

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

Act on Transfers of Real Estate Requiring Special Permission

By decision of Parliament, the following is enacted:

Section 1

Scope of application and relationship with other legislation

This Act applies to transfers of real estate in the territory of Finland if the transferee is:

- 1) an entity with a seat in a state other than a Member State of the European Union or a member country of the European Economic Area or a citizen of a state other than a Member State of the European Union or a member country of the European Economic Area;
- 2) an entity with a seat in a Member State of the European Union or a member country of the European Economic Area when a natural person or entity within the meaning of the foregoing subsection 1 holds a minimum of one tenth of the aggregate number of votes carried by the shares of a limited liability company or exercises equivalent actual control in the company.

When the percentage of votes carried by the aggregate number of shares in a limited liability company referred to in subsection 1(2) above is determined, such a determination shall also include shares:

- 1) held by a company forming part of the same group of companies to which the transferee belongs;
- 2) held by a family member of the transferee or an entity or foundation in which such a family member exercises control; or
- 3) by virtue of which the transferee is entitled to exercise voting rights under a contract or other arrangement.

The provisions of the foregoing subsection 2 shall also apply, *mutatis mutandis*, to the determination of the transferee's percentage of votes in entities other than limited liability companies.

For the purposes of this Act, transfer of real estate means a legal act by which title to a piece of real estate or to a share of real estate or to a parcel of real estate is transferred to a new owner.

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

Section 2

Transfers of real estate requiring special permission

The natural person or entity within the meaning of the foregoing section 1(1) may only acquire a piece of real estate in the territory of Finland subject to special permission issued by the Ministry of Defence.

No such permission is required if:

- 1) the transferor of the piece of real estate is the married or unmarried spouse or registered partner of the transferee;

- 2) the transferor is a person that the transferee could inherit under chapter 2 of the Code of Inheritance; or
- 3) the piece of real estate is to be acquired by the transferor together with his or her married or unmarried spouse or registered partner and one of them is not required to have the permission referred to this Act.

Section 3

Determination whether special permission is required

The transferor or transferee of the piece of real estate may request an ex-ante decision from the Ministry of Defence whether any permission within the meaning of section 2 is required or not. The request for the ex-ante decision shall include the details of the parties to the transaction and the piece of real estate being conveyed.

More detailed provisions on the contents of the request may be issued by government decree.

Section 4

Application for permission

The transferee shall apply to the Ministry of Defence for permission for the transfer of a given piece of real estate before the transfer or within two 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).

If the transferee fails to file an application for permission for the transfer within the specified period of time, the Ministry of Defence shall notify the transferor of the obligation to apply for permission and impose a time limit of a maximum duration of two months within which permission must be applied for. Additionally, the Ministry of Defence may require an application for permission if it is evident that the piece of real estate has been acquired for the account of the persons referred to in section 1(1) in order to avoid the duty to apply for permission. The application for permission shall provide the details of the parties to the real estate transaction, the piece of real estate being transferred as well as the intended use of the piece of real estate. More detailed provisions on the contents of the application may be issued by government decree. Additionally, the transferee shall, at the request of the Ministry of Defence, provide other pertinent information relevant to the processing of the application for permission.

Section 5

Prerequisites for granting permission

Permission for the transfer of a piece of real estate may be granted if the transfer is not deemed to complicate the organisation of defence, the surveillance and safeguarding of territorial integrity or the assurance of border control, border security or the maintenance of emergency stocks of critical supplies.

The Ministry of Defence shall request a statement from the government agency responsible for the operations that may be affected by the acquisition of the piece of real estate unless such a request is manifestly unnecessary. The Ministry of Defence may also obtain other necessary reports and clarifications relevant to the matter.

Section 6

Forwarding of real estate

If no permission is granted for the transfer of the piece of real estate, the transferee must relinquish the piece of real estate within one year of the date when the decision to deny permission gains legal force. If no application for permission is filed within the period of time specified by the Ministry of Defence under section 4(1) of this Act, the one-year time limit for the relinquishment of the piece of real estate is determined from the closing date by which the application for permission should have been filed with the Ministry of Defence.

If the transaction is not cancelled or the piece of real estate forwarded to a new owner within the period of time specified in subsection 1, the Ministry of Defence shall order that the piece of real estate be sold as provided in chapter 5 of the Enforcement Code (705/2007).

Section 7

Reimbursement of costs

If no permission for the transfer of a piece of real estate is granted, the state shall reimburse the transferee for the financial and other necessary expenses arising from the transaction as well as necessary expenses related to the administration, management and maintenance of the piece of real estate. An interest pursuant to section 3(2) of the Interest Act (633/1982) shall be paid on such reimbursed costs as of the date of payment by the transferee.

Any proceeds and other financial benefits earned by the transferee on the piece of real estate shall be deducted from the compensation referred to in subsection 1. Expenses incurred as a result of a failure to file an application for permission on a timely basis shall not be reimbursed.

Section 8

Access to information

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

Section 9

Appeal

A decision made by the Ministry of Defence under section 5 and 6 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 10

Entry into force

This Act enters into force on 1 January 2020.