

Issuer:	Riigikogu
Type:	act
In force from:	01.03.2018
In force until:	In force
Translation published:	09.02.2018

# Foresight Act

Passed 14.06.2016

Amended by the following acts

Passed	Published	Entry into force
06.12.2017	RT I, 28.12.2017, 1	01.01.2018, partially 01.03.2018

## Chapter 1 General provisions

### § 1. The scope of application of Act

This Act regulates the objective and organization of foresight.

### § 2. Foresight

Foresight is the identification and analysis of long-term developments in the Estonian society, preparation of development scenarios on their bases together with the distinction of opportunities and risks for the society, monitoring the realization of development scenarios and, where necessary, the adjustment of development scenarios and their outcome.

## Chapter 2 Organisation of foresight

### § 3. Organizer of foresight

(1) Foresight is organised by the Foresight Centre (hereinafter the Centre), which is formed under the Chancellery of the Riigikogu.

(2) The Centre is independent in the performance of the duties provided for in this Act.

(3) The budget of the foresight is a separate part of the budget of the Chancellery of the Riigikogu.

(4) The Centre is managed by the head of centre, who is responsible for the targeted use of the budgetary funds specified in subsection (3) of this section and the implementation of the budget and performance of the activities of the Centre.

### § 4. Foresight Council

(1) The Foresight Council (hereinafter the Council) is a council formed from recognised experts in the field of research, business and technology to ensure the independence of foresight, who shall:

- 1) approve the action plan of foresight;
- 2) make proposals for the selection of principal trends and topics of foresight;
- 3) evaluate the implementation of the action plan and the targeted use of budgetary funds;
- 4) provides an assessment of the completed monitoring and analyses;

- (5) give approval to employment in and release from service of the head of centre;
- 6) performs other functions assigned thereto by legislation.

(2) The Council consists of:

- 1) one member appointed by the Economic Affairs Committee of the Riigikogu;

- 2) one member appointed by a business organisation determined by the Economic Affairs Committee of the Riigikogu;
- 3) one member appointed by the President of the Republic;
- 4) one member appointed by an organization joining rectors of universities;
- 5) one member appointed by the Academy of Sciences.

(3) A member of the Council shall be a natural person with active legal capacity who has the necessary knowledge and experience for the performance of his or her functions and who is not a member of the Riigikogu or the Government of the Republic.

(4) A member of the Council shall not be in bankrupt and a person who has a prohibition on business or from whom the right to be an operator has been taken away pursuant to law, or a person who is under preliminary investigation or prosecuted being accused of a criminal offence for which imprisonment is prescribed by law, as well as a person who has a criminal record for a professional offence or for another intentionally committed criminal offence.

(5) The appointer of a member shall be responsible for the compliance of the member of the Council with the requirements of the Act.

(6) A member of the Council is appointed for a term of four years. When the terms of office of a member of the Council expires, the member of the Council shall continue activity until the appointment of a new member in his or her place.

(7) The appointing authority of a member of the Council may recall the member that they have appointed prior to the expiry of the time limit of the term of office.

(8) Upon recalling a member of the Council, resignation at his or her own request, dropping out due to death or emergence of noncompliance with the requirements provided for in this Act, a new member of the Council shall be appointed in his or her place at the earliest opportunity for the period of time that is left until the expiry of the term of office of the member of the Council to be replaced.

## **§ 5. Work organization of Council**

(1) The Council has a chairman, who is elected by the Council at their first meeting. Upon premature termination of the term of office of the chairman of the Council as a member of the Council the Council shall elect a new Chairman at the earliest opportunity.

(2) The first meeting of the Council shall be called by the Chairman of the previous composition of the Council within a month after the start of the mandate of the new composition of the Council.

(3) The Council shall meet as required but not less frequently than twice a year.

(4) The Council shall make the decisions by a majority vote of the membership of the Council.

(5) The Council shall establish its own rules of procedure.

(6) The monthly salary of a member of the Council is made up of the highest salary rate specified in subsection 2 (1) of the Salaries of Higher State Servants Act multiplied by the highest salary rate index specified in § 2<sup>1</sup> and the multiplier 0.04. The procedure for payment of remuneration shall be provided in the rules of procedure of the Council.

[RT I, 28.12.2017, 1 - entry into force 01.03.2018]

(7) The remuneration of the members of the Council shall be covered from the budget of foresight.

(8) The clerical support of the Council shall be ensured by the Chancellery of the Riigikogu.

## **§ 6. Tasks of Centre**

The Centre shall:

- 1) bring together the proposals submitted for the preparation of the action plan for foresight;
- 2) draw up the action plan for foresight pursuant to § 7 of this Act;
- 3) order and prepare surveys and analyses pursuant to action plan for foresight;
- 4) introduce the completed surveys and analyses to the Council;
- 5) carry out active communication of information in public concerning the results of foresight and organize a broad-based involvement event once a year;
- 6) submit an overview to the Economic Affairs Committee of the Riigikogu of the monitoring carried out and of planned activities and once a year a written report on the implementation of the objectives set out in this Act;
- 7) perform other tasks assigned by the Council.

## **§ 7. Foresight action plan**

(1) The monitoring carried out or ordered by the Centre shall be determined in the foresight action plan. The foresight action plan shall include the projection of expenditures of monitoring carried out or ordered.

(2) The Riigikogu committees and factions, business organizations, organizations joining the representatives from the field of the research and technology and other interested parties may submit proposals for the preparation of the action plan. The reasons of the objectives and need of monitoring shall be added to the proposals.

(3) The Centre shall coordinate the foresight action plan with the Economic Affairs Committee of the Riigikogu before submission for approval to the Council.

# **Chapter 3**

## **Termination of Estonian Development Fund**

### **§ 8. Termination of Estonian Development Fund and commencement of liquidation**

(1) Upon entry into force of this Act the Estonian Development Fund (hereinafter Development Fund) shall be terminated and the liquidation of the Development Fund is carried out pursuant to the procedure provided for in this Act.

(2) Upon termination of operation the Development Fund shall terminate performance of the functions provided for in the Estonian Development Fund Act (hereinafter the Development Fund Act) unless otherwise provided for in subsection (3) of this section.

(3) The Development Fund shall continue performance of functions arising from clause 2 (2) 1) of the Development Fund Act until the transfer of the assets specified in clauses 15 (1) 1)-3) of this Act pursuant to the procedure provided for in the specified section. The provisions of §§ 9-14 of this Act shall not apply with respect to the performance of the specified functions and the management board and the supervisory board of the Development Fund shall have competence provided for in the Development Fund Act for performing these functions.

### **§ 9. Liquidators**

(1) The members of the management board are the liquidators of the Development Fund unless otherwise provided for by the resolution of the supervisory board or a judicial decision.

(2) The resolution of the supervisory board with regard to the election or removal of the liquidator shall be adopted by the majority vote of the members of the supervisory board present at the meeting. Upon selecting a liquidator the supervisory board does not need to follow the provisions of clause 9 (2) 4) of the Development Fund Act with regard to the election of the chairman and a member of the management board. By the resolution of the supervisory board a liquidator may be removed at any time unless the liquidator has been appointed by a judicial decision. The liquidator may step back pursuant to the same procedure as a member of the management board.

### **§ 10. Rights and obligations of liquidators**

(1) Liquidators shall terminate the activities of the Development Fund, collect debts, sell assets, satisfy the claims of creditors and arrange the transfer of the assets remaining in the development fund to the state or other entitled persons after the claims of creditors have been satisfied.

(2) Liquidators are allowed to refuse to sell the assets if the sale is not necessary to satisfy the claims of creditors and the supervisory board of the Development Fund gives consent for refusal to sell.

(3) In the case the assets are insufficient to satisfy all the claims of the creditors of the Development Fund, the liquidators are required to file a bankruptcy petition with the court.

(4) Liquidators shall be responsible for the damage caused by the liquidation of the Development Fund.

### **§ 11. Accounting during liquidation**

(1) Upon entry into force of this Act, the financial year of the Development Fund lasting so far shall end and a new financial year shall start running. The liquidators shall draw up the annual report for the financial year ending upon the entry into force of this Act and shall submit it to the supervisory board of the Development Fund for approval within two months as of the entry into force of this Act.

(2) Liquidators shall draw up the opening balance sheet for liquidation following the provisions with regard to the balance sheet included in an annual report and submit it to the supervisory board of the Development Fund for approval together with the annual report specified in subsection (1) of this section. The accuracy of the annual report and the opening balance sheet for liquidation shall be assessed by the auditor before the submission to the supervisory board for approval.

## **§ 12. Notification of creditors**

(1) Upon entry into force of this Act, the liquidators shall immediately publish a notice of liquidation concerning the commencement of liquidation proceedings of the Development Fund in the official publication *Ametlikud Teadaanded*.

(2) Liquidators shall send a notice of liquidation to the known creditors.

(3) A notice of liquidation shall set out that creditors are to submit their claims within two months as of the publication of the notice.

## **§ 13. Filing and satisfaction of claims**

(1) Creditors must notify the liquidators of all their claims against the Development Fund within two months as of the publication of the notice. The notice shall be accompanied by documents substantiating the claim.

(2) Liquidators shall satisfy the substantiated claims of the known creditors of the Development Fund regardless of the notification of the claims.

(3) If a creditor known to the Development Fund has not filed a claim and it is impossible to satisfy the claim for reasons beyond the Development Fund, the money required to satisfy the claim of the creditor shall be deposited if the conditions for depositing exist.

## **§ 14. Final balance sheet**

(1) After the claims of all the creditors are satisfied and the money to satisfy the claims of the known creditors is deposited the liquidators shall draw up the final balance sheet. The auditor shall verify the final balance sheet.

(2) Liquidators shall submit the final balance sheet verified by the auditor to the supervisory board for approval within two months as of the satisfaction of the claims of all the creditors and the depositing of the money to satisfy the claims of the known creditors.

## **§ 15. Transfer of assets**

(1) The provisions of §§ 9 – 14 of this Act shall not apply with regard to the following assets:

- 1) shares of the management company specified in subsection 33 (5) of the Development Fund Act;
- 2) investment capital provided for in subsection 29 (1) of the Development Fund Act, the holdings, claims and other assets acquired at the expense thereof, as well as the related contracts and obligations;
- 3) shares, units and other equivalent rights of the venture capital fund acquired on the basis of subsection 44<sup>1</sup>(1) of the Development Fund Act;
- 4) assets related to monitoring activities of the Development Fund.

(2) For the purposes of this section the venture capital fund is a legal person or a pool of assets in which the capital of one or more investors is involved with the objective to invest it for the benefit of such investors in holdings, shares or other rights reflecting equity participation according to the determined investment policy.

(3) The assets specified in subsection (1) of this section are not included in the bankruptcy estate of the Development Fund.

(4) The shares specified in clause (1) 1) of this section shall be transferred free of charge to the foundation established by the state to ensure business and housing loans (hereinafter the Foundation).

(5) The assets specified in clause (1) 2) of this section shall be transferred free of charge to the state or invested in the venture capital fund governed by the management company specified in clause (1) 1) of this section. Upon investment of assets in the venture capital fund the shares, units and other equivalent rights of such venture capital fund shall be transferred free of charge to the state.

(6) The shares, units and other equivalent rights of the venture capital fund specified in clause (1) 3) of this section shall be transferred free of charge to the State.

(7) The state shall allocate the assets specified in subsections (5) and (6) of this section to the Foundation for use.

(8) The state, the Development Fund and the foundation shall enter into a contract for the transfer of the assets specified in clauses (1) 1)-3) of this section to a foundation and the state, which shall provide at least the following:

- 1) the conditions for the transfer of the shares specified in subsection (4) of this section to the ownership of the Foundation by the Development Fund;
- 2) the conditions for the transfer of the assets specified in subsections (5) and (6) of this section to the ownership of the state free of charge by the Development Fund;
- 3) the conditions for the granting of the assets specified in subsections (5) and (6) of this section by the state to use of the Foundation.

(9) Upon entering into a contract specified in subsection (8) of this section the state shall be represented by the minister responsible for the area.

(10) The Ministry of Economic Affairs and Communications shall act as the management company after the transfer to the state of the assets specified in subsections (5) and (6) of this section and of the shares, units and other equivalent rights of the investment fund received upon the placement of such assets in the investment fund. The total net gain (loss) on the investment of the assets specified in this subsection belongs to the State.

(11) The transfer of the assets specified in subsection (1) of this section by the Development Fund to the Foundation or to the State does not constitute payment for the liquidation proceeds of the Development Fund or other similar payment within the meaning of the Income Tax Act and it is not subject to income tax.

(12) The assets related to the monitoring activities of the Development Fund shall be transferred free of charge to the Chancellery of the Riigikogu unless otherwise decided by the supervisory board of the Development Fund in the course of liquidation proceedings. The transfer of the assets related to the monitoring activities to the ownership of the Chancellery of the Riigikogu shall be confirmed by an instrument which is concluded between the Development Fund and a person acquiring the assets related to monitoring activities within one month as of the approval of the final balance sheet of the Development Fund by the supervisory board.

#### **§ 16. Time limit for termination of activities of the Development Fund**

After the approval of the final balance sheet and the transfer of assets specified in § 15 of this Act, the activities of the Development Fund and the powers of its supervisory board shall be deemed ended.

## **Chapter 4 Implementing provisions**

#### **§ 17. Composition of Foresight Council**

(1) The members of the Council shall be appointed within two months as of the entry into force of this Act.

(2) The first meeting of the Council shall be called by the Chairman of the Economic Affairs Committee of the Riigikogu. The first meeting shall be chaired by the oldest member of the Council until the chairman is elected.

#### **§ 18. Amendments to financial resources planned for Development Fund**

The Government of the Republic is to make, on the basis of clause 56 (2) 3) of the State Budget Act, the following amendments in the administrative classification and the classification by economic content of the support planned in the state budget for the year 2016 to the Development Fund from the funds of the area of government of the Ministry of Economic Affairs and Communications:

- 1) to allocate 50,000 euros to the Ministry of Economic Affairs and Communications to finance the monitoring of smart specialization;
- 2) to allocate 200,000 euros to the Chancellery of the Riigikogu, to finance foresight.

**§ 19. –§ 21.** The provisions of amending other acts are omitted from the translation.

#### **§ 22. Repeal of Estonian Development Fund Act**

The Estonian Development Fund Act is repealed.

#### **§ 23. Entry into force of Act**

(1) This Act shall enter into force on the day following its publication in the official journal Riigi Teataja..

(2) Clause 20 2) of this Act shall enter into force on 1 January 2017.

(3) § 22 of this Act shall enter into force on 1 July 2017.

Eiki Nestor

