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## **Money Collection Act**

(255/2006)

### Section 1 – *Objectives*

The objectives of this Act are to make it possible to organize money collections in order to fund non-profit activities and to prevent dishonest activity in connection with money collection.

### Section 2 – *Scope of application*

- (1) This Act applies to the arrangement of money collections.
- (2) This Act does not apply to
  - 1) helping neighbours;
  - 2) collecting goods;
  - 3) appealing to the public to acquire property through wills;
  - 4) charity auctions, support concerts and support events;
  - 5) requests for donations in connection with invitations to private individual's special occasions and related interviews, death notices and obituaries;
  - 6) collections carried out in connection with public religious worship by a religious community referred to in the Act on Freedom of Religion (453/2003) among those participating.

### Section 3 – *Definition of money collection*

- (1) Money collection means an activity in which money is collected without compensation by appealing to the public.
- (2) Only an emblem of the collection or the collection permit receiver (*collection emblem*) that has no independent economic exchange value may be given as compensation to those participating in the collection as donors of money.

### Section 4 – *Other definitions*

For the purposes of this Act:

- 1) *non-profit activities* mean activities for a general social, cultural or ideological purpose or some other general non-governmental activities;
- 2) *public* means an indefinite group of people not limited in advance;
- 3) *appealing to the public* means a request or exhortation to donate money to a collection that is expressed orally, in writing or in some other way;

- 4) *chain letter* means an activity in which those participating are promised economic benefits if they forward the chain letter; messages sent in electronic or some other form asking the recipient to send money to those who have previously joined the activity are also regarded as comparable to chain letters;
- 5) *pyramid scheme* means an activity in which the chances of the person joining the scheme earning or winning money consist in whole or in part and without compensation of the participation payments or other non-recurring or recurring payments made by those joining the activity later.

#### Section 5 – *Permit*

- (1) Money collections may not be arranged without a permit granted by the authorities (*money collection permit*).
- (2) A money collection permit is not needed for money collections carried out by a day-care centre group, a school class or an established study or hobby group, if a legally competent person is in charge of the duties involved in the arrangement of the collection. Money may be collected at events organized by a day-care centre group, a school class, a study or hobby group, a day-care centre, school or other parties, if the funds raised are used for promoting study or hobby activities.
- (3) A money collection permit is not needed for money collections carried out among those participating in a meeting arranged by a public meeting organizer referred to in the Assembly Act (530/1999) when the public meeting is arranged indoors.

#### Section 6 – *Purpose of collection*

- (1) A money collection may be arranged for the purpose of raising funds for non-profit activities.
- (2) As a derogation from the non-profit requirement, money collections may be arranged
  - 1) to raise funds for the purpose of aiding individual persons or families in financial difficulties;
  - 2) to raise funds for the purpose of promoting the study or hobby activities of a day-care centre group, a school class or an established study or hobby group.

#### Section 7 – *Permit receiver*

- (1) A money collection permit may be granted to a corporation or foundation that has a purely non-profit purpose and is registered in Finland.
- (2) A money collection permit may be granted to an unregistered corporation that is operating in Finland and has an exclusively non-profit purpose or a purpose referred to in section 6(2)(1), if the unregistered status is due to provisions laid down on the corporation's status in Finnish law or to the temporary nature of the corporation's activity.
- (3) Money collection permits may not be granted to the state, municipalities or joint municipal authorities, or to the Evangelical-Lutheran Church or the Orthodox Church or their parishes or associations of parishes.

#### Section 8 – *Collection period*

- (1) Money collection permits may be granted for a maximum period of two years.
- (2) Permits for collections in aid of individual persons or families may be granted for a maximum period of six months.
- (3) The period laid down in the permit must not be extended.

#### Section 9 – *Prohibited ways of collecting money*

It is prohibited

- 1) to organize in connection with the money collection a lottery or some other function in which participants are promised wins based in whole or in part on chance;
- 2) to arrange a money collection using a chain letter or a comparable method;
- 3) to organize a money collection in the form of a pyramid scheme;
- 4) to organize a money collection in a way involving an obvious risk that trading or acquiring members for an association may be confused with the money collection.

#### Section 10 – *Permit application*

- (1) Money collection permits must be applied for in writing.
- (2) A detailed collection and allocation plan must be appended to a permit application.
- (3) Applications must include information on
  - 1) the applicant;
  - 2) the methods of collection and the potential collection emblem;
  - 3) costs arising from the various methods of collection;
  - 4) the potential practical arranger of the collection;
  - 5) costs arising from engaging a potential practical arranger for the collection;

6) an estimate of funds to be raised by various collection methods.

#### Section 11 – *Permit authority*

- (1) Permits for money collections arranged within a single State Local District are granted by the police department of the State Local District in which the collection is arranged.
- (2) Permits for money collections in aid of individual persons or families are granted by the police department of the State Local District which is the domicile of the beneficiary of the collection.
- (3) Permits for money collections arranged in areas larger than a single State Local District are granted by the State Provincial Office of Southern Finland.

#### Section 12 – *Criteria for granting permits*

- (1) A permit to arrange a money collection may be granted if
  - 1) the purpose of the money collection complies with the provisions of section 6;
  - 2) the purpose of the collection is not against the law or good practice;
  - 3) the permit receiver meets the criteria in section 7;
  - 4) the arrangement of the money collection is appropriate in terms of the public interest; and
  - 5) it is considered likely that the applicant will comply with the provisions laid down on money collections.
- (2) A permit to arrange a money collection in aid of an individual person or family may be granted if the criteria laid down in subsection 1(1-3) and subsection 1(5) are met.

#### Section 13 – *Rejection of application*

- (1) An application to arrange a money collection must be rejected if
  - 1) the criteria laid down in sections 6, 7 and 12 for granting a permit are not met; or
  - 2) any person belonging to a statutory organ or any other management of the applicant organization or any person exercising actual decision-making power in the applicant organization cannot be regarded as reliable.
- (2) An application may be rejected if
  - 1) the collection area applied for and the operations and operating area of the corporation or foundation are obviously disproportionate to each other;
  - 2) the corporation or foundation applying for the permit does not operate on an established basis;

- 3) previous collections carried out using the same or a comparable collection method have not been financially successful;
  - 4) the income and expenditure estimates in the collection and allocation plan appear disproportionate to each other; or
  - 5) the applicant has not complied with legal provisions or permit conditions in connection with previous money collections.
- (3) If the applicant has failed to submit an account for a previous money collection by the deadline or neglected to supplement or adjust such an account, a new money collection permit must not be granted before such an account has been submitted to the permit authority and the permit authority has approved it.

#### Section 14 – *Practical arrangement of a money collection*

- (1) The practical arrangement of a money collection means activities that are directly related to carrying out the money collection.
- (2) Activities related to practical arrangement may be carried out by both the money collection permit receiver and a separate practical arranger.
- (3) A practical arranger may not be used in money collections arranged in aid of individual persons or families.

#### Section 15 – *Practical arranger of a money collection*

- (1) No one other than a natural person, corporation or foundation that is referred to in section 1 of the Act on the Right to Carry On a Trade (122/1919) and which has been set up for this activity or whose operating sector or mode of operation is cited as this kind of activity may be appointed as practical arranger of a money collection in a money collection permit.
- (2) The following must not be appointed practical arranger of a money collection:
  - 1) natural persons who are legally incompetent or whose competence has otherwise been restricted;
  - 2) natural persons, corporations or foundations that as a consequence of their financial status do not have sufficient capacity for carrying the job out reliably; or
  - 3) natural persons, corporations or foundations that have been declared bankrupt; or natural persons who have been placed under a business prohibition; or natural persons, corporations or foundations which, or persons belonging to a statutory organ or other management of which, or in which persons exercising actual decision-making power are under suspicion with

probable cause or have been convicted of a crime that jeopardizes their reliability as practical arrangers of a money collection.

#### Section 16 – *Permit conditions*

- (1) The conditions concerning the arrangement of a money collection, the purpose for which the funds raised through the collection are to be used and supervision of the arrangement of the money collection may be appended to the permit. A condition concerning the purpose for which the funds are to be used may also specify the period within which the collected money must be used for the purpose of the collection. If the purpose of the money collection is to acquire property or renovate it, a condition concerning the purpose may order that the purpose of use of the said property must not be changed during the period specified in the permit. This period must not exceed ten years, however.
- (2) Permits for money collections in aid of individual persons or families must always include a condition under which the collection may only be arranged within a single State Local District.

#### Section 17 – *Money collection bank account*

- (1) The money collection permit receiver must open a separate bank account or separate bank accounts for each money collection (*money collection bank account*). Such an account may be opened in a Finnish deposit bank or in a Finnish branch of a deposit bank that has been granted an operating permit in a European Economic Area (EEA) country.
- (2) A permit authority may grant a derogation from the requirement to use a money collection bank account and to use a separate money collection bank account for each collection if this is justified on the basis of the small scale or method of the collection, the continuity of the collection activity or some other reason.

#### Section 18 – *Notifications of changes in circumstances*

- (1) The permit holder must notify the permit authority without delay in writing of any changes essentially affecting the granting of the permit and relating to the collection, the permit holder, the practical arranger of the money collection or the collection beneficiary.
- (2) The permit holder must always submit a notification of any changes that have occurred in the administration of the corporation or foundation between the granting of the permit and its termination.

### Section 19 – *Amending permit conditions and collection and allocation plans*

If the circumstances of the permit holder or the beneficiary of the collection change significantly, the authority that has granted the permit may, on written application by the permit holder or on its own initiative after having heard the permit holder, amend the permit conditions, grant a derogation from the collection and allocation plan or confirm a new collection and allocation plan if it is still appropriate to arrange the collection.

### Section 20 – *Use of funds raised through collection*

- (1) Funds raised through collection must be used for the purpose laid down in the money collection permit. If the funds raised or part of them cannot be used for the purpose laid down in the money collection permit or if such use is not appropriate because of material changes in circumstances or for some other reason, the permit authority may on application amend the purpose for which the funds will be used.
- (2) If a money collection permit has been granted for the acquisition or renovation of property, the property must not be permanently used for other purposes than the one defined in the permit decision and the ownership or right of possession of the property must not be assigned to another party during the period of use specified in the permit.
- (3) If the property cannot be used for the purpose specified in the permit or if such use is not appropriate because of substantial changes in the circumstances or for some other reason, the Ministry of the Interior may, on application, amend its purpose of use or grant a permit to assign its ownership or right of possession. Permits to assign the ownership or right of possession of property include provisions on the re-use of the funds obtained from the assignment for the purpose specified in the money collection permit or a purpose close to it.

### Section 21 – *Accountability*

- (1) An account must be submitted to the authority that has granted the permit within six months of the termination of the permit period and the authority must audit and approve this account. Accountability does not apply to money collections referred to in section 5(2) and section 5(3).
- (2) A permit authority may
  - 1) order in the permit decision that the permit holder must draw up an interim account;

- 2) order that the permit holder must draw up a new account if the account submitted is deficient or that the account submitted must be supplemented or adjusted if there appear to be spelling or calculation errors or other similar minor deficiencies or errors;
  - 3) in its permit decision place the permit holder under obligation to report that the funds raised through the collection have been used for the purpose specified in the money collection permit (*final report*).
- (3) If the permit holder is a legal person with an auditor, the permit holder must append an auditor's report to the account. The auditor's report must state whether the money collection has been arranged and whether the funds raised have been used in accordance with the conditions of the money collection permit.

#### Section 22 – *Right of prohibition and conditional fine*

- (1) The authority that has granted the permit may prohibit continuation of the arrangement of a money collection and use of funds raised through the money collection if it is suspected that the arrangement of the money collection or the use of the funds raised through the money collection is proceeding or has proceeded incorrectly or if matters have come to the attention of the authority that are likely to lead to cancellation of the money collection permit. Under the same conditions the permit authority may prohibit the deposit bank from handing over from the money collection bank account or from some other bank account of the permit holder the funds that have been raised.
- (2) A decision made by the permit authority to prohibit continuation of the arrangement of a money collection or use of funds raised through a money collection or the handing over of funds from the money collection bank account or from some other bank account of the permit holder will remain valid for a maximum of three months. The permit authority may extend the period of validity of the decision by a maximum of six months at a time if the procedure for the arrangement of the money collection or use of the funds raised through the money collection has not been corrected or if the matter concerning cancellation of the money collection permit has not yet been settled.
- (3) A permit authority may impose a conditional fine to enforce prohibition. The permit authority will also order the fine to be paid. The Act on Conditional Fines (1113/1990) applies to the conditional fine procedure.

#### Section 23 – *Cancellation of money collection permits and written warning*



- (1) Money collection permits are cancelled by the granting authority. A money collection permit must be cancelled if
  - 1) the permit holder so requests; or
  - 2) the permit holder no longer meets the criteria set for receiving a permit and has not by the set deadline corrected a deficiency in them that could have been corrected without delay.
- (2) A money collection permit may be cancelled if
  - 1) the permit holder, the practical arranger of the money collection or any person belonging to a statutory organ or any other management of theirs or any person exercising actual decision-making power in them has been convicted by a legally valid judgement of a crime that shows the person to be unsuitable for the job, or has deliberately proceeded incorrectly in arranging the money collection or in using the funds raised through the money collection; or
  - 2) the permit holder or the practical arranger of the money collection has violated the provisions of this Act, a decree issued under it or the permit conditions.
- (3) In cases referred to in subsection 2, a permit authority may, instead of cancelling the permit, give the permit holder or the practical arranger of the money collection a written warning were it unreasonable to cancel the permit considering the circumstances. In cases referred to in subsection 2(1) and subsection 2(2), the permit authority may refrain from cancelling the permit if the permit receiver has submitted a proposal to replace the practical arranger and the permit authority has approved it.

#### Section 24 – *Appointing a trustee*

- (1) If a money collection permit has been cancelled, an account has not been submitted in due time or if the permit holder has not complied with the obligation laid down in section 21(2)(2), the authority that has granted the permit may appoint a trustee to take possession of the funds raised through the money collection and to draw up an account for them at the expense of the money collection permit holder.
- (2) The trustee appointed may be an advocate or some other person with a Master of Laws degree who is honest and otherwise suitable and competent for the job, who is not bankrupt and whose legal competence has not been restricted.
- (3) The permit authority will decide on the use of the funds taken into possession by the trustee for the purpose laid down in the money collection permit or a purpose close to it.

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Section 25 – *Money collection offence and petty money collection offence*

- (1) Sentence for money collection offences and petty money collection offences is passed under Chapter 17, sections 16b and 16c of the Penal Code (39/1889).
- (2) Chapter 10 of the Penal Code applies to forfeiture orders.

Section 26 – *Supervision*

- (1) The Ministry of the Interior is responsible for the general supervision and guidance of and the statistics on the arrangement of money collections.
- (2) The State Provincial Office of Southern Finland and the District Police are responsible for the supervision of the arrangement of money collections based on permits granted by them.
- (3) The Ministry of the Interior may give opinions and instructions concerning the arrangement of money collections.

Section 27 – *Money collection supervision database*

- (1) In order to carry out the duties laid down for the police, the State Provincial Office of Southern Finland and the Ministry of the Interior, the police will keep a register of permit applications, permits, permit cancellations, written warnings and accounts and permit applicants and holders and practical arrangers of money collections (*money collection supervision database*).
- (2) Further provisions on money collection supervision databases are laid down in the Act on the Processing of Personal Data by the Police (761/2003).

Section 28 – *Right to obtain information*

- (1) The Ministry of the Interior, the State Provincial Office of Southern Finland and the District Police have the right to obtain information immediately relating to the arrangement of money collections and information needed for supervision of the arrangement of money collections:
  - 1) from the permit applicant or holder and the practical arranger of a money collection free of charge and notwithstanding business secrecy binding members, auditors, managing directors, board members or employees of corporations;
  - 2) notwithstanding the secrecy obligation laid down in section 94 of the Act on Credit Institutions (1607/1993), from a deposit bank in which the money collection bank account or some other bank account of the permit holder is held;

- 3) from authorities and corporations set up to carry out a public duty, notwithstanding secrecy obligations.
- (2) The Ministry of the Interior, the State Provincial Office of Southern Finland and the District Police have the right to obtain the information referred to in subsection 1(3) also through a technical interface or in machine-language form as agreed with the relevant registrar.
- (3) The Ministry of the Interior has the right to obtain information necessary for statistics on the arrangement of money collections from the permit holder and the practical arranger of the collection free of charge and notwithstanding business secrecy binding members, auditors, managing directors, board members or employees of corporations.

#### Section 29 – *Public access to information*

- (1) The permit authority must make information on the granting and cancellation of money collection permits and written warnings and accounts available to the public.
- (2) Permit authorities have the right to publish information on permits, cancellation of permits, written warnings given and accounts.

#### Section 30 – *Appeals*

- (1) Appeals against decisions made by the State Provincial Office of Southern Finland under this Act will be made to the Hämeenlinna Administrative Court as laid down in the Administrative Judicial Procedure Act (586/1996).
- (2) Appeals against decisions made by the Ministry of the Interior and the District Police under this Act will be made as laid down in the Administrative Judicial Procedure Act.
- (3) Appeals against decisions concerning the imposition of a conditional fine and orders to pay a conditional fine will be made as laid down in section 24 of the Act on Conditional Fines.
- (4) Decisions made on the cancellation of permits or amendment of permit conditions under this Act and prohibition decisions by permit authorities referred to in section 22 must be adhered to regardless of appeals unless the appellate authority orders otherwise.

#### Section 31 – *Further provisions*

- (1) Further provisions may be given by Government decree on
  - 1) the content of permit applications;
  - 2) the collection and allocation plan to be appended to permit applications;

- 3) procedures and time limits relating to the arrangement of money collections:
  - 4) the content of money collection accounts, making the accounts available to the public, time limits relating to making the accounts available to the public and retaining the accounts;
  - 5) the duty of the money collection permit holder to provide information for statistics on the arrangement of money collections.
- (2) Further provisions on the application and granting procedure for money collection permits may be given by Ministry of the Interior decree.

*Section 32 – Entry into force*

- (1) This Act enters into force on 1 July 2006.
- (2) This Act repeals the Money Collection Act of 31 July 1980 (590/1980), as amended.
- (3) Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

*Section 33 – Transitional provisions*

- (1) Provisions in force at the time of granting the money collection permit and the conditions specified in the money collection permit apply to the arrangement of money collections to be arranged on the basis of a money collection permit granted before the entry into force of this Act and to the use of and accounting for the funds raised through them.
- (2) Provisions in force at the time of the entry into force of this Act apply to permit matters for which proceedings were instituted before the entry into force of this Act, including appeals concerning such matters.