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## General Part of the Economic Activities Code Act<sup>1</sup>

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13.12.2017	RT I, 30.12.2017, 3	03.01.2018
06.06.2018	RT I, 29.06.2018, 1	01.07.2018
20.02.2019	RT I, 13.03.2019, 2	15.03.2019

## Chapter 1 General Provisions

### § 1. Purpose of Act

The purpose of this Act is to establish the general conditions of and procedure for exercising the freedom of economic activity, including to regulate the commencement, pursuit, termination and resumption of economic activities, the maintenance of a register, state supervision and liability.

### § 2. Scope of application of Act

(1) This Act applies to all undertakings and their economic activities in all areas of activity unless otherwise prescribed by law.

(2) This Act does not apply to:

- 1) the professional activities of notaries;
- 2) the professional activities of bailiffs.

(3) This Act, except for §§ 9 and 10, subsections 11 (5) and (6), §§ 12 and 13, subsections 22 (5) and (6), § 31 and Division 2 of Chapter 6, does not apply to the economic activities which substance is:

- 1) the professional activities of advocates;
- 2) the professional activities of trustees in bankruptcy;
- 3) the professional activities of patent agents;
- 4) the professional activities of sworn translators;
- 5) the professional activities of auditors.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(4) This Act does not apply to the following areas of activity:

1) provision of financial services within the meaning of subsection 6 (1) of the Credit Institutions Act;  
[RT I, 19.03.2015, 4 - entry into force 29.03.2015]

1<sup>1</sup>) crediting and intermediation of credit within the meaning of the Creditors and Credit Intermediaries Act;  
[RT I, 19.03.2015, 4 - entry into force 29.03.2015]

2) the insurance activities and insurance distribution within the meaning of the Insurance Activities Act;  
[RT I, 17.11.2017, 3 - entry into force 01.10.2018]

3) operation as a payment institution or e-money institution within the meaning of the Payment Institutions and E-money Institutions Act;

4) operation as a management company within the meaning of the Investment Funds Act;

5) operation as an investment firm, data reporting services provider, investment agent and operator of the regulated market within the meaning of the Securities Market Act;

[RT I, 30.12.2017, 3 - entry into force 03.01.2018]

6) operation as an account administrator within the meaning of the Securities Register Maintenance Act;  
[RT I, 26.06.2017, 1 - entry into force 06.07.2017]

7) strategic goods control system within the meaning of the Strategic Goods Act.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(5) This Act does not apply to the following activities:

- 1) the activities of operators of tax warehouses within the meaning of the Value Added Tax Act;
- 2) the activities of tax representatives of non-residents within the meaning of the Taxation Act;
- 3) the activities of operators of excise warehouses, registered consignees and registered consignors within the meaning of the Alcohol, Tobacco, Fuel and Electricity Excise Duty Act;
- 4) the activities of operators of temporary storage facilities and customs warehouses, possessors of free zones and customs agencies within the meaning of the customs-related legislation Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1–101) (hereinafter *Customs Code*).

[RT I, 16.06.2017, 1 - entry into force 01.07.2017]

(6) The provisions of the Administrative Procedure Act with the specifications provided for in this Act apply to the administrative procedure prescribed in this Act.

(7) The provisions of the Law Enforcement Act with the specifications provided for in this Act apply to the exercise of state supervision prescribed by this Act.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

### **§ 3. Economic activity**

(1) Economic activity is any permanent activity which is pursued independently to generate income and which is not prohibited pursuant to law.

(2) If a notification or authorisation obligation has been established in respect of an activity, the activity is deemed to be an economic activity even if generating income is not its purpose.

### **§ 4. Freedom of economic activity and restriction thereof**

(1) Everyone has the right to freely commence, pursue and terminate economic activities in any area of activity at any time.

(2) Total prohibition of economic activities in an area of activity or allowing thereof only on the basis of the activity licence is established by law due to an overriding reason relating to the public interest. The freedom of economic activity is restricted by the economic activity requirements specified in § 6 of this Act, including by the notification obligation established in this Act due to an overriding reason relating to the public interest.

(3) Estonian undertakings and undertakings of other Contracting States of the European Economic Area (hereinafter *another Contracting State*) have the freedom of economic activity. Unless otherwise established by an international agreement or law, undertakings of third countries also have the freedom of economic activity in an equivalent manner to the undertakings of Estonia and other Contracting States.

(4) An undertaking does not have the freedom of economic activity in an area of activity if an appropriate prohibition on economic activities has been applied by a court judgment, pursuant to law or pursuant to this Act and is effective in respect of the undertaking.

(5) The state, local governments, legal persons in public law or other persons performing the duties of the state or a local government or a legal person in public law to the extent of performing such duties do not have the freedom of economic activity.

### **§ 5. Undertaking, person related thereto and service provider**

(1) An undertaking is a natural or legal person who commences or pursues economic activities.

(2) A person related to an undertaking is a shareholder, member of a managing body or procurator of the undertaking or another person who has dominant influence over management of the undertaking.

(3) Undertakings providing vital services and, in the cases provided by law, also other undertakings providing services used by the overwhelming majority of the population of the state or a local government, including gas, electricity, heating, water, sewerage, waste handling, public transport, postal or communications services or other similar services are undertakings providing services of general economic interest (hereinafter *providers of services of general interest*).

[RT I, 03.03.2017, 1 - entry into force 01.07.2017]

(4) A service provider for the purposes of subsections 6 (7), 10 (2), § 12, clause 14 (3) 2), subsections 22 (1), (5) and (6), § 31 and Division 2 of Chapter 6 of this Act is an undertaking specified in Article 4 2) of Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market (OJ L 376, 27.12.2006, pp. 36–68) (hereinafter *Services Directive*) which commences to provide or provides the services which fall within the area of application of the services directive.

## § 6. Economic activity requirements

(1) Requirements to which undertakings and their areas of activity must conform (hereinafter *economic activity requirements*) may be established pursuant to law. Economic activity requirements may also arise from ratified international agreements or the legislation of the European Union.

(2) Main economic activity requirements are the requirements which are imposed on a certain area of activity only and which are not general requirements effective regardless of the area of activity.

(3) Economic activity requirements are personal if they are imposed on a natural person, such as requirements on personal characteristics concerning skills, education, qualifications, professionalism or state of health (hereinafter *personal economic activity requirements*).

(4) Economic activity requirements are informational if they oblige an undertaking to provide information concerning the undertaking or activities thereof (hereinafter *informational economic activity requirements*).

(5) Economic activity requirements are tangible if they are neither personal nor informational, but pertain to the substance, primarily requirements on the place of business, a building or part thereof, machine, product, service, activity, financial situation or environmental impact resulting from the economic activities of an undertaking (hereinafter *tangible economic activity requirements*).

(6) For compliance with the personal economic activity requirement by an undertaking, it suffices if a natural person acting for the undertaking on the basis of a contract complies with the requirement. Due to an overriding reason relating to the public interest, the law may prescribe the cases when:

- 1) a personal economic activity requirement shall be complied with by the sole proprietor in person or by a member or all members of the management board of an undertaking which is a legal person;
- 2) the contract on the basis of which a person complying with the personal economic activity requirement acts for the undertaking shall meet certain requirements concerning the content or format.

(7) No such requirements which are in conflict with the Services Directive shall be imposed on service providers and persons who buy or wish to buy services offered by a service provider (hereinafter *client*).

(8) The procedure for giving notification of draft legislation containing the requirement to provide a service subject to be notified under the Services Directive and the authority coordinating the exchange of information shall be determined by a regulation of the Government of the Republic.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(9) The European Commission shall be notified of draft legislation under preparation if the following requirements are set thereby on the provision of a service:

- 1) quantitative or qualitative territorial restrictions, in particular in the form of limits arising from the size of population or the minimum geographical distance between service providers;
- 2) an obligation on a service provider to take a specific legal form;
- 3) requirements which relate to the shareholding of a company;
- 4) requirements, other than those concerning matters covered by Directive 2005/36/EC of the European Parliament and of the Council on the recognition of professional qualifications (OJ L 255, 30.09.2005, pp. 22–142) or provided for in other EU instruments, which reserve access to the service activity in question to particular service providers by virtue of the specific nature of the activity;
- 5) a ban on having more than one establishment or place of business in the territory of the same state;
- 6) requirements fixing a minimum number of employees;
- 7) fixed minimum or maximum tariffs with which the service provider must comply;
- 8) an obligation on the service provider to supply other services jointly with its service.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

## § 7. Economic administrative authority

Economic administrative authority is an administrative body which performs the duties imposed on it by law at least in one of the following manners:

- 1) adjudication of applications for activity licences;
- 2) suspension or prohibition of economic activities;
- 3) suspension or revocation of activity licences;
- 4) exercise of state supervision over economic activities of undertakings.

## § 8. Register

(1) For the purposes of this Act, register is a register of economic activities or another similar register in the cases provided by law.

(2) The register of economic activities is a database, the function of which is to enable the keeping of records of undertakings and their economic activities and the exercising of supervision.

(3) For the purposes of this Act, registrar is the controller of the register of economic activities or the controller of another database in the cases provided by law.

(4) The controller of the register of economic activities is the Ministry of Economic Affairs and Communications.

(5) The processor of the register is an economic administrative authority, which enters data in the register, amends and revokes the data.

### **§ 9. Submission of notices and applications through point of single contact**

(1) An undertaking has the right to submit all notices and applications specified in this Act to an economic administrative authority by the principle of a point of single contact through the Estonian information portal or notaries.

(2) Submission of notices and applications through the Estonian information portal or notaries does not affect the effective time limits for notices and applications established in this Act, the competence of economic administrative authorities and the right of undertakings to submit such notices and applications directly to the registrar or economic administrative authority.

(3) If an undertaking submits a notice or application through a notary pursuant to subsection (1) of this section, the notary forwards the notice or application to the economic administrative authority through the Estonian information portal within the working day following its submission at the latest.

(4) An economic administrative authority sends documents and other information to the undertaking through the notary if the undertaking has expressed such wish upon submission through notary of a notice or application addressed to the economic administrative authority provided for in this Act.  
[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(5) The Government of the Republic may, by a regulation, establish the standard formats of the notices and applications provided for in this Act.

(6) If an undertaking submits a notice specified in clause 58 (1) 1), 2) or 5) of this Act in another manner than through a point of single contact, it shall pay a state fee for entry of the information contained in the notice in the register according to the rate provided for in the State Fees Act.  
[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

### **§ 10. Right to obtain information concerning economic activities**

(1) The following information is made available through the Estonian information portal:

- 1) notification obligations and authorisation obligations by areas of activity with references to the legal provisions establishing notification or authorisation obligations and other main economic activity requirements, including economic activity requirements in the subject of review of the activity licence;
- 2) contact details of economic administrative authorities by areas of activity as well as contact details of the administrative bodies or persons, which are not economic administrative authorities, but from whom the undertaking can get practical assistance, including contact details of the centres of the European Consumer Centres Network;
- 3) possibilities and conditions for the use of databases related to the undertaking and its economic activity;
- 4) references to commonly used legal remedies in the matters of disputes between the undertaking and the economic administrative authority or the undertaking and its clients.

(2) An undertaking and its clients have the right to submit a request for explanation to the economic administrative authority directly or through the Estonian information portal on how the current notification obligations and authorisation obligations in the area of activity specified by the undertaking and other economic activity requirements, including the economic activity requirements in the subject of review of the activity licence, are generally interpreted or applied and, if necessary, to obtain advice and simple instructions on how to comply with the notification obligations, authorisation obligations and main economic activity requirements, including economic activity requirements in the subject of review of the activity licence. If a service provider submits the specified request for explanation concerning the requirements applicable in another Contracting State, the economic administrative authority contacts, if necessary, the appropriate competent authority using the liaison point specified in Article 28(2) of the Services Directive to provide explanations.

(3) In order to get legal explanations, an undertaking has the right to contact a notary who shall advise the undertaking for an agreed fee in the case of an agreement. If there is no agreement, a notary is obliged, within five working days from registration of the request for explanation, to submit through the Estonian information portal the request for explanation to the economic administrative authority for providing a response, which shall respond to the request for explanation no later than within the term set in the Response to Memoranda and Requests for Explanations Act by forwarding the response directly to the undertaking.  
[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(4) An economic administrative authority provides the information specified in subsection (1) of this section and known to it due to its competence to the administrator of the Estonian information portal and is responsible for updating such information.

#### **§ 11. Implementation of principle of electronic proceeding**

(1) The administrator of the Estonian information portal performs the following functions to conduct the proceedings provided for in this Act electronically:

- 1) provides undertakings with an opportunity to submit notices, applications and requests for explanation provided for in this Act through the Estonian information portal;
- 2) makes the information in the register available to the public through the Estonian information portal;
- 3) makes the information provided for in subsection 10 (1) of this Act available to the person.

(2) A registrar performs the following functions to conduct the proceedings provided for in this Act electronically:

- 1) provides economic administrative authorities with an opportunity to enter general information concerning economic activities specified in § 15 of this Act and information concerning activity licences, precepts and prohibitions on economic activities in the register;
- 2) provides economic administrative authorities with an opportunity to enter the reasoning of administrative acts in the register if necessary;
- 3) provides economic administrative authorities with an opportunity to enter the conclusion of the administrative act in the register to the extent which does not appear from the information in the register.

(3) An economic administrative authority performs the following functions to conduct the proceedings provided for in this Act electronically:

- 1) enters, amends and revokes information in the register;
- 2) if an application of an undertaking is denied in part or in whole or the rights of an undertaking or a third person are restricted by an administrative act which serves as a basis for entry or revocation of information in the register, enters the reasoning of such administrative act in the register;
- 3) enters the conclusion of the administrative act which serves as a basis for entry or revocation of information in the register to the extent which does not appear from the information in the register;
- 4) if it is the controller of another register in the cases provided by law, makes the register and information in the register available to the administrator of the Estonian information portal in the manner necessary for performing the functions specified in subsection (1) of this section.

(4) The Government of the Republic may establish by a regulation the procedure for the submission of information specified in subsection 10 (4) of this Act, the making of information available to the administrator of the Estonian information portal and the making of information in the register available to the public through the Estonian information portal.

(5) An undertaking submits notices and applications electronically with a digital signature or in another similar secure manner which enables identification of the undertaking.

(6) If an undertaking sets out its e-mail address in a notice or application submitted pursuant to this Act, it is deemed that consent has been given thereby for delivery of the administrative act electronically. Failure to set out an e-mail address does not affect the submission of notices or applications provided for in this Act.

#### **§ 12. Prohibition on requiring original copy of document**

It is prohibited for economic administrative authorities to require from undertakings the submission of a document issued by the Republic of Estonia or from service providers the submission of a document issued by another Contracting State in its original copy, or as a certified transcript or as a certified translation, unless this is necessary due to an overriding reason relating to the public interest.

#### **§ 13. Prohibition on requiring information twice**

(1) It is prohibited for economic administrative authorities to require from undertakings and undertakings need not submit information which is entered in a database established pursuant to law, except for information which allows the identification of an undertaking and contact details of an undertaking.

(2) The prohibition on requiring information twice also applies to information which can be obtained free of charge from the relevant register of another Contracting State or for a charge if the undertaking confirms in a format which can be reproduced in writing that it covers such costs for obtaining the information. The prohibition on requiring information twice does not apply to the information in the registers of third countries.

## **Chapter 2 Commencement of Economic Activities**

### **Division 1**

# Commencement of Economic Activities Subject to Notification Obligation

## § 14. Notification obligation

(1) In the cases provided by law an undertaking is required to submit a notice to the registrar on commencement of economic activities in a relevant area of activity prior to commencement of economic activities (hereinafter *notice of economic activities*).

(2) If an undertaking commences economic activities in several areas of activity subject to the notification obligation simultaneously and the same registrar is competent to accept the submitted notices, the undertaking may submit all the information subject to be provided in all the notices of economic activities in a single notice of economic activities.

(3) The notification obligation does not apply to:

- 1) undertakings with regard to whom an authorisation obligation in the same area of activity applies;
- 2) service providers established in another Contracting State who wish to commence the provision of services temporarily in Estonia in the meaning of Article 57 of the Treaty on the Functioning of the European Union (OJ C 83, 30.03.2010, pp. 47–199), except for service providers providing the services specified in Article 17 of the Services Directive.

(4) The notification obligation of an undertaking which is a legal person in foundation arises when the undertaking acquires passive legal capacity.

## § 15. Information submitted in notice of economic activities

(1) A notice of economic activities contains the following general information about the economic activities of an undertaking (hereinafter *general information concerning economic activities*):

- 1) in the case of an undertaking which is a legal person the name and registry code, in the absence thereof the relevant identification code of the country of its seat (the numerical or letter combination equal to the registration number), in the case of a sole proprietor the name and registry code, in the absence thereof the personal identification code or date of birth and the name and number of the identity document;
- 2) contact details (telephone number, e-mail address and postal address) of the undertaking;
- 3) in the case of an undertaking of another Contracting State or a third country, the address of its seat if it differs from the postal address;
- 4) the name of the area of activity pursuant to law and the name and code in accordance with the classification established on the basis of subsection 4 (6) of the Commercial Code;
- 5) the date of commencement of economic activities in the relevant area of activity if it differs from the date of submission of the notice of economic activities;
- 6) the date of termination of economic activities if the economic activities are planned for a specified term;
- 7) the name and contact details (telephone number and e-mail) of the person signing the notice, in the case of a legal person also the basis for representation (member of the management board or authorisation);
- 8) other information provided by law.

(2) In the case of a personal economic activity requirement, the notice of economic activities contains in addition to the provisions of subsection (1) of this section also the following general information concerning economic activities:

- 1) the name and personal identification code of the person complying with the requirements and in the absence thereof the date of birth;
- 2) the contact details (telephone number, e-mail address) of the person complying with the requirements;
- 3) in the case of the requirement of professional experience, the information concerning experience;
- 4) the information concerning education, primarily in the case of the requirement of professional certificate, the profession and professional level specified thereon, the person having awarded the profession, the number of the professional certificate or another certificate or certificate of competency confirming compliance with the standard, the place and date of issue and term of validity.

(3) In the case of an economic activity requirement for the place of business, the notice of economic activities contains in addition to the provisions of subsection (1) of this section also the following general information concerning economic activities:

- 1) the address, including website address, of the place of business, or the number of code identifying the means of transport which serves as a place of business, or in the case of operation within a designated territory, the licensed territory or in the absence of a place of business the relevant information;
- 2) the contact details (telephone number, e-mail address) of the place of business if these differ from the contact details specified in clause (1) 2) of this section.

(4) In the case of a requirement for the existence of a certificate proving the conformity of a product, service, system or procedure to the technical specification, an accreditation certificate or another similar document, the notice of economic activities contains in addition to the provisions of subsection (1) of this section also the following general information concerning economic activities about the certificate, accreditation certificate or another similar document:

- 1) the name and number of the document;
- 2) the dates of commencement and termination of validity;
- 3) the issuer;
- 4) the scope.

(5) In the case of a requirement for the liability insurance or other similar security, the notice of economic activities contains in addition to the provisions of subsection (1) of this section also the following general information concerning economic activities:

- 1) the sum insured of the liability insurance or the amount of another security, the currency unit and the territory of its validity;
- 2) the dates of commencement and termination of validity of the sum insured of the liability insurance or another security;
- 3) the name, registry code, address and other contact details of the insurer or provider of another security, the name of the relevant register.

## **Division 2**

### **Commencement of Economic Activities Subject to Authorisation Obligation**

#### **§ 16. Authorisation obligation**

(1) In the cases provided by law an undertaking must have an activity licence prior to commencement of economic activities in an area of activity (hereinafter *authorisation obligation*).

(2) An activity licence is an administrative act addressed to an undertaking or an administrative contract entered into with an undertaking, regardless of the name thereof, without which it is prohibited for the undertaking to commence economic activities and which proves compliance with certain economic activity requirements in a certain area of activity or determines the secondary conditions for pursuing economic activities.

(3) The following are not activity licences:

- 1) an administrative act which grants the right to engage in professional activity to a natural person;
  - 2) an environmental permit and integrated environmental permit.
- [RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(4) An undertaking may commence economic activities subject to the authorisation obligation from the issue of an activity licence, from the fulfilment of the conditions set out on the activity licence or from the date set out on the activity licence, whichever is later.

#### **§ 17. Subject of regulation of activity licence, its basic regulation and secondary conditions**

(1) The subject of regulation of activity licences comprises basic regulation and secondary conditions.

(2) The basic regulation of an activity licence is the authorisation for an undertaking to commence and pursue economic activities in an area of activity subject to the authorisation obligation. If an activity licence is granted in the cases provided by law for operation in a specific licensed territory or place of business, the basic regulation of the activity licence also includes the licensed territory or place of business.

(3) A secondary condition of an activity licence is any condition or obligation which is not the basic regulation, including conditions which are imposed in addition to the conditions for commencement or pursuit of economic activities arising from the basic regulation of the activity licence, providing for example the time limit of validity of the activity licence. Economic activity requirements and the obligation to comply with economic activity requirements are not secondary conditions for the purposes of this Act.

(4) Secondary conditions are added to an activity licence upon its issue or during its validity only in the cases and to the extent provided by law.

(5) Secondary conditions become effective at the same time as the activity licence or from the date set out in the secondary conditions, whichever is later.

(6) The validity of secondary conditions terminates upon revocation or expiry of the activity licence or from the date set out in the secondary conditions, whichever is earlier.

## § 18. Subject of review of activity licence

(1) The subject of review of an activity licence is a set of economic activity requirements, the identification of compliance with which is a prerequisite for grant of the activity licence.

(2) If an economic activity requirement in the subject of review of an activity licence applied for is also in the subject of review of a valid activity licence issued earlier by an Estonian economic administrative authority to the undertaking in another area of activity, the activity licence that has been issued earlier also proves compliance with the given requirement.

(3) If compliance with an economic activity requirement in the subject of review of an activity licence is proved by a valid administrative act issued by an economic administrative authority within the framework of another proceeding, this administrative act also proves compliance with the given requirement for the activity licence applied for.

## § 19. Application for activity licence

(1) In order to obtain an activity licence, an undertaking submits an application (hereinafter *application for activity licence*) to an economic administrative authority, which is authorised by law to adjudicate applications for activity licences.

(2) An undertaking provides the following information in the application for an activity licence:

- 1) the information specified in clauses 15 (1) 1–4) and 7) of this Act;
- 2) the information specified in subsections 15 (2)–(5) of this Act in the case of existence of the respective requirements in the subject of review of the activity licence;
- 3) if the undertaking wishes that the period of validity of the activity licence granted thereto is limited in comparison to the period of validity prescribed by law, the desired period of validity of the activity licence;
- 4) the plan for compliance with the undertaking's diligence obligation if the undertaking is required to submit it pursuant to this Act;
- 5) if the undertaking wishes to use the activity licence also in the activities of the subsidiary, the business name, registry code and address of the seat of the subsidiary;
- 6) other information provided by law.

(3) In the application an undertaking may omit the information which was included in the application for an activity licence submitted earlier thereby concerning the same activity if the undertaking confirms the truth of the information submitted earlier.

(4) An undertaking which is a legal person in foundation submits in the application for an activity licence a document certifying the foundation of the legal person, in particular the memorandum of association or the foundation resolution, or at least one transcript thereof which is notarised or certified in the equivalent manner, instead of the registry code. An activity licence issued to an undertaking in foundation becomes effective upon the acquisition of passive legal capacity thereby at the earliest.

(5) An economic administrative authority submits the initial answer containing the following information to the person having submitted the application no later than on the third working day following the submission of the application:

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

- 1) the day of commencement of proceeding of the application;
- 2) the time limit for adjudication of the application;
- 3) the period of validity or maximum period of validity of the activity licence if it is provided by law;
- 4) the references to the economic activity requirements in the subject of review of the activity licence and the legal provisions containing the legal remedies that can be used by the undertaking for contesting the activity of the economic administrative authority;
- 5) the information concerning the grant of the activity licence by default, unless this is precluded by law.

(6) An economic administrative authority adjudicating the application has the right to demand additional information from an undertaking if this is necessary for verification of compliance with the economic activity requirements in the subject of review of the activity licence. The economic administrative authority reasons the necessity for additional information and determines a reasonable time limit for the submission thereof.

(7) An undertaking pays the state fee for adjudication of the application upon submission thereof at the rate provided for in the State Fees Act.

(8) An economic administrative authority issues an activity licence to an undertaking promptly when compliance with the requirements in the subject of review of the activity licence has been ascertained.

## § 20. Adjudication of applications for activity licences

(1) An economic administrative authority adjudicates applications for activity licences by grant of or refusal to grant an activity licence within 30 days after submission of the application. The time limit for adjudication of applications commences from the submission of all the required information. If an undertaking fails to submit the information subject to be submitted in the application for an activity licence, the economic administrative authority notifies the undertaking thereof no later than on the working day following the day of detecting such failure, setting out the information which has not been submitted and determining a reasonable time limit for submission thereof and explaining that the economic administrative authority need not review the application upon failure to submit the required information. If the undertaking fails to submit the required information on time, the economic administrative authority need not adjudicate the application for an activity licence.

(2) If it appears upon review of an application that personal or tangible requirements in the subject of review of the activity licence have not been complied with or an activity licence cannot be granted due to the reason that an undertaking obliged to submit the plan for compliance with the undertaking's diligence obligation pursuant to this Act has failed to submit such plan, the economic administrative authority may suspend the time limit for adjudication of the application until the deficiency is remedied, but not for longer than 30 days, notifying the undertaking which has submitted the application thereof.

(3) An economic administrative authority may extend the time limit for adjudication of the application once by up to 30 days if this is necessary due to the complexity of an individual case, notifying the undertaking which has submitted the application thereof. The economic administrative authority shall reason the necessity for extending the time limit and the duration thereof in a notice given to the undertaking which has submitted the application.

(4) If an economic administrative authority fails to adjudicate an application within the time limit or extended time limit determined by law, an activity licence is deemed to be granted to the undertaking by default upon expiry of the time limit and the economic administrative authority enters the data of the activity licence in the register on the working day following the expiry of the time limit. Due to overriding reasons relating to the public interest, likewise in order to protect the rights of third persons, this principle may be deviated from in the cases provided by law. The principle of entry into force of an activity licence by default is not applied if an activity licence must be granted with secondary conditions.

## § 21. Territorial and personal extent of subject of regulation of activity licences

(1) An activity licence is valid across the whole territory of Estonia unless the activity licence is designated for activities within a specific licensed territory or place. The extent of the subject of regulation of activity licences outside the territory of Estonia is determined by international agreements.

(2) Activity licences are also valid for subsidiaries of undertakings.

## § 22. Activity licences of Contracting States and third countries

(1) An economic administrative authority exempts a service provider of another Contracting State and in the cases provided by law an undertaking of another Contracting State, including its subsidiaries, who wishes to commence economic activities subject to an authorisation obligation in Estonia from the authorisation obligation in Estonia if the specified service provider or undertaking has been granted an activity licence for operation in the respective area of activity in another Contracting State (hereinafter *activity licence of Contracting State*), which by its subject of review predominantly corresponds to the activity licence of Estonia and which validity has not been confined to a territory or place of business situated outside Estonia.

(2) To obtain exemption from the authorisation obligation an undertaking of another Contracting State shall submit an application (hereinafter *application for exemption from the authorisation obligation*) to an economic administrative authority, setting out the following information:

- 1) in the case of a sole proprietor, the name, personal identification code, in the absence thereof the date of birth, and business name upon the existence thereof, in the case of an undertaking which is a legal person, the business name and registry code;
- 2) the address of the seat of the undertaking;
- 3) the contact details of the undertaking (phone number, postal address and e-mail address);
- 4) the name of the authority that has granted the activity licence and the date of issue of the licence.

(3) Upon adjudication of an application for exemption from the authorisation obligation an economic administrative authority verifies only the existence of the basis provided for in subsection (1) of this section. The economic administrative authority adjudicates the application for exemption from the authorisation obligation and responds to the undertaking of another Contracting State within the time limit for adjudication of applications for activity licences prescribed in this Act. The economic administrative authority may refuse to exempt from the authorisation obligation if the existence of the basis for exemption cannot be verified with reasonable efforts within the prescribed time limit.

(4) If an application for exemption from the authorisation obligation is submitted by a service provider of another Contracting State, an economic administrative authority ascertains the absence or existence of the authorisation obligation if necessary with the assistance of a liaison point of the Contracting State specified

in Article 28(2) of the Services Directive. In the case of other undertakings of other Contracting States the economic administrative authority may request from the undertaking the information necessary to prove exemption from the authorisation obligation in accordance with subsection 19 (6).

(5) Service providers who wish to commence the provision of services temporarily in the Republic of Estonia in the meaning of Article 57 of the Treaty on the Functioning of the European Union, except for service providers providing the services specified in Article 17 of the Services Directive, are not subject to the authorisation obligation.

(6) An economic administrative authority may declare the decision on exemption from the authorisation obligation granted on the basis of subsection (1) of this section invalid or require the person specified in subsection (5) to apply for an activity licence if the undertaking of another Contracting State pursues economic activities or the service provider provides the services fully or predominantly in Estonia, exercising thereby the right established in Articles 49 and 56 of the Treaty on the Functioning of the European Union with an aim of non-compliance with the authorisation requirement established in Estonia, in particular if it is obvious that the undertaking has not commenced economic activities in another Contracting State in the area of activity where exemption from the authorisation obligation is applied for. A service provider exempted on the basis of subsection (5) of this section may be required to apply for an activity licence only if it is justified by the protection of public order, public security, public health or the protection of the environment and it is in compliance with Article 16(1) of the Services Directive.

(7) This provisions of this section apply to undertakings of third countries if so prescribed by an international treaty.

(8) An undertaking pays a state fee for adjudication of an application for exemption from the authorisation obligation in the rate of one-half of the rate of the state fee for adjudication of an application for an activity licence. The amount of the payable state fee is rounded to full cents.

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### **§ 23. Limitation of number of activity licences**

(1) In the cases provided by law an economic administrative authority may limit the number of undertakings to which it issues an activity licence if this is justified by:

- 1) the scarcity of technical or natural resources;
- 2) an overriding reason relating to the public interest.

(2) In order to grant activity licences in a limited number as specified in subsection (1) of this section, an economic administrative authority conducts a selection procedure to ensure impartiality of the economic administrative authority, equal opportunities for applicants and transparency of the selection procedure, in particular adequate publicity about the commencement, conduct and completion of the selection procedure. For this purpose the economic administrative authority makes public at least the information provided for in subsection 19 (5) of this Act.

(3) Where a reason for limitation of the number of activity licences ceases to exist, an economic administrative authority makes it public on the first opportunity.

(4) Upon granting activity licences in a limited number, an economic administrative authority may not prefer an undertaking or a person related thereto to other undertakings only due to the reason that the undertaking has been previously engaged in the same area of activity.

### **§ 24. Term of activity licence**

(1) An economic administrative authority grants an activity licence for an unspecified term, unless the limitation of the term of validity is prescribed by law due to an overriding reason relating to the public interest or it is applied for by the undertaking itself.

(2) If the number of activity licences is limited due to the scarcity of technical or natural resources or an overriding reason relating to the public interest, an activity licence is granted for a specified term provided by law, which does not restrict competition beyond what is necessary in order to enable the service provider to recoup the cost of investment and to make a fair return on the capital invested. The term may not be automatically extendable without inspecting the economic activity requirements and without considering the applications for activity licences by other undertakings; neither can other advantages over other applicants be given to an undertaking, whose term of activity licence is about to end or has just ended or to persons related to the specified undertaking.

### **§ 25. Refusal to grant activity licence**

(1) An economic administrative authority refuses to grant an activity licence in the following cases:

- 1) a prohibition on economic activities imposed by a court judgment or pursuant to law is effective in respect of the undertaking in the appropriate area of activity;
- 2) the undertaking or its economic activity does not comply with one or more economic activity requirements in the subject of review of the activity licence;
- 3) the undertaking obliged to submit the plan for compliance with the undertaking's diligence obligation pursuant to this Act has not submitted such plan or the plan submitted thereby is in the opinion of the economic administrative authority not adequate for prevention of violations;
- 4) the undertaking has intentionally submitted incorrect information in the application for an activity licence, which could affect the adjudication of the application, if upon failure to submit such information the grant of the activity licence should be refused on other grounds specified in this section.

(2) If an economic administrative authority limits the number of activity licences and grants an activity licence on the basis of the selection procedure in conformity with § 23 of this Act, the economic administrative authority refuses to grant an activity licence, in addition to the provisions of subsection (1) of this section, also in the following cases:

- 1) an undertaking having taken part in the selection procedure was not selected;
- 2) a selection procedure for grant of a new activity licence cannot be conducted due to the reason that the reason of limiting the number of undertakings precludes the grant of additional activity licences.

(3) If the subject of regulation of an activity licence allows to grant an activity licence for commencement of economic activities in several areas of activity, an economic administrative authority refuses to grant an activity licence only in the area of activity, regarding which the grounds for refusal provided for in this section exist.

#### **§ 26. Combining of authorisation procedures**

(1) If an undertaking submits applications for obtaining activity licences in several areas of activity at the same time and one economic administrative authority is competent to adjudicate the submitted applications for activity licences, the economic administrative authority decides with the consent of the undertaking that the activity licence issued to the undertaking includes all the activity licences required for the commencement of activities to the extent specified therein, combining for this purpose the subjects of review of the activity licences applied for by the undertaking and the activity licence application procedures. If different time limits apply for the adjudication of applications for different activity licences, the longest time limit of these applies to the grant of a combined activity licence.

(2) If different rates of the state fee are prescribed for the adjudication of applications for different activity licences, the highest of these applies.

#### **§ 27. Preliminary activity licence**

(1) Upon adjudication of applications for activity licences an economic administrative authority may allow an undertaking to commence economic activities prior to final inspection of the economic activity requirements in the subject of review of the activity licence (hereinafter *preliminary activity licence*) if the following conditions are met:

- 1) there is public interest in the preliminary activity licence or legitimate interest of the undertaking, which overrides the danger that may be caused to public order by the preliminary grant of the activity licence;
- 2) according to the preliminary opinion, there is reason to presume that there are no grounds for refusal to grant an activity licence provided for in § 25 of this Act.

(2) If the subject of regulation of an activity licence allows to grant an activity licence for commencement of economic activities in several areas of activity, an economic administrative authority may grant the preliminary activity licence for commencement of economic activities in an area of activity, regarding which the conditions provided for in subsection (1) of this section are met.

(3) An undertaking bears the risks arising from operation on the basis of the preliminary activity licence, including the risk that the grant of the activity licence is refused and the undertaking is obliged to restore the situation prior to the grant of the preliminary activity licence in the case of justified need as prescribed by the economic administrative authority.

(4) A preliminary activity licence becomes invalid upon grant of or refusal to grant an activity licence.

#### **§ 28. Preliminary decision on activity licence and contract on compliance with requirements**

(1) If legitimate interest of an undertaking exists, an economic administrative authority ascertains, at the request of the undertaking, compliance with individual economic activity requirements in the subject of review of the activity licence by a preliminary administrative act (hereinafter *preliminary decision*).

(2) At the request of an undertaking, an economic administrative authority enters into an administrative contract with the undertaking instead of a preliminary decision, agreeing in the contract, in addition to compliance with the economic activity requirements, where necessary, also on the conditions which are deemed as compliance with the requirements in the subject of review or in which manner the compliance with the requirements is permissible (hereinafter *contract on compliance with requirements*).

(3) An economic administrative authority ascertains compliance with an economic activity requirement or permissibility of compliance therewith in a certain manner by a preliminary decision or by a contract on compliance with requirements prior to actual compliance therewith if an undertaking submits an appropriate plan for this purpose in the application.

(4) An economic administrative authority makes a preliminary decision, enters into a contract on compliance with requirements or refuses to do it within 30 days from submission of an application and in the case of a previously submitted application for an activity licence, within a reasonable period of time before its adjudication.

(5) After issue of a preliminary decision or entry into a contract on compliance with requirements an economic administrative authority confines itself in adjudication of an application for activity licence to the review of economic activity requirements, which compliance has not been ascertained by a preliminary decision on activity licence or a contract on compliance with requirements, and it does not deviate from the preliminary decision or the contract on compliance with requirements in further adjudication of the application for activity licence. An economic administrative authority reviews an economic activity requirement ascertained upon adjudication of an application for activity licence by a preliminary decision or contract on compliance with requirements again and may deviate from the preliminary decision or contract on compliance with requirements if compliance with the economic activity requirement has been ascertained on the basis of the plan specified in subsection (3) of this section and the undertaking has failed to comply with this plan.

(6) After issue of a preliminary decision or entry into a contract on compliance with requirements an undertaking becomes entitled to receive an activity licence promptly after compliance with all the economic activity requirements in the subject of review of the activity licence has been ascertained, including compliance therewith in the manner permitted by the preliminary decision or contract on compliance with requirements.

(7) The term of a preliminary decision on activity licence or administrative contract is two years from the issue of the preliminary decision or entry into a contract on compliance with requirements unless a different term is specified in the preliminary decision or contract on compliance with requirements.

## **Chapter 3**

### **Pursuit of Economic Activities**

#### **Division 1**

### **Obligations of Undertakings upon Pursuing Economic Activities**

#### **§ 29. Diligence obligation of undertaking**

When pursuing economic activities, an undertaking is required to take measures to ensure compliance with economic activity requirements and also secondary conditions of the activity licence, if they exist, and to eliminate promptly any non-compliance with the economic activity requirements or secondary conditions (diligence obligation of undertaking).

#### **§ 30. Obligation to notify of changes in circumstances related to economic activities**

(1) In the case of an area of activity subject to the authorisation obligation, an economic administrative authority competent to grant an activity licence shall be notified of an intention to change the circumstances related to the subject of review of the activity licence or the circumstances related to the secondary conditions no less than 30 days before the intended change by an undertaking and no less than three months before the intended change by a provider of services of general interest (hereinafter *notice on intention to change economic activities*). A notice on intention to change economic activities shall also be submitted if an undertaking founds a subsidiary which commences economic activities within the framework of the subject of regulation of the activity licence.

(2) An undertaking notifies an economic administrative authority competent to grant the activity licence promptly, but no later than within five working days, of changes in the circumstances related to the subject of review of the activity licence and circumstances related to the secondary conditions that have occurred independently of the undertaking (hereinafter *notice on change in economic activities*).

(3) An undertaking describes in the notice on intention to change economic activities and in the notice on change in economic activities, which circumstances in the subject of review of the activity licence or related to the secondary conditions of the activity licence have changed or are intended to be changed, or submits the data specified in clauses 15 (1) 1)–3), 5) and 6) of this Act concerning a subsidiary which commences economic activities within the framework of the subject of regulation of the activity licence.

(4) If it appears from the notice that the changes bring along non-compliance with the economic activity requirements in the subject of review of the activity licence or the secondary conditions of the activity licence, a need to review the economic activity requirements, amend the activity licence or apply for a new activity licence, the economic administrative authority notifies the undertaking thereof immediately. If a need for amendment of the activity licence or application for a new activity licence appears, the notices specified in subsection (1) of this section are regarded as applications for amendment of the activity licence unless the undertaking has specified in the notice that it has no such wish.

(5) Upon a change in the general information concerning economic activities, which is not required to be notified on the basis of subsection (1) of this section, an undertaking notifies the registrar thereof promptly, but no later than within five working days, specifying the changed information in the notice (hereinafter *notice on a change in the general information concerning economic activities*).

(6) An undertaking submits together with the annual report a confirmation that it has performed the notification obligations provided for in subsections (1), (2) and (5) of this section or about the absence of such notification obligations.

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(7) A sole proprietor submits together with the income tax return a confirmation that it has performed the notification obligations provided for in subsections (1), (2) and (5) of this section or about the absence of such notification obligations.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(8) An undertaking who is not required to submit the confirmations specified in subsections (6) and (7) of this section together with the annual report or income tax return, submits each year, by 30 June, through the single point of contact, a confirmation that it has performed the notification obligations provided for in subsections (1), (2) and (5) of this section or about the absence of such notification obligations.

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### **§ 31. Obligations of service provider**

(1) A service provider may not discriminate a client on the basis of citizenship or place of residence or seat thereof, in particular the conditions of sale of goods or services published by the service provider shall be non-discriminatory, unless the specifications are directly reasoned by objective criteria.

(2) A service provider makes the following information available clearly and unambiguously and in a timely manner before entry into a contract with the client or, where no written contract is entered into, before the service is provided:

- 1) in the case of a sole proprietor the name, personal identification code or registry code, in the absence thereof the date of birth, and business name upon the existence thereof, in the case of an undertaking which is a legal person, the business name and registry code;
- 2) in the case of a service provider of another Contracting State the date of birth, state, address of the seat and postal address if it differs from the address of the seat;
- 3) the contact details (telephone number, e-mail address) of the service provider;
- 4) in the case of an area of activity subject to the authorisation obligation the information concerning the economic administrative authority that has granted the activity licence,
- 5) in the case of a person liable to value added tax the registration number as a taxable person;
- 6) in the case of a regulated profession any professional association or similar institution with which the service provider is registered, the professional title and the member state where such professional title has been granted;
- 7) the price of the service if the price is determined in advance by the service provider;
- 8) the main features of the service;
- 9) in the case of the requirement concerning the existence of liability insurance or another security the amount, currency unit, territory of validity and the dates of commencement and expiry of the term of the liability insurance or another security and the name and contact details of the insurer or provider of security;
- 10) the general conditions and provisions used by the undertaking with regard to an after-sales guarantee not prescribed by law and with regard to the law applicable to the contract and the existence and use of the contractual clauses concerning jurisdiction.

(3) A service provider shall make the information specified in subsection (2) of this section easily accessible at the place of entry into the contract, on any data medium or on the website address provided by the service provider.

(4) A service provider submits at the request of the client:

- 1) the price of the service if the service provider has not determined the price of the type of services in advance or, if an exact price cannot be given, the method for calculating the price so that it can be checked by the client, or a detailed estimate of the price together with the calculation method;
- 2) as regards the regulated professions, a reference to the professional rules applicable in the member state of the place of foundation and how to access them;
- 3) information on the areas of activity and cooperation partners which is directly linked to the service in question and on the measures taken to avoid conflicts of interest;

- 4) any codes of conduct to which the service provider is subject and the website address at which such codes of conduct can be electronically accessed, specifying the language in which such information is available;
- 5) information concerning extra-judicial means of dispute settlement by specifying how to access detailed information on the system of extra-judicial dispute settlement and the conditions for its use.

## **Division 2**

### **Amendment of Activity Licence**

#### **§ 32. Bases for amendment of activity licence**

- (1) The amendment of any secondary condition of an activity licence is the amendment of the activity licence.
- (2) An economic administrative authority may amend an activity licence on the following bases:
  - 1) the application of an undertaking;
  - 2) a significant damage or danger caused to public order by the activity permitted by the activity licence, which did not exist or was not known at the time of grant of the activity licence and which overrides the interest of the undertaking in continuing the activity on the current conditions and which can be eliminated by amendment of the activity licence.

#### **§ 33. Procedure for amendment of activity licence**

- (1) An application for amendment of the activity licence submitted by an undertaking is adjudicated by an economic administrative authority in the procedure for the grant of activity licences.
- (2) If amendment of an activity licence is initiated by an economic administrative authority, it sends a written notice to the holder of the activity licence concerning the intention to amend the licence, where it reasons the amendment and to which it adds an explanation about the contents of the intended amendment. The undertaking holding the activity licence has the right to submit a position on the intended amendment within 30 days from receiving the notice. The economic administrative authority decides to amend or refuse to amend the activity licence in the procedure provided for the grant of activity licences within 30 days after receipt of the undertaking's position and if the undertaking fails to submit a position, within 30 days after the expiry of the term for submitting a position.
- (3) An economic administrative authority may amend an activity licence without adhering to the time limits specified in subsection (2) of this section by promptly notifying the undertaking thereof if a delay in amendment of the activity licence increases the probability of materialisation of the damage or danger specified in clause 32 (2) 2) of this Act. An activity licence is amended as of communication or delivery of the amendment decision to the undertaking in the procedure provided for in § 60 of this Act or as of a later date set out in the decision.

## **Chapter 4**

### **Termination and Resumption of Economic Activities**

#### **Division 1**

### **Termination of Economic Activities**

#### **§ 34. Renouncement of economic activities**

- (1) An undertaking notifies the registrar of renouncement of economic activities, setting out in the notice the time of renouncement of economic activities (hereinafter *notice on renouncement of economic activities*).
- (2) Renouncement of economic activities means voluntary termination of pursuit of economic activities by an undertaking in one or more areas of activity subject to the authorisation or notification obligation. If economic activities are renounced for a certain term, the undertaking may give notice of the dates of renouncement and re-commencement of economic activities (hereinafter *notice on temporary renouncement of economic activities*).
- (3) An undertaking which has failed to comply with the obligation to submit an annual report provided by law within six months after the expiry of the term for compliance with this obligation is also deemed to have fully renounced economic activities.
- (4) A sole proprietor which has failed to comply with the obligation to submit an income tax return provided by law within six months after the expiry of the term for compliance with this obligation is also deemed to have fully renounced economic activities.

(5) The right to renounce economic activities does not preclude the obligation of an undertaking under law, administrative act or contract to continue to pursue economic activities; and if such obligation to continue to pursue economic activities exists, the undertaking is deemed not to have renounced economic activities.

(6) An undertaking which has failed to comply with the obligation provided for in subsection 30 (8) of this Act is also deemed to have fully renounced economic activities if six months have passed from the due date for compliance with the obligation.

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### **§ 35. Ensuring of continuity of provision of services of general interest**

(1) A provider of services of general interest that wishes to renounce the provision of services of general interest at least partially or temporarily, including to renounce the provision of services of general interest due to the circumstances which prevent it, notifies an economic administrative authority thereof at least three months in advance (hereinafter *notice on renouncement of provision of services of general interest*).

(2) Upon renouncement of provision of services of general interest an economic administrative authority ensures the continuity of the services to the clients of the provider of the services of general interest. If it is impossible or unreasonably expensive to obtain a service from elsewhere for the time of renouncement by the provider of services of general interest, the economic administrative authority may issue a precept to the provider of services of general interest to continue to provide the services of general interest (hereinafter *continuation precept*).

(3) A provider of services of general interest may be required by the continuation precept to continue to provide the services of general interest after the intended term for renouncement on the hitherto existing conditions or if possible on the conditions set out in the precept which are less burdening on the undertaking than before. The term for the continuation obligation imposed by a precept may be up to nine months from notification of renouncement of provision of services of general interest by the undertaking or from the time the economic administrative authority learns about such intention in any other manner.

(4) Immovable property used for provision of services of general interest may be acquired in public interest, including expropriated, if this is necessary to ensure continuity of provision of services of general interest. Acquisition in public interest shall be conducted pursuant to the Acquisition of Immovables in Public Interest Act. Upon conducting the proceedings, the time limits provided by the specified Act need not be observed and no additional compensations shall be paid to the provider of services of general interest in addition to the consideration. During the proceedings of acquisition of an immovable the economic administrative authority may issue a precept for continuation of the proceedings to the provider of services of general interest until the end of the proceedings.

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(5) A provider of services of general interest is entitled to claim compensation for the damage caused by compliance with the precept issued in conformity with this section unless renouncement of provision of the services of general interest thereby was in conflict with the obligations thereof arising from law, administrative act or contract. An undertaking that has violated an obligation arising from law, administrative act or contract by renouncing to provide the services of general interest is required to compensate for the damage caused by such violation.

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(6) For the purposes of this section, the appropriate economic administrative authority concerning an area of activity subject to the authorisation obligation is the economic administrative authority which is competent to grant an activity licence, and concerning other areas of activity, the economic administrative authority which is competent to determine the licensed territory of the undertaking or terminate a contract entered into with the undertaking for the provision of the services of general interest.

### **§ 36. Prohibition of economic activities**

(1) An economic administrative authority may prohibit an undertaking or a person related to the undertaking to pursue economic activities due to material violation of economic activity requirements (hereinafter *prohibition on economic activities*).

(2) In the case of a prohibition on economic activities a person is deprived of the right to engage in the area of activity specified in the prohibition decision and to be a member of a managing body, liquidator or procurator of a legal person engaged in such area of activity or to participate in the management of such legal person in any other manner.

(3) In an area of activity subject to the authorisation obligation only the violation of economic activity requirements which are not in the subject of review of the activity licence or of obligations which do not arise from the secondary conditions of the activity licence may serve as a basis for the prohibition.

(4) Economic activities may be prohibited only in an area of activity in which the violation occurred and in the event of justified need also in an area of activity related thereto or in an area of activity of close nature. The extent of the prohibition is set out in the prohibition decision.

(5) Economic activities may be prohibited by an economic administrative authority which task is to exercise supervision over compliance with the economic activity requirements which violation serves as a basis for the prohibition. If both the state economic administrative authority and the local government economic administrative authority have such competence, the prohibition is decided by the state economic administrative authority. If several state economic administrative authorities have such competence, each of them has the right to prohibit and the economic administrative authority that has initiated the prohibition process involves another competent authority to provide an opinion.

(6) The prohibition on economic activities is valid for one year from entry into force of the prohibition decision. During the validity of the prohibition the person whose economic activities are prohibited may apply for revocation of the prohibition at any time. An application for revocation of the prohibition on economic activities is submitted to the economic administrative authority that has imposed the prohibition together with the plan for compliance with the undertaking's diligence obligation, which contains information on how the undertaking intends to ensure compliance with such economic activity requirements in the future which violation served as a basis for imposing the prohibition. An economic administrative authority adjudicates the application within 30 days after receipt thereof and revokes the prohibition if it finds that the submitted plan for compliance with the diligence obligation is sufficient to ensure compliance with the economic activity requirements in the future.

(7) If a prohibition on economic activities is imposed in an area of activity in which the undertaking has been granted an activity licence to pursue economic activities, the activity licence is suspended to the extent of the prohibition until the expiry or revocation of the prohibition. The term of an activity licence issued for a specified term is not extended by the time during which the activity licence was suspended pursuant to this subsection.

### **§ 37. Revocation of activity licence**

(1) An economic administrative authority revokes an activity licence on the following bases:

- 1) intentional submission of incorrect information by an undertaking upon application for an activity licence, which affected the grant of a licence, provided that if such information had not been submitted, the grant of an activity licence would have been denied;
- 2) renouncement of economic activities by an undertaking;
- 3) validity of a relevant prohibition on economic activities imposed by a court judgment or arising from law in a relevant area of activity in respect of an undertaking, except for validity of a prohibition on economic activities imposed pursuant to this Act.

(2) An economic administrative authority may revoke an activity licence on the following bases:

- 1) failure to commence economic activities within two years after issue of the activity licence or failure to pursue economic activities within two years, and in the case of provision of services of general interest, failure to commence economic activities within 12 months after issue of the activity licence or failure to pursue economic activities within 12 months or failure to commence economic activities within the term prescribed by a secondary condition of the activity licence;
- 2) material violation of an economic activity requirement in the subject of review of the activity licence or a secondary condition of the activity licence;
- 3) a significant damage or danger caused to public order by the activity permitted by the activity licence, which did not exist or was not known at the time of grant of the activity licence and which overrides the interest of the undertaking in continuing the activity and which cannot be eliminated by amendment of the activity licence;
- 4) the arising of a resolute condition which has been imposed as a secondary condition of the activity licence and which serves as a prerequisite for the validity of the activity licence in the relevant area of activity;
- 5) the notice on renouncement of provision of services of general interest.

(3) An activity licence is revoked as of communication or delivery of the revocation decision to the undertaking in the procedure provided for in § 60 of this Act or as of a later date set out in the decision. In the event provided for in clause (1) 1) of this section an activity licence is revoked retroactively from the grant thereof.

(4) An activity licence is revoked on the basis of clause (1) 2) of this section only in the area of activity in which the undertaking has renounced economic activities, and on the basis provided for in subsection (2) 5) of this section, only in the area of activity, in which the undertaking submitted a notice on renouncement of provision of services of general interest. An activity licence may be revoked on the basis provided for in clause (2) 2) only in an area of activity in which the violation occurred and in the event of justified need also in an area of activity related thereto or in an area of activity of close nature. Amendment of basic regulation of an activity licence is also regarded as revocation of an activity licence.

(5) An undertaking whose activity licence has been revoked may apply for a new activity licence for the same activity at any time. If the activity licence of an undertaking has been revoked in the previous year due to violation by the undertaking of the economic activity requirements in the subject of review of the activity licence or the secondary conditions of the activity licence, it has to add to the new application for an activity licence submitted for the same activity a plan for compliance with the undertaking's diligence obligation containing information concerning how it intends to ensure in the future the compliance with the economic

activity requirements in the subject of review of the activity licence or the secondary conditions of the activity licence which violation served as a basis for revocation of the previous activity licence.

(6) If an undertaking subject to a prohibition on economic activities holds an activity licence and it continues to pursue economic activities regardless of the prohibition or to violate the economic activity requirements which have served as a basis for imposing the prohibition, an economic administrative authority may revoke the activity licence to the extent to which the prohibition on economic activity imposed on the basis of this Act applies.

### **§ 38. Violation of economic activity requirement or secondary condition of activity licence which serves as basis for prohibition of economic activities and revocation of activity licence**

(1) An activity licence may be revoked or the economic activity of an undertaking or a person related thereto may be prohibited due to violation of an economic activity requirement or a secondary condition of the activity licence only if the violation is material within the meaning of subsection (2) of this section.

(2) The violation of an economic activity requirement or a secondary condition of the activity licence is material if it can be assumed on the basis of the nature of the violation that the undertaking or a person related thereto would also be unable to ensure compliance with such requirement or condition in the future and it is necessary to prevent the danger or damage that has been caused or that may be caused by the violation to the employees or clients of the undertaking, the interests of third persons or the public interest. Such violations are primarily continuous violation of an economic activity requirement or a secondary condition of the activity licence, repeated similar violations or a violation that has caused serious or material danger to public order.

(3) If continued violation of an economic activity requirement or a secondary condition of the activity licence is caused by an unforeseeable event, the continued violation is not deemed to be material within 30 days from commencement of the violation and no precepts are issued to eliminate the violation if the undertaking has complied with the notification obligations provided for in § 30 of this Act and if continuation of the economic activity is necessary in order to prevent the danger or damage that may arise to public order or to the undertaking from discontinuation which overrides the danger or damage that may arise to public order or to the undertaking from continuation.

### **§ 39. Verification of compliance with undertaking's diligence obligation**

(1) Violation of an undertaking's diligence obligation is presumed in the event of material violation of an economic activity requirement or a secondary condition of the activity licence.

(2) An undertaking, in respect whereof a prohibition of economic activities or revocation of an activity licence is being decided, is provided by an economic administrative authority, prior to the making of the decision, with an opportunity to submit a written explanation to refute the presumption specified in subsection (1) of this section at least concerning how it has complied with the undertaking's diligence obligation. Economic activities of the undertaking shall not be prohibited and the activity licence granted thereto shall not be revoked if the undertaking proves that the reason for the material violation of the economic activity requirement or the secondary condition of the activity licence was not a violation of its diligence obligation.

(3) A person related to an undertaking, in respect whereof prohibition of economic activities is being decided, is provided by an economic administrative authority, prior to the making of the decision, with an opportunity to submit a written explanation to refute the presumption specified in subsection (1) of this section at least concerning how the undertaking has complied with the diligence obligation and how the person related to the undertaking has contributed to compliance with the undertaking's diligence obligation. Economic activities of the person related to the undertaking may be prohibited if the administrative authority ascertains that the person related to the undertaking has caused the violation of the undertaking's diligence obligation. Economic activities of the person related to the undertaking shall not be prohibited if the person related to the undertaking proves that the reason for violation of the economic activity requirement or the secondary condition of the activity licence was not a violation of the undertaking's diligence obligation.

(4) An undertaking's diligence obligation is not complied with if the undertaking fails to eliminate a continuous violation of an economic activity requirement or a secondary condition of the activity licence within a reasonable term granted for this purpose by a precept.

### **§ 40. Expiry of activity licence**

An activity licence expires in the following cases:

- 1) upon expiry of a term of the activity licence if the activity licence was granted for a specified term;
- 2) upon death of a sole proprietor and liquidation, merger, division and transformation of a legal person unless the activity licence is transferred pursuant to § 46 of this Act.

### **§ 41. Parallel procedures**

(1) If violations of the same economic activity requirement or a secondary condition of the activity licence may cause prohibition of the economic activities or revocation of the activity licences of both the undertaking and a person related to the undertaking, both matters are decided in a single procedure.

(2) If a person that has violated an economic activity requirement or a secondary condition of the activity licence renounces the economic activity or applies for revocation of the activity licence, it does not affect the prohibition of economic activities thereof or the revocation of the activity licence due to the violation of the economic activity requirement or the secondary condition of the activity licence.

(3) During bankruptcy proceedings, the violation of such economic activity requirement or such secondary condition of the activity licence which primary objective is to protect the interest of creditors of the undertaking cannot serve as a basis for revocation of an activity licence of the undertaking or prohibition of economic activities thereof, unless revocation of the activity licence or prohibition of economic activities is necessary in order to prevent danger or damage that may be caused by continuation to public order which overrides the danger or damage that may be caused by continuation to the interests of creditors. Bankruptcy proceedings do not otherwise affect the procedure for prohibition of economic activities or revocation of the activity licence.

#### **§ 42. Precept to terminate violation of economic activity requirement or secondary condition of activity licence**

Upon violation of an economic activity requirement or a secondary condition of the activity licence an economic administrative authority issues, prior to prohibition of economic activities or revocation of an activity licence, a precept specified in § 68 of this Act to the undertaking to bring the activity into conformity with economic activity requirements or secondary conditions of the activity licence. No precept is issued if it is obvious on the basis of the circumstances that the undertaking would fail to comply with it.

#### **§ 43. Suspension of economic activity or activity licence**

(1) An economic administrative authority may partially or fully suspend an economic activity or the activity licence of an undertaking:

- 1) upon serious danger or material danger involved in the material violation of an economic activity requirement or a secondary condition of the activity licence until elimination of the violation or deciding on the prohibition of economic activities or revocation of the activity licence;
- 2) upon obstructing the exercise of state supervision until allowing to exercise state supervision if the undertaking has failed to comply with a precept to terminate the obstruction issued thereto pursuant to § 68 of the this Act, in which it has been warned of such suspension.

(2) The term of an activity licence issued for a specified term is not extended by the time during which the activity licence was suspended pursuant to subsection (1) of this section.

(3) The extent of suspension of an economic activity or activity licence is indicated in the decision on suspension.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

## **Division 2 Resumption of Economic Activities**

#### **§ 44. Right to resume economic activities**

(1) The following persons have the right to resume economic activities:

- 1) upon death of a sole proprietor the person's successor, the executor of will or the administrator of the estate in conformity with § 47 of this Act;
- 2) upon bankruptcy of an undertaking the trustee in bankruptcy;
- 3) upon compulsory enforcement in respect of an immovable related to the economic activities of an undertaking the compulsory administrator of the immovable;
- 4) upon merger, division or transformation of legal persons the acquiring, new, recipient or transformed company in conformity with § 49 of this Act;
- 5) the person acquiring an undertaking in conformity with § 50 of this Act.

(2) In an area of activity subject to the notification obligation, a person entitled to resume economic activities may resume the economic activities as an undertaking by submitting a notice pursuant to § 45 of this Act. In such case the notification obligation provided for in § 14 of this Act does not apply to the person.

(3) In an area of activity subject to the authorisation obligation, a person entitled to resume economic activities may resume the economic activities as an undertaking if the economic administrative authority transfers the activity licence thereto pursuant to § 46 of this Act. In such case the authorisation obligation provided for in § 16 of this Act does not apply to the person.

#### **§ 45. Obligation to notify of resumption of economic activities**

(1) A person entitled to resume economic activities which resumes economic activities in an area of activity subject to the notification obligation is required to notify the registrar of resumption promptly, but not later than within five working days (hereinafter *notice on resumption of economic activities*). Such notice shall contain at least the information specified in clauses 15 (1) 1), 2), 4) and 7) of this Act together with a reference to the person whose economic activities are resumed. Upon death of a sole proprietor, the person entitled to resume economic activities who has submitted a notice during the succession proceedings need not submit a new notice after the end of the succession proceedings.

(2) If a notice on resumption of economic activities is submitted in respect of an area of activity, in which the person is not entitled to resume economic activities, the respective notice is regarded as a notice of economic activities.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

#### **§ 46. Transfer of activity licence**

(1) A person entitled to resume economic activities which resumes economic activities in an area of activity subject to the authorisation obligation is required to apply to an economic administrative authority for transfer of the activity licence within 30 days after the arising of the right to resume economic activities (hereinafter *application for transfer of an activity licence*). Economic activities may be continued during the time of succession proceedings, bankruptcy proceedings or compulsory administration of immovables of an undertaking without applying for transfer of the activity licence by submitting a notice pursuant to § 45 of this Act.

(2) The transfer of an activity licence means the amendment of the addressee of the activity licence.

(3) An economic administrative authority transfers the activity licence if the following conditions are met:

- 1) the undertaking applying for transfer of an activity licence proves either the existence of universal succession or the acquisition of such undertaking, where, in respect of the assets belonging to such undertaking, all the economic activity requirements in the subject of review have been checked upon grant of the activity licence;
- 2) the personal economic activity requirements in the subject of review of the activity licence effective in respect of the undertaking or a person related to the undertaking, which have not been checked in connection with the transferred assets, are complied with.

(4) Application for transfer of an activity licence submitted by an undertaking is adjudicated by an economic administrative authority in the procedure for the grant of activity licences.

(5) If application for transfer of an activity licence is submitted in respect of such area of activity or in respect of such circumstance imposed by a secondary condition of the activity licence regarding which the person is not entitled to resume economic activities or if application for transfer of an activity licence is submitted after expiry of the term provided for in subsection (1) of this section, the application is denied and it is regarded as an application for an activity licence.

#### **§ 47. Right to resume economic activities upon death of sole proprietor**

(1) Upon death of a sole proprietor the following persons have the right to resume the economic activities thereof:

- 1) a successor;
- 2) a person possessing the undertaking of the bequeather until the existence of a successor or executor of will or the administrator appointed for the estate becomes clear;
- 3) upon appointment of an executor in the will, the executor of will until completion of succession proceedings;
- 4) upon appointment of an administrator of the estate, the administrator of the estate until completion of succession proceedings.

(2) After completion of succession proceedings the successor who becomes the owner of the undertaking which is a part of the estate becomes entitled to resume economic activities. Co-successors shall submit a resumption notice or an application for transfer of the activity licence jointly.

#### **§ 48. Resumption of economic activities upon bankruptcy of undertaking and upon compulsory administration of registered immovable of undertaking**

(1) Upon bankruptcy of an undertaking the trustee in bankruptcy has the right to resume economic activities from the declaration of bankruptcy until completion of bankruptcy proceedings or the resolving of termination of economic activities of the debtor in bankruptcy proceedings by the general meeting of creditors.

(2) Upon compulsory administration of an immovable of an undertaking the compulsory administrator has the right to resume economic activities in respect of the undertaking located on the immovable from the appointment thereof until the end of compulsory administration.

(3) If compulsory administration of an immovable of an undertaking is ended by a decision of a bailiff and economic activities of the undertaking are terminated thereby, a notice on renouncement of economic activities is submitted by the compulsory administrator.

(4) If termination of economic activities of a debtor in bankruptcy proceedings is decided at a general meeting of creditors, the notice on renouncement of economic activities is submitted by the trustee in bankruptcy.

#### **§ 49. Resumption of economic activities upon merger, division and transformation of legal persons**

(1) Upon merger of legal persons the acquiring legal person which merged with the acquired legal person or the new legal person which is founded by the merging legal persons has the right to resume economic activities.

(2) Upon division of a legal person all the recipient legal persons that acquire an undertaking from the legal person being divided have the right to resume economic activities.

(3) Upon transformation of a legal person the transformed legal person has the right to resume economic activities.

(4) The right to resume economic activities provided for in subsections (1)–(3) of this section is created upon the merger, division or transformation taking effect.

#### **§ 50. Resumption of economic activities upon acquisition of undertaking**

Upon acquisition of an undertaking used in economic activities the person becomes entitled to resume economic activities related to the undertaking on the same conditions as the former owner of the acquired undertaking, whereas the acquirer or the undertaking shall comply with all the economic activity requirements that have been effective with regard to the owner.

## **Chapter 5 Content of Register and Making of Entries**

### **Division 1 Content of Register**

#### **§ 51. Information in register**

(1) Information in the register is the following information entered in the register concerning each undertaking separately:

- 1) general information concerning economic activities;
- 2) information concerning the activity licence and information concerning exemption from the authorisation obligation;
- 3) information concerning precepts issued to an undertaking and a person related thereto;
- 4) information concerning a prohibition on economic activities imposed on an undertaking or a person related thereto pursuant to this Act;
- 5) information concerning a prohibition on business, prohibition on activities or prohibition to engage in enterprise arising from law or a court decision about an undertaking and a person related to the undertaking, who pursues economic activities in an area of activity subject to the notification obligation or authorisation obligation.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(2) A registrar ensures that information in the register is available to everyone free of charge through a relevant website.

(3) A person may rely on the truth of information in the register unless the person knew or should have known that information in the register was not true.

(4) A registrar, notary or economic administrative authority makes certified printouts of information entered in the register at the request of a person.

(5) If an undertaking does not operate in an area of activity subject to the notification obligation or authorisation obligation, the general information concerning economic activities specified in clauses 15 (1) 1)–3) of this Act are also entered in the register together with the information specified in clauses (1) 3)–5) of this section.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(6) A registrar identifies the information in the register with a separate economic activities registration number.  
[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

## **§ 52. General information concerning economic activities**

(1) The information specified in § 15 of this Act is entered in the register as the general information concerning economic activities.

(2) Upon temporary renouncement of economic activities the dates of temporary renouncement and re-commencement of economic activities are entered under the general information in the register.

## **§ 53. Information concerning activity licence and exemption from authorisation obligation**

(1) The following information is entered in the register concerning each activity licence separately:

- 1) the name of the economic administrative authority that has granted the activity licence and the name of its manager or authorised person;
- 2) the date of issue and the number of the activity licence;
- 3) the legal basis and basic regulation of the activity licence;
- 4) the time of entry into force of the activity licence if it is later than the time of issue of the activity licence;
- 5) upon existence thereof, the term or other secondary conditions of the activity licence, the time of their entry into force and the legal basis for imposing them;
- 6) upon existence of a decision on revocation of the activity licence, the time and extent of the revocation;
- 7) upon existence of a decision on suspension of the activity licence or suspension of the activity licence pursuant to law the dates of entry into force and termination of suspension of economic activities.

(2) The following information is entered in the register concerning each exemption from the authorisation obligation separately:

- 1) the name of the economic administrative authority that has granted exemption from the authorisation obligation and the name of its manager or authorised person;
- 2) the date and number of the decision on granting exemption from the authorisation obligation;
- 3) the legal bases for the authorisation obligation and for granting exemption therefrom;
- 4) upon existence of a decision on revocation of the decision on granting exemption from the authorisation obligation, the date and extent of the revocation.

## **§ 54. Information concerning precept**

The following information is entered in the register concerning each precept separately:

- 1) the name of the economic administrative authority that has issued the precept and the name of its manager or authorised person;
- 2) the date and number of the precept;
- 3) the contents of and legal bases for the precept;
- 4) the reasons for the precept;
- 5) the term for compliance with the precept;
- 6) information concerning compliance or non-compliance with the precept;
- 7) upon contestation of the precept a notation on contestation of the precept until entry into force of a decision made in respect of the challenge or appeal;
- 8) upon existence of a decision on revocation of the precept, the time and extent of the revocation;
- 9) information concerning the recipient of the precept if the latter is a person related to the undertaking.

## **§ 55. Information concerning prohibition on economic activities**

The following information is entered in the register about a prohibition on economic activities in respect of an undertaking or a person related to the undertaking concerning each prohibition separately:

- 1) the name of the economic administrative authority that has imposed the prohibition and the name of its manager or authorised person;
- 2) the date of making and the number of the prohibition decision;
- 3) the extent of and legal basis for the prohibition;
- 4) the reasons for the prohibition;
- 5) the time of entry into force of the prohibition;
- 6) the time of expiry of the prohibition;
- 7) upon existence of a decision on suspension of economic activities the time of entry into force and termination of suspension of economic activities;
- 8) the time and extent of revocation of the prohibition if the prohibition is revoked prior to arrival of the time of expiry of the prohibition;
- 9) information concerning the person subject to the prohibition if the latter is a person related to the undertaking.

## **§ 56. Information concerning prohibition under law or court decision**

The following information is entered in the register about a prohibition on business under law or court decision or a prohibition on activities or prohibition to engage in enterprise imposed by a court judgment that has entered into force in a criminal matter concerning each prohibition separately:

- 1) the date and number of and the name of the court that has made the court decision imposing the prohibition or bringing along the prohibition pursuant to law;
- 2) the time of entry into force of the prohibition;
- 3) the time of expiry of the prohibition;
- 4) the extent of the prohibition.

## **Division 2**

### **Making of Entries in Register**

#### **§ 57. Persons making entries in register**

Information is entered in the register by:

- 1) registrars;
- 2) economic administrative authorities;
- 3) undertakings;
- 4) notaries;
- 5) county courts.

#### **§ 58. Documents which are basis for making entries in register**

(1) A registrar enters information in the register on the basis of the following notices submitted thereto:

- 1) the notice of economic activities;
- 2) the notice on a change in the general information concerning economic activities;
- 3) the notice on renouncement of economic activities;
- 4) the notice on temporary renouncement of economic activities;
- 5) the notice on resumption of economic activities.

(2) Upon submission of the notices provided for in subsection (1) of this section through the Estonian information portal the information is entered in the register by the undertaking itself or at the request of the undertaking by a notary.

(3) An economic administrative authority enters information in the register on the basis of the following notices submitted thereto:

- 1) the notice on intention to change economic activities;
- 2) the notice on change in economic activities;
- 3) the notice on renouncement of provision of services of general interest.

(4) In addition to the provisions of subsection (3) of this section, an economic administrative authority enters information in the register on the basis of the following administrative acts:

- 1) the decision on grant, amendment, suspension or revocation of activity licences;
- 2) the decision on suspension of economic activities, the decision on revocation of the suspension decision, the prohibition decision and the decision on revocation of the prohibition decision;
- 3) the precept.

(5) A county court that has adjudicated a matter enters information in the register on the basis of the following documents:

- 1) the court judgment which has entered into force in a criminal matter and by which a prohibition on activities or a prohibition to engage in enterprise is imposed on an undertaking;
- 2) the court decision by which a prohibition on business is imposed on an undertaking or which brings along a prohibition on business pursuant to law.

#### **§ 59. Term for entry of information in register**

(1) An economic administrative authority enters the information contained in the notices submitted thereto and the information concerning activity licences, precepts and prohibitions of economic activities in the register no later than on the working day following the making of a decision serving as a basis for the information.

(2) A registrar enters the information contained in the notices submitted thereto in the register no later than on the working day following the submission of the notice.

(3) A county court enters the data in the register within five working days after the court decision becomes subject to enforcement.

## **§ 60. Notification of entry, amendment or revocation of information in the register**

(1) A registrar sends an automatic notice concerning entry, amendment or revocation of information in the register to the e-mail address of an undertaking, whereas such notice contains a reference to the information entered, amended or revoked in the register and if an administrative act serves as a basis thereof, a reference to contestability thereof.

(2) If an administrative act, by which an application of an undertaking is partially or fully denied or the rights of an undertaking or third person are restricted, serves as a basis for entry or revocation of information in the register, the notice specified in subsection (1) of this section shall also contain a reference to the reasoning and conclusion of the administrative act entered in the register, unless it appears from the information in the register. Such administrative act is deemed delivered to an undertaking upon sending of such notice.  
[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(3) If an undertaking cannot be notified of issuing an administrative act in conformity with subsections (1) and (2) of this section due to the reason that it has failed to notify the economic administrative authority of e-mail address thereof, the economic administrative authority delivers a printout of information in the register reflecting the issue of the relevant administrative act and a reference to contestability of the administrative act and, if necessary, reasoning and conclusion of the administrative act to the undertaking by registered letter or on the working day following the issue of the administrative act by the administrative authority against signature at the postal address of which the undertaking has notified the economic administrative authority, in the absence thereof at the address of the seat of the undertaking. A notice is deemed delivered in the case of sending the notice by registered letter when five days, and upon sending the notice abroad, when 30 days have passed from posting the letter.

(4) An economic administrative authority delivers a printout of information in the register reflecting the issue of an administrative act which serves as a basis for entry, amendment or revocation of information specified in subsection (2) of this section in the register and a reference to contestability of the administrative act and, if necessary, reasoning and conclusion of the administrative act to the undertaking through a notary if the undertaking has expressed such wish upon submitting a notice or application to the economic administrative authority pursuant to this Act. The notary notifies the undertaking of the issue of the administrative act and an opportunity to receive the administrative act no later than on the working day following the day of issue of the administrative act. The administrative act is issued to the undertaking against signature at the notary's office. The notary compiles a deed concerning the delivery to be signed by the undertaking. If an administrative act cannot be delivered to an undertaking in person through a notary, such administrative act is deemed delivered to the undertaking when five days, and if the seat of the undertaking is located abroad, when thirty days have passed from the issue of the administrative act.  
[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(5) If an administrative act, by which an application of an undertaking is fully satisfied and which does not restrict any rights of third persons, serves as a basis for entry of information in the register, the administrative act is deemed delivered to the undertaking upon entry of information concerning the administrative act in the register.

(6) An administrative act reproduced at the register is not digitally signed.  
[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

## **§ 61. Revocation of information in the register**

(1) In the case of economic activities subject to the authorisation obligation an economic administrative authority revokes information in the register concerning an undertaking in the following cases:

- 1) upon fully renouncing economic activities, taking account upon existence thereof of the term during which the undertaking has been required to continue to pursue economic activities;
- 2) upon death of a sole proprietor or liquidation of an undertaking which is a legal person if the person entitled to resume economic activities has failed to apply for transfer of the activity licence during the term prescribed for exercise of the right to resume economic activities;
- 3) upon expiry or revocation of an activity licence unless the undertaking pursues economic activities subject to the authorisation obligation or notification obligation in an area of activity outside the basic regulation of the activity licence or has submitted an application for receiving an activity licence or exemption from the authorisation obligation;
- 4) upon revocation of a decision on exemption from the authorisation obligation unless the undertaking pursues economic activities subject to the authorisation obligation or notification obligation outside the area of activity which the decision on exemption from the authorisation obligation concerned or has submitted an application for receiving an activity licence or a new application for exemption from the authorisation obligation.

(2) In the case of economic activities subject to the notification obligation a registrar revokes information in the register in the following cases:

- 1) upon fully renouncing economic activities, taking account upon existence thereof of the term during which the undertaking has been required to continue to pursue economic activities;
- 2) upon death or liquidation of an undertaking if the person entitled to resume economic activities has failed to notify of resumption of economic activities during the term prescribed for exercise of the right to resume economic activities;

3) in the case of economic activities planned for a certain term upon expiry of the term entered in the register unless the undertaking pursues economic activities subject to the authorisation obligation or notification obligation in another area of activity or has submitted an application for receiving an activity licence or exemption from the authorisation obligation.

#### **§ 62. Correction of incorrect information in register**

(1) An economic administrative authority or registrar verifies the truth of information in the register if it has justified reason to believe that the information in the register is incorrect. The economic administrative authority or registrar verifying the truth thereof enters in the register information concerning the suspected incorrectness of information in the register which remains there until the truth of the information is ascertained or the information is corrected.

(2) The correction of information in the register means the making of incorrect information in the register correct by a registrar, economic administrative authority or county court. Information in the register is incorrect if it does not conform to the information set out in the documents that have served as a basis for the entry, if the same information has been updated in other databases established on the basis of law or if information in the register contains a linguistic or typing error or another mistake of formal nature.  
[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(3) Incorrect information in the register is corrected by the economic administrative authority or registrar that has entered the information in the register no later than on the working day following the day of learning about the incorrectness.

(4) Incorrect information in the register is corrected by the county court that has entered the information in the register no later than on the working day following the day of learning about the incorrectness.  
[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

#### **§ 63. Notification of detecting incorrect information**

(1) If an economic administrative authority or registrar detects that information in another database established on the basis of law is incorrect in relation to the information in the register, it notifies the processor of the respective database thereof no later than on the working day following the detection.

(2) If an administrative authority or a person detects that information in the register is not true, it notifies the economic administrative authority or registrar no later than on the working day following the detection.

#### **§ 64. Registry journal, registry file and archives**

(1) A registrar enters the following information in the registry journal:

- 1) the time when the documents serving as a basis for entering information in the register reach the registrar or economic administrative authority;
- 2) the time of and the person entering information in the register;
- 3) the name of the document which serves as a basis for entering information in the register in conformity with the lists provided for in subsections 58 (1) and (3) of this Act;
- 4) concerning the correction of incorrect information in the register, the number and date of the change registration.

(2<sup>1</sup>) The person entering information in the register preserves the documents which contain personal data and serve as a basis for entering information in the register for up to ten years after expiry of the period of validity of the licence and thereafter deletes these.  
[RT I, 13.03.2019, 2 - entry into force 15.03.2019]

(2) The person entering information in the register preserves the documents serving as a basis for entering information in the register in a registry file which is kept for each undertaking separately unless the notice or application is submitted through the Estonian information portal.

(3) Upon revocation of information in the register the documents that have served as a basis for information in the register are transferred to archives, where the documents are preserved for ten years after revocation of the information in the register. A registrar ensures accessibility to information in the register transferred to archives upon existence of legitimate interest. A registrar ensures access to revoked information in the register on the website of the register during one year after revocation thereof.

## **Chapter 6**

# Supervision

## Division 1 State Supervision

### § 65. Exercise of state supervision

(1) State supervision over the economic activities of undertakings is exercised by the law enforcement authority within the competence of which the economic activities in the relevant area of activity have been placed pursuant to law.

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

(2) An economic administrative authority exercising state supervision is a law enforcement authority within the meaning of the Law Enforcement Act.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

### § 66. Costs of state supervision

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

The costs of state supervision shall be compensated for on the bases of and pursuant to procedure provided in § 83 of the Law Enforcement Act.

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

### § 67. Obstruction of economic activities

State supervision measures which make further pursuit of economic activities impossible may be taken by an economic administrative authority if serious or material danger to public order exists. The existence of serious or material danger may be presumed by an economic administrative authority in the following cases:

- 1) economic activities subject to the authorisation obligation are commenced without application for an activity licence;
- 2) economic activities subject to the authorisation obligation are commenced regardless of refusal to issue an activity licence;
- 3) economic activities are resumed after suspension or prohibition of economic activities;
- 4) economic activities are resumed after suspension or revocation of an activity licence;
- 5) economic activities are resumed in an area of activity subject to the authorisation obligation without transfer of the activity licence.

### § 68. Precepts

(1) An economic administrative authority issues precepts to undertakings and persons related to undertakings to prevent violations of economic activity requirements and secondary conditions of the activity licence, to bring the activities into conformity with the economic activity requirements or secondary conditions of the activity licence, to comply with the notification obligation and authorisation obligation, to terminate obstruction of the exercise of state supervision and in other cases provided by this Act, setting a reasonable term for compliance with the precept.

(2) [Omitted - RT I, 29.06.2014, 1 - entry into force 01.07.2014]

## Division 2 Co-operation with Contracting States upon Exercise of Supervision

### § 69. Mutual assistance upon exercising supervision over service providers founded in Contracting States

(1) An economic administrative authority exercising state supervision applies all measures for an effective cooperation between the Contracting States in order to exercise state supervision over service providers and the services they provide.

(2) If requested by the Contracting State of foundation of a service provider, an economic administrative authority exercises state supervision, within the limits of competence granted thereto for state supervision, over the service provider providing services in Estonia based on a reasoned request of the Contracting State of the place of foundation of the service provider to verify compliance with the requirements of the Contracting State of its place of foundation (hereinafter *request for supervision*) and notifies such Contracting State of the results of the supervision and of the measures taken. The economic administrative authority decides which supervisory measures that can be applied in the respective area of activity are most appropriate in each individual case to comply with the conditions of the Contracting State of the place of foundation.

(3) If an economic administrative authority which receives a request for supervision from a Contracting State is not competent to exercise supervision in the relevant area of activity, it forwards the request to the competent economic administrative authority as soon as possible.

(4) An economic administrative authority may also exercise state supervision on its own initiative over a service provider founded in another Contracting State and providing services in Estonia, in particular verify compliance with the requirements based on Articles 16 or 17 of the Services Directive.

(5) The Ministry of Economic Affairs and Communications performs the functions of the liaison point specified in Article 28 (2) of the Services Directive (hereinafter *liaison point*) and the national internal market information system coordinator specified in Article 6 (1) of the regulation specified in subsection (9) of this section. If necessary, the liaison point assists the competent authorities of the Contracting States in identifying the economic administrative authority exercising supervision and forwards the requests for supervision received from the Contracting States and the requests specified in subsection 73 (5) of this Act to the economic administrative authority.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(6) An economic administrative authority may submit a request to a competent authority or liaison point of a Contracting State for exercise of supervision over a service provider founded in such Contracting State if it suspects that the service provider does not comply with the requirements of the Contracting State of the place of foundation.

(7) An economic administrative authority responds to the requests for information submitted by the Contracting States and the European Commission by electronic means of communication and within the shortest possible period of time. In the event of difficulty in responding to the requests for information or exercising supervision, the economic administrative authority notifies promptly the competent authority of the Contracting State that has requested information.

(8) An economic administrative authority exercising supervision over a service provider forwards information concerning non-compliance with the obligations related to supervision by the Contracting States to the European Commission.

(9) The Contracting States shall cooperate in conformity with Regulation (EU) No. 1024/2012 of the European Parliament and of the Council on administrative cooperation through the Internal Market Information System (OJ L 316, 14.11.2012, pp. 1–11).

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

#### **§ 70. Mutual assistance upon exercising supervision over service providers founded in Estonia**

(1) An economic administrative authority shall not refuse to exercise supervision over service providers founded in Estonia or to take the required supervisory measures on the grounds that the service has been provided or has caused damage in another Contracting State.

(2) An economic administrative authority may submit a reasoned request to the competent authority or liaison point of a Contracting State for exercising supervision over a service provider founded in Estonia and providing services in such Contracting State if it suspects that the service provider does not comply with the economic activity requirements.

#### **§ 71. Obligation to alert**

Where an economic administrative authority has become aware of circumstances relating to provision of cross-border services that could cause material damage to human health, safety or the environment in Estonia or in another Contracting State, it notifies promptly all liaison points of the Contracting States and the European Commission thereof.

#### **§ 72. Information concerning good repute of service provider**

(1) An economic administrative authority forwards to a competent authority of a Contracting State at the request thereof information concerning administrative measures applied to and punishments imposed on a service provider and decisions made on insolvency or bankruptcy involving fraud which are directly relevant to the service provider's competence or reliability, in particular on whether there is a valid prohibition on economic activities imposed on the service provider in the relevant area of activity by a court judgment which has entered into force in a criminal matter or pursuant to law.

(2) Information concerning the administrative measures or punishments referred to in subsection (1) of this section is provided if the decision is final. With regard to other decisions referred to in subsection (1) the economic administrative authority provides information on whether the decision is final or an appeal has been lodged, and in the latter case an indication of the date when the final decision is expected.

(3) The economic administrative authority providing information on the basis of subsection (1) of this section refers to the legal provisions on the basis of which a judgment of conviction was made in respect of or punishment was imposed on the service provider.

(4) The economic administrative authority providing information on the basis of subsection (1) of this section also notifies the service provider of forwarding the information in conformity with subsection (1).

(5) An economic administrative authority may submit a reasoned request to the competent authority or liaison point of another Contracting State for information specified in subsection (1) of this section concerning a service provider founded in such Contracting State.

### **§ 73. Mutual assistance in the event of case-by-case derogations**

(1) Where an economic administrative authority intends to apply measures pursuant to § 18 of the Services Directive, it submits a request to the liaison point of the Contracting State of the place of foundation of the service provider for the Contracting State to apply the required measures with regard to the service provider and forwards all relevant information concerning the service provider, the service and the circumstances of the case.

(2) After receiving a notice from a Contracting State of the place of foundation about the measures applied or envisaged or the reasons why it has not applied any measures, the economic administrative authority notifies the European Commission and the Contracting State of the place of foundation of its intention to apply measures, setting out the reasons why it believes that:

- 1) the measures applied or envisaged by the Contracting State of the place of foundation are inadequate;
- 2) the measures envisaged by it are in conformity with the conditions provided for in Article 18 of the Services Directive.

(3) The measures may not be applied before 15 working days have passed from the date of receipt of the notice provided for in subsection (2) of this section.

(4) In urgent cases an economic administrative authority which intends to apply a measure may derogate from the requirements provided for in subsections (1)–(3) of this section. In such case the European Commission and the Contracting State of the place of foundation are promptly notified of the applied measures, stating the reasons for urgent action in the given situation.

(5) Where an economic administrative authority receives a request specified in subsection (1) of this section from a Contracting State to apply measures with regard to a service provider founded in Estonia, the economic administrative authority checks promptly whether the service provider violates economic activity requirements and ascertains the circumstances underlying the request of the Contracting State. The economic administrative authority notifies the requesting Contracting State promptly of the measures applied or envisaged or, if necessary, of the reasons why it has not applied any measures.

## **Chapter 7 Liability**

### **§ 74. Bodies conducting extra-judicial proceedings**

Extra-judicial proceedings concerning the misdemeanours provided for in this Act are conducted by the economic administrative authority within the competence of which the exercise of state supervision in the relevant area of activity has been placed pursuant to law.

### **§ 75. Submission of false information**

(1) Intentional submission of false information to an economic administrative authority or registrar is punishable by a fine of up to 300 fine units.

(2) An act specified in subsection (1) of this section, if committed by a legal person, is punishable by a fine of up to 3000 euros.

## **Chapter 8 Transitional and Implementing Provisions**

### **Division 1**

## Transitional Provisions

### § 76. Repeal of Register of Economic Activities Act

(1) The Register of Economic Activities Act (RT I 2004, 12, 79; 2010, 22, 108) is repealed upon entry into force of this Act.

(2) Upon entry into force of this Act undertakings registered pursuant to the Register of Economic Activities Act specified in subsection (1) of this section become undertakings operating in the areas of activity subject to the notification or authorisation obligation in accordance with the provisions of this Chapter and their notification or authorisation obligation is deemed to be complied with upon entry into force of this Act considering the specifications provided for in subsections (3) and (4) of this section.

(3) If, in order to comply with the notification obligation specified in subsection (2) of this section, additional information must be submitted as compared to the information contained in the registration in the register of economic activities effective until entry into force thereof, the undertaking shall submit such information within 120 days from entry into force of this Act. Upon failure to submit the information in time the notification obligation is not complied with.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

(4) If, in order to comply with the authorisation obligation specified in subsection (2) of this section, additional information must be submitted or additional preliminary verification must be undergone as compared to the information contained in the registration in the register of economic activities effective until entry into force thereof, the undertaking shall submit an application for receiving an activity licence within 120 days from entry into force of this Act. The former activity licence of an undertaking becomes invalid if the application is not submitted in time or the application is denied.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

### § 77. Activity licence issued before entry into force of this Act

An effective activity licence issued for a specified term, which from entry into force of this Act and implementing provisions thereof should be issued for an unspecified term, becomes an activity licence issued for an unspecified term upon entry into force of this Act.

### § 77<sup>1</sup>. Notices submitted and authorisations granted pursuant to other laws

(1) If an undertaking, to whom subsection 76 (2) of this Act does not apply, has submitted a notice on commencement of economic activities in an area of activity, which is required under an Act specified in Division 2 of Chapter 8 of this Act, to an economic administrative authority prior to entry into force of this Act, the notification obligation is deemed to be complied with upon entry into force of this Act.

(2) If an authorisation, regardless of its name, for commencement of economic activities has been issued under an Act specified in Division 2 of Chapter 8 of this Act to an undertaking, to whom subsection 76 (2) of this Act does not apply, prior to entry into force of this Act and it proves compliance with certain economic activity requirements in a certain area of activity or determines the secondary conditions for pursuing economic activities, the authorisation obligation is deemed to be complied with upon entry into force of this Act.

(3) If, in order to comply with the notification obligation specified in subsection (1) of this section or the authorisation obligation specified in subsection (2) of this section, additional information must be submitted, the undertaking shall submit such information within 120 days from entry into force of this Act. Unless such information is submitted within this term, the notification obligation or authorisation obligation is not complied with.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

### § 77<sup>2</sup>. Electronic entry of information concerning prohibition under law or court decision in register

For the purpose of exercising the competence arising to a county court from clause 57 5), it suffices if the information is made accessible through a computer network in the same procedure as applies to the use of information in the electronically maintained commercial register.

[RT I, 29.06.2014, 1 - entry into force 01.07.2014]

## Division 2

# Implementing Provisions

§ 78.–§ 136.[Omitted from this translation]

## § 137. Entry into force of Act

This Act enters into force on 1 July 2014.  
[RT I, 22.12.2013, 1 - entry into force 01.01.2014]

<sup>1</sup>Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market (OJ L 376, 27.12.2006, pp. 36–68).