

Unofficial translation

Act on State Guarantees Granted to Companies Engaged in Shipbuilding Or Shipowning Operations

(573/1972; amendments up to 1143/1993 included)

Section 1

The Finnish Guarantee Board may grant State guarantees as security for credits granted to Finnish companies engaged in shipbuilding or shipowning operations as stipulated in this Act.

Credits guaranteed by the State under this Act are hereinafter called guarantee credits.

Section 2

A guarantee credit granted to a company engaged in shipowning operations shall be intended for the acquisition of a vessel or hull the length of which is a minimum of 10 metres and the age of which a maximum of 10 years, from Finland or abroad, for use in merchant shipping, or for the rescheduling of the financing of such a vessel acquisition. A State guarantee may also be granted as security for credits taken for alteration, repair and improvement work on a vessel.

A guarantee credit granted to a company engaged in shipbuilding shall be intended for the granting of a supplier's credit to a Finnish company engaged in shipowning operations for the financing of the acquisition of a vessel or hull as referred to in subsection 1 or for the financing of alteration, repair and improvement work on a vessel. A State guarantee may also be granted as security for a credit taken for the financing of such a project over the building period.

A State guarantee shall not be granted for the rescheduling of loan principal which has been granted or guaranteed by a domestic credit institution other than the Finnish Guarantee Board. However, for special reasons a State guarantee may be granted for a credit used for the payment of interest on such a credit.

Section 3

A State guarantee may be granted as security for the payment of the principal, interest and other charges in accordance with the credit terms of a guarantee credit.

A State guarantee is granted as direct liability guarantee.

Subsections 3 and 4 have been repealed by 811/1981.

Section 4

A countersecurity approved by the Finnish Guarantee Board, which shall be handed over to the care of the Guarantee Board shall be granted for a State guarantee. The Guarantee Board may accept a countersecurity which is not securing.

For a special reason, a State guarantee may also be granted without demanding a countersecurity referred to in subsection 1.

Section 5

The total amount of outstanding guarantee credits at any one time may not exceed FIM 8,000 million, excluding interests and other charges that may be payable in addition to the principal. The amount of a credit denominated in a foreign currency is calculated in accordance with the mean rate for the currency concerned confirmed by the Bank of Finland and in force at the time the guarantee was granted. The rate of exchange for a currency permanently excluded from the Bank of Finland's exchange rate list is calculated using the international rate of exchange for the currency concerned in force at the time the guarantee was granted in such a currency for which a Bank of Finland rate of exchange is available. 1143/93

Section 6

When State guarantees are granted, special consideration shall be given to business economic feasibility, employment considerations and the importance of the project with respect to the operating potential of the company engaged in shipbuilding or shipowning operations.

Section 7

In other respects, the provisions of the Act of July 4, 1963 on State Guarantees for Small and Medium-Sized Industry and Certain Other Branches of Trade and Industry (375/63) with its subsequent amendments shall apply to State guarantees referred to in this Act.

Subsection 2 has been repealed by Act 27.11.1981/811

Section 8

The Council of State has the right, without demanding countersecurities but otherwise on the terms determined by itself, to grant State guarantees with direct liability guarantee as security for the payment of credits and their interest and other charges in accordance with the credit terms, the total of which shall not exceed FIM 400,000,000, raised by mortgage banks for the granting of credits referred to in section 1. The counter-value of credits denominated in a foreign currency is calculated as referred to in section 5.

Section 9

Should the necessary provisions be enacted in the legislation of the Province of Åland to the effect that this law shall be applied in the Province, it shall be stipulated in a decree passed pursuant to section 20 of the Act on the Provincial Autonomy of the Åland Islands that the Finnish Guarantee Board carry out the tasks that according to said Act are vested in the provincial administration.

Section 10

Further provisions regarding the enforcement and application of this Act shall be issued by decree, if needed.