Translation from Finnish
Legally binding only in Finnish and Swedish
Ministry of Finance, Finland

Act on Preventing Money Laundering and Terrorist Financing

(444/2017; amendments up to 376/2021 included)

By decision of Parliament, the following is enacted:

Chapter 1
General provisions

Section 1
Objectives of the Act

The objectives of this Act are 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.

Section 2
Scope of application

This Act applies to:

1) the following referred to in section 4, subsection 2 of the Act on the Financial Supervisory Authority (878/2008):

a) authorised supervised entities except for the stock exchange referred to in paragraph 6 and a central institution body referred to in paragraph 11 of the said subsection 2;

b) branches of a foreign corporate entity equivalent to an authorised supervised entity referred to in subparagraph a;

c) foreign corporate entities equivalent to an authorised supervised entity referred to in subparagraph a when the corporate entity provides services in Finland through a representative without establishing a branch; (573/2019)

2) financial institutions belonging to the same consolidation group as a credit institution referred to in the Act on Credit Institutions (610/2014);

3) account operators referred to in the Act on the Book-Entry System and Clearing Operations (749/2012) and a foreign corporate entity's Finnish office that has been granted the rights of an account operator;

4) natural persons and legal persons referred to in sections 7, 7a and 7b of the Act on Payment Institutions (297/2010) and alternative investment fund managers liable to register referred to in the Act on Alternative Investment Fund Managers (162/2014); (376/2021)

5) local mutual insurance associations referred to in the Local Mutual Insurance Associations Act (1250/1987);

6) insurance intermediaries and ancillary insurance intermediaries referred to in the Insurance Distribution Act (234/2018), and branches of foreign insurance intermediaries and foreign ancillary insurance intermediaries that operate in Finland; (244/2018)

7) crowdfunding intermediaries referred to in the Crowdfunding Act (734/2016);

8) Finnish credit intermediaries referred to in the Act on Intermediaries of Consumer Credit Relating to Residential Property (852/2016) and the Finnish branch of a foreign credit intermediary;

8a) virtual currency providers referred to in the Act on Virtual Currency Providers (572/2019); (573/2019)

9) gambling operators referred to in section 11 of the Lotteries Act (1047/2001);

10) gambling operators referred to in the regional legislation of Åland;

11) auditors referred to in the Auditing Act (1141/2015) when carrying out the statutory audit referred to in chapter 1, section 1, subsection 1 of that Act;

12) attorneys-at-law referred to in the Act on Attorneys-at-Law (496/1958) and their assistants where they act on behalf of and for their client in any financial or real estate transaction or participate in the planning or carrying out of transactions for their client concerning:

a) buying or selling real property or business entities;

b) managing client money, securities or other assets;

c) opening or managing bank, savings or book-entry accounts;

d) organising funds for the creation, operation or management of companies; or

e) creating, operating or managing foundations, companies or similar corporate entities;

13) others providing legal services by way of business or profession where they act on behalf of and for their client in any financial or real estate transaction or participate in the planning or carrying out of transactions for their client concerning:

a) buying or selling real property or business entities;

b) managing client money, securities or other assets;

c) opening or managing bank, savings or book-entry accounts;

d) organising funds for the creation, operation or management of companies; or

e) creating, operating or managing foundations, companies or similar corporate entities;

14) companies providing financial services;

15) traders within the scope of application of the Act on the Registration of Certain Credit Providers and Credit Intermediaries (853/2016) in the mediation of peer-to-peer loans;

16) those providing a service referred to in chapter 2, section 3, subsection 1, paragraphs 1–8 of the Act on Investment Services (747/2012) by way of a business or profession; (1089/2017)

17) pawnshops referred to in the Pawnshops Act (1353/1992);

18) real estate agencies and housing rental agencies referred to in the Act on Real Estate Agencies and Housing Rental Agencies (1075/2000);

19) real estate agencies and housing rental agencies referred to in the regional legislation of Åland;

20) holders of licences for the collection of debts referred to in the Act on Debt Collection Licences (411/2018); (413/2018)

21) trust or company service providers;

22) providers of tax advice or tax support by way of principal business or profession either directly or indirectly; (573/2019)

23) those performing external accounting functions by way of business or profession;

24) those selling or supplying goods by way of business or profession to the extent that a payment is made or received in cash totalling EUR 10,000 or more, whether the transaction is executed in a single operation or in several operations which are linked; (573/2019)

25) those selling or acting as intermediaries in the trade of works of art by way of business or profession to the extent that a payment made or received totals EUR 10,000 or more, whether the transaction is executed in a single operation or in several operations which are linked; (573/2019)

26) those storing, selling or acting as intermediaries in the trade of works of art via free ports by way of business or profession to the extent that a payment made or received totals EUR 10,000 or

more, whether the transaction is executed in a single operation or in several operations which are linked. (573/2019)

The provisions of chapters 3 and 4 of this Act also apply to traders and corporate entities supplying registration and charges for participation in gambling provided by the gambling operators referred to in subsection 1, paragraphs 9 and 10 when the identification and registration of clients has been outsourced by the gambling operator to another trader or corporate entity. Chapters 7 and 8 of the Act apply to the supervision of the said traders and corporate entities as provided in the relevant chapters.

This Act also applies when the funds which a transaction concerns originate in a transaction concluded in the territory of another State.

The provisions on the obligation of certain corporate entities, associations, religious communities and foundations to keep up to date the information concerning beneficial owners are laid down below in chapter 6.

The Act on the Book-Entry System and Settlement Activities (749/2012) was repealed by Act 348/2017. See chapter 1, section 3 of the Act on the Book-Entry System and Settlement Activities (348/2017).

Section 3
Restrictions on the scope of application

This Act does not apply to financial activity pursued on an occasional or very limited basis when the following conditions are met:

1) the activity is limited;

2) the activity is not the principal business of the person but a directly related ancillary service accounting for no more than 5% of the turnover in the accounting period;

3) the activity is pursued by a person who does not engage in the activities referred to in section 2, subsection 1, paragraphs 1–23 as their principal business;

4) the activity is provided to the customers of the principal business and is not generally offered to the public;

5) the activity is not the money remittance referred to in section 1, subsection 2, paragraph 5 of the Act on Payment Institutions.

This Act does not apply to companies which enter nominee shareholders instead of shareholders in their shareholder registers when the company's securities are traded in the regulated market referred to in chapter 1, section 2 of the Act on Trading in Financial Instruments (748/2012).

This Act does not apply to activities which include the duties of a legal counsel or an attorney. For the purposes of this Act, the duties of a legal counsel and 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 criminal investigation of an offence or other pre-trial handling of the case, or instituting or avoiding proceedings.

This Act does not apply to slot machines kept available for use outside casinos. However, when the gambling takes place as identified gambling within the meaning of section 14c of the Lotteries Act, this Act shall apply. (678/2019)

Further provisions on when financial activity shall be considered limited within the meaning of subsection 1, paragraph 1 are laid down by decree of the Ministry of Finance.

The Act on Trading in Financial Instruments (748/2012) was repealed by Act on Trading in Financial Instruments 1070/2017. See chapter 1, section 2 of the Act on Trading in Financial Instruments (1070/2017).

Section 4
Definitions

For the purposes of this Act:

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

2) *terrorist financing* means the activities referred to in chapter 34a, sections 5, 5a and 5b of the Criminal Code; (284/2021)

3) *Anti-Money Laundering Directive* means Directive (EU) 2015/849 of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC;

4) *Funds Transfers Regulation* means Regulation (EU) 2015/847 of the European Parliament and of the Council on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006;

5) *obliged entity* means the corporate entities and traders referred to in section 2, subsection 1;

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

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

8) *credit institution* means a credit institution referred to in chapter 1, section 7 of the Act on Credit Institutions;

9) *foreign trust* means a trust or a legal arrangement similar to a trust referred to in Article 3(7) of the Anti-Money Laundering Directive, but not a company service provider referred to in the said paragraph; (376/2021)

10) *trust or company service provider* means a corporate entity or trader which by way of its business provides any of the following services to third parties:

a) the formation of companies;

b) acting as a secretary of a company, a partner in a partnership, or a similar position in relation to other legal persons;

c) providing a registered office, business or postal address, or other related services;

d) acting as a trustee of a foreign express trust referred to in Article 3(7)(d) of the Anti-Money Laundering Directive or similar legal arrangement in Finland;

e) acting as a nominee shareholder when the nominee shareholder is entered in the shareholder register of a company other than a public limited liability company;

11) *politically exposed person* means a natural person who is or who has been entrusted with prominent public functions as: (573/2019)

a) a head of State, head of government, minister, deputy or assistant minister;

b) a member of parliament;

c) a member of the governing bodies of political parties;

d) a member of supreme courts, constitutional courts or other corresponding judicial bodies whose decisions are not subject to appeal, except in exceptional cases;

e) a member of courts of auditors or of the highest decision-making bodies which audit the financial management of the State and are equivalent to national audit offices;

f) a member of the boards of directors of central banks;

g) an ambassador or chargé d'affaires;

h) an officer in the armed forces holding the rank of general or higher;

i) a member of the administrative, management or supervisory bodies of wholly state-owned enterprises; or

j) a director, deputy director or member of the board of an international organisation;

12) *family members of a politically exposed person* means:

a) the spouse, or any partner considered by the national law of the country concerned equivalent to the spouse, of a politically exposed person;

b) the children and their spouses, or abovementioned partners, of a politically exposed person; and

c) the parents of a politically exposed person;

13) *associates of a politically exposed person* means:

a) natural persons who are known to have joint beneficial ownership of a corporate entity, trader or legal arrangement, or any other close business relations, with a politically exposed person; and (376/2021)

b) natural persons who have sole beneficial ownership of a corporate entity, trader or legal arrangement which is known to have been set up for the benefit de facto of a politically exposed person; (376/2021)

14) *supervisory authority* means the authority referred to in chapter 7, section 1, subsection 1;

15) *European Supervisory Authority* means the European Banking Authority referred to in Regulation (EU) No 1093/2010 of the European Parliament and of the Council on establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, the European Securities and Markets Authority referred to in Regulation (EU) No 1095/2010 of the European Parliament and of the Council establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC,

and the European Insurance and Occupational Pensions Authority referred to in Regulation (EU) No 1094/2010 of the European Parliament and of the Council establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC;

16) *financial institution* means:

a) an investment firm referred to in chapter 1, section 13 of the Act on Investment Services; (1089/2017)

b) a Finnish fund management company referred to in section 2, subsection 1, paragraph 3 of the Act on Common Funds (48/1999) and a Finnish alternative investment fund manager referred to in the Act on Alternative Investment Fund Managers;

c) an insurance company referred to in chapter 26, section 1, subsection 1, paragraph 7 of the Insurance Companies Act (521/2008) which engages in life insurance activity;

d) an insurance intermediary referred to in section 3, paragraph 3 of the Act on Insurance Mediation when it provides life insurance services and other services relating to investments;

e) the branches of the financial institutions referred to in paragraphs a–d located in the European Economic Area irrespective of whether the financial institution's head office is located in the European Economic Area;

17) *financial services provider* means a company other than a corporate entity and trader referred to in section 2, subsection 1, paragraphs 1–8 and 8a of this chapter which pursues one or more activities referred to in chapter 5, section 1, subsection 1, paragraphs 2–11, 13 and 14 of the Act on Credit Institutions, and the Finnish branch of a financial services provider; (573/2019)

18) *correspondent relationship* means:

a) the provision of banking services by one bank as the correspondent to another bank as the respondent, including providing a current or other liability account and related services, such as

cash management, international funds transfers, cheque clearing, payable-through accounts and foreign exchange services;

b) the relationships between and among credit institutions and financial institutions including where similar services are provided by a correspondent institution to a respondent institution, and including relationships established for securities transactions or funds transfers; (376/2021)

19) *shell bank* means a credit or financial institution or an institution engaged in operations that are comparable to the operations of a credit or financial institution, established in a jurisdiction in which it does not have a physical presence or meaningful mind and management, and which does not belong to a credit or financial institution group subject to public supervision or to another corresponding financial consortium. (376/2021)

Further provisions on prominent public functions referred to in subsection 1, paragraph 11 are laid down by government decree. (573/2019)

The Act on Common Funds (48/1999) was repealed by Act 213/2019; see chapter 1, section 2 of the Act on Common Funds (213/2019). The Act on Insurance Mediation (570/2005) was repealed by Act 234/2018; see section 5 of the Act on Insurance Distribution (234/2018). See also the Government Decree on Prominent Public Functions Referred to in the Act on Preventing Money Laundering and Terrorist Financing (610/2019).

Section 5
Beneficial owner of corporate entity

The beneficial owner of a corporate entity refers to a natural person who ultimately:

1) directly or indirectly owns more than 25% of the shares in a legal person or otherwise has an equivalent ownership interest in the legal person;

2) directly or indirectly exercises more than 25% of the votes in a legal person and these votes are based on ownership, membership, articles of association, partnership agreement or equivalent instrument; or

3) in any other way effectively exercises control of a legal person.

An ownership interest of more than 25% in the relevant legal person held by a natural person is an indication of direct ownership.

The following is an indication of indirect ownership:

1) a legal person in which one or more natural persons exercise independent control holds an ownership interest of more than 25% in the relevant legal person or more than 25% of the votes in the relevant legal person; or

2) a natural person or a legal person in which the natural person exercises independent control has the right, based on ownership, membership, articles of association, partnership agreement or equivalent instrument, to appoint or dismiss the majority of the members of the board of directors or equivalent body of the relevant legal person.

If the beneficial owner cannot be identified or if the conditions laid down in subsection 1 are not met, the relevant legal person's board of directors or active partners, managing director or another person holding an equivalent position are to be considered the beneficial owners.

Section 6 (376/2021)
Beneficial owner of foreign trust

The beneficial owner of a foreign trust means a natural person who is the trust's or the trust-like legal arrangement's:

1) settlor or protector, if any;

2) trustee;

3) beneficiary; or

4) a person in a corresponding or similar position to a person referred to in paragraphs 1–3.

If the beneficiary referred to in subsection 1 has not yet been determined the beneficial owner shall mean, instead of the beneficiary, the groups of persons in whose main interest the legal arrangement or legal person has been established or operates.

In addition to the provisions in subsection 1 and 2, another natural person who ultimately exercises control in the foreign trust or trust-like legal arrangement through direct or indirect ownership or by other means is also considered the beneficial owner.

Section 7

Beneficial owner of an association, foundation, limited liability housing company and limited liability joint-stock property company

The beneficial owners of a non-profit association referred to in the Associations Act (503/1989) are considered the members of the board of directors entered in the Register of Associations.

The beneficial owners of a religious community referred to in the Act on Freedom of Religion (453/2003) are considered the members of the board of directors entered in the Register of Religious Communities.

The beneficial owners of a foundation referred to in the Foundations Act (487/2015) are considered the members of the board of directors and the supervisory board entered in the Register of Foundations.

The beneficial owners of a limited liability housing company and limited liability joint-stock property company referred to in the Limited Liability Housing Companies Act (1599/2009) are considered the members of the board of directors entered in the Trade Register.

Chapter 2
Risk assessment

Section 1 (573/2019)
National money laundering and terrorist financing risk assessment

The Ministry of the Interior and the Ministry of Finance act as the national authorities which coordinate the preparation of the national money laundering and terrorist financing risk assessment. The Ministry of the Interior shall be responsible for the preparation of the national terrorist financing risk assessment and the Ministry of Finance for the preparation of the national money laundering risk assessment. The risk assessment shall identify and assess the risks of money laundering and terrorist financing in Finland and have regard to the European Union-wide assessment of the risks of money laundering and terrorist financing prepared by the European Commission (*Commission*). The national risk assessment shall be updated on a regular basis and it shall be made available to the Commission, the European supervisory authorities and the other Member States.

The purpose of the risk assessment is:
1) to identify the risks of money laundering or terrorist financing in the various sectors;

2) to support and reinforce the allocation of resources and the fight against money laundering and terrorist financing;

3) to support the preparation of consistent policies for combating money laundering and terrorist financing in the various sectors;

4) to provide the competent supervisory authorities, the bar association and obliged entities with information to support the preparation of the risk assessment referred to in sections 2 and 3 of this chapter;

5) to describe structures and general measures, person-years and central and other general government financing in combating money laundering and terrorist financing.

The Ministry of the Interior and the Ministry of Finance shall publish a summary of the risk assessment.

The Ministry of the Interior, the Ministry of Finance and the Ministry of Justice shall ensure that statistics to assess the effectiveness of the fight against money laundering and terrorist financing are prepared in support of the risk assessment. The Ministry of the Interior and the Ministry of Finance shall annually publish a summary of these.

Section 2
Supervisor-specific risk assessment

The competent supervisory authorities and the bar association shall prepare an assessment of the risks of money laundering and terrorist financing among the obliged entities supervised by them (*supervisor-specific risk assessment*). In preparing the risk assessment, the competent authority and the bar association shall have regard to:

1) the European Union-wide assessment of the risks of money laundering and terrorist financing prepared by the Commission and the risks of money laundering and terrorist financing indicated in the assessment;

2) the national risk assessment and the national risks of money laundering and terrorist financing indicated in the assessment;

3) the risks of money laundering and terrorist financing concerning the sector supervised by them and relating to the obliged entities and to their customers, products and services.

In determining the scope and frequency of supervision, the competent supervisory authority and the bar association shall have regard to the risk assessment prepared by them, the exemptions applicable to the activities of the obliged entity, and the sector risks referred to in subsection 1, paragraph 3.

The competent supervisory authority and the bar association shall update the supervisor-specific risk assessment on a regular basis and whenever there are significant events or changes in the activities of the obliged entity that affect the supervisor-specific risk assessment.

The competent supervisory authority and the bar association shall publish a summary of the risk assessment.

Section 3
Risk assessment of obliged entity

An obliged entity shall prepare a risk assessment to identify and assess the risks of money laundering and terrorist financing. The risk assessment shall be updated on a regular basis. The risk assessment and the changes made to it shall be supplied without undue delay to the competent supervisory authority or the bar association at their request.

In preparing the risk assessment, the obliged entity shall take into account the nature, size and extent of its activities. The obliged entity shall have in place policies, procedures and controls that are sufficient with regard to the abovementioned factors to reduce and effectively manage the risks of money laundering and terrorist financing. The policies, procedures and controls shall comprise at least:

1) the development of internal policies, procedures and controls;

2) an internal audit when justified with regard to the nature of the obliged entity's activities or the size of the obliged entity.

The obliged entity shall prepare the policies, procedures and controls referred to in subsection 2 and shall monitor and enhance measures relating to these. When the obliged entity is a legal person, the board of directors, active partner or other person holding an equivalent senior management position shall approve the policies, procedures and controls referred to in subsection 2 and also monitor and enhance related measures.

Subject to authorisation by the Financial Supervisory Authority, the central institution referred to in the Act on the Amalgamation of Deposit Banks (599/2010) may prepare the risk assessment on behalf of a member credit institution of the amalgamation.

Chapter 3
Customer due diligence

Section 1

Customer due diligence and risk-based assessment

If an obliged entity is unable to carry out the customer due diligence measures laid down in this chapter, the entity may not establish a customer relationship, conclude a transaction or maintain a business relationship. Where the obliged entity is a credit institution, it also may not execute a payment transaction through a payment account if it is unable to carry out the measures laid down for customer due diligence. The obliged entity shall also assess whether it is necessary in this case to submit a suspicious transaction report. The obliged entity shall suspend the customer due diligence measures if, on reasonable grounds, it determines that the customer due diligence measures would endanger the submission of a suspicious transaction report. (406/2018)

In assessing the money laundering and terrorist financing risks in a customer relationship, an obliged entity shall take into account the money laundering and terrorist financing risks relating to new and pre-existing customers and to countries or geographic areas, and to products, services, transactions, delivery channels and technologies that are new, under development or already exist (*risk-based assessment*). (376/2021)

The customer due diligence measures laid down in this chapter shall be observed throughout the course of the customer relationship on the basis of risk-based assessment. In addition, an obliged entity shall comply with the provisions on customer due diligence when the obliged entity has or has had, under the Act on Administrative Cooperation in Taxation and on National Implementation of the Provisions of Council Directive Repealing Directive 77/799/EEC and on Application of the Directive (185/2013) or any other regulation concerning a corresponding obligation, a legal duty to contact the customer in the course of the calendar year for the purpose of reviewing any relevant information relating to the beneficial owner. (376/2021)

An obliged entity shall be able to demonstrate to the supervisory authority or a body appointed to supervise that their methods concerning customer due diligence and ongoing monitoring laid down in this Act are adequate in view of the risks of money laundering and terrorist financing.

Section 2
Customer identification and identity verification

Obliged entities may not have, with the exceptions laid down in this section, accounts or customer relationships that are anonymous or under fictitious names. Obliged entities shall identify their customers and verify their identities when establishing a permanent customer relationship. In addition, obliged entities shall identify their customers and verify their identities: (376/2021)

1) if the customer relationship is of an irregular nature and:

a) the sum of a transaction amounts to EUR 10,000 or more, whether the transaction is carried out in a single operation or in several operations which are linked;

b) the transaction constitutes a transfer of funds referred to in Article 3(9) of the Funds Transfers Regulation amounting to more than EUR 1,000; or

c) the transaction is carried out in a virtual currency-related service referred to in the Act on Virtual Currency Providers, and the amount of the transaction exceeds EUR 1,000;
(376/2021)

2) the sum of a transaction in the sale of goods amounts to EUR 10,000 or more, whether the transaction is carried out in a single operation or in several operations which are linked, and the customer relationship is of an irregular nature;

3) in case of a suspicious transaction or if the obliged entity suspects that the assets involved in a transaction are used for terrorist financing or a punishable attempt of such an act; or

4) if they have doubts about the reliability or adequacy of previously obtained verification data on the identity of the customer.

By way of derogation from subsection 1, paragraphs 1 and 2, in gambling activities customers shall be identified and their identity verified either in connection with the placing of the bet or payment of the winnings, or both, when the bet placed by the player or the winnings claimed by the player total EUR 2,000 or more, whether in a single payment or in several linked payments.

When another is acting on account of the customer (*representative*), the obliged entity shall also identify and verify the identity of the representative and ascertain the representative's right to act on behalf of the customer.

Obliged entities 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. When a new customer relationship is established with a legal person referred to in chapter 6 or with a foreign express trust, the obliged entity shall, upon establishment of the relationship, ensure that the beneficial owner of the said legal person or foreign express trust has been entered in the register referred to in the said chapter. (573/2019)

If customer identification and identity verification is due to the combined value of individual transactions in cases referred to in subsection 1, paragraph 1 being EUR 10,000 or more, or the transfer of funds referred to in Article 3(9) of the Funds Transfers Regulation amounting to more than EUR 1,000, or in cases referred to in paragraph 2 the combined value of the individual transactions being EUR 10,000 or more, or in cases referred to in subsection 2 EUR 2,000 or more, identity shall be verified when the said threshold is reached.

Provisions concerning the duty to identify and verify identity are also laid down in the Funds Transfers Regulation.

Section 3
Customer due diligence data and their retention

Obliged entities shall ensure that all documents and data concerning customer due diligence and customer transactions are up to date and relevant. The data shall be retained in a reliable manner for a period of five years after the end of the permanent customer relationship. In the case of occasional transactions referred to in section 2, subsection 1, paragraphs 1 and 2 or in subsection 2 of the said section, customer due diligence data shall be retained for a period of five years from the conclusion of the transaction. (406/2018)

The following customer due diligence data shall be retained:

1) name, date of birth, personal identity code and address;

2) name, date of birth and personal identity code of an representative;

3) legal person's full name, registration number, date of registration ,register authority, address of domicile and address of principal place of business if this differs from the address of domicile, and, if necessary, articles of association or organisation rules; (376/2021)

Paragraph 3, as amended by Act 376/2021, enters into force on 1 January 2022. The previous wording was:

3) legal person's full name, registration number, date of registration and register authority, and, if necessary, articles of association;

4) full names, dates of birth and nationalities of the members of the board of directors or equivalent governing body of a legal person;

5) legal person's line of business;

6) beneficial owners' names, dates of birth and Finnish personal identity codes or, in the absence of such a code, their citizenship and, if necessary, more detailed descriptions of ownership and control structures or, if the beneficial owner cannot be identified, the aforementioned information on the person referred to in chapter 1, section 5, subsection 4;

7) name, number or other identifier of document used to verify identity or a copy of the document or, in the case of non-face-to-face identification, data on the procedure or sources used in verification;

8) information on the customer's activities, nature and extent of business, financial standing, grounds for use of transaction or service and information on source of funds as well as the other necessary information referred to in section 4, subsection 1 acquired for the purpose of customer due diligence;

9) the necessary information acquired in order to fulfil the obligation to obtain information provided in section 4, subsection 3, and the enhanced customer due diligence obligation relating to politically exposed persons provided in section 13;

10) the number of the bank account or payment account, the name of the holder of the account or the person authorised to use the account, and the date of opening and closing of the account as well as other identification data relating to the account inasmuch as these are not included under paragraphs 1–9 and retention of the data is appropriate, taking into account the nature of the obliged entity's business, and there is no impediment arising from other legislation to obtaining the data;

11) the name of the person renting the safe-deposit box and other identification data relating to the renting of the safe-deposit box inasmuch as these are not included under paragraphs 1–9 as well as the duration of the rental period and retention of the data is appropriate, taking into account the nature of the obliged entity's business, and there is no impediment arising from other legislation to obtaining the data;

12) data obtained by the electronic identification means and related trust services on which provisions are laid down in Regulation (EU) No 910/2014 of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC or by other secure remotely or electronically implemented identification processes regulated, recognised or approved by the appropriate national authorities.

(573/2019)

If the customer is a foreign national without a Finnish personal identity code, data on the customer's citizenship and travel document in addition to the data under subsection 2 of this section shall be retained.

Obliged entities shall inform their customers that customer due diligence data and other personal data may be used to prevent, detect and investigate money laundering and terrorist financing and such crimes as were committed to gain the assets or proceeds of crime subject to money laundering or terrorist financing.

Customer due diligence data and other personal data obtained solely for the purpose of preventing and detecting money laundering and terrorist financing may not be used for purposes incompatible with this purpose.

When only some of the members of a legal person's board of directors or equivalent decision-making body are entered in the register referred to in chapter 6, section 1 in accordance with other legislation applicable to the legal person, customer due diligence data concerning these persons may be retained pursuant to subsection 2, paragraph 4 when this is justified based on the obliged entity's risk assessment. (573/2019)

Section 4

Obtaining customer due diligence data, ongoing monitoring, and obligation to obtain information

Obliged entities shall obtain information on their customers' and their beneficial owners' activities, the nature and extent of their business, and the grounds for the use of the service or product. Obliged entities may use available data from different information sources on the customer or its beneficial owner for the purpose of preparing and maintaining a risk assessment of the customer, preventing money laundering and terrorist financing and meeting the reporting obligation and the obligation to obtain information referred to in this Act. Obliged entities shall pay special attention to the credibility and reliability of the information source. Provisions on the processing of personal data are laid down in Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (*General Data Protection Regulation)*, hereafter the Data Protection Regulation, and in the Data Protection Act (1050/2018). (573/2019)

Obliged entities shall arrange monitoring that is adequate in view of the nature and extent of the customers' activities, the permanence and duration of the customer relationship and the risks involved in order to ensure that the customers' activities are consistent with the obliged entities' experience or knowledge of the customers and their activities.

Obliged entities shall pay particular attention to transactions which differ from the ordinary in respect of their structure or size or with regard to the size or office of the obliged entity. The same

also applies in the event of transactions which lack an obvious economic purpose or are inconsistent with obliged entities' experience or knowledge of the customer. When necessary, steps shall be taken to establish the source of the funds involved in the transaction.

Section 5
Special identification obligation relating to insurance products

In addition to the other provisions in this chapter, credit institutions and financial institutions shall establish the following in respect of life insurance policies and other investment-related insurance policies:

1) the name of the beneficiary when a person is identified or named as the beneficiary;

2) in the case of beneficiaries classified by means other than those referred to in paragraph 1, sufficient information concerning those beneficiaries to enable the pay-out to take place when due.

The identity of the beneficiary referred to in subsection 1 shall be verified at the time of the pay-out. (376/2021)

Subsection 2, as amended by Act 376/2021, enters into force on 1 January 2022. The previous wording was: The beneficiary referred to in subsection 1 shall be identified at the time of the pay-out.

When aware of the assignment, credit institutions and financial institutions shall identify at the time of assignment any third party to which or for the benefit of which a life insurance policy or investment-related policy is assigned.
Credit institutions and financial institutions shall ensure that they are in possession of sufficient information concerning the beneficial owners of a foreign trust or company service provider to enable their rights relating to the foreign trust or company services to be established.

No later than at the time of the pay-out or the assignment of the policy in part or in full, the credit institution or financial institution shall establish whether the beneficiary under the life insurance policy or other investment-related insurance policy is a politically exposed person. If a higher than ordinary risk of money laundering and terrorist financing attaches to the insurance policy or its

beneficiary, officials of the credit institution and financial institution shall additionally report the matter to the management of the facility before pay-out and comply with the provisions concerning enhanced customer due diligence. The credit institution or financial institution shall assess whether it is necessary to submit a suspicious transaction report. (406/2018)

Section 6
Identification of the beneficial owner

Obliged entities shall identify and maintain adequate, precise and up-to-date information about the customers' beneficial owners and, when necessary, verify their identity. The beneficial owner of a corporate entity shall always be identified in the situations referred to in chapter 1, section 5, subsections 2–4 and section 7. In addition, obliged entities shall establish, in a manner appropriate to the risks of money laundering and terrorist financing relating to the customer and to an adequate extent whether another party exercises the control referred to in chapter 1, section 5, subsection 1 in the customer.

The obliged entity shall keep a record of the identification measures concerning the beneficial owner. (376/2021)

Subsection 2, added by Act 376/2021, enters into force on 1 January 2022.

However, the beneficial owner need not be identified when the customer is a company whose securities are traded:

1) in a regulated market referred to in chapter 2, section 5 of the Securities Markets Act (746/2012); or

2) in a regulated market equivalent to the regulated market referred to in subsection 1 in a country outside the European Economic Area when the company is subject to an obligation to provide information equivalent to that laid down in Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

Credit institutions do not need to identify the beneficial owners of pooled accounts held by attorneys-at-law or other legal service providers in Finland or another EEA Member State, provided that the information on the identity of the beneficial owners is available, on request, to the credit institutions.

Similarly, credit institutions do not need to identify the beneficial owners of pooled accounts held by attorneys-at-law or other legal service providers in a State other than an EEA Member State, provided that:

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

2) the attorney-at-law or other legal service provider is subject to obligations equivalent to those laid down in this Act and is supervised for compliance with these obligations.

Similarly, credit institutions do not need to identify the beneficial owners of pooled accounts that are related to the duties of a legal counsel or attorney or to such duties that are carried out by attorneys-at-law or other legal service providers and do not fall within the scope of application of this Act.

Section 7
Fulfilment of customer due diligence obligations on behalf of obliged entities

Customer due diligence obligations may be fulfilled on behalf of obliged entities by another obliged entity referred to in chapter 1, section 2, subsection 1 or by an equivalent operator authorised or registered in another EEA Member State (third party) when the operator is subject to customer due diligence and data retention obligations equivalent to those laid down in this Act and when compliance with those obligations is supervised.

Customer due diligence obligations may also be fulfilled by an operator that is equivalent to the obliged entity and is authorised or registered in a non-EEA State if the operator is subject to customer due diligence and data retention obligations equivalent to those laid down in this Act and compliance with those obligations is supervised. It is also required that the operator equivalent to an obliged entity has been established in a State whose system for preventing and investigating

money laundering and terrorist financing, in the estimation of the Commission, does not pose a significant risk to the EU's internal market. (376/2021)

By way of derogation from subsections 1 and 2, an obliged entity cannot accept the following to fulfil its obligations:

1) a payment institution which provides the money remittance referred to in the Act on Payment Institutions as a primary payment service;

2) a natural or legal person referred to in section 7 or 7a of the Act on Payment Institutions; or

3) a party engaging in currency exchange.

Obliged entities shall ensure that before carrying out a transaction they receive from the third party the data referred to in section 3, subsection 2, paragraphs 1–7. In addition, obliged entities shall ensure that customer due diligence data are available to them and that the third party submits the data to them upon request. (573/2019)

The supervisory authority may consider the conditions relating to the third party laid down in this section to be fulfilled if:

1) the obliged entity obtains the data from a third party which belongs to the same group or other financial consortium as the obliged entity;

2) the group or financial consortium complies with internal procedures common to the group or consortium and equivalent to the provisions of this Act concerning customer due diligence, data retention, and the prevention and detection of money laundering and terrorist financing;

3) compliance with paragraph 2 is monitored by the supervisory authority of the home state of the parent company of the group or other financial consortium; and

4) risk management and risk reduction relating to states with a high risk of money laundering and terrorist financing have been appropriately taken into account in the procedures of the group or

other financial consortium concerning prevention and detection of money laundering and terrorist financing.

(406/2018)

With regard to gambling services, the supervisory authority may consider an obliged entity that is a gambling operator to satisfy the conditions laid down in this section if the trader or corporate entity referred to in chapter 1, section 2, subsection 2 which supplies registration and charges for participation in gambling complies with the provisions of sections 1, 2 and 10 of this chapter concerning customer due diligence and if the gambling operator without delay obtains from this party customer due diligence data and customer identity verification data. Gambling operators shall maintain information about the abovementioned traders and corporate entities and this information shall be made available to the supervisory authority upon request.

Obliged entities shall subject to ongoing monitoring in the manner referred to in section 4, subsection 2 any customer relationships where customer due diligence obligations have been carried out by a third party.

Obliged entities are not exempt from the responsibilities under this Act on the grounds that customer due diligence obligations have been fulfilled by a third party on their behalf.

Section 8
Simplified customer due diligence obligation

In applying sections 2–4 and 6, obliged entities are allowed to observe a simplified customer due diligence procedure when, based on the risk assessment referred to in chapter 2, section 3, they assess the risk of money laundering and terrorist financing associated with the customer relationship or an individual transaction to be negligible in nature. However, obliged entities shall monitor customer relationships in the manner referred to in section 4, subsection 2 of this chapter in order to detect any exceptional or unusual transactions. An obliged entity is not allowed to apply a simplified customer due diligence procedure if the obliged entity detects exceptional or suspicious transactions. (376/2021)

Further provisions regarding customers, products, services, payment facilities, manner of delivery or geographical risk factors with which a negligible risk of money laundering or terrorist financing may be associated and the procedures to be observed in these situations are laid down by government decree.

Section 9 (573/2019)
Derogation from the customer due diligence obligation related to electronic money

When, based on a risk assessment, an obliged entity estimates the risk of money laundering and terrorist financing related to electronic money to be low, the provisions of this chapter's section 2 concerning customer identification and identity verification, section 3 concerning customer due diligence data and data retention, and section 4, subsection 1 concerning the obtaining of customer due diligence data do not apply provided that the following risk management conditions are fulfilled:

1) the electronic data storage medium is not rechargeable or a maximum of EUR 150 per month in electronic money referred to in the Act on Payment Institutions can be stored on the medium and the medium can only be used in Finland;

2) a maximum of EUR 150 can be stored on the electronic data storage medium and the medium can only be used in Finland;

3) the electronic data storage medium can only be used to purchase products or services;

4) anonymous electronic money cannot be stored on the electronic data storage medium;

5) the issuer of the electronic data storage medium has in place adequate control procedures to detect unusual or suspicious transactions;

6) cash not exceeding EUR 50 may be redeemed from the electronic data storage medium or, in the case of remote payment transactions, the sum paid per transaction does not exceed EUR 50.

A credit institution or a financial institution may accept a payment made from a non-EEA State by means of an anonymous electronic data storage medium when the conditions laid down above in subsection 1 apply to the electronic data storage medium.

Section 10
Enhanced customer due diligence

The obliged entity shall apply the enhanced customer due diligence procedure if, based on the risk assessment referred to in chapter 2, section 3, it estimates a higher than ordinary risk of money laundering and terrorist financing to attach to the customer relationship or individual transaction, or if the customer or the transaction is linked to a State whose system for preventing and investigating money laundering and terrorist financing, in the Commission's estimation, constitutes a significant risk to the internal market or does not meet international obligations.

Further provisions regarding customers, products, services, payment facilities, manner of delivery or geographical risk factors with which a higher than ordinary risk of money laundering or terrorist financing may be associated and the procedures to be observed in these situations are laid down by government decree.

Section 11
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*), obliged entities 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 relating to the transaction is made from a credit institution's account or into the account that was opened earlier in the customer's name; or

3) verify the customer's identity by means of an identification device referred to in the Act on Strong Electronic Identification and Electronic Signatures (617/2009) or a qualified certificate for

electronic signature as provided in Article 28 of Regulation (EU) No 910/2014 of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC or other secure and verifiable electronic identification technology.

Section 12 (406/2018)

Enhanced customer due diligence related to correspondent banking relationships

If a credit institution or financial institution concludes a contract on the handling of payments and other assignments (*correspondent banking relationship*) with a credit institution or financial institution established in a non-EEA Member State, the credit institution or financial institution shall, before concluding the contract, obtain sufficient information about the respondent institution to be able to understand its business.

The credit institution or financial institution shall assess the respondent institution's reputation, the quality of the supervision it performs and its anti-money laundering and anti-terrorist financing measures. The senior management of the credit institution or financial institution shall give its approval for the establishment of the correspondent banking relationship. The contract shall explicitly lay out the customer due diligence obligations to be fulfilled and the supply of relevant information relating to these to the respondent institution upon request.

A credit institution or financial institution may not initiate or continue a correspondent banking relationship with an institution that is a shell bank or whose accounts may be used by shell banks.

If an investment firm, payment institution, fund management company or alternative fund manager or insurance company concludes a contract on an arrangement equivalent to that in subsection 1, the provisions of this section shall be observed.

Credit institutions and financial institutions shall, when offering payable-through accounts to other credit and financial institutions, ensure that the respondent credit or financial institution:
(376/2021)

1) has identified its customers who have direct access to the account of the credit or financial institution and has performed the ongoing customer due diligence obligation in respect of these customers, and (376/2021)

2) supplies it, upon request, with the relevant customer due diligence data.

Section 13
Enhanced customer due diligence obligation related to politically exposed persons

Obliged entities shall have in place appropriate risk-based procedures to determine whether the customer or the customer's beneficial owner is or has been a politically exposed person, a family member of a politically exposed person or a person known to be an associate of a politically exposed person. (573/2019)

Within the framework of the procedure referred to in section 1, political exposure shall be determined whenever the obliged entity based on the obliged entity's risk assessment referred to in chapter 2, subsection 3 assesses that a higher than ordinary risk of money laundering or terrorist financing attaches to the customer relationship or an individual transaction.

If the customer or the customer's beneficial owner is or has been a politically exposed person or a family member of such a person or a person known to be an associate of such a person: (573/2019)

1) the senior management of the obliged entity shall give its approval for establishment of a customer relationship with the person;

2) the obliged entity shall take appropriate steps to determine the source of the assets and funds relating to the said customer relationship or transaction; and

3) the obliged entity shall put in place enhanced ongoing monitoring of the customer relationship.

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.

Section 13a (573/2019)
Enhanced customer due diligence obligation related to a high-risk non-EEA Member State

When an obliged entity carries out transactions or makes payment relating to non-EEA Member States identified by the Commission as countries of high risk for money laundering and terrorist financing, the obliged entity shall comply with the following enhanced customer due diligence procedures:

1) the obliged entity shall obtain additional information about the customer and the beneficial owner;

2) the obliged entity shall obtain additional information about the purpose of the business relationship to be established;

3) the obliged entity shall obtain additional information about the origin of the funds and assets of the customer and the beneficial owner;

4) the obliged entity shall obtain additional information about the reasons for the transactions;

5) the obliged entity shall obtain the approval of its senior management for establishing and continuing the customer relationship;

6) the obliged entity shall put in place enhanced ongoing monitoring of the customer relationship by increasing the number and frequency of reviews and by screening for transactions that must be subjected to broader investigation.

In addition to the provisions of subsection 1, the obliged entity shall, when necessary, apply the following procedures in accordance with the risk-based assessment:

1) the obliged entity shall apply other necessary enhanced customer due diligence procedures;

2) the obliged entity shall use the necessary procedures to report transactions;

3) the obliged entity shall limit customer relationships and transactions with customers from the high-risk countries referred to in subsection 1.

When essential to prevent money laundering and terrorist financing from the high-risk countries referred to in subsection 1, the supervisory authority may take the following action:

1) prohibit the establishment of a subsidiary or branch in Finland;

2) prohibit the establishment of an obliged entity's branch or representative office in the said country, or require the subsidiary or branch to be made subject to additional supervisory measures or an external audit;

3) otherwise in the performance of its duties take into account the relevant country's shortcomings in preventing money laundering and terrorist financing;

4) require credit institutions and financial institutions to assess and modify or, when necessary, withdraw from a correspondence bank relationship with a credit institution or financial institution established in the country, or require more external auditing of the subsidiary or branch located in the high-risk country and belonging to the same consolidation group as the credit institution or financial institution.

When taking the action referred to in subsection 3, the supervisory authority shall take into account the international money laundering and terrorist financing prevention assessments and reports on risks relating to the third countries referred to in subsection 1.

Section 14 (573/2019)
Central contact point

The payment institutions referred to in the Act on Payment Institutions and electronic money institutions which provide payment services or electronic money issuance in Finland from the territory of an EEA Member State by means of a representative without establishing a branch shall appoint a central contact point when the requirements under Article 3(1) of Commission Delegated Regulation (EU) 2018/1108 supplementing Directive (EU) 2015/849 of the European Parliament

and of the Council with regulatory technical standards on the criteria for the appointment of central contact points for electronic money issuers and payment service providers and with rules on their functions, hereinafter Commission Delegated Regulation, are met. The Financial Supervisory Authority may additionally require the appointment of a central contact point in the situations referred to in Article 3(2) and 3(4) of the Commission Delegated Regulation. The Financial Supervisory Authority shall base its assessment on the criteria provided in Article 3(3) and 3(4). The central contact point on account of the payment institution or electronic money institution is responsible for:

1) compliance with the requirements laid down in this Act and in the Commission Delegated Regulation;

2) the supply of documents and information to the Financial Supervisory Authority.

The Financial Supervisory Authority may require the central contact point on behalf of the payment institution or electronic money institution to report, in the manner referred to in chapter 4, section 1, a suspicious transaction to the Financial Intelligence Unit or to scrutinise the payment transactions of the payment institution or electronic money institution to detect suspicious transactions. In addition, the Financial Intelligence Unit may require the central contact point to supply to it the necessary information on the activities of the payment institution or electronic money institution.

The provisions on the functions of the central contact point are laid down in Articles 4 and 5 of the Commission Delegated Regulation. The Financial Supervisory Authority may require the central contact point to perform additional functions in accordance with Article 6 of the Regulation.

Section 15
Outsourced service provider and representative as part of obliged entity

The provisions of this chapter concerning third parties and enhanced customer due diligence do not apply if the obliged entity has outsourced its customer due diligence or uses a representative on the basis of a contractual relationship and the outsourced service provider or representative is to be regarded as part of the obliged entity.

Chapter 4
Reporting obligation, secrecy obligation and suspension of transaction

Section 1
Obligation to report suspicious transactions

Having fulfilled their obligation to obtain information provided in chapter 3, section 4, subsection 3, obliged entities shall, without delay, report any suspicious transaction or suspected terrorist financing to the Financial Intelligence Unit referred to in the Act on the Financial Intelligence Unit (445/2017). A suspicious transaction report shall be submitted irrespective of whether a customer relationship has been established or refused, and of whether the transaction has been carried out, suspended or refused. (406/2018)

Obliged entities may submit suspicious transaction reports also on payments or other remittances, carried out individually or in several linked operations, that exceed the maximum threshold established by them. However, money remittance service providers referred to in section 1, subsection 2, paragraph 5 of the Act on Payment Institutions shall report every payment or remittance that has a value of at least EUR 1,000, whether carried out individually or in a number of linked operations. (406/2018)

The trader or corporate entity referred to in chapter 1, section 2, subsection 2 may submit a suspicious transaction report through the gambling operator.

Obliged entities shall provide, free of charge, the Financial Intelligence Unit with all data, information and documents necessary to investigate the suspicion. Obliged entities shall respond to the Financial Intelligence Unit's requests for information within the reasonable period of time determined by the Financial Intelligence Unit.

Section 2
Form and content of report

Suspicious transaction reports shall be submitted electronically by using the application provided by the Financial Intelligence Unit for this purpose. For specific reasons, reports may also be submitted by using another encrypted connection or secure procedure.

Suspicious transaction reports shall contain the due diligence data referred to in chapter 3, section 3, as well as details of the nature of the transaction, the amount and currency of the funds or other assets involved in the transaction, the source or target or the funds or other assets, and the reasons for considering the transaction suspicious, as well as information on whether the transaction was carried out, suspended or refused.

Further provisions on the form and content of the suspicious transaction report are laid down by government decree.

Section 3

Retention of information concerning suspicious transactions

Obliged entities shall retain for a period of five years the necessary information obtained in order to fulfil the reporting obligation provided in section 1 and the related documents. The information and documents shall be kept separate from the customer register and may not be used for any purpose other than the one laid down in this Act. The information and documents shall be removed five years after the end of the customer relationship or the conclusion of the suspicious transaction unless their continued retention is necessary for reasons of criminal investigation, pending judicial proceedings or securing the rights of obliged entities or their employees. The need for continued retention of information and documents shall be reviewed no later than three years after the previous occasion on which it was reviewed. An entry shall be made of the review and its date.

The data subject shall not have right of access to the information referred to in subsection 1 or to the information and documents obtained in order to fulfil the obligation to obtain information provided in chapter 3, section 4, subsection 3. At the data subject's request the Data Protection Ombudsman may examine the lawfulness of the processing of the data.

Section 4

Secrecy obligation concerning suspicious transactions and exemptions from secrecy obligation

Obliged entities may not disclose the submission or investigation of a report referred to in section 1 to the suspect or to any other party. The secrecy obligation also applies to the employees of obliged entities and to parties which have obtained information subject to a secrecy obligation pursuant to this section.

Notwithstanding the secrecy obligation provided in subsection 1, obliged entities may disclose the submission of the report referred to in section 1 and details of the contents of the report to another company or corporate entity that belongs to the same group or to another financial consortium and is authorised in Finland or another EEA Member State, if the disclosure is necessary for the assessment of a suspicious transaction and the Financial Intelligence Unit has not requested a restriction on disclosure. Under the same conditions, the information may also be disclosed to a company or corporate entity that belongs to the same group or to another financial consortium and is authorised in a non-EEA Member State if the company or corporate entity is subject to obligations equivalent to those under this Act and its compliance with these obligations is subject to supervision. (376/2021)

Notwithstanding the secrecy obligation provided in subsection 1, obliged entities may disclose the submission of the report referred to in section 1 to obliged entities referred to in chapter 1, section 2, subsection 1, paragraphs 1 or 2 and authorised in Finland or another EEA Member State that are party to an individual transaction relating to the customer and transaction which the report concerns. On the same basis, the information may also be disclosed to obliged entities referred to in chapter 1, section 2, subsection 1, paragraphs 1 or 2 which are authorised elsewhere than in an EEA Member State if the recipient of the information is subject to obligations equivalent to those under this Act and its compliance with these obligations is subject to supervision, and if the recipient of the information is furthermore subject to obligations equivalent to those on personal data protection laid down in Data Protection Regulation. (406/2018)

The name, date of birth and personal identity code of the customer as well as the reason for the submission of the report may be disclosed in connection with the disclosure referred to in

subsection 3. When the person concerned does not have a Finnish personal identity code, the person's citizenship may also be disclosed.

Section 5
Suspension and refusal of a transaction

Obliged entities shall suspend a transaction for further inquiries or refuse a transaction if:

1) the transaction is suspicious; or

2) the obliged entity suspects that the assets involved in the transaction are used for terrorist financing or a punishable attempt of such an act.

An obliged entity may carry out a transaction if it cannot be suspended or if its suspension or refusal is likely to frustrate efforts to determine the beneficial owner of the transaction.

Provisions on the right of the Financial Intelligence Unit to order the suspension of a transaction for a fixed period of time are laid down in section 6 of the Act on the Financial Intelligence Unit.

Chapter 5
Money laundering supervision register

Section 1 (573/2019)
Scope of application

This chapter applies to the obliged entities referred to in chapter 1, section 2, subsection 1, paragraphs 13–18 and 20–26, which are not subject to supervision due to authorisation or obligated to register in any register maintained by the supervisory authority except for the one referred to in this chapter.

Section 2
Controller and purpose of money laundering supervision register

The Regional State Administrative Agency maintains a register of the obliged entities referred to in section 1 for the purpose of preventing money laundering and terrorist financing (*money laundering supervision register*).

The purpose of the money laundering supervision register is to supervise the prevention of money laundering and terrorist financing.

Section 3
Registration application and registration requirements

Obliged entities referred to in section 1 shall apply for entry in the money laundering supervision register within 14 days of becoming subject to this Act.

The Regional State Administrative Agency shall register the applicant if:

1) the applicant has the right to engage in business in Finland;

2) the applicant is not subject to a business prohibition;

3) the applicant provides the information referred to in section 4;

4) the obliged entity engaging in currency exchange and referred to in chapter 1, section 2, subsection 1, paragraph 21 is reliable within the meaning of section 5.

In its application, the applicant shall report the business in which it engages, by virtue of which the applicant is an obliged entity.

Further provisions on the contents of the registration application are laid down by government decree.

Section 4
Data recorded in the money laundering supervision register and notification of changes

The following data are recorded in the money laundering supervision register:

1) a private trader's full name and personal identity code or, if this does not exist, date of birth and citizenship, as well as business name, any auxiliary business name, business identity code or equivalent identifier and the date of registration, and the street address of each office where the activity is carried out;

2) a legal person's business name, any auxiliary business name, business identity code or equivalent identifier and the date of registration, and the street address of each office where the activity is carried out;

3) the business specified in section 3, subsection 3 of this chapter;

4) 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 pursuant to section 5, and their position in the registered entity;

5) any administrative sanction referred to in chapter 8 imposed on a private trader or legal person, as well as any requests and prohibitions enforced with a conditional fine referred to in chapter 7, section 7; such information shall be removed from the register after three years from the end of the year in which the sanction was imposed; and

6) the reason for and date of removal from the register.

Obliged entities shall notify the Regional State Administrative Agency without delay of any changes in the information referred to in subsection 1.

Section 5
Reliability

Obliged entities engaging in currency exchange or the activity referred to in chapter 1, section 2, subsection 1, paragraph 21 are not considered reliable if:

1) they have been sentenced by final judgment to imprisonment during the five years preceding the assessment or to a fine during the three years preceding the assessment for an offence which can be considered to demonstrate that the party is evidently unsuitable to pursue a business entered in the money laundering supervision register; or

2) their earlier actions have otherwise demonstrated that they are evidently unsuitable to hold the position referred to in paragraph 1.

In addition to the provisions in subsection 1, obliged entities referred to in the said subsection are not considered reliable if they:

1) in the three years preceding the assessment have repeatedly or to a considerable extent failed to attend to registration, reporting or payment obligations relating to taxes, statutory contributions towards pensions, non-life insurance or unemployment insurance, or fees levied by Customs; or

2) are unable to honour their debts according to enforcement or other information.

When the notice provider is a legal person, the reliability requirement applies to the managing director and his or her deputy, members and deputy members of the board of directors, members and deputy members of a supervisory board or comparable corporate body, active partners and other members of senior management, as well as those who directly or indirectly hold more than 25% of the shares in a limited liability company or the votes conferred by shares or have equivalent ownership interest or control in another corporate entity.

Notwithstanding secrecy provisions, the Regional State Administrative Agency has the right to access such information in the register of fines referred to in section 46 of the Act on the Enforcement of a Fine (672/2002) that is necessary for the establishment of reliability within the meaning of this section or for the removal from the register referred to in section 6.

Notwithstanding secrecy provisions, the Regional State Administrative Agency has the right to obtain, free of charge, from the authorities and from parties performing public duties such information relating to the registration applicant's registering, reporting and payment obligations concerning taxes, statutory contributions towards pensions, non-life insurance or unemployment insurance, or fees levied by Customs, as well as the registration applicant’s activities, finances and

linkages, as is necessary for the establishment of reliability within the meaning of this section, for the removal from the register referred to in section 6 or for preventing money laundering and terrorist financing. (406/2018)

The Regional State Administrative Agency has the right to obtain any necessary information equivalent to that referred to in subsection 5 also on the organisation relating to the applicant referred to in section 2 of the Act on the Grey Economy Information Unit (1207/2010) and the persons referred to in subsection 3.

The information referred to above in this section may be accessed by means of a technical interface or by other electronic means without the consent of the party for the protection of whose interests the secrecy obligation is provided.

Section 6
Removal of information entered in the money laundering supervision register

The Regional State Administrative Agency shall remove an obliged entity from the money laundering supervision register if:

1) the obliged entity no longer satisfies the requirements for registration;

2) the obliged entity has materially violated this Act or the regulations issued by the Regional State Administrative Agency thereunder; or

3) the obliged entity has ceased to operate.

Before making a decision based on subsection 1, paragraph 2, the Regional State Administrative Agency shall reserve for the obliged entity a reasonable period of time for rectifying the violation.

Details of the register entries shall be retained for five years from the end of the year in which the information was removed from the register.

Section 7
Disclosure of information from the money laundering supervision register

Anyone may access the information recorded in the register about a company identified by them by means of a business identity code, business name or auxiliary business name. Aggregated information searches about obliged entities entered in the register may also be conducted on the basis of business pursued.

Notwithstanding the provisions laid down in section 16, subsection 3 of the Act on the Openness of Government Activities (621/1999), the Regional State Administrative Agency may disclose a natural person's name or date of birth as a printout, by means of a technical interface or by other electronic means, and may make these publicly accessible via an electronic information network. Searches for personal information by means of an electronic data network may only be made as individual searches.

The Regional State Administrative Agency may disclose the final four digits of Finnish personal identity codes recorded in its money laundering supervision register when such disclosure satisfies the requirements laid down in section 16, subsection 3 of the Act on the Openness of Government Activities. Disclosure of the final four digits of a Finnish personal identity code recorded in the register is subject to the condition that the party requesting the information provides the Regional State Administrative Agency with details on the proper protection of the information.

Section 8
Use of Population Information System, Trade Register and Business Information System to update information

The Regional State Administrative Agency has the right to update its files using the Population Information System and to verify the correctness of the personal details of persons reported for registration.

The Regional State Administrative Agency has the right to update the information in the money laundering supervision register by using the Trade Register and the Business Information System.

Chapter 6
Information concerning beneficial owners

Section 1 (573/2019)
Scope of application

This chapter lays down provisions concerning the obligation of the corporate entities referred to in section 3, subsection 1 and paragraphs 1 and 4–6 of the Trade Register Act (129/1979), associations entered in the Register of Associations, religious communities entered in the Register of Religious Communities and foundations entered in the Register of Foundations to maintain information concerning their beneficial owners. Beneficial owners shall supply the corporate entities referred to in this chapter with the necessary information to verify the appropriateness and currency of the register data.

However, the provisions of this chapter do not apply to companies traded in the regulated market referred to in the Act on Trading in Financial Instruments.

Section 2
Obligation of corporate entities to maintain information concerning their beneficial owners

The corporate entities referred to in section 3, subsection 1 and paragraphs 1 and 4–6 of the Trade Register Act, associations entered in the Register of Associations, religious communities entered in the Register of Religious Communities and foundations entered in the Register of Foundations shall duly obtain and maintain precise and up-to-date information about their beneficial owners referred to in chapter 1, section 5, subsections 2–4 or in chapter 1, section 7, and shall, upon request, supply this information to the obliged entities referred to in chapter 1, section 2 as they carry out customer due diligence measures. (573/2019)

In addition to the provisions laid down in subsection 1, the corporate entities referred to in section 3, subsection 1 and paragraphs 1 and 4–6 of the Trade Register Act, except for the limited liability housing companies and limited liability joint-stock property companies referred to in the Limited Liability Housing Companies Act, shall on the basis of the information available to them maintain precise and up-to-date information about any other persons who exercise the control referred to in chapter 1, section 5, subsection 1, as well as the basis for and extent of their control or ownership interest.

The members of the board of directors or the active partners of the corporate entities referred to in subsection 1 shall ensure that a list is kept of the corporate entity's beneficial owners. This list shall include the name, date of birth, citizenship and country of residence of the beneficial owners, as well as the basis for and extent of their control or interest. The list shall be prepared without delay after the establishment of the legal person and it shall be maintained in a reliable manner.

Section 3 (573/2019)
Due diligence obligation of trustees of a foreign trust in respect of beneficial owners

The trustee of a foreign express trust referred to in Article 3(7)(d) of the Anti-Money Laundering Directive or similar legal arrangement shall obtain the information required under chapter 1, section 6 of the beneficial owners of the trust and shall supply this information to the Trade Register. The trustee shall provide the information to an obliged entity in the context of customer relationships referred to in chapter 3, section 2, subsection 1 or transactions referred to in subsection 1, paragraphs 1 and 2, or subsection 2.

When the information referred to in chapter 1, section 6 has already been registered in another EEA Member State and the trustee submits documentation to verify the register entry, the information shall not be re-registered in the Trade Register.

When a foreign express trust referred to in Article 3(7)(d) of the Anti-Money Laundering Directive or similar legal arrangement has been established or is located in a non-EEA Member State and the trustee enters into transactions or acquires real estate in the name of the foreign trust, the information provided in chapter 1, section 6 shall be registered in the Trade Register.

Section 4
Registration of a corporate entity's beneficial owners

The provisions on registering the beneficial owners of a company referred to in section 3, subsection 1, paragraphs 1 and 4–6 of the Trade Register Act and the beneficial owners of a foreign trust are laid down in the Trade Register Act.

The provisions on the registration of the members of the board of directors of an association are laid down in the Associations Act.

The provisions on the registration of the members of the board of directors of a religious community are laid down in the Freedom of Religion Act.

The provisions on the registration of the members of the board of directors and supervisory board of a foundation are laid down in the Foundations Act.

Section 5 (573/2019)
Reporting obligation of an obliged entity and the supervisory authority and the bar association

When an obliged entity, the supervisory authority or the bar association observes any deficiency or inconsistency in the registered information on the beneficial owner of a corporate entity referred to in this chapter, a foreign express trust or a similar legal arrangement, they shall without undue delay notify this to the party maintaining the register.

When necessary, the controller of the register shall update the information referred to in subsection 1 without undue delay.

Section 6 (573/2019)
Disclosure of information to another EEA Member State's supervisory authority or other party responsible for supervision

The controllers of the registers referred to above in section 1, subsection 1 of this chapter, the supervisory authorities and the bar association shall disclose to another EEA Member State's supervisory authority or other party responsible for preventing money laundering and terrorist financing, without undue delay and free of charge, the register information on the beneficial owners of a corporate entity and foreign express trust or similar legal arrangement.

Chapter 7
Supervision

Section 1
Supervisory authorities and reports to the Financial Intelligence Unit

Compliance with this Act and the provisions issued under it is supervised by the following authorities:

1) the Financial Supervisory Authority in respect of the obliged entities referred to in chapter 1, section 2, subsection 1, paragraphs 1–8 and 8a;

2) the National Police Board in respect of the gambling operators referred to in chapter 1, section 2, subsection 1, paragraph 9 and 10 and the traders and corporate entities referred to in chapter 1, section 2, subsection 2 supplying registration and charges for participation in gambling provided by the gambling operators referred to in chapter 1, section 2, subsection 1, paragraph 9 and 10;

3) the Finnish Patent and Registration Office in respect of the obliged entities referred to in chapter 1, section 2, subsection 1, paragraph 11;

4) the Regional State Administrative Agency in respect of the obliged entities referred to in chapter 1, section 2, subsection 1, paragraphs 13–26 inasmuch as these are not obliged entities supervised by the Financial Supervisory Authority pursuant to paragraph 1 of this subsection.

(573/2019)

The obliged entities referred to in chapter 1, section 2, subsection 1, paragraph 12 are supervised by the bar association.

The Financial Supervisory Authority additionally supervises compliance with the Funds Transfers Regulation in respect of those obliged entities which come under its supervision inasmuch as they send or receive the transfers of funds referred to in the Regulation.

The supervisory authorities, the Energy Authority, the bar association, the stock exchanges referred to in the Act on Trading in Financial Instruments and the central institutions referred to in the Act on the Amalgamation of Deposit Banks shall report to the Financial Intelligence Unit any suspicious transactions observed by them on the basis of their supervision activities or other facts discovered in connection with the performance of their duties, as well as any suspicion of terrorist financing or a punishable attempt of such an act.

When the principal business activity of an obliged entity is an activity that under subsection 1 is supervised by more than one competent authority, the competent authorities may agree to transfer the supervisory function in its entirety under this Act to one of these competent authorities. Subsequent to the drafting of such agreement, only the supervisory authority to which the function was transferred shall have competence to exercise the supervisory and sanctioning powers provided in this Act. (573/2019)

Section 1a (573/2019)
Annual report of the bar association

The bar association shall prepare an annual report disclosing the following:

1) the proposals for imposing sanctions made by the bar association to the Regional State Administrative Agency pursuant to chapter 8 of this Act;

2) the number of reports received by the bar association pursuant to section 9 of this chapter;

3) the number of supervisory measures and a description of measures implemented in the supervision of the following obligations of an obliged entity:

a) customer due diligence procedure;

b) reporting suspicious transactions;

c) retaining customer information;

d) internal audits.

The annual report shall be prepared by 31 March each year.

Section 1a shall apply as of 1 January 2020.

Section 2

Right to obtain information from obliged entities

In addition to the provisions elsewhere in the law, notwithstanding secrecy obligations, obliged entities shall without undue delay and free of charge supply the supervisory authorities and the bar association with the information and reports requested by them to enable the performance of the duties referred to in this Act or in provisions issued under it.

The traders and corporate entities referred to in chapter 1, section 2, subsection 2 shall supply, free of charge, the National Police Board at its request with the information necessary for the performance of supervision.

Section 3
Right to carry out inspections

Notwithstanding secrecy provisions, the supervisory authorities and the bar association shall have the right, for inspection purposes, to obtain access to the documents and other recordings and information systems pertaining to the activities and administration of obliged entities in locations other than premises used for permanent residential purposes to the extent necessary to perform the supervisory duties under this Act or provisions issued under it. The supervisory authorities and the bar association shall have the right to obtain, free of charge, from obliged entities any necessary copies of the documents and other recordings referred to in this section.

The National Police Board shall have the right to carry out inspections necessary for supervisory purposes also on the premises of the traders and corporate entities referred to in chapter 1, section 2, subsection 2.

Supervisory authorities other than the Finnish Patent and Registration Office shall have the right to carry out inspections for the purpose of supervising compliance with this Act and the provisions issued under it also on premises used for permanent residential purposes, except in respect of the obliged entities referred to in chapter 1, section 2, subsection 2, when there is justified cause to suspect that the obliged entity has, wilfully or negligently, seriously, repeatedly or systematically neglected or violated this Act in the manner referred to in chapter 8, section 3, subsection 1 or 2 and inspection is necessary in order to establish the facts under scrutiny.

The provisions of section 39 of the Administrative Procedure Act (434/2003) shall be complied with in the performance of inspections.

Provisions on the obligation of the police to provide executive assistance are laid down in chapter 9, section 1 of the Police Act (872/2011).

Section 4
Restriction of an obliged entity's authorised business and withdrawal of authorisation

Separate provisions are laid down on restricting the authorised business of obliged entities and on withdrawing authorisation.

Section 5
Temporary restriction of activities of an obliged entity's management

The supervisory authorities may prohibit a person from acting as a member or deputy member of the board of directors of an obliged entity or as the managing director, deputy to the managing director or other member of senior management in an obliged entity for a period not exceeding five years if:

1) the person has demonstrated obvious incompetence or carelessness in the performance of duties and it is apparent that this may seriously jeopardise the achievement of the objectives provided in this Act; or

2) the person does not satisfy the professional competence and reliability requirements separately provided by law.

A further condition to imposing a ban is that the person referred to in subsection 1 has previously been issued a rectification order, caution or warning which has not resulted in a remedy of the serious and material deficiencies in the activities.

The right of the Financial Supervisory Authority to impose restrictions on the management of corporate entities under its supervision is provided in section 28 of the Act on the Financial Supervisory Authority.

Section 6
Prohibition of execution and rectification order

The supervisory authorities may prohibit the execution of a decision taken by an obliged entity or a measure envisioned by it or order an obliged entity to cease the action being applied by it in its activities if such decision, measure or action conflicts with this Act or the provisions issued under it, the terms of the authorisation or the rules applying to the activities of the obliged entity which are binding thereon. The competent supervisory authority shall reserve a reasonable period of time for the obliged entity to remedy its action.

If an obliged entity has executed a decision referred to in subsection 1 or carried out such other measure referred to in subsection 1, the competent supervisory authority may order the obliged entity to take the necessary steps, within a reasonable period of time, to revoke the execution of the decision, to rescind the measure or to make rectification.

Section 7
Conditional fine

If an obliged entity fails to comply in its activities with this Act, the provisions issued under it, the prohibition of execution or rectification order referred to in section 6, the terms of its authorisation or the rules applicable to its activities, the supervisory authority may order the obliged entity to fulfil its obligations by imposing a conditional fine, where the failure to comply is not minor.

A conditional fine may also be imposed on the traders and corporate entities referred to in chapter 1, section 2, subsection 2 to which chapters 3 and 4 of this Act apply.

A conditional fine may not be imposed on a natural person to reinforce the obligation to provide information laid down in this Act when there is cause to suspect the person of a criminal offence and the information is relevant to the matter concerned in the suspected offence.

In other respects, the provisions on imposing and ordering the payment of conditional fines are laid down in the Act on Conditional Fines (1113/1990).

However, the Act on the Financial Supervisory Authority applies to any conditional fine imposed by the Financial Supervisory Authority.

Section 8
Whistleblowing procedures within obliged entities

Obliged entities shall have in place procedures allowing its employees or agents to report any suspected violations of this Act and the provisions issued under it by means of an independent channel within the obliged entity (whistleblowing procedures). However, obliged entities need not have in place the procedures referred to above when the supervisory authority or the bar association on the basis of the obliged entity's risk assessment referred to in chapter 2, section 3 decides the reporting channel of the supervisory authority and the bar association to be sufficient in light of the obliged entity's size and activities and the risks of money laundering and terrorist financing associated with it. The personal details of whistleblowers and the subjects of whistleblowing reports shall be confidential unless otherwise provided by law.

The necessary information pertaining to the report referred to in subsection 1 shall be retained by the obliged entity. The information shall be removed after five years have elapsed from the submission of the report unless retaining the information further is necessary because of a criminal investigation, pending court proceedings, an official investigation, or in order to protect the rights of the whistleblower and the subject of the report. The need for continued retention of the information shall be reviewed no later than three years after the previous occasion on which it was reviewed. An entry shall be made of the review.

A data subject who is the subject of a report shall not have the right to access the information referred to in subsections 1 and 2 if such access might frustrate efforts to investigate the criminal offences or abuses. At the data subject's request, the Data Protection Ombudsman may examine the lawfulness of the information referred to in subsections 1 and 2 pertaining to the data subject.

Obliged entities shall take appropriate and adequate steps to protect whistleblowers.

Section 9
System for receipt of reports on suspected violations

The supervisory authorities and the bar association shall maintain a system enabling them to receive reports of suspected violations of the provisions of this Act.

The supervisory authorities and the bar association shall retain the necessary information concerning the reports referred to in subsection 1 for a period of five years. The information shall be removed after five years have elapsed from the submission of the report unless retaining the information further is necessary because of a criminal investigation, pending court proceedings, an official investigation, or in order to protect the rights of the person submitting the report and the subject of the report. The need for continued retention of the information shall be reviewed no later than three years after the previous occasion on which it was reviewed. An entry shall be made of the review.

A data subject who is the subject of a report shall not have the right to access the information referred to in subsections 1 and 2 if such access might frustrate efforts to investigate the criminal offences or abuses. At the data subject's request, the Data Protection Ombudsman may examine the lawfulness of the information referred to in subsections 1 and 2 pertaining to the data subject.

The provisions on the duty of the Financial Supervisory Authority to maintain a system for receiving reports of suspected abuse of financial market provisions are laid down in section 71a of the Act on the Financial Supervisory Authority.

Chapter 8
Administrative sanctions

Section 1
Administrative fine

The supervisory authorities may impose an administrative fine on the obliged entities supervised by them under chapter 7, section 1, subsection 1, except for the traders and corporate entities referred to in chapter 1, section 2, subsection 2, which wilfully or negligently:

1) fail to comply with or violate the customer due diligence obligation or the obligation to specify and assess the risks of money laundering and terrorist financing referred to in chapter 3, section 1;

1a) fail to comply with or violate the obligation referred to in chapter 2, section 3 to prepare and update a risk assessment; (573/2019)

2) fail to comply with or violate the customer identification and customer identity verification obligation referred to in chapter 3, section 2;

3) fail to comply with or violate the obligation referred to in chapter 3, section 3 to retain customer due diligence data;

4) fail to comply with or violate the obligation referred to in chapter 3, section 4 to obtain information about the customer, engage in ongoing monitoring of the customer relationship and obtain information about the customer's unusual transactions;

5) fail to comply with or violate the obligation referred to in chapter 3, section 6 to identify beneficial owners;

6) fail to comply with or violate the obligation referred to in chapter 3, section 10 to apply enhanced customer due diligence procedure;

7) fail to comply with or violate the customer identification obligation referred to in chapter 3, section 11 when the customer is not present for the identification and identity verification;

8) fail to comply with or violate the obligation referred to in chapter 3, section 12 to obtain sufficient information about a respondent credit institution or financial institution;

9) fail to comply with or violate the obligation referred to in chapter 3, section 13 to prepare and comply with risk-based procedures to assess whether the customer is a politically exposed person, a family member of a politically exposed person or a person known to be an associate of a politically exposed person;

9a) fail to comply with or violate the obligation referred to in chapter 3, section 13a to apply enhanced customer due diligence procedure; (573/2019)

9b) fail to comply with or violate the obligation referred to in chapter 3, section 14 to appoint a central contact point, to supply documents and information to the Financial Supervisory Authority or the Financial Intelligence Unit, or to perform the functions required of the central contact point under this Act or the Commission Delegated Regulation; (573/2019)

10) fail to comply with or violate the obligation referred to in chapter 4, section 1 to report a suspicious transaction to the Financial Intelligence Unit;

11) fail to comply with or violate the obligation referred to in chapter 5, section 3 to apply for registration in the money laundering supervision register;

12) fail to comply with or violate the obligation referred to in chapter 7, section 8, subsection 1 to put in place whistleblowing procedures;

13) fail to comply with or violate the obligation referred to in chapter 9, section 1 to provide training or protection to employees or to prepare guidelines.

The Financial Supervisory Authority may also impose an administrative fine on a party which, wilfully or through negligence:

1) omits the required information about the payer or payee, in violation of Articles 4–6 of the Funds Transfers Regulation;

2) fails to comply with its obligation to ensure the retention of records, in violation of Article 16 of the Regulation specified in paragraph 1;

3) fails to introduce effective risk-based procedures in violation of Articles 8 or 12 of the Regulation specified in paragraph 1;

4) fails to comply with the obligation provided in Article 11 of the Regulation specified in paragraph 1 to build procedures for detecting missing information pertaining to payer or payee or the obligation provided in Article 12 of the same Regulation to establish risk-based procedures for determining whether to execute, reject or suspend transfers of funds lacking the required information.

(406/2018)

The amount of the administrative fine is based on a comprehensive assessment. In assessing the amount of the administrative fine, consideration shall be given to the nature, scope and duration of the action. The administrative fine imposed on a legal person shall be at least EUR 5,000 and no more than EUR 100,000. The administrative fine imposed on a natural person shall be at least EUR 500 and no more than EUR 10,000.

The administrative fine is made payable to the State.

The administrative fine may be imposed provided that the matter does not warrant more severe action when assessed as a whole.

The bar association will submit to the Regional State Administrative Agency a proposal on imposing an administrative fine on the attorney-at-law or his or her assistant referred to in chapter 1, section 2, subsection 1, paragraph 12.

In the Finnish Patent and Registration Office, the administrative fine referred to in this section is imposed by the Audit Committee.

Section 2
Public warning

The supervisory authorities may issue a public warning to the obliged entities supervised by them under chapter 7, section 1, subsection 1 which wilfully or negligently violate the provisions of this Act and the provisions issued under it or the provisions of the Funds Transfers Regulation other than those referred to in this chapter, section 1, subsection 1 or 2, or section 3, subsection 1 or 2.

A public warning may be issued provided that the matter does not warrant more severe action when assessed as a whole.

The bar association will submit to the Regional State Administrative Agency a proposal on issuing a public warning to the attorney-at-law or his or her assistant referred to in chapter 1, section 2, subsection 1, paragraph 12.

In the Finnish Patent and Registration Office, the public warning referred to in this section is issued by the Audit Committee.

Section 3
Penalty payment

The supervisory authorities may impose a penalty payment on obliged entities supervised by them under chapter 7, section 1, subsection 1, except for the traders and corporate entities referred to in chapter 1, section 2, subsection 2, which, wilfully or negligently, seriously, repeatedly or systematically:

1) fail to comply with or violate the customer due diligence obligation or the obligation to specify and assess the risks of money laundering and terrorist financing referred to in chapter 3, section 1;

1a) fail to comply with or violate the obligation referred to in chapter 2, section 3 to prepare and update a risk assessment; (573/2019)

2) fail to comply with or violate the customer identification and customer identity verification obligation referred to in chapter 3, section 2;

3) fail to comply with or violate the obligation to retain customer due diligence data referred to in chapter 3, section 3;

4) fail to comply with or violate the obligation referred to in chapter 3, section 4 to obtain information about the customer, engage in ongoing monitoring of the customer relationship and obtain information about the customer's unusual transactions;

5) fail to comply with or violate the obligation referred to in chapter 3, section 6 to identify beneficial owners;

6) fail to comply with or violate the obligation referred to in chapter 3, section 10 to apply enhanced customer due diligence procedure;

7) fail to comply with or violate the customer identification obligation referred to in chapter 3, section 11 when the customer is not present for the identification and identity verification;

8) fail to comply with or violate the obligation referred to in chapter 3, section 12 to obtain sufficient information about a respondent credit institution or financial institution;

9) fail to comply with or violate the obligation referred to in chapter 3, section 13 to prepare and comply with risk-based procedures to assess whether the customer is a politically exposed person, a family member of a politically exposed person, or a person known to be an associate of a politically exposed person;

9a) fail to comply with or violate the obligation referred to in chapter 3, section 13a to apply enhanced customer due diligence procedure; (573/2019)

9b) fail to comply with or violate the obligation referred to in chapter 3, section 14 to appoint a central contact point, to supply documents and information to the Financial Supervisory Authority or the Financial Intelligence Unit, or to perform the functions required of the central contact point under this Act or the Commission Delegated Regulation; (573/2019)

10) fail to comply with or violate the obligation referred to in chapter 4, section 1 to report a suspicious transaction to the Financial Intelligence Unit;

11) fail to comply with or violate the obligation referred to in chapter 7, section 8, subsection 1 to put in place whistleblowing procedures;

12) fail to comply with or violate the obligation referred to in chapter 9, section 1 to provide training or protection to employees or to prepare guidelines.

The Financial Supervisory Authority may also impose a penalty payment on a party which wilfully or negligently:

1) seriously, repeatedly or systematically omits the required information about payer or payee in violation of Articles 4, 5 or 6 the Funds Transfers Regulation;

2) repeatedly, systematically or seriously fails to comply with its obligation to ensure record retention in violation of Article 16 of the said Regulation;

3) seriously, repeatedly or systematically fails to adopt the risk-based procedures required under Article 8 or 12 of the Regulation referred to in paragraph 1; or (406/2018)

4) seriously, repeatedly or systematically fails to comply with the obligation provided in Article 11 to build procedures for detecting missing information pertaining to payer or payee, or the obligation provided in Article 12 to establish risk-based procedures for determining whether to execute, reject or suspend transfers of funds lacking the required information.

The supervisory authority cannot impose a penalty payment on a natural person for an act or failure to act which is punishable under law. However, the supervisory authority may impose a penalty payment and decide not to report the matter to the criminal investigation authorities, taking into account in a comprehensive assessment of the detrimental effect of the act or failure to act, the guilt of the person concerned, the resulting gain and any other aspects of the act or failure to act.

The bar association will submit to the Regional State Administrative Agency a proposal on imposing a penalty payment on the attorney-at-law or his or her assistant referred to in chapter 1, section 2, subsection 1, paragraph 12.

In addition to or instead of a penalty payment imposed on a legal person, a penalty payment may be imposed on a member of the management of the legal person in breach of whose obligations the act or failure to act provided in this section above is. The penalty payment imposed on the said person is conditional upon the person having significantly contributed to the act or failure to act.

In the Finnish Patent and Registration Office, the penalty payment referred to in this section is imposed by the Audit Committee.

Section 4

Amount of penalty payment imposed on a credit institution or financial institution

The amount of the penalty payment imposed by the Financial Supervisory Authority on a credit institution or financial institution is based on a comprehensive assessment. In assessing the amount of the penalty payment, consideration shall be given to the nature, extent and duration of the action and the financial position of the person concerned. In addition, the assessment shall give consideration to the gain or damage resulting from the action, insofar as it can be determined, the cooperation of the person concerned with the Financial Supervisory Authority to resolve the situation, previous violations and failures to act related to financial market provisions, and the potential implications of the action for financial stability. The comprehensive assessment shall furthermore give consideration to any violations and failures to act related to regulations issued by the Financial Supervisory Authority under chapter 9, section 6 of this Act.

The penalty payment imposed by the Financial Supervisory Authority may amount to no more than 10% of the turnover of the credit institution or financial institution for the year preceding the act or failure to act, or to EUR 5 million, whichever is the higher. When the credit institution or financial institution is part of a group, turnover refers to the turnover shown in the consolidated financial statements of the group's highest parent company. If the financial statements have not been completed by the date on which the penalty payment is imposed, the penalty payment shall be based on the turnover shown in the financial statements for the previous year. If the credit institution or financial institution has only recently taken up business and no financial statements are available, the turnover shall be assessed on the basis of other available information.

The penalty payment imposed by the Financial Supervisory Authority on a natural person may amount to no more than EUR 5 million.

Notwithstanding the provisions above in this section, the penalty payment nonetheless may amount to no more than twice the gain resulting from the act or failure to act, insofar as it can be determined.

In this section above, *turnover* means:

1) in respect of credit institutions, investment firms and other companies in their consolidation group, the sum total of income calculated in accordance with Article 316 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;

2) in respect of insurance companies, local mutual insurance associations, pension institutions or the special purpose vehicles referred to in chapter 2, section 18b of the Insurance Companies Act, total premiums written;

3) in respect of companies other than those referred to in paragraphs 1 and 2, the turnover referred to in chapter 4, section 1 or the Accounting Act (1336/1997), or equivalent turnover.

The penalty payment is made payable to the State.

The provisions of this section above concerning the amount of the penalty payment imposed on a credit institution or financial institution also apply to the penalty payment imposed by the Regional State Administrative Agency on a financial services provider, with the exception of the fourth sentence in subsection 1.

Section 5
Amount of penalty payment imposed on others than credit institutions or financial institutions

The amount of the penalty payment imposed on obliged entities other than those referred to in section 4 is based on a comprehensive assessment. In assessing the amount of the penalty payment, consideration shall be given to the nature, extent and duration of the action and the financial position of the person concerned. In addition, the assessment shall give consideration to the gain or damage resulting from the action, insofar as it can be determined, the cooperation of the person concerned with the competent supervisory authority to resolve the situation, and previous violations and failures to act related to the provisions of this Act and provisions issued under it. In assessing the size of the penalty payment imposed by the Financial Supervisory Authority, the comprehensive assessment shall furthermore give consideration to any violations and failures to act related to regulations issued by the Financial Supervisory Authority under chapter 9, section 6 of this Act.

The penalty payment imposed by the supervisory authority on a legal person or natural person may amount to no more than twice the gain resulting from the act or failure to act, insofar as this can be determined, or EUR 1 million, whichever is the higher.

The penalty payment is made payable to the State.

Section 6
Decision not to impose an administrative sanction

The supervisory authorities may decide not to impose an administrative fine or issue a public warning if:

1) the obliged entity referred to in section 1 or 2 has independently initiated adequate corrective measures immediately upon detection of the violation and without delay notified the competent supervisory authority of the violation;

2) the violation can be considered minor; or

3) the imposition of an administrative fine or the issue of a public warning must in other respects be held to be manifestly unreasonable.

An administrative fine or a penalty payment may not be imposed on anyone that is under suspicion for the same act in a criminal case under criminal investigation, consideration for charges or pending before the court. Similarly, an administrative fine or a penalty payment may not be imposed on anyone that has been rendered a final judgment for the same act.

The supervisory authorities may decide not to impose a penalty payment or may postpone imposition of the penalty payment on a legal person or natural person if the supervisory authority undertakes other supervisory action provided by law.

Section 7
Statute of limitations concerning the right to impose administrative sanctions

The supervisory authorities may not impose an administrative fine or issue a public warning and the Regional State Administrative Agency may not in consequence of a proposal submitted by the bar association impose an administrative fine or issue a public warning if the decision thereon is not taken within five years of the day on which the violation or failure to act occurred or, in respect of a continued violation or failure to act, within five years of the day on which the violation or failure to act terminated.

The supervisory authorities may not impose a penalty payment and the Regional State Administrative Agency may not in consequence of a proposal submitted by the bar association impose a penalty payment if the decision thereon is not taken within ten years of the day on which the violation or failure to act occurred or, in respect of a continued violation or failure to act, within five years of the day on which the violation or failure to act terminated.

Section 8
Disclosure of administrative sanctions and other decisions

The supervisory authorities shall disclose administrative fines, public warnings and penalty payments immediately upon notification of these to the person concerned. The disclosure shall indicate whether the decision on the issuance of the sanction is final and also indicate the nature and type of the violation and the identity of the party responsible for it. If the appellate authority revokes the decision in part or in full, the supervisory authority shall disclose the decision of the appellate authority in the same manner as for the issuance of the sanction. The information on the sanction shall be kept available on the website of the supervisory authority for a period of five years.

If the disclosure of the name of the natural or legal person sanctioned would be unreasonable or if disclosure of the sanction would jeopardise financial stability or an ongoing official investigation, the supervisory authority may:

1) postpone disclosure of the sanction until the grounds for its non-disclosure no longer exist;

2) disclose the sanction without the name of the person sanctioned;

3) decide not to disclose the sanction, if the measures referred to in paragraphs 1 and 2 are not sufficient to ensure that financial stability will not be jeopardised.

If the supervisory authority discloses a sanction without the name of the person sanctioned, it may on the same occasion decide to disclose the name at a later date within a reasonable period of time if the grounds for non-disclosure cease to exist within that period of time.

The above provisions concerning the disclosure of administrative fines, public warnings and penalty payments apply correspondingly to the disclosure of the decisions referred to in chapter 7, sections 4–7. However, a decision may be taken not to disclose if disclosure would not be reasonable owing to the negligible nature of the measure which the decision concerns.

The Regional State Administrative Agency shall also disclose the administrative fines, public warnings and penalty payments imposed or issued by it on the proposal of the bar association. The information disclosed may contain no details about the clients of an attorney-at-law or any other information that de facto reveals the identity of clients.

Section 9
Enforcement of administrative fines and penalty payments

Enforcement of administrative fines and penalty payments is the responsibility of the Legal Register Centre.

Administrative fines and penalty payments imposed pursuant to this Act shall be enforced in the manner laid down in the Act on the Enforcement of a Fine.

Section 10
The bar association's proposal to the Regional State Administrative Agency for imposition of an administrative sanction

Matters concerning the administrative fine and penalty payment imposed on and public warning issued to the attorney-at-law and his or her assistant referred to in chapter 1, section 2, subsection 1, paragraph 12 are instigated in the Regional State Administrative Agency on the

proposal of the bar association. The bar association shall cooperate with the Regional State Administrative Agency during the investigation preceding the submission of the proposal.

The proposal of the bar association for imposing an administrative fine or penalty payment or issuing a public warning shall be made in writing. The proposal shall mention:

1) the name, domicile and address of the party concerned;

2) the request and the grounds; and

3) the facts and documents invoked by the bar association.

At its request and notwithstanding secrecy obligations, the bar association shall supply the Regional State Administrative Agency with the further information necessary to decide the matter.

In processing information to which the non-disclosure obligation provided in the Act on Attorneys-at-Law applies, the Regional State Administrative Agency shall comply with the secrecy obligation under section 22 of the Act on the Openness of Government Activities.

Section 11
Notification of sanctions imposed on credit institutions and financial institutions to the European supervisory authorities

The Financial Supervisory Authority shall deliver to the appropriate European supervisory authority:

1) information about a sanction referred to in this chapter imposed on a credit institution or financial institution and disclosed, at the same time as the sanction is disclosed, and information on any appeal and its outcome;

2) annual summaries of all sanctions provided in this chapter imposed on credit institutions or financial institutions.

The provisions of subsection 1 concerning sanctions shall also apply to the decisions referred to in chapter 7, sections 4–7.

The Regional State Administrative Agency shall deliver to the Financial Supervisory Authority the information referred to in subsections 1 and 2 concerning financial service providers. The Financial Supervisory Authority shall forward the information to the European supervisory authority.

Chapter 9
Miscellaneous provisions

Section 1
Training and protection of employees, and employee guidelines

Obliged entities shall ensure that their employees are provided with training to ensure compliance with this Act and the provisions issued under it. Obliged entities shall designate a person from their management to be responsible for supervising compliance with this Act and the provisions issued under it. Obliged entities shall also designate a person to be responsible for internal supervision of compliance with this Act and the provisions issued under it, providing this is justified with regard to the size and nature of the obliged entity. When the obliged entity is a part of a group or other financial consortium, it shall furthermore comply with the internal policies and guidelines of the group or other financial consortium issued to ensure compliance with this Act and the provisions issued under it. These internal policies of the group or other financial consortium shall cover at least the following:

1) practices and procedures for exchange of information concerning customer due diligence and management of the risks of money laundering and terrorist financing within a group;

2) group-level orders for supervision of compliance with the regulations on intra-group exchange of information on customers, accounts and transactions, for inspection and for prevention of money laundering and terrorist financing, including information about, and an assessment of, unusual transactions or other actions;

3) sufficient measures to ensure the use and secrecy of information, including measures to safeguard the secrecy obligation referred to in chapter 4, section 4.

(406/2018)

Obliged entities shall take steps to protect employees who submit a report referred to in chapter 4, section 1.

In addition, obliged entities shall have in place guidelines suited to their particular activities regarding customer due diligence procedures and obtaining customer information, ongoing monitoring and the obligation to obtain information as well as compliance with the reporting obligation relating to the prevention of money laundering and terrorist financing.

Section 2 (376/2021)
Obliged entities' branches and other companies

Obliged entities shall comply with the customer due diligence obligations laid down in this Act at their branches located in EEA Member States and in non-EEA Member States.

Obliged entities shall ensure that the obligations laid down in this Act are also complied with in subsidiaries located in EEA Member States and non-EEA Member States in which the obliged entity holds more than 50% of the votes conferred by the shares or units.

An obliged entity that has places of business in other Member States must ensure that these places of business comply with the national provisions on transposing the Anti-Money Laundering Directive into the national law of the other Member State concerned.

When the legislation of the relevant State does not permit compliance with the customer due diligence procedures laid down in this Act, the obliged entity shall notify the supervisory authority and the bar association of this. Obliged entities shall also ensure that their branches and majority-owned subsidiaries comply with the minimum and additional measures for reducing and effectively managing the risks of money laundering and terrorist financing in the relevant State under Commission Delegated Regulation (EU) 2019/758 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council with regard to regulatory technical standards for the

minimum action and the type of additional measures credit and financial institutions must take to mitigate money laundering and terrorist financing risk in certain third countries.

Section 3 (573/2019)
National and international cooperation and information-sharing between the supervisory authorities and the bar association

The supervisory authorities and the bar association shall cooperate with each other to prevent and detect money laundering and terrorist financing.

Notwithstanding provisions laid down elsewhere in the law regarding non-disclosure of information, the supervisory authorities and the bar association shall, without delay, share with each other any information held by them about matters necessary to prevent and detect money laundering and terrorist financing.

The supervisory authorities and the bar association shall cooperate with other EEA Member States' and non-EEA Member States' supervisory authorities and other parties performing supervision functions equivalent with this Act in the prevention of money laundering and terrorist financing. The provisions laid down elsewhere on the confidentiality of information notwithstanding, the supervisory authorities and the bar association shall, without delay, provide to a foreign supervisory authority and other party performing supervision functions equivalent with this Act in the prevention of money laundering and terrorist financing any information held by them about matters that are essential to prevent and detect money laundering and terrorist financing. (573/2019)

The supervisory authority and bar association may refuse to engage in supervision cooperation with the supervisory authorities and other parties of other EEA Member States only if:

1) such cooperation would jeopardise Finland's autonomy, security or public order;

2) the request for cooperation concerns a person against whom legal or administrative proceedings in the matter referred to in the request are pending in Finland;

3) a final decision concerning the person and act which the request for cooperation concerns has been issued in Finland;

4) compliance with the request would in all likelihood impede its own investigation or supervision of enforcement; or

5) the information at issue is protected by legal privilege.

(573/2019)

The supervisory authority and the bar association shall notify of their refusal and the grounds therefor to the requesting authority or other party performing supervision functions equivalent to this Act in the prevention of money laundering and terrorist financing. (573/2019)

The Financial Supervisory Authority and the Regional State Administrative Agency may use confidential information concerning a credit institution or financial institution or a financial service provider that has been received pursuant to this Act only:

1) under the supervision of the credit institution or financial institution or financial service provider;

2) in legal or administrative proceedings in which amendment or revision of a decision issued by the Financial Supervisory Authority or the Regional State Administrative Agency is sought;

3) in legal proceedings pending under legislation concerning the credit institution or financial institution or the financial services provider.

(573/2019)

The supervisory authority and the bar association shall have the right to disclose information to foreign States' supervisory authorities and other parties performing supervisory functions equivalent to this Act in the prevention of money laundering and terrorist financing only when these are subject to an equivalent secrecy obligation in respect of the said information as the supervisory authority and the bar association. (573/2019)

The supervisory authority or the bar association may not disclose to a third party confidential information that has been obtained from another State's supervisory authority or other party performing supervisory functions equivalent to this Act in the prevention of money laundering and terrorist financing or in an audit performed in another State unless explicit consent thereto is given by the disclosing supervisory authority or other party or by another appropriate supervisory authority or other party of the State in which the audit was performed. Such information may only be used for the performance of functions under this Act or for the purposes for which the consent was given. (573/2019)

The provisions laid down above in this section shall also apply to supervisory cooperation by the supervisory authorities that supervise credit institutions and financial institutions and financial service providers with other EEA Member States' and non-EEA Member States' supervisory authorities and other parties performing prudential supervision of credit institutions and financial institutions and financial service providers, including the European Central Bank when it performs the functions referred to in Commission Regulation (EU) N:o 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions. (573/2019)

Section 4
Appeal

Appeals against the decisions made by the supervisory authorities under this Act may be lodged with the administrative court. Provisions on requesting a review by an administrative court are laid down in the Administrative Judicial Procedure Act (808/2019). (31/2020)

In considering an appeal, the administrative court shall reserve for the bar association an opportunity to be heard on the appeal and, when necessary, to present evidence and provide other information if the matter concerns an obliged entity supervised by the bar association under chapter 7, section 1, subsection 2. (31/2020)

Decisions of the supervisory authority shall be complied with regardless of appeal unless otherwise ordered by the reviewing authority or otherwise provided elsewhere by law.

Decisions of the Financial Supervisory Authority may be appealed against as provided in section 73 of the Act on the Financial Supervisory Authority. (1089/2017)

Section 5
General duty of certain authorities to exercise care

Customs, border guard, tax and enforcement authorities and the Bankruptcy Ombudsman shall ensure that in their work they pay attention to the prevention and detection of 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.

Separate provisions are issued on the duties of the customs and border guard authorities as criminal investigation authorities.

Section 6
Power to issue regulations

The supervisory authorities may issue further provisions on the risk factors referred to in chapter 3, section 1, subsection 2 which obliged entities shall take into account, the simplified procedure referred to in chapter 3, section 8 related to lesser than ordinary risk of money laundering and terrorist financing, and the enhanced procedure referred to in chapter 3, section 10 related to higher than ordinary risk of money laundering and terrorist financing.

The Financial Supervisory Authority and the Regional State Administrative Agency may issue regulations concerning the regular submission to it, and manner of submission, of information concerning the internal supervision of the prevention of money laundering and terrorist financing and the risk management carried out by an obliged entity under its supervision. (406/2018)

Section 7
Entry into force

This Act enters into force on 3 July 2017.

However, chapter 5 of the Act enters into force on 1 July 2019.

However, sections 2 and 3 of chapter 6 of the Act enter into force on 1 January 2019.

This Act repeals the Act on Detecting and Preventing Money Laundering and Terrorist Financing (503/2008).

Section 8
Transitional provisions

The obliged entity's risk assessment referred to in chapter 2, section 3 shall be completed by 31 December 2017.

The risk-based procedure referred to in chapter 3, section 13 shall be completed by 31 December 2017.

Anyone entered in the company service register or the currency exchange register shall submit their applications for entry in the money laundering supervision register referred to in chapter 5, section 3 within six months of the entry into force of this Act. The Regional State Administrative Agency shall maintain the company service register and the currency exchange register until 30 June 2019, observing the provisions that were in effect when this Act entered into force. (406/2018)

The provisions of chapter 3, section 2, subsection 2 concerning customer identification and identity verification in gambling activities in connection with remittances in linked operations shall apply to online gambling referred to in section 14, subsection 1 of the Lotteries Act effective 1 January 2018.

The criminal liability provisions of the Act on Detecting and Preventing Money Laundering and Terrorist Financing, which is repealed by this Act, in force at the time of this Act's entry into force shall apply to acts and failures to act taking place prior to this Act's entry into force. When application of the new Act would result in a more lenient outcome, regard to this shall be had in determining punishment.