

Unofficial translation

## **Decree on the State Guarantee Fund**

957/1998

Upon submission of the Minister of Trade and Industry, the following is enacted by virtue of sections 1 and 12 of the Act on the State Guarantee Fund (444/1998), issued on 18 June 1998:

### Section 1

The Board of Directors of the State Guarantee Fund has a Chairperson and a maximum of six other members, with personal deputies for each member. Board members are appointed by the Government for a term of three years.

The Board of Directors and its Chairperson are appointed upon presentation of the Ministry of Trade and Industry. The Board chooses one member to serve as Vice Chairperson. The Ministry of Finance, the Ministry of Trade and Industry and the State Treasury shall be represented on the Board of Directors.

The Ministry of Trade and Industry appoints the Secretary-General of the Board and, whenever necessary, a Secretariat, and confirms the fees to be paid to the Chairperson, members and Secretary-General of the Board and to the Secretariat.

Upon presentation of the Board, the Ministry of Trade and Industry confirms the rules of procedure of the Board of Directors.

### Section 2

The Ministry of Trade and Industry can conclude an agreement with the company (*specialised financing company*) referred to in the Act on the State-Owned Specialised Financing Company (443/1998) for the purpose of arranging the management of the liabilities referred to in section 11(1), of the Act on the State Guarantee Fund.

The agreement referred to above in subsection 1 shall also specify the grounds for determining the management fee referred to in section 11(2), of the Act on the State Guarantee Fund.

When managing the liabilities referred to in section 11(1), of the Act on the State Guarantee Fund, the specialised financing company represents the State, acting as a plaintiff and as a defendant in courts of law and in dealings with the administrative authorities. In all matters pertaining to said liabilities, the company – as the State's representative – looks after the interests and rights of the State.

### Section 3

The Board of Directors has the following tasks:

- (1) Deciding on the Fund payment to be made to the specialised financing company in accordance with section 5(1), of the Act on the State Guarantee Fund;
- (2) Making a proposal to the specialised financing company concerning a Fund reimbursement to be made to the State Guarantee Fund in accordance with section 5(2), of the Act on the State Guarantee Fund;
- (3) Deciding on the loan to be granted to the specialised financing company in accordance with section 6 of the Act on the State Guarantee Fund;
- (4) Monitoring that the State Guarantee Fund's account in the State Central Accounting System has sufficient assets for making the Fund payments and for granting the loans referred to above under items 1 and 3. The Board of Directors shall request the Ministry of Trade and Industry to take appropriate action if the Fund's account does not have sufficient assets for meeting the Fund's expenses;
- (5) Deciding on the payment of the management fee to the specialised financing company in accordance with section 11(2), of the Act on the State Guarantee Fund; and
- (6) Preparing a proposal for the State Guarantee Fund's budget, to be submitted to the Ministry of Trade and Industry.

The Board of Directors also monitors the financial situation of the specialised financing company and general trends in the sector. The Board of Directors may give statements to the Ministry of Trade and Industry or to the specialised financing company.

## Section 4

The Secretary-General of the Board has the following tasks:

- (1) Preparing the matters referred to in section 3 and presenting them to the Board of Directors for decision-making, implementing the Board's decisions and carrying out any other tasks that may have been assigned to the Secretary-General in the rules of procedure;
- (2) Deciding on the payment of a loan referred to in section 6 of the Act on the State Guarantee Fund to the specialised financing company, in accordance with the more detailed provisions given in the rules of procedure; and
- (3) Monitoring the financial situation of the specialised financing company, and the financial trend of operations of the company referred to in section 4 of the Act on the State Guarantee Fund, and keeping the Board of Directors informed thereof. In particular, the Secretary-General shall see to it that the Fund's operations and asset management are properly organised.

The Secretary-General's responsibility is determined according to the provisions in law concerning a presenting officer's responsibility. The Fund's Board of Directors may also reassign some of the Secretary-General's tasks to the Chairperson or to a member of the Board or to the Secretariat, as laid down in the Board's rules of procedure.

## Section 5

The Board of Directors constitutes a quorum when at least half of the members are present, in addition to the person chairing the meeting.

Disqualification of the Board members and the Secretary-General is determined according to the provisions on the disqualification of civil servants, as laid down in the Act on Administrative Procedure (598/1982).

## Section 6

A meeting of the Board of Directors is convened by the Secretary-General or by the Chairperson, or if the Chairperson is prevented from attending, by the Vice Chairperson, or if at least half of the other members demand that a meeting be convened.

## Section 7

The Board's decision is determined by the majority's opinion. In the case of an even vote, the opinion supported by the Chairperson will determine the decision.

The Board of Directors must hear the specialised financing company before making a decision on matters referred to under items 1 to 4 in section 3(1).

## Section 8

When handling an issue, the Board of Directors may hear experts and may acquire experts' opinions.

## Section 9

Within six months after the end of each calendar year, the Board of Directors shall give a report of its operations to the Ministry of Trade and Industry.

## Section 10

Unless otherwise stipulated in this Decree, the regulations issued on State committees shall apply to the Board of Directors.

## Section 11

This Decree enters into force on 1 January 1999.

Measures necessary for the implementation of this Decree may be undertaken before the Decree enters into force.

Helsinki, 14 December 1998