

Translation from the Finnish
Unofficial translation, legally binding only in Finnish and Swedish.

Act on the State's right of pre-emption in certain areas

By decision of Parliament, the following is enacted:

Section 1

State's right of pre-emption

The State enjoys the right of pre-emption in a real estate transaction if the acquisition of the real estate concerned is necessary in order to ensure national defence, border control or border security or monitor and safeguard territorial integrity.

The provisions of this Act regarding a piece of real estate shall also apply to a share of real estate and to a parcel of real estate. A transaction concerning real estate shall be considered to be an assignment against payment in which the value of the payment does not consist mainly of real property. The right of pre-emption shall apply to all the real and movable property sold under the same deed of assignment.

Section 2

Territorial scope of the right of pre-emption

The State enjoys the right of pre-emption in respect of properties located, in full or in part:

- 1) in areas allocated to the Defence Forces or Border Guard in the regional plan, master plan or town plan or located at a maximum distance of 500 metres from the same;
- 2) at a maximum distance of 1000 metres from communication centres, radar stations, airstrips or ports or other less significant sites used by the Defence Forces or Border Guard for waterborne or air transport purposes under normal, disruptive or emergency conditions;
- 3) at a maximum distance of 500 metres from sites other than those referred to in subsections 1 and 2 and used by the Defence Forces and Border Guard when the safeguarding of the activities carried out at such sites calls for an exclusion zone.

More detailed provisions on the scope of the State's right of pre-emption may be issued by government decree.

This Act shall not apply in the territory of the Province of Åland.

Section 3

Limitations of the right of pre-emption

No right of pre-emption within the meaning of this Act applies if:

- 1) the buyer is the married or unmarried spouse or registered partner of the seller or person that could inherit the seller under chapter 2 of the Code of Inheritance (40/1965), or the married or unmarried spouse or registered partner of such a person;

2) the buyer is a municipality or congregation;

3) the exercise of the right of pre-emption would be manifestly unreasonable considering the relationship between the buyer and seller, the terms of the transfer or other circumstances.

Section 4

Ex-ante decision on the exercise of the right of pre-emption

Before the completion of the transfer, the owner of the real estate may request an ex-ante decision from the Ministry of Defence as to whether the State intends to exercise its right of pre-emption. The application shall provide details of the site being transferred and the terms of the transaction, the personal details of the prospective buyer and other information necessary for the assessment whether the right of pre-emption should be exercised or not.

The Ministry of Defence may announce that the State will not exercise its right of pre-emption if the piece of real estate is transferred in accordance with the details provided in the application for the ex-ante decision. The ex-ante decision shall be binding on the State for a specific period of time but not beyond two years from the date of service of the ex-ante decision.

Section 5

Decision on the exercise of the right of pre-emption

The decision on the exercise of the right of pre-emption shall be made by the Ministry of Finance on a proposal of the ministry responsible for the duties related to the piece of real estate subject to the right of pre-emption.

The Ministry of Finance shall promptly serve the decision on the buyer and seller by way of verifiable service as provided in the Administrative Procedure Act (434/2003) as well as inform the National Land Survey of Finland of the same.

The decision on the exercise of the right of pre-emption must be made and communicated to the National Land Survey of Finland within three months of the confirmation of the transfer or the date of entry of the transaction in the electronic trading system referred to in chapter 9a of the Code of Real Estate (540/1995).

Section 6

Re-transfer of real estate

Any forwarding of the piece of real estate taking place before the expiry of the time limit specified in section 5 or before the decision on the exercise of the right of pre-emption gains legal force, shall not prevent the State from exercising its right of pre-emption.

Section 7

Buyer's obligations

The Buyer shall be responsible for carrying out his or her transaction-related obligations in respect of the seller until the pre-emption is completed.

Once the decision on the exercise of the right of pre-emption has gained legal force, the buyer shall without delay forward to the State the deed of conveyance and all such documents in his or her possession related to the piece of real estate that are of significance to the State in its capacity as the owner of real estate.

Section 8

Legal implications of a legally enforceable pre-emption purchase and the State's performance obligation in respect of the seller

Once the decision on the exercise of the right of pre-emption has gained legal force, the State is deemed to have replaced the buyer on the closure of the transaction at the previously agreed-upon terms. The seller may not invoke any term of sale that was not communicated to the State and that the State was otherwise unaware of at time when making the decision on the exercise of the right of pre-emption. The State's position *vis-a-vis* any third parties is similar to that of the buyer.

If the buyer has performed any obligations related to the transaction before the completion of the pre-emption purchase, such performances shall inure to the benefit of the State.

If the transaction includes any condition that the State cannot, because of its nature, reasonably fulfil, such an obligation shall be converted into monetary compensation corresponding to its full value.

Section 9

Entries into the title and mortgage register

The National Land Survey of Finland is required to make the necessary entries in the title and mortgage register based on the communication referred to in section 5. The entries shall be deleted once the pre-emption purchase has been completed.

Section 10

Buyer's right to compensation for payments and costs

Once the pre-emption purchase has been completed, the State shall without delay reimburse the buyer for the payments referred to in section 8 made by the same except for any payments due to any failure to comply. Additionally, the State is required to reimburse the buyer for financing costs and other necessary expenses arising out of the transaction as well as necessary expenses due to the management, upkeep and maintenance of the piece of real estate. An interest pursuant to section 3(2) of the Interest Act (633/1982) shall be paid to the buyer on such reimbursed cost items as of the date of each such payment by the buyer.

Any proceeds and other financial benefits earned by the buyer on the piece of real estate shall be deducted from the compensation referred to in subsection 1.

Section 11

Compensation for any loss of value of the piece of real estate

If the value of the piece of real estate sold has decreased due to measures or omissions undertaken by the buyer, the State shall be entitled to fair compensation for such loss of value.

Section 12

Effect of the pre-emption procedure on the registration of title

Any transfer of real estate under this Act shall not be entered in the title and mortgage register until the time limit specified in section 5 has expired, the proceedings related to the pre-emption purchase has gained legal force, or until the State declares that it waives its right of pre-emption as provided in section 4.

The period of time during which the State shall have the real estate acquired through the pre-emption procedure entered in the title and mortgage register is determined from the date of issue of the decision on the exercise of the right of pre-emption.

Section 13

Access to information

The Ministry of Defence, the Ministry of the Interior and the Ministry of Finance shall have the right to obtain the information necessary for the discharge of the duties specified herein from the National Land Survey of Finland free of charge notwithstanding any secrecy provisions.

Section 14

Appeal

A decision of the Ministry of Finance referred to in section 5 may be appealed to an administrative court as provided in the Administrative Judicial Procedure Act (586/1996). A decision of the administrative court may only be challenged if the Supreme Administrative Court grants leave to appeal.

Section 15

Entry into force

This Act enters into force on 1 January 2020.