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## Privatisation Act

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 RT I 1993, 45, 639  
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Amended by the following acts

Passed	Published	Entry into force
15.06.1994	RT I 1994, 50, 846	21.07.1994
18.10.1994	RT I 1994, 79, 1329	21.11.1994
10.11.1994	RT I 1994, 83, 1448	09.12.1994
15.02.1995	RT I 1995, 22, 327	20.03.1995
31.05.1995	RT I 1995, 54, 881	30.06.1995
14.06.1995	RT I 1995, 57, 979	21.07.1995
30.04.1996	RT I 1996, 36, 738	07.06.1996
12.06.1996	RT I 1996, 48, 942	19.07.1996
04.12.1996	RT I 1996, 89, 1588	28.12.1996
consolidated text on paper RT	RT I 1997, 9, 78	
14.01.1998	RT I 1998, 12, 153	16.02.1998
11.03.1998	RT I 1998, 30, 411	10.04.1998
14.06.2000	RT I 2000, 51, 324	10.07.2000
06.03.2001	RT I 2001, 26, 149	29.03.2001
02.05.2001	RT I 2001, 48, 265	01.06.2001, partially 01.07.2001, 01.11.2000
17.10.2001	RT I 2001, 89, 532	01.01.2002
14.11.2001	RT I 2001, 93, 565	01.02.2002
13.03.2002	RT I 2002, 28, 157	01.04.2002
26.01.2006	RT I 2006, 7, 40	04.02.2006
20.09.2006	RT I 2006, 42, 320	06.10.2006
11.11.2009	RT I 2009, 57, 381	01.01.2010
22.04.2010	RT I 2010, 22, 108	01.01.2011, enters into force on the date which has been determined in the Decision of the Council of the European Union regarding the abrogation of the derogation established in respect of the Republic of Estonia on the basis provided for in Article 140 (2) of the Treaty on the Functioning of the European Union, Council Decision 2010/416/EU of 13 July 2010 (OJ L 196, 28.07.2010, p. 24–26).
10.06.2010	RT I 2010, 41, 242	01.09.2010
19.06.2014	RT I, 29.06.2014, 109	01.07.2014, the titles of ministers replaced on the basis of subsection 107 <sup>3</sup> (4) of the Government of the Republic Act as of the wording in force on 1 July 2014.
07.06.2017	RT I, 26.06.2017, 1	06.07.2017
14.06.2017	RT I, 04.07.2017, 1	01.01.2018

# Chapter I

## GENERAL PROVISIONS

### § 1. Purpose of Act

(1) This Act determines the conditions and procedure for privatisation of assets in state ownership and in the ownership of local governments in connection with the termination of the activities of the Estonian Privatisation Agency (hereinafter *Privatisation Agency*).

(2) [Repealed - RT I 1996, 89, 1588 - entry into force 28.12.1996]

(3) This Act, except the provisions of Chapter V, does not apply to:

- 1) the assets which are subject to transfer pursuant to the procedure provided for in the State Assets Act;
- 2) the assets which are subject to privatisation pursuant to the procedure provided for in the Privatisation of Dwellings Act;
- 3) the assets which are subject to privatisation pursuant to the procedure provided for in the Non-residential Premises Privatisation Act;
- 4) the assets which are subject to privatisation pursuant to the procedure provided for in the Agricultural Reform Act;
- 5) the land which is subject to privatisation pursuant to the procedure provided for in the Land Reform Act.

§ 2.–§ 5. [Repealed - RT I 2009, 57, 381 - entry into force 01.01.2010]

## Chapter II

### GOVERNMENT AGENCY ORGANISING PRIVATISATION

§ 6. [Repealed - RT I 2001, 48, 265 - entry into force 01.11.2001]

§ 7. [Repealed - RT I 2009, 57, 381 - entry into force 01.01.2010]

§ 8. [Repealed - RT I 2001, 48, 265 - entry into force 01.11.2001]

§ 9. [Repealed - RT I 2009, 57, 381 - entry into force 01.01.2010]

§ 10. [Repealed - RT I 2009, 57, 381 - entry into force 01.01.2010]

### § 11. Termination of activities of Privatisation Agency and completion of privatisation of state assets

(1) The activities of the Privatisation Agency which has organised privatisation of state assets are terminated on 1 November 2001. As of this date, the duties of the Supervisory Board of the Privatisation Agency in organising the privatisation of state assets are transferred to the Government of the Republic. The assets, rights and obligations of the Privatisation Agency are transferred pursuant to the procedure established by a regulation of the Government of the Republic as of the date specified above as follows:

- 1) the contracts of purchase and sale of state assets and contracts for privatisation of land by payment in instalments, where the mortgage established also extends to state assets privatised on the basis of this Act by payment in instalments, and the rights and obligations arising therefrom are transferred to the Ministry of Finance;
- 2) the organisation of privatisation of state land and the rights and obligations arising therefrom are transferred to the Land Board;

[RT I, 04.07.2017, 1 - entry into force 01.01.2018]

3) other rights and obligations of the Privatisation Agency and the assets of the Privatisation Agency are transferred to the government agencies designated by the Government of the Republic.

(2) As of 1 June 2001, the Privatisation Agency and other government agencies organising privatisation shall not announce the sale of state assets on the basis of this Act, except the sale of the claims of the state which arise from privatisation contracts (hereinafter *claims*). The sale of the claims may be organised in the manner provided for in clauses 20 (1) 1), 2) and 4) of this Act and the proceeds from the sale shall be distributed pursuant to the procedure provided for in § 3 of the Use of Privatisation Proceeds Act. The provisions of § 26 of this Act do not apply to the sale of the claims.

(3) The state agencies specified in clauses (1) 1) and 3) of this section shall complete the sales which have been announced by 1 November 2001 as follows:

- 1) the privatisation of assets announced on the basis of § 18 of this Act shall be completed on the basis of this Act;
- 2) the sale of state assets shall be completed on the basis of the State Assets Act;
- 3) the sale of the claims specified in subsection (2) of this section shall be completed on the basis of this Act or the State Assets Act.

(4) [Repealed -RT I, 04.07.2017, 1 - entry into force 01.01.2018]

(5) As of 1 July 2001, the operation and maintenance costs of the Privatisation Agency and the costs related to the termination of its activities shall be covered from the non-budgetary ownership reform reserve fund pursuant to the provisions of § 7 of the Use of Privatisation Proceeds Act.

## **Chapter III PREPARATION OF PRIVATISATION**

§ 12.–§ 13<sup>1</sup>. [Repealed - RT I 2001, 48, 265 - entry into force 01.11.2001]

§ 14. [Repealed - RT I 2009, 57, 381 - entry into force 01.01.2010]

§ 15. [Repealed - RT I 1996, 89, 1588 - entry into force 28.12.1996]

§ 16.–§ 17. [Repealed - RT I 2009, 57, 381 - entry into force 01.01.2010]

## **Chapter IV PRIVATISATION PROCEDURE**

§ 18.–§ 26. [Repealed - RT I 2009, 57, 381 - entry into force 01.01.2010]

### **§ 27. Contract of purchase and sale**

(1) Privatisation contracts of purchase and sale, real right contracts and contracts for the establishment of a mortgage shall be entered into in unattested written form.

(1<sup>1</sup>) If the stocks of a public limited company with special or exclusive rights or in control of essential facilities are privatised partly and the state or local government retains a holding of less than one-half of the total number of voting stocks in the public limited company after the privatisation, the privatisation contract of purchase and sale may prescribe an obligation to make an amendment in the articles of association of the public limited company, according to which a vote of a representative of the state or local government in favour is required for the adoption of a resolution of the general meeting or supervisory board on one or several matters placed within the competence of the general meeting or supervisory board by law.

(1<sup>2</sup>) If the stocks of a public limited company with special or exclusive rights or in control of essential facilities have been privatised partly and the the state or local government retains a holding of less than one-half of the total number of voting stocks in the public limited company after the privatisation and according to the articles of association of the public limited company a vote of a representative of the state or local government in favour is required for the adoption of a resolution of the general meeting or supervisory board on one or several matters placed within the competence of the general meeting or supervisory board by law, then the representative of the state or local government has the right to vote against the resolution on such matters at a general meeting or a meeting of the supervisory board if the adoption of the resolution may bring along violation of the legislation or damaging of economic activities of the public limited company, for example due to transfer of assets or concentration, or significant damage to public interest, including a danger to human life or health, property or the environment. Representatives of the state or local government shall reason their vote against the resolution. An action may be filed against a vote of a representative of the state or local government against the resolution to Harju County Court.

(2) The organiser of privatisation is required within five days from the creation of ownership under a contract of purchase and sale to disclose the following concerning the privatised assets:

- 1) the number of tenderers who applied for acquisition;
- 2) the new owner;
- 3) the purchase price and conditions of payment thereof;
- 4) supplementary conditions established for privatisation pursuant to § 21 of this Act and the proposals of the local government relating to supplementary conditions.

(3) By a decision of the Government of the Republic, other terms and conditions of a contract of purchase and sale or information relating to a contract of purchase and sale may be disclosed if the confidentiality thereof has not been agreed to previously.

[RT I 2006, 42, 320 - entry into force 06.10.2006]

## **Chapter V**

# PRIVATISATION VOUCHERS AND USE THEREOF

## § 28. Privatisation voucher

(1) Privatisation vouchers are compensation vouchers issued to compensate for unlawfully expropriated property as defined in the Unlawfully Expropriated Property Valuation and Compensation Act, and public capital bonds issued pursuant to the Privatisation of Dwellings Act. The nominal value of a privatisation voucher is the book value of the compensation voucher and the book value of the public capital bond.

(2) Privatisation vouchers shall be kept in electronic form on privatisation voucher accounts in the Central Register of Privatisation Vouchers established by the Government of the Republic or on securities accounts in the Estonian register of securities established by the Government of the Republic. These accounts shall be administered by legal persons pursuant to contracts entered into with the minister responsible for the area. [RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(2<sup>1</sup>) The liquidation of the Central Register of Privatisation Vouchers shall be decided by the Government of the Republic by 1 July 2011. [RT I 2010, 41, 242 - entry into force 01.09.2010]

(3) Natural persons, legal persons registered in Estonia, the Estonian state and local governments may own and acquire privatisation vouchers. Legal persons who are not registered in Estonia may also acquire privatisation vouchers by way of succession. An entry, by name, in the Central Register of Privatisation Vouchers or the Estonian register of securities proves the ownership of a privatisation voucher. [RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(4) The issue and settlement of privatisation vouchers, and the use, transfer and cancellation of privatisation vouchers shall be effected pursuant to the procedure established by the Government of the Republic. The guidelines and forms for settlements shall be established by the minister responsible for the area.

(5) The minister responsible for the area supervises the issue and use of privatisation vouchers pursuant to the procedure established by the Government of the Republic. The minister responsible for the area the right to suspend the opening or use of a privatisation voucher account in order to ensure the performance of supervision proceedings, the right to apply for the declaration of invalidity of a transaction and compensation for damage if an unlawfully issued privatisation voucher has been transferred or assets have been acquired for the privatisation voucher, and the right to amend the nominal value of an unlawfully issued privatisation voucher.

(6) If privatisation vouchers have been unlawfully issued to a person and the person is unable to return the vouchers because the person has transferred the vouchers or used the vouchers in the manner provided for in subsection 29 (1) of this Act, then the person may compensate for these in money on the basis of the average market price of privatisation vouchers on the date on which the vouchers were transferred or used for payment for assets. If unlawfully issued privatisation vouchers have been transferred on a number of dates or used in a number of transactions, then compensation therefor shall be based on the weighted average market price of the transaction dates. Money paid in compensation for unlawfully issued privatisation vouchers shall be transferred to the state budget.

(7) Privatisation vouchers shall be issued until 31 December 2005. [RT I 2006, 7, 40 - entry into force 04.02.2006]

## § 29. Use of privatisation vouchers

(1) Privatisation vouchers can be used to pay for the assets to be acquired under the Privatisation of Dwellings Act, the Privatisation of Legal Shares in Residential Buildings in Common Ownership Act, the Land Reform Act and the Non-Residential Premises Privatisation Act until 31 December 2006.

(2) [Repealed - RT I 2002, 28, 157 - entry into force 01.04.2002]

(3) Upon the use of privatisation vouchers for the purposes specified in subsection (1) of this section the vouchers are cancelled, unless otherwise provided by Acts. Unlawfully cancelled privatisation vouchers are re-entered in the privatisation voucher account of the owner pursuant to the procedure established by the minister responsible for the area.

(4) Uncancelled privatisation vouchers are inheritable and transferable. The owner of a privatisation voucher who is not an entitled subject of privatisation pursuant to subsection 3 (1) of this Act may transfer the privatisation voucher only in the cases and pursuant to the procedure established by the Government of the Republic. Estonian law applies to the succession of privatisation vouchers included in a succession opened in a foreign state even if the person has determined otherwise in a will.

(4<sup>1</sup>) If a local government or the state inherits a privatisation voucher, it shall be cancelled.

(5) The requirements for investment firms provided for in the Securities Market Act apply to the provision of investment services with privatisation vouchers.  
[RT I 2006, 7, 40 - entry into force 04.02.2006]

#### **§ 29<sup>1</sup>. Compensation for unused privatisation vouchers**

(1) Privatisation vouchers which have not been used by the due date specified in subsection 29 (1) of this Act shall be cancelled. Information concerning cancelled privatisation vouchers registered in the Central Register of Privatisation Vouchers or the Estonian register of securities shall be preserved for 20 years as of the specified due date.  
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

(2) The privatisation vouchers which have not been used by the due date specified in subsection 29 (1) of this Act as well as the claims of entitled subjects which have not been satisfied by this due date and which were subject to be compensated for by the return of the sum overpaid in privatisation vouchers or by amendment of the nominal value of unlawfully issued privatisation vouchers shall be compensated for in money in the nominal value of the privatisation vouchers from the ownership reform reserve fund of the Government of the Republic, or, in the absence of funds therein, from other funds in the state budget. A compensation of up to 192 euros shall be paid to the bank account specified by the entitled subject as a single payment within one year; a larger compensation shall be paid in several instalments in equal parts within up to five years from the above due date or from the date of grant of compensation, whichever is later. Privatisation vouchers with a nominal value of less than 250 kroons shall not be compensated for.  
[RT I 2010, 22, 108 - entry into force 01.01.2011]

(3) Until 1 July 2007 an entitled subject has the right to submit an application to a credit institution for transfer of the compensation payable for unused privatisation vouchers to a bank account specified thereby. Unless an entitled subject submits an application for transfer of the compensation to a bank account specified thereby in time, the privatisation vouchers shall not be compensated for. The minister responsible for the area may restore the term for submission of an application at the request of an entitled subject if it has not been complied with for good reason.

(4) The procedure for submission of applications by entitled subjects and payment of compensation for privatisation vouchers and in the event of payment in instalments the rules for determining the amount of an instalment shall be established by the Government of the Republic. The minister responsible for the area has the right to establish guidelines and forms to organise payment.

(5) The expenses for transfer of compensation to a bank account shall be borne by the entitled subject.  
[RT I 2006, 7, 40 - entry into force 04.02.2006]

**§ 30. [Repealed - RT I 1996, 89, 1588 - entry into force 28.12.1996]**

## **Chapter VI SPECIFICATIONS FOR PRIVATISATION CONCERNING CERTAIN ASSETS**

**§ 31. [Repealed - RT I 1996, 89, 1588 - entry into force 28.12.1996]**

**§ 32. [Repealed - RT I 2001, 48, 265 - entry into force 01.11.2001]**

## **Chapter VII AMENDMENT AND REPEAL OF LEGISLATION REGULATING PRIVATISATION**

**§ 33.–§ 35.[Omitted from this text.]**