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to the United Nations
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Note by the Secretariat

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II. Executive summary

Finland

1. Introduction: overview of the legal and institutional framework of Finland in the context of implementation of the United Nations Convention against Corruption

Finland signed the United Nations Convention against Corruption on 9 December 2003 and accepted it on 20 June 2006. The country uses the monist system for the implementation of international treaties. Pursuant to section 95 of the Constitution, the Convention against Corruption was incorporated into the Finnish legal system through the adoption of Act 466/2006 and Decree 605/2006. Thus, the provisions of the Convention have the same legal force as domestic legislation.

The implementation by Finland of chapters III and IV of the Convention was reviewed in the first year of the first review cycle, and the executive summary of that review was issued on 7 June 2011 ([CAC/COSP/IRG/I/1/1](#)).

Finland is a parliamentary republic with a multiparty political system and centralized administration. It has a clear separation of powers, as set out in the Constitution. The Head of State is the President, who appoints the Government.

Relevant legislation related to the implementation of chapters II and V of the Convention includes the Constitution, the Criminal Procedure Act (689/1997), the Criminal Code (39/1889), the State Civil Servants Act (750/1994), the Administrative Procedure Act (434/2003), the Local Government Act (410/2015), the Act on Local Government and Well-being Services County Officials (304/2003), the Act on a Candidate's Election Funding (273/2009), the Act on Political Parties (10/1969), the Act on Public Procurement and Concession Contracts (1397/2016), the Act on Public Contracts and Concessions of Entities Operating in the Water, Energy, Transport and Postal Services Sectors (1398/2016), the Act on the Openness of Government Activities (621/1999), the Act on Preventing Money-Laundering and the Financing of Terrorism (444/2017) (Anti-Money-Laundering Act), the Act on the Financial Supervisory Authority (878/2008), the Act on the Financial Intelligence Unit (445/2017) and the Act on International Legal Assistance in Criminal Matters (4/1994), all as amended.

In Finland, authorities with mandates relevant to preventing and combating corruption include the Ministry of Justice, the Chancellor of Justice, the Ministry of Finance, the National Audit Office, the Competition and Consumer Authority, the Parliamentary Ombudsman, the National Prosecution Authority and the police, which includes the National Police Board, the National Bureau of Investigation and the Financial Intelligence Unit.

2. Chapter II: preventive measures

2.1. Observations on the implementation of the articles under review

Preventive anti-corruption policies and practices; preventive anti-corruption body or bodies (arts. 5 and 6)

The first national anti-corruption strategy was adopted on 27 May 2021 and was accompanied by a detailed action plan for the period 2021–2023. The action plan comprises six key development areas that each address a priority area in the fight against corruption, namely, structures, awareness-raising, transparency, exposure, legislation and research. The country's legal and policy framework for preventing corruption was preceded by the national strategy for tackling the grey economy and economic crime.

Finland promotes effective practices to prevent corruption through training, education and awareness-raising activities that promote a culture of ethics, legality and good governance in institutions. The latest assessment carried out by a steering group in March 2023 indicated that of a total of 79 planned measures, the implementation of

73 measures had begun; 28 of those measures were well advanced, 17 had been completed and 6 had not yet been started.¹

Evaluations of relevant legal instruments and administrative measures against corruption are conducted as part of periodic surveys on public ethics that seek to obtain information on the effectiveness of the legal and administrative measures in place to combat corruption. However, it is not clear whether these tools have been able to determine the need for legislative reform or changes in administrative practices. The project “Indicators for monitoring corruption in Finland (KORSI)” was carried out from 2019 to 2020 as part of efforts in the area of awareness-raising. In 2018, Finland launched the website www.anticorruption.fi with the aim of raising awareness and encouraging organizations to curb corruption. According to the national authorities, laws and administrative measures against corruption are revised whenever required and in line with international developments.

Finland participates in international programmes and projects aimed at preventing corruption through its membership of several international and regional organizations, including the Financial Action Task Force (FATF), the Group of States against Corruption (GRECO) of the Council of Europe and the Egmont Group of Financial Intelligence Units, as well as the Working Party on Public Integrity and Anti-Corruption of the Organisation for Economic Co-operation and Development. Finland has also ratified the Criminal Law Convention on Corruption and the Additional Protocol thereto of the Council of Europe. As a member of the European Union, Finland is fully subject to European Union legislation on the Union’s internal market, including the anti-money-laundering and counter-terrorist financing framework.

Work to prevent and counter corruption is coordinated by the Department for Criminal Policy and Criminal Law of the Ministry of Justice. A cross-administrational anti-corruption cooperation network was established in 2002 and consists of 27 members of relevant authorities and civil society organizations. The network is not an operative body but a forum for exchanging information and promoting anti-corruption policies. It initiated the process of creating the anti-corruption strategy. The Ministry of Justice appoints the network’s steering committee. Responsibility for the fight against corruption is shared among various authorities and bodies.²

There is no specific budget allocated to anti-corruption policies or designated institutions. Moreover, there are few human resources assigned to anti-corruption work. Reform of the prosecution service and the establishment of the National Courts Administration in 2019 and 2020 respectively were aimed at enhancing the effectiveness and the structural autonomy of the institutions.

Finland has informed the Secretary-General of the United Nations that the National Bureau of Investigation, the Ministry of Justice and the National Council for Crime Prevention are the designated corruption prevention authorities pursuant to article 6, paragraph 3, of the Convention.

Public sector; codes of conduct for public officials; measures relating to the judiciary and prosecution services (arts. 7, 8 and 11)

The recruitment, hiring, retention, promotion and retirement of public officials are regulated by the Constitution (sect. 125); the State Civil Servants Act and the related decree contain further provisions in that regard. The general competencies required for each position are stipulated in sections 6–8 of the Act. The legal status of personnel with an ordinary employment contract is governed by the Employment Contracts Act (55/2001). The process of filling vacant positions in the public sector is carefully regulated and instructed, and the employment of public officials is primarily based on the merit system. The State’s guidelines for filling vacant positions in the public sector

¹ After the country visit in March 2023, the implementation of the action plan continued. The latest data provided in April 2024 suggest that 24 measures have been completed, 27 are well advanced and 3 have not yet been started.

² See section 1.

are also followed where applicable. The Ministry of Finance is the main coordinating authority for civil service ethics.

Vacant positions in the public sector are mainly filled through a public application procedure. Public officials can be promoted on the basis of performance and competency evaluations following a public application procedure. There are exceptions to the public application procedure. There is an appeal mechanism in place for unsuccessful candidates to challenge a hiring decision, except in cases that are regulated separately (sect. 59 of the State Civil Servants Act). For instance, there is no right of appeal against the appointment decision for certain senior management positions if the appointing authority is the President or the Government.

Finland does not apply enhanced procedures for the selection, training and rotation of staff in positions considered vulnerable to corruption.

Pay levels and other employment conditions for employees of the central Government are established in collective or individual agreements between employers and employees. However, any changes in collective agreements that have cost implications must be approved by the Parliament. Each agency is responsible for providing anti-corruption and ethics training; at the time of the country visit, however, there was no shared mandatory training on ethics or integrity. Specific ethics training for all civil servants has been published (in Finnish) on the online platform www.eOppiva.fi.

Criteria concerning candidature for and election to public office are set out in the Constitution (sect. 60). There is an asset disclosure requirement for candidates for public office (sect. 63 of the Constitution). Finland has established measures regarding the transparency of election procedures and imposes sanctions for misconduct in election campaigns.

Public funding of political parties is regulated in the Act on Political Parties. The Act on a Candidate's Election Funding has provisions on the funding of candidature for elected public office. It requires the disclosure of financial statements by political parties and, in the event the information is found to be substantially incorrect, a financial penalty is imposed to ensure its correction. A disclosure containing information on the value of the financial support received by political parties and on the donor of the financial support must be filed with the National Audit Office if the value of an individual contribution or the total value of several contributions from the same donor is at least 1,500 euros (for general elections) or 800 euros (for municipal elections) per calendar year. The National Audit Office submits to the Parliament a periodic report on the implementation of the Act on a Candidate's Election Funding and an annual report on the implementation of the Act on Political Parties.

A candidate, political party, party association or affiliated entity cannot accept any financial support unless the donor can be identified. However, this does not apply to very small contributions received as a result of ordinary fundraising activities or donations. Political parties and party associations must have a formal bookkeeping system, although private donations to political parties are partially regulated and do not have to be disclosed if their value is less than the 1,500 euro and 800 euro thresholds. In practice, candidates may hold joint accounts with their spouses.

The Local Government Act and the Act on Local Government and Well-being Services County Officials regulate the activities of public officials working in municipalities and provide measures on conflicts of interest that are the same as those applicable to State civil servants. Rules for the disqualification of public officials are set out in chapter 5 of the Administrative Procedure Act. A civil servant may not demand, accept or receive financial or other benefits if it may undermine trust in the civil servant or the authority (sect. 15 of the State Civil Servants Act). The Ministry of Finance has been promoting integrity within the State administration since the 1990s. In May 2021, the Ministry of Finance published a code of conduct, also referred to as an ethics manual on civil service ethics, which contains rules regarding ancillary jobs, the acceptance of gifts, hospitality and benefits. The Ministry has also

published a handbook, entitled “Values in the daily job – Civil servant’s ethics”. In principle, it is prohibited for public officials to have secondary employment (sect. 18 of the State Civil Servants Act). However, there is no requirement for public officials other than judges, those to be appointed to senior management positions or as special advisers to a minister to report outside activities, including non-financial interests, from which a conflict of interest may result in relation to their public functions or to address such conflicts if they arise.

Ethical standards for public officials are established in the Constitution, the State Civil Servants Act (chap. 4), the Administrative Procedure Act and the Act on Local Government and Well-being Services County Officials. There are general values that are promoted in the public service, but the establishment and promotion of specific and targeted codes of conduct both at the State and municipal levels vary; only some organizations have established their own codes of conduct. The Public Governance Department of the Ministry of Finance has a small team that develops ethics work within the government administration and that prepared an action plan for integrity and ethics work for the period 2018–2022. Integrity is also promoted by the Advisory Board on Civil Service Ethics.

Finland implemented directive 2019/1937/EU on the protection of persons who report breaches of Union law through the Whistle-blower Protection Act (1171/2022), which came into force on 1 January 2023. The Act is applicable to certain fields of legislation where violations of the law may result in serious harm to the public interest. Subsequently, the Act obliges all government agencies and public sector organizations with 50 or more employees to have a confidential internal reporting channel through which certain acts of corruption are required to be reported. Public officials have a duty to report through the internal reporting channel suspected violations that may fall within the scope of the Act. Internal reports may lead to the filing of a report with law enforcement authorities. Currently, there are no specific external channels for public officials to report corruption. However, corruption may be reported to the police, and corruption falling within the scope of the Whistle-blower Protection Act may be reported to the Office of the Chancellor of Justice. In addition, there are other confidential reporting mechanisms. For example, the Law Enforcement Data Protection Act (1054/2018) obliges the competent authorities to establish procedures through which suspected violations of the Act may be reported to them confidentially.

The independence of the judiciary is established in the Constitution (sect. 3, subsect. 3). The recruitment of judges is regulated by the Courts Act (673/2016), which governs the judicial appointment process. Permanent judges are appointed by the President of the Republic on recommendation by the Government, as advised by an independent judicial appointments board. In practice, the Government and the President follow the recommendations of the judicial appointment board, although the law does not forbid them from deviating from them. The Supreme Court and the Supreme Administrative Court submit their own appointment proposals to the Government for presentation to the President of the Republic, and the President makes the appointment. Cases are assigned to judges largely at random by the president of the court. Training on ethics is provided to judges and court personnel. There is a trust-based system for the declaration by judges of assets, income, liabilities and interests.

The basic provisions governing the independence of the prosecution service are set out in the Constitution (sect. 104). The organization and functioning of the Office of the Prosecutor General are regulated by the Prosecution Service Act (32/2019). The prosecution service is not part of the judiciary. An individual affected by a prosecutor’s decision may request that it be reviewed by a prosecutor at a higher judicial level. In the event a prosecutor decides not to prosecute, or the criminal investigation has been interrupted or concluded, the law allows for the injured party to bring charges. The Ethical Guidelines of the Finish Prosecution Service apply to all employees in the prosecution service, and violations can lead to disciplinary action. Various measures have been taken to strengthen the Office’s independence.

The Office of the Prosecutor General negotiates with the Ministry of Justice on the budget of the prosecution service, the Ministry being responsible for the service's resources. There is no system of financial disclosure for prosecutors. Prosecutors are responsible for assessing whether they have a conflict of interest in a case and recusing themselves if necessary. Prosecutors are also responsible for assessing and deciding on their impartiality. The Prosecutor General is designated by the President of the Republic.

Public procurement and management of public finances (art. 9)

The country's public procurement system is harmonized by European Union law. On the basis of European Union public procurement law, Finland enacted a comprehensive public procurement legislative reform in 2016. The Act on Public Procurement and Concession Contracts (1397/2016) and the Act on Public Contracts in the Utilities Sector (1398/2016) implement directive 2014/23/EU on the award of concession contracts, directive 2014/24/EU on public procurement, and directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors.

The duty to announce procurement and the notification procedure are regulated in sections 58 to 61 of the Act on Public Procurement and Concession Contracts. Contracting entities must submit a notice for publication on the central electronic contract notice system for all procurement that exceeds the national threshold values set out in section 25 of the Act. Finland has implemented national thresholds lower than the European Union thresholds established in articles 4 and 13 of directive 2014/24/EU, which ensures that the principles of transparency and non-discrimination are upheld. Contracting authorities must accept the European single procurement document in all public tenders with a value that exceeds the European Union thresholds.

The Finnish Competition and Consumer Authority has been supervising compliance with procurement rules since 2017. The Market Court of Finland is a special court that has jurisdiction to hear public procurement cases. A mechanism of appeal is available against rulings issued by the Market Court, whereby appeals can be lodged to the Supreme Administrative Court. The Ministry of Economic Affairs and Employment organizes training programmes and advisory services for contracting entities and economic operators. The Ministry, together with the Association of Finnish Local and Regional Authorities, maintains the Public Procurement Advisory Unit, comprising an online service and telephone help desk for contracting authorities.

With regard to measures aimed at promoting transparency and accountability in the adoption of the budget, the laws, regulations and rules governing accounting and internal and external auditing standards for the national budget and the administration of public finances are the Constitution, the State Budget Act (423/1988), the Government Decree on the Budget (1243/1992), the Act on the National Audit Office (676/2000) and the Ministry of Finance Regulation on Operational and Financial Planning and on Drafting the General Government Fiscal Plan and the Budget (2011), as well as the Local Government Act for the municipalities and the Well-being Services Counties Act (611/2021) for the well-being services counties. Off-cycle budget expenditures are possible in line with the established rules. The authority responsible for the management of public finance is the Ministry of Finance. Internal control and risk management are two of the areas of financial audit of the National Audit Office, which is the supreme audit institution.

With regard to risk management and internal control systems, governmental experts consider it necessary to expand the possibility of examining the effectiveness of the internal controls of the organizations, as well as the consequences foreseen in the event that there are failures in such systems.

Public reporting; participation of society (arts. 10 and 13)

As a member of the European Union, Finland has put in place measures related to information technology and e-government to facilitate public access to the decision-making authorities. The right to information is enshrined in the Constitution (sect. 12).

Access to information is governed by the Act on the Openness of Government Activities, which applies to all authorities. In addition, some special laws also apply. The Act ensures that the public has broad access to information regarding the functioning and decision-making processes of public agencies, with due regard for the protection of privacy and personal data. There are exclusions to the principle of openness, which are set out in section 24 of the Act. There is no specific oversight body responsible for the enforcement of the right of access to information or the provision of information within a limited timeline, but complaints concerning the handling of requests for information can be filed with the Parliamentary Ombudsman or the Chancellor of Justice. If a request to access a document is denied, the requester can appeal the decision with the administrative court.

The participation of society in public decision-making processes is ensured in practice through elections, popular initiatives and referendums and the Open Government Programme (Avoim hallinto), which aims, inter alia, to increase the understandability of the language used in the public administration and to make it possible for citizens and civil society organizations to take part in developing social projects and fighting corruption. In addition, ongoing legislative drafting and development projects in the Government and the persons in charge are listed in an online platform open to all. The Government Annual Report includes information on developments and risks relating to government finances and the public sector. However, reports on the risk of corruption in the public administration are not issued regularly.

Anyone can report corruption directly to the Parliamentary Ombudsman, the Chancellor of Justice or the police. However, it is not possible to file an anonymous complaint.

Private sector (art. 12)

The Unfair Business Practices Act (1061/1978) has rules on good business practices. The implementation of the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises on Responsible Business Conduct has been promoted, and the “National action plan for the implementation of the UN guiding principles on business and human rights” was published in 2014. Cooperation between law enforcement agencies and relevant entities is not collectively promoted.

The International Standards on Auditing are generally accepted in Finland. The Limited Liability Companies Act (624/2006) sets out the basic requirements for accounting and auditing for limited liability companies. The principal obligations, as well as good practices, applicable to legal entities are established by the Accounting Act (1336/1997) and the Auditing Act (1141/2015). Legal entities must keep proper books and accounts. Otherwise, they will be subject to the sanctions set out in the Accounting Act and the Criminal Code (chap. 30, sects. 9, 9a and 10). The Limited Liability Companies Act contains separate provisions regarding company law offences and company law violations, which also concern violations in respect of financial statements.

With regard to the “revolving door” phenomenon, section 44a of the State Civil Servants Act establishes the possibility for an authority to require a written waiting period agreement, including a restriction period of up to 6 or 12 months from the end of employment before a former public official carries out professional activities in the private sector.

The tax deductibility of expenses that constitute bribes is disallowed under section 16, paragraph 8, of the Business Income Tax Act (360/1968).

Measures to prevent money-laundering (art. 14)

The legal regime to prevent money-laundering in Finland is based on the Anti-Money-Laundering Act, which implements directive (EU) 2015/849 and directive (EU) 2018/843 on the prevention of the use of the financial system for the purposes of money-laundering or terrorist financing. The Act applies to a comprehensive range of obliged entities, including money or value transfer service providers and designated non-financial businesses and professions (chap. 1, sect. 2). The supervisory authorities are the Financial Supervisory Authority, the National Police Board, the Patent and Registry Office, the regional State administrative agencies and the Finnish Bar Association (chap. 7, sect. 1). In addition, Åland provincial authorities supervise gambling operators and real estate agencies operating in the autonomous region.

Finland conducted its first national assessment of the risks of money-laundering and financing of terrorism in 2015. In 2021, the country adopted the most recent national risk assessment in conjunction with an action plan for the period 2021–2023 to mitigate the risks identified. The risk assessment and action plan are regularly reviewed and updated.³ The Anti-Money-Laundering Act also requires supervisory authorities and obliged entities to conduct and update sector- and activity-specific risk assessments (chap. 2, sects. 2 and 3).

Chapter 3 of the Anti-Money-Laundering Act contains requirements relating to customer identification and establishes three levels of customer due diligence (standard, enhanced and simplified). Obligated entities are required to identify customers and their beneficial owners, verify their identity and maintain adequate, precise and up-to-date information (chap. 3, sects. 2–6). A definition of “beneficial owner” is provided in the Act (chap. 1, sect. 5).

Chapter 4 of the Anti-Money-Laundering Act requires obliged entities to report suspicious transactions to the Financial Intelligence Unit without delay. Suspicious transaction reports must be submitted irrespective of whether a customer relationship has been established or refused and whether the transaction has been carried out, suspended or refused (chap. 4, sect. 1). The Financial Intelligence Unit receives and analyses suspicious transaction reports and, where necessary, refers its analysis to the relevant law enforcement authority for criminal investigation (sect. 2 (7) of the Act on the Financial Intelligence Unit). The Financial Intelligence Unit can suspend a transaction for up to 10 working days (sect. 6). The Unit has developed analytical tools and methods to identify suspicious activity patterns.

The Financial Intelligence Unit and supervisory authorities, upon request or spontaneously, cooperate and exchange information with competent domestic and foreign authorities to prevent and detect money-laundering and terrorist financing, including through European Union-wide channels and networks and the Egmont Group (sects. 2 (3) and (4) and 5 of Act on the Financial Intelligence Unit; chap. 9, sect. 3, of the Anti-Money-Laundering Act). In 2019, Finland established a national anti-money-laundering and countering the financing of terrorism coordination group to ensure effective cooperation among relevant authorities. It comprises several working groups, including one tasked explicitly with enhancing the exchange of information to prevent money-laundering.

Finland has established a system to monitor and control the movement of cash and bearer negotiable instruments in accordance with regulation (EU) 2018/1672 on controls on cash entering or leaving the Union, the Act on Controls of Cash Entering or Leaving the European Union (653/2007) and the National Customs Act (304/2016). All persons entering or leaving the European Union must declare cash and bearer negotiable instruments with a value that is equal to or more than 10,000 euros to Finnish Customs, which is responsible for receiving and processing the information in the declarations (sects. 2 and 3 of Act 653/2007). Finnish Customs transmits the declarations to the Financial Intelligence Unit on a monthly basis. Customs officers must report directly to the Unit in the event of suspected money-laundering (chap. 9,

³ A partial update to the national risk assessment was published in February 2024.

sect. 5, of the Anti-Money-Laundering Act) and can seize suspicious funds for up to five working days (sect. 6 of Act 653/2007). The Financial Intelligence Unit can also order the customs authorities to seize suspicious funds for up to 10 working days (sect. 6 of the Act on the Financial Intelligence Unit). The national laws provide for fines in cases of contravention.

Finland applies regulation (EU) 2015/847 on information accompanying transfers of funds in respect of payment service providers and wire transfers.

The mutual evaluation report on Finland by FATF was adopted in 2019 and noted the country's sound framework for combating money-laundering and terrorist financing. Two enhanced follow-up reports were adopted in 2021 and 2022.⁴

2.2. Successes and good practices

- The establishment of lower thresholds for the publication of contract notices than those provided for in directive 2014/24/EU, and the efforts to increase the possibilities for interconnection between national and European technological platforms for public procurement. (art. 9, para. 1).
- The Financial Intelligence Unit's emergency freezing power to suspend suspicious transactions and order the seizure of suspicious funds for up to 10 working days (art. 14, para. (1) (a)).

2.3. Challenges in implementation

It is recommended that Finland:

- Continue to ensure continuity in relation to the national anti-corruption strategy, adequate resources and the prioritization of the Government's response to domestic corruption threats, consider widening the strategy's scope to include the private sector, and consider creating a more structured role for non-governmental stakeholders (art. 5, para. 1).
- Consider introducing methodologies to systematically assess the effectiveness of practices aimed at the prevention of corruption (art. 5, para. 2).
- Continue to regularly monitor the effective implementation of its relevant legal instruments to determine their adequacy to prevent and fight corruption (art. 5, para. 3).
- Ensure that the preventive anti-corruption entities are adequately staffed and resourced (art. 6, para. 2).
- Consider establishing adequate procedures for the selection and training of individuals for public positions considered especially vulnerable to corruption and, where appropriate, the regular rotation of such individuals to other positions, as well as appeal mechanisms (art. 7, para. 1).
- Consider enhancing the transparency of private donations in the funding of candidatures for elected public office and to political parties (art. 7, para. 3).
- Consider reviewing existing rules and guidelines aimed at regulating gifts and hospitality to ensure that they remain current and provide adequate guidance to prevent specific conflict of interest situations, and consider whether further harmonization may be needed (art. 7, para. 4).
- Consider strengthening the system to facilitate the reporting of corruption to appropriate authorities by providing (a) a comprehensive definition of protected disclosures in the legislation; (b) clear reporting channels and systems for making protected disclosures; (c) effective protections against discrimination

⁴ The fourth follow-up report was adopted in October 2023. FATF noted the country's progress in addressing most of the technical compliance deficiencies identified in its mutual evaluation report.

for persons making protected disclosures; and (d) adequate awareness-raising among public officials (art. 8, para. 4).

- Consider the possibility of examining the effectiveness of the internal controls of each organization, as well as the consequences foreseen in the event that there are failures in such systems (art. 9, para. 2).
- Ensure effective access to information by monitoring the implementation of the Act on the Openness of Government Activities (art. 10 (a); art. 13, para. 1).
- Consider reviewing the procedures for the appointment and removal of the Prosecutor General and the allocation of resources to the Office of the Prosecutor General (art. 11, para. 2).
- Continue to monitor and evaluate practical implementation of the “cooling-off” period, particularly in the case of high-ranking political positions (art. 12, para. 2 (e)).

3. Chapter V: asset recovery

3.1. Observations on the implementation of the articles under review

General provision; special cooperation; bilateral and multilateral agreements and arrangements (arts. 51, 56 and 59)

Finland can cooperate in asset recovery regardless of the existence of a relevant agreement with a requesting State under the conditions prescribed in the national laws. In addition, the self-executing provisions of the Convention are directly applicable in Finland under Act 466/2006.

The Ministry of Justice is the central authority for receiving international cooperation requests. The National Bureau of Investigation carries out the functions of an asset recovery office and is responsible for executing international cooperation requests in relation to the tracing of assets during the pre-trial investigation and requests from outside the European Union relating to the freezing of assets. The National Prosecution Authority is in charge of asset freezing based on the relevant European Union legislative instruments, and the National Enforcement Authority is responsible for enforcing court orders to confiscate and recover assets.

Finland participates in the European Union Asset Recovery Offices network, the Camden Asset Recovery Inter-Agency Network and the Global Focal Point Network on Asset Recovery of the Stolen Asset Recovery (StAR) Initiative. In addition, Finland is a member of the International Criminal Police Organization (INTERPOL) and participates in the production and utilization of its data exchange channels and tools.

The country’s authorities can transmit information without prior request. The Financial Intelligence Unit can share relevant information from analyses with its foreign counterparts spontaneously or upon request (sect. 5 of the Act on the Financial Intelligence Unit). Information on investigations and criminal proceedings may be shared spontaneously through the formal and informal channels of the European Union and through other cooperation mechanisms set out in relevant agreements with countries outside the European Union.

Finland is a party to several instruments on international legal assistance in criminal matters, including the European Convention on Mutual Assistance in Criminal Matters and the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime of the Council of Europe.

Prevention and detection of transfers of proceeds of crime; financial intelligence unit (arts. 52 and 58)

Obligated entities are required to have in place appropriate risk-based procedures to determine whether their customers or their customers’ beneficial owners are or have been a politically exposed person, a family member of a politically exposed person or

a person known to be an associate of a politically exposed person, and to apply enhanced customer due diligence measures in relation to such customers (chap. 3, sect. 13, of the Anti-Money-Laundering Act). The definition of politically exposed persons covers both domestic and foreign politically exposed persons (chap.1, sect. 4, of the Act). The Government has issued Decree 610/2019, which clarifies the range of politically exposed persons.⁵

Formal and informal guidelines and advisories facilitating the implementation of the anti-money-laundering regime are available, including those concerning customer due diligence and suspicious transaction reports. The anti-money-laundering and countering the financing of terrorism coordination group has established a website to enhance compliance and publishes advisories for obliged entities.

Finland does not have a system allowing the Financial Intelligence Unit and supervisory authorities to notify financial institutions of the identity of particular natural or legal persons to whose accounts such institutions will be expected to apply enhanced scrutiny.

The Anti-Money-Laundering Act establishes an obligation to ensure the retention of records, including information concerning suspicious transactions and customer due diligence measures, and provides that records and files should be kept for at least five years in a durable medium (chap. 3, sect. 3, and chap. 4, sect. 3).

The Act on Credit Institutions (610/2014) establishes conditions under which banks and other financial institutions may provide their services in Finland, such as after obtaining licences from the Financial Supervisory Authority. These conditions do not allow for the establishment of shell banks in Finland (chap. 2, sects. 1, 3 and 9). Financial institutions may not initiate or continue a correspondent banking relationship with a shell bank or an institution whose accounts may be used by a shell bank (chap. 3, sect. 12, of the Anti-Money-Laundering Act).

The financial disclosure system in Finland is based on the State Civil Servants Act. It covers only senior public officials and special advisers to ministers, who must submit financial disclosures to their respective public authorities before their appointment (sect. 8a). The disclosures should contain information on business activities, shareholdings and other interests in commercial enterprises, assets, financial liabilities, positions of trust and administrative positions unrelated to the official position concerned and any other side activities in Finland and abroad. The officials must promptly report any changes in the above information.

The Ministry of Finance receives and publishes the information regarding secondary occupations requiring a permit and external duties related to official status, as well as income from such occupations and duties. Respective authorities may publish the private interest disclosures. Financial information is kept confidential (sect. 8a of the State Civil Servants Act). The disclosures do not cover family members or other persons associated with the officials. Basic checks such as timeliness and completeness are applied to disclosures, but there is no verification of the veracity of the information disclosed. Failure to comply with disclosure obligations does not result in specific sanctions. However, sanctions may be imposed pursuant to the State Civil Servants Act or other provisions concerning liability for failure to fulfil official duties. Financial disclosures cannot be shared with authorities in other jurisdictions. In addition, Finland publishes on an annual basis the tax information of all persons who earned more than 100,000 euros in the previous tax year.

The Act on the Financial Intelligence Unit establishes the Financial Intelligence Unit as a functionally independent unit of the National Bureau of Investigation and lays down the Unit's mandates to prevent and detect money-laundering, including to receive, analyse and disseminate suspicious transaction reports and other information (sect. 2).

⁵ During the direct dialogue, Finland reported on ongoing efforts to establish a national register of politically exposed persons.

Measures for direct recovery of property; mechanisms for recovery of property through international cooperation in confiscation; international cooperation for purposes of confiscation (arts. 53, 54 and 55)

In Finland, natural and legal persons, whether domestic or foreign, are entitled to sue for compensation for loss or damage and be recognized as legitimate owners of property acquired through the commission of an offence established in accordance with the Convention (chap. 18 of the Code of Judicial Procedure; chap. 3, sects. 1–11, of the Criminal Procedure Act). Any claims would usually be made and decided as part of criminal proceedings, although it is possible to initiate a civil action as well. Investigating authorities must determine the possibilities for the return of property obtained through an offence, for enforcement of forfeiture to be ordered as a consequence of an offence or for compensation to be paid to an injured party, as well as the existence of any civil claim of the injured party during a pretrial investigation (chap. 1, sect. 2, of the Criminal Investigation Act (805/2011)). These provisions apply equally to foreign States, which can exercise their right through their representatives. Finland has never had a case involving a foreign State as a civil party or a civil recovery case relating to Convention offences.

Cooperation with another State member of the European Union in the area of freezing, seizure and confiscation of property is duly carried out under regulation (EU) 2018/1805 on the mutual recognition of freezing orders and confiscation orders, Council Framework Decisions 2003/577/JHA on the execution in the European Union of orders freezing property or evidence and 2006/783/JHA on the application of the principle of mutual recognition to confiscation orders (for cooperation with Ireland and Denmark), the Act on the Application of the Regulation on the Mutual Recognition of Freezing Orders and Confiscation Orders in the European Union (895/2020), the Act on the Enforcement of Decisions on the Freezing of Assets or Evidence in the European Union (540/2005) and the Act on the Implementation and Application of the Legislative Provisions of the Framework Decision on the Application of the Principle of Mutual Recognition to Confiscation Orders (222/2008), which establish mechanisms for the recognition and enforcement of confiscation and seizure orders issued by States members of the European Union. The Act on Cooperation between Finland and Other Nordic Countries in the Execution of Judgments in Criminal Matters (326/1963) applies to judgments and other decisions concerning the confiscation of assets issued by courts in Denmark, Iceland, Norway and Sweden. Under regulation (EU) 2018/1805, a non-conviction-based confiscation order issued in criminal proceedings in another State member of the European Union can be enforced in Finland. Nevertheless, Finnish authorities reported that the recognition and enforcement of such confiscation in Finland is typically limited to extended confiscation, as provided for in chapter 10, section 3, of the Criminal Code.

Cooperation with countries outside the European Union is regulated primarily by the Act on International Legal Assistance in Criminal Matters and the Coercive Measures Act (806/2011). The Act on International Cooperation in the Enforcement of Certain Penal Sanctions (21/1987) permits the direct enforcement of foreign confiscation orders by converting them into domestic confiscation orders (sect. 9a). Chapter 10 of the Criminal Code provides for grounds and procedures for confiscation when the offender is not present, identified, prosecuted or sentenced (sects. 1 and 9). However, the provisions require a summons in person even when the offender is unknown or absent and, therefore, practical application is rare. The enforcement of non-conviction-based confiscation orders issued outside the European Union is decided pursuant to the domestic rules set out in the laws above.

Property acquired through or involved in the commission of an offence established in accordance with the Convention can be confiscated in Finland, regardless of its origin, through the adjudication of a money-laundering offence domestically (chap. 32, sect. 12, of the Criminal Code). If property of foreign origin is subject to foreign judicial decisions, it is confiscated under the general mutual legal assistance framework.

Chapter 6, section 8, of the Coercive Measures Act provides for the seizure of property on the basis of a request from a foreign State regardless of the existence of a foreign seizure order. Furthermore, the competent authorities of Finland can identify, trace and seize property acquired through the commission of an offence on the basis of a foreign final judgment, where that judgment would be enforceable in Finland or it can reasonably be assumed that the property would be confiscated in a case considered by a foreign court (chap. 7, sect. 21, of the Coercive Measures Act; sects. 17 and 18 of Act 895/2020; chap. 3, sect. 23, of the Act on International Legal Assistance in Criminal Matters). Nevertheless, freezing and seizure are not possible in the absence of a criminal investigation.

The Act on International Legal Assistance in Criminal Matters establishes a general framework for the content of requests for cooperation (chap. 2, sect. 7). The aforementioned legal instruments on cooperation among States members of the European Union provide additional guidance.

Requests are executed in accordance with Finnish law or with the procedures specified in the request, unless otherwise provided in the applicable legal instruments and where such procedures would not be incompatible with Finnish law (chap. 2, sects. 9 and 11, of the Act on International Legal Assistance in Criminal Matters).

According to the Act on International Legal Assistance in Criminal Matters, where requests for assistance or accompanying documents are defective, the competent authorities of Finland must promptly request supplementary information (chap. 2, sect. 9). A request for legal assistance may be refused under certain circumstances, as set out in chapter 2, section 14, of the Act. The discretionary grounds for refusal do not include specific rules concerning the de minimis value of the asset concerned.

Finnish authorities reported that the courts would typically allow the requesting State to express its views before lifting any provisional measures.

The rights of bona fide third parties are protected under the Criminal Code (chap. 10, sects. 6 and 11), the Coercive Measures Act (chap. 6, sect. 9, and chap. 7, sect. 22), and regulation (EU) 2018/1805 (arts. 32 and 33).

Return and disposal of assets (art. 57)

As a general principle, according to the Act on International Cooperation in the Enforcement of Certain Penal Sanctions, when enforcing a foreign confiscation order, the confiscated property or its value accrues to Finland. However, at the request of a State that has ordered confiscation, Finland may transfer the confiscated property or its value, entirely or partially, to that State (chap. 2, sect. 14 (2)). Finnish authorities reported that the latter was the regular practice. In addition to the principle of reciprocity, the Convention can also be used as a legal basis for the return and disposal of assets.

There is no explicit reference in domestic legislation to the binding obligations under article 57, paragraph 3, of the Convention when cooperating with States outside the European Union. Where requesting States are States members of the European Union, confiscated property must be restituted to the victim where a competent authority of a requesting State has made such a decision (art. 30 of regulation (EU) 2018/1805). If no such decision has been made, 50 per cent of the value of confiscated property worth more than 10,000 euros is transferred to the requesting State (art. 30).

In accordance with the Act on International Legal Assistance in Criminal Matters and regulation (EU) 2018/1805, Finland generally bears the costs of assisting requesting States. However, when the execution of a request entails high or exceptional costs, the costs can be shared with the requesting State (art. 31 of regulation (EU) 2018/1805; chap. 3, sect. 25, of the Act on International Legal Assistance in Criminal Matters). There have been no cases in which Finland has deducted expenses related to asset recovery.

Finland has not yet concluded agreements on the final disposal of confiscated assets. No legal or procedural obstacles exist to concluding such agreements. Finland does not impose any specific conditions on the final disposal of assets upon their return, unless otherwise stipulated by an applicable international agreement.

3.3. Challenges in implementation

It is recommended that Finland:

- Take measures to allow the Financial Intelligence Unit and supervisory authorities to notify financial institutions of the identity of particular natural or legal persons to whose accounts such institutions will be expected to apply enhanced scrutiny (art. 52, para. 2 (b)).
- Consider taking measures to establish a robust financial disclosure system that addresses corruption risks associated with the official functions of the targeted officials, promotes the transparency of disclosed information, ensures compliance through verification and sanctions mechanisms, and allows the sharing of information with foreign competent authorities (art. 52, para. 5).
- Consider establishing obligations for appropriate public officials to report interests in or authority over foreign accounts (art. 52, para. 6).
- Consider strengthening domestic measures to allow confiscation of property acquired through or involved in the commission of an offence established in accordance with the Convention without a criminal conviction in order to provide mutual legal assistance in the cases set out in article 54, paragraph 1 (c), of the Convention, including, where appropriate, removing the requirement for a summons in person (e.g., in the case of domestic proceedings and cooperation with countries outside the European Union) and extending the scope of non-conviction-based confiscation to cover standard confiscation (in cooperation with States members of the European Union).
- Take measures to ensure that confiscated assets are returned in line with article 57 of the Convention.