

Unofficial translation

## **Act on the State-Owned Specialised Financing Company**

(443/1998)

By decision of Parliament, the following is enacted:

### *Section 1 - Purpose*

The purpose of the limited-liability State-owned specialised financing company is to provide financing services to promote and develop business, particularly that of small and medium-sized enterprises, and to promote and develop the exports and internationalization of enterprises. In its operations, the State-owned specialised financing company shall promote the State's regional policy goals. Operations shall focus on shortcomings in the supply of financing services.

### *Section 2 - Functions*

The company pursues financing activities by granting and administering credits, guarantees, and other contingent liabilities. The company also carries out research and surveys related to business financing and provides enterprises with development assistance, services, and advice.

### *Section 3 - Administration*

The company falls within the administrative purview of the Ministry of Trade and Industry.

The entire share capital of the company must be in direct State ownership and control.

The company has a Supervisory Board.

The Act on Credit Institutions (1607/1993) does not apply to the company.

### *Section 4 - Economic operating principles*

In the long term, the company should aim to cover its operating expenses out of operating income.

Appropriations for company operations that the State separately decides to support are included in the State Budget.

The Act on the State Guarantee Fund (444/1998) and the Act on Credits and Guarantees Provided by the State-Owned Specialised Financing Company (445/1998) contain provisions on State liability for certain contingent liabilities binding on the company.

### Section 5 - Confidentiality

Whosoever, as a member or deputy member of a company organ or a corporation in the same group, or as their employee or when so assigned by them, has obtained information on the financial situation of the company's customer or some other person, or on the personal affairs or business or professional secrets of an individual, is required to keep the matter confidential unless the person who benefits from the confidentiality provision agrees to its disclosure. Similarly, confidential information may not be handed over to the shareholders' meeting.

However, the company has the duty to hand over the information referred to in subsection 1 to prosecuting authorities and to authorities responsible for prejudicial inquiries in connection with a criminal investigation, to the Board of Directors and Secretary-General of the Fund referred to in the Act on the State Guarantee Fund, when this is necessary to carry out the Fund's functions, and to other authorities entitled to such information by law.

The company can hand over the information referred to in subsection 1 to a corporation in the same group if the members of its administrative bodies or its employees are subject to the confidentiality provisions laid down in subsection 1, or corresponding confidentiality, and if surrender of the information is essential for the risk management of the corporation receiving the information.

### Section 6 - Company's duty of disclosure and supervision

If requested by the Ministry of Trade and Industry or an Employment and Economic Development Centre, the company shall provide information necessary for handling the applications for subsidies referred to in the Act on Business Subsidies (1136/1993). The company and the company auditor shall also comply with requests from the Ministry of Trade and Industry concerning the surrender of information related to the company's field of operations or information necessary for supervising the company.

Notwithstanding the confidentiality provisions of section 5, members and deputy members of a company organ and company employees may provide the Ministry of Trade and Industry and an Employment and Economic Development Centre with information in their possession on the financial situation or private circumstances of the company's customer or some other person if surrender of the information is essential for the coordination of public financing or for the processing of business subsidies by the authorities.

As appropriate, principles applied to the supervision of credit institutions by the Financial Supervision shall also be applied to supervision of the company.

### Section 7 - Tasks given to the company

The Ministry of Trade and Industry may commission the company to conduct research, surveys and other tasks in keeping with the company's field of activities.

### Section 8 - *Reinsurance*

To safeguard State interests, the company may make use of insurance, collateral or other arrangements to cover the risk of loss arising from the commitments referred to in section 4 of the Act on the State Guarantee Fund and from the commitments made by the Finnish Guarantee Board or its predecessors, the Export Guarantee Board or the State Guarantee Board, referred to in section 11(1), of the said Act.

### Section 9 - *Limitation of losses*

To safeguard State interests, the company may purchase assets used as collateral for the commitments referred to in section 4 of the Act on the State Guarantee Fund and for the commitments made by the Finnish Guarantee Board or its predecessors, the Export Guarantee Board or the State Guarantee Board, referred to in section 11(1), of the said Act. The above also applies to assets seized by way of distraint from such collateral.

The company may accept compositions or other similar arrangements related to the commitments referred to in subsection 1, and may waive claims. The company may also sell, buy and exchange claims and approve other measures to limit losses determined on the basis of the commitments referred to in subsection 1, and the company may compensate for costs arising from these measures if there is a manifest risk of loss and the likely benefit to the company from the loss-limitation measures is substantially greater than the anticipated loss or harm that the company would otherwise incur.

The company must secure the consent of the Ministry of Trade and Industry for approval of a composition or other measure necessary for loss-limitation, or for waiving a claim, if the claim to be waived or the loss incurred by the company exceeds an amount prescribed by decree.

### Section 10 - *Debt recovery procedure*

Payments deriving from credits, guarantees or other contingent liabilities provided by the company, and the penalty interest on the payments, may be recovered by way of distraint without a judgement or decision, as provided in the Act on the Recovery of Taxes and Fees by Distraint (367/1961), provided that the company has given notification of its right in this respect when making the commitment.

Before any measures of execution are initiated, the company shall notify the contracting party for which it has made the commitment referred to in subsection 1 of the payment to be collected under subsection 1 and the basis for the payment, and shall state that execution measures will be initiated unless the party contests its payment obligation in writing within 14 days of the dispatch of the notification. Should the payment obligation be contested, execution can only be carried out following a court order.

### Section 11 - *Further provisions*

Further provisions on the implementation of this Act will be given by decree.

### Section 12 - *Establishment of the company*

The company shall continue the operations of the Kera Corporation and the Finnish Guarantee Board and its predecessors, the Export Guarantee Board and the State Guarantee Board.

Provisions on the establishment of the company are given in the Act on Arrangements for the Establishment of a State-Owned Specialised Financing Company (442/1998).

### Section 13 - *Entry into force*

This Act will enter into force on a date to be defined by decree.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

The company's articles of association may be approved and the company may be entered in the Trade Register before this Act's entry into force.