Chapter 1  
General Provisions

§ 1. Scope of regulation

(1) This Act provides the conditions and procedure for the drafting and passage of the state budget and the use of the funds in the state budget. In addition, the bases for drafting the state budget are provided, pursuant to which the fiscal policy opportunities arising from the state financial forecasts and strategic development documents are followed when drafting the state budget.

(2) To meet the requirements established for drafting the state budget, this Act provides the conditions for the assumption of obligations and the planning of resources by the central government sub-sector entities of the general government sector. [RT I, 07.07.2017, 4 - entry into force 17.07.2017]

§ 2. General government sector and central government sub-sector


(2) The general government sector is divided into the central government, local government and social security funds sub-sector. The entities belonging to the central government sub-sector (hereinafter central government) include:

1) governmental authority, state authority agency administered by governmental authority, county court, administrative court and circuit court (hereinafter state authorities);

2) the Chancellery of the Riigikogu, the Office of the President of the Republic, the National Audit Office, the Office of the Chancellor of Justice and the Supreme Court (hereinafter constitutional institutions) and the authorities in their area of administration;
3) legal person in public law, foundation established by the state and company with state participation defined as central government entity pursuant to Regulation (EU) No 549/2013 of the European Parliament and of the Council (hereinafter central government legal persons).

(3) Statistics Estonia shall publish the list of the general government sector entities on its website and inform of the belonging of an entity to the general government sector.

§ 3. Area of government of ministry

(1) For the purposes of this Act, the area of government of the ministry means the ministry together with the state authorities in its area of government.

(2) The provisions of this Act concerning the ministry, the area of government of the ministry and the state authorities shall apply to the constitutional institutions and the authorities in their area of administration, unless otherwise provided by this Act.

(3) The provisions of this Act concerning the ministry and the area of government of the ministry shall apply to the Government Office and the area of administration of the Government Office.

§ 4. Fiscal Council

(1) The Fiscal Council is the advisory board formed pursuant to § 4 of the Eesti Pank Act, which assesses the state macroeconomic forecasts and the state financial forecasts and monitors the compliance with the budgetary rules specified in Chapter 2 of this Act pursuant to the requirements established in this Act and the European Union law.

(2) If an opinion of the Fiscal Council is disregarded, the Government of the Republic shall justify it publicly.

(3) The Ministry of Finance shall justify disregarding an assessment provided in respect to the state macroeconomic forecast (hereinafter macroeconomic forecast) and the state financial forecast (hereinafter financial forecast).

Chapter 2
Budgetary Rules

§ 5. Budget position and medium-term budgetary objective

(1) The budget position of the general government sector is the difference between the total revenue and total expenditure of the general government sector.

(2) The structural budget position of the general government sector is the cyclically adjusted budget position of the general government sector, which does not take into account one-off or temporary transactions.

(3) The medium-term budgetary objective is established in the structural budget position objective of the general government sector established in the stability programme for the Member State of the European Union pursuant to Council Regulation (EC) No 1466/97 on the strengthening of the surveillance of budget positions and the surveillance and coordination of economic policies (OJ L 209, 02.08.1997, p. 1–5).

§ 6. Budget position rules

(1) The state budget shall be drafted in such way that the structural budget position of the general government sector is in balance or in surplus taking into account the state financial forecast specified in § 15 of this Act.

(1\(^1\)) If cumulative structural surplus was generated during the previous budgetary years, the state budget may also be drafted in such way that the structural budget position of the general government sector is in deficit to the extent of the cumulative structural surplus, but not more than 0.5 per cent of the gross domestic product per annum.
[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(1\(^2\)) Cumulative structural surplus was generated in case the amount of the structural budget positions of the general government sector created as of 2014 until the year preceding the current budgetary year denominated in euros is positive. If the amount is negative, cumulative structural deficit was generated.
[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(1\(^3\)) The status of the cumulative structural budget position is fixed as at the end of the previous budgetary year in the stability programme and is not subsequently adjusted.
[RT I, 07.07.2017, 4 - entry into force 17.07.2017]
(2) It shall be ensured by law or on the basis of law that the budget of a central government legal person is
drafted and approved in such way that the difference between the operating revenue and expenses during the
budgetary year (hereinafter operating result) is in balance or in surplus.

(3) It shall be ensured by law or on the basis of law that the planned operating result of a central government
legal person may be in deficit up to 30 per cent of the operating revenue during the budgetary year if the deficit
of the operating result is covered from the liquid assets previously accumulated as surplus of the operating
result.

(4) The requirement provided for in subsection (2) of this section shall not apply to a central government legal
person if the deficit of its planned operating result is related to the foundation, reorganisation or dissolution of
the central government legal person envisaged in the scheme of operations or business plan.

(5) The accounting methodology of the operating revenue and the operating expenses of a central government
legal person shall be established by a regulation of the minister responsible for the area, taking into account the

§ 7. Adjustment mechanism

(1) If pursuant to the state financial forecast specified in § 15 of this Act the structural budget position of
the general government sector is in greater deficit than permitted in subsection 6 (1) or (1\textsuperscript{1}) of this Act, the
minister responsible for the area shall submit, within one month following the publication of the forecast, to
the Government of the Republic for informational purposes the analysis of the situation and, if necessary, the
proposals for the improvement of the structural budget position of the general government sector.
[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(2) If pursuant to the state financial forecast the structural budget position deficit of the general government
sector is greater than permitted in subsection 6 (1) or (1\textsuperscript{1}) of this Act more than 0.5 per cent of the gross
domestic product (hereinafter GDP) or if in the European Union fiscal policy coordination process pursuant
to Council Regulation (EC) No 1466/97 the European Commission and the Council of the European Union
find that the structural budget position of the Estonian general government sector differs to a significant extent
from the medium-term budgetary objective specified in subsection 5 (3) of this Act or from the adjustment path
for the achievement thereof, the Government of the Republic shall implement measures improving the budget
position, following the requirements of the Stability and Growth Pact.
[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(3) For the purposes of this Act, the Stability and Growth Pact shall have the same meaning as provided for in
Council Regulation (EC) No 1466/97 and Council Regulation (EC) No 1467/97 on speeding up and clarifying
the implementation of the excessive deficit procedure (OJ L 209, 02.08.1997, p. 6–11).

(4) The measures specified in subsection (2) of this section shall be implemented in such way that the structural
budget position of the general government sector would be improved by at least 0.5 per cent of the GDP in the
year when the difference in the structural budget position deficit of the general government sector becomes
evident.
[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

§ 8. Compensation mechanism

If in the year preceding the drafting of the state budget the structural budget position of the general government
sector was cumulatively in deficit and the structural budget position of the general government sector was in
deficit, the budget position must be improved by at least 0.5 per cent of the GDP per annum until the structural
budget balance is achieved. After the achievement of the structural budget balance, the structural surplus of
the general government sector must be planned in the following years until the achievement of the cumulative
structural balance. Until the achievement of the cumulative structural balance, the cumulative budget position
must be improved at least 0.5 per cent of the GDP per annum.
[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

§ 9. Exemption clause

The implementation of the measures specified in subsection 7 (2) of this Act and the planning of the surplus
specified in § 8 may be postponed in case of extraordinary circumstances pursuant to the Stability and Growth
Pact.

§ 10. Net debt rule for central government legal person

(1) It shall be ensured by law or on the basis of law that the difference between the debt obligations and the
total amount of the liquid assets of a central government legal person planned as at the end of a budgetary year
(hereinafter net debt) may form up to 40 per cent of the operating revenue planned for the same budgetary year throughout the period included in the financial plan submitted on the basis of § 12 of this Act. The Government of the Republic shall decide on the permission to increase the net debt in excess of 40 per cent, taking into account the requirements provided for in this Chapter.

(2) The calculation methodology of the debt obligations and liquid assets of a central government legal person shall be established by a regulation of the minister responsible for the area.

§ 11. Exceptions from budget position and net debt rules

(1) The state budget may, in justified cases, impose additional restrictions on the operating result or net debt of a central government legal person specified in §§ 6 and 10 of this Act. The obligation of a central government legal person to adhere to such restrictions shall be ensured by law or on the basis of law.

(2) The imposition of the additional restrictions specified in subsection (1) of this section shall be permitted if at least one of the following circumstances occurs:
1) the state financial forecast indicates the increase of the budget position deficit of the general government sector during a budgetary year in excess of two per cent of the GDP;
2) the state financial forecast indicates the growth of the debt of the general government sector during a budgetary year in excess of 50 per cent of the GDP;
3) the Government of the Republic is required to implement the measures improving the budget position and specified in subsection 7 (2) of this Act.

§ 12. Financial plan of central government legal person

(1) It shall be ensured by law or on the basis of law that a central government legal person shall submit each year a financial plan concerning its current budgetary year, the preceding budgetary year and the next four budgetary years. The information shall be submitted with the intermediation of the ministry exercising the rights of a founder or the ministry in the corresponding field to the Ministry of Finance by 1 March.

(2) The requirements towards the content of the financial plan and the financial plan submission procedure shall be established by a regulation of the minister responsible for the area.

§ 13. Receipt of additional information from central government legal person

(1) The minister responsible for the area and the minister exercising the rights of a founder or the minister in the corresponding field shall be entitled, for the assessment of the compliance with the budgetary rules provided for in this Chapter, to receive from a central government legal person the relevant information.

(2) The minister exercising the rights of a founder or the minister in the corresponding field shall be entitled, for the assessment of an application for the receipt of support from the state budget and the inspection of the use of the support, to receive from a central government legal person the relevant information.

(3) The minister responsible for the area shall receive the information with the intermediation of the minister exercising the rights of a founder or the minister in the corresponding field.

§ 14. Monitoring of compliance with budgetary rules

The Fiscal Council shall present an opinion regarding the objectives of the structural budget position of the general government sector recorded in the budget strategy and the stability programme and the achievement of the structural budget position objective for the previous budgetary year prior to the approval of the budget strategy and the stability programme, following the budget position rules and the necessity to adjust the structural budget position.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

Chapter 3
State Budget Framework and Bases

Division 1
Macroeconomic Forecast and Financial Forecast

§ 15. Macroeconomic forecast and financial forecast

(1) The objective of the macroeconomic forecast is to describe the state economic environment together with the likely developments and to inform the public thereof.

(2) The macroeconomic forecast provides the basis for the financial forecast, which describes the revenue, expenditure and investments of the general government sector together with the likely changes. The financial forecast provides the basis for the state budget strategy (hereinafter budget strategy) and the draft state budget.
§ 16. Requirements for macroeconomic forecast and financial forecast

(1) The macroeconomic forecast and the financial forecast shall be prepared annually with regard to the current budgetary year and the following four years, relying on the latest known data series. The data used as the external environment prerequisites for the macroeconomic forecast and the financial forecast shall not be older than two months by the intended publication date of the forecast.

(2) The alternative assumptions used in the preparation of the macroeconomic forecast and the financial forecast shall be based on how exact the previous forecasts have been, and the relevant risk scenarios shall be taken into account. The macroeconomic forecast shall present in addition to the baseline scenario at least one risk scenario, and its potential impact on the accrued revenue and balance of the state budget shall be assessed. The financial forecast shall be prepared on the basis of the most likely or a more conservative scenario of the macroeconomic forecast.

(3) The macroeconomic forecast and the financial forecast shall contain a sensitivity analysis, which explores how the main fiscal variables are formed on the basis of various economic growth and interest rate forecasts.

(4) The explanatory memorandum on the macroeconomic forecast and the financial forecast shall compare the forecast to the most up-to-date forecasts of the European Commission and other independent institutions, and describe and substantiate the material differences. The validity of the macroeconomic forecast and the financial forecast shall be evaluated on a regular basis and impartially, based on objective criteria, in order to ascertain the existence of possible systemic deviations during at least four consecutive years, and both the evaluation given to the forecasts and the measures necessary in case of systemic deviations for the liquidation thereof shall be disclosed.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

§ 17. Preparation of macroeconomic forecast and financial forecast

(1) The Ministry of Finance shall prepare the macroeconomic forecast and the financial forecast pursuant to the requirements provided for in this Act and the European Union law.

(2) The officials or employees preparing the macroeconomic forecast and the financial forecast shall be independent in the preparation of the forecast and choosing the methods of preparation.

§ 18. Evaluation and publication of macroeconomic forecast and financial forecast

(1) The Fiscal Council shall provide an opinion regarding the macroeconomic forecast and the financial forecast within two weeks as of their publication. The Ministry of Finance shall justify disregarding the opinion of the Fiscal Council publicly within two weeks as of the publication of the opinion of the Fiscal Council.

(2) The Ministry of Finance shall publish the macroeconomic forecast and the financial forecast on its website immediately after the preparation of the forecast.

Division 2
Strategic Development Documents

§ 19. Strategic development documents

(1) The strategic development documents include the general principles of policy, sectoral development plan, development plan of the area of government and programme.

(2) The general principles of policy are a development document which determines the vision, national objective and priorities for one or several interrelated policy areas.

(3) The sectoral development plan is a development document which comprehensively determines the general objective and sub-objectives for one or several policy areas and the indicators providing an opportunity to measure these, and the policy instruments through which it is planned to achieve the established objectives.

(4) The development plan of the area of government is a development document which records the contributions by a ministry and the authorities in its area of government to the achievement of the general objectives of the performance areas.

(5) The programme is a development document which determines the measures, indicators, activities and financing scheme targeted at the achievement of a sub-objective of a performance area.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]
(6) The strategic development documents shall be mutually consistent.

(7) The constitutional institutions are not required to prepare the strategic development documents.

§ 20. Preparation and implementation of strategic development documents and amendments thereto

(1) The general principles of policy-making shall be approved by the Riigikogu either on its initiative or on the proposal of the Government of the Republic.

(2) The sectoral development plan shall be prepared at least for the budget strategy period. The sectoral development plan shall be approved by the Government of the Republic unless otherwise provided by law. The sectoral development plan shall be submitted, prior to approval, to the Riigikogu for deliberation.

(3) The development plan of the area of government shall be prepared at least for the budget strategy period. The development plan of the area of government shall be approved by the minister.

(4) The programme shall be prepared in compliance with the budget strategy period. The programme shall be approved by the minister. If several ministries contribute to the achievement of the programme objective, the ministers shall approve the whole programme or the programme shall be divided into sub-programmes to be approved by the ministers.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(5) The procedure for the preparation, implementation, reporting and evaluation of the sectoral development plan, development plan of the area of government and the programme and the amendments thereto shall be established by a regulation of the Government of the Republic.

Division 3
Budget Strategy and Stability Programme

§ 21. Content of budget strategy

(1) The budget strategy determines the main directions of the state fiscal policy and records the general objectives of the Government of the Republic, which are intended to be implemented during the budget strategy period, and the funds planned for the implementation (hereinafter financing scheme). The budget strategy is prepared each year with regard to at least the next year and the following three years (hereinafter budget strategy period).

(2) The basis for the financing scheme is the financial forecast.

(3) The budget strategy shall include on a yearly basis:
   1) the state fiscal policy objectives, including the with regard to the budget position of the general government sector and the amount of debt;
   2) the provisional budget position of the sub-sector of the general government sector or its entities and other financial information together with significant changes in the financing and financial management principles;
   3) the state economic situation analysis based on the macroeconomic forecast and the financial forecast; and
   4) the maximum volumes of funding permitted to the area of government of a ministry for the budget strategy period (hereinafter cost ceilings).

§ 22. Preparation of budget strategy

(1) The budget strategy shall be prepared by the Ministry of Finance.

(2) The information concerning the coming years provided in the budget strategy for the previous period shall be amended upon the approval of the new budget strategy only in case the general objective of a performance area, the action programme of the Government of the Republic, the main directions of the state fiscal policy, the macroeconomic forecast, financial forecast or legislation have materially changed.

(3) The Ministry of Finance shall have the right to receive the necessary information from the ministries and the persons belonging to the general government sector for the preparation of the budget strategy.

(4) The procedure for the preparation of the budget strategy shall be established by a regulation of the minister responsible for the area.

§ 23. Stability programme

(1) Together with the budget strategy, the Ministry of Finance shall prepare the stability programme, which complies with Council Regulation (EC) No 1466/97.

(2) The stability programme shall be prepared in compliance with the fiscal policy objectives provided in the budget strategy, the general objectives of the Government of the Republic and their financing scheme.
§ 24. Approval of budget strategy

(1) The budget strategy shall be approved by the Government of the Republic no later than eight months before the beginning of the next budgetary year.

(2) In the year of the regular elections to the Riigikogu, the Government of the Republic shall approve the budget strategy no later than seven months before the beginning of the next budgetary year.

§ 25. Publication of budget strategy and stability programme

(1) The Ministry of Finance shall publish the approved budget strategy and stability programme on its website promptly following the approval.

(2) The Government of the Republic shall submit the budget strategy to the Riigikogu promptly following the approval.

Chapter 4
State Budget

Division 1
Content and Structure of State Budget

§ 25. Content of budget strategy

(1) The budget strategy determines the main directions of the state fiscal policy and records the general objectives of the Government of the Republic, which are intended to be implemented during the budget strategy period, and the funds planned for the implementation (hereinafter financing scheme). The budget strategy is prepared each year with regard to at least the next year and the following three years (hereinafter budget strategy period).

(2) The basis for the financing scheme is the financial forecast.

(3) The budget strategy shall include on a yearly basis:
   1) the state economic situation analysis based on the macroeconomic forecast and the financial forecast;
   2) the forecast of the major items of revenue and expenditure of the general government sector, which is based on the assumption that the policy will not be changed;
   3) the state fiscal policy objectives, including the budget position of the general government sector and the expected amount of debt;
   4) a description of which policy shifts will be used to move from forecasts to state fiscal policy objectives;
   5) an assessment of the effect of the planned policy shifts on the general government financing in the medium term and the long-term sustainability of the public finances;
   6) the provisional budget position of the sub-sectors of the general government sector or entities included therein and other financial information together with significant changes in the financing and financial management principles;
   7) the allocation to the area of government of a ministry of the maximum volumes of funding planned for the performance areas and programmes during the budget strategy period;
   8) the comparison between the previous and updated budget strategy if the policy objectives have changed compared to the previous budget strategy;
   9) the planned investments;
   10) the forecast of the liquid assets and debt of the general government sector, including the forecast of the changes in the state assets, liabilities and net assets (budgetary balance sheet);
   11) the forecast of the state cash flow;
   12) in case of any changes in the amount of the funds or omission of the funds requested by constitutional institutions, the changes made by the Government of the Republic and disagreements together with justification;
   13) the planned foreign support.

[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

§ 26. Content of state budget

(1) The state budget is the state financial plan which records the funds (hereinafter funds), which the state plans to accumulate, receive as support, intermediate and use during the budgetary year.
(2) In the state budget, the funds shall be classified on the basis of the budget classification administratively. The administratively classified funds are classified according to economic content.

(3) The administrative classification shows which areas of government of the ministries accumulate, receive as support, intermediate or use the state budget funds. In the administrative classification, the Government of the Republic may also be mentioned with regard to the funds to be used by the Government of the Republic.

(4) According to economic content, the state budget funds shall be divided into revenue, expenditure, investments and financing transactions based on the following:
1) revenue means all the funds, which the state accumulates or receives as support in the performance of its functions;
2) expenditure means the funds used by the state, which are neither investments nor financing transactions;
3) investments mean the funds planned for the acquisition and renovation of tangible and intangible assets;
4) financing transactions mean the transactions with financial assets or liabilities where, on a double-entry basis, both entries are made in the financial assets or liabilities and as a result of which the budget position does not change.

§ 27. Budgetary year

(1) The state budget shall be drafted with regard to one budgetary year.

(2) The budgetary year shall begin on 1 January and end on 31 December.

§ 28. Structure of state budget

(1) The following shall be presented in the state budget:
1) the consolidated budget of the state budget funds;
2) the amount of the state budget surplus or deficit;
3) the classification of the state budget funds.

(2) The State Budget Act shall stipulate the provisions which are to be submitted pursuant to an obligation arising from the legislation or which are related to the regulation or conditions of the accumulation, receipt as support, intermediation or use of the state budget funds during the budgetary year.

(3) The State Budget Act shall not stipulate the provisions for the amendment or repeal of another Act.

§ 29. Budget classification

(1) The budget classification comprises the detailed breakdown of the funds and the accounting policies and concepts used in budgeting, financial management and strategic planning.

(2) In case of activity based budget, the budget classification provides the detailed activity based breakdown of the funds by areas of government of the ministries and programmes.

(3) The Government of the Republic shall decide on the use of the activity based breakdown in the draft state budget. The Government of the Republic shall decide on the activity based breakdown of the budget of a constitutional institution on the initiative of the constitutional institution.

(4) The budget classification shall be established by a regulation of the minister responsible for the area.

§ 30. Compulsory breakdown of state budget

(1) The state budget shall break down the revenue, expenditure, investments and financing transactions according to economic content.

(2) The revenue shall be broken down into operating revenue, financial income and transfers received from the state authorities.

(3) The operating revenue shall be broken down as follows:
1) taxes and social security contributions;
2) sale of goods and services;
3) received support;
4) other revenue.

(4) The expenditure shall be broken down into operating expenses, financial expenses and transfers granted to the state authorities.

(5) The operating expenses shall be broken down as follows:
1) granted support and other transfers;
2) labour and management costs;
3) other operating expenses.
(6) Investments need not be broken down in the state budget.

(7) The financing transactions shall be broken down as follows:
1) increase in financial assets;
2) decrease in financial assets;
3) increase in liabilities;
4) decrease in liabilities;

(8) In case of activity based budget, subsections (1)–(7) of this section shall not apply, and the funds shall be broken down in the state budget based on administrative and activity based content as follows:
1) performance areas;
2) programmes;
3) sub-programmes if several ministries contribute to one programme.

(9) The funds broken down according to subsection (8) of this section shall be broken down in the state budget based on economic content as follows:
1) revenue;
2) operating expenses;
3) investments;
4) financing transactions.

§ 31. Additional breakdown of expenditure, investments and financing transactions

(1) The Government of the Republic shall break down the investments in immovables of the area of government of the ministry specified in the state budget by properties. The Government of the Republic may break down other investments, expenditure and financing transactions of the area of government of the ministry specified in the state budget in compliance with the budget classification.

(2) The minister shall break down the expenditure, investments and financing transactions of the area of government of the ministry specified in the state budget administratively and according to economic content in the budget of the area of government in compliance with the budget classification and following the breakdown of the Government of the Republic established on the basis of subsection (1) of this section.

[RT I 29.06, 2014, 109 - entry into force 01.07.2014]

(3) The constitutional institutions and the authorities in their area of administration shall break down the expenditure, investments and financing transactions specified in the state budget according to economic content or based on activity in their budget in compliance with the budget classification.

§ 32. Funds with and without limits and transferable tax

(1) The state budget funds are divided into the funds with and without limits. No restrictions shall be imposed by the state budget on the amount of liabilities assumed on account of the funds without limits.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(2) The funds without limits include:
1) the expenditure, investment and financing transaction, the possibility of making which depends on the accrual of specific revenue (hereinafter funds depending on revenue);
[RT I, 07.07.2017, 4 - entry into force 17.07.2017]
2) the expenditure, investment and financing transaction, the amount of which arises from law (hereinafter estimated funds);
3) revenue;
4) non-monetary income and expenses.
[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(3) The taxes, fees or other charges planned in the state budget both as revenue and expenditure, which the state collects and transfers to a person designated by legislation (hereinafter transferable tax), shall be transferred to the beneficiary according to actual revenue.

§ 33. Transfer of state budget funds

(1) The transfer of the state budget funds is the extension of the term of using the state budget funds by one budgetary year (hereinafter transfer).

(2) The estimated funds and non-monetary expenses shall not be transferred, unless otherwise provided by this Act or the state budget.
[RT I, 07.07.2017, 4 - entry into force 17.07.2017]
(3) The funds depending on revenue, excluding the transfers from the state authorities received on account of the state budget funds with limit, shall be transferable to the next budgetary year to the extent of the difference between the corresponding income and the expenses incurred on account thereof as at the end of a budgetary year. The transfers from the state authorities received on account of the state budget funds with limit may be transferred to the extent of up to three per cent of the amount of the received transfer, unless established otherwise in the state budget.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(4) The funds of the transferable tax shall be transferred to the next budgetary year in the amounts actually received, but not transferred to the beneficiary by the end of a budgetary year.

(5) Unless otherwise provided by the state budget, the funds with limits shall be transferred, taking into account the following:
1) the expenditure shall be transferred to the extent of up to three per cent of the amount of the expenditure broken down in the state budget;
2) the total amount of the investments shall be transferred;
3) the financing transactions shall not be transferred;
4) the total amount of the co-financing funds of such targeted or non-targeted financial support received from the European Union, an international organisation, foreign state and non-governmental organisation of a foreign state, for which no goods or services are directly given in exchange to the provider of foreign support (hereinafter foreign support), shall be transferred.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(6) The procedure for the transfer of the state budget funds shall be established by a regulation of the minister responsible for the area.

Division 2
Compilation of Draft State Budget

§ 33. Preparation of budget strategy

(1) The budget strategy shall be prepared by the Ministry of Finance.

[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

(2) The information concerning the coming years provided in the budget strategy for the previous period shall be amended upon the approval of the new budget strategy only in case the general objective of a performance area, the action programme of the Government of the Republic, the main directions of the state fiscal policy, the macroeconomic forecast, financial forecast or relevant legislation have changed.

[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

(3) The Ministry of Finance shall have the right to receive the necessary information from the ministries and the persons belonging to the general government sector for the preparation of the budget strategy and the state budget.

[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

(4) An application for the allocation of the funds from the state budget to a legal person in public law shall be submitted by the ministry with whose area of competence the activities of the corresponding legal person in public law are mainly connected, among the data submitted for preparation of the budget strategy and the state budget.

[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

(5) The conditions and procedure for preparation of the budget strategy and the state budget shall be established by a regulation of the Government of the Republic.

[RT I, 07.07.2017, 4 - entry into force 01.01.2019;]

§ 34. Bases for compilation of draft state budget

The draft state budget shall be compiled on the basis of the budget strategy and financial forecast.

§ 341. Budget strategy and approval of state budget

(1) The budget strategy and the draft state budget shall be approved by the Government of the Republic no later than eight months before the beginning of the next budgetary year.

(2) In the year of the regular elections to the Riigikogu, the Government of the Republic shall approve the budget strategy and the draft state budget no later than seven months before the beginning of the next budgetary year.

(3) If, pursuant to the autumn financial forecast, the structural budget position of the general government sector for the next budgetary year differs from the target budget position set in the budget strategy more than
0.25 per cent of the GDP or if, in setting the budget position set in the budget strategy, the deficit was planned in compliance with subsection 6 (1) of this Act, then in case, pursuant to the autumn financial forecast, the structural deficit of the general government sector for the next budgetary year exceeds 0.5 per cent of the GDP or the total volume of the cumulative structural surplus, the Government of the Republic shall amend the draft state budget for the next year in the exceeding part. If the structural budget position of the general government sector for the next budgetary year arising from the autumn financial forecast is more positive compared to the budget position set in the budget strategy, the amendment of the draft state budget is not obligatory.

(4) The Government of the Republic shall submit the budget strategy to the Riigikogu promptly following the approval.
[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

§ 34. Spending review

(1) For the productive and efficient use of public funds and enhancing the flexibility of the functioning of the state, the Government of the Republic may prepare the spending review in planning the state budget funds.

(2) The spending review shall make specific proposals for more influential, efficient and economical use of the state budget funds.

(3) The conditions and procedure for preparation of the spending review shall be established by a regulation of the Government of the Republic.
[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

§ 35. Budget project for area of government of ministry

(1) For the compilation of the draft state budget, a ministry shall submit to the Ministry of Finance the budget project of its area of government, which shall follow, inter alia, the budget strategy, the cost ceilings approved in the budget strategy and the sectoral development plan objectives.

(2) An application for the allocation of the funds from the state budget to a legal person in public law shall be submitted in the budget project of the area of government of the ministry with whose area of competence the activities of the corresponding legal person in public law are mainly connected.

(3) The opinion of the Council for Administration of Courts regarding the conformity of the funds planned for the county courts, administrative courts and circuit courts to the principles of the formation of annual budgets of courts shall be enclosed to the budget project of the Ministry of Justice.

(4) The procedure for the preparation of the draft budget of the area of government of a ministry shall be established by a regulation of the minister responsible for the area.

§ 36. Budget negotiations

(1) The Ministry of Finance and a ministry shall conduct negotiations regarding a draft budget for the area of government of the ministry. If the parties do not consider conducting the negotiations necessary, this agreement shall be documented in writing.

(2) The Ministry of Finance shall submit the minutes specifying the agreements between the parties and any potential dissenting opinions, together with proposals, to the Government of the Republic.

§ 37. Legislative proceeding of draft state budget by Government of the Republic

(1) The Ministry of Finance shall submit the draft state budget together with explanatory memorandum to the Government of the Republic not later than four months before the beginning of the budgetary year.

(2) In case of any changes in the amount of the funds prescribed in the draft state budget for the constitutional institutions and the authorities in their area of administration or the omission of the funds, the Government of the Republic shall submit the made changes and disagreements together with justification in the explanatory memorandum to the draft state budget.

(3) In case of any changes in the amount of the funds prescribed in the draft state budget for the county courts, administrative courts or circuit courts, the Government of the Republic shall submit the made changes together with the opinion of the Council for Administration of Courts in the explanatory memorandum to the draft state budget.
§ 38. Submission of draft state budget to Riigikogu

(1) The Government of the Republic shall submit the draft state budget together with the explanatory memorandum to the Riigikogu not later than three months before the beginning of the budgetary year.

(2) The draft state budget submitted to the Riigikogu shall conform to the published legislation and the draft legislation initiated by the Government of the Republic in the Riigikogu prior to the submission of the draft state budget. The submitted draft state budget may take into account the amendments made during the legislative proceeding in the Riigikogu in the draft legislation initiated by the Government of the Republic in the Riigikogu.

(3) The explanatory memorandum to the draft state budget shall provide an overview of the state budget and justify, according to economic content and activity based information, the amount of the funds planned in the draft state budget in detail, and also provide the overview by the Government of the Republic of the anticipated economic situation within the next four years and the proposed activities of the state.

(4) If the draft state budget is amended according to subsection 341(3) of this Act, the budget strategy adjusted in compliance with the amendments made to the draft state budget shall be submitted in the explanatory memorandum to the draft state budget.

[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

Division 3

Legislative Proceeding of Draft State Budget in Riigikogu

§ 39. Legislative proceeding of draft state budget in Riigikogu

The Riigikogu shall conduct the legislative proceeding of the draft state budget on the basis of the Riigikogu Internal Rules and Rules of Procedure Act with the specifications arising from this Act.

§ 40. Motions to amend draft state budget

(1) The initiator of a motion for amending the draft state budget, which would have the effect of decreasing estimated revenue or increasing or reallocating expenditure, investment or financing transaction, shall append financial calculations specifying the necessary sources for covering expenditure.

(2) A motion to amend the draft state budget shall not cause a structural state budget deficit, an increase in the state budget deficit or a decrease in the structural state budget surplus.

§ 41. Passage of state budget

The Riigikogu shall pass a state budget as an Act.

§ 42. Incurred expenditure if state budget is not passed by beginning of budgetary year

(1) If the Riigikogu has failed to pass the state budget by the beginning of the budgetary year, the area of government of a ministry, prior to the passage of the state budget, can make expenditure, investments and financing transactions each month of the new year within up to one-twelfth of the corresponding expenditure, investment or financing transaction in the state budget for the previous year on the condition that the expenditure, investment or financing transaction:
   1) is also prescribed in the draft state budget for the new year and
   2) does not exceed one-twelfth of the amount of the corresponding expenditure, investment or financing transaction prescribed in the draft budget for the new year.

(2) If the Riigikogu has failed to pass the state budget by the beginning of the budgetary year, the rates and limits established for the previous year based on the State Budget Act shall apply until the passage of the state budget.

(3) If, during a state of war, the Riigikogu has failed to pass the state budget by the beginning of the budgetary year, the Government of the Republic shall decide on the implementation of the draft state budget submitted to the Riigikogu until the passage of the state budget by the Riigikogu. In such case, prior to the passage of the state budget by the Riigikogu, the expenditure, investments and financing transactions made on a monthly basis shall not exceed in total one-twelfth of the expenditure, investments and financing transactions in the state budget for the previous year.

Division 4
Amendment of State Budget and Supplementary Budget

§ 43. Amendment of state budget

(1) In order to amend the state budget without amending the total amount of funds, the Government of the Republic may initiate a draft State Budget Amendment Act not later than two months before the end of the budgetary year.

(2) The Ministry of Finance shall compile a draft State Budget Amendment Act together with the explanatory memorandum.

(3) The submission, deliberation and passage of a draft State Budget Amendment Act shall be conducted pursuant to the procedure provided for in §§ 39 and 40 of this Act.

§ 44. Supplementary budget

(1) In order to amend the state budget amending the total amount of funds, the Government of the Republic may initiate a draft supplementary budget not later than three months before the end of the budgetary year.

(2) The Ministry of Finance shall compile a draft supplementary budget together with the explanatory memorandum.

(3) The submission, deliberation and passage of a draft supplementary budget shall be conducted pursuant to the procedure provided for in §§ 39 and 40 of this Act.

§ 45. Specifications for initiation of amendment of state budget and supplementary budget

(1) After the approval by the Riigikogu of a resolution on increasing the defence readiness or declaration of a state of emergency or a state of war, and for the performance of the obligations provided for in a collective self-defence agreement, the Government of the Republic may submit to the Riigikogu a draft State Budget Amendment Act or a draft supplementary budget and decide, if necessary, on the implementation thereof until such time as the Riigikogu adopts a resolution on the matter, whereas the total amount of expenditure to be incurred before the Riigikogu adopts a resolution on the matter shall not exceed ten per cent of the amount of expenditure in the state budget for the current year. If at the time of increased defence readiness or a state of war, a draft State Budget Amendment Act or a draft supplementary budget provides for a change in the benefits or remuneration rates prescribed by law, a draft for the amendment of the relevant Act shall be submitted simultaneously with the draft State Budget Amendment Act or the draft supplementary budget.

(2) The time limits specified in subsection 43 (1) and subsection 44 (1) of this Act shall not apply if the reason for the initiation of the amendment of the state budget or supplementary budget is the following:
1) resolution and prevention of a financial crisis that may cause difficulties related to liquidity or solvency for the credit institutions, insurance undertakings or financial institutions (hereinafter financial institutions) or significant disruptions in the payment and settlement systems;
2) ensuring of financial stability of a foreign state, eurozone or a Member State thereof;
3) increasing of defence readiness, performance of the obligations provided for in a collective self-defence agreement, declaration of an emergency situation, a state of emergency, a state of war, or mobilisation;
4) resolution of the Riigikogu specified in subsection 73 (1) of this Act;

(3) In order to perform the duties related to increased defence readiness and a state of war at the time thereof, carry out mobilisation or perform the obligations provided for in a collective self-defence agreement, the Government of the Republic may, on the proposal of the minister responsible for the area, submit a draft State Budget Amendment Act to the Riigikogu providing for a change in the purpose of state budget expenditure in the area of government of the Ministry of Defence, and, if necessary, decide on the implementation of the draft budget submitted to the Riigikogu until such time as the Riigikogu adopts a resolution on the matter.

Division 5
§ 46. Connection between state budget and local government budgets

(1) The state budget grants support to local governments:
1) from the equalisation fund;
2) from the support fund;
3) for supporting specific activities or investment case-by-case.

(2) The representatives of the local governments and national associations of local governments and the representatives of the Government of the Republic shall conduct negotiations with the objective to agree on the following issues:
1) the amount and principles of receipt of transferable taxes;
2) the principles of distribution, conditions of use, principles of formation of amount, and the amounts of support specified in subsection (1) of this section for the budget strategy period and budgetary year;
3) the principles of covering the expenses of the state functions imposed on a local government by law;
4) the methodology of recording the information specified in clauses 1) and 2) of this subsection in the budget strategy and the draft state budget;
5) the measures for ensuring financial discipline and amount of surplus or deficit of the consolidated budget of a local government for the budget strategy period;
6) if the situation specified in subsection 7 (2) of this Act arises, the measures for the local governments which improve the structural budget position of the general government sector.

(3) The agreements achieved on the issues specified in subsection (2) of this section shall be recorded in the budget strategy, draft state budget, draft Act or other legislation. The Government of the Republic shall decide on the issues where no agreement is reached upon the preparation of the budget strategy and the draft state budget.

(4) The minutes concerning the agreements entered into during the negotiations and the parties' disagreements shall be enclosed to the budget strategy or the explanatory memorandum to the draft state budget.

(5) The budget strategy shall provide the information concerning the provisional amounts of the taxes transferable to the local governments and the support granted from the equalisation fund and the support fund.

§ 47. Equalisation fund

(1) The size and the principles of distribution of the equalisation fund shall be determined in the state budget.

(2) The objective of the equalisation fund is, without determining the conditions of using the funds, to harmonise the opportunities for performance of the functions of the local governments. The distribution of the equalisation fund shall use as the basis the income tax and land tax received by a local government, the number of residents of a local government and other specifications of a local government.

(3) The distribution of the equalisation fund between the local governments shall be established by an order of the Government of the Republic.
[RT I, 13.03.2014, 2 - entry into force 01.01.2015]

§ 48. Support fund

(1) The size of the support fund and the types of support included therein shall be determined in the state budget.

(2) The support fund means the support granted to the local governments for the use pursuant to the purposes and conditions provided by law or the support granted for the purposes determined in the state budget, which shall be distributed only based on the figures.

(3) The figures providing the basis for the distribution of the support fund and the bases for the calculation thereof shall be established by law. The values of the figures shall be determined in the state budget.
[RT I, 13.03.2014, 2 - entry into force 01.01.2020, entry into force changed [RT I, 21.06.2016, 1]]

(4) The conditions and procedure for the distribution and use of the support fund shall be established by a regulation of the Government of the Republic.
[RT I, 13.03.2014, 2 - entry into force 01.01.2015]

(5) The Government of the Republic shall establish, by a regulation specified in subsection (4) of this section, also the figures providing the basis for the distribution of the support fund if the support fund includes support with the duration of one year determined in the state budget, and the figures providing the basis for the distribution thereof are not provided by law.
[RT I, 13.03.2014, 2 - entry into force 01.01.2015]
(6) The distribution of the support fund between the local governments shall be established by an order of the Government of the Republic.  
[RT I, 13.03.2014, 2 - entry into force 01.01.2015]

§ 49. Payments from equalisation fund and support fund

(1) The rules for the execution of payments established on the basis of subsection 64 (4) of this Act shall provide the conditions and procedure for the payment of support and making the advance payments of support assigned to a local government on the basis of subsection 47 (3) and subsection 48 (6) of this Act.

(2) Unless the Government of the Republic has established the distribution specified in subsection 47 (3) and subsection 48 (6) of this Act by the beginning of a budgetary year, the payments shall be made to the local governments until the establishment of the distribution to ensure sufficient funds. A local government shall be paid each month up to one-twelfth of the amount allocated for the same purpose in the previous budgetary year on the basis of the distribution approved by the Government of the Republic, taking into account the amount planned in the state budget for the current budgetary year or the amount planned in the draft state budget, unless the state budget for the current year has been passed.  
[RT I, 13.03.2014, 2 - entry into force 01.01.2015]

§ 50. Case-by-case support

(1) A ministry shall grant targeted support to a local government for investments or operating expenses from the funds prescribed for the area of government of the ministry by the state budget on a case-by-case basis.

(2) When supporting the investment of a local authority and an entity under the dominant influence thereof on a case-by-case basis, excluding the case specified in subsection 53 (7) of this Act, the legislation shall prescribe at least:
   1) the objective of granting support;
   2) the activities supported;
   3) if applicable, the rate of self-financing;
   4) the principles for assessment of application;
   5) the procedure for the making of payments of support;
   6) the bases and procedure for the reclamation of support.  
[RT I, 13.03.2014, 2 - entry into force 01.01.2017]

(3) The Minister may establish a regulation conforming to the conditions specified in subsection (2) of this section for granting the investment support to a local government and an entity under the dominant influence thereof on a case-by-case basis from the funds prescribed in the budget of the area of government of a ministry.  
[RT I, 13.03.2014, 2 - entry into force 01.01.2017]

(4) The case-by-case investment support shall be granted from the state budget to a local government on the following conditions:
   1) the supported investment shall contribute to fulfilling the sectoral objective in the development plan of a local authority or county development document related to the investment;  
[RT I, 07.07.2017, 4 - entry into force 01.01.2018]
   2) the development plan and the budget strategy of a local government shall comprise at least the period specified by law;
   3) when contributing to the self-financing, a local government shall be able to ensure the self-financing on the conditions prescribed by law.

(5) If a local government or a dependent entity under the dominant influence thereof is required to cover the self-financing of an investment, the prerequisite for granting the investment support shall be the implementation of the financial discipline measures established by law.

§ 51. Covering of expenses of state function

(1) The basis for covering the expenses of a state function imposed on a local authority by law (hereinafter state function) shall be the average calculated expenditure or actual expenditure.

(2) If the expenses of a state function are covered on the basis of the figures provided by law, the principles of calculation of average expenditure or compensation for actual expenditure shall be determined by a regulation specified in subsection 46 (4) of this Act.

(3) If the expenses of a state function are covered are covered from a ministry budget on a case-by-case basis, the minister shall establish by a regulation:
   1) the principles of calculation of average expenditure or compensation for actual expenditure in covering the expenses of a state function;
   2) the procedure for submission and processing of applications for covering the expenses.
(4) The extent of covering the expenses of a state function for each year shall be determined by the state budget.

(5) The funds granted for covering the expenses of a state function shall be planned in the state budget.

(6) The explanatory memorandum to the draft state budget shall provide the information regarding the amount of funds granted for covering the expenses of each state function and the provider thereof.

[RT I, 13.03.2014, 2 - entry into force 01.01.2017]

§ 52. Use of support fund and case-by-case support

Unless the provider of support has envisaged refunding of the unused funds of the support fund or case-by-case support to the state budget, a local government may use these in the next budgetary year for the same purpose.

Chapter 5
Receipt of State Budget Revenue, Use of Funds and Assumption of Obligations

Division 1
Use of State Budget Funds

§ 53. Prerequisites for use of state budget funds

(1) The area of government of a ministry shall have the right to use the state budget funds for the intended purpose and only in case the corresponding funds are prescribed in the budget and unless otherwise provided by this Act.

(2) The area of government of a ministry shall have the right to use the state budget funds only within the same budgetary year, unless otherwise provided by this Act or the state budget.

[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

(2) In case of activity based breakdown, the minister shall be entitled to change the volumes of the funds with limit between the programmes to the extent of up to five per cent of the volume of indirect costs in the expenditure model of the area of government, but not more than 0.25 per cent of all the funds with limit of the area of government. Restriction on making amendments shall be calculated separately for each program.

[RT I, 07.07.2017, 4 - entry into force 01.07.2020]

(3) The transferred funds of the state budget may be used for the purpose determined in the state budget. The economic content of the funds may be amended upon the transfer only in case the purpose of the expenditure does not change. The administrative breakdown and economic content of the state budget funds to be transferred may be amended upon the transfer if this is related to the reorganisation or dissolution of a state authority in the area of government of a ministry.

(4) The purpose, for the purposes of this section, is specific activities for which the state budget funds are planned.

(5) The funds depending on revenue may be used after the accrual of the revenue, excluding the case provided for in subsection 54 (1) of this Act.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(6) A state authority may use the foreign support funds received for the compensation for the made expenses and the foreign support co-financing funds for the purpose of the funds, which were used for making the compensated expenses.

(7) To use the funds provided for in the state budget as an additional allocation to the area of government of a ministry, the contract for the use of the allocation from the state budget shall be entered into between the state authority and a legal person receiving the allocation, unless otherwise provided by law or on the basis thereof.

§ 531. Use of funds of national support programmes

(1) The minister shall establish by a regulation the conditions and procedure for implementation of a national support programme on account of the funds of the area of government of a ministry, procurement of funds from a support programme and use of the funds procured, unless the specified conditions and procedure arise from another legal instrument.

(2) The minister may authorise a state foundation to carry out an administrative duty of the state related to implementation of a national support programme on account of the funds of the area of government of a ministry, without applying subsections 5 (2) and (3), subsections 6 (1) and (2) and subsection 14 (1) of the Administrative
§ 54. Use of foreign support and foreign support co-financing funds prior to receipt thereof

(1) A state authority may use the foreign support and the foreign support co-financing funds, upon the consent of the Ministry of Finance, prior to the receipt thereof.

(2) If a state authority has made payments on account of the funds specified in subsection (1) of this section in a larger amount than the foreign support or the foreign support co-financing funds will be received, the state authorities or its superior ministry, and in case of payments made by the intermediary of the foreign support a ministry whose area of responsibility includes the performance of the function of the payment of the corresponding foreign support, shall cover the remaining amount from the budget funds of the state authorities or the area of government of the ministry or apply for the covering of the deficit from the reserve fund of the Government of the Republic.

(3) The procedure and conditions for the use of the funds specified in subsection (1) of this section shall be established by the minister responsible for the area in the rules for the execution of payments established on the basis of subsection 64 (4) of this Act.

§ 55. Use of support and co-financing funds

The provider of the co-financing funds provided in the state budget for support or foreign support shall ensure that the recipient of the funds undertakes to use the received funds only for the purpose determined by the provider of the funds.

§ 56. Amendments to use of state budget funds

(1) The administrative breakdown and the breakdown according to economic content of using the funds determined by the state budget may be amended exclusively by the amendment of the state budget or a supplementary budget, unless otherwise provided by this Act or the state budget.

(2) The Government of the Republic shall have the right to amend the administrative breakdown and the breakdown according to economic content of the following funds determined in the state budget:

1) the funds related to foreign support and co-financing;

2) the funds of the area of government of the Ministry of Defence for financing participation in an international military operation;

3) the funds of the area of government of a ministry related to the reorganisation or dissolution of a state authority in the area of government of a ministry.

(3) The Government of the Republic shall have the right to amend the breakdown of the expenditure and investment determined in the state budget according to economic content if the amendment is caused by the fact that, due to the conditions specified in the course of conclusion of a specific transaction, the transaction is classified pursuant to the according to the rules for recognising fixed assets differently than planned in the drafting of the state budget.

(4) The Government of the Republic shall have the right, upon the reorganisation or dissolution of a state authority, to reduce the funds allocated for the authority in the state budget and to assign the amounts, which become available, to the reserve fund of the Government of the Republic. The subsidies, revenue received from the economic activities of the authority and revenue received from the sale of inventories and fixed assets shall not be assigned to the reserve fund of the Government of the Republic.

(5) If upon the reorganisation or dissolution of a state authority the functions of the authority are not assigned to another state authority, the unused subsidies, revenue received from the economic activities and revenue received from the sale of inventories and fixed assets of the reorganised or dissolved state authority shall be assigned to the state revenues.

§ 57. Use of funds related to write-off of principal amount of study loans

[Repealed - RT I, 07.07.2017, 4 - entry into force 17.07.2017]
§ 58. Use of funds in reserve fund of Government of the Republic

(1) The funds in the reserve fund of the Government of the Republic may be used for unforeseeable expenditure, investments and financing transactions, which cannot be planned in the legislative proceeding of the draft state budget.

(1\(^1\)) The reserve fund of Government of the Republic may provide dedicated funds for financing activities approved by the Government of the Republic.

[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

(2) The Government of the Republic shall decide on the allocation of the funds from the reserve fund of the Government of the Republic.

(3) The procedure for the allocation of the funds from the reserve fund of the Government of the Republic and the use of the allocated funds shall be established by a regulation of the Government of the Republic.

(4) The Government of the Republic has the right, by a regulation specified in subsection (3) of this section, to authorise the minister responsible for the area to decide on the allocation of the dedicated funds. The minister responsible for the area may allocate funds only for the purposes designated by the Government of the Republic.

[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

§ 59. Organisation of receipt of revenue

The revenue shall be received in the liquid financial assets of the state, unless otherwise provided by law.

§ 59\(^1\). Transfer of state budget funds

(1) The transfer of the state budget funds is the extension of the term of using the state budget funds by one budgetary year (hereinafter transfer).

(2) The transferred funds of the state budget may be used for the purpose determined by the state budget. The administrative breakdown of the funds may be amended upon the transfer only in case the purpose of the expenditure does not change. The division of the state budget funds to be transferred between the performance areas and programmes and the administrative breakdown may be amended upon transfer if this is related to transformation or dissolution of a state authority in the area of government of a ministry, performance area or programme.

(3) The conditions and procedure for transfer of the state budget funds shall be established by a regulation of the Government of the Republic.

[RT I, 07.07.2017, 4 - entry into force 01.01.2020]

Division 2

Assumption of Obligations, Loan

Granted by State and State Guarantee

§ 60. Assumption of obligations

(1) A state authority shall have the right to assume obligations only in case if the funds have been designated thereto for the performance of the obligation in the state budget or in a budget approved on the basis thereof.

(2) Unless otherwise provided by this Act, a state authority shall be prohibited to:
1) assume debt obligations for the state;
2) grant state guarantee or other collateral;
3) grant a loan;
4) make donations;
5) acquire financial assets, excluding participation in legal persons in private law by the state on the basis of the State Assets Act;
6) conclude transactions under finance lease, award concession contracts and conclude other such transactions, unless the state budget has granted an authorisation therefor.

[RT I, 01.07.2017, 1 - entry into force 01.09.2017]

(3) When granting the authorisation specified in clause (2) 6) of this section, the state budget shall determine:
1) the objective of the transaction;
2) the amount of the obligation assumed for the state, the amount of payments due in one budgetary year and the conditions for changing the amount of payments;
3) the term of obligation assumed for the state;
4) other essential conditions of the transaction.
(4) A minister may permit the state authorities in the area of government of a ministry to assume financial obligations for the upcoming budgetary year provided that in no upcoming budgetary year the amount of the financial obligations performed by the area of government of the ministry shall exceed 50 per cent of the funds with limit of the cost ceiling for the corresponding upcoming budgetary year of the area of government of the ministry.

(5) On the proposal of the minister responsible for the area, the Government of the Republic may increase the maximum rate of the assumption of financial obligations of the area of government of a ministry for the upcoming budgetary year, which is provided for in subsection (4) of this section, but not more than to 80 per cent of the funds with limit of the cost ceiling for the corresponding upcoming budgetary year of the area of government of the ministry. The state budget may provide the Government of the Republic with the right to permit the assumption of financial obligations by the area of government of the ministry in an amount exceeding the provisions of this subsection.

(6) The constitutional institutions and the authorities in their area of administration shall follow subsection (4) of this section in the assumption of financial obligations for the upcoming budgetary years, unless otherwise determined by the state budget.

(7) The Riigikogu shall decide, for the resolution and prevention of a financial crisis that may cause difficulties related to liquidity or solvency for the financial institutions or significant disruptions in the payment and settlement systems, on the assumption of obligations or conclusion of financing transactions related to the amounts paid for the ensuring of financial stability of a foreign state, eurozone or a Member State thereof in an amount exceeding the provisions of the state budget. After the adoption of a resolution, the Government of the Republic shall submit to the Riigikogu draft state budget amendment or a draft supplementary budget. The legislative proceeding of a draft state budget amendment or a draft supplementary budget shall not hinder the implementation of the resolution of the Riigikogu.

§ 61. Loan granted by state and state guarantee

(1) The state may grant a loan or state guarantee:
1) for the performance of public duties;
2) to a financial institution or to secure the obligations of a financial institution in order to resolve or prevent a financial crisis that may cause difficulties related to liquidity or solvency, or significant disruptions in the payment and settlement systems;
3) to the persons specified in subsection 67 (1) of this Act, whose money is kept and invested by the state, or to secure their obligations;
4) to a company or to secure the obligations of a company, if the state has a majority interest in the company and if it is necessary to secure the interests of the state in the participation in such company;
5) for the ensuring of financial stability of a foreign state, eurozone or a Member State thereof.

(2) Granting a loan by the state shall mean granting the amount of money or credit based on a loan agreement or credit contract at the disposal of another person or acquisition of bonds issued by the borrower.

(3) A state guarantee shall mean a guarantee or other collateral granted by the state on the basis of this Act or another Act, excluding a short-term loan on securities specified in subsection 69 (1) of this Act and a collateral granted for the purpose of the financial risk management in the conclusion of derivative transactions related to the debt obligations of the state specified in subsection 70 (4) of this Act.

(4) The Riigikogu shall grant a loan or a state guarantee on the proposal of the Government of the Republic, otherwise provided by law. The Government of the Republic may grant a loan or on the basis of this Act a state guarantee in the amount determined pursuant to subsection (5) of this section to the persons specified in subsection (7) or to secure their obligations.

(41) The Government of the Republic may grant a loan or on the basis of this Act a state guarantee for a term of up to 30 years in the year to the extent of the maximum permitted balance determined by the state budget to the following persons located or operating in Estonia or to secure their obligations:
1) legal persons in public law;
2) companies in which the state has a majority interest;
3) foundation established by the state;
4) financial institutions.

(42) The minister responsible for the area may grant a loan on the basis of an overdraft agreement to a foundation established by the state, which is located or operating in Estonia, to the extent of the maximum permitted balance determined by the state budget and the maximum amount of loan for up to three years.
(5) In the determination of the maximum permitted balances specified in subsections 4(1) and 4(2) of this section, the amount of the granted loans, guarantees and support to be repaid, and the forecasted need of granting these shall be taken into account.

[RT I, 07.07.2017, 4 - entry into force 01.01.2018]

(6) The interest rate of a loan granted by the Government of the Republic and the minister responsible for the area shall not be lower than the interest rate at which the state would be able to assume debt obligations under similar conditions at the time of entry into a loan agreement.

[RT I, 07.07.2017, 4 - entry into force 01.01.2018]

(7) [Repealed -RT I, 07.07.2017, 4 - entry into force 01.01.2018]

(8) Following the resolution by the Riigikogu or the Government of the Republic on granting a loan or on the basis of this Act of a state guarantee, the Ministry of Finance shall enter into the contracts necessary for granting the loan or state guarantee, conclude the transactions and organise the performance thereof.

(9) The procedure and specific conditions for applying for and granting of a loan and on the basis of this Act a state guarantee shall be established by a regulation of the Government of the Republic.

§ 62. Resolution on granting state guarantee and loan

(1) A resolution on granting a state guarantee shall contain at least the following information:
   1) the recipient of the state guarantee or the guaranteed person;
   2) the intended purpose or objective of the state guarantee;
   3) the amount and currency of the state guarantee;
   4) the term of the state guarantee;
   5) the state guarantee premium.

(2) A resolution on granting a loan shall contain at least the following information:
   1) the borrower;
   2) the intended purpose or objective of the loan amount;
   3) the size of the loan amount;
   4) the term of the loan;

§ 63. Grant of repayable support to profit-making state agency

(1) The Ministry of Finance shall have the right, on account of the maximum permitted balance of loans and state guarantees granted by the Government of the Republic and specified in subsection 61 (5) of this Act, to grant repayable support to a profit-making state agency.

(2) The amount of the repayable support specified in subsection (1) of this section and the specific conditions and procedure for the payment and repayment thereof, and the amount of remuneration paid for the use of the support and the specific conditions and procedure for the payment thereof shall be decided by the minister responsible for the area.

Division 3
Execution of Payments of State Authorities

§ 64. Execution of payments of state authorities

(1) The Ministry of Finance shall execute the payments and settlements of the state authorities and intermediate in the payment services thereto (hereinafter execution of payments).

(2) A state authority shall have no current or payment account with a credit or financial institution, excluding if the Ministry of Finance has granted an authorisation therefor. When granting an authorisation, the Ministry of Finance may establish for a state authority the conditions for using such account.

(3) Unless the procedure for the receipt of the state budget revenue is determined by or on the basis of law, the minister responsible for the area shall establish the procedure in the rules for the execution of payment established on the basis of subsection (4) of this section.

(4) The rules for the execution of payments shall be established by a regulation of the minister responsible for the area.

(5) The Ministry of Finance shall ensure the operational continuity of the execution of payments. In case of any disruptions in the settlement systems, the Ministry of Finance is required to ensure the making of payments and settlements from the state budget.
(6) The minister responsible for the area shall establish, by a regulation specified in subsection (4) of this section, the conditions for the payments from the state budget in case of any disruptions in the settlement systems and in the case specified in subsection 66 (4) of this Act in such way as to ensure:
1) the state functioning in an emergency, state of emergency, emergency situation and state of war;
2) the performance of the debt obligations of the state and other such obligations, where failure to perform the obligations may bring about the obligation to repay the debt obligations of the state before the agreed due date or threaten the assumption of the debt obligations for the state;
3) the payment of pensions and other social benefits;
4) the payment of the transferable tax to the social security funds and local governments;
5) the payments to the constitutional institutions and the authorities in their area of administration.

Chapter 6
State Cash Flow and Stabilisation Reserve Fund
Division 1
Management of State Cash Flow

§ 65. Management of state cash flow
(1) The management of the state cash flow shall mean the conclusion of transactions with the liquid financial assets of the state, the assumption of debt obligations for the state and the management of financial risks related to the specified activities with an objective to ensure the availability of sufficient funds for making payments.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(2) The liquid financial assets of the state shall mean the cash, securities and other financial assets owned or kept by the state, which do not belong to the Stabilisation Reserve Fund.

(3) The Ministry of Finance shall manage the state cash flow.

§ 66. Principles of management of state cash flow
(1) The amount of the liquid financial assets of the state and the opportunity to assume debt obligations shall be such as to ensure the making of the payments of the state and other persons specified in § 67 of this Act. In the assessment of the sufficiency of the amount of the liquid financial assets of the state and the opportunity to assume debt obligations, the probability of the realisation of the contingent liabilities of the state and the necessity to perform the payments related to the debt obligations of the state shall be taken into account.

(2) In the conclusion of transactions in cash, securities and other financial assets, the conservative investment principles shall be followed in order to ensure the liquidity of financial assets, value conservation and generating revenue.

(3) The restrictions on the assumption of obligations specified in § 60 of this Act shall not apply to the Ministry of Finance in the management of the state cash flow, unless otherwise provided by law.

(4) In case of an extensive or rapid economic decline, at the time of a financial crisis or in the event of lower receipts of revenue than planned, the minister responsible for the area shall have the right to temporarily restrict the making of payments prescribed in the state budget, notifying the Government of the Republic thereof. The payment conditions provided for in subsection 64 (6) of this Act shall be followed when making the payments in such case.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(5) The principles of management of the state cash flow shall be established by a regulation of the Government of the Republic.

§ 67. Keeping and investment money of other persons
(1) The Ministry of Finance shall have the right, on the basis of law or contract, to keep and invest the money of legal persons in public law, legal persons in private law founded by the state or with state participation and legal persons in private law carrying out administrative duties of the state, to execute the payments and settlements of the persons and intermediate in the payment services thereto.

(2) The Ministry of Finance shall have the right to use the money kept pursuant to subsection (1) of this section, but the Ministry shall provide the persons specified in subsection (1) of this section with an opportunity to make
payments at all times on account of the funds owned by them for the performance of the functions imposed thereon by the legislation. Subsection 64 (6) does not apply to the making of payments. The rules for the execution of payments specified in subsection 64 (4) of this Act shall apply to the execution of the payments and settlements of the aforementioned persons and intermediation in the payment services thereto.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(3) A state authority shall have the right to keep the money of another person in the case, under the conditions and pursuant to the procedure provided by law. Subsection 64 (6) does not apply to the making of payments of a person specified in this subsection.

(4) The Ministry of Finance shall manage the state cash flow and the cash flow related to the keeping and investment of the money of the persons specified in subsections (1) and (3) of this section on the basis of the principles specified in subsection 66 (5) of this Act as an integral whole, balancing the positive and negative cash flows of the persons.

## Division 2
### Use of Liquid Financial Assets of State

§ 68. Performance of contingent liabilities

(1) The minister responsible for the area shall organise the performance of the financial obligations arising from the state guarantees granted on the basis of this Act on account of the liquid financial assets of the state.

(2) The minister responsible for the area shall organise the due payment of the holding contributed at the request of the international financial institutions in which the state is a member or partner or the due performance of the financial obligations arising from the bonds issued by the state thereto on account of the liquid financial assets of the state, unless otherwise provided by law.

(3) The Government of the Republic or, with the authorisation of the Government of the Republic, the minister responsible for the area shall decide on the performance of such financial obligations not specified in subsection (1) of this section and arising from the security provided by the state and court judgments and rulings, for which no funds are prescribed in the state budget and which cannot be performed on account of the funds in the reserve fund of the Government of the Republic, on account of the liquid financial assets of the state.

## Division 3
### Debt Obligations of State

§ 69. Debt obligations of state

(1) The debt obligations of the state for the purposes of this Act shall mean the loans, overdrafts, short-term loans on securities taken, bonds issued and repurchase agreements of securities entered into for the management of the state cash flow.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

(2) The maximum permitted balance of the debt obligations of the state shall be determined by the state budget.

(3) When determining the maximum permitted balance of the debt obligations of the state, the following shall be taken into consideration:
   1) the balance of loans taken;
   2) the necessity to finance the state budget expenditure, investments and financing transactions;
   3) the necessity to perform and refinance the debt obligations of the state;
   4) the potential necessity for granting loans;
   5) the probability of the realisation of the contingent liabilities of the state.

(4) The maximum permitted balance of the debt obligations of the state determined by the state budget shall not apply upon the assumption of debt obligations during a state of war.

(5) The Riigikogu shall decide on the assumption of debt obligations for the state for the purpose of the acquisition of shares and other holdings, and other financial assets for the resolution and prevention of a financial crisis that may cause difficulties related to liquidity or solvency for the financial institutions or significant disruptions in the payment and settlement systems, or for the ensuring of financial stability of a foreign state, eurozone or a Member State thereof in an amount exceeding the maximum permitted balance of the debt obligations specified in subsection (2) of this section. After the adoption of a resolution, the Government of the Republic shall submit to the Riigikogu a draft supplementary budget or a draft state budget amendment. The legislative proceeding of a draft supplementary budget or a draft state budget amendment shall not hinder the implementation of the resolution of the Riigikogu.
§ 70. Assumption of debt obligations

(1) In the assumption of the debt obligations for the state, there shall be ensured the ratio of the financial risks and expenses related to the debt obligations, which would comply with the ability to perform the debt obligations of the state both in the short and long term.

(2) The Ministry of Finance shall be permitted to assume the debt obligations for the state within the maximum permitted balance of the debt obligations of the state specified in subsection 69 (2) of this Act. The Riigikogu shall grant, on the proposal of the Government of the Republic, an authorisation for the assumption of the debt obligations for the state in amount exceeding the specified balance.

(3) The Ministry of Finance shall enter into the contracts related to the assumption of the debt obligations, conclude the transactions and organise the performance thereof.

(4) The Ministry of Finance shall manage the financial risks associated with the debt obligations of the state. The Ministry of Finance shall have the right to demand and grant collaterals for the purpose of the financial risk management in the conclusion of derivative transactions related to the debt obligations of the state.

(5) The conditions for the assumption of the debt obligations for the state shall be established by a regulation of the Government of the Republic.

(6) The principles of management of the financial risks related to the debt obligations of the state shall be established by a regulation of the Government of the Republic specified in subsection 66 (5) of this Act.

Division 4
Stabilisation Reserve Fund

§ 71. Stabilisation Reserve Fund

(1) The Stabilisation Reserve Fund shall mean the financial reserve formed from the state funds in order to finance such expenditure, investments and financing transactions, which objective is:

1) the reduction of economic risks;
2) the prevention or mitigation of socio-economic crises;
3) the resolution or prevention of an emergency situation, a state of emergency, a state of war or other extraordinary situation or a crisis with material effect, or performance of the obligations provided for in a collective self-defence agreement;
4) the resolution and prevention of a financial crisis that may cause difficulties related to liquidity or solvency for the financial institutions or significant disruptions in the payment and settlement systems.

(2) The following shall be transferred to the Stabilisation Reserve Fund:

1) funds available therefor in the state budget;
2) funds to be entered in the Stabilisation Reserve Fund pursuant to a resolution on the distribution of the state unconsolidated cash flow surplus;
3) revenue received from the privatisation of state assets pursuant to law;
4) appropriations made to the state budget from the profits of Eesti Pank;
5) revenue received from administration of the Stabilisation Reserve Fund;
6) other funds provided by law.

§ 72. Administration of Stabilisation Reserve Fund

(1) Administration of the Stabilisation Reserve Fund is the keeping and investment of the funds of the Stabilisation Reserve Fund.

(2) The administration of the Stabilisation Reserve Fund shall be organised by the Ministry of Finance.

(3) The objective of the administration of the Stabilisation Reserve Fund is to maintain the value and liquidity of the funds of the Stabilisation Reserve Fund and to obtain the maximum revenue possible within the framework of the established restrictions.

(4) The principles of the administration of the Stabilisation Reserve Fund and the management of financial risks relating thereto shall be established by a regulation of the Government of the Republic.

§ 73. Use of funds of Stabilisation Reserve Fund

(1) A resolution on the use of the funds of the Stabilisation Reserve Fund shall be adopted by the Riigikogu on the proposal of the Government of the Republic. After the adoption of a resolution, the Government of the
Republic shall submit to the Riigikogu draft supplementary budget or a draft state budget amendment. The legislative proceeding of a draft supplementary budget or a draft state budget amendment shall not hinder the implementation of the resolution of the Riigikogu.

(2) The Ministry of Finance may, upon the consent of the Government of the Republic, for up to six months use the securities purchased on account of the funds of the Stabilisation Reserve Fund to secure the debt obligations of the state in case of an extensive or rapid economic decline or at the time of a financial crisis. The Ministry of Finance shall promptly notify the Riigikogu of the use of such right.

§ 74. Reporting on Stabilisation Reserve Fund

(1) The Ministry of Finance shall, not later than on the tenth working day of each quarter, submit a report to the National Audit Office, the Government of the Republic and the Finance Committee of the Riigikogu on the composition and value of the assets of the Stabilisation Reserve Fund as at the last working day of the previous quarter.

(2) The report specified in subsection (1) of this section shall set out at least the following:
1) the market value of the funds of the Stabilisation Reserve Fund and the change in the value compared to the end of the quarter preceding the accounting period and the beginning of the accounting year;
2) the contributions to and payments from the Stabilisation Reserve Fund as summary amounts;
3) the return of the Stabilisation Reserve Fund;
4) the overview of the investment structure of the Stabilisation Reserve Fund by financial assets, major issuers and credit institutions, credit ratings, currency and sectors;
5) the average duration of the Stabilisation Reserve Fund investments.

(3) The Ministry of Finance shall publish the report specified in subsection (1) of this section on its website after the session of the Government of the Republic where the report was discussed.

Chapter 7
Ensuring Financial Discipline of State Authorities

Division 1
Supervision over Implementation of State Budget

§ 75. Supervision over implementation of state budget

The Ministry of Finance shall monitor the implementation of the state budget and provide an overview thereof to the Government of the Republic at least twice a year.

§ 76. Financial control system

(1) The financial control system is part of the internal control system, which comprises the planning, use and monitoring of use of the budget funds of a state authority. The objective of the financial control system is to ensure the economical, efficient, effective, legitimate and transparent use of the state budget funds.

(2) The head of a state authority shall be responsible for the implementation and efficiency of the financial control system.

Division 2
Reporting

§ 77. Annual reports of state and auditing thereof

(1) The annual reports of the state shall mean the annual reports of the National Audit Office and the consolidated annual report of the state. The reports shall be prepared according to the Accounting Act. [RT I, 30.12.2015, 4 - entry into force 01.01.2016]

(2) The National Audit Office shall perform the audit of the annual accounts constituting part of the consolidated annual report of the state. The National Audit Office shall verify the lawfulness of the transactions of the state. [RT I, 30.12.2015, 4 - entry into force 01.01.2016]

(3) An audit firm appointed by the Riigikogu pursuant to the National Audit Office Act shall audit the annual accounts and verify the lawfulness of the transactions of the National Audit Office.

(4) The National Audit Office may, in the course of an audit or verification of the lawfulness of the transactions specified in subsection (2) of this section, rely on the provisions of the report of a sworn auditor documented for
the purposes of § 54 of the Auditors Activities Act in the audit of the annual accounts of the state consolidation group entity or on the basis of the verification of the lawfulness of the transactions.

§ 78. Submission, audit and approval of annual report of state accounting entity

[Repealed - RT I, 30.12.2015, 4 - entry into force 01.01.2016]

§ 79. Audit and submission to Riigikogu of consolidated annual report of state

(1) The Ministry of Finance shall submit the consolidated annual report of the state to the National Audit Office not later than by 30 June of the year following the accounting year. The report submitted to the National Audit Office shall be published on the website of the Ministry of Finance immediately after the submission of the report. In the course of an audit, the Ministry of Finance may correct and amend the report.

(2) The National Audit Office shall complete the audit of the annual accounts of the consolidated annual report of the state and the verification of the lawfulness of the transactions not later than by 31 August of the year following the accounting year.

(3) The Ministry of Finance shall submit the consolidated annual report of the state together with a draft resolution regarding the distribution of the state unconsolidated cash flow surplus and the audit report of the National Audit Office published with regard to the audit of the annual accounts of the consolidated annual report of the state and the verification of the lawfulness of the transactions to the Government of the Republic for approval within seven working days as of the receipt of the report from the National Audit Office and publish the report on its website immediately after the submission to the Government of the Republic. The Government of the Republic shall submit the approved consolidated annual report of the state to the Riigikogu for approval together with a draft resolution regarding the distribution of the state unconsolidated cash flow surplus. The audit report of the National Audit Office shall be enclosed to the consolidated annual report of the state.

(4) A resolution regarding the distribution of the state unconsolidated cash flow surplus shall be prepared pursuant to the provisions of the Accounting Act.

(5) [Repealed – RT I, 07.07.2017, 4 - entry into force 17.07.2017]

Chapter 8
Implementing Provisions

Division 1
Transitional Provisions

§ 80. Implementation of §§ 20, 48 and 60 of this Act

(1) A regulation issued on the basis of subsection 10 (2) of the State Budget Act in force until the entry into force of this Act shall be effective shall be effective after the entry into force of this Act in so far as it is not in conflict with this Act, until the revocation thereof by a regulation specified in subsection 20 (5) of this Act.

(2) A regulation established on the basis of subsection 48 (4) of this Act shall be applied to the distribution of the funds of the support fund planned for the area of government of a ministry in the state budget as of 1 January 2017.

(3) Subsection 60 (3) of this Act shall apply for the first time with regard to the 2015 State Budget Act.

§ 81. Specifications related to state budget for 2014

(1) As of the entry into force of this Act, subsection 2 (12) and §§ 4, 6–10, 12, 14 and 16 of the 2014 State Budget Act shall not apply.

(2) The maximum permitted total balance of the debt obligations of the state specified in subsection 69 (2) of this Act in 2014 shall amount to 2,500,000,000 euros.

(3) The maximum permitted balance of loans and state guarantees granted by the Government of the Republic and specified in subsection 61 (5) of this Act in 2014 shall amount to 610,000,000 euros.
§ 81. Specifications related to state budget for 2020

(1) Subsection 33(5) of this Act shall apply for the first time with regard to the 2020 State Budget Act.

(2) The wordings of § 25, subsections 26 (1), (2), (3), (5) and (6), subsections 29 (2) and (3), § 30, subsections 31 (2) and (3), subsection 32 (4), §§ 33, 34, 34(1), 34(2) and 35–37, subsection 38 (3) and subsections 58 (1) and (11) of this Act entering into force on 1 January 2020 shall apply for the first time with regard to the 2020 State Budget Act.

[RT I, 07.07.2017, 4 - entry into force 17.07.2017]

Division 2
Amendment and Repeal of Acts

§ 82–§ 125.[Omitted from this text.]

Division 3
Entry into Force of Act

§ 126. Entry into force of Act

(1) Subsection 47 (3), subsections 48 (4)–(6) and § 49 of this Act enter into force on 1 January 2015.

(2) Subsections 50 (2) and (3) and § 51 of this Act enter into force on 1 January 2017.
[RT I, 21.06.2016, 1 - entry into force 01.07.2016]

(3) Sections 108 and 120 of this Act enter into force on 1 January 2019.

(4) Subsection 48 (3) and § 110 of this Act enter into force on 1 January 2020.
[RT I, 21.06.2016, 1 - entry into force 01.07.2016]