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# Registering the conditions of investment and pension funds

## Related links

[The Investment Funds Act](#)

Investment and pension funds are pools of assets or companies that are established to make collective investments, and which are managed, or whose assets are managed, by management companies using the principle of risk distribution.

Investment funds are divided into public and non-public investment funds depending on what they offer. Public funds are primarily aimed at public provision to ordinary investors, while non-public funds cater to professional investors.

A licence is needed to manage public investment and pension funds, and this is issued by, and can be withdrawn by, Finantsinspektsioon. To manage a non-public fund, the fund manager should apply for an operating licence or register its activities with Finantsinspektsioon.

The following types of investment fund may be established in Estonia:

- euro funds (UCITS)
- alternative investment funds (AIF)
- statutory pension funds
- voluntary pension funds

Investment funds are generally established as contractual funds, but it is possible in certain cases to operate as a company (a private limited company, a public limited company or a limited partnership).

## Approving the conditions or statutes of an investment fund

The conditions and statutes of public investment funds, including pension funds, and any changes to them need to be approved by Finantsinspektsioon. Where relevant, changes to the prospectus of a public investment fund also need to be approved.

The procedures for approving the conditions, statutes and prospectus and changes to them are set out in the Investment Funds Act. The fees for the approval procedures and adjustments to them are set out in the Financial Supervision Authority Act.

The conditions and statutes of non-public investment funds are generally approved by the management board of the fund manager. Changes to the conditions of the statutes of the fund are decided by a general meeting of the fund if its documentation does not require otherwise. The conditions and statutes of non-public investment funds are not approved by Finantsinspektsioon,

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making it important for investors to look carefully at the relevance and correctness of the documentation of the fund being offered to them.

## **Registering the public offer of units in a euro fund of a European Union member state**

Units in a euro fund from a member state of the European Union can be offered in Estonia within the requirements for euro funds in the Investment Funds Act.

If a euro fund wants to offer units in Estonia, it must submit a letter notifying the financial supervisory authority of its home country of this. The notification letter must contain information on the marketing agreements of the units for the euro fund. The notification process is supported by the principles in the euro funds directive (UCITS; 2009/65/EC).

Together with the notification letter, the euro fund sends the financial supervisory authority of its own country the following data and documents:

1. The conditions or statutes and the prospectus of the euro fund, and if necessary the most recent annual report and subsequent half year report. All the documents must be submitted in English or Estonian at the choice of the euro fund;
2. An announcement in Estonian to investors in the euro fund in accordance with Article 78 of Directive 2009/65/EC.

The financial supervisory authority of the home country of the euro fund sends the full documentation to Finantsinspeksioon together with an attestation confirming the euro fund complies with the requirements of Directive 2009/65/EC.

After Finantsinspeksioon has been informed, the financial supervisory authority of the home country of the euro fund immediately informs the euro fund that the documents have been sent. Units in the euro fund may be publicly offered in Estonia once this information has been received.

Finantsinspeksioon does not charge a one-off or an annual fee for the information concerning registering the public offer of units in the euro fund in Estonia.

## **Registering the public offer of units in a foreign fund**

Before units in foreign funds can be publicly offered in Estonia, this must be registered with Finantsinspeksioon.

To register the offer, a written application must be sent to Finantsinspeksioon with the data and documentation required by the Investment Funds Act. The fund may not be offered publicly before approval has been received from Finantsinspeksioon.

## **Registering the public offer of units in an alternative investment fund from a European Union member state**

The fund manager of an alternative investment fund from a member state of the European Union can offer units in the alternative investment fund non-publicly in Estonia if the offer meets the requirements for alternative investment funds from member states in the Investment Funds Act.

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If an alternative investment fund wants to offer units non-publicly in Estonia, it must submit a letter notifying the financial supervisory authority of its home country of this. The notification letter must contain information on the arrangements for ensuring the non-public marketing of the units of the alternative investment fund. The notification process is supported by the principles in the alternative investment funds directive (AIFMD; 2011/61/EC).

After Finantsinspektsioon has been informed, the financial supervisory authority of the home country of the alternative investment fund immediately informs the alternative investment fund that the documents have been sent. Units in the alternative investment fund may be non-publicly offered in Estonia once this information has been received.

Finantsinspektsioon does not charge a one-off or an annual fee for the information concerning registering the non-public offer of units in the alternative investment fund in Estonia.