



euroclear

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Book-entry system registration instruction

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BOOK-ENTRY SYSTEM REGISTRATION INSTRUCTION

"Under Section 13 of the Act on the Book-Entry System, Euroclear Finland's Managing Director ratifies the registration instruction for account operators and their agents operating in the book-entry register. The registration instruction states Euroclear Finland's view of the principles to be complied with in keeping a register in accordance with good practice. The registration instruction is prepared in cooperation with account operators and issued for the use thereof and their agents. The registration instruction is not binding upon account operators or their agents."

Euroclear Finland's Rules, paragraph 2.2.22

This instruction has been confirmed on 9 January 1998. The amendments to this instruction were ratified on 20 March 2000, 19 December 2000, 3 June 2002, 9 September 2005, 25 August 2006, 25 April 2008 and 01 December 2009.

1 General information on the book-entry system

Rights and restrictions will be binding towards third parties as of the moment when the right or restriction has been registered into the book-entry system. The priority of the conflicting rights and restrictions will be determined according to the registration time so that the prior registration is given priority to a later registration (time priority rule).

The exercise of both asset and administrative rights is subject to registry of share ownership in the book-entry system. This relates both to the equity market and money market instruments.

2 Applicant

2.1 General

Applications to register the transfer of book-entries may be made by the transferor, the transferee or by the account holder of a custodial nominee account. Applications shall be made to the operator where the transferor has his/her account.

The transferring account operator shall ensure that the book-entry is transferred from the right transferor and from the right account. This information shall be indicated in the registration application or in the documents based thereon.

The transferring account operator shall examine the registration application and take steps accordingly. If the application is approved, the transfer operator shall make an account transfer to transfer the book-entries in question from the book-entry account of the transferor to the book-entry account of the transferee or to the account operator of the transferee.

The transferee shall be identifiable either from the registration application or from the documents based thereon.

If the original document presented as the basis for registration application contains no reference as to which party to the transfer is applying for registration, the transferring

account operator shall also check that registration has not already been effected on application by the other party.

Applications relating to rights and restrictions shall be made to the account operator in which the said book-entry account exists.

2.2 Authorisation and mandate

Both the transferor and the transferee may use a legal representative. The legal representative acts in the name of his/her principal. Authorisation is, in principle, indicated in a mandate. A representative may be used both to perform the act forming the basis of registration, e.g. a donation, and in connection with the submission of an application for registration. A messenger who does not make a decision regarding the registration application but only submits the documents in the register does not need a mandate.

2.2.1 Authorisation in connection with a registration application

The party applying for registration shall have authorisation when acting on behalf of the owner of the book-entries or on behalf of another holder of right and makes the decision to apply for registration.

The original mandate attached to the registration application shall remain with the account operator.

Implied authority

The registration officer decides whether an application for registration based on implied authority can be approved if the party applying for registration has a particular relationship to the owner or another holder of right of the book-entries or a particular visible position by which, in accordance with the law or general practice, he or she could be assumed as having the right to represent the owner or another holder of right of the book-entries in applying for registration. In these cases, the party applying for registration can base his or her power of representation on implied authority and is not required to present a mandate in the context of applying for registration.

2.2.2 Authorisation in connection with a transfer

The transferor or the transferee or both may use a representative in connection with the actual transfer to represent themselves and to decide on the transfer.

A mandate used in connection with a transfer shall be part of the documentation of title. The mandate indicates that the owner of the book-entries was not himself present to decide on the transfer. This mandate shall be attached to the documentation of title. If the transferor has used an oral authorisation, the authorisation shall be confirmed in person. A copy of the authorisation shall be filed with the account operator.

The transferee may also use a representative. If the transferee uses an oral authorisation, it must be ensured that there is no discrepancy regarding the receiving party, i.e., that the documentation of title or a similar document indicates the transferee.

In situations where authorisation of the principal also covers other than one specific transfer of book-entries, the representative shall usually present a so-called general mandate. This mandate is drawn up to enable the representative to conduct several different acts on behalf of his principal. The transfer of book-entries shall be expressly mentioned in the mandate. Since the representative needs this mandate repeatedly, there is no requirement to transfer the original to the transferee or to a book-entry register. In this case the original mandate must be shown and a copy taken for the account operator's records.

2.2.3 Specified mandate

The mandate used in connection with a transfer shall indicate the subject of the transfer and the intent of the principal to transfer. The principal shall sign the mandate. The mandate need not be attested by witnesses. An account operator shall not make registrations on the basis of an unlimited power of attorney.

3 Legal persons

3.1 Legal persons governed by private law

Transfers on behalf of legal persons shall be effected by a person or persons authorised to sign the company name or by a holder of procuracy. If the company's objects do not include securities trading, the decision of the company's Board of Directors is normally required when effecting a transfer.

Persons authorised to sign the company name and holders of procuracy shall be verified by means of an extract from the Trade Register, an extract from the Foundation Register or an extract from the Register of Associations. The extract from the register may not be older than three (3) months unless there is justifiable reason to trust an older extract.

The account operator shall retain a copy of the extract with the documentation of title.

3.1.1 Most common legal persons

The most common legal persons are

Corporate form	Person authorised to sign the company name
General partnership	partner
Limited partnership	liable partner
Limited company	person authorised to sign the company name
Cooperative	person authorised to sign the company name
Foundation	person authorised to sign for the foundation
Association	person authorised to sign for the association

The managing director of a company may, independently and without separate authorisation to sign the company name, issue purchase and selling orders relating to book-entries if the objects of the company include securities trading. This shall be verified by an extract from the Trade Register indicating the managing director and the

objects of the company. The objects of a company may also be verified in its Articles of Association.

3.1.1.1 Foundations

Independent foundations

Persons authorised to sign for a foundation shall act on behalf of a foundation entered in the Foundation Register. Foundations may also be called fund or institution: e.g. a cultural fund and the Social Insurance Institution, Finland.

Dependent foundations

A dependent foundation does not have its own bodies but assets have been assigned to a natural or a legal person to be used for a specific purpose so that the assets shall be managed separately from the manager's other assets. Decisions on use of the assets shall be made by the body to which the assets have been assigned. Such a foundation or fund may originate only from a written document e.g. a deed of gift or a legacy.

Book-entries of dependent foundations may be handled either so that

- an artificial identification code is applied for,
- a separate account is opened for the dependent foundation
- a restriction is placed upon the customer; an unfounded or unregistered organisation and
- the book-entries are registered in a book-entry account to be opened in the name of the manager.

3.1.2 Societas Europaea

Societas Europaea is handled like an ordinary public company. Person authorised to sign for a company and holder of procuration is checked from the extract from the Register of Companies or in a case of a foreign company from the extract from a register of the country of the company's registered office.

When considering the line of business and possible need for a decision of the Board of Directors it should be noticed that a Societas Europaea does not necessarily have a Board of Directors but instead it has a Directorate or a Supervisory Board. In these cases the decision-maker is the Directorate.

3.1.3 Account to be opened for a jointly owned forest, a road maintenance association and a fishery collective

A jointly owned forest is an independent competent legal person that can have rights and obligations related to its tasks defined in the Act on Jointly Owned Forests. It is allowed for a jointly owned forest to open a book-entry account for deposit but not for investment reasons and to deal with securities within the limits set in the Act on Jointly Owned Forests and the rules of the partners of the jointly owned forest.

Documents required for opening a book-entry account:

- extract from the meeting minutes where the partners of the jointly owned forest have decided to open a book-entry account

- rule book of the partners of the jointly owned forest
- extract from the register of the local forestry centre

A road maintenance association is an independent competent legal person that can have rights and obligations related to its tasks defined in the Act on Private Roads.

A trustee or an administrative committee acts as an organ of a road maintenance association. A trustee or a deputy is authorised to sign the road maintenance association's name or if there is an organ of a road maintenance two regular members of the organ are authorised to sign together.

Documents required for opening a book-entry account:

- extract from the meeting minutes where a road maintenance association has decided to open a book-entry account
- extract from a register of a county surveying office

A fishery collective mentioned in the Fishing Act is an independent competent legal person that can have rights and obligations related to its tasks defined in the Act on Common Land.

An administrative committee and/or a trustee/trustees act as an organ of an organized fishery collective.

Documents required for opening a book-entry account:

- extract from the meeting minutes where the partners of the fishery collective have decided to open a book-entry account
- rule book of the partners

3.2 Account to be opened for a trustee

Accounts opened for trustees (in Anglo-Saxon legal system) are opened as asset management accounts. This is because in many respects the body behind the trustee is the actual owner.

3.3 Organisations to be established and unregistered organisations

3.3.1 Constitution of an organisation's legal competence

The legal competence of a company or other organisation refers to its right to act as an independent legal person and as such to acquire rights, enter into commitments as well as to act as a party.

A general partnership and a limited partnership gain legal competence, i.e., are established, at the moment the partnership agreement enters into force; in most cases, when it is signed. For the above-mentioned organisations, an entry in the Trade Register does not constitute legal competence.

A limited company, a cooperative, a non-profit association or a foundation gain legal competence only after the said entry in the register has been made.

3.3.2 Acts in the name of a company to be established

Acts which are necessary for the establishment of a company may be undertaken in the name of the company to be established. In practice, also other acts are necessary, e.g., opening a bank account or the signing a lease in the name of the company.

In all cases in which a person is acting on behalf of a company to be established, the documents shall contain an entry indicating the name of the person acting on behalf of the company as well as the fact that such acts are undertaken on behalf of the company to be established. The person acting on behalf of a company to be established shall be responsible for any act he has undertaken as if it was his own.

3.3.3 Opening and closing a book-entry account on behalf of a company to be established

In exceptional cases, a company to be established may open a book-entry account. As a rule, a book-entry account can be opened if the share capital is paid as a contribution in kind. The account is opened using the founder's personal number of business identity code if the founder is an organisation. In either case, the account must include an entry to an entry to the effect that it has been opened on behalf of a company to be established. Once the customer has provided the account operator with information about its entry in the Trade Register and notification by the company to the effect that it agrees to be bound by legal steps made, a new book-entries account is opened in the name of the established company using the business identity code. The book-entries in the founder's account are transferred to the newly opened account and the account in the founder's name is closed.

Until a company is officially established transfers from the account are only permitted with the consent of the owners registered in the account.

Documents required

Documents

- memorandum of association, Articles of Association and extract of minutes from the Board of Directors' meeting at which it was resolved to open an account
- additionally, in respect of limited companies, cooperatives, foundations or associations, a certificate is required showing that the company has submitted notification of a new business to the Trade Register,
- a copy of the receipt showing that the share capital has been paid into the company's bank account
- exception: no certificate is required if the company's share capital is paid as a contribution in kind
- information about the founders
- the title deeds must show that the book-entries have been acquired or obtained "on account of the entity to be established"

3.4 Private law governed organisation removed from the register

General

In addition to merger and demerger, an organisation may cease to exist in two ways, the most common of which is official proceedings such as bankruptcy or liquidation. A more seldom way is the removal of an organisation from the register as referred to in the heading.

The business of many organisations gradually peaks, if it has generally even really got underway. Some poorly performing organisations ultimately end up bankrupt. In others, trading just ends and at this stage an organisation has few assets but little, if any, debt either. Dissolving an organisation through liquidation proceedings is a comparatively long procedure and often expensive given the assets involved. This is why organisations often fail to act to dissolve a company through liquidation. At the same time, the governing bodies of an organisation, if there are any left, often fail to notify the Trade Register in such cases. Notwithstanding the fact that such an organisation has ceased being a business organisation, it still legally exists. The organisation means new companies are prevented from using the name and encumbers the Trade Register and many other databases through its formal existence.

Primarily for the reasons above, there is a simplified procedure to remove an organisation from the Trade Register. This is known as removal from the register. The Trade Register or a court of law can decide on removal from the register.

3.4.1 Representation of an organisation removed from the register

Limited company

If required, one or two representatives appointed and dismissed by shareholders represent a limited company removed from the register. The representatives are appointed by a meeting of shareholders.

Once a company has been removed from the register it can no longer acquire rights or undertake commitments. However, the company's representatives can begin action to initiate liquidation or apply to file for bankruptcy. Despite the above, representatives can begin actions that are necessary to repay the company's debts or to save its assets. Representatives may transfer book-entries from one of the company's accounts to another or to another account operator. They also have the right to sell book-entries and to approve conversion and redemption bids but may not buy or subscribe book-entries for consideration. The assets of a company removed from the register may not be distributed to shareholders without liquidation proceedings.

Once an account operator has become aware of a company's removal from the register, the representative must provide the following when doing business:

- an extract from the Trade Register to show that the company has been removed from the register for reasons other than liquidation or bankruptcy
- an extract from the share register showing all shareholders in the company
- the general meeting's decision of the choice of representative or the notification of all shareholders of the representative

However, the company's representatives can, five years after removal from the register, distribute to shareholders the proportion of the company's funds on those shares if the company's assets are less than €8,000 and the company has no known creditors. To transfer the book-entries to shareholders' book-entry accounts or to pay funds in the payment account to shareholders, the representative must, in addition to the above, also produce:

- an auditor's report to the effect that the company has no known debts and that the company's assets do not exceed €8,000 and
- a written decision of the distribution of assets signed by the representative.

General and limited partnerships

Partners/liable partners represent general and limited partnerships that have been removed from the register. They are not entitled to represent the company severally, decisions must be made together. However, they may separately agree that the company is represented solely by one or more of the partners or by a third party. The partners can only begin actions that are necessary to repay the company's debts or to save its assets. Partners may transfer book-entries from one of the company's accounts to another or to another account operator. They also have the right to sell book-entries and to approve conversion and redemption bids but may not buy or subscribe book-entries for consideration.

Once an account operator has become aware of a company's removal from the register, the representative must provide the following when doing business:

- an extract from the Trade Register to show that the company has been removed from the register for reasons other than liquidation or bankruptcy
- the partners' decision on the choice of representative

Cooperative

If a cooperative has no funds to execute liquidation or bankruptcy proceedings or has no representative as provided by the Cooperatives Act or it has ceased trading, the registration authority or a court of law may order its removal from the register.

If required, one or two representatives appointed by the meeting of members represent a cooperative removed from the Trade Register. The representatives can only begin actions that are necessary to repay the cooperative's debts or to save its assets. Representatives may transfer book-entries from one of the cooperative's accounts to another or to another account operator. They also have the right to sell book-entries and to approve conversion and redemption bids but may not buy or subscribe book-entries for consideration. The funds of a cooperative removed from the register may not be distributed to members without liquidation proceedings.

Once an account operator has become aware of a cooperative's removal from the register, the representative must provide the following when doing business:

- an extract from the Trade Register to show that the cooperative has been removed from the register for reasons other than liquidation or bankruptcy
- the decision by a meeting of members of the cooperative on the choice of representative

However, the cooperative's representatives can, five years after removal from the register, distribute to members the proportion of the cooperative's funds if the cooperative's assets are less than €8,000 and the cooperative has no known creditors. To transfer the book-entries to members' book-entry accounts or to pay funds in the payment account to members, the representative must, in addition to the above, also produce:

- an auditor's report to the effect that the cooperative has no known debts and that its assets do not exceed €8,000 and
- a written decision of the distribution of assets signed by the representative.

Association

Authority in an association removed from the register is exercised by the Board of liquidators which the meeting of the association has chosen. The representatives can only begin actions that are necessary to repay the association's debts and/or to save its assets. They may transfer book-entries from one of the association's accounts to another or to another account operator. They also have the right to sell book-entries and to approve conversion and redemption bids but may not buy or subscribe book-entries for consideration.

Once an account operator has become aware of an association's removal from the register, the representative must provide the following when doing business:

- extract from the Association Register
- rules of the association
- additionally, if other than the board of the association act as liquidators:
 - a notice of meeting in accordance with the rules of the association mentioning the appointment of liquidators and a decision on the choice of liquidators

Foundation

A foundation shall be wound up if it has exhausted its assets or if the operating conditions have otherwise come to an end. Permission from the registration authority must be obtained to wind up a foundation. A court of law may wind up a foundation that has acted unlawfully.

If it has been decided to wind up a foundation with the consent of the registration authority or by a court of law, the foundation's board or liquidators are responsible for actions to wind the foundation up. The Foundation Register shows the liquidators or continuation of the board's authority. Once a decision has been made to wind up a foundation, the foundation may do nothing else except actions to dissolve itself. Any funds remaining after the payment of creditors are to be used in the manner provided by the rules or be handed over to the state in the manner provided by the Foundations Act. The liquidator if one has been appointed or the board if not decide on the transfer of funds.

Liquidators have the right to sell book-entries and to approve conversion and redemption bids but may not buy or subscribe book-entries for consideration. Once an account operator has become aware of the winding up of an association, the liquidator must provide the account operator with the following in connection with registration:

- extract from the foundation register
- rules of the foundation

To transfer funds, the liquidators must furnish the account operator (distribution of book-entries) or the bank (distribution of cash assets) with a written decision of the distribution of funds.

3.5 Legal persons governed by public law

3.5.1 Evangelical-Lutheran parish

A Parish Board or Parish Council decides the authorisations to sign for the parish.

The supreme authority of a single parish is used by the Parish Council.

According to the regulation given by a parish council there may be separate sections for e.g. management of finances. A power of decision related to the issues mentioned in the regulation can be delegated to a section.

Documents required for opening a book-entry account:

- extract from the minutes of a competent organ where it has decided to open a book-entry account
- regulation of a parish council

3.5.2 Evangelical-Lutheran federation of parishes

Joint parish board decides on the authority to sign for a federation of parishes.

The highest power of a federation of parishes belongs to a joint parish council. When establishing a federation of parishes it must be approved a basic rule governing the tasks given to be managed by the federation of parishes and other rules governing the authority of the federation of parishes and the parishes e.g. title and right of possession to property.. A decision power of a joint parish council related to the issues mentioned in the rules can be delegated to a joint council, its section and directorate of a federation as well as to a parish council based on a decision of a joint parish council. Each parish belonging to a federation of parishes has an own parish council

Documents required for opening a book-entry account:

- extract from the minutes of a competent organ where it has decided to open a book-entry account
- regulation of a joint parish council

3.5.3 Municipality

The highest power of a municipality belongs to a local council.

A local council may delegate its authority to other organs of a municipality as well as to the elected officials and municipal officials. A council approves the needed ordinance governing different authorities of a municipality and their activities, allocation of authority and tasks. In addition to a local council the organs of a municipality are local government, boards and directorates, their sections and committees. A local council approves administrative rules governing needed regulations e.g. on management of finances of a municipality.

Documents required for opening a book-entry account:

- ordinance of a local council
- extract from the minutes of a competent organ where it has decided to open a book-entry account

3.5.4 Federation of municipalities

A federation of municipalities is established by an inter municipality agreement accepted by the councils (fundamental treaty).

Authority of a municipality is used by the member municipalities in a federation meeting, or the decision power is used by an organ chosen by member municipalities and mentioned in a fundamental treaty.

Documents required for opening a book-entry account:

- fundamental treaty
- extract from the minutes of a competent organ where it has decided to open a book-entry account

3.5.5 Some other legal persons governed by a public law

The ones signing for a **students' union** are defined in its rules.

Documents required for opening a book-entry account:

- rules of a students' union

Other legal persons governed by public laws are e.g. state and its institutions as well as other religious communities.

3.6 Dependent legal persons and some other communities and associations that cannot open a book-entry account

3.6.1 Trading names

A trading name is not an independent legal person. The natural person behind a trading name is always liable for any acts carried out under a trading name. This natural person shall be entered as the holder of an account or of another right.

3.6.2 Other communities and associations

It is not possible to open an account for e.g. property consortiums, farm consortiums, unregistered associations, forest communities, business communities, taxation communities etc. that are not legal persons.

However, these communities and associations may have a business code given for taxation reasons.

4 Trusteeship

A legal trustee or one appointed by a local register office or a court of law shall act on behalf of a legally incompetent transferor or transferee. Legally incompetent persons shall be referred to as principals.

Legally incompetent persons are

- minors (under 18 years of age)
- adults, to whom a trustee has been appointed and whose legal competence is restricted or unrestricted
- persons declared legally incompetent.

Conflict of interest

A trustee may not represent his/her principal if the adverse party is the trustee him/herself, the trustee's spouse or any other person close to the trustee or someone whom the trustee represents. In such cases a court of law may appoint a deputy trustee to represent the principal in that/those action/s where a conflict of interest may arise. Usual situations where a deputy trustee may be appointed are when

- the parents (trustees) want to donate the assets in a book-entry account to a child (principal)
- the principal and trustee are beneficiaries in the same decedent's estate
- the trustee pledges the principal's assets as collateral for his/her own liabilities.

Trustee deputies are subject to the same regulations as trustees.

Credit, gifts and surety

Trustees require the permission of a local register office to take debt in the principal's name and to provide pledge and guarantee commitments. If surety is given as collateral for the trustee's own debts or some other conflict of interest is in question, a trustee's deputy is required to make the commitment.

A trustee may not give away assets under his/her trusteeship.

Right to obtain information

Even one trustee is entitled to have access to information about all matters. If a trustee has been appointed to deal with only a certain task, he/she is only entitled to obtain information in matters relating to that task. A principal that has come of age also has the right to access information. The trustee's right of access to information also applies to the period preceding his/her appointment as trustee of the principal's book-entries account. If a trustee has changed, the new trustee shall also be entitled to have access to information about transactions during the time of the previous trustee.

A trustee's right to have access to information about a minor's account ends when the minor comes of age or if the trustee is released of his/her responsibilities in connection with, for example, the trustee's divorce.

4.1 Minors (under 18 years of age)

The trustees of a minor are usually his/her guardians or both parents together. It is possible that only one of the child's parents or another person is the child's trustee or that there are several trustees. Divorce does not necessarily cancel the position of

either parent as trustee. If necessary, account operator employees shall ask the parent of a minor to provide an official certificate in respect of the minor or some other document indicating who the minor's trustees are.

The trustees together represent a minor and carry out legal actions on his/her behalf. The trustees decide on a minor's assets.

Opening and closing a book-entry account

Both trustees together open and close a book-entry account on behalf of minors. The agreement or other documents remaining with the account operator shall be endorsed to the effect that the trustees have opened a book-entry account expressly in their capacity as trustee.

Orders applying to book-entry accounts

Trustees together basically have the authority and thus the right to give orders in respect of a minor's book-entry account. The trustees may agree among themselves as to whether the right to give orders in respect of a minor's book-entry account is vested in

- the trustees together
- the trustees severally
- only one of the trustees or
- another person.

Minors who are legally incompetent are not entitled alone to give orders relating to a book-entry account or the shares in it, not even with the consent of the trustee.

Trustees require the permission of a local register office to obtain securities other than those that are publicly traded or bonds issued by the government, municipality or intermunicipal federations.

4.2 Adults for whom a trustee has been appointed with no restrictions on legal capacity

A court of law may appoint a trustee to an adult if illness, impaired mental function, poor health or similar reason render him/her incapable of safeguarding his/her interests or of looking after him /herself or his/her assets in respect of matters needing constant care (Section 8 of the Guardianship Capacity Act). The appointment may be limited in content or time. Usually such appointments are general appointments to deal with a person's financial affairs and are valid until further notice.

A trustee's authority begins and ends on the day any decision is made, irrespective of whether such a decision is appealed.

Opening and closing a book-entry account

A trustee may agree on the opening and closing of a book-entry account on behalf of his/her principal. Unless the principal's right to act alone has been removed, the principal may open a book-entry account, although it should be pointed out to the principal that any orders issued in respect of the account should be agreed separately with the trustee.

Issuing orders in respect of a book-entry account

The trustee and principal shall make investment decisions together. Trustees require the permission of a local register office to obtain securities other than those that are publicly traded or bonds issued by the government, municipality or intermunicipal federations.

Even though in principle the principal can decide on his/her own investments, the account operator must react to this with caution. In practice, the principal and the trustee should reach mutual understanding on matters relating to the principal's investments. If the trustee and principal fail to reach agreement on asset management, they can be directed to a local register office to discuss the matter. This also applies to the management of earlier investments once a trustee has been appointed.

4.3 Adults whose legal capacity is restricted

If an adult is incapable of managing his/her financial affairs, and his/her financial, position, livelihood or other major interests are jeopardised as a result thereof and the appointment of a trustee alone is inadequate to safeguard his/her interests, a court of law may restrict his/her legal capacity (Section 18).

Restriction of legal capacity may include the principal being allowed to effect certain legal actions or administer certain property only together with the trustee or the principal having no legal capacity to effect certain legal actions or right to administer certain property.

The content of any restriction can be ascertained from the guardianship register or court decision. If there is any uncertainty as to legal capacity and the book-entry register is uncertain as to whether the principal is entitled to effect legal action, no action shall be taken. The customer can then be directed to a local register office to settle the matter.

A trustee's authority begins and ends on the day any decision is made, irrespective of whether such a decision is appealed.

Opening and closing a book-entry account

A trustee may agree on the opening and closing of a book-entry account on behalf of his/her principal. Unless the principal's right to act alone has been removed, the principal may open a book-entry account, although it should be pointed out to the principal that any orders issued in respect of the account should be agreed separately with the trustee.

Issuing orders in respect of a book-entry account

If a trustee is appointed to the owner of an existing book-entry account, the trustee shall notify the account operator of such an appointment. Information about the appointment of a trustee may have come from the account operator, the Finnish Population Register Centre, Euroclear Finland or from some other reliable source.

The principal's right to issue orders relating to the book-entry account and other rights cease once the account operator has been notified that a trustee has been appointed to the customer.

Trustees may make investment decisions independently. Trustees require the permission of a local register office to obtain securities other than those that are

publicly traded or bonds issued by the government, municipality or intermunicipal federations.

If a court of law has not restricted the principal's right to make investments alone, the principal may in effect decide on investments him/herself. Nevertheless, the account operator must react to this with caution. The principal and the trustee should reach mutual understanding on matters relating to the principal's investments. If the trustee and principal fail to reach agreement, they should be directed to a local register office to discuss the matter.

4.4 Persons declared legally incompetent

If minimum legal competence restrictions are inadequate, an adult may be declared incompetent by a court of law. A trustee deals with all matters relating to the book-entry accounts of persons declared legally incompetent. The trustee concludes all agreements with the account operator.

A trustee's authority begins and ends on the day any decision is made, irrespective of whether such a decision is appealed.

Opening and closing a book-entry account

A trustee opens and closes a book-entry account in the principal's name.

Issuing orders in respect of a book-entry account

Unless otherwise agreed, only the trustee is entitled to issue orders in respect of the principal's book-entry account. The principal's right to issue orders relating to the book-entry account and other rights cease once the account operator has been notified that the customer has been declared legally incompetent.

Trustees may make investment decisions in respect of the assets of a person declared legally incompetent. Trustees require the permission of a local register office to obtain securities other than those that are publicly traded or bonds issued by the government, municipality or intermunicipal federations.

Documents required

Documents

- the decision by a court of law or local register office showing that a trustee has been appointed
- a trustee appointed because of a conflict of interests does not need to be registered in the book-entry account but shows his/her letter of appointment when dealing with the account operator.
-

5 Deceased's estate

5.1 Parties to an estate

The parties to a deceased's estate are the legal heirs, i.e., the heirs under the Inheritance Code, the widow/er or the surviving partner of a registered partnership until the distribution of the matrimonial assets as well as a general testamentary

beneficiary. All the parties to a deceased's estate participate in deciding upon the matters of the estate.

The parties to the estate shall always be ascertained when handling the matters of a deceased's estate. Matters relating to a book-entry account of a deceased's estate are decided upon together by the parties to the estate.

Ascertaining the parties to a deceased's estate is based on extracts from the Population Register, which shall indicate the living heirs, and on the estate inventory deed, which shall indicate the existence of any marriage settlement and will. Extracts from the Population Register need not be shown if the estate inventory deed has been registered in a court of law or confirmed in a local register office. If the estate inventory deed has not yet been compiled, the heirs shall submit a written affirmation stating that, to their knowledge, there is no marriage settlement or will. Proof shall be presented of any marriage settlement and any will.

The widow/er or the surviving partner of a registered partnership is a party to the deceased's estate until the distribution of matrimonial assets is final. If the marital right of the widow/er or surviving partner of a registered partnership has been totally excluded, the spouse or surviving partner of a registered partnership is not a party to the deceased's estate. Otherwise the spouse or surviving partner of a registered partnership participates in the administration of the estate and in decision-making on the assets of the estate. If the deceased has no direct heirs - children or grandchildren - the spouse or surviving partner of a registered partnership shall inherit. In this case a marriage settlement is of no significance.

See Registration of Title for more details about inheritance and testamentary bequests.

A deceased's estate is not registered with the account operator as joint ownership; instead it is registered by amendments to the basic information.

5.2 Estate administrator

The administration of a deceased's estate by an estate administrator is referred to as so-called official administration, i.e., an alternative to joint administration by the parties to the estate. A court appoints an estate administrator upon the application of a party to the estate or the executor of a will and issues the estate administrator with an order, which he can use to prove his position.

The appointment of an estate administrator displaces the parties to a deceased's estate from the administration of the estate. The estate administrator takes possession of the assets and represents the estate. This means the estate administrator alone has competence regarding all the assets of the deceased's estate and that he may inquire into the assets and debts of the estate to ascertain the circumstances of the estate. The estate administrator may sell assets of the estate within the limits of the estate administration.

The estate administrator is responsible for winding up the deceased's estate and for distribution of the estate performed by the estate distributor.

5.3 Executor of a will

An executor of a will is a person appointed in the will of the testator or for example the legal department of a bank, with the same competence as an estate administrator

unless otherwise indicated by the will. However, the executor of a will may not, unlike an estate administrator, surrender a deceased's estate in bankruptcy.

The competence of the executor of a will starts when the will is legally binding.

5.4 Estate distributor

The parties to a deceased's estate can always initiate distribution of the estate. The distribution of a deceased's estate may be carried out in two ways: by contract or as an official distribution. The estate has to be distributed by an estate distributor, i.e., as an official distribution, if

- one of the parties to the estate is legally incompetent and the deceased died before 1 December 1995
- the portion of a party to the estate has been distrained
- one of the parties to the estate demands an official distribution

An estate distributor is appointed, upon application, by a court, which gives the distributor a letter of appointment, by which he can prove his position. If a deceased's estate has either an estate administrator or an executor of a will, he may, upon the joint request of all the parties and without a separate appointment as estate distributor, act as estate distributor unless he himself is party to the same deceased's estate and unless another person has been appointed estate distributor.

An estate distributor has sole competence to effect distribution and the distribution deed is signed only by the estate distributor.

A division by agreement deed is signed by all parties and two witnesses. See paragraph 10.1.1 "Documents requiring a prescribed format" for more information about documents in special format.

6 Joint ownership

A book-entry may belong jointly to several owners. Each joint owner shall be deemed to own a specific portion of the joint book-entry. The portions are equal unless otherwise stated. For example book-entries owned by various unregistered investor clubs are registered in a jointly owned book-entry account opened in the name of all the joint owners.

Book-entries owned jointly by two or more persons shall be registered in an account with all the joint owners registered as account holders - owners. Upon the consent of the joint owners, the fractions of the various owners may be registered in the account.

Upon the consent of the joint owners, the proportions of the various owners may be registered in the account. Unless otherwise agreed, joint owners may only jointly present registration applications pertaining to the account. Such an agreement requires the participation of all the joint owners.

Joint owners may also authorise a person to administer their book-entries. The formal requirements of the distribution of a deceased's estate shall apply. When joint ownership has ended, a joint account may not be used for any book-entries already divided. The book-entries in the account must be transferred to the beneficiaries' own accounts and the joint account closed.

The opening of joint accounts should be avoided for practical reasons, including advising, information forwarded to the tax authorities, share issues.

7 Bankruptcy estate

A person or party placed in bankruptcy forfeits his right to dispose of the assets belonging to the bankruptcy estate. Bankruptcy proceedings consist of different stages and the administration of the bankruptcy estate is the responsibility of the administrators appointed by a court of law.

- A registration application is presented by the administrator of the bankruptcy estate on behalf of a bankruptcy estate.

If required, a temporary administrator may be appointed. A temporary administrator may sell the book entries of a bankruptcy estate in exceptional circumstances only. Notification by a temporary administrator is enough to establish the existence of exceptional circumstances.

Documents required

- a letter of appointment issued by a court of law to a temporary administrator

Additional information on the registration of a bankruptcy in a book-entry account can be found in the section Registration of Rights and Restrictions.

8 Liquidation or winding-up

The General Meeting of Shareholders or a court of law decides upon the placing of a limited company in liquidation. Liquidation begins when the said decision has been made. When the General Meeting of Shareholders or the court of law decides on liquidation, it shall also appoint one or more liquidators to replace the Board of Directors, Managing Director and, if any, Supervisory Board.

During liquidation, the liquidators attend to the matters of the company. They shall, as soon as possible, convert into cash the amount of assets of the company needed for liquidation as well as pay the debts of the company. The liquidators may carry on the business operations of the company (for example, securities trading) only to the extent required by appropriate liquidation.

Additional information on the registration of liquidation or winding-up in a book-entry account is found in the section Registration of Rights and Restrictions.

9 Identification of the holder of a right

9.1 Identification code of the holder of a right

Under Euroclear Finland's Rules, account operators shall use the following identification codes of the holders of rights, for example of the account holder.

Personal number

- natural persons who have a Finnish personal number (introduced in 1960s')

- deceased's estates
- the book-entry account of a trading name is opened using the personal number of the trading name owner
- the founder's personal number is used to open a book-entry account for a company to be established.

Business identity code identifying the holder of a right

- legal persons of Finnish nationality
- legal persons of foreign nationality that have a business identity code
- domestic deceased's estates not having a personal number

An artificial identification code identifying the holder of a right

- natural persons of foreign nationality not having a Finnish personal number
- legal persons of foreign nationality not having a Finnish business identity code
- natural and legal persons of Finnish nationality not having any of the above-mentioned identification codes
- dependent foundations

9.2 How to apply for an Artificial Identification Code

Finnish organisations and foundations that have no business identity code as well as well as foreigners, foreign organisations and foundations are identified with an artificial identification code in the book-entry system. Also natural persons of Finnish nationality who have not yet received a personal number may be identified with an artificial identification code. An artificial identification code is granted by Euroclear Finland.

Account operators shall apply for an artificial identification code. The application shall contain the following information:

In the case of a natural person

- surname and first name
- date of birth
- place of residence
- nationality
- in the case of foreigners, the passport number, foreign personal code or other identification data may be given instead of the date of birth

Others

- name of the organisation, foundation or dependent foundation
- the address
- state of registration

The code is applied for in writing.

9.3 Contacts

For a written application for a code, the account operator shall submit a list of customers containing the customer-specific information for whom an artificial code is needed. The list shall contain the information about the account operator' contact person. The list shall be submitted to:

Euroclear Finland Ltd
Account Operator Services
P.O. Box 1110
FI-00101 HELSINKI
fax: +358 (0)20 770 6912
email: thy@euroclear.eu

Euroclear Finland shall return to the account operator a list indicating the code granted.

9.4 A code shall not be granted

An artificial code cannot be granted if

- the customer does not provide the compulsory information
- the customer has a Finnish personal number, business identity code or an earlier issued artificial identification code.

Euroclear Finland shall notify a personal number, business identity code or an earlier granted artificial identification code known to it.

9.5 Notification of new codes to Euroclear Finland

When an account operator is informed that a party having an artificial identification code has been granted a Finnish personal number or business identity code, the account operator shall immediately notify Euroclear Finland, which shall make an entry thereof in the register of artificial codes. The information is submitted in writing in accordance with the contact information above.

Changing a code in the information of an account operator takes place in accordance with the instructions for each specific account operator.

9.6 How to change an identification code

An account operator may change the identification code of a holder of rights if this is possible in the account operator's own system. Euroclear Finland may reject a change to an identification code if the customer code that has been requested to be changed into a customer identification code if another account operator already uses that code. After this, an account operator may request Euroclear Finland to study whether the identification code can be changed. If the change can be made, Euroclear Finland shall change the identification code in its information system.

10 Book-entries registered in the name of a nominee

Conditions of nominee registration

If book-entries are owned by a foreigner, a foreign legal entity or foundation, they may, on request of the owner, be registered in the name of a nominee. However, book-entries may not be nominee registered in respect of foreigners who also have Finnish citizenship.

The nominee shall be entered in the list of owners kept in Euroclear Finland instead of the foreign owner.

The parties that may act as nominee shall be

- the account holder of a custodial nominee account
- an account operator
- the account holder of a commission account
- central securities depository

10.1 Obligations of the manager of a nominee

The manager of a nominee is, on request, obliged to disclose to the Finnish Financial Supervisory Authority and the issuer the name of the beneficial owner, where this is known, as well as of the number of shares or other book-entries held by the owner.

10.2 Nominee-registered book-entry accounts

A foreign investor may choose to keep his book-entries with an account operator either registered in an owner-specific book-entry account or in a specific book-entry account administered by a custodian (a custodial nominee account).

Book-entries which a custodian, registered in the account as the account holder, administers on behalf of another party under a contract from one or several beneficial owners may be registered in a custodial nominee account.

By law, a central securities depository, a central bank or an account operator may be registered directly as the holder of a custodian nominee account. Euroclear Finland may also accept a credit institution or investment firm with the right to provide book-entry depository and management services, a foreign national or international CSD or some other foreign entity sufficiently under public supervision and whose financial conditions and administration satisfy the criteria imposed for dependable management as the account holder of a custodial nominee account. The book-entries of one or more beneficial owners may be registered in a custodial nominee account, but not, however, the book-entries owned by the account holder of the custodial nominee account himself. Such book-entries shall always be registered in an owner-specific book-entry account.

Only the holdings of a foreigner or foreign organisation or foundation may be nominee-registered. The prohibition for a Finnish citizen and a Finnish organisation to nominee register is applied to all book-entries both equities and money market instruments. The ownership arrangements behind nominee registration are immaterial as long as the system is comparable to direct ownership. Such a system exists when, for instance, certificates of deposit have been issued for nominee registered shares.

However, the assets of a Finnish national, organisation or foundation may be nominee registered if the book-entries to be nominee registered are those referred to in Section 4, Subsection 2 of the Act on the Book-Entry System, or in practice bonds, derivatives and contracts and accounts managed by an international institution as referred to in Section 16 of the Act on the Book-Entry System, or in practice a foreign CSD (e.g. Clearstream).

10.3 Rights and responsibilities of the holder of a custodial nominee account

The account holder of a custodial nominee account shall be equally competent to dispose of the book-entries registered in the account as an account holder in general. The account holder shall thus have the competence to exercise the rights of an owner

vis-à-vis a third party - inter alia, the right to pledge book entries registered in a custodial nominee account.

The nationality of a custodian is not relevant. It can be as well Finnish or foreign. The account holder of a custodial nominee account shall be liable ensuring that book-entries owned by persons of Finnish nationality are not registered in a custodial nominee account.

10.4 Rights of the owner of a nominee book-entry account

By virtue of ownership based on nominee registration, only the following asset rights may be exercised

- the right to withdraw funds (dividends and interest)
- the right to convert or exchange a book-entry (e.g. splitting)
- the right to participate in an issue of shares or other book-entries (issues in which the shareholder has a subscription right).

Disposition rights such as the right to participate in a general meeting of the shareholders and the right to vote thereat may be exercised with shares registered in the name of a nominee if the shareholder is temporarily registered in the share register in order to attend a general meeting of shareholders. Registration shall be made at least ten (10) days before the general meeting. For temporary registration, the asset manager must notify Euroclear Finland's Issuer Services of the shareholder's name and address, the number of shares registered in the share register and the identification data that is to be provided when applying for an artificial code.

If the owner of shares registered in the name of a nominee wishes to exercise his/her disposition rights more extensively than attending a general meeting of shareholders, , for example to criticise the decisions of the general meeting, he/she must register in the book-entry system in the normal manner.

10.5 How to open a book-entry account registered in the name of a nominee

On opening a book-entry account, shareholders of foreign nationality shall be told about the possibility of nominee registration.

Registration in a foreign state shall indicate the foreignness of an organisation or a foundation. When the customer approves the account terms and signs the custodial nominee agreement, he/she simultaneously affirms that the shares to be registered in the name of a nominee are not owned by a Finnish national, a Finnish organisation or foundation.

A private person shall present his passport in order to verify nationality.

10.6 Cancellation of nominee registration

Nominee registration is cancelled by transferring the book-entries from an account registered in the name of a nominee to a book-entry account registered in the name of the owner, in which case the owner shall be registered in the list of owners in Euroclear Finland.

Transfer to an account registered in the name of an owner requires documentation of title to be presented unless the account operator has already examined the documentation of title when opening the account.

When an owner wants to register book-entries registered in a custodial nominee account in the name of the owner, the request to cancel nominee registration may be presented only by the account holder of the custodial nominee account. Title shall not be separately examined in this connection as the written affirmation on ownership presented by the account holder in connection with the request for registration can be deemed as a sufficient proof of the actual ownership.

If the aim of cancellation of nominee registration is to attend the general meeting of the shareholders, it shall be noted that only shareholders entered in the shareholder register no later than eight (8) working days prior to the general meeting of the shareholders shall be entitled to attend the meeting.

The return of ownership registered in the name of the owner for the general meeting of shareholders to a custodial nominee account may be a standard term of the custodial nominee agreement and does not, in that case, require a separate request from the owner. Nor does the title need to be otherwise examined as the request relates to a transfer from an account registered in the name of an owner to an account registered in the name of a nominee. Transfer will be made on request of the account holder if the general conditions for nominee registration are met.

11 Document verification

Registrations in a book-entry account are always based on documents submitted by the applicant. The contents of book-entry accounts shall always be returnable if, for any reason, their contents cannot be accessed through the data system. The account operator shall keep file copies in writing of legal acts undertaken orally. If the actual document cannot be obtained from the customer, the contents of the legal act shall be recorded with the account operator.

The authenticity of a document shall be verified to ensure that it has been drawn up and where required, done in the prescribed form.

Account operators recommend that the most common documentation of title, such as bills of sale, deeds of gift and deeds of exchange, include an entry on the applicant for registration.

11.1 Private documents

11.1.1 Documents requiring a prescribed format

The documents listed below must be executed in a prescribed format. The prescribed format is a condition of their legal validity, without which a document does not have the content or significance provided for by the law.

11.1.1.1 Marriage settlement

A marriage settlement is concluded in writing and attested by two objectively impartial witnesses. The marriage settlement is valid after registration by the register office.

Registration is proved either by an entry made in the settlement or by a separate decision issued by the register office.

11.1.1.2 Gift between spouses or partners of a registered partnership

A deed of gift by which a spouse donates personal property to his or her own spouse should be dated and signed. If the deed of gift excludes a spouse's marital rights it has to be attested by two objectively impartial witnesses.

11.1.1.3 Distribution of matrimonial assets

The distribution of matrimonial assets is executed in writing, and the deed is signed either by the spouses attested by two objectively impartial witnesses or by the estate distributor alone.

Matrimonial assets may be distributed between the spouses or between the widow/er and the other parties to a deceased's estate. Likewise, a distribution of matrimonial assets can be done also between the partners of a registered partnership or between the surviving partner and other parties to a deceased's estate.

The distribution of matrimonial assets executed by the spouses becomes final upon its execution if so agreed upon by the spouses signing it. In this case the document shall indicate that distribution has been approved and that the spouses undertake not to contest distribution. The distribution of matrimonial assets executed between spouses may be contested only on formal grounds. The period for contesting the distribution is six (6) months.

Also distribution of matrimonial assets executed by an estate distributor can be accepted by the parties so that it becomes final upon acceptance. If distribution has not been accepted, the parties may contest it within six (6) months.

In other cases the finality of distribution is proved by a certificate of finality issued by a court of first instance. This certificate may be acquired when six (6) months have elapsed from the execution of distribution.

11.1.1.4 Distribution of an inheritance

Distribution of an inheritance is executed in writing and the deed is signed either by the parties and attested by two objectively impartial witnesses or by the estate distributor alone.

Distribution of an inheritance executed by the parties becomes final upon its execution if so agreed upon by the parties signing it. In this case the document shall indicate that distribution has been approved and that the parties undertake not to contest distribution. The distribution of an inheritance executed between the parties may be contested only on formal grounds. The period for contesting the distribution is six (6) months.

The parties can also accept and undertake not to contest a distribution of an inheritance executed by an estate distributor so that it becomes final upon acceptance. If the distribution has not been accepted, the parties may contest it within six (6) months.

It is not obligatory to use an estate distributor even if a party to a deceased's estate is legally incompetent if the deceased died on or after 1 December 1995. However, in this case distribution of the inheritance executed by the parties without an estate distributor is valid only if the local register office has consented to or approved the distribution agreement.

In other cases the finality of distribution is proved by a certificate of finality issued by a court of first instance. This certificate may be acquired when six months have elapsed from the execution of the distribution.

11.1.1.5 Estate inventory

The inventory of a deceased's estate shall be drafted in writing and signed by the person declaring the estate and by two trustees. The estate inventory shall indicate inter alia

- the legal heirs of the deceased, the widow/er, or the surviving partner of a registered partnership, any secondary heirs, beneficiaries under a will together with the address and personal identity number of each person
- the family relationship of each party and the deceased
- the matrimonial right of the deceased and the widow/er or the surviving partner of a registered partnership to each other's property
- a declaration by the widow/er or to the surviving partner of a registered partnership as to whether he or she is willing to pass his or her own property to the heirs of his or her deceased spouse
- a declaration as to whether the widow/er or the surviving partner of a registered partnership intends to retain possession of all or part of the estate of the deceased spouse
- the will and any claims by forced heirs.

The estate inventory shall be accompanied by inter alia

- an extract from the personal register
- copies of the will and the marriage settlement.

An estate inventory must be carried out within three (3) months of death. Within one (1) month of the estate inventory, the document shall be submitted to the tax office for the imposition of the inheritance tax.

Registration of an estate inventory deed

Before amendment to the Inheritance Code, which entered into force on 1 September 1994, an estate inventory deed had to be submitted in two copies to be examined by a court of first instance of the place of residence of the deceased within two (2) months after the imposition of the inheritance tax.

In connection with examination, the court of first instance filed one copy of the estate inventory and the other copy was returned to the person declaring the estate with an entry of the registration.

A registered estate inventory is deemed sufficient proof of the parties to the estate.

Confirmation of the parties to an estate inventory

Registration of an estate inventory deed by a court was terminated by

an amendment to the Inheritance Code, which entered into force on 1 September 1994,

The Act currently in force makes it possible to have information on the parties entered in an estate inventory deed confirmed by a local register office.

Applications to have the information on the parties to an estate inventory deed confirmed may be submitted to the Register Office by a party to the estate, the surviving spouse, the trustee of the estate, the estate administrator, estate distributor or executor of the will.

The information on the parties is confirmed by any Register Office.

An entry on the confirmation is made on a certified copy of the estate inventory deed.

It is not obligatory to have the information on the parties confirmed by the Register Office.

11.1.1.6 Will

A will is made in writing and signed by the testator. In addition, two objectively impartial witnesses are needed, who have been aware of the fact that the document is a will and who have been simultaneously present when signing it and who have attested that the testator has made the will of his/her own free volition and that s/he was legally competent at the time.

Additional information on the finality of a will is found in the chapter Will.

11.1.2 Free form documents

Even though the transfer of book-entries does not require written form, the account operator must nevertheless be able to restore the information on the account from back-up copies and filed documents. A written document, for example a written application, has to be available. These documents may not be subject to any additional requirements not based on the law.

For the account operator, a written document indicating the following is sufficient:

- the transferor and the transferee
- the type of acquisition in question
- the account operator of the transferor and his account if s/he has more than one account
- the subject of the transfer: the book-entries in the account or an itemisation of the types and amounts of book entries transferred
- no witnesses are needed.

Authorisation to convey book-entries or a portfolio management mandate shall itemise the following:

- the issuer of the mandate or authorisation and the person authorised; this may also be in the form "nn or a person authorised by nn", in which case the assignment shall be entered in the mandate or authorisation
- the book entries subject to the transfer or portfolio management
- no witnesses are necessary in the mandate or authorisation.

11.1.2.1 A deed of distribution of joint ownership

A deed of partition dissolving joint ownership shall be made in writing.

11.1.2.2 Pledge

A pledge registration requires written consent given by the account holder and is usually contained in the pledge.

A pledge shall be executed in writing and it shall indicate

- the pledger and the pledgee
- subject of the pledge.

11.2 Documents issued by the authorities

When ascertaining the rights relating to book-entries, some of the documents are issued by the authorities. In some cases, the authorities themselves also apply for registration in the accounts so that the authority is recorded as the holder of the right. However, the majority of documents issued by the authorities form part of the account given by another applicant either on the applicant himself or on the issue that the application relates to.

A court judgment or register office's decision is needed *inter alia* in the following cases

- parental responsibility for a child; a separate decision or part of a divorce decree
- trusteeship
- bankruptcy.

Certificates issued by the court

- documents of finality: distribution of matrimonial assets or inheritance, will
- filing of a will (regulations concerning the filing of wills were repealed on 1 November 1990).

Others

- execution, orders on precautionary measures
- an agreement on the parental responsibility for a child confirmed by the Municipal Social Welfare Committee
- extracts from the Population Register
- extracts and copies issued by the authorities from various registers and documents on file
- confirmation of the parties to an estate inventory

11.3 The production of original documents and use of copies

11.3.1 Documents constituting a right

The following documents must be presented in the original to the account operator. Also a mandate or authorisation relating to such a document shall be submitted in the original.

The transferring account operator is responsible for ensuring that the same registration is not made more than once.

Documents constituting a right

- deed of sale
- deed of gift
- deed of exchange
- distribution of matrimonial assets
- distribution of inheritance
- a will
- an estate inventory when the acquisition is an inheritance and there is only one party to the deceased's estate (i.e., the documents of title do not include a deed on the distribution of an inheritance; contact the relevant registration officer if the original estate inventory deed is not available)
- a deed of distribution of joint ownership
- pledge
- order to sell
- mandate or authorisation

Authorities applying for registration always present the original document, for example

- distraint order on the basis of which the chief executory authority applies for the registration of a distraint
- a decision by a court of law or guardianship authority to appoint a trustee.

11.3.2 Documents other than those constituting a right

Ascertaining the basis for the registration or the legal position of the applicant also usually requires other proof than that referred to above. In this case copies certified as true by one person are sufficient.

This applies, for example, to situations in which an original deed of distribution of an inheritance or an original will is supplemented by copies of the estate inventory deed and the extracts from the Population Register appended thereto.

11.4 Storing Documents

Unique documents, usually of a private nature pertaining to registration decisions, decisions to reject a registration and decisions to dismiss an application made by an account operator on the rights and limitations relating to the book-entry account and the book-entries registered on it, as well as a list of the dismissed and rejected registration applications and documents related thereto are stored for a period of at least ten (10) years from the registration decision. Documents obtained elsewhere and relating to temporary registration are kept for as long as the application is pending. Share, unit and other securities certificates forwarded to account operators in connection with joining the book-entry system can, without prejudice to the above, be destroyed at the decision of the issuer after ten (10) years from expiry of the registration deadline provided that there is not a single certificate of the type in question in the issuer's joint account. The same applies to other book entries which have a similar registration date.

12 Temporary registration

12.1 Application

Temporary registration may be made with regard to an application relating to titles as well as to a right or a restriction.

Temporary registration shall be made if the information presented as the grounds of a registration application is incomplete but it is not immediately dismissed or rejected, for example, if

- the documents relating to an inherited book entry do not include an extract from the Population Register of a party to the estate
- an uncertified copy is presented of the document constituting the basis of the application and there is no reason to suspect that the copy is a forgery.

An application shall be dismissed, for example, if

- it relates to making a registration in an account which is not with the account operator
- it relates to registering execution in an empty book-entry account
- the document constituting the basis of an application is not presented even as a copy.

An application shall be rejected if effecting the registration applied for is impossible or obviously illegal.

Examples

- an application for registration of a secondary pledge on a right of pledge already registered in a book-entry account
- an application for registration of a right of pledge on a pledged book-entry account
- an application for registration of shares owned by a Finnish owner in a book-entry account registered in the name of a nominee.

Temporary registration commences when an application for registration has been filed with the account operator.

12.2 Request to supplement the application

Temporary registration shall be made if there are no conditions for making final registration and the application is not rejected or dismissed. The applicant shall simultaneously be notified that the application is incomplete and what additional information he is required to submit. The applicant shall be explained the consequences of failure to comply with the request to supplement the application. Where necessary, a second request to supplement the application may be made.

12.3 Time period of registration and renewal of registration

When temporary registration is made, a period within which the necessary information is to be submitted shall be agreed with the customer. One month is the recommended period for temporary registration.

Temporary registration may be renewed if the customer notifies, within the deadline given, that additional time is required to acquire the information. The new deadline given shall start from the first temporary registration.

12.4 Lapse of temporary registration

Temporary registration shall be made final if the customer presents the information required within the deadline given. If the customer fails to present the information within the deadline given, temporary registration shall lapse, i.e., it will be refused or rejected. A list of temporary registrations shall be kept.

12.5 Temporary registration in account transfers

When, in connection with the examination of title, a decision has been made to make a temporary registration of a title, it shall be effected so that the book-entries are transferred to the account of the transferee and a restriction "temporary registration" shall be placed thereon in the account of the transferee. The transferor of the book entries shall be entered as the holder of rights. If the book-entries are transferred to an account of the transferee with another account operator, a one-way account-transfer shall be used. The receiving account operator shall be notified that the lot is subject to temporary registration. The information on temporary registration and its holder of rights necessary to effect registration shall be submitted to the receiving account operator.

13 Opening an account and account notification

13.1 Basic information on the owner and holder of a right

The Act on Book-Entry Accounts (Section 3) provides that a list of the holders of rights pertaining to the book-entries, e.g. account holders, shall be kept in Euroclear Finland's book-entry register.

The entry recorded on the holder of a right shall include

- the name; the official name appearing in a registration extract in case of a corporate form which requires registration, otherwise in a partnership agreement or a corresponding document, shall be used of an organisation
- place of residence or registered office and postal address
- address for payments
- country of taxation
- the Finnish personal number, business identity code or an artificial identification code confirmed by Euroclear Finland.

By law, the customer shall submit the above information about himself. The customer register of the account operator may also require other obligatory supplementary information.

13.2 Account notification

The account operator shall submit an account notification of each registration made in the account and of each correction of an entry to

- the account holder
- the holders of rights registered in the account if the decision affects their right.

Account notification shall be submitted to the following holders of rights

- pledgee
- a temporary estate administrator, a trustee or a receiver of a bankruptcy estate
- an estate administrator of a deceased's estate, an executor of a will
- an executory authority
- a trustee

Account notification shall be submitted immediately after the transaction. It shall also be possible to agree with the customer on the submission of account notifications at set intervals.

Account notification shall contain

- the account-identification information
- the registrations made in the account.

Only new registrations may be notified in an account notification and not the entire contents of the account.

An account notification shall state the grounds for the decision.

- the grounds for the decision may be, e.g., a transaction or a gift, which is usually available directly from the data system
- the grounds for the restriction of disposition shall be stated as briefly as possible, e.g., a court decision, a contract, a promissory note, etc.

In most cases, the data system produces an account statement automatically. In accordance with Euroclear Finland's Rules, an account notification shall be produced automatically of a book-entry account where the pledgee is other than the account operator unless the holder of the right in question has, in writing, agreed to another procedure.

It may be agreed that the account notification is submitted also in machine language form.

13.3 Account statement

Each year before the end of January, unless otherwise agreed, the account operator shall provide an annual account statement containing all the entries registered in the account at the end of the previous year. At the account holder's request, the account statement must include all changes in the book-entry account during the calendar year or other financial period. An annual statement shall be provided free of charge.

An account statement is to be forwarded to

- the account holder only
- for taxation purposes; the tax authorities and Euroclear Finland may agree that the account statement contains a copy including the information necessary for taxation purposes.

14 Customer identification

Liability to identify

An account operator undertakes to identify its customers at all times. A customer's identity should be established before opening a book-entry account.

Additionally, good registration practice requires the account operator and the registrar to know the nature of their customer's business and the grounds for using the service. If the account operator does not know their customer's background or business sufficiently well, it is difficult for them to assess whether there is anything suspicious or exceptional about a customer's business. Any suspect business should always be reported to the Money Laundering Investigation Centre. Suspect business may include for example, subscribing shares in share issues in a manner that blatantly seeks to evade the terms and conditions of the issue.

How to identify a customer

Customer identification is made on the basis of the documents presented to the account operator.

The identity of natural persons shall be established by means of reliable documents such as a valid driving licence, passport or similar document.

The identity of legal persons shall be established by means of reliable documents such as an extract from the Trade Register or similar extract from a public register. Partnerships are identified on the basis of the partnership agreement presented to the account operator. Persons acting on behalf of a legal person must also prove their identity and their right to represent the legal person concerned.

Documents used to establish identity

In this context the term Finnish natural persons means Finnish nationals and foreign nationals who have a Finnish personal number. The identity of a Finnish natural person shall be established by means of a reliable document including a valid:

- driving licence
- personal identification card issued by a police authority
- passport
- Finnish Social Insurance Institution card bearing a photo.

In this context, the term natural foreign person means a person who does not have a Finnish personal number. The identity of natural foreign persons should be established by means of a reliable document, usually a valid passport.

The identity of legal persons (organisation, foundation) shall be identified by means of a reliable document such as

- an extract from the Trade Register
- a similar extract from another register
- a business identity code if one has been issued.

The right of a natural person acting on behalf of a legal person to represent that legal person shall be established by a power of attorney, extract from the Trade Register or from a similar public register showing the names of the persons authorised to sign for the company and the names of those with the power of procuration.

Identity data to identify account holder

The following should be ascertained when establishing the identity of a natural person

- the name and personal number of a Finnish natural person
- the name, personal number or passport number and nationality of a foreign natural person.

The following shall be ascertained when establishing identity of a legal person:

- the trading name of the legal person
- the address
- a business identity code if one has been issued
- the registered office
- the identity of the natural person acting on behalf of the legal person described above.

Note of identification made

The person with a duty to report shall make notes concerning the customer on the documents retained by the account operator or in some other manner keep the information to identify the customer. The information to be kept includes:

- data concerning the customer's identity
- the document used to identify the customer, the document number or other identifying data or a copy of the document
- the date identification was made and the name of the person identifying the customer.

Retaining identification data

The account operator shall retain the customer's identification data for at least five (5) years after the customer has ceased being a customer.

15 Registration of title

15.1 Account-transfer procedure

With the exception of market place trades, the registration of titles with an account operator shall be implemented through account transfers and by applying the registration grounds referred to below. The registration grounds include the most common types of acquisition of title.

Account transfers shall be executed as one-way or two-way transfers in accordance with the instructions of the account operator in question. Mainly transfers between account operators shall be executed as two-way transfers; thus the account number of the receiver should be known.

A one-way transfer shall be used whenever the account number of the book-entry account of the receiver is not known or if a restriction is attached to the book-entries. Omission of an account number shall not prevent an account transfer. An exception to this are shares subscribed in a new issue and unpaid at the moment of account transfer. Unpaid shares shall always be transferred through a two-way account transfer.

In a two-way account transfer, the restriction "98" shall be used. The documents pertaining to the restriction shall be submitted to the receiving account operator.

16 Registration grounds

16.1 Market Place trades

The registration ground shall be used in transactions to be cleared in Euroclear Finland's clearing system.

Account operators and clearing parties in Euroclear Finland's OM system have agreed the following in an agreement on sending distribution data and certain other applications:

Generally account operators accept registration applications sent by a clearing party applying to reservations, except registration applications submitted with a distribution data application, without documents.

Likewise, account operators generally accept distribution data applications sent by a clearing party below the amount of euros specified in the agreement without documents.

However, an account operator may require a clearing party to provide authorisation from the book-entry account holder or person authorised thereby also for distribution data applications below the specified euro limit.

Under Finnish law, distribution data applications exceeding the euro limit defined in the agreement must be accompanied by an authorisation issued by the competent holder of the book-entry account.

16.2 Other transactions

This registration ground shall be applied in transactions made outside the market places, including

- a so-called private transaction
- a spot transaction
- a direct or spot sale of even-out lots of subscription rights
- a voluntary auction
- compulsory auction
- exercise of stock futures.

Documents required

The following shall be presented as documentation of title

- a deed of sale or
- a similar document indicating the transfer between the parties.

A similar document may, for example, be a document in standard form indicating the seller, the buyer, the object of the transaction, the book-entry account and the type and number of book-entries.

The account operator shall not be liable to examine the payment of any asset-transfer tax payable on the transfer of book-entries.

Filing

A copy of the document of title shall be filed.

16.2.1 Transfer of business operations

Transfer of the business operations is a sale of the company's assets. There must be adequate information for the specification of the securities in the sales contract in order to be able to register the transfer of ownership. If the contract of sale is very extensive and complicated it is possible to request a separate clarification document containing the exact information on the securities that are included in the trade and information on the book-entry account ids that are involved in the transfer. By signing the separate document the parties of the trade also confirm that on the mentioned date the transfer of ownership is to be irrevocable and without provisos.

In addition to the contract at least the documentation proving the right to sign the company's name (extract from the trade register) and case-specifically decisions of the relevant organisations of the company/companies have to be presented.

16.3 Transfer of a share into a book-entry

This registration ground shall be applied in connection with the transfer of a share into a book-entry form, when the share is left in the account of the customer. This shall be used only as the first transaction of a book-entry. Separate company-specific instructions shall be issued for the transition period.

16.3.1 Annulling of a share certificate

In connection of a transfer of annulled share certificates into a book-entry the basis of a transaction are the minutes from the court of justice that includes the issuer's certificate of service or a separate certificate of service. A copy of decision cannot be used as such as a basis for registration into the book-entry system because a court of justice does not give original court decision and in principle it may give unlimited amount of copies of the decision, A copy of a court decision can be transformed to be unique by notifying the annulled shares to the issuer that can keep track of the given annulling decisions without gaps related to shares issued by it.

16.4 Transfer into one's own account

This registration ground shall be applied when ownership does not change, i.e., when the owner wants to transfer book-entries from his own account to another account he owns. The transfer may be made either within the same or in another account operator.

Documents required

Notification of the customer on the account transfer he requests.

Filing

The transfer commission shall be filed.

16.5 Exchange

This registration ground shall be applied when the documentation of title presented indicates that book-entries and securities or book-entries, securities and money have been given to the other party in consideration of the book-entries received.

Documents required

The following shall be presented as documentation of title

- a deed of exchange or
- similar proof indicating the exchange between the parties.
- A similar document may, for example, be a document in standard form indicating the parties to the exchange, the book-entries being exchanged, the book-entry account and the type and number of book entries.

The account operator shall not be liable to examine the payment of any asset-transfer tax payable on the transfer of book-entries.

Filing

A copy of the documentation of title shall be filed.

16.6 Gift

A provision on the donation of book-entries has been added to the Gift Pledges Act. Because gifts based on a transfer of possession cannot be applied to book-entries, the gift is deemed fulfilled when the book-entry is registered in the account of the recipient. If a receivable based on a book-entry is waived, the gift is deemed fulfilled when the book-entry is registered in the account of the party liable to make the payment (a receivable based on a bond loan is waived).

A gift may contain a term under which the yield, for example the dividend, belongs to a party other than to the recipient of the gift, for example, to the donor. A gift may not contain a term under which title is retained by the donor. In this case the registration officer shall be contacted.

16.6.1 Ordinary gifts

This ground for registration is used when the donor or the recipient of a gift requests a transfer of the donated book-entries to the account of the recipient (corresponding to transfer of possession) and the recipient of the gift has accepted the gift (for example, a deed of gift is presented). The gift is fulfilled when the account operator of the recipient has accepted the book-entries into the recipient's account.

The required documentation shall be presented as documentation of title:

- a deed of gift indicating the acceptance by the recipient or
- a transfer order and the acceptance by the recipient as well as

- where necessary, the order issued to a trustee's deputy.

Filing

A copy of the document of title shall be filed.

16.6.2 Notary gifts

A notary gift refers to the fulfilment of a gift by depositing personal property, for example, the book-entries, with a bank or a securities brokerage company. In this case the fulfilment of the gift also requires that the book-entries have been registered in the book-entry account of the recipient of the gift.

If the consent of the recipient of the gift is not included, the account operator may exceptionally open an account for the recipient of the gift without separate authorisation and register the book-entries in the account.

A notary gift may be used for example when donating book entries to a minor.

16.6.3 Gift to a minor

16.6.3.1 Gifts to one's own minor

For the donation, a court or a register office may appoint a trustee's representative for the child. In this case the trustee's representative shall accept the gift. The trustee's representative shall present the document issued by the court on his appointment. An entry on the trustee's representative may be made on the deed of gift, a copy of which shall be filed. A bank may act as a trustee representative without a court or register office's order.

16.6.3.2 Gifts to another minor

A trustee shall accept the gift. The trustee may authorise the account operator of the child to do this.

16.6.3.3 Securities acquired to be registered in the name of a minor and paid with someone else's than the minor's own property

If securities have been acquired in the name of a minor and paid with someone else's than the minor's own property it is always considered to be a donation of money from the donor to the donee instead of donation of securities.

16.6.4 Gifts between spouses or between the partners of a registered partnership

This requires a deed of gift in a prescribed format.

See above section Document Verification.

16.7 Inheritance

16.7.1 A deceased's estate with one party

This ground for registration is used if there is only one party to a deceased's estate and he/she wants to transfer a book-entry from the account of the deceased to his/her own account.

Documents required

The following shall be presented as documentation of title

- an estate inventory deed and the necessary extracts on the deceased from the Population Register or
- an estate inventory deed that has been registered or confirmed with regard to the information on the parties.

16.7.2 After the distribution of an inheritance

There are more parties to a deceased's estate than one, in which case the estate has to be distributed if a party wants ownership of his own share. This ground for registration is used after the distribution of inheritance when transferring book entries from the account of the deceased to the book-entry accounts of the parties.

Although there is an estate executor appointed to the deceased's estate the evidence of the parties is needed when the securities that a party has received in connection of the division of the estate are required to be registered in a book-entry account of a party. An estate executor is responsible for transferring the property received in connection of the division of the estate to the parties but the account operator is responsible for checking that the deed as a part of the evidence of the acquisition is legally valid.

Documents required

The following documents shall be presented

- an estate inventory deed and the necessary extracts on the deceased from the Population Register or
- an estate inventory deed that has been registered or confirmed with regard to the information on the parties
- a valid deed of estate distribution
- the court order issued to the estate distributor if distribution has been executed by an estate distributor.
- permission from the register office if there are minors or other incompetent parties in an estate and there is no estate distributor appointed
- a letter of appointment of the estate executor if an estate executor is appointed

See above section Document verification

Filing

A copy of the deed of estate distribution, an unregistered estate inventory deed or of an unconfirmed, with regard to information on the parties, of an estate inventory deed with the necessary extracts from the Population Register and a will, marriage settlement and letters of appointment, if any, are filed.

Temporary registration

See above section Document verification

16.8 Will

This ground for registration is used when the transferee presents a will forming the basis for the transfer of title. The will shall be one granting full title.

If the applicant presents a will entitling him to possession or use of the deceased's property, it is registered as a right to yield when it comes to securities.

16.8.1 General legacy

The will may be a so-called general will, under which the beneficiary obtains all of the property in the deceased's estate or a certain portion thereof. Testamentary title requires distribution of the estate if there are several testamentary beneficiaries and if the will grants title to a specific portion (for example half to the beneficiary of the will and half to a legal heir). No distribution of the inheritance is needed if the will relates to all of the deceased's estate.

16.8.2 Specific legacy

A specific legacy is the legacy of a certain specific item to someone in the will. The beneficiary of a specific legacy is not a party to the estate of the deceased. Heirs should hand over the certain specific item to the beneficiary of the specific legacy after paying the estate's debts but before distribution. The deceased's estate is responsible for handing over the property to the beneficiary of a legacy. Joint administration of the deceased's estate is valid before distribution of inheritance. This means that only the parties to the estate together, or a estate administrator appointed by a court of law can dispose of the property in the estate. In other words, the beneficiary of a legacy cannot receive property out of the estate until all heirs have given their consent.

Once the will has gained legal force, the estate executor (with the permission of the widow/er) or estate administrator is entitled to hand over the property to the beneficiary of the legacy. Unless all parties voluntarily give their consent to handing over the property, a beneficiary of a specific legacy may apply to a court to appoint an estate administrator.

In other words, even though a will has gained legal force, an account operator is not entitled, solely by virtue of the will, to transfer property (e.g. certain book-entries) to the beneficiary of a specific legacy without a legally valid deed of partition or the consent of all parties to the deceased's estate or that of the estate administrator if the estate administrator has been appointed. Not even the express declaration of acceptance of the will by all parties to the deceased's estate would suffice because acceptance of a will only means waiving the right of appeal.

Property can also be transferred to the beneficiary of a specific legacy in conjunction with the distribution of inheritance. In this case the legal deed of estate distribution is regarded as the consent of the parties to the deceased's estate to handing over the legacy.

16.8.3 Forced heirs

Forced heirs are direct heirs who a testator or donor cannot deprive of the share of his estate reserved for them by law, except in cases where he has just cause to disinherit them. Direct heirs are party to a deceased's estate until they have received their forced portion.

The beneficiary of a will shall prove with a written document that the forced share has been transferred or that forced portions haven't been claimed. Acceptance of a will is not enough for evidence proving that forced portions haven't been claimed.

16.8.4 Establishing the validity of a will

In order for a will to become valid, the heirs of the testator shall be notified thereof, and they have the right to contest the will before a court within six (6) months of having been notified. If a will has not been contested within the period prescribed, the will has become valid; for the two-stage procedure, see below.

The stages of the two-stage procedure are

- notification
- contesting.

The beneficiary of the will should notify the legal heirs of the testator of the will through a writ-server or in another verifiable way and, at the same time, give them a certified copy of the will.

If the beneficiary under the will is the widow/er and the deceased has no surviving direct heirs, the secondary heirs of the testator should be notified of the will.

If the testator left no legal heirs, the State Treasury should be notified of the will.

If the will is an oral will, a certified copy of the record of the hearing of the witnesses of the will or of another written account of the contents of the will shall be submitted to the heirs.

A will may become valid also through its acceptance (see below), which replaces the procedures described above. If all the heirs of the testator have accepted the will, the will becomes valid through this acceptance.

Acceptance is usually entered on the will as follows:

I hereby accept the will and undertake not to contest it.
Helsinki, 1 January 1991
Harry Heir

If not all the heirs of the testator have accepted the will, the legal validity of the will has to be proved by a certificate of finality written into the will documents by a court of first instance in the place of residence of the testator. Action to contest the will should be initiated within six (6) months of notification. If the will is not contested, it becomes valid.

If there are forced heirs, see above section 16.8.3 Forced heirs.

If the testator was married it has to be checked if the distribution of matrimonial assets has been carried out between the testator and the spouse. The extent of an estate of the deceased person that can be left by will is defined only in the distribution of the matrimonial assets. Assets can be given to the beneficiary if they are set to the assets of the testator in the distribution of matrimonial assets or if the widow has given his content before the distribution of matrimonial assets.

Documents required

The following documents shall be presented

- an estate inventory deed that has been registered or confirmed with regard to the information on the parties or
- an estate inventory deed and the necessary extracts from the Population Register
- a will
- certificates of service
- certificate of finality unless the will is accepted
- where necessary, a final deed of division and estate distribution (if there are more than one parties or beneficiaries)
- where necessary, a clarification of forced shares.

16.8.4.1 Procedure for filing of a will when the testator has deceased 30 April 1990 or earlier

Legal provisions related to filing a will were cancelled 1 November 1990. Under the legislation in force before 1 November 1990, the validity of a will also required the will to be filed with a court of first instance in the place of residence of the testator and notification of the heirs thereof, who could contest the will; for the three-stage procedure, see below.

The period of filing starts to run when the beneficiary under the will is informed of the will and the death of the testator.

16.8.5 Transitory provisions regarding the filing of a will

If the period of filing ended on or before 30 October 1990, the validity of the will requires that it be filed. In practice this means the beneficiary under the will has been informed of the will and the death of the testator at the latest on 30 April 1990.

If the period of filing was incomplete or had expired on 1 November 1990, the will no longer needed to be filed. In practice the beneficiary under the will was informed of the will and the death of the testator on or after 1 May 1990.

A will need not be filed if the testator died on or after 1 May 1990.

A will may become valid also through its acceptance (see below), which replaces the procedures described above. If all the heirs of the testator have accepted the will, the will becomes valid through this acceptance and the heirs need not be notified thereof.

Acceptance is usually entered on the will as follows:

I hereby accept the will and undertake not to contest it.
Helsinki, 1 January 1991
Harry Heir

Documents required

The following shall be presented as documentation of title

- an estate inventory deed and the necessary extracts from the Population Register or
- an estate inventory deed that has been registered or confirmed in respect of information about the parties to it
- a will with an entry on acceptance
- where necessary, a final deed of estate distribution

See above the Two-stage procedure, when the period of filing was incomplete on 1 November 1990.

Three-stage procedure, period of filing ended on 30 October 1990.

The stages of the three-stage procedure are

- filing
- notification
- contesting

The will should be filed with the court of first instance in the testator's last place of residence within six (6) months of the date on which the beneficiary was informed of the will and the death of the testator. If all the heirs accept the will within the period of filing, the filing and the acts following it are not necessary.

All the heirs should be verifiably notified of the filed will by giving them a certified copy of the filing record of the will.

If the beneficiary under the will is the widow/er, and the deceased has no direct heirs, the secondary heirs of the testator should be notified of the will.

If the testator left no legal heirs, the State Treasury should be notified of the will.

Action to contest the will should be initiated within six (6) months of notification. If the will is not contested, it becomes valid.

If all the heirs have not accepted the will, the validity of the will shall be approved by a certificate of finality entered in the documents by the court of first instance in the testator's last place of residence.

Documents required

The following documents shall be presented

- an estate inventory deed and the necessary extracts from the Population Register or
- an estate inventory deed that has been registered or confirmed in respect of information about the parties to it
- a will
- certificates of service
- certificate of finality
- where necessary, a final deed of estate distribution.

Filing

Copies of an estate inventory deed and the necessary extracts from the Population Register or of a registered estate inventory deed or one that has been confirmed in respect of information about the parties, a will, certificates of service or certificate of finality and a deed of estate distribution shall be filed.

16.9 Distribution of matrimonial assets

16.9.1 Distribution of marital assets between spouses or the partners of a registered partnership

This ground for registration shall be used when the transferor or transferee presents a document of the distribution of matrimonial assets. When a divorce or the dissolution of a registered partnership is pending or when a marriage has been dissolved through divorce, the matrimonial assets shall be distributed if a spouse or a partner of a registered partnership so requires.

If neither spouse/partner has a matrimonial right to the property of the other, a separation of the assets is performed instead of a distribution. Separation of the assets does not result in any changes in title or registrations in book-entry accounts.

Distribution of matrimonial assets can be executed by the spouses together or by an estate distributor appointed by the court.

Distribution of matrimonial assets becomes immediately final if the document contains a statement in which the spouses/parties of a registered partnership accept the distribution and undertake not to contest it. In other cases, finality is indicated by a certificate of finality entered in the document by a court of law.

Documents required

The following documents shall be presented

- a document of the final distribution of matrimonial assets
- where necessary, the court order appointing an estate distributor
- an account of the grounds for the distribution of matrimonial assets, i.e.,
 - a divorce decree
 - an extract from the Population Register indicating the date of divorce
 - a decision of a court of first instance indicating that a divorce is pending.

Filing

A copy of the document of the distribution of matrimonial assets and the court order appointing an estate distributor, if any, as well as the account relating to the grounds for distribution are filed.

16.9.2 Distribution of matrimonial assets between a widow/er and parties to the deceased's estate

When a marriage or registered partnership is dissolved through the death of a spouse/partner, the matrimonial assets shall be distributed if so requested by the widow/er or surviving partner or heir of the deceased spouse.

If neither spouse has a matrimonial right to the property of the other, a separation of the assets is performed instead of a distribution.

Distribution may be carried out by

- an estate distributor appointed by the court or
- the parties to the estate by agreement.

Distribution of matrimonial assets becomes immediately final if the document contains a statement in which the widow/er and the heirs of the deceased spouse accept the distribution and undertake not to contest it. In other cases, finality is indicated by a certificate of finality entered in the document by a court of law.

Documents required

The following documents shall be presented

- an agreement (document) of final distribution
- an account of the parties to the deceased's estate (see Inheritance)
- where required, the court order appointing an estate distributor.

Filing

A copy of the document of the distribution of matrimonial assets, an account of the parties to the deceased's estate and any court order appointing an estate distributor are to be filed.

16.10 Merger

General

A merger is executed in the book-entry register at the end of the day prior to the day when the merger is registered into the trade register. The merging company ceases to exist and the securities issued by it are removed from the book-entry system in connection with the merger.

The cash consideration is paid on the payment date informed by the company.

Handling of the shares of those shareholders that have opposed the merger

Based on the company's registration application the shares of a shareholder that has opposed the merger are transferred by the account operator from the shareholder's book-entry account to the company. At the same time an interim security with the right to a claim related to the redemption price is transferred into the shareholder's book-entry account. In the connection with the registration application the company has to present adequate documents that express the facts that the shareholder has in the General Meeting (GM) required that his/her shares would be redeemed and voted against the merger. The transfer of the shares from the shareholder to the company requires also that the arbitration proceedings have been instituted (latest in one month time after the GM).

If the shareholder has acquired additional shares after the record date of the above mentioned GM the acquired shares are not exchanged to interim securities that have the right to a claim. The interim securities with the rights to a claim are non-transferrable.

The redemption price is paid within a month after the arbitration courts decision has become non-appealable, but not before the registration of the merger decision has been carried out. The company has to sign agreements with the account operators related to the redemption price payments. The company pays the redemption prices with the interest to the account operators and delivers the registration applications related to the transfer of the interim securities with the rights to a claim to the book-entry account informed by the company. The interest is calculated from the date when the merger decision was made i.e. the GM date of the merging company. After all the interim securities with the rights to a claim have been returned to the company they will be removed from the book-entry system on the redeemer's request.

16.11 Other cases

This registration ground is used inter alia when

- property is assigned to a company as a contribution in kind
- a transferee has exercised his rights of redemption referred to in the Articles of Association and has redeemed a share from the actual buyer
- changes in title resulting from a change of corporate form result in account transfers
- a share has been acquired in the form of a merger consideration
- joint ownership has been dissolved by mutual agreement, i.e., a deed of distribution
- the shares of a shareholder who has opposed a merger are transferred to Euroclear Finland
- private withdrawal from a partnership.
- warrants based on an employment relationship revert back to the company owing to termination of the employment relationship.

Documents required

To be decided in casu, contact the registration officer.

16.12 Other registration basis

- Transfer to a nominee account
- Transfer from a nominee account
- Market Place trade settled trade specifically
- Direct selling
- Transfer of collateral
- Return of collateral
- Cancellation of relationship based on co-ownership
- Issue account transaction
- Net transaction
- Share issue
- Scrip issue
- Subscription
- Forfeiture
- Redemption
- Change of par value
- Combination of security types
- Cancellation of a security type
- Other subscription
- Creation of subscription rights
- Transfer of subscription rights during the record period
- Class conversion

- Cancellation of a class conversion
- Reversed split
- Cancellation of a subscription
- Conversion of a convertible bond into shares
- Share subscription by option
- Execution by warrant
- Demerger
- Stock loan
- Return of stock loan
- Return of subscription rights
- Transfer of an account as a whole
- Correction

16.12.1 Private withdrawal

A partner in an unlimited partnership and a liable partner in a limited partnership may withdraw funds from the company for their own use as salary, distribution of profit or private withdrawal. Generally speaking, these funds can be withdrawn relatively freely for personal use. Unless any limits have been agreed on between the partners, withdrawals may be in the form of cash or other property without limitation.

A partner in an unlimited partnership or a liable partner in a limited partnership can apply for registration of book-entries from the company's book-entry account to a personal book-entry account as a withdrawal.

Registration is made using the registration ground Other cases.

The following shall be presented as documentation of title

- transfer commission signed by all liable partners and
- extract from the Trade Register to verify the partners

17 Registration of rights and restrictions

Open distribution data in an account do not prevent the registration of rights and restrictions.

17.1 Rights and restrictions pertaining to an account

17.1.1 Asset management mandate

- asset management agreement
- investment agreement
- access right

Use of the registration ground

A portfolio management mandate provides the right to transfer book-entries from an account or otherwise to administer the book-entries registered in an account. It does, however, not restrict the right of the account holder to manage the account.

An asset management mandate is usually issued to a securities intermediary or another asset manager.

Registration applicant and the documents required

The applicant may be the account holder or the authorisation holder if he/she has a separate authorisation to apply for registration.

For an organisation as applicant: see above Legal Persons.

An original of an express authorisation or another written agreement ("asset management agreement" or "investment agreement") signed by the account holder shall be presented as the document.

Information to be registered

The asset management mandate as well as the name and identification code of the authorisation holder shall be registered in the account.

The basic information about the issuer of the authorisation shall be recorded in the list of the holders of rights.

Information about the party who presented the application or the manner and time of its arrival as well as the person who has handled the application shall be recorded in the file copy.

Filing

A copy of or the original document if it is addressed to the account operator shall be filed.

Account notification

An account notification shall be submitted to the account holder and the holder of right.

Cancellation of registration

The authorisation may be unilaterally cancelled upon written notification by the holder of right.

An application by the holder of right to cancel of a registration shall require either the approval of the holder of right or that the account holder proves that the holder of right has been notified of the application for cancellation.

Account transfer on application

An asset manager may present an application for an account transfer on behalf of the account holder. The relevant documentation of title shall be presented as the grounds of the account transfer. Written notification only shall be sufficient for a transfer from one's own account of the account holder to another.

17.1.2 Registration authorisation

Use of the registration ground

The account operator chosen by the account holder has usually exclusive authority to make registrations. Other account operators within the book-entry system as well as the central securities depository may make registrations only in exceptional cases. The main purpose of these exceptions is to ease the trading of securities and related settlement.

An account holder i.e. the owner of securities may grant registration authority also to other account operators than the account operator administering the account. Granting the registration authority may be practical if another account operator manages trading or a part of it. In these cases the account operator being a party to a trade could also make the registrations related to the trade.

Registration authority relates to a right to make registrations into an account. Registration requires always a legal act whose authenticity must be checked before making the registration. So registration authority is a case apart from e.g. a power of an attorney to make trades with the securities registered into an account.

Registration authorisation gives the right to make entries in the book-entry account when commissioned by the account holder. However, it does not restrict the registration right of the account operator (administering the account) or its agent.

Registration authorisation may only be issued to an account operator or agent.

Registration authorisation may not be made on an account if the account is subject to any of the following customer or account restrictions: trusteeship, corporate restructuring, bankruptcy, administration/liquidation, organisation removed from the register, pledge, execution, precautionary measure, yield right, principal right or transfer restriction. Alignment restrictions recorded in the account do not restrict the recording of a registration authorisation in the account.

If a customer or account restriction is registered in an account that has a previously recorded registration authorisation, registration authorisation lapses.

Registration applicant and the documents required

The applicant may be the account holder or the authorisation holder if he has a separate authorisation from the account holder to apply for registration.

For an organisation as applicant: see above Legal Persons.

The original of an express authorisation signed by the account holder shall be presented as the document.

Information to be registered

The registration authorisation as well as the name and identification code of the authorisation holder shall be registered in the account.

The basic information about the issuer of the authorisation shall be recorded in the list of the holders of rights.

Information about the party who presented the application or the manner and time of its arrival as well as the person who has handled the application shall be recorded in the file copy.

Filing

A copy of or the original document if it is addressed to the account operator shall be filed.

Account notification

An account notification shall be submitted to the account holder and the holder of right.

Cancellation of registration

The authorisation may be unilaterally cancelled upon written notification by the account holder.

17.1.3 Right to obtain information

- availability of information on the contents of an account in individual cases

17.1.4 Right to obtain information on the contents of an account

Use of the registration ground

The right to obtain information shall provide the right to obtain information on the contents of an account to the extent notified by the account holder. For example, an account holder obliged to keep books may grant his bookkeeper or accountant the right to obtain information.

Registration applicant and the documents required

The applicant is the account holder or the authorisation holder if he has a separate authorisation from the account holder to apply for registration.

For an organisation as applicant: see above Legal Persons.

An express authorisation or another written agreement signed by the account holder shall be presented as the document.

Information to be registered

The right to obtain information as well as the name and identification code of the holder of the right shall be registered in the account.

Basic information about the holder of the right shall be recorded in the list of the holders of rights.

Information about the party who presented the application or the manner and time of its arrival shall be recorded in the file copy.

Filing

A copy of or the original document if it is addressed to the account operator shall be filed.

Account notification

An account notification shall be submitted to the account holder and the holder of the right.

Cancellation of registration

The registration may be unilaterally cancelled upon written notification by the holder of the right.

An application by the account holder for the cancellation of a registration shall require either the approval of the holder of the right or that the account holder proves that the holder of the right has been notified of the application for cancellation.

17.1.5 Pledge

- use of book-entries as collateral

Use of the registration ground

A pledge shall be registered in the book-entry account when book-entries are used as collateral. Pledged book entries may not be transferred from the account without the consent of the pledgee.

A pledge may include either only the capital or also the yield.

The pledge shall be based on an agreement between the pledgee - usually a bank - and the account holder

With the consent of the pledgee, pledged book-entries may be subject to trade (a so-called portfolio pledge, to which also a pledged bank account is linked).

A pledge may be a special pledge or a general pledge commenced on or after 1 December 1993.

Registration applicant and the documents required

The applicant is the pledgee.

For an organisation as applicant: see above Legal Persons.

A written pledge consent signed by the account holder and included in the original pledge shall be presented as the document. Deeds of pledge of a bank may be a certified copy.

If the pledge is signed by a party authorised by the account holder, an express authorisation in original shall be presented (an unlimited power of attorney shall not be sufficient).

The pledge shall be examined to ascertain how the yield payable on the book entries (dividends, interest) and capital refunds (amortisations, subscription rights) shall be paid.

If the pledge does not contain provisions thereon

- yield (dividends, interest) shall be payable to the account holder and

- payments on capital (amortisations, subscription rights) to the pledgee.

Information to be registered

The name and identification code of the pledgee (the holder of the right) shall be registered in the account. The necessary entries on the yield and the payments on capital shall be registered in the account.

In addition, the following shall be registered in the account

- should not all the book-entries in an account be subject to a pledge, a new book-entry account shall be opened for those that are.
- the commitment or other basis that the book-entries are liable for (the commitment shall be identified with a date or the agreement number)
- the pledge may be a general pledge or a special pledge.

Basic information about a pledgee shall be registered in the list of the holders of rights.

Information about the party presenting the application or the manner and time of its arrival shall be recorded in the file copy.

Filing

A copy of the pledge presented in an original shall be filed.

Account notification

An account notification shall be submitted to the account holder and the pledgee.

Cancellation of registration

Registration may be cancelled upon written notification by the pledgee.

17.1.6 Transfer restriction pertaining to the book-entry account in toto

Use of the registration ground

A transfer restriction pertaining to the book-entry account in toto shall restrict the right of the account holder to transfer book entries therein. The account holder may not transfer book-entries from the account without the consent of the holder of the right.

Registration applicant and the documents required

The written consent of the account holder to register a transfer restriction applying to the book-entry account in toto shall be presented as the document.

If the consent has been signed by another party authorised by the account holder, an express authorisation shall be presented (an unlimited power of attorney shall not be sufficient).

Information to be registered

The name and identification code of the holder of the right of transfer restriction shall be registered in the account.

Basic information about the holder of the right of transfer restriction shall be recorded in the list of the holders of rights.

Information about the party presenting the application, the manner and time of its arrival and the person dealing with it shall be recorded in the file copy.

Filing

A copy of the consent or another basis presented in an original shall be filed.

Account notification

An account notification shall be submitted to the account holder and the holder of the right of transfer restriction.

Cancellation of registration

Registration may be cancelled upon written notification by the holder of the right of transfer restriction.

17.1.7 Rights and restrictions pertaining to the number of book-entries

17.1.7.1 Right to transfer certain book-entries

- right to transfer certain book-entries from an account

Use of the registration ground

The right to transfer certain book entries from an account shall give the holder of right a parallel right with the owner to transfer book-entries subject to the right. A right to transfer registered in the account shall mean that the holder of right may make an account transfer without separate authorisation.

The right to transfer relating to market place trading issued to a broker is called a sales reservation.

Book-entries subject to the right may not be transferred from an account without consulting the holder of the right.

Registration applicant and the documents required

The account holder shall apply for registration. The applicant may also be the holder of the transfer right if s/he has separate authorisation from the account holder to apply for registration.

For an organisation as applicant: see, Legal Persons.

An authorisation or an agreement shall be presented as proof.

Information to be registered

The right to transfer and the class and number of book-entries as well as the identification code and name of the holder of the right shall be registered in the account.

Basic information about the holder of the right shall be recorded in the list of the holders of rights.

Information about the party who presented the application or the manner and time of its arrival as well as the person submitting the application shall be recorded in the filing copy.

Filing

Originals, or in exceptional cases copies, of the document or an authorisation addressed to the account operator shall be filed.

Account notification

An account notification shall be submitted to the account holder and the holder of right.

Cancellation of registration

Registration may be cancelled upon a unilateral written notification by the holder of the right.

Registration may be cancelled on the request of the account holder. Cancellation of a registration shall require either the written consent of the holder of right or that the account holder proves that the holder of right has been informed of the application for cancellation.

17.1.7.2 Transfer restriction

- registration of a reservation of title
 - later transfer of title agreed upon
 - fulfilment of another term agreed upon
- protection of unpaid sales price
- on behalf of a company in conversions of a share class

17.1.7.2.1 Use

Transfer restriction is used to prevent the transfer of book-entries from an account. The transfer of book-entries subject to a transfer restriction may take place only with the consent of the holder of the right. The transfer restriction may be registered in the account of either the transferor or the transferee. The transfer restriction may be used in private transactions outside market places, registration ground, other trade.

17.1.7.2.2 Registration in the account of the transferor (the seller)

A transfer restriction shall be registered in the account of the seller when the seller has reserved title to a date later than the registration or on the basis of a condition subsequent. However, the buyer has already obtained the right to receive the book-entries either at a later date agreed upon or when he/she fulfils the condition the conveyance is based on. A transfer restriction pertaining to book-entries shall prevent the seller from re-transferring the same book entries. The buyer shall be registered as the holder of right.

17.1.7.2.3 Registration in the account of the transferee (the buyer)

A restriction on disposal shall be registered in the account of the buyer when the seller wants to guarantee the receipt of an unpaid sales price. However, title has already clearly been transferred to the buyer. The book-entries shall be transferred to the account of the buyer and the book-entries shall be registered subject to a restriction on disposal. The seller shall be registered-as the holder of right.

17.1.7.2.4 Registration of a restriction on disposal

Registration applicant and the documents required

The buyer is the applicant for registration when the restriction is registered in the account of the buyer. The original document indicating the date of the later transfer of title or a possible subsequent condition and the seller's consent to registration shall be presented as the proof. The seller shall apply for registration of the transfer restriction in the account of the buyer by submitting an account indicating that the consideration agreed upon is unpaid and that the buyer has, for example, in a deed of sale given its consent for the restriction to be registered.

For an organisation as applicant: see above Legal Persons.

Information to be registered

The transfer restriction and the type and number of book-entries as well as the holder of right shall be registered in the account.

The basic information about the holder of right - the buyer or the seller - shall be recorded in the list of the holders of rights.

Information about the party submitting the application or the manner and time of its arrival and the party dealing with the application shall be recorded in the filing copy.

Filing

A copy of the agreement between the parties or a similar document shall be filed.

Account notification

An account notification shall be submitted to the account holder and the holder of right.

Cancellation of registration

Cancellation of the registration requires the registration officer to be contacted.

17.1.7.3 Right to receive yield

Use of the registration ground

This registration ground shall be used when a party other than the account holder is entitled to the capital of certain or all book-entries, for example, when the right to a dividend, interest or similar belong to the yield beneficiary.

The right to yield is a right based on a unilateral expression of the will of the account holder or a right based on an agreement.

For example, registration of acquisitions by gift and inheritance should take into account the fact that the right of the holder of the right to the yield of a specific transaction does not extend to the yield of shares obtained in a scrip issue. The right to receive shares and the yield thereto in a scrip issue is vested in the shareholder unless otherwise stated in a will or a deed of donation.

When the rights holder to yield is not the same as the account holder and this right is not time limited, the entitlement to yield will transfer to the owner of the securities once the rights holder to yield has passed away.

In a situation where a person entitled to yield dies on the day of the general meeting where the dividend payment has been decided the right to yield belongs to the estate of the deceased person.

Registration applicant and the documents required

The applicant for registration may be the account holder or the holder of a right.

For an organisation as applicant: see above Legal Persons.

A notification of or an agreement on the transfer of the right or a deed of assignment shall be presented as proof.

Information to be registered

The right to the yield, the type and number of book-entries subject to the restriction as required and, if registration is based on the unilateral expression of the will of the account holder, the unilateral right of the account holder to request cancellation of the registration shall be registered as restrictions in the account.

Information about the holder of the right shall be recorded in the list of the holders of rights.

The party presenting the application, the manner of its arrival and the person handling the application shall be recorded in the file copy.

Filing

The notification of the account holder or a copy of the agreement shall be filed.

Account notification

An account notification shall be submitted to the account holder and the holder of right.

Cancellation of registration

Cancellation of the registration requires the registration officer to be contacted.

17.1.7.4 Right to receive amortisation

- assignment of the right to receive subscription rights or a capital refund

Use of the registration ground

This registration ground shall be used when a party other than the account holder is entitled to the capital of book-entries, for example, when the right to an amortisation of a bond, subscription rights of shares or other corresponding payments belong to the yield beneficiary.

The right to capital is a right based on a unilateral expression of the will of the account holder or a right based on an agreement.

Registration applicant and the documents required

The applicant for registration may be the account holder or the holder of a right.

For an organisation as applicant: see above Legal Persons.

Notification of the assignment of the right or a deed of assignment shall be presented as the proof.

Information to be registered

The right to capital, the type and number of book-entries subject to the restriction, as required, as well as the unilateral right of the account holder to request cancellation of the registration if the registration is based on the unilateral expression of the will of the account holder shall be registered as restrictions in the account.

Information about the holder of the right shall be recorded in the list of the holders of rights.

The party presenting the application, the manner of its arrival and the person handling the application shall be recorded in the file copy.

Filing

The notification of the account holder or a copy of the agreement shall be filed.

Account notification

An account notification shall be submitted to the account holder and the holder of right.

Cancellation of registration

Cancellation of the registration requires the registration officer to be contacted.

17.1.8 Execution

- the execution officer collects a claim

Use of the registration ground

This registration ground shall be used for enforcing the collection of a claim in execution. The account holder shall not, after execution, have the right to dispose of the account.

Execution may be registered in the book-entry account of the previous owner of the book-entries of the debtor if the debtor has not transferred the book-entries into his own account.

The executionary authority shall be liable for the fact that the registration has legal grounds.

Applicant for registration and the documents required

The applicant for registration may only be the executionary authority.

Written notification of the executionary authority indicating the following information shall be presented as proof:

- the debtor and the creditor; their personal numbers or the identification codes used in the book-entry system
- the ground for enforcement and its identified object of execution
- execution may not be targeted in general but on the book-entry account and the value of the amount to be executed.

Cancellation or repeal of execution shall be notified in a similar manner.

Execution does not lapse due to a bankruptcy. Execution lapses only after the property under execution has been sold. When the securities in a book-entry account with execution registration have been sold the account operator may remove the execution registration on its own initiative.

After execution has been registered, no new book-entries may be registered in the account, but a new book-entry account shall be opened therefor. If all the book-entries in the account are not subject to execution, a separate book-entry account shall be opened for those that are.

Information to be registered

The registration officer shall be contacted prior to registration.

Execution, a mention stating whether the yield or capital payable on the book entries is to be paid to the account holder or to the executionary authority as well as the ground for enforcement shall be registered in the account.

The executionary authority and the execution creditors shall be recorded in the list of holders of rights.

The book-entries shall be registered in the account of the previous owner as being part of the assets of the debtor.

The party presenting the application, the manner of its arrival and the person handling the application shall be recorded in the file copy.

Filing

The original notification of execution order shall be filed.

Account notification

An account notification shall be submitted to the account holder, (the creditors) and to the executionary authorities. The notification shall also be submitted to the holders of

rights recorded in the account if execution pertains to their rights as well as to the previous holder.

Cancellation of registration

Cancellation of the registration requires the registration officer to be contacted.

17.1.9 Precautionary measures

- prevention of the use of a book-entry account

Use of the registration ground

Precautionary measures may be taken if it is to be feared that the debtor, prior to the commencement of execution proceedings, will try to lose his/her assets.

Precautionary measures include

- attachment
- total prohibition on transfer
- restraint on alienation
- sequestration
- interim precautionary measure.

A precautionary measure may be registered also in the book-entry account of the previous owner of the book-entries of the debtor. The authority shall be liable for the fact that the registration has legal grounds.

Registration applicant and the documents required

The applicant for registration may be the executionary authority, a court of law, a prosecutor and the person in charge of a criminal investigation (an inspector or a similar authority).

Written notification of the authority indicating the following information with regard to an attachment or a total prohibition on transfer shall be presented as proof

- the debtor and the creditor; their personal numbers or the identification codes used in the book-entry system
- the basis for the precautionary measure and its identified target.

The same shall apply, where applicable, to precautionary measures prescribed in other Acts. The basis with regard to the precautionary measures prescribed in Coercive Criminal Investigation Means Act may be forfeiture, damages or a fine.

Cancellation or repeal of a precautionary measure shall be notified in a corresponding manner.

After registration of a protective measure, no new book-entries may be registered in the account, but a new book-entry account shall be opened therefor. If not all the book-entries in the account are subject to a protective measure, a separate account shall be opened for those that are.

Information to be registered

The registration officer shall be contacted prior to registration.

The protective measure as well as a mention stating whether the yield or capital payable on the book-entries is to be paid to the account holder or to the authorities shall be registered in the account.

The book-entries shall be registered in the account of the previous owner as being part of the assets of the debtor. The relevant authority and the creditors shall be recorded in the list of holders of rights. The registration officer shall be contacted prior to registration.

The party presenting the application, the manner of its arrival and the person handling the application shall be recorded in the file copy.

Filing

The original notification of the precautionary measure shall be filed.

Account notification

An account notification shall be submitted to the account holder, the creditors and to the relevant authority.

Notification shall also be submitted to the holders of rights recorded in the account if execution pertains to their rights as well as to the previous holder.

Cancellation of registration

Cancellation of the registration requires the registration officer to be contacted.

17.2 Rights and restrictions pertaining to the account holder

17.2.1 Bankruptcy

- creditors administer the assets

Use of the registration ground

In a bankruptcy, all the distrainable property of the debtor shall be realised. The account holder shall not, after bankruptcy proceedings, have the right to administer the account. The assets are used to pay the receivables of the creditors (general enforcement).

Bankruptcy may be registered also in the book-entry account of the previous owner of the book-entries of the debtor.

Registration applicant and the documents required

Application for registration is made by the bankruptcy estate.

For an organisation as applicant: see above Legal Persons.

A sell commission related to securities in the bankruptcy debtor's book-entry account with execution registration is given by the bankruptcy administrator.

By the bankruptcy legislation, the bankruptcy administrator has to inform the execution authorities on the sell. The account operator does not have to contact the execution authorities. The account operator should ascertain that the bankruptcy administrator has information on the execution registered in the book-entry account so that he/she is able to give the relevant notification to the execution authorities.

Execution does not lapse due to a bankruptcy. Execution lapses only after the property under execution has been sold. When the securities in a book-entry account with execution registration have been sold the account operator may remove the execution registration on its own initiative.

A court decision on the adjudication of bankruptcy shall be presented as the document. Proof may be sent also by telefacsimile or by email. In these cases, an original of the court decision need not be presented.

Information to be registered

Bankruptcy shall be registered in the account.

The bankruptcy administrator shall be recorded in the list of the holders of rights with its own personal identity code.

The book-entries shall be registered in the account of the previous owner as being part of the assets of the debtor.

The bankruptcy administrator as well as the bankruptcy debtor shall be recorded in the list of the holders of rights.

The party presenting the application, the manner of its arrival and the person handling the application shall be recorded in the file copy.

Filing

A court decision on the adjudication of bankruptcy shall be filed.

Account notification

An account notification shall be submitted to the account holder, the bankruptcy estate, the holders of the rights registered in the account as well as to the previous holder.

Cancellation of registration

Cancellation of the registration requires the registration officer to be contacted.

17.2.2 Liquidation or winding-up

- establishment of the financial situation of an organisation

Use of the registration ground

This registration ground shall be used to establish the financial situation of an organisation. The legal person itself or a court of law decides upon the placing of a limited company in liquidation. Liquidation and winding-up terminate the earlier rights to sign the company name.

Registration applicant and the documents required

Liquidators shall apply for the registration.

A decision issued by a body of the organisation, a court of law or an extract from the Trade Register shall be presented as proof.

Information to be registered

The registration officer shall be contacted prior to registration.

Liquidation shall be registered in the account.

The liquidators shall be recorded in the list of the holders of rights.

The party presenting the application, the manner of its arrival and the person handling the application shall be recorded in the file copy.

Filing

A decision by the legal person or by the court upon the placing of an organisation into liquidation or upon its winding-up shall be filed as an original or as a copy.

Account notification

An account notification shall be submitted to the account holder and the liquidators.

Cancellation of registration

Cancellation of the registration requires the registration officer to be contacted.

17.2.3 Restructuring procedure

- preconditions are created for the restructuring of a viable undertaking

Use of the registration ground

The purpose of the procedure is to create conditions to restructure viable undertakings and to avoid unnecessary bankruptcies. The commencement of restructuring is decided by a court of law on application of the debtor undertaking or its creditors.

The commencement of the procedure results in an interruption of payments, collecting and enforcement relating to debts arisen prior to the commencement of the procedure. Interruption also applies to collateral creditors.

The restructuring procedure does not exclude the power of decision-making of the debtor in issues pertaining to normal business operations. The debtor may not, however, sell any fixed assets of the undertaking without the consent of the liquidator nor undertake any actions that may jeopardise the conditions of restructuring.

In unclear cases, the registration officer shall be contacted.

Registration applicant and the documents required

The liquidator appointed by a court of law shall act as the applicant for registration.

A decision issued by the court on the commencement of the restructuring procedure shall be presented as proof.

Information to be registered

The restructuring procedure shall be registered in the account.

The liquidator shall be recorded in the list of the holders of rights with its own personal identity code.

The party presenting the application, the manner of its arrival and the person handling the application shall be recorded in the file copy.

Account notification

An account notification shall be submitted to the account holder, the liquidator and the holders of rights registered in the account.

Cancellation of registration

Cancellation of the registration requires the registration officer to be contacted.

17.2.4 Trusteeship

Use of the registration ground

The registration ground shall be used when a court of law or a city administrative court has decided to appoint a trustee. The content of the decision depends on whether the account holder can administer his/her account him/herself. See Trusteeship in the General Section for more information about account use.

There are different kinds of trusteeship: a court of law or registry office may decide that the principal is legally incompetent, his/her legal capacity may be restricted in some way or trusteeship has been ordered without restricting the principal's legal capacity

Trusteeship of a person deemed legally incompetent because of age, i.e., the parents of a minor, shall not be registered as trustees. Trusteeship is indicated by the date of birth of the account holder.

Registration applicant and the documents required

The trustee may act as the applicant for registration.

A decision issued by a court of law or a registry office to appoint a trustee shall be presented as the proof. The decision need not have gained legal force. Also an interim decision of a court of law or registry office on the matter shall be registered as trusteeship.

Information to be registered

Trusteeship shall be registered if a trustee has been appointed to the principal. Basic information about the trustee or official trustee shall be recorded in the list of the holders of rights. An official trustee may be issued with an artificial customer code. The trustee according to the trusteeship decision shall be registered as the holder of right.

The party presenting the application, the manner of its arrival and the person handling the application shall be recorded in the file copy.

Filing

A copy of the letter of appointment shall be filed.

Account notification

An account notification shall be submitted to the account holder and the trustee.

Cancellation of registration

Registration may be cancelled upon a final decision of a registry office or a court of law to annul the trusteeship or after the lapse of a set period of time.

17.2.4.1 Guardianship mandate

With the help of a guardianship mandate a person can prepare oneself for a possible situation where he/she no longer is viable and authorise a person of his/her own choice to take care of matters if he/she would become unable to do so.

A guardianship mandate enters into force when an administrative court has confirmed it. The basic information of the guardianship mandate is saved into the population register.

If at a later stage a trustee is appointed the guardianship mandate remains in force covering the affairs other than covered by the appointment of a trustee.

If the mandate covers financial affairs without any investment related restrictions the authorized person has the power to take decisions on investments without administrative court's decision (Act on Guardianship 34 §).

Documents required

An original document of the guardianship mandate, a decision of an administrative court related to the confirmation of the mandate and an extract from the population register with the current information.

Filing

Copies of the document covering the guardianship mandate and the decision of an administrative court shall be filed.

17.2.5 Insolvency procedure commenced in another EU member State

A decision to commence insolvency proceedings begun in another EU Member State shall be registered at the liquidator's request. The liquidator may deliver such a request in free form.

A verified copy of the original decision-making the appointment or some other certificate issued by the competent court of law must be presented to show the appointment of the liquidator. A request may be made to have the liquidator's appointment translated into the official language of the Member State in which the liquidator intends to operate or into one of its official languages. No other legitimisation or similar formality may be requested.

18 Correction of registrations

18.1 Correction decision

The correction of registrations is provided for in Sections 21-23 of the Act on Book-Entry Accounts. Correction decisions are divided into factual errors, clerical errors or technical faults. The essential difference between the correction of factual and other errors is that in the case of factual errors, there must be consultation of the parties involved and possibly their consent.

Correction procedures only apply to account registrations confirmed in the Centralised Register. Trading distribution data can be corrected by cancelling the transaction.

18.2 Factual errors

Subject to the conditions below, an account operator may cancel a registration based on clearly incorrect or incomplete information or evidently erroneous application of the law and decide the matter again. Such errors are factual errors. The incorrectness or incompleteness of the account presented cannot necessarily be detected when an application for registration is presented. The registration made and the document presented as the basis therefore can be fully consistent and the error not revealed until later through a new document. The documents presented earlier may, for example, have been forged.

The correction of a factual error requires consulting all those whose rights are affected and that those whose rights are weakened by the correction have consented thereto. Consultation with the parties shall take place so that they are sent written notification of the error and are afforded an opportunity to express their opinions regarding the intended correction. Sufficient time must be allowed for consultation. Alternatively, all the parties may jointly apply for correction of the registration, in which case no separate consulting procedure is necessary.

Those whose rights are weakened by correction shall give their express written consent to making the correction. Merely the fact that the party does not oppose the correction cannot be considered as consent. When requesting the consent the account operator shall present a clear proposal for correction.

If consent for the correction of a factual error cannot be obtained, the applicant shall have to bring an action in a court of law against the party in question for a better right to the book-entry and simultaneously demand correction of the registration.

The registration officer shall at all times decide on the correction of a factual error. If the error is not clearly an erroneous technical one but erroneous discretion or an incomplete document, it is a factual error.

The situations below are examples of factual errors:

1. Interpretation error

If the content of a document on which an application is based is interpreted differently to what it actually is, this is considered a factual error. For example if a will conveying the right of use has been interpreted as a will conveying ownership of title and the transfer of book-entries has been recorded in an account. The error is such that given the same document another person would have acted differently.

2. Document derogating from a prescribed format

If a document derogating from the prescribed format, for example a deed of estate distribution or a document that has no legal force, has been accepted as the basis for registration, this is also a factual error.

3. The wrong person registered as holder of rights

If a pledgee other than the one to whom the account holder has given a written pledge has been entered in a book-entry account, this is also a factual error.

4. Forged document

Registration made on the basis of a false document is also considered a factual error.

5. Unregistered, unfounded and excess registrations

Incompleteness of a decision on registration is not a clerical error but a factual error. For example, in case one of the applicants is not recorded as a holder of right, it is a question of a factual error. Likewise, unfounded and excess registrations are classed as factual errors.

6. Registration in the wrong account

Except for keying in errors, which are classed as typing errors, registration in the wrong book-entry account is also considered a factual error. Registration to the wrong owner requires consultation but not consent. Correction does not weaken the right of the wrong recipient since there was never any title on a legal basis. If the party consulted contests correction, the acquiring party must confirm title through legal proceedings.

7. Erroneous allocation by broker

The broker must obtain the account holder's consent for correction.

18.3 Clerical or calculation error, technical fault or comparable error

A clerical error is when registration differs in content to the document presented. Registration in the wrong account (typing error), of the wrong class or amount of shares is considered a clerical error when differing from that stated in the document. There is no uncertainty as to the document content and registration differs from that intended.

Registration in the wrong account because of a typing error can be corrected within a reasonable time without consulting the account holder. If a reasonable time has passed, the account holder must be consulted before any correction is made. Consultation takes the form of the customer being notified in writing of the correction to be made and being given an opportunity to comment accordingly.

A similar procedure shall be used when correcting clerical and calculation errors.

If the information contains an error caused by a technical fault or other similar error or omission, the account operator shall make the necessary corrections in the entries (Section 22 of the Act on Book-Entry Accounts). Such errors may be connected, for example, with an erroneous computer run. They can be corrected without consulting the parties.

In all cases account notifications of the corrections shall be sent to account holders and other holders of rights affected by the correction.

In unclear cases, the registration officer shall decide whether it is a question of a factual error, a technical fault or a clerical error.

The provisions of Sections 17-19 of the Act on Book-Entry Accounts shall be applied, where applicable, to the correction of registrations. If the matter is pending in a court of law, they shall be notified of the correction decision.

19 Conversion of classes of shares

19.1 Use

The Articles of Association may contain provisions relating to the conversion of a share into one of another class.

The conversion procedure may also be related to consent clauses. Unless consent is given for the acquisition of a share, the share shall be converted into one of another class.

A conversion procedure is applied in many different companies. The conversion procedure may also be used when a share subscribed or converted through a bond with warrants or a convertible loan is converted into a share of an old series in connection with making an entry in the Trade Register.

The conversion procedure shall also be used when so-called bonus shares are converted into sellable shares.

Registration applicant and the documents required

An applicant may be the account holder or a company. A company may be the applicant if, for example, the company's Articles of Association prescribe that a share has to be converted into one of another class if consent for its acquisition is not given. An authorisation from the account holder shall be attached to the application by the company. An application for conversion addressed to the company shall be presented as the document.

Information to be registered

The account operator registers only a withdrawal of the book-entries to be converted into another class on the grounds of registration. Euroclear Finland registers a deposit transaction once it has received the withdrawal transaction for class conversion on the grounds of registration from the account operator. If there can be several different classes that can be converted, the class to be converted must be stated in connection with the withdrawal registration. In the case of the conversion of bonus shares, the transaction is confirmed automatically. If conversion is based on a provision in a company's Articles of Association, Euroclear Finland shall confirm conversion is final once it has received confirmation of registration of conversion from the Trade Register.

20 How to transfer a book-entry account to another account operator

Request for transfer

An account holder may transfer his/her account to another account operator by requesting the acquiring account operator to make such a transfer. The acquiring account operator shall always check the identity and right of the person requesting the transfer, especially in cases where the request is made by a person other than the account holder.

The acquiring account operator makes the necessary agreements with the customer and requests a transfer from the Centralised Register. The Centralised Register checks to ensure the account number and customer identification tally and the impact of any customer restrictions on the transfer. The transferring account operator may not refuse to transfer the account. An account transfer cannot take place if there are pre-registrations, open account transfers, restraint -account restriction on transfer of pledged book-entry account, expected changes of share class or if the account has been closed.

Having received a request for transfer, the Centralised Register sends notification about the day of transfer to both the transferring and the acquiring account operator. As a rule, an account transfer is effected five (5) register days after the request for transfer has reached the Centralised Register.

No documents are transferred in connection with account transfers. The acquiring account operator may, if it so wishes, as the transferring account operator for copies of the documents relating to valid entries.

The acquiring account operator must notify the holder of rights of any restrictions of the account transfer.

If the entire account transfer request is to be cancelled, the acquiring account operator must request Euroclear Finland in writing to cancel the account transfer request.

21 Availability of information about the contents of a book-entry account

- availability of information about the contents of a book-entry account in individual cases

21.1 Parties entitled to receive information

All information

The holder of a book-entry account, his/her authorised representative or a representative appointed by the court (trustee), the deceased's estate of the account holder and its estate administrator and estate distributor, a trustee appointed to compile a list of matrimonial assets or an estate distributor appointed to distribute the matrimonial assets shall be entitled to receive information. All the information on the contents of the book-entry account shall be submitted to these parties. Parties to an individual deceased's estate shall also be entitled to receive information about existing registrations at the time of death and transactions taking place after the date of death.

Information indicated by the account holder

The information to which the account holder has entitled him shall be submitted to a holder of right. This shall be separately ascertained from an authorisation issued by the account holder or from an agreement.

Information within the limits of one's own right

The registration officer shall react to an account enquiry presented by a pledge holder or a holder of another restricted right if the information relates to a right other than that of the enquiring party registered in the account. The transferee of a right to a book-entry shall have the right to receive information about the contents of the book-entry account within the limits of his right

Euroclear Finland shall be entitled to receive from an account operator copies of those documents and accounts of other reports, by virtue of which registration took place in the book-entry account.

The issuer of equity finance book-entries shall be entitled to receive from the account operator copies of those documents on the basis of which acquisition has been registered in the book-entry account.

Account queries may be presented by

- Euroclear Finland
- the Finnish Financial Supervision Authority
- an executory authority
- a prosecutor or police authority
- a court of law
- a tax authority
- a trustee in bankruptcy
- any authority entitled by law to receive information about assets.

As a rule, official enquiries about book-entry accounts are addressed to Euroclear Finland, which may give the authorities information about the content of a book-entry account. Euroclear Finland forwards, as required, copies of documents requested by the authorities from the relevant account operator.

21.2 Submission of information to the parties of a deceased's estate

A party to a deceased's estate may be submitted information about the status of the book-entry account on the date of death and on the registrations made after the date of death. Normally this information is requested for making an estate inventory.

Prior to providing information requested, it shall be ensured from an extract from the Population Register or from another reliable document that the account holder is deceased. In addition, it shall be ensured from an extract from the Population Register that the person requesting the information is a party to the deceased's estate.

Information preceding the date of death shall be provided only when requested by all the parties to the deceased's estate. If another person than a party to the deceased's estate or an estate administrator of a deceased's estate appointed by a court of law is liable to make the estate inventory, the registration officer shall decide on the submission of information.

22 Incentive schemes based on an employment relationship

A company's general meeting decides on the terms and conditions of any employee incentive schemes. Employee incentive schemes may offer options, shares or convertible capital notes or bonds with warrants for subscription.

Approval of an incentive scheme

An employer offers an incentive scheme to an employee, who either accepts or rejects an offer made. Acceptance also entails the employee giving authorisation to register options and the book-entries subscribed by them in the employee's book-entry account and providing the book-entry account number. Acceptance is made either in writing or electronically. The acceptor must be identified in a dependable manner at all times.

Book-entries in an incentive scheme are registered in an employee's account either as a routing or as individual subscription registrations. In the case of individual subscription registrations, an acceptance form, an extract from an acceptance form, or if acceptance has been received electronically, a separate application to make registrations from an investment firm or credit institution marked "electronic acceptance, acceptance recipient" should be sent to the account operator.

Transfer restrictions relating to an incentive scheme

An employer may, on its own account, apply for the registration of a transfer restriction based on the terms and conditions of the incentive scheme or authorisation given for the securities in the incentive scheme. This transfer restriction may be valid for an indefinite period or for a fixed term. The transfer restriction can relate either to the terms and conditions of the incentive scheme, authorisation given to the company or a person authorised by the company in conjunction with acceptance or on the basis of an agreement made with a person covered by the incentive scheme.

In its application, the company or person requesting registration on its behalf must indicate on what authorisation registration of the transfer restriction is based and forward the text relating to the incentive scheme or authorisation to the account operator as an attachment. If registration of a transfer restriction is based on an agreement made with a person covered by the incentive scheme, this agreement or an extract thereof shall be attached to the application for registration.

Return of a security in an incentive scheme to an account notified by the company

The terms and conditions of the incentive scheme also specify the procedure for dealing with securities in the incentive scheme when an employee's employment relationship ends before the subscription time of a security in the system begins or, under the terms and conditions of the scheme, the securities are freely at the disposal of the employee.

If the terms and conditions of the incentive scheme are written in the format "the employee must be offered" and the other points in the terms and conditions do not give the employer unilateral right to apply for registration in the employee's account, the employer shall forward the employee's written consent to have an instrument in the incentive scheme transferred from the employee's account and information as to which account the instrument is to be transferred to.

Under the terms and conditions of the incentive scheme, the employer may be entitled to apply for a transfer registration from the employee's book-entry account without the employee's written consent. In this case the terms and conditions of the incentive scheme are clearly written so as to give the company the right to apply for registration

of a book-entry in the incentive scheme from the employee's account. The terms and conditions of the incentive scheme are then in the format of, for example:

If the option rights have been transferred to the book-entry system, the company has the right, irrespective of whether the option rights have been offered to the company or not, to apply for and have transferred all the option rights falling within the obligation of the offering from the subscriber's book-entry account to a book-entry account it indicates.

The company either forwards the application direct to the account operator or authorises another party to apply for registrations on its behalf (a copy of the mandate must be attached to registration).

An application on behalf of the company is signed either by those entitled to sign for the company, a duly authorised person or it can be signed by implied authority if the registration officer accepts implied authority.

23 Electronic subscription by payment

A registration application related to an electronic subscription requires the application to include a reference to the internet site of the subscription place where the subscription terms have to be available. The subscription terms have to include an authorisation given by the customer authorising the subscription place to apply the registration. The registration application has to include a confirmation that the subscription is paid and the customer is identified in a way accepted by the Financial Supervision authorities.

24 Redemption of minority shares in situations where a restriction has been registered in the account

In situations of redemption of minority shares, the redeeming company normally makes an agreement with the account operator to pay the redemption price to those entitled to it.

1. Then following procedure shall be adopted in situations where the shares are pledged:

1. The redemption price is paid primarily to the bank account attached to the book-entry account if this cash account has been pledged to pledgee of the book-entry account. The redemption price can also be paid into another account of the account operator that has been pledged to the pledge holder of the book-entry account under the same pledge as the book-entries.

This alternative requires no instruction from the account holder or pledgee.

2. If there is no account to which the redemption price can be paid as illustrated above, instructions should be requested from the account holder or pledge holder of the book-entry account as to where the redemption price should be paid. The content of the instructions should be the same from both.

This alternative requires instructions having the same content from both the book-entry account holder and pledgee.

3. If there is no account into which the redemption price can be paid and no joint instruction is forthcoming from the account holder and pledge holder, the

redemption price shall be paid to the pledgee (Section 6, Act on Book-Entry Accounts). In such cases, it should be pointed out to the pledgee that the funds must be kept separately from the pledgee's other funds.

However, when paying the redemption price, note should be made of any order registered as to who payments kept as book-entry capital should be paid.

2. In situations where the shares redeemed are subject to distraint or a precautionary measure the following procedure shall be adopted:

The redemption price is paid to the account given by execution authorities.

3. In situations where the shares redeemed are subject to yield right, capital right or any other restriction the following procedure shall be adopted:

The redemption price is refunded to the redeeming company unless the same instruction has been obtained from the account holder and holder of right as to where the redemption price should be paid.