institution.
[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(3) In the case provided for in subsection 45 (2) of this Act, a foreign investment institution is required to pay the single contribution within one month after authorisation to found a branch in Estonia is granted to the investment institution.

(4) In the case provided for in § 46 of this Act, an investment institution of a Contracting State shall pay the single contribution within ten days after the applicant is notified of the resolution specified in subsection 46 (3) of this Act.

§ 52. Quarterly contribution

(1) An investment institution or a branch shall pay quarterly contributions on a regular basis by the 15th day of the second month of each quarter.

(2) The supervisory board may, by a resolution thereof, grant investment institutions and branches the right to defer payment of up to one-third of a quarterly contribution if the investment institution assumes the obligation to pay the deferred part of the contribution immediately upon submission of a corresponding request by the Fund. The Fund shall submit a request for payment of the deferred part of the contribution when the obligation arises to compensate for the investments guaranteed out of the Sectoral Fund.

(3) The Fund may require an investment institution to insure performance of the obligation specified in subsection (2) of this section or to secure performance of the obligation by a third party acceptable to the supervisory board. The total amount of contributions deferred on the basis of subsection (2) of this section by

one investment institution or branch shall not exceed four times the total amount of contributions calculated on the basis of the limits provided for in subsection 54 (1) of this Act.

(4) On the basis of a resolution of the supervisory board, the Fund shall suspend the collection of quarterly contributions if all of the following conditions are met:

- 1) the value of the assets of the Sectoral Fund exceeds 2 000 000 euros;
[RT I 2007, 58, 380 - entry into force 19.11.2007]
- 2) all investments subject to compensation out of the Sectoral Fund have been compensated for;
- 3) the loans specified in clause 86 (2) 1) of this Act and the money received from other sectoral funds for the performance of the obligations of the Sectoral Fund pursuant to clause 86 (2) 2) of this Act have been fully repaid together with the interest thereon.

§ 53. Size of quarterly contribution

(1) The size of a quarterly contribution (hereinafter in this Division *contribution*) shall be calculated by multiplying the indicators provided for in subsection 54 (1) of this Act and which characterise the volume of the investment services provided by an investment institution or branch (hereinafter in this Chapter *volume of investments*) by the corresponding contribution rates.

(2) Investments of professional investors, investments specified in subsection 44 (2) and clauses 48 (1) 1)–4) of this Act and investments of the branches specified in subsection 45 (1) and subsection 47 (1) of this Act shall not be included in the volume of investments for the purposes of calculating the size of a contribution.
[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(3) The size of a contribution shall be calculated by totalling the amounts payable on the basis of the volume of investments.

(4) The size of a contribution shall not be less than 50 euros per investment institution or branch. If the requirements provided for in clauses 52 (4) 2) and 3) of this Act are not met, the size of a contribution shall not be less than 255 euros.
[RT I 2010, 22, 108 - entry into force 01.01.2011]

(5) The size of a contribution shall be calculated by the investment institution. The investment institution shall submit a report on the size of the contribution to the Fund pursuant to the procedure provided for on the basis of subsection 92 (2) of this Act.

(6) The minister responsible for the area shall establish the specific bases and procedure for calculating the size of a contribution.

§ 54. Contribution rate

(1) The supervisory board shall establish separate contribution rates for different volumes of investments and they shall not exceed the following:

- 1) in the case of the provision of investment services specified in clauses 43 (1) 1) and 2) of the Securities Market Act, 0.1 per cent of the average turnover of the securities sale and purchase transactions which are performed in the investment institution or branch within the last ten working days of the quarter preceding payment of the contribution and where one party or broker is the investment institution or branch;
[RT I 2007, 58, 380 - entry into force 19.11.2007]
- 2) in the case of the provision of investment services specified in clause 43 (1) 4) of the Securities Market Act, 0.075 per cent of the market value of the money and securities managed by the investment institution or branch as at the last working day of the quarter preceding payment of the contribution;
[RT I 2007, 58, 380 - entry into force 19.11.2007]
- 3) in the case of the provision of investment services specified in subsection 44 (1) of the Securities Market Act, 0.01 per cent of the market value of the securities held by the investment institution or branch as at the last working day of the quarter preceding payment of the contribution;

(2) The volumes of investments specified in subsection (1) of this section and the value of money and securities shall be calculated pursuant to the procedure established by the minister responsible for the area.

(3) Uniform contribution rates shall be applied to all investment institutions and branches. In the case specified in subsection 46 (1) of this Act, separate contribution rates shall be established for each branch, calculated pursuant to the necessity to guarantee compensation for investments out of the Sectoral Fund to the extent not guaranteed under the guarantee scheme of the host country of an investment institution that founded the branch in Estonia.

(4) The limits provided for in subsection (1) of this section do not apply to the payment of a part of a contribution deferred by the investment institution pursuant to subsection 52 (2) of this Act.

(5) Any amendment of a contribution rate shall enter into force as of the beginning of a quarter, but not earlier than one month after adoption of the corresponding resolution of the supervisory board.

Division 3

Compensation for Investments

§ 55. Date of compensation

(1) In the case of the investments of credit institutions providing investment services, the obligation of the Fund to compensate for the investments under the conditions and pursuant to the procedure provided for in this Act arises on the date on which deposits become unavailable and, in the case of the investments of other investment institutions, on one of the following dates, whichever occurs first (hereinafter in this Division *the compensation date*):

1) the date on which a bankruptcy ruling of an investment institution or a person operating as an investment institution (hereinafter in this Division *investment institution*) is declared;

[RT I 2008, 59, 330 - entry into force 01.01.2009]

2) the date on which the activity licence of an investment firm is revoked pursuant to subsection 58 (2) of the Securities Market Act or the date on which the authorisation granted to a foreign investment institution to found a branch in Estonia is revoked if the activity licence or authorisation is revoked due to failure on the part of the investment firm to perform its obligations relating to investments;

3) the date of invalidation of the activity licence of a management company or revocation of the right specified in clause 13 (1) 1) or 3) of the Investment Funds Act, if the activity licence is invalidated on the basis of the failure by the management company to perform its obligations related to investments;

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

4) the date of any other event or act which is provided for in the legislation of the home country of a foreign investment institution with a branch in Estonia and which is similar in terms of its consequences to the provisions of clauses 1)–3) of this subsection and upon the occurrence of which investments are subject to compensation pursuant to such legislation.

(2) In addition to the provisions of subsection (1) of this section, the Supervision Authority may, by a resolution thereof, deem the compensation date to have arrived if an investment institution fails to return to investors the securities or money belonging to such investors and if circumstances become evident which indicate the insolvency of the investment institution.

(3) The Supervision Authority shall immediately notify the Fund and the investment institution of a resolution on the revocation of an activity licence or authorisation specified in clause (1) 2) or 3) of this Act and of a resolution specified in subsection (2) of this section. The Supervision Authority shall immediately notify the Fund of the circumstances specified in clauses (1) 1)–4) of this section.

(4) In case another body or person has the above information regarding the events or operations specified in subsection (1) of this section before the Supervision Authority, he or she shall promptly notify thereof the Fund and the Supervision Authority.

[RT I 2006, 56, 417 - entry into force 01.01.2007]

§ 56. Giving notification to investors

(1) Within three working days after receipt of a notice specified in subsection 55 (3) of this Act, the Fund shall publish a notice in two daily national newspapers on two occasions setting out at least the following information:

1) the name of the investment institution or the branch of an investment institution the investments of which are subject to compensation;

2) the term and place for submission of claims and the format of the claims;

3) the term and procedure for payment of compensation;

4) a list of the documents required upon the payment of compensation.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) Upon the receipt of the notice specified in subsection 55 (3) of this Act, the Fund and the Supervision Authority shall immediately publish the data specified in subsection (1) of this section also on their web sites.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

§ 57. Procedure for granting compensation

(1) Not later than within forty-five days after the compensation date, a member of the management board, trustee in bankruptcy, moratorium administrator or liquidator of an investment institution (hereinafter in this Division *trustee*) is required to send:

1) to each investor the information regarding his or her investments;

2) to the Fund the information regarding the investors and the investments subject to compensation to the investors, indicating separately the information regarding the investors and investments specified in the second sentence of subsection 44 (1) and §§ 47 and 48 of this Act.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(1¹) A notary or bailiff shall provide the trustee within three working days as of the compensation date with the information regarding the third parties and their investments specified in subsection 44 (5) of this Act.
[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) The minister responsible for the area shall establish the exact list of information to be submitted on the basis of subsection (1) of this section and the procedure for submitting such information.

(3) Investors have the right to submit their positions regarding their investments and the value thereof to the trustee within five months after publication of the notice specified in subsection 56 (1) of this Act. If their position differs from the information submitted on the basis of clause (1) 2) of this section, the trustee shall immediately notify the Fund of the difference and submit its own position.
[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

§ 58. Grant of compensation

(1) The Fund shall determine the investments subject to compensation and the amount of compensation payable under the conditions and pursuant to the procedure provided for in this Act on the basis of the information submitted by the trustee.

(2) The amount of compensation shall be determined on the basis of the value of the investment on the compensation date. The value of a foreign currency and securities denominated in a foreign currency shall be converted into euros on the basis of the daily exchange rate of the European Central Bank as at the compensation date. The minister responsible for the area may establish more detailed bases and the procedure for granting compensation.
[RT I 2010, 22, 108 - entry into force 01.01.2011]

(3) Investments of a branch shall not be compensated for to the extent that such investments are compensated for under a guarantee scheme of the home country of the investment institution.

(4) Investments of a foreign branch of an Estonian investment institution shall not be compensated for to the extent that such investments are compensated for under a guarantee scheme of the host country of the branch.

(5) Compensation for joint investments shall be granted to the investors in equal parts unless otherwise agreed upon between the investment institution and the investors.

§ 59. Payment of compensation

(1) Compensation shall be paid in money by a bank transfer to the account indicated by the investor. Compensation shall be paid through one or several Estonian credit institutions specified in a resolution of the supervisory board.

(2) The Fund shall open an account in a credit institution specified in subsection (1) of this section for payment of compensation and submit the information regarding the compensation to be paid to the credit institution not later than three working days before commencement of the payment of compensation pursuant to the provisions of subsection 60 (1) of this Act.

(3) Investors shall pay for the transfer of compensation unless otherwise agreed upon between the Fund and the credit institution making the payments. If the fee payable by an investor for the transfer is higher than or equal to the amount of compensation, the compensation shall not be paid. The fee charged for the transfer of compensation shall not exceed the ordinary transfer fee charged by the credit institution.

(4) Compensation for investments seized pursuant to the procedure prescribed by law shall be paid after the entry into force of the corresponding judgment or ruling by a court or any other competent authority.

§ 60. Term of compensation

(1) Compensation shall be paid to an investor not later than within one month after determination of the value of the investment subject to compensation, but not before the investor has submitted the position specified in subsection 57 (3) of this Act or the term for submission has expired.

(2) Payment of compensation shall be completed within six months after publication of the notice specified in subsection 56 (1) of this Act.
[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(3) The Fund may extend the terms specified in subsections (1) and (2) of this Act under extraordinary circumstances and with good reason. A term may be extended by up to three months at a time, but not for more than a total of twelve months.

(4) Amounts of compensation not paid within the term specified in subsections (2) and (3) of this section shall be deposited by the Fund in a credit institution in accordance with a resolution of the supervisory board.

(5) If the Fund fails to pay compensation within the term specified in subsections (2) and (3) of this section or pays less compensation than prescribed, the investor has the right to file a claim against the Fund. The limitation period for filing a claim shall be five years.

Chapter 5

PENSION PROTECTION SECTORAL FUND

Division 1

Bases for Compensation

§ 61. Loss subject to compensation

(1) Loss caused to the unit-holders of a mandatory pension fund (hereinafter in this Chapter *loss* and *pension fund* respectively) for which the unit-holders have not been compensated by the pension management company pursuant to §§ 32-36 of the Funded Pensions Act by the due date established by the Supervision Authority shall be compensated for out of the Pension Protection Sectoral Fund (hereinafter in this Chapter *the Sectoral Fund*) under the conditions and pursuant to the procedure provided for in this Act.

(2) For the purposes of this Act, loss is the loss provided for in subsections 32 (1) and (2) of the Funded Pensions Act.

[RT I 2004, 37, 252 - entry into force 01.05.2004]

§ 62. Loss not subject to compensation

Compensation for loss shall not be paid out of the Sectoral Fund to a unit-holder who at the time of incurring the loss is:

- 1) a member of the management board or supervisory board or an auditor of the pension management company which caused the loss;
- 2) a member of the management board or supervisory board of the depositary of the given pension fund;
- 3) the fund manager of the given pension fund;
- 4) the spouse of a person specified in clause 1)–3) of this section;
- 5) a member or the spouse of a member of the management board or supervisory board of the parent company of the pension management company which caused the loss.

§ 63. Level of compensation

A unit-holder shall be compensated in full for loss subject to compensation out of the Sectoral Fund in the amount of up to 10,000 euros per specific loss event of the unit-holder. Any loss exceeding 10,000 euros per specific loss event of a unit-holder shall be compensated for to the extent of 90 per cent.

§ 64. Obligations of pension management company

(1) A pension management company shall notify the unit-holders of the pension protection scheme and of the conditions and procedure for compensation for loss provided by this Act.

(2) Pension management companies shall not use compensation for loss pursuant to this Chapter for advertising purposes.

Division 2

Contributions

§ 65. Contributions and types thereof

(1) The contributions to the Sectoral Fund are the single contribution and quarterly contributions.

(2) Contributions shall be paid to the Fund.

(3) Contributions shall not be refunded to pension management companies unless otherwise provided by law.

§ 66. Single contribution

(1) The size of the single contribution shall be 1000 euros per pension fund managed by a pension management company.

[RT I 2010, 22, 108 - entry into force 01.01.2011]

(2) A pension management company shall pay the single contribution within one month after registration of the pension fund rules by the Supervision Authority.

§ 67. Quarterly contribution

(1) A pension management company shall pay quarterly contributions on a regular basis by the 15th day of the second month of each quarter.

(2) The supervisory board may, by a resolution thereof, permit deferral of the payment of up to one quarter of a quarterly contribution if the pension management company assumes the obligation to pay the deferred part of the contribution immediately upon submission of a corresponding request by the Fund. Such permission may be granted to one, several or all pension management companies, bearing in mind the share of the pension fund units held by them and the number of loss events provided for in § 32 of the Funded Pensions Act. The Fund shall submit a request for payment of the deferred part of the contribution when the obligation arises to pay compensation out of the Sectoral Fund.

(3) The total amount of contributions deferred on the basis of subsection (2) of this section by one pension management company shall not exceed 0.2 per cent of the total amount of the net asset values of the pension funds specified in subsection 68 (1) of this Act.

(4) The Fund may require a pension management company to insure performance of the obligation specified in subsection (2) of this section or to secure performance of the obligation by a third party acceptable to the supervisory board.

(5) On the basis of a resolution of the supervisory board, the Fund shall suspend the collection of quarterly contributions if all of the following conditions are met:

- 1) the assets of the Sectoral Fund constitute at least one per cent of the net asset value of all pension funds;
- 2) the value of the assets of the Sectoral Fund exceeds 1,000,000 euros;
- 3) the loans specified in clause 86 (2) 1) of this Act and the money received from other sectoral funds for the performance of the obligations of the Sectoral Fund pursuant to clause 86 (2) 2) of this Act have been fully repaid together with the interest thereon.

[RT I 2004, 37, 252 - entry into force 01.05.2004]

§ 68. Size of quarterly contribution

(1) The quarterly contribution (hereinafter in this Division *contribution*) shall be calculated on the basis of the net asset value of all pension funds managed by a pension management company as on the last day of the quarter preceding payment of the contribution.

(2) The size of a contribution shall be calculated by multiplying the total amount of the net asset values of the pension funds specified in subsection (1) of this section by the contribution rate.

(3) The size of a contribution shall be calculated by the pension management company. The pension management company shall submit a report on the size of the contribution to the Fund pursuant to the procedure provided for on the basis of subsection 92 (2) of this Act.

§ 69. Contribution rate

(1) The supervisory board shall establish a uniform contribution rate for all pension management companies as a percentage of the net asset values of the pension funds specified in subsection 68 (1) of this Act, and it shall not exceed 0.1 per cent. If the requirements provided for in clauses 67 (5) 2) and 3) of this Act are met, the contribution rate shall not exceed 0.025 per cent.

(2) The maximum contribution rate provided for in subsection (1) of this Act does not apply to the payment of a deferred part of a contribution pursuant to subsection 67 (2) of this Act.

(3) Any amendment of a contribution rate shall enter into force as of the beginning of a quarter, but not earlier than two months after adoption of the corresponding resolution of the supervisory board.

Division 3

Compensation for Loss

§ 70. Date of compensation for loss and grant of compensation

(1) The obligation of the Fund to compensate, under the conditions and pursuant to the procedure provided for in this Act, for any loss caused to unit-holders arises ten working days after expiry of the term specified in clause 33 (2) 3) of the Funded Pensions Act if the pension management company fails to comply with a precept.

(2) Immediately upon expiry of the term specified in clause 33 (2) 3) of the Funded Pensions Act, the Supervision Authority shall send a notice to the Fund and to the registrar of the Estonian Central Register of Securities (hereinafter *registrar*) setting out information regarding the following:

- 1) the pension management company which caused the loss;
- 2) the pension management companies or depositaries managing the pension funds, the unit-holders of which suffered loss;
- 3) the circumstances specified in subsection (1) of this section.

(3) The application specified in subsection 34 (1) of the Funded Pensions Act shall be annexed to the notice submitted pursuant to subsection (2) of this section.

(4) The Fund shall determine the amount of compensation to be paid to each person on the basis of the information submitted by the Supervision Authority, pension management company, registrar and other persons, pursuant to the provisions of §§ 61–63 of this Act.
[RT I 2004, 37, 252 - entry into force 01.05.2004]

§ 71. Giving notification to unit-holders

(1) Within three working days after the date of receipt of the notice specified in subsection 70 (2) of this Act, the Fund shall publish a corresponding notice in a daily national newspaper on at least two occasions. The notice shall contain at least the following information:

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

- 1) the name of the pension fund with regard to which the decision was made;
- 2) information as to when and how unit-holders can obtain information regarding the compensation granted to them;
- 3) the procedure and terms for compensation.

(1¹) Upon the receipt of the notice specified in subsection 70 (2) of this Act, the Fund and the Supervision Authority shall immediately publish the data specified in subsection (1) of this section on their web sites.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) After determination of the compensation, the Fund shall, at the request of a unit-holder, notify the unit-holder of the amount of compensation granted to him or her and of the related circumstances.

§ 72. Term of compensation

(1) Not later than within forty-five calendar days after receipt of the notice specified in subsection 70 (2) of this Act, the Fund shall:

- 1) send the names and personal identification codes of the unit-holders entitled to receive compensation and the amounts of compensation granted to them to the registrar;
- 2) transfer the amount of money necessary for compensation to the bank account indicated by the registrar.

(2) The registrar shall compensate for the loss pursuant to the procedure provided for in § 73 of this Act within ten working days after receipt of the information and money specified in subsection (1) of this section.

(3) At the request of the Fund or the registrar, the Supervision Authority may extend the terms specified in subsections (1) and (2) of this section with good reason.

(4) If the Fund fails to compensate an entitled person for loss within the period prescribed in this section, the person has the right to file a claim against the Fund. The limitation period for filing a claim shall be five years.

§ 73. Procedure for compensation

(1) The registrar shall, for the amount of compensation granted to a unit-holder, acquire for the unit-holder the maximum whole number of units of the pension fund to which the unit-holder makes mandatory funded pension contributions at the time of payment of the compensation.

(2) If a unit-holder has entered into a pension contract or if the unit-holder is dead, units shall be acquired for him or her from the existing pension fund of which he or she last acquired units. If all the pension funds of which the unit-holder has acquired units have been liquidated, the units of the pension fund indicated by the unit-holder or his or her successor shall be acquired for the compensation.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

(3) Upon acquisition of units pursuant to the procedure provided for in subsections (1) and (2) of this section, the issue fee shall not be charged.

(4) The registrar shall refund the money not used for payment of compensation within the term specified in subsections 72 (2) and (3) of this Act to the Fund, accompanied by explanations.

Chapter 5¹

PENSION CONTRACTS SECTORAL FUND

[RT I 2008, 48, 269 - entry into force 14.11.2008]

Division 1

Guaranteed pension contracts

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 73¹. Bases for guarantee of performance of obligations under pension contracts

(1) For the purposes of this Act, pension contract is insurance contract for mandatory funded pension specified in Division 8 of Chapter 2 of the Funded Pensions Act.

(2) The continuation of the performance of obligations under the pension contracts to the extent provided by this Act shall be guaranteed out of the Pension Contracts Sectoral Fund (hereinafter in this Chapter *the Sectoral Fund*), supporting the transfer of the pension contracts insurance portfolio of an insurer and a branch of an insurer of a state which is a Contracting Party to the European Economic Area Agreement, excluding Estonia (hereinafter in this Chapter *Contracting State* and *branch* respectively).

(3) The Supervision Authority shall determine whether it is necessary to support the transfer of the pension contracts insurance portfolio of an insurer or a branch out of the Sectoral Fund and shall make the respective proposal to the supervisory board of the Fund.

(4) The transfer of the pension contracts insurance portfolio to another insurer may be supported out of the Sectoral Fund if the amount of technical provisions and financial liabilities corresponding to the insurer's pension contracts exceeds the committed assets corresponding to the pension contracts insurance portfolio and:

- 1) the insurer's activity licence is revoked on the basis of § 26 of the Insurance Activities Act;
- 2) a special regime specified in subsection 103 (1) of the Insurance Activities Act is established for the insurer;
- 3) the insurer is declared bankrupt or
- 4) another event or procedure specified in the legislation of the home country of an insurer of a Contracting State that has a branch in Estonia takes place, which is similar to provisions of clauses 1)-3) of this subsection as to its consequences.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 73². Pension contracts not subject to guarantee

The transfer of the policyholder's pension contract to another insurer shall not be supported out of the Sectoral Fund if the policyholder who entered into the pension contract at the time of the occurrence of the situation specified in clauses 73¹(4) 1)–4) of this Act was:

- 1) member of the management board or the supervisory board or the auditor of the insurer, which insurance portfolio is transferred;
- 2) the spouse of a person specified in clause 1) of this section;
- 3) member of the management board or the supervisory board of the parent undertaking or spouse of member of the management board of the insurer, which insurance portfolio is transferred;

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 73³. Extent of amount of support

(1) The amount of support is established as the difference between the technical provisions and financial liabilities corresponding to the pension contracts and the committed assets corresponding to the insurance portfolio.

(2) The following are used as the basis in establishing the amount of the technical provisions and financial liabilities:

- 1) terms and conditions of pension contract;

- 2) amounts of pension payments corresponding to pension contract, which were reduced pursuant to the provisions of subsection (3) of this section;
- 3) age of policyholder and insured person in the case specified in § 47 of the Funded Pensions Act;
- 4) frequency of making pension payments;
- 5) interest rate used upon calculation of technical provisions and financial liabilities of pension contracts established on the basis of subsection 76 (2) of the Insurance Activities Act;
- 6) mortality indicators describing average expected lifetime, which the insurer accepting the insurance portfolio uses in the entry into analogous pension contracts;
- 7) expenses related to pension contracts, which the insurer accepting the insurance portfolio takes into account in respect to the pension contract entered into by the insurer.

(3) The performance of obligations under pension contracts shall be guaranteed in full to the extent of monthly pension payments in the amount of one national pension rate established on the basis of the State Pension Insurance Act and to the extent of 90 per cent of the amount exceeding the above rate.
[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 73⁴. Obligations of insurers

(1) An insurer and a branch shall notify the policyholders of the existence of the Pension Contracts Sectoral Fund specified in this Act and the conditions and procedure of supporting the transfer of the pension contracts insurance portfolio.

(2) An insurer and a branch shall not use supporting the transfer of the pension contracts insurance portfolio pursuant to this Chapter for advertising purposes.
[RT I 2008, 48, 269 - entry into force 14.11.2008]

Division 2 Contributions

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 73⁵. Contributions and types thereof

- (1) The contributions to the Sectoral Fund are the single contribution and quarterly contributions.
- (2) Contributions shall be paid to the Fund.
- (3) Contributions shall not be refunded to either insurers or branches unless otherwise provided by law.

§ 73⁶. Single contribution

[RT I 2008, 48, 269 - entry into force 14.11.2008]

(1) The size of the single contribution shall be 1280 euros.
[RT I 2010, 22, 108 - entry into force 01.01.2011]

(2) An insurer or a branch shall pay the single contribution within one month after entry into the first pension contract.
[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 73⁷. Quarterly contribution

(1) An insurer or a branch shall pay quarterly contributions on a regular basis by the 15th day of the second month of each quarter.

(2) The supervisory board may decide on suspending the collection of quarterly contributions if all of the following conditions are met:

- 1) the assets of the Sectoral Fund constitute at least one per cent of the obligations under pension contracts of all insurers;
- 2) the value of the assets of the Sectoral Fund exceeds one million euros;
- 3) the loans specified in clause 86 (2) 1) of this Act and the money received from other sectoral funds for the performance of the obligations of the Sectoral Fund specified in clause 86 (2) 2) of this Act have been fully repaid together with the interest thereon.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 73⁸. Size of quarterly contribution

(1) The quarterly contribution shall be calculated on the basis of the total amount of pension contributions under the pension contracts of an insurer or a branch, which the insurer or the branch respectively collected during the quarter preceding the payment of a contribution.

(2) The size of a contribution shall be calculated by multiplying the total amount of pension contributions provided for in subsection (1) of this section by the contribution rate.

(3) The total amount of pension contributions and the amount of a contribution subject to payment shall be calculated by an insurer or a branch. The insurer or the branch shall submit a report on the size of the contribution to the Fund pursuant to the procedure provided for on the basis of subsection 92 (2) of this Act. [RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 73⁹. Contribution rate

(1) The supervisory board shall establish the contribution rate as a percentage of the total amount of the pension contributions under pension contracts and it shall not exceed 0.5 per cent.

(2) Uniform contribution rates shall be applied to all insurers and branches.

(3) Contribution rate shall be amended as of the beginning of a quarter, but not earlier than two months after adoption of the corresponding resolution of the supervisory board. [RT I 2008, 48, 269 - entry into force 14.11.2008]

Division 3

Supporting transfer of insurance portfolio and payment of amount of support

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 73¹⁰. Supporting transfer of insurance portfolio

(1) In case of the occurrence of the events specified in subsection 73¹(4) of this Act, the Supervision Authority shall promptly notify the Fund of the above event and of an insurer or a branch connected therewith.

(2) The Supervision Authority shall organise a competition for the transfer of insurance portfolio providing in the terms and conditions of the competition the necessary data for making a bid for accepting the insurance portfolio, including the data describing the amount of committed assets of the insurance portfolio and the information specified in clauses 73³(2) 1)–4) of this Act.

(3) An insurer participating in the competition shall submit in a bid for accepting the insurance portfolio the amount of technical provisions and financial liabilities corresponding to the insurance portfolio which shall comply with the provisions of §§ 73² and 73³ of this Act, calculation of required solvency margin and the size of amount of support necessary for accepting the insurance portfolio.

(4) The insurance portfolio shall be transferred to an insurer with the smallest amount of support paid out of the Sectoral Fund pursuant to the bid for accepting the insurance portfolio by the insurer, on the condition that the insurer's solvency margin and committed assets conform after the acceptance of the insurance portfolio to the requirements established in the Insurance Activities Act.

(5) The Supervision Authority shall notify the Fund of appointing the insurer accepting an insurance portfolio immediately after adopting the respective resolution and shall submit:

- 1) data regarding the insurer accepting an insurance portfolio;
- 2) conditions and terms of transfer of an insurance portfolio;
- 3) data regarding pension contracts subject to transfer;
- 4) data regarding necessary amount of support in total and per each pension contract separately;
- 5) other data necessary for payment of amount of support.

(6) The transferor of insurance portfolio, the transferee and the Fund shall enter into the contract for transfer of insurance portfolio specified in § 89 of the Insurance Activities Act.

(7) Subsection 88 (8), second sentence of subsection 89 (1), subsection 89 (3), and §§ 90 and 91 of the Insurance Activities Act shall not be applied to the transfer of insurance portfolio under the procedure specified in this Act.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 73¹¹. Term for payment of amount of support

(1) The Fund shall pay the amount of support no later than one month after the receipt of the notice specified in subsection 73¹⁰(5) of this Act.

(2) At the request of the Fund, the Supervision Authority may extend the terms specified in subsection (1) of this section with good reason.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

Chapter 5² **RESOLUTION SECTORAL FUND**

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

Division 1 **Terms and Conditions of Resolution Financing**

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73¹². Scope of resolution financing

(1) The resources of the Resolution Sectoral Fund (hereinafter in this Chapter *Sectoral Fund*) may be used exclusively for the financing of the resolution tools and powers applied to companies, subsidiaries and branches (hereinafter in this Chapter *credit institution*) specified in § 2 of the Financial Crisis Prevention and Resolution Act.

(2) Resolution tools or powers for the purposes of this Act shall include the tools and powers specified in § 55 of the Financial Crisis Prevention and Resolution Act.

(3) The Supervision Authority shall adopt resolutions with respect to the use of the resources accumulated in the Sectoral Fund pursuant to the provisions of this Act and the Financial Crisis Prevention and Resolution Act.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73¹³. Use of resources of Sectoral Fund

(1) The Supervision Authority may use the resources of the Sectoral Fund in resolution proceedings only to the extent which is necessary to ensure the efficient implementation of the resolution tools in the following cases:

- 1) to guarantee the assets or the liabilities of the credit institution under resolution, a bridge institution or an asset management vehicle;
- 2) to grant loans to the credit institution under resolution, a bridge institution or an asset management vehicle;
- 3) to purchase the assets of the credit institution under resolution;
- 4) to make contributions to a bridge institution or an asset management vehicle;
- 5) to pay compensations to shareholders or creditors pursuant to § 80 of the Financial Crisis Prevention and Resolution Act;
- 6) to grant funds to the credit institution under resolution in lieu of the write down or conversion of liabilities of certain creditors, when the bail-in tool is applied and the Supervision Authority decides to exclude certain creditors from the scope of application of the said tool in compliance with § 72 of the Financial Crisis Prevention and Resolution Act;

7) to grant loans to resolution funds of the other Contracting States pursuant to § 86¹ of this Act;

8) to take any combination of the actions specified in clauses 1)–7) of this subsection.

(2) The resources of the Sectoral Fund may be used to implement the actions specified in subsection (1) of this section in the framework of the action including the transfer of shares and assets with regard to the transferee.

(3) The resources of the Sectoral Fund shall not be used directly to absorb the losses of the credit institution or to recapitalise such credit institution. If the use of the resources of the Sectoral Fund in the cases provided for in subsection (1) of this section indirectly arises from covering a certain part of the loss of the credit institution for the account of the Sectoral Fund, the terms and conditions provided for in § 78 of the Financial Crisis Prevention and Resolution Act shall apply.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

Division 2

Contributions

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73¹⁴. Contributions and types thereof

(1) Contributions to the Sectoral Fund include regular contributions and extraordinary contributions paid retroactively.

(2) Contributions shall be paid to the Fund.

(3) Contributions shall not be refunded to credit institutions unless otherwise provided by law.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73¹⁵. Form of payment of contributions

(1) Contributions shall be paid in cash unless otherwise provided by this Act.

(2) The Fund may accept as contributions to the Sectoral Fund irrevocable payment commitments, which meet the following criteria:

- 1) the payment commitment is at the free disposal and fully backed by collateral of low risk assets unencumbered by any third party rights;
- 2) the payment commitment may be used exclusively by the Supervision Authority in the cases provided for in subsection 73¹³(1) of this Act.

(3) The credit institution cannot pay by the irrevocable payment commitments specified in subsection (2) of this section more than 30 per cent of the total amount of the contributions payable by the credit institution.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73¹⁶. Transfer of earnings of resolution proceedings to Sectoral Fund

Unless provided otherwise in §§ 55, 59, 62, 63 and 65 of the Financial Crisis Prevention and Resolution Act, the amounts received from the credit institution under resolution or the bridge institution, the interest and other earnings on investments and any other earnings may be transferred to the Sectoral Fund.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73¹⁷. Regular contributions

(1) The credit institution shall pay regular contributions (hereinafter in this Division *contribution*) on a regular basis at least once a year.

(2) The contribution of each credit institution shall be pro rata to the amount of its liabilities, less own funds and deposits subject to guarantee and compensation, with respect to the aggregate liabilities of all the credit institutions, less own funds and deposits subject to guarantee and compensation.

(3) The Fund shall have the right to request that the obligation of the credit institution to pay the contribution would be secured by a third party accepted by the Fund.

(4) Based on the resolution of the supervisory board, the collection of the contributions may be suspended if the assets of the Sectoral Fund form at least one per cent of the amount of the deposits subject to guarantee and compensation of all the credit institutions required to make contributions to the Sectoral Fund.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73¹⁸. Calculation of amount of contribution and submission of report

(1) The size of a contribution shall be calculated by the credit institution. The credit institution shall submit a report to the Fund on the amount of the contribution pursuant to the procedure provided for in subsection 92 (2) of this Act.

(2) The minister responsible for the area may establish by a regulation:

- 1) the specific procedure for calculation of the amount of the contribution;
- 2) the terms and conditions for the adjustment of the amount of the contribution based on the risk profile criteria listed in subsection 73¹⁹(1) of this Act;
- 3) the terms and conditions under which it is permitted to temporarily extend the obligation of the credit institution to pay the retroactively paid contributions pursuant to subsection 73²⁰(3) of this Act;

4) the accounting and reporting obligations necessary for ensuring the proper payment of the contributions.
[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73¹⁹. Amount of contribution

(1) The amount of the contribution shall be established by the supervisory board on the basis of the amount found pursuant to § 73¹⁸ of this Act, which may be adjusted in proportion to the risk profile of the credit institution, taking into consideration the following criteria:

- 1) the risk exposure of the credit institution, including the importance of its trading activities, its off-balance sheet exposures and its degree of leverage;
- 2) the stability and variety of the credit institution's sources of funding and unencumbered liquid assets;
- 3) the financial situation of the credit institution;
- 4) the probability that the credit institution enters into resolution;
- 5) the capital and financial support previously granted by the state to the credit institution;
- 6) the complexity of the credit institution's structure and the credit institution's resolvability;
- 7) the importance of the credit institution to the stability of the financial system or economy of one or more Contracting States or of the European Union;
- 8) the fact that the credit institution belongs to an institutional protection scheme or other cooperative mutual solidarity system provided for in Article 113(7) of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.06.2013, p. 1–337).

(2) Any amendment of the amount of the contribution shall enter into force as of the beginning of a year, but not earlier than one month after adoption of the corresponding resolution of the supervisory board.
[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73²⁰. Extraordinary contributions paid retroactively

(1) If upon the resolution of the supervisory board the assets of the Sectoral Fund are insufficient to cover the loss, costs or other expenses incurred in the use of the Sectoral Fund, the Fund may extraordinarily collect upon the resolution of the supervisory board from the credit institutions the retroactively paid contributions for covering additional expenses. The obligation to retroactively pay the extraordinary contributions shall be distributed among the credit institutions pursuant to the provisions of subsection 73¹⁷(2) of this Act.

(2) The provisions of § 73¹⁸ of this Act shall apply to the amount and calculation of the contributions collected pursuant to this section, and the amount of the extraordinary retroactively paid contributions shall not exceed three times the amount of the contributions determined pursuant to § 73¹⁷ of this Act.

(3) On the proposal of the Supervision Authority, the Fund may completely or partially release the credit institution from the obligation to pay the extraordinary retroactively paid contributions pursuant to this section, if the payment of the contributions would jeopardise the liquidity or solvency of the credit institution. The specified exception cannot be established at a time for a longer period than six months, but the validity of the exception may be extended at the request of the credit institution. The obligation to pay the contributions shall be restored if, based on the assessment of the Supervision Authority, it no longer jeopardises the liquidity or solvency of the credit institution.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

Division 3

Cooperation with Resolution Funds of other Contracting States in Case of Group Resolution

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73²¹. Mutualisation of resolution funds in case of group resolution

(1) The Fund shall participate, in case of the resolution of a credit institution located in Estonia that is part of a consolidation group, pursuant to the provisions of §§ 84 and 85 of the Financial Crisis Prevention and Resolution Act in international cooperation carried out for the financing of this group resolution.

(2) In the application of subsection (1) of this section, the Supervision Authority as the group-level resolution authority, after consulting the other relevant resolution authorities, if necessary before implementation of any resolution tool or power, a financing plan of resolution proceedings as part of the group resolution scheme pursuant to the provisions of §§ 84 and 85 of the Financial Crisis Prevention and Resolution Act.

(3) A financing plan of resolution proceedings shall contain at least the following:

- 1) the assessment of the financial situation of persons belonging to the consolidation group pursuant to the provisions of Chapter 5 of the Financial Crisis Prevention and Resolution Act;

- 2) the loss incurred by each person belonging to the consolidation group by the moment of implementation of the resolution tool;
- 3) for each person belonging to the consolidation group, the losses that would be suffered by each class of shareholders and creditors;
- 4) the contribution which the Fund and the deposit-guarantee schemes of the other Contracting States would have to make on the basis of subsections 41¹(1)–(4) of this Act;
- 5) the total scope of the contributions made out of the Resolution Sectoral Fund of the Fund and the resolution funds of the other Contracting States and the purpose and form of the contributions;
- 6) the basis for calculating the amount that the Fund or the resolution funds of the Contracting States where the persons belonging to the consolidation group are located are required to contribute to the financing of the group resolution in order to build up the total contribution specified in clause 5) of this subsection;
- 7) the amount that the Fund or the resolution fund of the Contracting State of each person belonging to the consolidation group is required to contribute to the financing of the group resolution and the form of the contributions;
- 8) the amount of borrowing that the Fund or the resolution funds of the Contracting States where the persons belonging to the consolidation group are located will contract from credit institutions, financial institutions and other parties on the basis of §§ 86, 86¹ or 87 of this Act or the law of the other Contracting State;
- 9) the timeframe for the use of the Fund and the resolution funds of the Contracting States where the persons belonging to the consolidation group are located, together with the list of circumstances under which it is permitted to apply for the extension of the timeframe.

(4) The basis for apportioning the contributions specified in clause (3) 6) of this section shall be consistent with the requirements provided for in subsection (5) of this section and the principles set out in the group resolution plan in compliance with clause 29 (2) 6) of the Financial Crisis Prevention and Resolution Act, unless otherwise agreed in the financing plan of the resolution proceedings.

(5) Unless otherwise agreed in the financing plan of the resolution proceedings, the following shall be primarily taken as the basis for the calculation of the contribution of the Fund and the resolution fund of each Contracting State:

- 1) the proportion of the group's risk-weighted assets held at the credit institution or a person belonging to the same consolidation group therewith;
- 2) the proportion of the group's assets held at the credit institution or a person belonging to the same consolidation group therewith;
- 3) the proportion of the losses, which have given rise to the need for the resolution proceedings, which originated in persons belonging to the consolidation group under the supervision of the Supervision Authority or the financial supervision authorities of the other Contracting States;
- 4) the proportion of the financial resources of the Fund and the resolution funds of the other Contracting States related to the consolidation group which, under the financing plan of the resolution proceedings, are expected to be used to benefit the persons belonging to the consolidation group established in Estonia or the other Contracting States.

(6) The Fund shall have the right to make a contribution for financing the group resolution immediately without prejudice to the application of subsection (2) of this section.

(7) The Fund shall have the right to secure the obligations of the resolution funds of the other Contracting States related to the consolidation group which are assumed under a loan agreement entered into pursuant to §§ 86, 86¹ or 87 of this Act.

(8) The Fund shall have the right to all revenues and benefits arising from the financing of the group resolution according to the amount of the contribution made by the Fund.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

Division 4

Financing Arrangements for Resolution

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73²². Application for financing

(1) The Supervision Authority shall decide on the use of the resources of the Fund for financing the implementation of the resolution tools and powers in compliance with the provisions of §§ 4 and 40 of the Financial Crisis Prevention and Resolution Act.

(2) The minister responsible for the area may establish by a regulation the specific procedure of cooperation carried out between the Fund and the Supervision Authority in financing the implementation of the resolution tools and powers.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73²³. Documents to be submitted to Fund with regard to financing

(1) The Supervision Authority shall submit to the Fund the following with regard to the resolution tools and powers subject to financing:

- 1) the plan for financing of the resolution tools and powers;
- 2) the information and documents which the Fund requires for performance of the Fund's acts necessary for carrying out the resolution financing plan.

(2) At the request of the Fund, the Supervision Authority shall provide additional information and explanations with regard to planned resolution tools and powers.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73²⁴. Deciding on financing

(1) The Fund shall perform the acts pursuant to the plan for financing of the resolution tools and powers based on the information and documents submitted by the Supervision Authority.

(2) The Fund may suspend the performance of the acts under the plan for financing of the resolution tools and powers in case of the following circumstances:

- 1) the positions provided in the plan or the information or documents enclosed thereto are inaccurate or contradictory;
- 2) the acts required for the performance of the plan, from the point of view of the Fund, are in conflict with the current law.

(3) The Fund shall promptly notify the Supervision Authority of the suspension of the performance of the plan for financing of the resolution tools and powers on the basis specified in subsection (2) of this section. The Fund shall continue the performance of the plan for financing of the resolution tools and powers immediately after the elimination of any deficiencies.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 73²⁵. Payments made for performance of resolution tools financing plan

(1) The Fund shall transfer any payments due pursuant to the plan for financing of the resolution tools and powers to the relevant bank account of the Supervision Authority.

(2) The Fund shall make payments pursuant to the plan for financing of the resolution tools and powers, but not before the Fund has been submitted all the information necessary for ensuring the correctness of the payment.

(3) The Supervision Authority shall pay for the making of the payments unless otherwise agreed upon between the Fund and the credit institution making the payments.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

Chapter 6 ASSETS OF FUND

§ 74. Assets of Fund

(1) The Fund shall possess, use and dispose of its assets pursuant to the procedure prescribed by this Act and the statutes.

(2) The Fund shall use its assets only for the purposes provided by this Act.

(3) The Fund shall not assume any obligations not arising from this Act.

§ 75. Separation of assets

(1) The assets of the Fund are divided into the rights to be exercised and obligations to be performed out of each sectoral fund (hereinafter *assets of a sectoral fund*), and other assets of the Fund.

(2) The Fund shall keep separate accounts for the assets of each sectoral fund.

(3) Rights or obligations to be acquired or transferred out of one sectoral fund shall not be acquired or transferred out of another sectoral fund.

(4) The Fund may use the assets of a sectoral fund to perform the obligations to be performed out of another sectoral fund (hereinafter *obligations of a sectoral fund*) only pursuant to the provisions of this Act.

§ 76. Sources of sectoral funds

A sectoral fund is formed of:

- 1) contributions paid by credit institutions, investment institutions, pension management companies and insurers (hereinafter *fund participants*) pursuant to this Act;
[RT I 2008, 48, 269 - entry into force 14.11.2008]
- 2) fines for delay payable on the basis of § 77 of this Act;
- 3) income received from investing the contributions and other assets of the sectoral fund;
- 4) income received from the use of the assets of the sectoral fund for performing the obligations of another sectoral fund pursuant to subsection 86 (2) of this Act;
- 5) money received on the basis of the right of claim specified in subsections 78 (1) and (1¹) of this Act;
[RT I 2008, 48, 269 - entry into force 14.11.2008]
- 6) money deposited pursuant to subsections 41 (3) and 60 (4) of this Act and money refunded pursuant to subsection 73 (4) of this Act.

§ 77. Fine for delay on contributions

If a fund participant fails to pay a contribution or does not pay a contribution in full by the due date provided for in §§ 33, 34, 51, 52, 66, 67, 73⁶ or 73⁷ of this Act, the Fund shall charge a fine for delay in the amount of 0.2 per cent of the outstanding amount per day.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 78. Right of claim

(1) Upon payment of compensation to depositors, investors, unit-holders and other entitled persons, the right of claim against a fund participant shall transfer from such persons to the Fund to the extent of the amount paid.

(1¹) Upon supporting the transfer of pension contracts insurance portfolio, the right of claim against a fund participant of policyholders and beneficiaries of pension contracts comprised in insurance portfolio shall transfer from such persons to the Fund to the extent of the amount of support paid.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

(2) The claims of entitled persons against a fund participant which have not been compensated for by the Fund shall be satisfied pursuant to the Bankruptcy Act or other Acts.

§ 79. Budget of Fund

(1) The Fund may use its assets to pay compensation pursuant to this Act and to cover the operating expenses of the Fund according to the budget approved by the supervisory board.

(2) The Director shall submit the budget to the supervisory board for approval not later than forty days before the beginning of each financial year. All the income and expenses of the Fund shall be recorded in the budget.

§ 80. Operating expenses of Fund

(1) The operating expenses of the Fund are divided into the expenses of each sectoral fund and the general expenses of the Fund.

(2) Separate accounts shall be kept for the expenses of each sectoral fund and the general expenses of the Fund.

(3) The expenses of a sectoral fund consist of the following:

- 1) expenses directly related to organising the payment of compensation out of the sectoral fund;
- 1¹) expenses directly related to supporting the transfer of pension contracts insurance portfolio out of the sectoral fund;

[RT I 2008, 48, 269 - entry into force 14.11.2008]

- 2) expenses related to investment of the assets of the sectoral fund;
- 3) expenses related to the right of claim specified in subsections 78 (1) and (1¹) of this Act;
[RT I 2008, 48, 269 - entry into force 14.11.2008]
- 4) expenses related to repayment of the loans taken for the account of the sectoral fund;
- 5) expenses related to the use of the assets of another sectoral fund to perform the obligations of the sectoral fund;
- 6) other expenses of the Fund which are directly related to performance of the obligations of the sectoral fund.

(4) The general expenses of the Fund are such operating expenses of the Fund as are not directly related to the performance of the obligations of only one sectoral fund and which cannot be divided between the sectoral funds on the basis of any reasonable criteria.

(5) The general expenses of the Fund shall be covered out of appropriations from the assets of the sectoral funds.

§ 81. Investment of assets of Fund

(1) The assets of the Fund which are not used pursuant to subsection 79 (1) of this Act may be invested pursuant to the procedure provided by this Act, the statutes and the resolutions of the supervisory board.

(2) Separate accounts shall be kept for investment of the assets of each sectoral fund and other assets of the Fund.

(3) The following shall decide on investment of the assets of the fund:

- 1) the supervisory board;
- 2) the Director, within the competence determined by a resolution of the supervisory board;
- 3) the asset manager provided for in § 82 of this Act on the basis of an agreement concluded with the Fund.

§ 82. Asset manager

(1) The Fund may organise the investment of its assets directly or through an asset manager. The asset manager shall be chosen and the principal conditions of the agreement concluded with him or her shall be approved by the supervisory board. The provisions of the Public Procurement Act do not apply to the selection of the asset manager.

[RT I 2007, 15, 76 - entry into force 01.05.2007]

(2) The asset manager may be:

- 1) Eesti Pank;
- 2) the Ministry of Finance;
- 3) a foreign company holding an activity licence for the provision of investment services issued by a competent authority of a Member State of the Organisation for Economic Co-operation and Development (OECD) (hereinafter in this Chapter *Member State*).

(3) The asset manager shall not be a fund participant or a company belonging to the same consolidation group as a fund participant.

§ 83. Limitations on investments

(1) The Fund may invest its assets only in the following securities and deposits unless otherwise provided by this Act:

- 1) bonds or other debt instruments which are listed on a stock exchange operating in a Member State and the issuer of which has been assigned an investment grade credit rating by an internationally recognised rating agency designated by a resolution of the supervisory board (hereinafter *investment rating*);
- 2) deposits in a credit institution which is registered in a Member State and to which an investment rating has been assigned;
- 3) treasury bonds of a Member State or another state to which an investment rating has been assigned;
- 4) units of an investment fund, the assets of which may be invested only in the securities and deposits specified in clauses 1)–3) of this subsection.

(2) The supervisory board shall establish limitations on the management of the financial risks of the Fund relating to the types of instruments, currency structure, duration of instruments and investments, risks associated with one issuer, and other investment indicators.

(3) The Fund shall not acquire securities issued by a fund participant or companies belonging to the same consolidation group as a fund participant or invest any assets in the deposits of a credit institution which is a fund participant, except in the cases and pursuant to the procedure provided for in § 85 of this Act.

§ 84. Other restrictions

(1) The Fund shall not grant loans or secure the performance of debt obligations by other persons, except for the account of the Resolution Sectoral Fund.

[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

(2) The Fund shall not be a partner in a general partnership or a general partner in a limited partnership.

(3) The Fund shall not be a bankrupt.

§ 85. Bank accounts of Fund

(1) The Fund may open an account for the receipt of contributions, payment of compensation and other settlements connected with its activities (hereinafter *account*) in one or several credit institutions operating in Estonia.

(2) An account shall be opened in a credit institution designated by a resolution of the supervisory board.

(3) The contributions received in an account shall be invested pursuant to the provisions of §§ 81–83 of this Act not later than within three working days after receipt thereof.

§ 86. Sources for compensation

(1) The Fund shall pay compensation payable to entitled persons on the basis of this Act out of the corresponding sectoral fund.

(2) If the assets of a sectoral fund are not sufficient to perform the obligations of the sectoral fund, the Fund may, on the basis of a resolution of the supervisory board:

- 1) take loans from credit institutions or other persons;
- 2) perform the obligations of the sectoral fund out of another sectoral fund.

(3) The supervisory board shall not adopt a resolution arising from clause (2) 2) of this section if this may cause significant damage in respect of achieving the objectives and performing the obligations of the Fund out of the sectoral fund the financial resources of which are intended to be used. The money used out of another sectoral fund and the interest thereon shall be refunded under the conditions and by the due date determined by the supervisory board.

§ 86¹. Granting of loans between resolution funds

(1) The Fund shall be entitled to request a loan for financing the Resolution Sectoral Fund from the resolution funds of the other Contracting States, if:

- 1) the amounts collected as contributions pursuant to Division 2 of Chapter 5² of this Act are insufficient to cover the loss, costs or other expenses incurred by the use of the Resolution Sectoral Fund;
- 2) it is impossible to promptly raise the extraordinary retroactively paid contributions pursuant to § 73²⁰ of this Act;
- 3) the opportunities for loans stipulated in clause 86 (2) 1) of this Act are not immediately accessible on reasonable terms.

(2) The Fund shall be entitled to grant a loan to the resolution funds of the other Contracting States if they have faced in their activities the circumstances specified in subsection (1) of this section.

(3) In the case specified in subsection (2) of this section, the supervisory board shall decide, after the receipt of a corresponding application, the granting of a loan to the resolution fund which submitted the application. Prior to adopting a resolution, the supervisory board shall consult the Ministry of Finance and the Supervision Authority. The resolution shall be adopted with due urgency.

(4) The interest rate, repayment period and other terms and conditions of the loans specified in subsections (1) and (2) of this section shall be agreed between the Fund and the resolution funds of the other Contracting States who have decided to participate in applying for or granting of the loan. The loan of each participating resolution fund shall have the same interest rate, the same repayment period and the same other terms and conditions, unless otherwise agreed.

(5) The amount of the loan granted by the Fund shall be proportionate to the amount of covered deposits with respect to the aggregate of covered deposits of the other Contracting States participating in the granting of the loan. The amount of the granted loans may derogate from the principle of proportionality only with the consent of the participating resolution funds.

(6) Any outstanding loan granted to the resolution fund of the other Contracting State pursuant to this section shall be considered the Fund's assets and it may be counted towards the target level of the Fund's financing.
[RT I, 19.03.2015, 3 - entry into force 29.03.2015]

§ 87. State loan and state guarantee

(1) If, according to a resolution of the supervisory board, the funds provided for in subsection 86 (2) of this Act are not sufficient to perform the obligations of a sectoral fund, the supervisory board may apply for a state loan or a state guarantee for a loan taken by the Fund.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

(2) The Government of the Republic may decide on granting loan to the Fund to the extent designated in the state budget.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

Chapter 7

ACCOUNTING AND AUDIT

§ 88. Accounting

(1) The Fund shall organise its accounting pursuant to the Accounting Act, other legislation and the statutes.

(2) The Fund shall organise its accounting in a manner which ensures that the assets of the sectoral funds are separated in the accounting and reporting and upon preparation of the budget, investment of assets and payment of compensation.

(3) The content and the procedure for preparation of the annual reports of the Fund shall be established by the minister responsible for the area.

[RT I 2002, 102, 600 - entry into force 26.12.2002]

§ 89. Financial year

The financial year of the Fund begins on 1 January and ends on 31 December.

§ 90. Audit

The Fund shall be audited by the State Audit Office and an auditor.

§ 91. Auditor of Fund

(1) The supervisory board shall appoint an internationally recognised auditor to audit the activities of the Fund and to assess the accuracy of the annual report.

(2) An auditor may be appointed for a single audit or for a specified term.

(3) The auditor of the Fund shall not be a member of the supervisory board or management board or an employee of the Fund, a fund participant or a company belonging to the same consolidation group as a fund participant.

Chapter 8

NOTIFICATION AND CO-OPERATION

§ 92. Right of Fund to obtain information

(1) The Fund has the right to obtain information from the Supervision Authority, fund participants, companies belonging to the same consolidation group as the fund participants, the registrar, depositaries of pension funds, depositors, investors, unit-holders, policyholders and the trustees specified in subsections 38 (1) and 57 (1) of this Act to the extent necessary for performance of the duties of the Fund.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

(2) The fund participants and the trustees specified in subsections 38 (1) and 57 (1) of this Act shall submit reports to the Fund through the Supervision Authority as follows:

1) concerning the Deposit Guarantee Sectoral Fund, to the extent and pursuant to the procedure established by the President of Eesti Pank;

2) concerning the Investor Protection Sectoral Fund, Pension Protection Sectoral Fund and Pension Contracts Sectoral Fund, to the extent and pursuant to the procedure established by the minister responsible for the area.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 93. Giving notification to other persons

(1) The Fund is required to submit information to the Supervision Authority, the Ministry of Finance, Eesti Pank and the registrar to the extent necessary for performance of their duties.

(2) At the request of depositors, investors or unit-holders, the Fund shall notify them of the amount of compensation granted to them and of other circumstances related to compensation.

(2¹) At the request of policyholder, the Fund shall disclose to the policyholder the name of insurer having accepted the insurance portfolio, the size of amount of support and other circumstances related to payment of support.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

(3) The Fund shall immediately notify fund participants and the trustees specified in subsections 38 (1) and 57 (1) of this Act of any resolutions adopted on the basis of clauses 6 (2) 8), 11), 11¹) and 13) of this Act.
[RT I 2008, 48, 269 - entry into force 14.11.2008]

(4) If a fund participant fails to pay a contribution by the due date or to perform any other obligation arising from this Act, the Fund shall immediately notify the Supervision Authority of such failure.

(5) If a branch of a credit institution, investment institution or insurer of a Contracting State fails to pay a contribution or to perform any other obligation arising from this Act, the Supervision Authority shall notify the competent authority of the Contracting State which exercises supervision over the fund participant.
[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 94. Publication

(1) The following shall be published on the web site of the Fund:

- 1) the text of this Act which is currently in force;
- 2) the statutes;
- 3) the approved annual reports of the Fund;
- 4) a list of fund participants and information regarding paid or deferred contributions;
- 5) resolutions of the supervisory board which do not contain confidential information or personal data;
- 6) notices specified in §§ 37, 56 and 71 of this Act and other notices of the Fund.

(2) An approved annual report shall be disclosed not later than on 30 June of the following year.

(3) Resolutions of the supervisory board shall be disclosed not later than within five working days after adoption thereof.

§ 95. Obligation to maintain confidentiality

(1) Members of the supervisory board, the Director, the employees of the Fund, persons engaged by the Fund and all persons acting on behalf and in the interests of the Fund shall maintain indefinitely the confidentiality of any confidential information which has become known to them in connection with the performance of their duties, unless otherwise provided by law.

(2) Persons specified in subsection (1) of this section shall not use in their personal interests any confidential information which has become known to them in connection with the performance of their duties.

§ 96. Participation in international co-operation

(1) The Fund shall participate in international co-operation in the field of deposit guarantee, investor and pension protection and supporting life insurance contracts to the extent determined by the supervisory board.
[RT I 2008, 48, 269 - entry into force 14.11.2008]

(2) To achieve the objectives specified in § 2 of this Act, the Fund shall cooperate and exchange necessary information with competent institutions of other countries, taking into account the provisions of this Chapter.
[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

Chapter 9 AMENDMENT OF ACTS CURRENTLY IN FORCE

§ 97.–§ 107.[Omitted from this text]

Chapter 10 IMPLEMENTATION AND ENTRY INTO FORCE OF ACT

§ 108. Obligations of supervisory board and Director General of Deposit Guarantee Fund

(1) Until the first meeting of the first membership of the supervisory board of the Guarantee Fund, the duties of the supervisory board of the Guarantee Fund shall be performed by the supervisory board of the Deposit Guarantee Fund appointed on the basis of the Deposit Guarantee Fund Act.

(2) Until the appointment of the Director of the Guarantee Fund by the supervisory board of the Guarantee Fund, the duties of the Director shall be performed by the Director General of the Deposit Guarantee Fund appointed on the basis of the Deposit Guarantee Fund Act.

§ 109. Assets of Deposit Guarantee Fund

The securities, deposits and other rights and obligations belonging to the Deposit Guarantee Fund at the time of the entry into force of this Act shall be registered as the assets of the Deposit Guarantee Sectoral Fund unless otherwise decided by the supervisory board.

§ 110. Specifications for application of guarantee limit

(1) Upon the entry into force of this Act, the guarantee and compensation limit for deposits and investments provided for in subsections 25 (2) and 44 (3) of this Act (hereinafter *limit*) shall be 40,000 kroons instead of 20,000 euros.

(2) The limit shall correspond to the limit provided for in subsections 25 (2) and 44 (3) of this Act by 31 December 2007 at the latest. Until this date, a limit of 100,000 kroons applies as of 31 December 2003 and a limit of 200,000 kroons applies as of 31 December 2005.

§ 111. Specifications concerning limits applicable to branches operating in Contracting States

(1) The specifications provided for in § 110 of this Act do not apply:

- 1) to the deposits of a branch of an Estonian credit institution operating in a Contracting State;
- 2) to the investments of a branch of an Estonian investment institution operating in a Contracting State.

(2) In the case of the deposits and investments specified in subsection (1) of this section, the limit guaranteed by the Fund shall be 20,000 euros or the limit guaranteed under the corresponding guarantee scheme of the host country of the branch if the latter is less than 20,000 euros.

(3) Upon determination of the size of quarterly contributions payable by the credit and investment institutions specified in subsection (1) of this section, the Fund shall take into account the difference in the size of the limit applicable to the deposits and investments specified in the same subsection.

(4) The provisions of subsections (1)–(3) of this section do not apply to a branch of an Estonian credit or investment institution operating in a Contracting State if the difference in the level of guarantee arising from the limits provided for in subsection (2) of this section and § 110 of this Act is guaranteed under a guarantee scheme of the host country of the branch.

(5) A credit or investment institution shall notify the Supervision Authority and the Fund of any application of the provisions of subsection (4) of this section and of the conditions thereof.

[RT I 2004, 30, 208 - entry into force 01.05.2004]

§ 112. Specifications concerning application of limit to branches of institutions of Contracting States

(1) If a guarantee scheme of the home country of a credit or investment institution of a Contracting State which has a branch in Estonia prescribes a limit applicable to deposits or investments which is lower than the limit provided for in § 110 of this Act, the credit or investment institution is required to make contributions to the Deposit Guarantee Sectoral Fund and the Investor Protection Sectoral Fund to the extent necessary to guarantee compensation for deposits and investments according to the limits provided for in § 110 of this Act.

(2) The provisions of § 28 and subsections 46 (1)–(5) of this Act apply to the guaranteeing of the deposits and investments provided for in subsection (1) of this section.

[RT I 2004, 30, 208 - entry into force 01.05.2004]

§ 112¹. Specifications concerning limits of deposit guarantee and terms of payment of compensation

(1) If the date on which deposits become unavailable has arrived before or on 31 December 2010, then deposits, together with the interest thereon as at the date on which the deposits become unavailable, shall be guaranteed and compensated for in the amount of up to 50,000 euros per depositor in any one credit institution.

(2) In the case specified in subsection (1) of this section, the terms specified in Division 3 of Chapter 3 of the wording of this Act which was in force until 1 January 2011 shall be implemented in payment of compensation.

[RT I, 21.12.2010, 3 - entry into force 01.01.2011]

§ 113. Specifications concerning payment of single contribution

(1) All investment institutions and branches of foreign investment institutions which operate in Estonia at the time of the entry into force of this Act and whose investments are subject to guarantee and compensation by the Fund pursuant to §§ 44 and 45 of this Act shall pay the single contribution provided for in subsection 51 (1) of this Act to the Fund within one month after the entry into force of this Act.

(2) Pension management companies which have established a pension fund, the rules of which have been registered with the Supervision Authority before the entry into force of this Act, shall pay the single contribution provided for in subsection 66 (1) of this Act within one month after the entry into force of this Act.

(3) Estonian credit institutions and foreign credit institutions with a branch in Estonia which have paid the single contribution specified in subsection 21 (1) of the Deposit Guarantee Fund Act to the Deposit Guarantee Fund in full before the entry into force of this Act are not required to pay the single contribution provided for in subsection 33 (1) of this Act.

§ 114. Temporary specifications concerning guarantee of investments

Until 1 January 2004, investments made by investors who are legal persons shall not be guaranteed out of the Investor Protection Sectoral Fund nor included in the volume of investments for the purposes of determining the size of a contribution.

§ 115. Rates of quarterly contributions

(1) Until 1 January 2003, the rate of the quarterly contribution payable to the Deposit Guarantee Sectoral Fund shall be 0.1 per cent of the total amount of the deposits taken as provided for in subsection 21 (3) of the Deposit Guarantee Fund Act in force until the entry into force of this Act.

(2) Until 1 January 2004, the rate of the quarterly contribution payable to the Pension Protection Sectoral Fund shall be 0.02 per cent of the net asset value of all pension funds managed by a pension management company.

(3) The supervisory board shall establish the rate of the quarterly contribution payable to the Investor Protection Sectoral Fund not later than by 15 October 2002.

(4) The first quarterly contribution for the Investor Protection Sectoral Fund and the Pension Protection Sectoral Fund shall be paid by 15 November 2002.

(5) Until 1 January 2019, the rate of the quarterly contribution of the Pension Contracts Sectoral Fund shall not exceed 0.05 per cent of the total amount of pension contributions under all pension contracts entered into by an insurer.

[RT I 2008, 48, 269 - entry into force 14.11.2008]

§ 116. [Repealed - RT I 2010, 22, 108 - entry into force 01.01.2011]

§ 116¹. Specifications concerning term of authority of members of supervisory board appointed by Riigikogu

The authority of members of the supervisory board appointed by the Riigikogu before 1 June 2011 shall be in force until the appointment of a new member of the supervisory board by the composition of the Riigikogu following the composition that appointed the member.

[RT I, 24.03.2011, 1 - entry into force 01.06.2011]

§ 117. Entry into force of Act

(1) This Act enters into force on 1 July 2002.

(2) Section 28, subsection 29 (2), § 46, subsection 47 (2) and §§ 111 and 112 of this Act enter into force as of Estonia's accession to the European Union.

(3) Sections 97, 98, 100, 101, 103, 105 and 106 of this Act enter into force on the date following publication in the Riigi Teataja.

¹Directive 94/19/EC of the European Parliament and of the Council on deposit-guarantee schemes (OJ L 135, 31.5.1994, pp. 5-14), last amended by Directive 2009/14/EC (OJ L 68, 13.3.2009, pp. 3-7). [RT I, 21.12.2010, 3 - entry into force 01.01.2011]