
General Good for providers of cross-border banking services

According to the Credit Institutions Act (hereinafter referred to as CIA; in Estonian: krediiasutuste seadus) and Directive 2000/12/EC of the European Parliament and of the Council relating to the taking up and pursuit of the business of credit institutions, we hereby inform you of the EFSA decision providing for the conditions that are stated in Estonia in the interest of general good in order to safeguard the compliance of the activities and services to be provided here with the relevant requirements and for conducting financial supervision.

A credit institution from an EU Member State exercising the freedom to provide cross-border services by carrying on its activities in Estonia has to adhere thereto to the CIA and other legislation - Decrees of the Governor of the Bank of Estonia - issued on the basis of the CIA on the provision of services permissible for credit institutions as well as the relevant EFSA guidelines.

When providing banking services the rules of contract law and principles of consumer protection regulated in the Law on Obligations Act (in Estonian: võlaõigusseadus) and Consumer Protection Act (in Estonian: tarbijakaitse seadus) have to be followed, stating inter alia, that if services are marketed in Estonia to consumers or traders comparable to consumers, the terms, conditions and other information given to the applicant or client about the service must be provided in the applicant's or client's native language if it is Estonian. The complaints of customers can be treated by the Consumer Protection Board as well as by EFSA.

With regard to the prevention of money laundering and terrorist financing, a credit institution exercising the freedom to provide cross-border services in Estonia has to follow the Money Laundering and Terrorist Financing Prevention Act (hereinafter referred to as MLTFPA; in Estonian: rahapesu ja terrorismi rahastamise tõkestamise seadus), other legislation issued on the basis of MLTFPA and FSA guidelines.

Apart from that, we would like to point out that a credit institution exercising the freedom to provide cross-border services in Estonia has to follow other requirements that have not been referred to above, but are provided for in the Estonian legislation applicable to the providers of banking services in Estonia. The Estonian legal acts are available in the Estonian language on the website www.riigiteataja.ee, both in the Estonian and in the English language on the website of the Legal Translation Centre www.legaltext.ee. The Decrees of the Governor of the Bank of Estonia are available both in Estonian and in English on the website of the Bank of Estonia www.eestipank.info and the guidelines of the EFSA are available on the website of the EFSA www.fi.ee.

With regard to financial supervision over the institutions exercising the freedom to provide cross-border services in Estonia, EFSA is entitled to demand the termination of the violating acts or legal acts based on them. In case the demands of EFSA will be denied, EFSA shall inform the competent authority of the home country of the institution exercising the freedom to provide cross-border

services. If the measures taken by the competent authority of the home country of the institution deem to be insufficient to terminate the violation, EFSA is entitled to apply measures provided for in the CIA in order to terminate the violations and forbid further exercise of the freedom to provide cross-border services.

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