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© **Ministry of Agriculture and Forestry, Finland**

Forest Management Association Decree (No 1227/1998)

Section 1 - Territory of a Forest Management Association

- (1) An association which intends to function as a Forest Management Association referred to in the Forest Management Association Act (534/1998) must present a proposal for its territory in accordance with the requirements laid down in section 5(2) of the Act to the relevant Forestry Centre. If the territory of the Forest Management Association would extend to the area governed by another Forestry Centre, the relevant Forestry Centre must request a statement from the other Forestry Centre before ratifying the territory.
- (2) The particularly weighty reason for derogating from the requirements concerning the territory of the Forestry Centre may be the establishment of a geographically or linguistically uniform area or other similar grounds.
- (3) A decision of the Forestry Centre concerning the ratification of the territory of the Forest Management Association enters into force as of the beginning of the calendar year following the issue of the decision. From then on the association receives the share referred to in section 11(1) of the Act of the forest management fees collected from the area.

Section 2 - Use of funds

- (1) The administrative tasks of the Forest Management Association referred to in section 12(1) of the Forest Management Association Act include the organisation of the council election, activity of the council and board, administrative tasks of the official managing the activity of the Forest Management Association directly subject to the board and of the office clerk, audit and other similar tasks. The promotion of important measures in terms of wood production include the spreading of the overheads of silviculture work undertaken in small forest stands, which are considerably higher than the average.
- (2) Essential distortion of competitiveness referred to in section 12(2) of the Act may be the use of forest management fees for the harvesting of wood, construction of forest roads, ditch cleaning and supplementary ditching, forest assessment or similar measures which should be put out to tender.
- (3) The financial statement or the notes to this must show how the forest management fees have been used.
- (4) Further provisions on the use of the forest management fees are issued by a decision of the Ministry competent in forestry issues.

Section 3 - Forest management fees collected from outside the territories of the Forest Management Associations

- (1) The Forestry Centre must use the funds which by virtue of section 12(3) of the Forest Management Association Act are intended for promoting private forestry primarily for activities similar to those carried out by the Forest Management Associations by means of funds collected as forest management fees.
- (2) The Forestry Centre must yield funds deposited as referred to in section 12(3) of the Act to the Forest Management Association immediately after the ratification of its territory.

- (3) A Forest Management Association whose territory covers only part of the area from which forest management fees have been deposited by virtue of section 12(3) of the Act receives a share of the funds corresponding to its territory.

Section 4 - *Electing the council of the Forest Management Association*

- (1) The election committee of the Forest Management Association must set up and put to display a register of the forest owners entitled to vote at the council election (*register of votes*) no later than three months before the last day when the completed voting ticket can be left to be delivered by post (*last election day*). A notice of the council election of the Forest Management Association and displaying of the register of votes must be published in one or several newspapers commonly circulated in the territory concerned. If someone considers that he or she has been unjustly excluded from the list of votes, he or she can file a written claim for correction to the election committee no later than two months before the last election day. The election committee ratifies the register of votes to be followed in the election no later than six weeks before the last election day.
- (2) At least two members of the Forest Management Association have the right to nominate candidates for council members. The application forms concerning the nomination of candidates must be delivered to the election committee no later than five weeks before the last election day. The consent of each candidate to be nominated to receiving the post of the council member must be attached to the application form.
- (3) The election committee sends a notification on the council election of the Forest Management Association, list of candidates, voting ticket and return envelope to the forest owners who are entitled to vote (election material) no later than three weeks before the last election day. If the forest owner is a group, corporation or benefit under joint administration referred to in section 2(2) of the Act or spouses jointly, the election material is sent to the same address as the payment ticket of the forest management fee, unless the forest owner has notified another address to the Forest Management Association.

Section 5 - *Time of the council election*

- (1) The council of the Forest Management Association is elected for the first time in 2000 and after this every four years. When the Forest Management Association is being united the council may decide to organise an extraordinary election to elect a council for the remaining term of office of the council.
- (2) The last election day is the second Friday in November. The Calculation of Statutory Time Limits Act (150/1930) applies to calculating the time limits referred to in section 4.

Section 6 - *Number of councillors*

- (1) A Forest Management Association must have at least 15 and no more than 39 councillors and the necessary number of alternate councillors.
- (2) The number of councillors is laid down in the by-laws of the Forest Management Association.

Section 7 - *Council election in certain cases*

- (1) When the council of a Forest Management Association is elected for the first time, the election committee is appointed by a meeting of the Forest Management Association.
- (2) If the number of eligible candidates nominated as referred to in section 4(2) is smaller than or the same as the number of councillors, the election committee may ratify the result on the basis of the nomination of the candidates.

Section 8 - *Entitlement to information of the Forest Management Association*

- (1) Upon request, the National Board of Taxes must deliver the list of the forest owners liable to the forest management fee referred to in section 15(4) of the Forest Management Association Act to the Forest Management Association by 30 April. The request concerning the list must be delivered to the National Board of Taxes by 31 March.
- (2) The list must include the names of the forest owners, data needed for identifying the real property units and addresses to which the payment tickets of the forest management fee are to be sent.

Section 9 - *Information to be submitted to the Forestry Centre*

- (1) The Forest Management Association must submit the financial statement, audit report and annual report to the Forestry Centre by the end of April in the following year.
- (2) The statistical information required by the Ministry competent in forestry issues and notification of wood supplied by the forest management association without a written authorisation of the forest owner must be annexed to the annual report.

Section 10 - *Declarations to tax authorities*

- (1) The Forest Management Association must declare the amount of the payment per hectare referred to in section 9(1) of the Forest Management Association Act to the National Board of Taxes. The Forest Management Association must also declare the forest owners referred to in section 9(2) who have joined as members to the Forest Management Association or resigned from it to the National Board of Taxes.
- (2) The Forestry Centre must declare the territorial borders of the Forest Management Association to the National Board of Taxes. The Forestry Centre must also declare to the tax office when an exemption has been granted from the forest management fee or the cancellation of such an exemption has become legally valid. The declaration concerning exemption from the forest management fee must include the information on the forest owner, real property concerned, period of validity of the exemption as well as whether the exemption also concerns forest acquired by the forest owner.
- (3) Declarations to the forest owner must be given for each year in writing or other form approved by the National Board of Taxes no later than 31 January of the following year. The amount of the payment per hectare declared by the Forest Management Association is applied to the forest management fee collected in the year when the decision concerning the amount is made.

Section 11 - *Certain fixed dates*

- (1) The Finnish Forest Research Institute must submit the proposal referred to in section 9(3) of the Forest Management Association Act to the Ministry competent in forestry issues no later than 31 May. The Ministry must ratify the arithmetic average of the average stumpage price of a cubic metre of wood no later than 31 July.

Section 12 - *Further provisions*

- (1) When necessary, the Ministry competent in forestry issues may issue further provisions on the implementation of this Decree.

Section 13 - *Entry into force*

- (1) This Decree enters into force on 1 January 1999.
- (2) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

Section 14 - *Transitional provisions*

- (1) The National Board of Taxes must submit the list referred to in section 8 to all Forest Management Associations without a separate request no later than 30 April 1999.
- (2) If the council of the Forest Management Association has been elected in 1999, no election is held in 2000.