Securities Register Maintenance Act

Passed 14.06.2000
RT I 2000, 57, 373
Entry into force 01.01.2001

Amended by the following acts

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26.01.2011    RT I, 18.02.2011, 1          01.08.2011
09.06.2011    RT I, 29.06.2011, 1          30.06.2011, partially 09.07.2011. In the entire text, the word "owner" has been replaced by the word "holder" in the appropriate case form.

18.04.2012    RT I, 08.05.2012, 1          18.05.2012
Chapter 1
GENERAL PROVISIONS

§ 1. Estonian Central Register of Securities

[Repealed – RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 11. Scope of application of Act

(1) This Act regulates the registration of securities and other operations performed with securities, and the activities of the registrar of the pensions register, account operators and central securities depositories providing services in Estonia, including the registrar of the Estonian register of securities.

(2) The provisions provided for in this Act concerning the Estonian register of securities and registrar shall apply to a central securities depository providing services in Estonia. The provisions provided for in §§ 23-23² of this Act do not apply to a central securities depository providing services in Estonia which has not been granted the right for the maintenance of the register on the basis of § 25 of this Act.

(3) This Act applies to securities transferred as registry entries in a securities account or a pension account in the pensions register, the Estonian register of securities or a register maintained by a central securities depository providing services in Estonia.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 1². Central depository, register and registrar


(2) The Estonian register of securities (hereinafter register) is a database belonging to the state information system for the registration of shares, debt obligations and other securities specified in subsections 2 (1) and (2) of this Act and operations performed with such securities.

(3) The registrar is a central depository which has been granted the right for the maintenance of the register on the basis of § 25 of this Act.

(4) The provisions provided for in the Public Information Act concerning databases apply to the register and the maintenance thereof, unless otherwise provided for in § 7 of this Act.
(5) The chief processor of the register shall be the Ministry of Finance and the authorised processor shall be the registrar.

(6) The provisions provided for in subsection 24(4) of this Act shall apply to a division and merger of the registrar.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 1 § 3. Pensions register and registrar of pensions register

(1) The pensions register is a database belonging to the state information system for the registration of units of mandatory and voluntary pension funds (hereinafter together units of pension fund) provided for in the Funded Pensions Act and operations performed with such units.

(2) The registrar of the pensions register is a public limited company which has been granted the right for the maintenance of the pensions register on the basis of § 25 of this Act.

(3) The provisions provided for in this Act concerning the registrar and the register shall apply to the registrar of the pensions register and the maintenance thereof, unless otherwise provided in this Act.

(4) The chief processor of the pensions register shall be the Ministry of Finance and the authorised processor shall be the registrar of the pensions register.

(5) The information system used for the maintenance of the pensions register shall be housed in the Republic of Estonia.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 1 § 4. Account operator

(1) An account operator is a person specified in subsection 32 (1) or (2) of this Act who provides one or more of the following services:
1) communicates the orders of holders of securities accounts to the registrar for the performance of register acts and mediates, on the basis of this Act, legislation arising therefrom and an agreement between the registrar and the account operator, the services provided by the registrar regarding the maintenance of the register;
2) communicates the orders of holders of pension accounts to the registrar of the pensions register for the performance of register acts and intermediates the services specified in this Act and the Funded Pensions Act provided by the registrar of the pensions register on the basis of the said Acts and an agreement between the registrar of the pensions register and the account operator.

(2) An account operator ensures that information necessary for the performance of register acts is communicated to the registrar on time and that the account operator performs acts related to securities accounts within the competence thereof and in compliance with this Act and the requirements established by the procedure for maintenance of the register.

(3) An account operator ensures that, by means of appropriate administrative and technical measures and measures involving software and hardware, information communicated to the registrar by the account operator on the basis of this Act and information recorded with regard to securities accounts is protected against unauthorised processing, including use, destruction or alteration of such information.

(4) An account operator mediates all registry services provided for in subsection 23 (1¹) of this Act to the holders of securities accounts, unless otherwise prescribed by an agreement between the account operator and the registrar. If the provision of a service is made complicated or impossible for technical reasons, the account operator shall promptly notify the registrar thereof.

(5) An account operator has the right to process the information entered in the register in connection with a securities account and to examine such information only to the extent which is necessary for the performance of an agreement entered into with the holder of that securities account or the obligations imposed on the account operator by legislation. An account operator has the right to release register information only in the cases and pursuant to the procedure prescribed by legislation. The employees and members of the management bodies of an account operator are, while employed by the account operator and also thereafter, required to maintain indefinitely the confidentiality of all information which is the object of the register and has become known to them while employed by the account operator.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 2. Objects of register

(1) The following securities shall be entered in the register:
1) debt obligations issued by the Republic of Estonia, a local authority of the Republic of Estonia and another legal person in public law;
2) debt obligations issued by a legal person in private law registered in Estonia, the public offer prospectus of which shall be registered with the Financial Supervision Authority pursuant to the Securities Market Act;
3) the shares of public limited companies registered in Estonia;
4) the units and shares of investment funds registered in Estonia, which are admitted for trading on a regulated securities market or in a multilateral trading facility;
5) subscription rights for shares, and for securities subject to entry in the register which are publicly issued or publicly offered.

(2) In addition to the securities specified in subsection (1) of this section, other shares, subscription rights, units, issued debt obligations and other similar rights and obligations may be entered in the register unless otherwise provided by law.

(3) The shares of a company may be entered in the register only in the full amount of the share capital.

(4) The securities specified in subsection (1) of this section need not be entered in the register if:
1) it is a security that is entered in a register maintained by a different central depository than the registrar and if such securities are admitted for trading on trading venues within the meaning of Article 4(1)(24) of Directive 2014/65/EU of the European and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.06.2014, p. 349–496) (hereinafter trading venue);
2) it is a security not specified in clause 1) of this section, which shall be entered in a register maintained by a different central depository than the registrar if the said central depository has been authorised in Estonia or has received the right for providing services in Estonia according to Article 23 of Regulation (EU) No. 909/2014 of the European Parliament and of the Council.

§ 2. Services provided by registrar and registrar of pensions register

(1) The registrar shall provide the following services as part of the maintenance of the register:
1) registration of securities in the register as well as opening of securities accounts in the register;
2) making transfers of securities.

(2) The registrar of the pensions register shall provide the following services as part of the maintenance of the pensions register:
1) registration of units of pension funds, including issue and redemption of units of pension funds, income tax accounting and other services provided by the registrar of the pensions register specified in the Funded Pensions Act;
2) opening of pension accounts and keeping account of the units of pension funds;
3) ensuring access to the infrastructure of the pensions register for pension fund managers, central depositories, insurers entering into pension contracts or insurance contracts for supplementary funded pensions pursuant to the Funded Pensions Act, and for other persons requiring access in order to perform their obligations arising from law.

(3) Within the framework of maintaining the register, the registrar also has the right to provide the services specified in section B of Regulation (EU) No 909/2014 of the European Parliament and of the Council, including to provide services related to the opening of securities accounts and performance of register acts without the mediation of an account operator.

(4) If the registrar of the pensions register is a central depository, it is allowed to provide the services specified in subsections (1) and (3) of this section.

§ 3. Structure of register

(1) The following information is entered in the register:
1) issuers and securities issued thereby;
2) holders of securities and securities held thereby;
3) acquisitions, transfers and pledges of securities;
4) information specified in § 4 and clause 5 (4) of this Act.

(2) The basic data of the register within the meaning of subsection 43§(1) of the Public Information Act is the information specified in § 4 and subsection 5 (4) of this Act concerning the issuers, securities accounts and securities entered therein and the register acts performed with the securities.

(3) The information specified in subsection 5§(4) of this Act shall be entered in the pensions register.
(4) The basic data of the pensions register within the meaning of subsection 436(1) of then Public Information Act is the information concerning the pension accounts, the units of pension funds entered therein and the register acts performed with the units.

(5) The composition of information to be entered in the register and in the pensions register shall be established by a regulation of the minister responsible for the area.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 4. Information concerning issuers and securities issued thereby

The following information shall be entered in the register with regard to an issuer and the securities issued thereby:

1) the name, seat and, if possible, registry code of the issuer;
2) the type, nominal value if applicable (including currency) and number of the securities;
3) the names, addresses and personal identification codes or registry codes of the holders of the securities and, in the absence of a personal identification code, their date of birth, and the number of respective securities registered in the securities account opened in the name of each person included in the list of holders of the securities;
4) information concerning pledges of securities.

§ 5. Securities account

(1) A securities account in the register may be opened for any Estonian or foreign person. A person may have several securities accounts.

(2) A securities account for a contractual investment fund shall be opened at the request of the fund manager of the fund.

(3) A joint securities account may be opened for several persons. In such case, each particular balance of the securities account is owned by the persons jointly. A joint securities account shall be opened in the name of one joint holder appointed by the joint holders.

(4) The following information shall be entered in the register with regard to a securities account:

1) the name of the holder of the securities account;
2) the address of the holder of the securities account;
3) if the holder of the securities account is a natural person, his or her personal identification code or, in the absence thereof, date of birth;
4) if the holder of the securities account is a legal person, a reference to the register in which the legal person is registered, and the registry code if the legal person is registered;
5) the number of the bank account of the holder of the securities account in a credit institution which performs transactions relating to the register, and the business name of the credit institution;
6) the number of the securities account and the date on which the securities account was opened;
7) the amount and denotation of the type of the securities in the securities account;
8) if a security is held by several persons, in addition to information regarding the holder of the securities account also the names, addresses, and personal identification codes or registry codes, or, in the absence of a personal identification code, the date of birth of the joint holders, and information regarding which of the joint holders is entitled to dispose of the securities in joint holdership;
9) the time of acquisition of the securities and the times at which other entries are made;
10) other information provided by law.

§ 5¹. Pension account

(1) A pension account is a special type of securities account where only units of a pension fund provided for in the Funded Pensions Act are registered.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(2) Pension accounts shall only be opened for persons who have the right to own units of a mandatory or voluntary pension fund according to the Funded Pensions Act.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(3) Any person may have only one pension account.

(4) The information specified in clauses 5 (4) 1)-3), 6) and 7) of this Act shall be entered in the register with regard to a pension account and also:

1) the name of the pension fund the units of which the holder of the pension account acquires;
2) the time of registration of the units of the pension fund and the registry code of the units;
3) the basis for the acquisition of units of pension funds and the making of the entries;
4) the number of the bank account of the holder of the pension account and, if needed, also the business name, address and other data of the credit institution in which the bank account has been opened that is necessary for the performance of a bank transfer;
5) the choice of the person regarding the manner in which notices are to be submitted to him or her.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 6. Nominee account

(1) Professional participants in the Estonian securities market have the right to hold a nominee account as a special type of securities account. Operators of a securities settlement system, foreign legal persons and other institutions also have the right to hold a nominee account if they are subject to financial supervision and, according to the law applicable to them, have the right to hold securities in their own name and on behalf of another person, and companies directly or indirectly controlled by one of the aforementioned foreign persons, provided that, according to the law applicable to them, the companies have the right to hold securities in their own name and on behalf of another person. The procedure for maintenance of the register may prescribe additional requirements for holders of nominee accounts in order to open nominee accounts.

(2) [Repealed - RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(3) Through a nominee account, securities are held for and for and on behalf of another person (client). Securities may be held in a nominee account only for the performance of a mandate submitted for the purpose of holding securities in a nominee account or on the basis of another similar legal relationship, and securities received as income from securities held in the nominee account, including securities received as dividends or in the course of replacing or exchanging securities and other securities received on account of respective securities. It is prohibited to hold other securities in a nominee account. Units of pension funds shall not be held in a nominee account.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(4) Securities acquired by the holder of a nominee account for the performance of a mandate of a client or, on the basis of another similar legal relationship, in the name of the holder but on behalf of the client, and securities transferred to the holder of a nominee account on the basis of an agreement or another legal relationship for the execution thereof by the client are, with regard to the holder of the nominee account and the creditors thereof, deemed to be the securities of the client.

(5) If the holder of a nominee account holds, in connection with the nominee account, money for and on behalf of a client in a payment account opened in the name of the holder, the holder is required to maintain records on the money held on the payment account for each client. The holder of a nominee account shall dispose the money of a client in a payment account related to the nominee account according to the instructions given on the basis of a mandate of the client or another similar legal relationship. The money held on behalf of a client by the holder of a payment account related to the nominee account is, with regard to the holder of the nominee account and the creditors thereof, deemed to be the money of the client.

(6) The securities and money of a client specified in subsections (4) and (5) of this section cannot be subject to a claim for payment against the holder of a nominee account in an enforcement procedure and they are not part of the bankruptcy estate of the holder of the nominee account. Measures for securing an action filed against the holder of a nominee account or other restrictions on transfer of the assets of the holder of the nominee account, applied in the course of proceedings conducted with regard to the holder of the nominee account, do not extend to securities of third parties held in the nominee account.

(7) The holder of a nominee account is entitled to exercise the rights arising from securities in the nominee account and is liable for performance of the obligations arising from such securities. In the exercise of voting rights and other rights arising from a security, the holder of a nominee account shall follow the instructions of the client. At the request of the client, the holder of a nominee account shall grant authorisation in the required format to the client in order for the client to represent the holder in the exercise of rights arising from securities. Pursuant to the procedure established by the minister responsible for the area, the holder of the nominee account may grant the authorisation in the form of a joint list to the clients to represent the holder of the nominee account at the general meeting of the shareholders. In the exercise of voting rights arising from the securities of the same type and representing equal rights held in a nominee account on behalf of clients, the holder of the nominee account is entitled to vote according to the instructions received from the clients.

(8) A notation shall be made in the register with regard to a nominee account indicating that the account is a nominee account. In the case of a nominee account, information regarding the clients of the holder of the nominee account, for whom and on whose behalf the securities are held in the nominee account, shall not be entered in the register. In the case of a nominee account, only information regarding the holder of the nominee account and other information required by this Act shall be entered in the register.

(9) The holder of a nominee account is required to maintain records on the securities held in the nominee account which allows the holder to identify each client and determine the securities held for each client and the number of the securities. The records shall set out, inter alia, information specified in clauses 5 (4) 1)–4) and 7)–10) of this Act with regard to all persons and agencies with whom the holder of the nominee account has entered into an authorisation agreement pursuant to which the holder of the nominee account has acquired
securities. Persons specified in clauses 7 (3) 2)–9) of this Act may access and obtain extracts from such information for the purposes of performing obligations arising from law and in the event they have a legitimate interest therein. If securities are held in a nominee account for and on behalf of several clients, the provisions of the first sentence of this subsection apply.

(9) The holder of a nominee account is required to record the notations concerning pre-emption and pledge notations established on securities and in the internal accounts of the holder of the nominee account and ensure the availability of this information to the client.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(10) The provisions of the second sentence of subsection (9) of this section do not apply if the holder of the nominee account is a credit institution, investment firm or fund manager of a Contracting State, which is entitled to hold the securities of a client in their own name, or a company engaged in holding the assets of clients and directly or indirectly controlled by one of the aforementioned persons, provided that, according to the law applicable thereto, the company has the right to hold securities in its own name and on behalf of another person. In the case specified in the first sentence, the law of the Contracting State where the records are maintained shall apply to the maintenance of records on securities held in a nominee account and to the requirements concerning the information set out in the records, provided that the requirements which apply to the maintenance of records are equivalent to those provided by the law of the European Union.

(11) If securities held in a nominee account are pledged on the basis of a financial collateral arrangement specified in § 314 of the Law of Property Act, the holder of the nominee account is required to maintain records on securities such that securities encumbered by financial collateral are separated from other securities held in the account of the pledgor. With regard to securities encumbered with financial collateral, the holder of the nominee account shall:

1) only fulfil the orders of the pledgee as of the date of entry into force of the irrevocable right to dispose of the securities encumbered with financial collateral granted to the pledgee and communicated to the holder of the nominee account by the pledgor;
2) fulfil the joint orders of the pledgor and pledgee until the date specified in clause 1) of this subsection.

(12) Upon valuation of public restrictions on holdings or other similar claims and upon assessment of the prerequisites for mandatory takeover bids arising from the Securities Market Act, securities held in a nominee account are not deemed to be owned by the holder of the nominee account but by the person on whose behalf the securities are held. The holder of votes represented by shares and held in a nominee account shall be determined on the basis of the provisions of clause 10 (3) 10) of the Securities Market Act if the instructions provided for in the referred clause do not exist.

[RT I, 29.06.2011, 1 - entry into force 09.07.2011]

§ 6 Deposit account

(1) If there is no securities account opened in the name of the shareholder upon registration of the shares, the registrar shall open a deposit account in the name of the shareholder based on an application submitted by an issuer and at the expense of the issuer.

(2) The issuer has the right to require its shareholder to compensate for the service charge paid to the registrar for opening and managing a deposit account.

(3) Upon opening a deposit account, at least the information specified in clauses 4 1)-4) of this Act shall be entered into the register. The issuer applying for the opening of a deposit account is responsible for the correctness and completeness of the information entered in the register with regard to the deposit account.

(4) Additional information shall be entered in the register about a shareholder who is a resident of a foreign state if it is necessary for compliance with requirements regarding tax information exchange or other requirements arising from law.

(5) With respect to a deposit account, the registrar shall only allow transfers of securities between a holder of a deposit account and a holder of a securities account entered in the register where the application of due diligence measures required by the Money Laundering and Terrorist Financing Prevention Act is guaranteed to the extent prescribed by the Act.

(6) The registrar has the right to rely on information received from a credit institution in the application of the due diligence measures specified in subsection (5) of this section if the order of the holder of the securities account to be credited concerning the performance of a transfer of securities from a deposit account is given to the registrar through a credit institution that is an account operator.

[RT I, 26.06.2017, 1 - entry into force 01.01.2019]
§ 6. Securities stored via linked system

(1) The provisions provided for in subsections 6 (4), (6) and (12) of this Act, concerning the holder of a nominee account, shall be applied to the registrar upon the holding of securities in a securities account (hereinafter nominee account of the registrar) opened in the name of the registrar in the register of another central depository through a linked system. Within the meaning of this Act, a linked system is a central securities depository link specified in Article 2 (1)(29) of Regulation (EU) No 909/2014 of the European Parliament and of the Council, or a securities settlement system provided for in subsection 213(1) of the Securities Market Act.

(2) Securities that are entered in the register with an established pre-emption notation or a notation prohibiting or restricting pledging may only be transferred, via a linked system, to a securities account opened in a securities settlement system maintained by a central depository of a foreign state if the central depository of that foreign state guarantees the preservation of the said notation in the securities account opened in the securities settlement system. Securities with a pledge notation that are entered in the register may be transferred via a linked system to a securities account opened in a register maintained by a central depository of a foreign state only with the prior consent of the pledgee.

(3) The provisions provided for in §§ 9, 12, 15-17, 33 and 34 of this Act apply to foreign securities and entries made about them in the register. A foreign security is a security that is entered in a register maintained by a central depository of a foreign state and which is preserved in the register through a linked system.

(4) The specific conditions for the retention of foreign securities in the register may be established by a regulation of the minister responsible for the area.

§ 7. Access to register

(1) All persons have the right to access information specified in clauses 4 1) and 2) of this Act and to obtain extracts from the register and transcripts of documents.

(2) The following have the right to access information specified in clause 4 3) of this Act, excluding the addresses of the holders of securities, and to obtain extracts:
   1) information concerning the holders of securities traded on the regulated market, holders of shares who hold more than 10 per cent of the votes determined by shares and holders of shares of private limited companies entered in the register – all persons;
   2) information concerning the holders of securities not specified in clause 1) of this subsection – the issuer and persons with a legitimate interest.

(3) The following persons and agencies may access the information provided for in subsections 5 (4) and 5 1)(4) of this Act, obtain extracts therefrom or submit inquiries regarding such information using a data exchange system based on data security measures and a computer network agreed on with the registrar:
   1) the holder of the securities account or a person authorised by the holder;
   2) agencies exercising state supervision pursuant to law;
   3) courts during proceedings of matters;
   4) bailiffs, in order to enforce a court judgment or secure an action;
   5) agencies conducting preliminary investigation in criminal matters;
   6) the Tax and Customs Board in connection with proceedings concerning tax matters, performance of the duties arising from the Funded Pensions Act or verification of an applicant for an activity licence for gambling or an acquirer of a qualifying holding and compliance with the provisions of the Tax Information Exchange Act;
   7) notaries in connection with the performance of notarial acts;
   8) trustees in bankruptcy in order to perform duties arising from law;
   9) an operator of regulated market, in the exercise of supervision within the limits of the competence thereof;
   10) the Guarantee Fund if this is necessary for the performance of its duties.

(3) In addition to persons provided for in subsection (3) of this section, the pension fund manager and depositary of the corresponding pension fund and the insurer who enters into pension contracts specified in Division 8 of Chapter 2 of the Funded Pensions Act (hereinafter insurer) may be informed by the registrar of the pensions register of the information entered in a pension register and information related thereto.

(3) The extent of information and the procedure for the forwarding of information provided for in subsection (3) of this section shall be established by the minister responsible for the area.
(4) Information specified in subsection (2), clauses (3) 1) and 8) and subsection (3) 1) of this section or extracts therefrom shall be issued and enquiries answered for charge according to the price list specified in subsection 23 (1) of this Act. In the cases specified in clauses (3) 2)–7), 9) and 10) and subsections (6) 1), (6) 2), (7) and (8) of this section, information or extracts shall be issued and enquiries answered free of charge.

(5) The registrar may establish a more detailed procedure for the release of information specified in subsections (1)–(3) of this section.

(6) Access to register information by persons or bodies other than those specified in subsections (1)–(3) of this section and in a manner other than that provided in the same subsections is permitted only to the extent and pursuant to the procedure provided by law.

(6) 1) The registrar of the pensions register shall have a website through which it is possible, on the basis of a personal identification code, to submit inquiries on whether a person is obliged pursuant to the Funded Pensions Act to make contributions to the mandatory pension fund or not. The year in which the obligation arose or will rise to contribute to the mandatory pension fund and in which the said obligation terminated shall be disclosed on the website.

(6) 2) Submission of inquiries about whether a securities account has been opened in the register in the name of a person and about the number of the securities account shall be possible through the website of the registrar. The inquiry shall be based on the personal identification code or registry code.

(6) 3) The registrar of the pensions register shall make available on its website a calculator for pension payments under pension contracts established in Division 8 of Chapter 2 of the Funded Pensions Act; and insurers are required to make information which is necessary to create and update the calculator available to the registrar of the pensions register on the basis of a corresponding contract. A calculation result shall be produced concerning each insurer together with a notation stating that it is not a binding offer within the meaning of subsection 49 (2) of the Funded Pensions Act.

(6) 4) The registrar of the pensions register shall make the rules and prospectuses of all mandatory pension funds available on its website.

(7) The registrar shall prepare regular consolidated reports on the information entered in the register and shall make the reports available to the Tax and Customs Board, Eesti Pank, the Financial Supervision Authority and the Ministry of Finance by a data exchange system based on a computer network.

(7) 1) The formats of the reports provided for in subsection (7) of this section and the terms and procedure for preparation and making available of the reports may be established by a regulation of the minister responsible for the area.

(8) The registrar shall submit to the authority administering the central database of the commercial register information concerning the holders of shares who hold more than 10 per cent of the votes determined by shares and shareholders of the private limited companies entered in the Estonian register of securities.

(9) The list of information specified in subsection (8) of this section and the manner of and term for submission of the information shall be established by a regulation of the minister responsible for the area.

§ 71. Outsourcing of operations related to processing of register information

(1) Article 30 of Regulation (EU) No 909/2014 of the European Parliament and of the Council applies to outsourcing regarding activities related to the information system used for the processing of register information and the maintenance of the register. Within the meaning of this section, register information is the basic data of the register specified in subsection 3 (2) of this act.
(2) Information in the information system used for the maintenance of the register (hereinafter in this section information system) may be transferred and hosted only in a Contracting State of the European Economic Area (hereinafter Contracting State).

(3) The registrar shall obtain a prior approval of the Financial Supervision Authority and the Information System Authority for the conditions of and subsequent important amendments thereto regarding the hosting of an information system outside of Estonia.

(4) The registrar shall ensure that, at the request of the chief processor of the register, it shall promptly be submitted a back-up copy of the register information complying with the requirements determined by the chief processor, and that access is granted to the register information pursuant to the procedure provided for in the Public Information Act.

(5) The registrar shall enable the Financial Supervision Authority, the Information System Authority and the Data Protection Inspectorate to inspect the application of security standards selected pursuant to subsection (7) of this section in the location of the registrar, the provider of the hosting service for the information system as well as the hosting location of the information system. If the information system is hosted outside Estonia, the registrar must compensate the inspecting person for reasonable expenses related to on-site inspection.

(6) The Financial Supervision Authority, the Information System Authority and the Data Protection Inspectorate have the right to request the cessation of the hosting of information in the information system in another Contracting State if there are impediments to the inspection specified in subsection (5) of this section.

(7) In ensuring the information security of the information system, the registrar shall proceed from the system of security measures for information systems provided for in the Public Information Act or an equivalent standard, which is sufficient for meeting the requirements established for the information security of the information systems of central depositories with Regulation (EU) No 909/2014 of the European Parliament and of the Council and on the basis thereof. The registrar is required to give prior notice to the Information System Authority upon using a different equivalent standard.

(8) The conditions for the hosting of the information system used for activities outsourced to a public entity specified in Article 30 (5) of Regulation (EU) No 909/2014 of the European Parliament and of the Council, the liability of the registrar and applicable security measures shall be prescribed by an agreement between the registrar and the corresponding public entity.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

Chapter 3
REGISTER ACTS

§ 8. Registration procedure

(1) Unless otherwise provided by law, entries are made in the register, the register is maintained and register information is preserved pursuant to the procedure for maintenance of the register which is established by the minister responsible for the area (hereinafter procedure for maintenance of the register).

(2) To the extent prescribed by the procedure for maintenance of the register, an issuer is not required to submit information provided for in this Act if such information is available to the registrar from the commercial register through a computer network.

(3) Register information shall be processed by means of automatic data processing according to the rules for data processing established by the registrar (hereinafter data processing rules). The procedure for establishing and amending the data processing rules shall be established in the procedure for maintenance of the register.

§ 9. Legal consequences of registration

(1) Rights to securities entered in the register are deemed applicable with regard to third parties only if such rights are entered in the register.

(2) If a person acquires a security or a right to a security in good faith relying on the register, the register is deemed correct with regard to the person.

§ 10. Registration of securities

(1) The registrar shall register securities on the basis of a written application of the issuer or an application enabling written reproduction and identification of the person. The format of such applications shall be established by the registrar.

(2) The following documents shall be appended to an application specified in subsection (1) of this section:

1) a list of the holders of the securities to be registered (the share register, list of shareholders, etc.);
2) upon registration of the shares of a founded company, a transcript of the registry card from the commercial register or a notarised transcript of the registration certificate; upon registration of the shares of a company being founded, a notarised transcript of the memorandum of association or foundation resolution. The applicant shall append the documents certifying his or her authority to the aforementioned documents;

3) upon registration of a public offer prospectus of securities (hereinafter prospectus), a document proving the existence of a registration number granted by the Financial Supervision Authority, and the prospectus;

4) information concerning the representative of the issuer acting as a paying agent who is authorised to make payments in the name of the issuer to the holders of securities issued by the issuer;

5) upon first registration of shares, the decision of the shareholders to enter the shares in the register;

6) other information and documents prescribed by the procedure for maintenance of the register.

(3) The registrar has the right to establish additional requirements for documents to be submitted and to demand submission of additional documents to supplement those specified in subsections (1) and (2) of this section.

(4) Securities are registered within five working days after all information and documents necessary for the registration of the securities have been submitted to the registrar.

§ 11. Opening of securities account

(1) The registrar shall open a securities account on the basis of a written application of the person who wishes to own a securities account or an application enabling written reproduction and identification of the person, which is forwarded by the account operator to the registrar.

(2) If, upon registration of the shares of a public limited company founded prior to the entry into force of this Act, the shareholder of the company does not have a securities account opened in the register, the registrar may open a temporary securities account in the register for the shareholder on the basis of an application of the issuer and at the expense of the issuer. The issuer has the right to require a shareholder to compensate for the service charge paid to the registrar for opening and managing a temporary securities account.

(3) The holder of a securities account shall notify the account operator promptly of any changes in the information submitted by the holder upon opening the securities account.

(4) The registrar has the right to organise the opening of securities accounts and provide services related to register acts without the mediation of an account operator. In such case, the provisions provided for in subsection 31 (4) of this Act, concerning the obligation to provide registry services, do not apply to the account operator. If the registrar exercises the right provided for in the first sentence of this subsection, a securities account may be opened on the basis of an application submitted directly to the registrar for:

1) a natural person who has entered into a corresponding agreement with the registrar (hereinafter in this section account agreement) and who has been identified and verified pursuant to the requirements provided for in the Money Laundering and Terrorist Financing Prevention Act;

2) a legal person in private law who has entered into an account agreement with the registrar and who has been identified on the basis of documents submitted to the registrar and information available to the registrar, and whose representative has been identified and the right of representation thereof has been verified by the registrar in the manner specified in clause 1) of this subsection;

3) a legal person in public law established in Estonia or a governmental authority of the Republic of Estonia who has entered into an account agreement with the registrar.

(5) Orders for the performance of register acts shall be given and inquiries concerning a securities account shall be submitted by the holder of the securities account opened pursuant to the procedure provided for in subsection (4) of this section or by a representative thereof directly to the registrar pursuant to the procedure provided for in the account agreement and data processing rules. The registrar shall enable performance of at least the following register acts and submission of inquiries regarding a securities account opened pursuant to the procedure provided for in subsection (4) of this section:

1) debiting and crediting of securities by transfer of securities without payment;

2) debiting and crediting of securities by delivery versus payment;

3) registration of a pledge provided for in § 16 of this Act in respect of securities registered in the securities account;

4) inquiries necessary for obtaining the information provided for in subsection 20 (7) of this Act.

(6) The registrar of the pensions register shall open a pension account pursuant to provisions provided for in § 17 or subsections 54 (4) or (5) of the Funded Pensions Act.
§ 12. Making and correction of entries

(1) An entry may be made on the basis of an application of an issuer, an order of an account operator, an order of an operator of the securities settlement system or a participant in a securities settlement system, an application of an insurer in the case specified in the Funded Pensions Act, or a court decision, or on another basis prescribed by the procedure for maintenance of the register or by other legislation.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(2) Entries shall be made pursuant to the provisions of the procedure for maintenance of the register unless otherwise provided by law.

(3) The registrar shall correct an entry on the basis of a court decision which has entered into force.

(4) The registrar may correct an entry on its own initiative if the registrar discovers that an entry is incorrect or missing and if correction of the entry does not violate anyone’s rights.

(5) The registrar shall preserve information concerning all incorrect or missing entries discovered and concerning corrections made by the registrar.

(6) If the registrar corrects an entry, it shall promptly notify all persons concerned of the correction.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(7) The registrar may delete the application of the issuer from the register if the issuer has not submitted the application for making an entry to the registrar of the commercial register on time.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 13. Increase of share capital

(1) If the shares of an issuer have been entered in the register, the issuer shall enter in the register the shares issued additionally upon an increase of share capital, or any increase of the nominal value of the shares or, in the case of shares without nominal value, the amount of the increase of the share capital.

[RT I 2010, 20, 103 - entry into force 01.07.2010]

(2) In order to enter an increase of share capital in the commercial register, the issuer shall, together with an application, submit a notice of the registrar that the issuer has, by a request submitted according to the requirements, notified the registrar of an issue of shares or of an increase of the nominal value of the shares and of the amount by which the share capital will be increased. Upon shares without nominal value, a notice shall be added concerning the notification of the amount by which the share capital will be increased. The provisions of this subsection shall not apply upon conditional increase of share capital.

[RT I 2010, 20, 103 - entry into force 01.07.2010]

(2)1 The registrar shall enter the additionally issued shares or the increase of the nominal value of the shares, or in the case of shares without nominal value, the amount of the increase of the share capital in the register after entry of the increase of the share capital in the commercial register. Until the increase of the share capital is entered in the commercial register, the registrar shall register the shares issued additionally or the increase of the nominal value of the shares in the register with a temporary registry code.

[RT I 2010, 20, 103 - entry into force 01.07.2010]

(2)2 Upon the conditional increase of the share capital in the case specified in subsection 3512(1) of the Commercial Code, the issuer shall submit after payment for additionally issued shares to the registrar a notice of the credit institution concerning the payment of the issue price of the shares.

[RT I 2009, 12, 71 - entry into force 27.02.2009]

(2)3 Upon the conditional increase of the share capital in the case specified in subsection 3512(1) of the Commercial Code, the registrar shall enter the additionally issued shares in the register after the conditional increase of the share capital has been entered in the commercial register and the issuer has submitted to the registrar a notice specified in subsection (2) of this section and the registrar has verified that the shares shall be issued within two months following the adoption of the resolution of the general meeting provided for in subsection 3512(1) of the Commercial Code. Until the conditions specified in the first sentence of this subsection are met, the registrar shall register the additionally issued shares in the register with a temporary registry code.

[RT I 2009, 12, 71 - entry into force 27.02.2009]

(2)4 Payments made in shares shall be rounded down to the first whole number. Fractional parts of securities that may result from the rounding down shall be cancelled.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(3) [Repealed – RT I 2009, 12, 71 - entry into force 27.02.2009]

(4) [Repealed – RT I 2009, 12, 71 - entry into force 27.02.2009]
§ 14. Reduction of share capital

(1) If the shares of an issuer have been entered in the register, the issuer shall enter in the register cancellation of shares upon a reduction of share capital, or any reduction of the nominal value of shares or, in the case of shares without nominal value, the amount of the reduction of the share capital in the register.

[RT I 2010, 20, 103 - entry into force 01.07.2010]

(2) In order to enter a reduction of share capital in the commercial register, the issuer shall, together with an application, submit a notice of the registrar that the issuer has, by a request submitted according to the requirements, notified the registrar of a cancellation of shares or of a reduction of the nominal value of the shares and of the amount by which the share capital will be reduced. Upon shares without nominal value, a notice shall be added concerning the notification of the amount by which the share capital will be reduced.

[RT I 2010, 20, 103 - entry into force 01.07.2010]

(3) Upon a cancellation of shares, the number of shares, including encumbered shares, in the securities account of a shareholder shall be reduced proportionally.

(4) In the case of a reduction of share capital, rights arising from shares subject to cancellation or from a reduction of nominal value or book value may be exercised until entry of the reduction of share capital in the commercial register. The registrar shall make a notation in the register concerning shares subject to cancellation.

[RT I 2010, 20, 103 - entry into force 01.07.2010]

(5) If, before entry of a reduction of share capital in the commercial register, the holder of a share transfers shares specified in subsection (4) of this section concerning which a notation has been made in the register, the corresponding notation shall also be made in the securities account of the transferee of the shares.

§ 14¹. Introduction of shares with nominal value and without nominal value

(1) If the issuer decides to introduce a share without nominal value instead of a share with nominal value entered in the register, the introduction of the share without nominal value shall be entered in the register. The same applies to the introduction of a share with nominal value instead of a share without nominal value.

(2) In order to enter the resolution to amend the articles of association in the commercial register, the issuer shall, together with an application, submit a notice of the registrar that the issuer has, by a request submitted according to the requirements, notified the registrar of the introduction of a share without nominal value or a share with nominal value.

[RT I 2010, 20, 103 - entry into force 01.07.2010]

§ 15. Transfer of securities

(1) A transfer of securities means that securities entered in the register are transferred from one securities account to another by the registrar by way of debiting the first securities account and crediting the other securities account in the amount of the corresponding number of securities. A transfer of securities may be performed on the order of an account operator or on another basis provided for in the procedure for maintenance of the register, unless otherwise provided by law.

(2) The registrar shall perform transfers of securities involving cash settlements (delivery versus payment) on the specified value date either simultaneously with settling the financial obligations or after settling the financial obligations and pursuant to the procedure for maintenance of the register.

(3) Information to be submitted in an order issued by an account operator to the registrar for the transfer of securities, and the means of submission of the order shall be established by the registrar.

(4) The registrar shall refuse to execute a transfer order if:
   1) the order or the information contained therein does not meet the requirements established by an Act or the procedure for maintenance of the register;
   2) the order is not issued by a competent person;
   3) the securities necessary for performance of the transaction are not in the securities account;
   4) there is no money for the settlement of financial obligations in the case of delivery versus payment;
   5) orders of account operators or other persons who are entitled to give orders for the transfer of securities differ from each other.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(5) The registrar may establish specific conditions for the performance of transfers of securities.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]
§ 15. Making of payments

Payments resulting from traded securities entered in the register and securities in a nominee account on the date of fixing the list of holders of securities shall be made through a central depository.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 16. Pledging of securities

(1) Pledges of securities shall be entered in the register on the basis of the corresponding orders for the registration of pledges submitted to the registrar by the pledgor and the account operator of the pledgee. If the pledgee has no securities account, an order for the registration of a pledge based on the instructions of the pledgee shall be forwarded by the account operator who provided the registrar with information concerning the pledgor necessary for registration of the pledge.
[RT I, 29.06.2011, 1 - entry into force 09.07.2011]

(2) A pledge of securities is created upon entry of the pledge in the register. The registrar shall make a notation in the register concerning pledged securities and the provisions of clauses (3) 1 3 1 and 3 2) of this section.
[RT I, 29.06.2011, 1 - entry into force 09.07.2011]

(3) An order for the registration of a pledge shall contain the following information and documents:
[RT I, 29.06.2011, 1 - entry into force 09.07.2011]
1) the name and address of the pledgor and the pledgee;
2) the personal identification code of the pledgor and the pledgee (in the absence thereof, the date of birth) or, if possible, the registry code;
3) the type and amount of the pledged securities and the name and seat of the issuer;
4) an application for entry of the right of disposal of the pledgee in the register if the pledgor and the pledgee have agreed on the grant of the irrevocable right of disposal to the pledgee which is required for the transfer of the pledged securities;
[RT I, 29.06.2011, 1 - entry into force 09.07.2011]
5) an application for entry of the restriction on transfer in the register if the pledgor and the pledgee have agreed that the written consent of the pledgee is required in order to transfer or dispose of the pledged securities;
[RT I, 29.06.2011, 1 - entry into force 09.07.2011]
6) a notation, whether the pledge also covers shares issued in the future;
[RT I, 26.06.2017, 1 - entry into force 01.03.2019]
4) other information provided by the procedure for the maintenance of the register.

(4) Upon disposal of a pledged security, the pledge is also valid with regard to the transferee of the security. The registrar shall transfer the pledge to the securities account of the transferee of the pledged security.

(4 1) Upon transfer of the pledge to a new pledgee, the account operator shall amend the information concerning the pledgor on the basis of an application of the previous pledgee. Upon transfer of the rights of the pledgee by succession or in the course of merger, division or transformation of a legal person, the account operator shall amend the information concerning the pledgee on the basis of an application of the new pledgee.
[RT I, 29.06.2011, 1 - entry into force 09.07.2011]

(5) An order for the deletion of a pledge shall be issued to an account operator by the pledgee.

(5 1) A pledge of securities shall be deleted from the register upon the deletion from the commercial register of the issuer of the pledged security.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(6) Upon failure to satisfy a claim secured by a pledge of securities, the pledged securities may, in order to cover the claim, be transferred on the basis of an order issued to the account operator of the pledgee or to the account operator who submitted the information concerning the pledge to the registrar if the order is issued by the bailiff or the pledgee who granted the right of disposal regarding which a notation has been entered in the register pursuant to clause (3) 3 1) of this section. On the basis of an agreement between the pledgor and the pledgee, the term for the advance notice to be given of a transfer of pledged securities may be shorter than the term provided for in § 293 of the Law of Property Act. The account operator and the registrar do not verify the existence of a legal basis for the transfer of pledged securities and are not liable for any potential damage arising from the transfer.
[RT I, 29.06.2011, 1 - entry into force 09.07.2011]

(7) The provisions concerning the pledge of rights in the Law of Property Act apply to a pledge of securities unless otherwise provided for in this Act.
[RT I 2004, 37, 255 - entry into force 01.05.2004]

(8) Upon increase or reduction of the nominal value of shares, provided that the amount of the share capital is not changed, the registrar shall reduce or increase the number of pledged shares proportionally.
[RT I, 29.06.2011, 1 - entry into force 09.07.2011]
§ 16¹. Pledging of securities upon provision of financial collateral

(1) The provisions of § 16 of this Act apply to the pledging of securities on the basis of a financial collateral arrangement specified in § 314¹ of the Law of Property Act in so far as this section does not provide otherwise.

(2) The registrar shall transfer the securities pledged on the basis of a financial collateral arrangement to the special securities account of the pledgor (hereinafter pledge account) on the order of the account operator of the pledgor.

(3) With regard to third persons, securities are deemed to be pledged on the basis of a financial collateral arrangement as of transfer of the securities to the pledge account. With regard to third persons, a pledge established on securities on the basis of a financial collateral arrangement is deemed to extinguish as of transfer of the securities from the pledge account, unless otherwise prescribed by law.

[RT I, 29.06.2011, 1 - entry into force 09.07.2011]

(4) The registrar shall make a notation in the register concerning the pledgee, the type and amount of securities pledged for the benefit of the pledgee and the right of disposal granted to the pledgee by the pledgor in respect of the pledged securities.

(5) Only the pledgee may issue orders to the account operator regarding the securities transferred to the pledge account as of the date of entry into force of the irrevocable right to dispose of the pledged securities granted to the pledgee by the pledgor.

(6) The pledgor may issue orders to the account operator regarding securities transferred to the pledge account until the date specified in subsection (5) of this section only with the consent of the pledgee.

(7) Upon termination of a claim secured by a pledge and also on other bases provided by legislation, the pledgor may request that the pledgee transfer securities from the pledge account to the securities account of the pledgor.

(8) The provisions of subsections 16 (4) and (6) of this Act do not apply to the disposal of securities pledged on the basis of a financial collateral arrangement.

[RT I 2004, 37, 255 - entry into force 01.05.2004]

§ 17. Freezing of securities

(1) The freezing of securities or a securities account is the making of a register entry concerning a temporary restriction on the disposal of the securities or the securities account. Securities or a securities account may be frozen in order to secure the performance of a register act and, in the cases and pursuant to the procedure provided by legislation, to make a claim for payment or to secure an action.

(2) The registrar shall freeze securities or a securities account on the following grounds:
1) a court judgment;
2) a court ruling or an order of an investigative body;
3) an order of a bailiff;
4) other grounds prescribed by legislation.

(3) Securities or a securities account remain frozen until the performance of a corresponding register act, the order on the basis of which the securities or the securities account were frozen is cancelled or a new order is issued, or until another time prescribed by legislation.

§ 18. Deletion of securities from register

(1) If an issuer is dissolved, all securities issued by the issuer shall be deleted from the register.

(2) The shares or debt obligations of an Estonian company entered in the register shall be deleted from the register upon dissolution of the company after the termination of the liquidation or bankruptcy proceedings or upon dissolution of the company in the event of merger or division. Upon transformation of a public limited company into a private limited company, the shares of the private limited company shall be deleted from the register on the basis of an application of the issuer.

[RT I, 25.07.2012, 10 - entry into force 06.07.2012 Judgment of Constitutional Review Chamber of Supreme Court declares to be in conflict with the Constitution and repeals subsection 18 (2) of the Estonian Central Register of Securities Act in the part where it does not contain a legal basis for the deletion of the shares of a private limited company from the Estonian Central Register of Securities on the basis of a resolution by the shareholders if it is not related to the transformation of the company and the shares of the private limited company have not been pledged.]

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]
(3) Debt obligations shall be deleted from the register after their redemption.

(31) The registrar has the right to delete shares from the register on the conditions provided for in subsection 182 (5) of the Commercial Code based on the resolution of the shareholders. A share encumbered with pledge may be deleted from the register pursuant to subsection 182 (5) of the Commercial Code upon the consent of the pledgee of the pledge encumbering the share and in the event that the share or a securities account related thereto is not frozen pursuant to § 17 of this Act.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(4) If a securities account entered in the register includes securities which are presumed to have become invalid or which were registered more than twenty years ago and have most probably been terminated or most probably do not have a holder, the registrar shall publish an invitation in the official publication Ametlikud Teadaanded and at least one national daily newspaper for persons claiming the rights to such securities to give notice of their rights within three months as of the publication of the invitation in the official publication Ametlikud Teadaanded. Persons who are entered in the register as holders shall be notified by a separate registered letter. If no one has addressed the registrar by the end of the term, the registrar shall delete the corresponding securities.

§ 181. Deletion of securities admitted for trading on trading venue from register upon transfer to another register

(1) Securities admitted for trading on a trading venue shall be deleted from the register at the request of the issuer if the said securities are entered in a register maintained by another central depository (hereinafter host depository).

(2) Shares admitted for trading on a trading venue shall be deleted from the register on the basis of a resolution of the shareholders of the issuer upon an application submitted by the management board of the issuer pursuant to conditions provided for in § 2331 of the Commercial Code.

(3) Securities admitted for trading on a trading venue shall be deleted from the register if they are not frozen.

(4) The issuer shall include the following information in the application for deletion from the register of the securities admitted for trading on a trading venue (hereinafter in this section application):
1) information specified in subsections 2331(1) and (2) of the Commercial Code for public limited companies;
2) consent of the host depository regarding the registration of the share register which contains information specified in clauses 4 1)-3) and subsection 5 (4) of this Act (hereinafter transferred information), of the issuer which submitted the application;
3) the business name and address of the operator of the trading venue if the registration of the transferred information also entails a change of trading venues.

(5) The registrar shall submit to the issuer, the host depository, the Financial Supervisory Authority, account operators and to the operator of a new trading venue, if needed, its motivated decision concerning the satisfaction or dismissal of the application within two weeks of the receipt of the application.

(6) The registrar has the right to refuse to delete from the register the securities of the issuer which submitted the application if the requirements provided for in subsections (1)-(4) of this section have not been met.

(7) Upon approving the application, the registrar and the host depository shall enter into a contract for the transfer of information.

(8) The contract for the transfer of information establishes the composition of the information, transfer conditions, date of transfer of responsibility for the maintenance of the register and the date of transfer of the information approved by the issuer which submitted the application.

(9) The registrar shall promptly notify the persons and institutions specified in subsection (5) of this section of the entry into of a transfer contract, adding the following information to the notice:
1) date of transfer of information to the host depository;
2) date by which all transfers of securities of the issuer which submitted the application must be performed;
3) other essential conditions of the transfer of information.

(10) Account operators have the right to temporarily suspend the reception of orders for the performance of transfers of securities in order to ensure the performance of transfers of securities of the issuer which submitted the application, on a trading venue or outside a trading venue by the value date specified in subsection 15 (2) of this Act.

(11) On the date agreed on in the transfer contract, the registrar shall transfer the information to the host depository.

(12) The host depository shall promptly issue a corresponding certificate to the registrar and the issuer which submitted the application after the registration of the securities of the issuer which submitted the application. The registrar shall promptly inform account operators of the registration of securities with the host depositories.
§ 18. Deletion of other securities from register upon transfer to another register

(1) The provisions of § 18 of this Act shall apply to the deletion of securities specified in clause 2 (4) 2) of this Act (hereinafter in this section other securities), unless otherwise provided in this section.

(2) Other securities may be deleted from the register only upon the presumption that the securities shall be entered in a register that is maintained by a central depository providing services in Estonia pursuant to Regulation (EU) № 909/2014 of the European Parliament and of the Council.

(3) The registrar is not required to notify the Financial Supervision Authority of the deletion of other securities from the register.

§ 19. Notification of issuer

(1) At the request of an issuer, the registrar shall, within three working days and pursuant to the provisions of the procedure for maintenance of the register, provide an extract from the register concerning securities issued by the issuer.

(2) An extract specified in subsection (1) of this section shall include:
   1) the names of the holders of the securities;
   2) the personal identification codes or registry codes (or, in the absence of a personal identification code, the date of birth) and addresses of the holders of the securities;
   3) information concerning the amount of securities issued by the issuer which are in the securities accounts of holders of securities, and the nominal value of the securities if applicable;

   4) information concerning pledges of securities and bank accounts of the holders of securities.

§ 20. Notification of holders of securities accounts

(1) The registrar shall issue a notice concerning the opening of a securities account in writing or in a format which can be reproduced in writing to the holder of a securities account on the basis of an application of the holder of the account.

(2) The registrar shall ensure disclosure of information concerning register acts pursuant to the provisions of the procedure for maintenance of the register. Information is deemed to be disclosed as of its recording in a computer system accessible to the public.

(3) The registrar shall provide access to information specified in subsection (2) of this section by the fifth working day as of receipt of the corresponding information from the issuer at the latest.

(31) The registrar is required to ensure for the holder of a securities account access to information concerning securities registered in the securities account of the holder and concerning register entries made in the securities account by an electronic channel allowing the unequivocal identification of a person.

(4) The registrar is required, on the basis of a corresponding application of the holder of a securities account, to issue a notice in writing or in a format which can be reproduced in writing to the holder of the securities account once per calendar year free of charge which sets out the balance of the securities registered in the securities account.

(41) The registrar is required to issue a notice to the holder of a pension account once per calendar year free of charge under the conditions and pursuant to the procedure provided for in subsection 52 (5) and subsection 52 (6) of the Funded Pensions Act.

(5) The registrar shall, under the conditions specified by the holder of a securities account, send a statement of the securities account concerning register entries made in the securities account to the holder of the securities account.

(6) Detailed requirements for the issue of information and documents specified in subsections (1), (31), (4) and (5) of this section may be established by the procedure for maintenance of the register.
(7) The holder of a securities account has the right to request that the account operator submit information on each banking day concerning the securities registered in the securities account and the register entries made in the securities account.
[RT I 2005, 13, 64 - entry into force 18.03.2005]

§ 21. Submission of information to registrar

(1) In order to perform register acts, the registrar has the right to obtain information and necessary data free of charge from the holders of securities, issuers, professional securities market participants, fund managers, insurers, the registrar of the commercial register and the chief processors and authorised processors of state and local government databases.
[RT I 2008, 48, 269 - entry into force 14.11.2008]

(2) An issuer is required to notify the registrar promptly of:
1) all changes in the rights and obligations of the holders of securities entered in the register, including all changes in the interest rates or conditions of debt obligations and in rights arising from shares to which convertible bonds can be converted;
2) resolutions concerning the payment of dividends;
3) merger, division or transformation resolutions, adoption of a liquidation resolution or initiation of bankruptcy proceedings with regard to the issuer;
[RT I 2006, 55, 407 - entry into force 01.01.2007]

3) payment of interest on debt obligations and payment of redemption of debt obligations;
[RT I 2009, 12, 71 - entry into force 27.02.2009]

3) calling of the general meeting of issuers if the shares or debt obligations of the issuer or units or shares of an investment fund are admitted for trading on a regulated market or a multilateral trading facility;
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

4) all alterations among the persons who are entitled to represent the issuer with regard to the registrar;

5) other circumstances provided by the procedure for the maintenance of the register.

(2 1) The registrar may waive the requirement for notification specified in clauses (2) 2), 3) 1) and 3) 2) of this section if the information is available to the registrar pursuant to the procedure established by the registrar on the basis of an agreement entered into with an operator of the regulated market or the multilateral trading facility. The registrar shall notify the issuer at the earliest opportunity in writing or in a format which can be reproduced in writing of its waiver of the requirement for notification and shall publish a notice thereof on its website.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(3) In a decision on the basis of which rights arising from securities are created, changed or terminated, the issuer shall designate the date (the fixed day) on the basis of which the persons whose rights the aforementioned decision concerns are determined, unless otherwise provided in the procedure for maintenance of the register.

(4) If the issuer designates the fixed day pursuant to subsection (3) of this section, the application for entries to be made and the information which is necessary for entries to be made and on the basis of which the registrar performs register acts necessary to execute the decision of the issuer shall be submitted to the registrar not later than five working days before the fixed day designated by the issuer.

(5) The procedure for maintenance of the register may prescribe requirements for the information and documents submitted upon notification of the circumstances specified in subsection (2) of this section, and a list of the circumstances specified in subsection (2) of this section of which the registrar is required to notify the account operators. Failure to comply with the requirements established for information and documents submitted upon notification of the circumstances specified in subsection (2) of this section may be considered as failure to give notice. The registrar shall make the information specified in the second sentence of this subsection available on its website.
[RT I 2009, 12, 71 - entry into force 27.02.2009]

§ 22. Working language of registrar

(1) Documents which are submitted to the registrar and on the basis of which register entries are made, and documents issued from the register, except conditions of issue and public offer prospectuses, shall be in Estonian. An entry may be based on a document which is not in Estonian if the registrar and the person submitting the document agree thereof beforehand. Unless otherwise previously agreed by the registrar and the person submitting a document in a foreign language, the document shall be submitted together with a certified translation into Estonian.

(2) The registrar has the right to issue documents and other information in other languages if this is agreed upon with the person to whom the documents or information are issued.

§ 23. Financing of register acts

(1) The registrar shall cover the costs of the provision of services by charging fees for the services according to the price list approved by the registrar.
(1^1) The price list for the services specified in subsections 2^1(1 ) and (2) of this Act must be approved by the minister responsible for the area if the registrar holds a dominant market position with regard to the service. The price list for registry services shall determine the maximum prices chargeable for registry services specified in subsections 2^1(1 ) and (2) of this Act. If a price lower than the maximum chargeable price is applied, such price shall apply to all users of the respective service equally under the same circumstances.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(1^2) Fees charged for registry services shall be based on the efficiency of the provision of a service and calculated on the basis of justified costs. The registrar is required to ensure the transparency of its accounting pursuant to subsections 45 (1) and (2) of the Accounting Act, and to use an accounting system which allows to distinguish between revenue received for registry services and costs incurred upon provision thereof with respect to each service. The calculation of revenue and expenditure must enable to assess whether the ratio between the fee charged for a registry service and the value of the service is reasonable.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(1^3) Maximum prices chargeable for the registry services specified in subsection (1^1) of this section and the price list applied by the registrar shall be published on the website of the registrar.

[RT I 2006, 55, 407 - entry into force 01.01.2007]

(2) The registrar shall not charge a fee for entries or extracts made on the basis of a court decision, an order of an investigative body or an inquiry, decision or other administrative act by the Financial Supervision Authority.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(3) An issuer which is a public limited company and the members of the management board of the issuer shall be solidarily liable for the payment of fees for the entry of shares in the register or for services provided by the registrar in connection with the registration of shares. If the payment of a fee is delayed for more than six months, the registrar may apply for the compulsory dissolution of the issuer in court.

§ 23^1. Approval of price list

(1) The registrar shall submit a draft price list for registry services or the amendments thereto (hereinafter price list application) together with the information and documents provided by the procedure for the maintenance of the register to the minister responsible for the area for approval not later than three months before the planned entry into force of the price list or amendments thereto specified in the price list application or not later than three months before expiry of the term of approval granted for the price list in force, unless a shorter term for the submission of the price list application has been previously agreed on with the minister responsible for the area.

(2) Upon review of a price list application, the minister responsible for the area shall be entitled to:

1) request from the registrar the accounting policies thereof and other additional information and documents;
2) obtain the opinion of the Financial Supervision Authority on the circumstances specified in subsection 23^2(1) of this Act;
3) involve experts where expertise is required to ascertain facts;
4) apply for an on-site inspection by the Financial Supervision Authority to ascertain the facts related to the price list application;
5) submit the price list application to the consumers of registry services and organisations representing them for obtaining their opinion.

(3) The minister responsible for the area shall make a decision to approve or refuse to approve a price list application within two months after receipt of all the information and documents specified in subsection (1) or clause (2) 1) of this section but not later than three months after receipt of the price list application for approval.

(4) A price list application shall be approved without a term or for a specified term. The term of approval shall not be less than one year. Upon approval of a price list application, the minister responsible for the area may establish obligatory secondary conditions to the registrar based on the circumstances specified in subsection 23^2(1) of this Act.

(5) A price list for registry services or amendments thereto shall enter into force at the time specified in the price list application but not before one month after grant of approval. The minister responsible for the area may determine a term for the price list or part thereof different from the term of entry into force specified in the application.

(6) If the registrar fails to submit a price list application by the expiry of the term of approval or the minister responsible for the area has refused to approve the price list application, the price list currently in force shall be applied until entry into force of a new price list.
§ 23. Refusal to approve price list

(1) The minister responsible for the area may refuse to approve a price list application if:
1) the registrar fails to comply with the requirements provided for in subsection 23 (11) of this Act or established in § 45 of the Accounting Act for undertakings with special or exclusive rights;
2) the consumer of registry services are unfairly encumbered by the fees contained in the price list application
   or placed in a substantially worse situation thereby in comparison with the conditions of free competition;
3) the consequences of application of the price list may damage the regular and lawful operation of the
   securities market;
4) the fees contained in the price list application are not set on the basis of the principle of efficient use of
   resources or are unreasonably higher than the fees necessary to ensure continuous activities and development,
   and reasonable profit of the registrar;
5) the registrar has, upon submission of the price list application for approval, knowingly submitted inaccurate,
   misleading or incomplete information or documents, or has failed to submit the information or documents
   specified in subsection 23 (11) or clause (2) 1) of this Act within the specified term without good reason.

(2) Refusal to approve a price list application must be justified.

(3) The minister responsible for the area may demand amendment of the price list for registry services or
   establish obligatory secondary conditions to the registrar if the circumstances specified in clause (1) 2), 4), 5) or
   6) of this section become evident after approval of the price list application.

(4) If the minister responsible for the area has refused to approve a price list application as at the expiry of the
   term of approval, the registrar is required to submit a new price list application for approval not later than within
   one month after the refusal by the minister responsible for the area.

(5) The minister responsible for the area has the right to initiate premature termination of an agreement for
   maintenance of the register if:
1) the registrar has failed to comply with the secondary conditions established on the basis of subsection 23 (4)
   of this Act or subsection (3) of this section,
2) the registrar has failed to submit a price list application by the expiry of the term of approval or a new price
   list application within the term specified in subsection (4) of this section, or
3) the minister responsible for the area has refused to approve a new price list specified in subsection (4) of this
   section on three consecutive occasions.

Chapter 4
REGISTRAR

§ 24. Registrar

[Repealed – RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 24. Requirements for registrar of pensions register

(1) The registrar of the pensions register shall be a public limited company entered in the commercial register in
   Estonia.

(2) The registrar of the pensions register is not permitted to outsource services specified in subsection 2 (2) of
   this Act. The provisions provided for in Article 30 of Regulation (EU) No 909/2014 of the European Parliament
   and of the Council apply to the outsourcing of services not specified in subsection 2 (2) of this Act.

(3) The registrar of the pensions register may merge or divide only with the permission of the Financial
   Supervision (hereinafter in this section permission).

(4) The Financial Supervision Authority shall refuse to grant permission if:
1) upon merger or division, the registrar of the pensions register or the shareholders thereof do not meet the
   requirements of this Act or requirements established on the basis thereof;
2) upon merger or division, the processing of information entered in the pensions register, the performance of
   register acts or the maintenance of the register is not guaranteed to the extent required;
3) the merger or division would adversely affect the regular and reliable operation of the registrar of the
   pensions register or the securities market.
(5) The procedure for requesting and reviewing permission may be established by a regulation of the minister responsible for the area.

§ 25. Appointment of registrar

(1) The minister responsible for the area shall decide on the appointment of a registrar and enter into a contract under public law with the registrar. The Ministry of Finance shall exercise supervision over the compliance with a contract under public law to be entered into with the registrar.

(2) The term of a contract entered into with the registrar for the maintenance of the register shall not exceed ten years.

(3) Upon expiry or premature termination of a contract the minister responsible for the area shall decide to extend the contract, appoint a new registrar or transfer the maintenance of the register to a relevant agency.

(4) The minister responsible for the area shall involve the Financial Supervision Authority in the appointment of a registrar of the pensions register to assess its compliance with the requirements provided for in this Act.

(5) The specific procedure for the election of the registrar and the conditions of a contract to be entered into for the maintenance of the register shall be established by a regulation of the minister responsible for the area.

(6) The minister responsible for the area has the right to terminate a contract for the maintenance of the register prematurely if there is good reason therefor, this being primarily material violation of obligations by the registrar or a material decline in the solvency thereof.

§ 26. Requirements for capital of registrar of pensions register

(1) The share capital and the shareholders' equity of the registrar of the pensions register shall be at least 200,000 euros.

(2) The legal reserve of the registrar of the pensions register shall be at least one-fifth of the share capital of the registrar of the pensions register but not less than its six months' operating expenses. The bases for the calculation of operating expenses shall be established by the minister responsible for the area.

(3) The consent of the Financial Supervision Authority is necessary for any reduction of the share capital, amendment of the articles of association, or dissolution of the registrar of the pensions register.

§ 27. Requirements for shares of registrar of pensions register

(1) The registrar of the pensions register may have only registered shares.

(2) The registrar of the pensions register shall neither directly nor indirectly own or acquire its own shares.

(3) Encumbrance of the shares of the registrar of the pensions register is prohibited.

§ 28. Holdings in registrar and requirements for persons acquiring or having qualifying holding

(1) The provisions of §§ 9, 10 and 721 of the Securities Market Act apply to determination of qualifying holdings.

(2) Qualifying holdings in the registrar may be acquired, held and increased and control over the registrar may be gained, held and increased by every person (hereinafter in this Chapter person):

1) who has impeccable business reputation and whose activities in connection with the acquisition comply with the principles of sound and prudent management of the registrar;

2) who after the acquisition or increase of the holding shall elect, appoint or designate only such person as the manager of the registrar which complies with the requirements provided for in § 29 of this Act;
§ 28. Notification of acquisition of holding and information to be submitted

(1) A person who intends to acquire a qualifying holding in the registrar or to increase such holding so that the proportion of the share capital of the registrar or votes represented by shares exceeds 20, 30 or 50 per cent, or to conclude a transaction as a result of which the registrar will become a company controlled thereby (hereinafter acquirer) shall notify the Financial Supervision Authority of its intention beforehand and shall submit the information and documents provided for in subsection (5) of this section.

(2) The provisions of this Chapter also apply if a person acquires a qualifying holding in the registrar or increases such holding so that the proportion of the share capital of the registrar or votes represented by shares exceeds 20, 30 or 50 per cent due to any other event or as a result of any other transaction or, due to the event or as a result of the transaction, the registrar becomes a company controlled by the person. In such case the person is required, promptly after gaining control over the registrar or becoming aware of acquisition of a qualifying holding or increase of a qualifying holding in the registrar, to promptly notify the Financial Supervision Authority of such fact.

(3) The provisions concerning notification of acquisition of a qualifying holding apply also upon acquisition of a qualifying holding in a person who is a candidate in a competition for the election of the registrar.

(4) The Financial Supervision Authority shall notify the acquirer in writing within two working days after receipt of the notice specified in subsection (1) of this section or the additional information and documents specified in subsection (8) of this section and the possible termination date of terms in proceedings provided for in § 28 of this Act.

(5) The Financial Supervision Authority shall be notified of the name of the registrar in which a qualifying holding is acquired or increased or which becomes controllable by the acquirer, and the size of the holding acquired in the registrar, and the following information and documents shall be submitted:

1) a description of the company acquired which contains an extract from the share register, information on the type of shares and number of votes acquired or owned by the acquirer and other information, if necessary;
2) a curriculum vitae of the acquirer who is a natural person which contains, inter alia, the name, residence, education, work and service experience and personal identification code of the acquirer or date of birth in the absence of a personal identification code;
3) the name, registered office, registry code, authenticated copy of a registration certificate and a copy of the articles of association, if they exist, of the acquirer if the acquirer is a legal person, or of the legal person administering the pool of assets;
4) a list of the holders or members of the acquirer if the acquirer is a legal person and information on the number of shares held by or the size of the holding and number of votes of each holder or member;
5) the information on the members of the management board and supervisory board of the acquirer if the acquirer is a legal person, including, for each person, the name and surname, personal identification code or date of birth in the absence of a personal identification code;
6) a description of the business activities of the acquirer and a description of the economic and non-economic interests of persons connected with the acquirer;
8) a confirmation that in the case of a person specified in clause 6) of this subsection no such circumstances have existed or exist which in accordance with law preclude the right of the person to be the manager of the registrar;
9) the last three annual reports of the acquirer, if they exist. If more than nine months have passed since the end of the previous financial year, an audited interim report for the first six months of the financial year shall be submitted. A sworn auditor’s report shall be added to the reports if preparation of the report is prescribed by legislation;
10) if the acquirer is a natural person, ratings required for assessing the financial situation of the acquirer and companies connected with the acquirer and reports intended for the public, if possible; and if the acquirer is a legal person, credit ratings issued to the acquirer and the consolidation group;

[RT I 2009, 37, 250 - entry into force 10.07.2009]
11) if the acquirer is a company belonging to a consolidation group, a description of the structure of the group, data relating to the sizes of the holdings of the companies belonging to the group, and the last three annual reports of the consolidation group together with sworn auditor's reports;  
[RT I 2010, 9, 41 - entry into force 08.03.2010]
12) if the acquirer is a natural person, documents certifying the financial status of the person during the last three years;  
13) information and documents concerning the sources of monetary or non-monetary resources for which it is intended to acquire a qualifying holding or increase it or gain control;  
14) the circumstances relating to the acquisition of holding pursuant to §§ 9, 10 and 72 of the Securities Market Act;  
15) the size of the qualifying holding owned by the person after acquisition of the holding and the circumstances relating to the holding pursuant to §§ 9, 10 and 72 of the Securities Market Act;  
16) if the registrar becomes a controlled company, a business plan and other circumstances related to gaining of control and exercising control;  
17) a review of the strategy applied in the registrar, provided the registrar does not become a controlled company as a result of the acquisition.

(6) The minister responsible for the area may establish a regulation which specifies the information and documents to be submitted to the Financial Supervision Authority and specified in subsection (5) of this section.

(7) The information and documents submitted to the Financial Supervision Authority shall be in Estonian. With the consent of the Financial Supervision Authority, the aforementioned information and documents may be submitted in another language.

(8) The Financial Supervision Authority may request in writing additional information or documents in order to specify or verify the documents specified in subsection (5) of this section. In such case it is specified which additional information shall be submitted to the Financial Supervision Authority.

(9) The Financial Supervision Authority may waive the demand for the information or documents specified in subsection (5) of this section in part or in full.

(10) If a person who wishes to acquire a qualifying holding is an insurer, credit institution, investment firm, fund manager, investment fund or another subject of financial supervision of a third country, then in addition to the documents specified in subsection (5) of this section, a document issued by the financial supervision authority of the third country which certifies that the person holds a valid activity licence and complies with established requirements shall be submitted to the Financial Supervision Authority.  
[RT I 2009, 37, 250 - entry into force 10.07.2009]

§ 28. Legislative proceedings and time limits of proceedings

(1) The Financial Supervision Authority shall assess the compliance of the acquirer with the requirements provided for in § 28 of this Act and shall resolve on prohibition on acquisition of holding or granting authorisation for acquisition of holding within sixty working days (hereinafter term in a proceeding) as of submission of the notice provided for in subsection 28(4) of this Act concerning receipt by the Financial Supervision Authority of the information and documents required for the assessment.

(2) The Financial Supervision Authority has the right to demand the additional information and documents specified in subsection 28(8) of this Act within fifty working days as of the beginning of the term in the proceeding.

(3) The term in the proceeding shall suspend for the period between the first demand by the Financial Supervision Authority for additional information and documents specified in subsection 2 of this section and receipt from the acquirer of the demanded additional information and documents, but the suspension shall not exceed 20 working days. The term in the proceeding shall not suspend if additional information and documents are demanded.

(4) If no financial supervision is exercised over an acquirer or a financial supervision authority of a third country exercises supervision over the acquirer, the Financial Supervision Authority may extend the time limit of proceedings specified in subsection (3) of this section to up to 30 working days.

(5) Upon assessment of acquisition and increase of the qualifying holding and upon turning the registrar into a controlled company, the Financial Supervision Authority shall cooperate with the financial supervision authority of a Contracting State if the acquirer is:  
1) an insurance undertaking, credit institution, fund manager, investment fund, investment firm or another person subject to financial supervision having obtained an authorisation in a Contracting State;
2) a parent undertaking of an insurance undertaking, credit institution, fund manager, investment fund, investment firm or another person subject to financial supervision having obtained an authorisation in a Contracting State, or;
3) a person controlling an insurance undertaking, credit institution, fund manager, investment fund, investment firm or another person subject to financial supervision having obtained an authorisation in a Contracting State.

(6) The Financial Supervisory Authority shall consult with other financial supervision authorities in the framework of the co-operation specified in subsection (5) of this section. The Financial Supervision Authority shall promptly forward to other financial supervision authorities all the information that is essential upon assessment of acquisition and increase of the qualifying holding and upon turning the registrar into a controlled company.

(7) If more than one person wish to acquire a qualifying holding simultaneously, the Financial Supervision Authority shall treat them equally under equal circumstances.

§ 28. Requirements for acquisition of holding, bases for prohibition on acquisition of holding and decision on acquisition

(1) The Financial Supervision Authority has the right to specify a term for the acquirer during which the acquirer has the right to acquire or increase the qualifying holding or gain control over the registrar. The Financial Supervision Authority may extend the term prescribed but the term shall not exceed 12 months in total. During such term, the acquirer is required to promptly notify the Financial Supervision Authority of the conclusion of the transaction whereby the qualifying holding is acquired or increased or the registrar becomes a controlled company, or a decision not to conclude the transaction.

(2) A qualifying holding may be acquired or increased or the registrar may be turned into a controlled company if the Financial Supervision Authority does not prohibit, by a precept, acquisition or increase of a qualifying holding or turning of the registrar into a controlled company based on the provisions of § 28 of this Act and subsection (3) of this section.

(3) The Financial Supervision Authority may prohibit, by a precept, acquisition and increase of the qualifying holding and upon turning the registrar into a controlled company if:
1) the acquirer does not comply with the requirements provided for in § 28 of this Act;
2) the acquirer fails to submit the information or documents provided for in this Act or requested pursuant to this Act to the Financial Supervision Authority;
3) The information or documents submitted to the Financial Supervision Authority do not comply with the requirements provided by legislation or are incorrect, misleading or incomplete or based on the information and documents submitted the Financial Supervision Authority cannot exclude reasonable doubt with respect to unsuitability of the acquisition and with respect to that the acquisition does not comply with the requirements provided for in this Act;
4) the registrar would become a company controlled by a person residing or located in a third country and sufficient supervision is not exercised over the person in the country of residence or location of the person or the financial supervision authority of the third country has no legal basis or possibility to cooperate with the Financial Supervision Authority.

(4) The Financial Supervision Authority shall forward a decision to the acquirer or in the case provided for in subsection 28(3) of this Act to the minister responsible for the area who organises the competition for the election of the registrar concerning the authorisation to acquire the qualifying holding or a prohibiting precept within two working days after adoption of the corresponding decision, but prior to the expiry of the term in the proceeding. If financial supervision over the acquirer is exercised by the financial supervision authority of another Contracting State, its assessment of the acquisition or increase of the qualifying holding or upon turning the registrar into a controlled company must be also indicated in the decision.

(5) If the circumstances specified in subsection (3) of this section become evident after acquisition or increase of qualifying holding or turning of the registrar into a controlled company, the Financial Supervision Authority may issue a precept according to which the acquisition of qualified holding or turning of the registrar into a controlled company is deemed to be contrary to this Act.

(6) The Financial Supervision Authority has the right issue a precept to prohibit the exercise of the right to vote or any other rights entitling to control by an acquirer or person who has a qualifying holding in the registrar or who has control over the registrar every time the circumstances provided in subsection (3) or (5) of this section exist. The Financial Supervision Authority may issue a precept regardless of whether a precept provided for in subsection (3) or (5) of this section is issued. The Financial Supervision Authority may disclose the precept on its website, and the acquirer may also demand disclosure of the precept.

(7) If the acquirer or person who has a qualifying holding in the registrar or who has control over the registrar is an insurer, credit institution, fund manager, investment fund, investment firm, another subject of financial supervision or person belonging to the same consolidation group as the said person registered in another Contracting State, the Financial Supervision Authority shall notify the competent financial supervision authority of the Contracting State of the precept specified in subsection (5) or (6) of this section.
(8) Compliance with the precepts of the Financial Supervision Authority provided for in subsections (3), (5) and (6) of this section is also mandatory for the registrar, the person maintaining the share register thereof or another person who organises the exercise of voting rights.

[RT I 2009, 37, 250 - entry into force 10.07.2009]

§ 284. Consequences of illegal acquisition of holding

(1) As a result of a transaction by which a qualifying holding is acquired or increased, the person shall not acquire the voting rights determined by the shares and the votes represented by the shares shall not be included in the quorum of the general meeting if:

1) the transaction is contrary to a precept issued by the Financial Supervision Authority;
2) the Financial Supervision Authority has issued a precept specified in subsection 283(5) or (6) of this Act;
3) the Financial Supervision Authority has not been informed of the transaction pursuant to § 281 of this Act;
4) the transaction is concluded after the expiry of the term specified in subsection 283(1) of this Act or before acquisition of a qualifying holding is permitted pursuant to this Act.

(2) As a result of a transaction in the case of which any of the circumstances specified in subsection (1) of this section exist, the rights which turn the registrar into a company controlled by the person do not arise for the person.

(3) If voting right specified in subsection (1) of this section are nevertheless included in the quorum of the general meeting and influence the adoption of a resolution of the general meeting, the resolution of the general meeting shall be void. A court may declare the resolution of the general meeting void on the basis of a petition of the Financial Supervision Authority, if the petition is submitted within three months as of the adoption of the resolution of the general meeting.

(4) If, arising from a transaction by which the registrar is turned into a company controlled by a person and in the case of which any of the circumstances specified in subsection (1) of this section exist, rights enabling control are exercised, a court may declare the exercise of the rights void on the basis of a petition of the Financial Supervision Authority if the petition is submitted within three months as of the exercise of the rights.

[RT I 2009, 37, 250 - entry into force 10.07.2009]

§ 285. Giving notification of changes in qualifying holding

(1) If a person intends to transfer shares in an amount which would result in the person losing a qualifying holding in the registrar or if the person reduces the holding thereof such that it falls below one of the limits specified in subsection 281(1) of this Act or foregoes control over the registrar, the person is required to inform the Financial Supervision Authority thereof in advance and indicate the number of shares which the person owns and transfers and holds after the transaction.

(2) The provisions of subsection (1) of this section also apply if a person loses control over the registrar or qualifying holding in the registrar as a result of any other event or transaction or if the qualifying holding of the person is reduced such that it falls below one of the limits specified in subsection 281(1) of this Act. In such case, the person shall inform the Financial Supervision Authority promptly after becoming aware of the loss of qualifying holding or control or the reduction of holding.

(3) Upon becoming aware of transactions specified in §281 of this Act and subsections (1) and (2) of this section, the registrar is required to promptly inform the Financial Supervision Authority thereof.

(4) The registrar shall, together with its annual report, submit to the Financial Supervision Authority information concerning persons who, as at the end of the financial year, have a qualifying holding in the registrar and shall set out the size of holding owned by the person and related circumstances pursuant to §§ 9, 10 and 721 of the Securities Market Act.

[RT I 2009, 37, 250 - entry into force 10.07.2009]

§ 29. Supervisory board and management board of registrar

(1) The management board of the registrar shall consist of at least two members.

(2) The articles of association of the registrar shall prescribe the organisation of the work of the supervisory board and management board in detail.

(3) Persons who have the education, experience and professional qualifications necessary to perform their duties and who have an impeccable business reputation may be members of the supervisory board or management board of the registrar.
(4) In order to elect or appoint a member of the supervisory board or management board of the registrar, the written consent of the person to be elected or appointed is necessary. A person shall submit his or her consent together with an overview of his or her education, work experience, engagement in enterprise, criminal record and punishments entered in the punishment register, and confirmation that he or she is not aware of any circumstances which preclude his or her right to be a member of the supervisory board or management board of the registrar.

(5) The confidentiality of register information which is not publicly available shall be maintained by the members of the supervisory board and management board of the registrar and the employees of the registrar during the performance of their duties and after they have ceased to perform such duties.

(6) The registrar is required to insure the civil liability arising from the professional activities of members of the supervisory board and management board and employees of the registrar.

(7) The registrar is required to inform the Financial Supervision Authority of the election or appointment of the members of the supervisory board and management board, and of the resignation or the initiation of the removal of the members before the expiry of their term of office, and to submit the documents specified in subsection (4) of this section to the Financial Supervision Authority within ten days after adoption of the corresponding decision.

(8) If a member of the supervisory board or management board of the registrar does not meet the requirements provided for in this section, the Financial Supervision Authority has the right to demand, by a precept, the removal of the member of the management board or supervisory board from the position thereof as well as to suspend his or her authority.

(9) If the registrar fails to comply with the precept specified in subsection (8) of this section, the Financial Supervision Authority has the right to demand the removal of the member of the management board or supervisory board through a court.

§ 30. Obligations of registrar in protection and preservation of register information

(1) The registrar shall ensure that, by means of appropriate administrative and technical measures and measures involving software and hardware, register information is protected against unauthorised processing, including use, destruction or alteration of register information.

(2) Information and documents submitted to the registrar for an entry to be made shall be preserved by the registrar for at least ten years as of the corresponding entry. Information and documents specified in this subsection shall be preserved as documents or in a format enabling reproduction as documents.

(3) Register information shall be archived pursuant to the provisions of the procedure for maintenance of the register.

§ 30'. Reporting by registrar

(1) The registrar is required to submit to the minister responsible for the area reports on its activities necessary upon application of §§ 231 and 232 of this Act.

(2) The bases for preparation of the reports specified in subsection (1) of this section and the procedure for the submission thereof shall be established by the minister responsible for the area.

(3) The registrar of the pensions register shall submit a report on the registry service of the mandatory funded pensions and the principles for allocation of expenditure among the specified service and other services of the registrar of the pensions register as a note to its annual report.

(4) The minister responsible for the area shall establish by a regulation the format of the note to the annual report specified in subsection (3) of this section and the procedure for completion thereof.

Chapter 5
ACCOUNT OPERATOR

§ 31. Account operator

[Repealed – RT I, 26.06.2017, 1 - entry into force 06.07.2017]
§ 32. Granting status of account operator

(1) Professional participants in the Estonian securities market and Eesti Pank may be account operators.

(2) In addition to the provisions of subsection (1) of this section, the following may also be account operators:
1) a company registered in a Contracting State and holding the right to operate as an investment firm, credit institution, operator of the regulated market or operator of a securities settlement system on the basis of the legislation of the Contracting State;
   [RT I, 29.06.2011, 1 - entry into force 09.07.2011]
2) a company registered in a country which is not a Contracting State (hereinafter third country) and holding the right to operate as an investment firm, credit institution, operator of the regulated market or operator of a securities settlement system on the basis of the legislation of that country if the financial supervision authority of the third country guarantees adequate supervision over the account operator and the financial supervision authority of the third country has sufficient legal basis or the possibility for cooperation with the Financial Supervision Authority.
   [RT I 2006, 55, 407 - entry into force 01.01.2007]

(3) The registrar shall decide whether to grant the status of an account operator to a person specified in subsection (1) or (2) of this section. The registrar has the right to request an account operator or an applicant for the status of an account operator to submit information to the extent established by the procedure for maintenance of the register in order to assess their compliance with the requirements prescribed for account operators by law and the procedure for maintenance of the register. The registrar may refuse to grant the status of an account operator only if an account operator fails to comply with the requirements for account operators.
   [RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(4) Persons specified in subsection (2) of this section shall comply with all the following requirements during the whole period for which they are account operators:
1) they shall have a valid agreement with the registrar according to which the persons are required to act in compliance with this Act and other legislation regulating the activities of account operators in the Republic of Estonia, and with the requirements established by the registrar;
2) all obligations concerning the provision of guarantees and insurance provided for in an agreement entered into with the registrar are fulfilled;
3) an agreement entered into with the registrar, regulating the participation of the account operator in the register maintained by the registrar pursuant to Estonian law, and all disputes which may arise therefrom are subject to the law of the Republic of Estonia and to the courts or arbitral tribunals of the Republic of Estonia;
   [RT I, 26.06.2017, 1 - entry into force 06.07.2017]
4) an agreement entered into with the registrar shall ensure that interested persons have the right to file an independent action against persons provided for in subsection (2) of this section in connection with their activities as account operators.

(5) In order to offer the services provided for in the Funded Pensions Act which are provided by the registrar, the account operator is required to join the information system managed by the registrar which enables the provision of the respective services.
   [RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 33. Person communicating orders

An account operator is required to ensure that orders, information and inquiries are communicated to the registrar by a competent representative of the account operator. Account operators are liable for damage arising from violation of this obligation.

§ 34. Issuing of orders to perform register acts, and communication of information and inquiries

(1) An account operator has the right to execute the orders and inquiries of only such persons who are entitled to dispose of the securities registered in the corresponding securities account. An account operator who receives an order for the performance of a register act or an inquiry concerning register information from a person (the issuer of an order) is required to identify and verify the person and the rights of the person upon disposal of the securities registered in the corresponding securities account. If an order for the performance of a register act is not issued personally by the holder of a securities account who is a natural person or by the legal representative of the holder of a securities account who is a legal person, the authorisation necessary for the issue of the order shall be notarised or granted in any other format and manner accepted by the account operator.
   [RT I, 29.06.2011, 1 - entry into force 09.07.2011]

(2) An account operator is required to execute the legal orders to perform register acts issued by the holders of securities accounts, bailiffs, trustees in bankruptcy and, in the cases provided for in §§ 16 and 161 of this Act, by pledgees.
   [RT I, 29.06.2011, 1 - entry into force 09.07.2011]
(3) Unless otherwise provided by law, an account operator shall not communicate orders for the performance of register acts to the registrar without a corresponding order from the holder of a securities account or the person duly authorised by the holder.

(4) An account operator shall verify the correctness of the information it communicates to the registrar. An account operator is liable to the holder of a securities account, the persons authorised thereby and the registrar for the correctness of the orders it communicates to the registrar for the performance of register acts and for the correspondence of the orders to the intention of the issuers of the orders.

(5) The registrar may accept for execution orders for the performance of register acts and inquiries communicated to the registrar by an account operator according to the requirements and in writing or in a format which can be reproduced in writing.

(6) An account operator is required to preserve all documents which were the basis for orders issued thereto for the performance of register acts or inquiries for at least ten years as of the date of issue of the orders.

§ 35. Suspension of status of account operator

(1) If a person with the status of an account operator violates the requirements provided by legislation or an agreement with the registrar or fails to comply with the requirements provided by legislation or an agreement with the registrar, the registrar has the right to decide to suspend the person's activities as an account operator in full or in part if this is necessary to protect the rights of the holders of securities accounts.

(2) Restrictions arising from a full or partial suspension of the status of an account operator shall be abolished by the registrar after elimination of the circumstances which caused the suspension.

(3) A detailed procedure for the suspension of the status of an account operator shall be established by the procedure for maintenance of the register.

§ 36. Revocation of status of account operator

(1) If a person with the status of an account operator materially violates the requirements provided by legislation or an agreement with the registrar or fails to comply with the requirements provided by legislation or an agreement with the registrar, the registrar has the right to revoke the person's status as an account operator if it is impossible for the person who violated or failed to comply with the requirements to act as an account operator or if it would constitute an immediate danger to the rights of holders of securities accounts.

(2) If the status of an account operator is revoked, the registrar shall organise the transfer of the right to administer securities accounts to persons holding the right to act as account operators.

(3) Administration rights shall be transferred by a resolution of the registrar which shall set out:

1) the time of the transfer of administration rights;
2) other conditions and circumstances necessary to organise the transfer of administration rights so as to ensure that holders of securities accounts have the opportunity to enter into agreements for the use of their securities accounts through a new account operator.

(4) If the status of an account operator is revoked, the account operator is required to compensate all holders of securities accounts who have opened a securities account through such account operator for all direct expenses related to the closure of such securities accounts, opening of new securities accounts and transfer of securities from closed securities accounts to new securities accounts.

(5) A resolution specified in subsection (3) of this section shall be published in the official publication Ametlikud Teadaanded, within five working days, in a computer system available to the public.

(6) A detailed procedure for the revocation of the status of an account operator shall be established by the procedure for maintenance of the register.

§ 37. Waiver of status of account operator

(1) An account operator has the right to waive the status of an account operator by terminating the corresponding agreement with the registrar if the account operator notifies the registrar of the waiver in writing at least two months in advance. Until the date of termination of the status of an account operator, all rights and obligations arising from the status of an account operator apply with regard to the account operator.

(2) An account operator who wishes to waive the status of an account operator is required to give written notice of the waiver to all persons who have opened a securities account through the account operator. The notice shall be sent by in writing or in a format which can be reproduced in writing to be received by the addressee at least
one month before termination of the agreement between the account operator and the registrar. In addition to information concerning the waiver of the status of an account operator and the date of entry into force thereof, the notice shall contain the contact details of all other account operators of the registrar.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(3) An account operator who waives the status of an account operator is required to compensate all holders of securities accounts who have opened a securities account through the account operator for all direct expenses related to the closure of such securities accounts, opening of new securities accounts and transfer of securities from closed securities accounts to new securities accounts. The right for compensation of expenses shall be indicated in the notice concerning waiver of the status of an account operator sent by the account operator to holders of securities accounts.

(4) At least one month before termination of the agreement, an account operator is required to publish a corresponding notice in the official publication Ametlikud Teadaanded and a computer system available to the public.

(5) A detailed procedure for waiver of the status of an account operator shall be established by the procedure for maintenance of the register.

§ 37. Application of status of account operator with respect to insurer and pension fund manager

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(1) The insurer and the pension fund manager shall communicate the orders of holders of pension accounts to the registrar of the pensions register for the performance of register acts and mediate the services specified in subsection 2(1) of this Act and in the Funded Pensions Act, provided by the registrar of the pensions register on the basis of the said Acts and an agreement between the registrar of the pensions register and the insurer or the pension fund manager.

(2) An agreement between the registrar of the pensions register and the insurer or the pension fund manager shall comply with the following requirements:
   1) the agreement and all disputes which may arise therefrom are subject to the law of the Republic of Estonia and to the courts or arbitral tribunals of the Republic of Estonia;
   2) the agreement shall ensure that interested persons have the right to file an independent action against the insurer or the pension fund manager in connection with the provision of the services provided for in the Funded Pensions Act.

(3) In order to provide the services provided for in the Funded Pensions Act which are offered by the registrar of the pensions register, the insurer and the pension fund manager are required to join the information system managed by the registrar of the pensions register which enables the provision of the respective services.

(4) The insurer and the pension fund manager shall ensure that:
   1) information necessary for the performance of register acts is communicated to the registrar of the pensions register on time and that acts related to pension accounts are performed within the competence thereof and in compliance with this Act and the Funded Pensions Act and the requirements established by the procedure for maintenance of the register;
   2) information communicated to the registrar of the pensions register on the basis of this Act and the Funded Pensions Act and information recorded on the pension account is protected by means of appropriate administrative and technical measures and measures involving software and hardware against unauthorised processing, including use, destruction or alteration of such information.

(5) An insurer and a pension fund manager have the right to process the information of a pension account and to examine such information only to the extent which is necessary for the performance of an agreement entered into with the holder of that pension account or the obligations imposed on the account operator by legislation. An insurer and a pension fund manager have the right to release pensions register information only in the cases and pursuant to the procedure prescribed by legislation. The employees and members of management bodies of an insurer and a pension fund manager are, while employed and also thereafter, required to maintain indefinitely the confidentiality of all information which is the object of the register and has become known to them while employed by the insurer or the pension fund manager.

(6) The provisions provided for in §§ 33 and 34 and subsections 53 (1) and (3) of this Act concerning account operators shall apply to insurers and pension fund managers.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

Chapter 6
SUPERVISION

§ 38. Bases of supervision

(1) Supervision over the registrar, account operators, insurers, pension fund managers and holders of nominee accounts shall be exercised by the Financial Supervision Authority (hereinafter supervisory authority) pursuant to the procedure and to the extent provided for in this Act, the Securities Market Act, the Funded Pensions Act, the Insurance Activities Act and the Credit Institutions Act. In order to exercise supervision over a foreign account operator or holder of a nominee account, the supervisory authority has the right to cooperate with the Contracting State and, in the case of a corresponding agreement, with the supervisory authority exercising supervision over the account operator or holder of a nominee account of the third country.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(1¹) The Financial Supervision Authority shall review applications for authorisation made by central depositories or other applications and the accompanying documents prescribed in Regulation (EU) No 909/2014 of the European Parliament and of the Council in this Act, and inspect and assess their compliance with the requirements specified in the said Regulation and in this Act.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]


[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(2) Supervision over the activities of account operators who are credit institutions shall be exercised by the Financial Supervision Authority (hereinafter supervisory authority) pursuant to the procedure provided for in the Credit Institutions Act, this Act and legislation arising therefrom.

(3) If necessary, independent experts shall be engaged and cooperation shall take place with other Estonian and foreign supervisory authorities in order to exercise supervision.

(4) The provisions provided for in this Chapter and in Chapter 7 concerning supervision over and liability of the registrar also apply to central depositories that have gained an authorisation in Estonia and are not the registrar.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 39. Rights and duties of supervisory authority in exercising supervision

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(1) The supervisory authority has all the rights established in this Act and in the Financial Supervision Authority Act in exercising supervision over due compliance with the provisions provided for in this Act and in acts specified in clause 6 (1) 7) of the Financial Supervision Authority Act or legislation established on the basis thereof. In exercising supervision, the Financial Supervision Authority also has the above rights for exercising supervision over the performance of the provisions provided for in Regulation (EU) No 909/2014 of the European Parliament and of the Council.

(2) The supervisory authority has the right to exercise supervision over companies belonging to the same group as the registrar and the registrar of the pensions register to the extent necessary for inspection of the registrar and the registrar of the pensions register.

(3) The supervisory authority shall constantly monitor and assess whether the rules, procedures, strategies, organisation and reporting systems of management, and internal control systems applied in the registrar and the registrar of the pensions register ensure reliable control of risks and sufficient coverage by own funds of the risks assumed.

(4) The supervisory authority shall disclose the decision or administrative act made in a misdemeanour matter that has entered into force concerning the violation of requirements provided for in Article 63(1) of Regulation (EU) No 909/2014 of the European Parliament and of the Council pursuant to Article 62 of the same Regulation.

(5) The supervisory authority shall grant approvals as prescribed by law.

(6) If necessary, the supervisory authority shall issue mandatory precepts to the registrar, account operators, insurers, pension fund managers and holders of nominee accounts for termination of violations of requirements arising from this Act, Regulation (EU) No 909/2014 of the European Parliament and of the Council and other legislation.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]
§ 40. Compliance with precept and penalty payment

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(1) [Repealed - RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(2) The provisions of the Administrative Procedure Act apply to the issue of and compliance with precepts.

(3) In the event of failure to comply or inappropriate compliance with a precept issued pursuant to this Act or another administrative act, the supervisory authority has the right to impose a penalty payment pursuant to the procedure provided for in the Substitutive Enforcement and Penalty Payment Act.

(4) In the event of failure to comply or inappropriate compliance with a precept, the upper limit for a penalty payment is, in the case of a natural person, up to 1200 euros for the first occasion and altogether up to 6000 euros to enforce the performance of the same obligation and, in the case of a legal person, up to 3200 euros for the first occasion and altogether up to 52,000 euros to enforce the performance of the same obligation.

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

(5) In the event of failure to comply or inappropriate compliance with a precept issued by the Financial Supervision Authority resulting from a violation of the requirements provided for in Article 63 of Regulation (EU) No 909/2014 of the European Parliament and of the Council the upper limit for a penalty payment is, in the case of a natural person, up to 5000 euros for the first occasion and 50,000 euros for subsequent occasions, to enforce the performance of the same obligation, but altogether no more than 5 million euros. In the case of a legal person the upper limit for a penalty payment is 400,000 euros and 100,000 euros for subsequent occasions, to enforce the performance of the same obligation, but altogether no more than 20 million euros or 10 per cent of the total annual turnover of the legal person. If the legal person must prepare a consolidated financial statement then the 10 per cent shall be calculated on the basis of that consolidated financial statement.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 41. On-site inspections

(1) In order to verify compliance with the requirements provided for in this Act, the supervisory authority has the right to carry out on-site inspections at the seat or place of business of the registrar, insurers, pension fund managers and account operators.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(2) In order to carry out an on-site inspection, the supervisory authority shall issue an order which sets out the purpose, extent, duration of the period and time of the inspection. The order shall be delivered to the person being inspected at least three working days before the on-site inspection is commenced, unless giving such notice damages attainment of the objectives of the inspection. An on-site inspection shall be carried out by an employee authorised by the supervisory authority, unless otherwise prescribed in this Act.

[RT I 2006, 55, 407 - entry into force 01.01.2007]

(3) During an on-site inspection, the inspector shall be entitled to:
   1) enter all premises, in compliance with the security requirements in force with regard to the person being inspected;
   2) request conditions necessary for work and use a separate room;
   3) study documents and media necessary for exercising supervision, make extracts, transcripts and copies thereof and monitor the work processes without restrictions;
   4) obtain oral and written explanations from the managers and employees of the fund manager. Minutes shall be taken of the explanations when necessary or at the request of the person providing the explanations.

[RT I 2006, 55, 407 - entry into force 01.01.2007]

(4) The management board of a person being inspected is required to appoint a competent representative in whose presence the inspection is carried out and who shall provide the inspector with documents and other information necessary for the performance of his or her duties, including the sworn auditor's report concerning the reports of the person being inspected and the special reports of the auditor, and provide necessary explanations with regard to such documents and information.

[RT I 2010, 9, 41 - entry into force 08.03.2010]

(5) In the case of account operators of a Contracting State, the supervisory authority may authorise the financial supervision authority of the Contracting State or an auditor or expert appointed thereby to perform the on-site inspection.

[RT I 2006, 55, 407 - entry into force 01.01.2007]
§ 42. Obligation to provide information to supervisory authority

(1) The registrar, insurer, pension fund manager and account operator shall promptly notify the supervisory authority of all circumstances which materially affect their activities or financial situation.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(2) If the activities of the registrar, an insurer, a pension fund manager or an account operator do not comply with the requirements provided by legislation or their articles of association, the registrar, insurer, pension fund manager or account operator is required to notify the supervisory authority promptly thereof and of measures envisaged for resolving the situation.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(3) At the request of the supervisory authority, the registrar, an insurer, a pension fund manager or an account operator shall promptly disclose the circumstances specified in subsection (1) of this section or the measures specified in subsection (2) of this section.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(4) Holders of nominee accounts shall disclose information specified in subsection 6 (9) of this Act to the supervisory authority or the registrar of the Estonian register of securities at their request. A more detailed procedure for the release of information may be established by the procedure for maintenance of the register.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(5) [Repealed - RT I, 29.06.2011, 1 - entry into force 09.07.2011]

(6) [Repealed – RT I 2001, 89, 532 - entry into force 01.01.2002]

(7) The registrar has the right to notify the registrar of the commercial register of violation of the obligations prescribed for issuers in §§ 10, 13, 14 and 21 of this Act and other obligations prescribed for issuers in this Act and legislation issued on the basis thereof. The registrar is required to notify the registrar of the commercial register of a material violation of the specified obligations primarily if such violation results in damage to the rights of the holders of securities issued by the issuer or of third persons.
[RT I 2006, 55, 407 - entry into force 01.01.2007]

(8) An auditor is required to notify the supervisory authority promptly in writing of any circumstances of which he or she becomes aware in the course of conducting an audit of the registrar or an account operator and which result or may result in:
1) material violation of legislation regulating the activities of the registrar or account operator being audited;
[RT I 2006, 55, 407 - entry into force 01.01.2007]
2) interruption of the activities of the registrar or account operator being audited;
[RT I 2006, 55, 407 - entry into force 01.01.2007]
3) an adverse or qualified report by the sworn auditor concerning the annual accounts or consolidated accounts of the registrar or account operator being audited;
[RT I 2010, 9, 41 - entry into force 08.03.2010]
4) a situation, or the risk of a situation arising, in which the registrar or account operator being audited is unable to perform its obligations;
[RT I 2006, 55, 407 - entry into force 01.01.2007]
5) significant proprietary damage to the registrar or account operator being audited or a client thereof which is caused by an act by a member of the management board or supervisory board or an employee of the registrar or account operator being audited.
[RT I 2006, 55, 407 - entry into force 01.01.2007]

(9) Upon the request of the Financial Supervision Authority the registrar shall ensure to the Financial Supervision Authority permanent electronic access to the information in the register and the pensions register.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 43. Right of supervisory authority to obtain information

[RT I 2006, 55, 407 - entry into force 01.01.2007]

(1) In order to exercise supervision, the supervisory authority has the right to obtain information, documents and explanations from the registrar, foreign central depositories providing services in Estonia, account operators, foreign account operators, insurers, pension fund managers, holders of nominee accounts, issuers, foreign issuers, whose securities are registered in Estonia, governmental authorities, supervisory bodies, and registrars of state and local government databases. In order to exercise supervision, the supervisory authority has the right to obtain information from third persons free of charge only if there is a justified need therefor.
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(2) [Repealed - RT I, 26.06.2017, 1 - entry into force 06.07.2017]
§ 44. Calling meeting of managing bodies

(1) In order to protect the interests of the holders of securities accounts, the supervisory authority has the right to issue a precept to the registrar for calling a meeting of the supervisory board or a general meeting of the shareholders of the registrar.

(2) The supervisory authority has the right to send a representative thereof to a general meeting of the shareholders of the registrar and, in the case specified in subsection (1) of this section, also to a meeting of the supervisory board of the registrar.

§ 45. Classification of information

[Repealed – RT I 2001, 48, 268 - entry into force 01.01.2002]

§ 451. Obligation to notify Financial Supervision Authority

(1) Employees of a central depository or some other third person related to the activity of the central depository are required to inform the Financial Supervision Authority promptly in writing of any circumstances which result or may result in:
   1) material violation of legislation regulating the activities of a central depository;
   2) significant proprietary damage to a central depository or to shareholders or clients of a central depository which is caused by an act by a member of the management board or supervisory board or an employee of the central depository.

(2) Upon communication of information to the Financial Supervision Authority according to subsection (1) of this section, an employee of a central depository or some other third person related to the activity of the central depository does not violate the obligation to maintain the confidentiality of information which is imposed on the employee of the central depository or some other third person related to the activity of the central depository by legislation or a contract.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 452. Supervision over branches of foreign central depositories entered in Estonian commercial register in and foreign central depositories providing services in Estonia

(1) The Financial Supervision Authority may demand that a foreign central depository whose branch is founded in Estonia or which provides services in Estonia submit additional information and documents which are necessary for the exercise of supervision over the central depository.

(2) In exercising the supervision the Financial Supervision Authority has the right to perform on-site inspections on the site of business of the branch of the foreign central depository registered in Estonia in accordance with subsections 41 (1)-(4) of this Act giving prior notice thereof to the financial supervisory authority of the country of location of the central depository.

(3) A central depository whose branch is founded in Estonia or which provides services in Estonia and whose activity licence has been suspended or revoked by a foreign financial supervisory agency shall not operate or provide services in Estonia.

(4) If a foreign central depository or its branch entered in the Estonian commercial register violates the requirements provided for in this Act or other legislation or does not fulfil an order issued by the financial supervisory authority of its home state the Financial Supervision Authority may apply the measures provided for in this Act to terminate the violation by promptly notifying the financial supervision authority which issued the authorisation of the foreign central depository and the European Securities and Markets Authority.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 46. Supervision over activities of account operator, insurers and pension fund managers

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(1) The registrar of the pensions register shall notify the supervisory authority of violations of the obligations imposed on account operators, insurers and pension fund managers by this Act and legislation issued on the basis thereof.

(2) If an account operator, insurer or pension fund manager violates the obligations imposed thereto by legislation or fails to comply with the requirements provided by legislation, the supervisory authority has the right to demand, respectively, by a precept, suspension or termination of the status of the account operator or termination of the agreement specified in subsections 37(1) and (2) of this Act.
(3) If an insurer or pension fund manager violates the obligations imposed thereon by legislation or fails to comply with the requirements provided by legislation, the supervisory authority has the right to issue precepts to it on the basis of this Act or the Funded Pensions Act.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

Chapter 7
LIABILITY

§ 461. Liability of registrar

[Repealed – RT I 12.07, 2014, 1 - entry into force 01.01.2015]

§ 462. Failure to submit mandatory reports, documents and information

(1) Failure by the registrar, insurers, pension fund managers, holders of nominee accounts or account operators to publish by the due date or to submit to the Financial Supervision Authority mandatory reports, documents, explanations or information, or publication or submission of false or misleading information is punishable by a fine of up to 300 fine units.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(2) The same act, if committed by a legal person, is punishable by a fine of up to 400,000 euros.

[RT I, 12.07.2014, 1 - entry into force 01.01.2015]

§ 463. Failure to perform obligations related to accepting mandatory funded pension applications

(1) Failure by the manager or an employee of an account operator or other person acting in their interests to comply with the requirements established in subsection 14 (5), subsection 16 (71), subsection 25 (21) and the second sentence of subsection 37 (2) of the Funded Pensions Act is punishable by a fine of up to 300 fine units.

[RT I, 18.02.2011, 1 - entry into force 01.08.2011]

(2) The same act, if committed by a legal person, is punishable by a fine of up to 32,000 euros.

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

§ 464. Failure to submit information to registrar

(1) Failure to submit mandatory information to the registrar by the due date or submission of false or misleading information, and failure to enter securities in the register is punishable by a fine of up to 300 fine units.

[RT I 2006, 55, 407 - entry into force 01.01.2007]

(2) The same act, if committed by a legal person, is punishable by a fine of up to 32,000 euros.

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

§ 465. Proceedings

[Repealed – RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 466. Failure to comply with requirements provided for in Regulation (EU) No 909/2014 of European Parliament and of Council

(1) Violation of the requirements for central depositories or credit institutions provided for in Articles 16, 25-30, 32-35, 37-41, 43-54 and 59 of Regulation (EU) No 909/2014 of the European Parliament and of the Council is punishable by a fine of up to 300 fine units.

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

(2) The same act, if committed by a legal person, is punishable by a fine of up to 400,000 euros.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

§ 467. Proceedings

Extra-judicial proceedings concerning the misdemeanours provided for in this Chapter shall be conducted by the Financial Supervision Authority.

[RT I, 26.06.2017, 1 - entry into force 06.07.2017]
§ 52. Civil liability of registrar

(1) The registrar shall compensate for damage caused by violation of the obligations thereof in the maintenance of the register. The obligation to compensate for damage does not apply if obligations were violated under circumstances independent of the registrar. The registrar, whether guilty or not, is liable for violation of the obligation provided for in subsection 30 (1) of this Act.

(2) The liability of the registrar arising from the maintenance of the register and other activities shall be insured in a manner in which the risks related to the specified activities are sufficiently managed. The registrar shall submit to the Financial Supervision Authority a transcript of the principal conditions of the insurance contract entered into for the management of risks within ten days as of the entry into the insurance contract.

(21) The insurance contract specified in subsection (2) of this section shall meet at least the following conditions:
1) the insured event involves proprietary damage caused by the registrar due to violation of the obligations imposed thereon by law;
2) the insurance cover is valid at least in Estonia and in a Contracting State of the European Economic Area where the securities registered by the registrar are offered;
3) the insurance cover applies to damage which is caused by an event or act which took place during the period of insurance;
4) the registrar shall not exclude damage on the basis of the insurance contract which is directly or indirectly caused by a computer program or software error involving, inter alia, the inability to recognise or process dates.

(3) If claims for damages cannot be satisfied pursuant to subsections (1) and (2) of this section or if such claims cannot be satisfied in full, the Republic of Estonia is liable for the damage caused and has the right of recourse to the registrar.

§ 53. Professional liability of account operators

(1) An account operator is liable for violation of obligations related to the administration of an account pursuant to general principles. An account operator, whether guilty or not, is liable for violation of the obligation provided for in subsection 31 (3) of this Act.

(2) An account operator shall insure the liability arising from administration of accounts.

(3) If claims for damages cannot be satisfied pursuant to subsections (1) and (2) of this section or if such claims cannot be satisfied in full, the Republic of Estonia is liable for the damage caused and has the right of recourse to the account operator.

Chapter 8
IMPLEMENTING PROVISIONS

Division 1
Implementation of Act

§ 54. Application of Act to operating registrar

(1) Upon the entry into force of this Act, Eesti Väärtpaberite Keskdepositooriumi AS [the Estonian Central Depository for Securities Ltd] is deemed to be the registrar, and account operators existing upon the entry into force of this Act are deemed to be account operators provided that they have an agreement with Eesti Väärtpaberite Keskdepositooriumi AS for the administration of accounts. An agreement for maintenance of the register shall be amended and terminated pursuant to the procedure provided by this Act.

(2) The articles of association of the registrar, and the membership of the management board and supervisory board thereof shall be brought into compliance with the provisions of this Act, and insurance contracts insuring the liability of the registrar and the employees thereof and of account operators shall be entered into within six months after the entry into force of this Act.

(3) The Republic of Estonia shall transfer the shares in the registrar belonging to the Republic of Estonia to persons permitted under this Act within six months after the entry into force of this Act.
(4) The registrar is required to prepare an annual report in conformity with the requirements established on the basis of subsection 30(4) of this Act for the accounting period beginning on 1 January 2012 and thereafter. [RT I, 18.02.2011, 1 - entry into force 01.08.2011]

§ 54. Bringing activities and documents of account operators and holders of nominee accounts into compliance with version of this Act passed on 9 June 2011

(1) Account operators are required to bring their activities and documents into compliance with the requirements provided for in the version of this Act passed on 9 June 2011 (hereinafter this version) at the latest by 31 August 2011. Until bringing into compliance with this version, the activities and documents of account operators shall comply with regard to the aforementioned requirements with the legislation in force until the entry into force of this version.

(2) The provisions of the second sentence of subsection 6 (1) of this version shall not apply to holders of nominee accounts who operated before the entry into force of this version. [RT I, 29.06.2011, 1 - entry into force 09.07.2011]

§ 55. Approval of price list and procedure for maintenance of register

The price list and the procedure applicable to maintenance of the register and registration of securities shall be brought into compliance with the provisions of this Act and approved pursuant to the procedure prescribed by law within six months after the entry into force of this Act.

§ 56. Privatisation vouchers

The nominal value of privatisation vouchers in the depositary accounts of the Estonian Central Register of Privatisation Vouchers shall be entered in the register.

§ 56. Calculation of euro

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

§ 56. Change of currency of nominal value of shares

If the shares of an issuer are entered in the register, the issuer shall enter in the register the currency of the share capital and the change of the currency of the nominal value of shares if such change exists. Subsection 13 (2) of this Act applies correspondingly. [RT I 2010, 20, 103 - entry into force 01.07.2010]

§ 56. Specification for units of voluntary pension fund in pensions register

(1) Until 1 September 2018, the registrar of the pensions register may use the number of the securities account of a unit-holder for holding units of a voluntary pension fund in the pensions register.

(2) The registrar of the pensions register shall take into use the number of the pension account of a unit-holder for holding units of a voluntary pension fund in the pensions register no later than on 1 September 2018, notifying the unit-holder thereof in advance.

(3) The registrar of the pensions register shall open a pension account for persons who have units of a voluntary pension fund, but for whom no pension account has been opened. [RT I, 26.06.2017, 1 - entry into force 06.07.2017]

Division 2

[Omitted from this text.]

Division 3

[Omitted from this text.]

Division 4

[Omitted from this text.]

Division 5
Entry into Force of Act

§ 88. Entry into Force of Act

(1) This Act enters into force on 1 January 2001.

(2) An application for the registration of securities existing upon the entry into force of this Act and securities specified in clauses 2 (1) 1), 2) and 5) of this Act in the Estonian register of securities shall be submitted not later than by 1 September 2001. An application for the registration of securities existing upon the entry into force of this Act and securities specified in clause 2 (1) 4) of this Act in the Estonian register of securities shall be submitted not later than by 1 January 2005.

(3) Public limited companies existing upon the entry into force of this Act and public limited companies which are not entered in the commercial register by that time but whose foundation resolution has been adopted or whose memorandum of association has been concluded shall submit an application for the registration of their shares in the Estonian register of securities not later than by 1 January 2003. The registrar of the Estonian register of securities shall not accept applications from public limited companies whose articles of association preclude the issue of registered shares. A public limited company is exempt from registration of the shares of the company in the Estonian register of securities if such company has been declared bankrupt by a court or a court has decided on the compulsory dissolution of such company on grounds other than those indicated in this section, or if the public limited company has submitted, not later than by 1 July 2003, a petition for entry to a registration department of a court concerning:

1) transformation into general partnership, limited partnership or private limited company;
2) merger, if the acquiring company is a public limited company whose shares have been entered in the Estonian register of securities or an application to this effect has been submitted not later than on the date indicated above;
3) merger, if the acquiring company is a general partnership, limited partnership or private limited company;
4) division by way of distribution, if the recipient companies are general partnerships, limited partnerships or private limited companies;
5) voluntary dissolution.

(4) Public limited companies whose shares are publicly issued or offered shall enter their shares in the Estonian register of securities before the public issue or offer.

(5) A public limited company which has issued bearer shares shall exchange them for registered shares not later than by 31 December 2001.

(51) The registrar of the commercial register has the right to require a public limited company whose shares are not entered in the Estonian register of securities to submit an extract containing valid information from the share register. In order to certify the authenticity of the extract, it shall be signed by at least one member of the management board or, if the members of the management board are only authorised to represent the public limited company jointly, by the members of the management board authorised to represent the public limited company jointly.

(6) The registrar of the Estonian register of securities shall submit information to the registrar of the commercial register by 1 February 2002 and 1 February 2003 concerning public limited companies whose shares are entered in the Estonian register of securities.

(7) A public limited company which has failed to perform an obligation specified in subsection (5) of this section within the specified term shall be deemed to have undergone compulsory dissolution.

(71) If a public limited company has not submitted the application or petition for entry on specified in subsection (3) of this section by 1 July 2003 the latest, the registrar of the commercial register shall apply to the public limited company and the members of its management board the provisions of § 71 of the Commercial Code concerning failure to submit information. An application or petition for entry is deemed to be not submitted if, on the grounds specified in subsection (3) of this section or subsection 50 (2) of the Commercial Code, the application or petition is not accepted.
A public limited company who fails to submit the application or petition for entry required in subsection (3) of this section by 16 September 2003 the latest, or whose application or petition for entry is not accepted or is denied pursuant to law, shall be deemed to have undergone compulsory dissolution.

The provisions of § 513 of the Commercial Code apply to companies deemed to have undergone compulsory dissolution pursuant to subsection (7) or (7) of this section; the term “commercial register” shall be used instead of enterprise register upon application of the provisions, and the duties assigned to the registrar of the enterprise register by the given provisions shall be performed by the registrar of the commercial register.

Until the exchange of bearer shares or the dissolution of a public limited company which has issued bearer shares, the provisions of the Commercial Code applicable to bearer shares until the entry into force of this Act apply to bearer shares.

Until the entry of registered shares in the Estonian register of securities or the dissolution of a public limited company which has issued registered shares and the transfer of the maintenance of the share register, the provisions of the Commercial Code concerning share certificates and share registers and the maintenance thereof apply to such public limited companies until the entry into force of this Act.

The registrar shall bring its activities into compliance with the provisions of subsection 23 (1) of this Act not later than by 1 July 2007.

The registrar shall bring its share capital and shareholders’ equity into compliance with the provisions of subsection 26 (1) of this Act not later than by 1 July 2007.

Insurers and the registrar shall ensure availability of the calculator provided for in subsection 7 (6) of this Act on the website of the registrar not later than as of 1 January 2011.