NB: Unofficial translation
legally binding only in Finnish and Swedish
Ministry of the Interior, Finland

Act on Detecting and Preventing Money Laundering and Terrorist Financing (503/2008; amendments up to 327/2013 included)

Chapter 1
General provisions

Section 1
Purpose of the Act

The purpose of this Act is to prevent money laundering and terrorist financing, to promote their detection and investigation and to reinforce the tracing and recovery of the proceeds of crime. The Act also lays down provisions on the obligation to register certain activities, the requirements set for them and their supervision.

Section 2
Scope of application

(1) This Act applies to:

1) credit institutions and branches of foreign credit institutions under the Act on Credit Institutions (121/2007) and such financial institutions referred to in the said Act that belong to the same consolidation group as the credit institutions, and other businesses or professions providing services referred to in section 30(1)(3–11) of the said Act; (1368/2010)

Paragraph 2 is repealed by Act 1368/2010.

3) investment firms and branches of foreign investment firms referred to in the Act on Investment Services (747/2012), and other businesses or professions providing services referred to in Chapter 2, section 3 of the said Act; (772/2012)

Paragraph 4 is repealed by Act 772/2012.

5) management companies, custodians and branches of foreign management companies referred to in the Act on Common Funds (48/1999); (1497/2011)

Paragraph 6 is repealed by Act 1497/2011.

Paragraph 7 is repealed by Act 907/2011.

8) the Central Securities Depository and account operators referred to in the Act on the Book Entry System and Clearing Operations (749/2012), and such agencies, when located in Finland, of foreign corporations with the rights of an account operator that are referred to in the said Act; (772/2012)
9) pawnshops referred to in the Pawnshops Act (1353/1992);
10) insurance companies referred to in the Insurance Companies Act (1062/1972) and pension insurance companies referred to in the Act on Pension Insurance Companies (354/1997);
11) insurance associations referred to in the Insurance Associations Act (1250/1987);
12) branches of foreign insurance companies referred to in the Act on Foreign Insurance Companies (398/1995); (303/2010)
13) insurance intermediaries referred to in the Act on Insurance Mediation (570/2005);
14) gaming operators referred to in section 12(1) of the Lotteries Act (1047/2001) and entrepreneurs and corporations supplying registration and charges for participation in gaming activities;
15) corporations running gaming activities referred to in the regional legislation of Åland, and entrepreneurs and corporations supplying registration and charges for participation in gaming activities in Åland;
16) real estate businesses and apartment rental agencies referred to in the Act on Real Estate Businesses and Apartment Rental Agencies (1075/2000);
17) auditors referred to in the Auditing Act (459/2007);
18) chartered public finance auditors (CPFAs) and chartered public finance auditing corporations (CPFA corporations) referred to in the Act on Chartered Public Finance Auditors (467/1999);
19) businesses or professions providing tax advice in particular;
20) payment institutions referred to in the Act on Payment Institutions (297/2010) and those referred to in sections 7 and 7a of the said Act; (907/2011)
20a) branches of foreign payment institutions referred to in the Act on the Activities of a Foreign Payment Institution in Finland (298/2010); (303/2010)
21) businesses or professions performing external accounting functions;
22) businesses or professions dealing in goods, to the extent that payments are made in cash in an amount of EUR 15,000 or more, whether the transaction is executed in a single operation or in several operations which are linked;
23) service providers (*trust and company service providers*) referred to in Article 3(7) of Directive 2005/60/EC of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, hereafter *the Third Money Laundering Directive*;

24) advocates and their assistants referred to in the Advocates Act (496/1958) and other businesses or professions providing legal services, to the extent that they act on behalf of and for a client in transactions related to:

a) buying, selling, planning or execution of real property and business entities;

b) managing of client money, securities or other assets;

c) opening or management of bank, savings or securities accounts;

d) organisation of contributions for the creation, operation or management of companies; or

e) creation, operation or management of foundations, companies or similar corporations.

(2) What is provided in subsection 1 on branches of foreign credit institutions, foreign investment firms, foreign management companies, foreign insurance companies and foreign payment institutions also applies to such a foreign company's representative operating in Finland if the company provides services in Finland without establishing a branch. (907/2011)

Section 3

Measures taken in the territory of another State

This Act also applies to the detection and prevention of money laundering and terrorist financing when the activities which generated the property subject to a transaction were carried out in the territory of another State.

Section 4

Derogations concerning the scope of application

(1) This Act does not apply to activities where the services referred to in section 2(1)(1, 3 and 20) are provided on an occasional or very limited basis. Further provisions necessary for the implementation of the Third Money Laundering Directive and Commission Directive 2006/70/EC laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of politically exposed person and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis, hereafter *the Commission's Implementing Directive*, are issued by Ministry of Finance decree concerning the provision of services on an occasional or very limited basis.

(2) This Act does not apply to slot machines kept available for use outside casinos.

(3) This Act does not apply when acting as or arranging for another person to act as a nominee shareholder for another person in case of a company whose securities are admitted to public trading or to similar trading in another State belonging to the European Economic Area (*EEA State*).

(4) This Act does not apply to activities which include the duties of an attorney. For the purposes of this Act, the duties of an attorney include, in addition to duties related to actual legal proceedings, the provision of legal advice concerning a client's legal position in the pre-trial investigation of an offence or other pre-trial handling of the case, or instituting or avoiding proceedings.

Section 5

Definitions

(1) For the purposes of this Act:

1) *money laundering* means activities referred to in Chapter 32, sections 6–10 of the Criminal Code (39/1889);

2) *terrorist financing* means activities referred to in Chapter 34 a, section 5 of the Criminal Code;

3) party subject to the reporting obligation means corporations and entrepreneurs referred to in section 2 of this Act;

4) *identification* means establishing the customer's identity on the basis of information provided by the customer;

5) *verification of the identity* means ascertaining the customer's identity on the basis of documents, data or information obtained from a reliable and independent source;

6) *beneficial owner* means a natural person on whose behalf a transaction is being conducted or, if the customer is a legal person, the natural person who controls the customer.

(2) A natural person is deemed to exercise control when the person:

1) holds more than 25% of the voting rights attached to the shares or units and these voting rights are based on ownership, membership, the articles of association, the partnership agreement or corresponding rules or some other agreement; or

2) has the right to appoint or dismiss the majority of members of the board of directors of a company or corporation or of a corresponding body or a body which has the similar right, and this right is based on the same facts as the voting rights under paragraph 1.

Chapter 2

Customer due diligence

General customer due diligence measures

Section 6

Customer due diligence and risk-based assessment

(1) In order to conduct customer due diligence, parties subject to the reporting obligation shall observe the provisions of this Chapter.
(2) If parties subject to the reporting obligation cannot carry out the measures laid down for customer due diligence, they may not establish customer relationships or carry out transactions. If the criteria laid down in sections 23 and 24 are met, parties subject to the reporting obligation shall also make a report to the Financial Intelligence Unit referred to in section 35.
(3) Parties subject to the reporting obligation shall have in place such risk management procedures related to money laundering and terrorist financing that are commensurate with the nature and size of their business. When assessing the risks of money laundering and terrorist financing, parties subject to the reporting obligation shall take account of the risks of money laundering and terrorist financing that are related to their sector, their products, their services, technological development, their customers and the customers' business and transactions (*risk-based assessment*).
(4) The customer due diligence measures laid down in this Chapter shall be observed on the basis of risk-based assessment throughout the course of the customer relationship.
(5) Parties subject to the reporting obligation shall be able to demonstrate to the supervisory authority referred to in section 31 or the body appointed to supervise that their methods for customer due diligence and ongoing monitoring under this Act are adequate in view of the risks of money laundering and terrorist financing.

Section 7

Identifying the customer and verifying the customer's identity

(1) Parties subject to the reporting obligation shall identify their customers and verify their identity:
1) when establishing regular customer relationships;
2) when the sum of a transaction amounts to EUR 15,000 or more, whether the transaction is carried out in a single operation or in several operations which are linked to each other, and the customer relationship is of irregular nature;
3) in connection with casino activities:
4) in case of a suspicious transaction or if parties subject to the reporting obligation suspect that the assets involved in a transaction are used for terrorist financing or a punishable attempt to finance terrorism; or
5) if they have doubts about the reliability or adequacy of previously obtained verification data on the identity of the customer.
(2) By way of derogation from subsection 1 above, the customer shall be identified and his or her identity verified in case of gaming activities other than casino activities if the stake placed by the

player amounts to EUR 3,000 or more, whether the transaction is carried out in a single operation or in several operations which are linked to each other.

(3) If someone acts on behalf of a customer (*representative*), parties subject to the reporting obligation shall also identify and, if necessary, verify the identity of the representative.

(4) Parties subject to the reporting obligation shall identify their customers and verify the identity of their customers when establishing a relationship with them or at the latest before their customers obtain control over the assets or other property involved in a transaction or before the transaction has been concluded.

(5) If the customer is identified and his or her identity verified on the grounds that the amount of occasional transactions is EUR 15,000 or more in cases under subsection 1 or EUR 3,000 in cases under subsection 2, verification shall take place when the said amount is reached.

(6) Provisions on the identification obligation are also laid down in Regulation (EC) No 1781/2006 of the European Parliament and of the Council on information on the payer accompanying transfers of funds, hereafter *the Payer Information Regulation*.

Section 8

Identifying the beneficial owner

(1) Parties subject to the reporting obligation shall identify the beneficial owners and, if necessary, verify their identity.

(2) The identification of the beneficial owner is not, however, necessary if the customer is a company or corporation whose securities are admitted to public trading referred to in the Securities Markets Act (495/1989) or to similar trading in another EEA State. Also, the beneficial owner does not have to be identified if the customer is a company or corporation whose securities are admitted to trading corresponding to public trading in a State other than an EEA State, or if the company or corporation is subject to disclosure requirements which are similar to the disclosure requirements laid down in Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, hereafter *the Markets in Financial Instruments Directive*.

(3) Credit institutions do not need to identify the beneficial owners of pooled accounts held by advocates or other bodies providing legal services in Finland or another EEA State, provided that the information on the identity of the beneficial owners is available, on request, to credit institutions.

(4) Similarly, credit institutions do not need to identify the beneficial owners of pooled accounts held by advocates or other bodies providing legal services in a State other than an EEA State, provided that:

1) the information on the identity of the beneficial owners is available, on request, to credit institutions; and

2) advocates or other bodies providing legal services are subject to obligations equivalent to those laid down in this Act and are supervised for compliance with these obligations.

(5) Similarly, credit institutions do not need to identify the beneficial owners of pooled accounts that are related to the duties of an attorney or to such duties that are carried out by advocates or other bodies providing legal services and that do not fall within the scope of application of this Act.

Section 9

Obligation to obtain information and ongoing monitoring

(1) Parties subject to the reporting obligation shall obtain information on their customers' transactions, the nature and extent of the customers' business and the grounds for the use of a service or product.

(2) Parties subject to the reporting obligation shall arrange monitoring that is adequate in view of the nature, extent and risks of the customers' transactions in order to ensure that the transactions being conducted are consistent with the parties' experience or knowledge of the customers and their business.

(3) Parties subject to the reporting obligation shall pay particular attention to transactions which are unusual in respect of their structure or extent or the size or office of the parties subject to the reporting obligation. The same also applies if transactions have no apparent economic purpose or if they are inconsistent with the parties' experience or knowledge of the customers. If necessary, measures shall be taken to establish the source of funds that are involved in a transaction.

Section 10

Customer due diligence data and record keeping

(1) Records shall be kept of customer due diligence data in a secure manner for a period of five years following the end of regular customer relationships. When a transaction is occasional amounting to over EUR 15,000 or to EUR 3,000 or more in cases referred to in section 7(2), records shall be kept of customer due diligence data for a period of five years following the carrying-out of the transaction.

(2) The following shall be kept of customer due diligence data:

1) the name, date of birth and personal identity code;
2) the representative's name, date of birth and personal identity code;
3) the legal person's full name, registration number, date of registration and registration authority;
4) the full name, date of birth and citizenship of the members of the board of directors or a corresponding decision-making body of the legal person;
5) the type of business the legal person carries out;
6) the beneficial owner's name, date of birth and personal identity code;
7) the name of the document used to verify identity, the number of the document or other identification data, and the body that issued the document or a copy of the document;
8) where the customer has not been physically present for identification purposes, information on the procedure or sources that were used to verify the customer's identity;
9) the information referred to in section 9(1) that is necessary to conduct customer due diligence, such as information on the customer's transactions, the nature and extent of the customer's business, his or her financial status, the grounds for the use of transactions or services and information on the source of funds;
10) the information necessary to fulfil the obligation to obtain information laid down in section 9(3).
(3) If the customer is a foreigner without a Finnish identity code, records shall be kept of the customer's citizenship and travel document in addition to data under subsection 2 of this section.

Section 11

Customer due diligence measures by third parties

(1) The customer due diligence obligations may, on behalf of parties subject to the reporting obligation, be fulfilled by a credit institution, financial institution, management company, investment firm, payment institution, insurance company, insurance intermediary, advocate or auditor that is duly authorised or registered in a mandatory professional register in Finland or another EEA State. Parties subject to the reporting obligation may also rely on a credit institution, financial institution, investment firm, management company or insurance company duly authorised in a State other than an EEA State. (303/2010)
(2) In addition to what is provided in subsection 1, the customer due diligence obligations may, on behalf of parties subject to the reporting obligation, be fulfilled by a credit institution, financial institution, management company, investment firm, insurance company, advocate or auditor that is duly authorised or registered in a mandatory professional register in a State other than an EEA State

if it is subject to the customer due diligence obligations equivalent to those laid down in this Act and is supervised for compliance with these obligations.
(3) By way of derogation from subsections 1 and 2 above, parties subject to the reporting obligation may not authorise payment institutions providing money transmission or remittance services referred to in the Act on Payment Institutions as their main payment service, or those providing currency exchange services, to fulfil their obligations. (303/2010)
(4) Parties subject to the reporting obligation shall ensure that before carrying out a transaction they receive the data referred to in section 10(2)(1–8) from the bodies acting on their behalf under subsection 1 or 2. Parties subject to the reporting obligation shall also ensure that all customer due diligence data are available to them and that the bodies acting on their behalf submit the data to them on request.
(5) Parties subject to the reporting obligation shall, in the manner referred to in section 9(2), conduct ongoing monitoring of such customer relationships where the bodies acting on their behalf have identified the customer.
(6) Parties subject to the reporting obligation are not exempt from the responsibilities under this Act on the grounds that the customer due diligence obligations have been fulfilled by the bodies acting on their behalf.

Simplified customer due diligence

Section 12

Simplified customer due diligence

If the customer, product, service or transaction represents a low risk of money laundering or terrorist financing, parties subject to the reporting obligation do not have to take the measures laid down in sections 7, 8, 9(1) and 10 (*simplified customer due diligence procedure*). Customer relationships shall, however, be monitored in the manner referred to in section 9(2) in order to ensure that parties subject to the reporting obligation detect any exceptional or unusual patterns of transactions referred to in section 9(3).

Section 13

Simplified customer due diligence when the customer is a Finnish authority, credit institution, financial institution, investment firm, payment institution, management company or insurance company (303/2010)

Parties subject to the reporting obligation may apply the simplified customer due diligence procedure if the customer is:

1) a Finnish authority;
2) a credit institution, financial institution, investment firm, payment institution, management company or insurance company that is duly authorised in Finland or another EEA State;
3) a credit institution, financial institution, investment firm, management company or insurance company duly authorised in a State other than an EEA State that is subject to the obligations equivalent to those laid down in this Act and is supervised for compliance with these obligations; or
4) a branch located in an EEA State of a credit institution, financial institution, investment firm, management company or insurance company duly authorised in a State other than an EEA State.

Section 14

Simplified customer due diligence when the customer is a company whose securities are admitted to public trading

Parties subject to the reporting obligation may apply the simplified customer due diligence procedure if the customer is a company or corporation whose securities are admitted to public trading under the Securities Markets Act or to similar trading in another EEA State, or if the customer is a company or corporation whose securities are admitted to trading corresponding to public trading in a State other than an EEA State and the company or corporation is subject to disclosure requirements which are similar to the disclosure requirements laid down in the Markets in Financial Instruments Directive.

Section 15

Simplified customer due diligence related to certain products

Parties subject to the reporting obligation may apply the simplified customer due diligence procedure if the commission agreement concerns:
1) an insurance policy the periodic premium amount of which does not exceed EUR 1,000 or if its single premium is not more than EUR 2,500;
2) a statutory employment pension insurance policy or a pension insurance policy of a self-employed person which contains no surrender clause and cannot be used as collateral; or
3) a pension, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages and the scheme rules do not permit the assignment of a member's interest under the scheme.

Section 16

Simplified customer due diligence related to electronic money (907/2011)

Where, if the electronic device cannot be recharged, the maximum amount of electronic money referred to in the Act on Payment Institutions that is stored in the device is no more than EUR 250, or where, if the electronic device can be recharged, the amount stored in the device is no more than EUR 1,000 in the same calendar year, parties subject to the reporting obligation may apply the simplified customer due diligence procedure.

Enhanced customer due diligence

Section 17

Enhanced customer due diligence

Parties subject to the reporting obligation shall apply enhanced customer due diligence measures in situations where the customer, service, product or transaction represents a higher risk of money laundering or terrorist financing or where the customer or transaction is connected with a State whose system of detecting and preventing money laundering and terrorist financing does not meet the international obligations.

Section 18

Enhanced customer due diligence related to non-face-to-face identification

If the customer is not physically present when he or she is identified and his or her identity verified (*non-face-to-face identification*), parties subject to the reporting obligation shall take the following measures to reduce the risk of money laundering and terrorist financing:

1) verify the customer's identity on the basis of additional documents, data or information obtained from a reliable source;

2) ensure that the payment of the operations is made from the credit institution's account or to the account that was opened earlier in the customer's name; or

3) verify the customer's identity by means of an identification device or qualified certificate referred to in the Act on Strong Electronic Identification and Electronic Signatures (617/2009) or by other means of electronic identification that ensures information security and is verifiable. (621/2009)

Section 19

Enhanced customer due diligence related to correspondent banking relationships

(1) If a credit institution concludes a contract on the handling of payments and other assignments

(*correspondent banking relationship*) with a credit institution located in a country outside the EEA, the credit institution shall obtain sufficient information about the respondent institution before concluding the contract.

(2) The credit institution shall assess the respondent credit institution's reputation, the quality of supervision it performs and its anti-money laundering and anti-terrorist financing measures. The senior management of the credit institution shall give its approval for establishing a correspondent banking relationship. The contract shall explicitly lay out the customer due diligence obligations to be fulfilled.

(3) If an investment firm, payment institution, management company or insurance company concludes a contract on an arrangement similar to that in subsection 1, parties subject to the reporting obligation shall observe the provisions of this section. (303/2010)

Section 20

Enhanced customer due diligence in respect of politically exposed persons

(1) Parties subject to the reporting obligation shall have appropriate risk-based procedures to determine whether the customer is holding, or has held, an important public position in another State (*politically exposed person*).

(2) If the customer is or has been a politically exposed person or a family member, or a person known to be a close associate, of such a person:

1) the senior management of the parties subject to the reporting obligation shall give its approval for establishing a customer relationship with such a person;

2) parties subject to the reporting obligation shall establish the source of wealth and funds that are involved in the customer relationship or transaction; and

3) parties subject to the reporting obligation shall conduct enhanced ongoing monitoring of the customer relationship.

(3) A person is no longer considered a politically exposed person when he or she has not held an important public position for at least one year.

Other provisions on customer due diligence

Section 21

Customer due diligence in branches and other companies

(1) A credit institution, financial institution, investment firm, payment institution, management company, insurance company, insurance association and insurance intermediary shall also comply with the customer due diligence obligations laid down in this Chapter in their branches located in

States other than EEA States. In addition, the parties subject to the reporting obligation referred to above shall ensure that the obligations laid down in this Chapter are also complied with in companies located in States other than EEA States in which the parties subject to the reporting obligation hold more than 50% of the voting rights attached to the shares or units. (303/2010)
(2) If the legislation of the State in question does not allow for compliance with the customer due diligence procedures under this Chapter, parties subject to the reporting obligation shall notify the supervisory authorities referred to in section 31 of this.

Section 22

Further provisions and government decisions

(1) Further provisions on the procedures for meeting the obligations laid down in sections 6–9 and 11–21 may be issued by government decree.
(2) Further provisions necessary for the implementation of the Third Money Laundering Directive and the Commission's Implementing Directive may be issued by government decree on the customers, products, services and transactions referred to in section 12 that represent a low risk, or a higher risk as referred to in section 17, of money laundering or terrorist financing, on the procedures to be followed in these situations and on persons who can be considered politically exposed persons referred to in section 20.
(3) The Government may approve a list of non-EEA States whose provisions on detecting and preventing money laundering and terrorist financing meet the requirements laid down in sections 8(4–5), 11(2) and 13. Similarly, a list of States whose provisions on detecting and preventing money laundering and terrorist financing do not meet the international obligations referred to in section 17 may be approved by a decision made in a government plenary session.

Chapter 3

Reporting obligation, secrecy obligation and suspension of a transaction

Section 23

Obligation to report suspicious transactions

(1) Having fulfilled the obligation to obtain information under section 9(3), parties subject to the reporting obligation shall immediately report a suspicious transaction or suspicion of terrorist financing to the Financial Intelligence Unit. Pawnshops shall make a report to the Financial Intelligence Unit if a transaction involves a pledge of a significant financial value.

(2) The report shall, as a rule, be made electronically. For a special reason, the report may also be submitted in some other manner.
(3) Parties subject to the reporting obligation shall give the Financial Intelligence Unit, free of charge, all the necessary information and documents that could be significant in clearing the suspicion.
(4) Parties subject to the reporting obligation shall keep records of the data necessary to fulfil the reporting obligation laid down in this section for a period of five years. The data shall be kept separate from the customer register. The data shall be removed five years after making the report, unless it is necessary to keep records of the data for the purpose of criminal investigation, pending judicial proceedings or securing the rights of parties subject to the reporting obligation or persons employed by them. The need to keep records of the data shall be reviewed no later than three years after the previous occasion on which it was reviewed. An entry shall be made accordingly.
(5) The data subject has no right of access to the data gathered to fulfil the obligation to obtain information laid down in subsection 4 or section 9(3). At the request of the data subject, the Data Protection Ombudsman may examine the lawfulness of the data referred to in subsection 4 and section 9(3) that is held on the data subject.
(6) Further provisions on the more specific content of the report are issued by government decree.

Section 24

Enhanced reporting obligation

(1) If the customer is connected with a State whose system of detecting and preventing money laundering and terrorist financing does not meet the international obligations, parties subject to the reporting obligation shall, in order to fulfil the enhanced reporting obligation, make a report to the Financial Intelligence Unit in cases where:
1) the customer does not provide them with an account they have requested in order to fulfil the obligation to obtain information;
2) they consider this account to be unreliable;
3) the account obtained by parties subject to the reporting obligation does not provide sufficient information on the grounds for the transaction and on the origin of the assets;
4) the legal person cannot be identified; or
5) the beneficial owner or the person on behalf of whom the customer is acting cannot be identified or established in a reliable manner.
(2) Otherwise, what is provided on a suspicious transaction report in section 23(2–5) applies to a report referred to in subsection 1 above.

Section 25

Secrecy obligation and derogations concerning the secrecy obligation

(1) Parties subject to the reporting obligation may not disclose the making of a report referred to in sections 23 and 24 above to the person subject to the suspicion or to any other person. The secrecy obligation also applies to people employed by parties subject to the reporting obligation and those who have received secret information under this section.

(2) Notwithstanding subsection 1 above, parties subject to the reporting obligation may notify corporations referred to in the Act on the Supervision of Financial and Insurance Conglomerates (699/2004) that belong to the same financial and insurance conglomerates and are duly authorised in Finland or another EEA State that the report referred to in sections 23 and 24 has been made, and provide them with information on the content of the report. Similarly, the information may be disclosed to corporations that belong to the same financial and insurance conglomerates and are duly authorised in a State other than an EEA State if the corporations are subject to the obligations equivalent to those laid down in this Act and are supervised for compliance with these obligations.

(3) Notwithstanding subsection 1 above, parties subject to the reporting obligation may notify such parties subject to the reporting obligation and payment institutions referred to in section 2(1)(1–7) that are duly authorised in Finland or another EEA State and take part in such occasional transactions that involve the customer and transaction to whom the report referred to in section 23 or 24 applies that the report has been made. Under the same conditions, the information may be disclosed to parties subject to the reporting obligation referred to in section 2(1)(1–7) that are duly authorised in a State other than an EEA State if the parties receiving the information are subject to the obligations equivalent to those laid down in this Act and compliance with these obligations is supervised and if the parties receiving the information are also subject to the personal data protection obligations equivalent to those laid down in Directive 95/46/EC of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data. (303/2010)

(4) When providing information referred to in subsection 3 above, the customer’s name, date of birth and personal identity code and the grounds for making the report may be disclosed. If the person does not have a Finnish identity code, information on the person’s citizenship may also be disclosed.

(5) The information received under this section may be used only for the purposes of detecting and preventing money laundering and terrorist financing. What is provided on keeping records of and reviewing data in section 23(4–5) applies to the information received.

Section 26

Suspending and refusing to conduct a transaction

(1) Parties subject to the reporting obligation shall suspend a transaction for further inquiries or refuse to conduct a transaction if:

1) the transaction is suspicious; or

2) they suspect that the assets involved in the transaction are used for terrorist financing or a punishable attempt to finance terrorism.

(2) If it is not possible to refrain from conducting the transaction, or if suspending or refusing to conduct the transaction is likely to hamper the establishment of the beneficial owner of the transaction, parties subject to the reporting obligation may carry out the transaction, after which a report referred to in section 23 shall be made without delay.

(3) A commanding police officer working at the Financial Intelligence Unit may give parties subject to the reporting obligation an order to refrain from conducting transactions for no more than five working days, if such refraining is necessary to detect or prevent money laundering or terrorist financing.

(4) A commanding police officer working at the Financial Intelligence Unit may, at the request of a foreign authority responsible for preventing money laundering or terrorist financing, give parties subject to the reporting obligation an order to refrain from conducting transactions for no more than five working days, if such refraining is necessary to detect or prevent money laundering or terrorist financing.

(5) The working days referred to in this section do not include Saturdays.

Chapter 4

Certain operators' obligation to register

Section 27

Obligation to register of those providing currency exchange services (303/2010)

(1) Those providing currency exchange services shall register before starting their operation. The obligation to register does not apply to activities that are carried out on an occasional or very limited basis and meet the requirements referred to in section 4. (303/2010)

(2) An applicant who meets the requirements for registration is entered in the register. The requirement for being entered in the register is that the applicant is considered reliable on the basis of the information received. The applicant is not considered reliable if the natural person who is the

applicant, or a member of the board of directors or the supervisory board, the managing director, a general partner or some other person in a similar position or a beneficial owner in a corporation or foundation that is the applicant has been sentenced by a final judgment to imprisonment within the last five years or to a fine within the last three years for a crime which can be deemed to indicate that he or she is manifestly unsuitable to provide money transmission or remittance services or currency exchange services. Furthermore, the applicant is not considered reliable if he or she has, by his or her previous actions, otherwise proved to be manifestly unsuitable to provide money transmission or remittance services or currency exchange services.

(3) An application for registration is filed with the regional state administrative agency. Provisions on the content of the application are issued by government decree. (1428/2009)

Section 28

Obligation to register of trust and company service providers

(1) Trust and company service providers shall register before starting their operation. The obligation to register does not apply to advocates, auditors or their assistants.

(2) An applicant who meets the requirements for registration is entered in the register. The requirement for being entered in the register is that the applicant is considered reliable on the basis of the information received. The applicant is not considered reliable if the natural person who is the applicant, or a member of the board of directors or the supervisory board, the managing director, a general partner or some other person in a similar position or a beneficial owner in a corporation or foundation that is the applicant has been sentenced by a final judgment to imprisonment within the last five years or to a fine within the last three years for a crime which can be deemed to indicate that he or she is manifestly unsuitable to act as a trust or company service provider. Furthermore, the applicant is not considered reliable if he or she has, by his or her previous actions, otherwise proved to be manifestly unsuitable to act as a trust or company service provider.

(3) An application for registration is filed with the regional state administrative agency. Provisions on the content of the application are issued by government decree. (1428/2009)

Section 29 (1428/2009)

Currency exchange register and company service register (303/2010)

(1) The regional state administrative agency keeps a register of those providing currency exchange services (*currency exchange register*) and a register of trust and company service providers (*company service register*). The purpose of keeping the currency exchange register and the company service register is to supervise respectively whether those providing currency exchange

services and those providing trust and company services comply with the provisions of this Act. (303/2010)

(2) The following is entered in the currency exchange register and the company service register: (303/2010)

1) a private entrepreneur's full name and personal identity code, or if this does not exist, date of birth and citizenship, as well as trade name, possible auxiliary trade name, business identity code and the address of each office where the activities are carried out;

2) a Finnish legal person's trade name, possible auxiliary trade name, business identity code and the address of each office where the activities are carried out;

3) the trade name and business identity code of a branch that a foreign legal person has registered in Finland and the address of each office where the activities are carried out;

4) the name and personal identity code, or if this does not exist, the date of birth and citizenship of the representative of the branch;

5) the full name, personal identity code, or if this does not exist, the date of birth and citizenship of persons whose reliability has been established under sections 27 and 28;

6) the registration number and the date of registration; and

7) the reason and date for removal from the register.

(3) Information on those who have been prohibited under section 33 to operate without registration is also entered in the register.

(4) The regional state administrative agency shall be informed without delay of any changes to the information entered in the register.

Section 30

Removal from the register (303/2010)

The regional state administrative agency shall remove a data subject from the currency exchange register or the company service register if the data subject no longer meets the requirements for registration or has ended his or her business. Before removal from the register, the data subject shall be given an opportunity to be heard.

Chapter 5

Supervision and right to obtain information

Section 31

Supervision (1428/2009)

(1) Compliance with the provisions of this Act and any provisions issued under it is supervised by:

1) the Financial Supervisory Authority in respect of credit and financial institutions referred to in section 2(1)(1) and parties subject to the reporting obligation referred to in section 2(1)(4–8, 10–13, 20 and 20a); (1368/2010)

2) the National Police Board in respect of gaming operators referred to in section 2(1)(14);

3) the Government of Åland in respect of gaming operators referred to in section 2(1)(15);

4) the Auditing Board of the Finland Chamber of Commerce and the Auditing Committees of the regional Chambers of Commerce in respect of auditors and audit firms that are to be supervised by them under the Auditing Act;

5) the Board of Chartered Public Finance Auditing in respect of parties subject to the reporting obligation referred to in section 2(1)(18);

6) the regional state administrative agency in respect of parties subject to the reporting obligation referred to in section 2(1)(9 and 23); (303/2010)

7) the regional state administrative agency in respect of parties subject to the reporting obligation referred to in section 2(1)(1) other than credit or financial institutions, parties subject to the reporting obligation referred to in section 2(1)(3) other than investment firms, parties subject to the reporting obligation referred to in section 2(1)(16, 19, 21 and 22) and other bodies referred to in section 2(1)(24) that provide legal services; and (303/2010)

8) the Finnish Bar Association in respect of advocates referred to in section 2(1)(24).

(2) Notwithstanding the secrecy provisions, the regional state administrative agency has the right to obtain from the parties subject to the reporting obligation referred to in subsection 1(6) information that is necessary to supervise compliance with the provisions of this Act and any provisions issued under it. The regional state administrative agency has the same right in respect of the parties subject to the reporting obligation referred to in subsection 1(7).

(3) Notwithstanding the secrecy provisions, the regional state administrative agency has the right to obtain such information from the register of fines referred to in section 46 of the Act on the Execution of a Fine (672/2002) that is necessary for the establishment of reliability under sections 27 and 28 or for the removal from the register referred to in section 30.

(4) The supervisory authorities referred to in subsection 1 above, the bodies appointed to supervise or the Savings Bank Inspectorate referred to in the Saving Banks Act (1501/2001) and the central body for cooperative banks referred to in the Act on Cooperative Banks and Other Credit Institutions in the Form of a Cooperative (1504/2001) shall notify the Financial Intelligence Unit if

they detect, on the basis of facts discovered in the context of their supervisory or other duties, any suspicious transactions or suspect terrorist financing or a punishable attempt to finance terrorism.
Subsection 5 is repealed by Act 303/2010.

Section 32

Right to inspect of supervisory authorities

(1) To supervise compliance with the provisions of this Act and any provisions issued under it, a relevant official of the regional state administrative agency has the right to inspect the business and storage facilities of the parties subject to the reporting obligation who have been entered in the register referred to in section 29. (303/2010)
(2) To supervise compliance with the provisions of this Act and any provisions issued under it, a relevant official of the regional state administrative agency has the right to inspect the business and storage facilities of the parties subject to the reporting obligation referred to in section 2(1)(16, 19, 21 and 22), other bodies referred to in section 2(1)(24) that provide legal services, the parties subject to the reporting obligation referred to in section 2(1)(1) other than credit and financial institutions and the parties subject to the reporting obligation referred to in section 2(1)(3) other than investment firms. (303/2010)
(3) Entrepreneurs shall give the official referred to in subsections 1 and 2 access to the business and storage facilities managed by them for the purpose of conducting an inspection. The official conducting the inspection has the right to examine the account books, recorded data and other documents of entrepreneurs which may be important for the supervision of compliance with the provisions of this Act and any provisions issued under it. The official conducting the inspection has the right to ask for oral explanations on the spot and record the answers.
(4) The police shall, on request, provide executive assistance where necessary in carrying out an inspection referred to in subsections 1 and 2 as separately provided on the matter.
(5) An inspection referred to in this section may not be carried out in domestic premises.

Section 33

Coercive measures (1428/2009)

(1) If bodies providing currency exchange services or those providing trust and company services fail to comply with the obligation to register, continue to conduct the activities that were prohibited in conjunction with registration or continue their activities after having been removed from the register, the regional state administrative agency may prohibit them from continuing their activities. If the said service providers fail to notify changes to the information entered in the register, the

regional state administrative agency may ask them to fulfil their obligation within a certain time limit. (303/2010)

(2) The regional state administrative agency may issue a notice of a conditional fine to enforce compliance with a prohibition or request referred to in this section. Provisions on issuing a notice of a conditional fine and ordering the fine to be paid are laid down in the Act on Conditional Fines (1113/1990).

Chapter 6
Miscellaneous provisions

Section 34
Training and protecting employees

(1) Parties subject to the reporting obligation shall see to it that their employees are provided with proper training in order to ensure compliance with the provisions of this Act and any provisions issued under it.

(2) Parties subject to the reporting obligation shall take appropriate and adequate measures to protect those employees who submit a report referred to in section 23 or 24.

(3) Parties subject to the reporting obligation shall also have in place instructions applicable to their own activities that relate to customer due diligence procedures and to fulfilment of the obligation to obtain information and the reporting obligation which aim at preventing money laundering and terrorist financing.

Section 35
Financial Intelligence Unit and its duties

(1) Within the National Bureau of Investigation there is a Financial Intelligence Unit which performs the following duties:

1) detecting and preventing money laundering and terrorist financing;

2) promoting cooperation between authorities in the fight against money laundering and terrorist financing;

3) cooperation and exchange of information with the authorities of a foreign State and international organisations that are responsible for detecting and preventing money laundering and terrorist financing;

4) cooperation with parties subject to the reporting obligation;

5) giving feedback on the effects of reports referred to in sections 23 and 24;

6) keeping statistics on the number of reports received under sections 23 and 24 and the number of transactions suspended under section 26; (327/2013)
7) receiving reports referred to in section 3 of the Act on the Freezing of Funds with a View to Combating Terrorism (325/2013), establishing grounds for the decisions to freeze funds as referred to in section 4 of the said Act and making proposals concerning decisions to freeze funds. (327/2013)
(2) Detecting and preventing money laundering and terrorist financing mean receiving, recording and examining reports on suspicions of money laundering and terrorist financing, investigating money laundering and terrorist financing and investigating such crimes that were committed to gain the property or proceeds of crime subject to money laundering or terrorist financing.
(3) The National Bureau of Investigation shall provide the National Police Board with an annual report on the activities of the Financial Intelligence Unit, the number of reports referred to in sections 23 and 24, the number of orders to refrain from conducting transactions and the progress of anti-money laundering and anti-terrorist financing action in Finland in general. (1428/2009)

Section 36

Register for detecting and preventing money laundering and terrorist financing

(1) The register for detecting and preventing money laundering and terrorist financing is a permanent, computerised personal data file intended for use by the Financial Intelligence Unit. The Unit is the register controller.
(2) The register may contain information and documents that have been obtained and received for the performance of the duties laid down in section 35 or that have been received under section 37.
(3) The register for detecting and preventing money laundering and terrorist financing may only be used by the personnel of the Financial Intelligence Unit. The information may be used and disclosed only for the purpose of detecting and preventing money laundering and terrorist financing.
(4) The following information on the identity of a person may be stored in the register: the person's full name, date of birth, personal identity code, sex, native language, citizenship, marital status, state of birth, municipality of birth, municipality of residence, occupation, address and telephone number or other contact details, information on the person's death and information included in the person's travel document.
(5) The data subject has no right of access to information stored in the register other than the information referred to in section 35(1)(7). At the request of the data subject, the Data Protection Ombudsman may examine the lawfulness of the information that is held on the data subject. (327/2013)

(6) The information is removed from the register ten years after the date of making the last entry on a suspicion of money laundering or terrorist financing.
(7) Other provisions on police personal data files are laid down in the Act on the Processing of Personal Data by the Police (761/2003).

Section 37

Right of the Financial Intelligence Unit to obtain, use and disclose information

(1) Notwithstanding the provisions on the secrecy of information subject to business and professional secrecy or information on the financial circumstances or financial status of an individual, corporation or foundation, the Financial Intelligence Unit has the right to obtain, free of charge, any information and documents necessary to detect and prevent money laundering and terrorist financing from an authority, a body assigned to perform a public function or a party subject to the reporting obligation.
(2) A decision on obtaining secret information referred to in subsection 1 shall be made by a commanding police officer working at the Financial Intelligence Unit.
(3) The Financial Intelligence Unit has the right to obtain, free of charge and at the written request of a commanding police officer working at the Financial Intelligence Unit, any information necessary to detect and prevent money laundering and terrorist financing from a private corporation, foundation and person, notwithstanding the obligation of secrecy binding a member, auditor, auditor of the savings fund operations, board member or employee of the corporation.
(4) The information obtained may be used and disclosed only for the purpose of detecting and preventing money laundering and terrorist financing.

Section 38

General duty of certain authorities to exercise proper care and order of the Financial Intelligence Unit to seize funds

(1) Customs, border guard, tax and debt recovery authorities and the Bankruptcy Ombudsman shall ensure that in their work they pay attention to detecting and preventing money laundering and terrorist financing and to reporting any suspicious transactions or suspicions of terrorist financing they have detected in the course of their duties to the Financial Intelligence Unit.
(2) A commanding police officer working at the Financial Intelligence Unit may give customs authorities, for the purpose of enforcement, and border guard authorities an order to seize funds found in conjunction with a customs measure, border check or border control for a maximum of five working days, if such a measure is necessary to detect and prevent money laundering or

terrorist financing. The working days referred to in this section do not include Saturdays. Seized funds mean cash as defined in Article 2 of Regulation (EC) No 1889/2005 of the European Parliament and of the Council on controls of cash entering or leaving the Community.
(3) Separate provisions shall be issued on the duties of the customs and border guard authorities as pre-trial investigation authorities.

Section 39

Liability for damages

(1) Parties subject to the reporting obligation are liable for the financial loss sustained by their customers as a result of clearing a transaction, reporting a suspicious transaction or suspending or refusing to conduct a transaction, only if the parties have failed to carry out such customer due diligence measures as can be reasonably required of them, considering the circumstances.
(2) The provisions of Chapters 2 and 6 of the Tort Liability Act (412/1974) apply to the adjustment of damages and the allocation of liability for damages between two or more parties liable for damages.

Section 40

Violation of customer due diligence

Anyone who deliberately or through negligence fails to fulfil the obligation to conduct customer due diligence laid down in sections 6–9 or 17–21 or the obligation to keep records of the customer due diligence data laid down in section 10 shall be sentenced for *violation of customer due diligence* to a fine, unless a more severe punishment for the act is provided elsewhere in the law.

Section 41

Registration violation

(1) Anyone who deliberately or through gross negligence
1) fails to comply with the obligation to register laid down in section 27 or 28,
2) continues to conduct the activities that were prohibited in conjunction with registration, or
3) continues their activities after having been removed from the register
shall be sentenced for *registration violation* to a fine, unless a more severe punishment for the act is provided elsewhere in the law.
(2) A person who violates a prohibition or request issued under section 33 and enforced with a notice of a conditional fine cannot be sentenced for the same act.

Section 42

Violation of the obligation to report money laundering

Anyone who deliberately or through negligence fails to make a report under section 23 or 24, discloses such reporting in violation of the prohibition under section 25, or fails to fulfil the obligation to obtain information under section 9(3) and, therefore, does not realise the existence of the reporting obligation referred to in section 23 or 24 shall be sentenced for *violation of the obligation to report money laundering* to a fine.

Section 43 (303/2010)

Section 43 is repealed by Act 303/2010.

Section 44

Appeals against decisions of the regional state administrative agency (1428/2010)

(1) Decisions of the regional state administrative agency may be appealed as provided in the Administrative Judicial Procedure Act (586/1996).

(2) Decisions referred to in section 30 on the removal from the register and decisions referred to in section 33 on the prohibition against conducting the activities shall be adhered to regardless of any appeals, unless the appellate authority orders otherwise.

Section 45

Entry into force

(1) This Act comes into force on 1 August 2008.

(2) This Act repeals the Act on Detecting and Preventing Money Laundering (68/1998) of 30 January 1998, as amended.

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

Section 46

Transitional provisions

(1) This Act also applies to customer relationships which started before the entry into force of this Act. The customer due diligence measures laid down in Chapter 2 may be observed in such customer relationships on the basis of risk-based assessment as referred to in section 6(3). Parties subject to the reporting obligation shall make the risk management procedures referred to in section 6(3) compatible with this Act within 12 months of the entry into force of this Act.

(2) Anyone who, upon the entry into force of this Act, engages in activities that require registration in accordance with this Act and who have made an application for registration referred to in section 27 or 28 within six months of the entry into force of this Act may continue their activities without registration, until a decision is made on registration.