

Translation from Finnish

Legally binding only in Finnish and Swedish

Ministry of the Interior, Finland

Act on the Fire Protection Fund

(306/2003; amendments up to 1355/2018 included)

By decision of Parliament, the following is enacted:

Chapter 1

Fire prevention charge

Section 1

Objectives of the Act

In order to promote fire prevention and rescue operations, an annual fire prevention charge shall be paid on any movable or immovable property covered by fire insurance in Finland.

Section 2

Parties liable to pay the fire prevention charge

Anyone carrying out insurance business in Finland is liable to pay the fire prevention charge.

If the insurance premium is paid to other than the insurer referred to in subsection 1 above, the policyholder and the insurance broker who brokered the insurance are responsible for paying the fire prevention charge. The insurance broker is responsible for settling the fire prevention charge as laid down in section 5.

A foreign European Economic Area (EEA) insurer providing insurance services in Finland on the basis of freedom of services as provided separately shall have a representative domiciled in Finland for the payment of the fire prevention charge.

Section 3

Amount of the fire prevention charge

The fire prevention charge is three per cent of the total insurance premiums associated with fire risk charged in the previous year, plus three per cent of the interest calculated on the provision for the mathematical provisions on perpetual fire insurance.

Ceded reinsurance cannot be deducted from the said total amount of premiums and the fire prevention charge does not apply to reinsurances taken. The fire prevention charge is not charged for insurance granted against fire risk in motor vehicle insurance, cargo insurance or animal insurance.

Section 4 (1422/2009)

Debiting of the fire prevention charge

The Regional State Administrative Agency of Southern Finland debits the fire prevention charge and determines its due date per calendar year.

To determine the fire prevention charge, the Financial Supervisory Authority shall provide the Regional State Administrative Agency with details of the parties liable to pay the charge, as well as any other necessary information and reports, no later than 15 July. By the end of July each year the Regional State Administrative Agency shall send the parties liable to pay the fire prevention charge a request to provide the information necessary for debiting the charge. Insurers as well as the representatives of foreign EEA insurers providing insurance services in Finland on the basis of freedom of services shall provide the Regional State Administrative Agency with written information for the debiting of the charge no later than 15 September each year.

If the insurer fails to provide the Regional State Administrative Agency with this information within the said time limit, the Regional State Administrative Agency is entitled to oblige the insurer under threat of a fine to provide such information within a new time limit or to debit the charge on the basis of other information available. The provisions of the Act on Conditional Fines (1113/1990) apply to matters concerning conditional fines.

Those liable to pay the fire prevention charge shall pay it by the due date at the place of payment specified in the Regional State Administrative Agency's decision on the said charge. A fire prevention charge due for payment is subject to a late payment interest as laid down in section 4, subsection 1 of the Interest Act (633/1982).

If the amount to be debited is less than EUR 10, it will not be debited.

Section 5 (1355/2018)

Settling the fire prevention charge

The Regional State Administrative Agency shall pay the fire prevention charges to the Fire Protection Fund by the end of the calendar year for which the charges have been debited. An insurance broker referred to in section 2, subsection 2 shall pay the fire prevention charge on their own initiative at the place of payment determined by the Ministry of the Interior, no later than 15 September.

Section 6 (1422/2009)

Expiration

The duty to pay the fire prevention charge expires after five years from the end of the calendar year for which the Regional State Administrative Agency should have debited the charge.

Section 7 (921/2015)

Request for a review of a decision on the debiting of a fire prevention charge

An administrative review may be requested of a decision on the debiting of a fire prevention charge by the Regional State Administrative Agency as laid down in the Administrative Procedure Act (434/2003).

A decision on a request for an administrative review may be appealed against to an administrative court as laid down in the Administrative Judicial Procedure Act (586/1996).

A decision of an administrative court may be appealed against only if the Supreme Administrative Court grants leave to appeal.

A debited fire prevention charge shall be paid by the due date regardless of a request for a review. The fire prevention charge is directly enforceable. Provisions on the recovery of the charge are laid down in the Act on the Enforcement of Taxes and Public Payments (706/2007). If the charge is removed or reduced, the Regional State Administrative Agency or the Fire Protection Fund shall refund the excess payment in accordance with a final decision made on the basis of the request

for a review. Interest will be paid on the amount to be refunded as laid down in section 3, subsection 2 of the Interest Act.

Section 8

Punishments

Provisions on the punishment for illegal avoidance or attempted avoidance of the fire prevention charge are laid down in chapter 29, sections 1–3 of the Criminal Code (39/1889).

Chapter 2

Fire Protection Fund

Section 9

Fire Protection Fund

Fire prevention charges are rendered to the Fire Protection Fund that is an extra-budgetary fund. Furthermore, the Fire Protection Fund has the right to accept funds provided through donations and wills.

The funds of the Fire Protection Fund consist of income from the fire prevention charges, surpluses from previous accounting periods, funds received through donations and wills, funds accrued from the repayment of grants and other funding paid out from the Fund as well as interest and other items associated with these.

Section 10 (1355/2018)

Administration of the Fire Protection Fund

The Fire Protection Fund is managed and supervised by the Ministry of the Interior. The general guidance and oversight of the Fire Protection Fund is the responsibility of the Ministry of the Interior. The Ministry has the right to issue general regulations on the arrangement of the administration of the Fund and on the management of its finances. The Ministry of the Interior is in particular responsible for the supervision of the Fund's finances and operations and for proper supervision of the accounts. The Ministry has the right to receive all necessary details and information it may need from the Fund.

The Ministry approves the performance targets of the Fund on the basis of a proposal of the Fund's Board of Directors.

Some of the staff of the Fire Protection Fund may be employees of the Ministry of the Interior as permitted by the assets of the Fund.

The Board of Directors of the Fund is responsible for the Fund's administration and the appropriate organisation of its finances and operations. It is the duty of the Board of Directors to decide on matters that are significant and far-reaching with respect to the Fund's operations and finances, and to make sure that oversight of its accounting and financial control is adequately arranged. In particular, the duties of the Board of Directors are:

- 1) to decide on the Fund's action and financial plan;
- 2) to decide on the Fund's budget and plan for the use of funds;
- 3) to decide on grants and other financing awarded from the Fund within the framework of the performance targets;
- 4) to ensure the Fund's liquidity;
- 5) to approve and sign the Fund's financial statements and send them to the Ministry of the Interior; and
- 6) to provide the Ministry of the Interior with a proposal on how to use the Fund's surplus or cover its deficit using the Fund's own assets.

The Board of Directors of the Fire Protection Fund consists of a chairperson as well as seven members, each of whom has a personal deputy member. The Ministry of the Interior nominates the chairperson of the Board and the members and deputy members for a term of three years at a time. The Ministry releases the Board or the chairperson, a member or a deputy member from his or her duties.

The remuneration of the Board and the personnel of the Fund as well as other administrative costs arising from its operations are paid from the funds of the Fire Protection Fund.

Section 11

Liability for acts in office and provisions on general administration

When attending to their duties laid down in this Act, the chairperson, a member or a deputy member of the Board of Directors of the Fire Protection Fund are regarded as persons referred to in chapter 40, section 11, subsection 2 of the Criminal Code.

The provisions of the Administrative Procedure Act (434/2003), the Language Act (423/2003) and the Act on the Openness of Government Activities (621/1999) apply to the operation of the Fire Protection Fund and its Board of Directors. (1057/2006)

Section 12 (1355/2018)

Accounting, payments and financial statements

The provisions of the State Budget Act (423/1988) and the provisions issued under it apply to the accounting, payment transactions, financial statements and other accounting of the Fire Protection Fund.

The Ministry of the Interior makes a decision on whether to approve the Fund's financial statements, on the use of the Fund's surplus or coverage of its deficit with the Fund's assets as well as on other measures based on the Fund's financial statements. In addition to the auditors' report, the Ministry of the Interior acquires the necessary information on the finances and operations of the Fund as the basis of its decision.

Section 13

Audit

The National Audit Office of Finland audits the Fire Protection Fund every year.

The auditors shall examine the Fund's administration, bookkeeping and financial statements. The auditors shall issue an auditors' report for each accounting period, stating in particular:

- 1) whether the financial statements have been prepared in accordance with the provisions governing the compilation of financial statements;
- 2) whether the financial statements provide a true and fair view of the Fund's results, profitability and financial standing;
- 3) whether the Fund's administration and operations have been handled in accordance with the applicable provisions;

- 4) whether the financial statements can be accepted; and
- 5) whether the proposal of the Fund's Board of Directors on the application of its distributable profit can be accepted; when the audit is completed, the auditors shall make an appropriate entry in the financial statements, referring to the auditors' report and stating whether the financial statements have been prepared in accordance with generally accepted accounting principles.

If the auditor has significant concerns about the administration and finances of the Fire Protection Fund during the accounting period, he or she shall inform the Fund's Board of Directors and the Ministry of the Interior about it without delay. (1355/2018)

If necessary, the Fund's Board of Directors and personnel are obliged to assist the auditor in conducting the audit.

Provisions on the right of the National Audit Office of Finland to perform audits are laid down in the Act on the National Audit Office of Finland (676/2000).

Chapter 3

Grants and other public support

Section 14

Grants and other financing

To comply with the objectives of the Act, the Fire Protection Fund may award general or special grants in accordance with its funds and the annual management plan. The provisions of the Act on Discretionary Government Transfers (688/2001) apply to the grants awarded from the Fire Protection Fund. With respect to these grants, the Fund operates as a government aid authority referred to in the said Act.

The Fire Protection Fund may award general and special grants to rescue service organisations and other such entities as well as special grants to municipalities, rescue service regions and contract fire brigades. (1057/2006)

The Fire Protection Fund may also award special grants to other than the above for the following purposes:

- 1) production and procurement of learning material;
- 2) data processing development and hardware acquisition;
- 3) experimental, launch, research and development activities;
- 4) education and consultancy; and
- 5) standardisation.

Financing for projects complying with this subsection may also be granted to government agencies and public bodies. The Fire Protection Fund may also grant scholarships for the applicant's personal use or for a specific project, in which case the scholarship may equal the total expenses of the project.

Section 15

Applying for a grant

In awarding a general grant, the performance and the direct administrative costs linked to it are taken into account.

When applying for a general grant, a plan of action, a budget and other required plans shall be presented. If the grant applied for is intended for a certain area of operations, the plan shall specify the operations to which the grant shall be used.

When applying for a special grant or financing as referred to in section 14, subsection 3, a sufficient clarification of the project's operational or technical plans and overall budget shall be presented. When applying for a special grant, clarification shall be presented of the applicant's ability to fund the self-financed part of the project. If a special grant is applied for the acquisition, construction or refurbishment of fixed assets, a building or a flat, the building or acquisition plans shall be presented as required. Furthermore, the applicant shall specify the other grants and funding awarded for the project.

Section 16 (1057/2006)

Amount of the general grant

A general grant may be up to 75 per cent of the acceptable costs unless the Board of Directors of the Fire Protection Fund decides otherwise on very serious grounds in order to achieve the goals

of awarding the grant. However, the sum of the general grant, the other grants awarded for the same purpose and income from the operations may not exceed the amount of acceptable costs.

Business expenses, loan repayments and administrative costs arising from operations not directly associated with the operations for which the grant is intended are not regarded as acceptable costs entitling a general grant. Neither are depreciations, provisions, a decrease in value or other technical items that are not based on actual costs regarded as acceptable costs.

Section 17 (1057/2006)

Amount of the special grant

A special grant may be up to 50 per cent of the acceptable costs unless the Board of Directors of the Fire Protection Fund decides otherwise on very serious grounds in order to achieve the goals of awarding the grant. However, the sum of the special grant, the other grants awarded for the same purpose and income from the operations may not exceed the amount of acceptable costs.

A special grant may be used to cover the direct costs of the project, minus the income of the project.

Business expenses, loan repayments and administrative costs arising from operations not directly associated with the project for which the grant is intended are not regarded as acceptable costs entitling a special grant. Neither are depreciations, provisions, a decrease in value or other technical items that are not based on actual costs regarded as acceptable costs.

Chapter 4

Miscellaneous provisions

Section 18

Further provisions

If necessary, further provisions are issued by government decree on the following:

- 1) debiting the fire prevention charge and the notification procedure;

- 2) the more specific composition, quorum and remunerations of the Board of Directors of the Fire Protection Fund; and
- 3) the personnel of the Fire Protection Fund.

If necessary, further provisions on the rules of procedure of the Fire Protection Fund are issued by decree of the Ministry of the Interior. (1355/2018)

The Fire Protection Fund's Board of Directors may issue instructions on how to define performance on which the general grants are based.

Chapter 5

Transitional provisions and entry into force

Section 19

Entry into force

This Act enters into force on 1 July 2003.

This Act repeals the Act of 20 July 1946 on Fire Protection Charges (586/1946), as amended.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

Section 20

Transitional provisions

The provisions in force at the time of granting and the conditions specified in the decision apply to a grant or other funds awarded prior to the entry into force of this Act. This Act applies to applications which were filed before the entry into force of this Act and for which no decision has yet been issued when this Act entered into force.