

Issuer:
Type:
Text type:
In force from:
In force until:
Publication citation:

Government of the Republic
regulation
consolidated text
16.11.2018
In force
RT I, 13.11.2018, 3

Statutes of the State Forest Management Centre

Passed 09.01.2007 No. 4

[RT I 2007, 3, 15](#)

Entry into force 19.01.2007

Amended by the following legal instruments:

Passed	Published	Entry into force
29.01.2009	RT I 2009, 8, 57	06.02.2009
04.06.2013	RT I, 05.06.2013, 5	08.06.2013
09.11.2018	RT I, 13.11.2018, 1	16.11.2018

This regulation is established on the basis of subsection 47 (2) of [the Forest Act](#).

Chapter 1

GENERAL PROVISIONS

§ 1. Status of the State Forest Management Centre

The State Forest Management Centre (hereinafter the *SFMC*) is a profit-making state agency governed by the Ministry of the Environment.

§ 2. Representation

The SFMC represents the state in the performance of its duties.

§ 3. Name in Different Languages

The name of the SFMC in different languages is:

- 1) in English State Forest Management Centre;
- 2) in German Estnische Staatsforsten;
- 3) in Russian Центр Управления государственными лесами;
- 4) in Finnish Valtionmetsien Hallintokeskus.

§ 4. Regulating Legal Acts

In its activities, the SFMC shall proceed from the laws of the Republic of Estonia, the legal acts of the European Union, international conventions and agreements that the Republic of Estonia has joined, requirements, regulations and orders of the Republic of Estonia, regulations and directives of the Minister of the Environment, the relevant regulations of other ministers and these Statutes.

§ 5. Registered Office

The address of the SFMC is Sagadi Village, Haljala Rural Municipality, 45403 Lääne-Viru County. [[RT I, 13.11.2018, 1](#) – entry into force 16.11.2018]

§ 6. Seal and Symbols

- (1) The SFMC has a seal that bears a small coat of arms of the state and its name. The structural units of the SFMC may have a simple seal with their own name if this is stipulated in the statutes of the structural unit.
- (2) The SFMC and the structural units of the SFMC shall use their own symbols. The symbol of the SFMC is its logo that is used as the characteristic graphic element of the SFMC. The logo has been presented in an appendix to these Statutes.
- (3) The SFMC shall use registered trademarks to mark its goods and services.

§ 7. Budget and Current Accounts

- (1) The expenses of the SFMC shall be covered from the budget that is approved by the Supervisory Board of the SFMC and from appropriations made from the state budget.
- (2) The SFMC shall hold current accounts in banks.

§ 8. Preparation of Documents

- (1) Documents of the SFMC shall be prepared pursuant to the procedure stipulated by laws, regulations of the Government of the Republic, the Ministry of the Environment and the records management procedure of the SFMC.
- (2) The SFMC shall have blank document forms with its name and the procedure of their use shall be specified in the records management procedure of the SFMC. The structural units of the SFMC may have blank document forms with their own name if this is stipulated in the statutes of the structural unit.

Chapter 2

AREAS OF ACTIVITY, RIGHTS AND OBLIGATIONS OF THE SFMC

§ 9. Areas of Activity of the SFMC

The areas of activity of the SFMC are:

- 1) forest survey and management planning;
- 2) reforestation;
- 3) silviculture and forest protection;
- 4) forest use and grant of use of forests for obtaining timber, use of by-products, recreation, hunting and research and study work;
- 5) sale of timber and other forestry products;
- 6) processing of forestry products and sale of received products;
- 7) production and sale of forestry plant cultivating material and ornamental plants and procurement and sale of tree seeds;
- 8) organisation of diverse recreation opportunities in the recreation areas of the SFMC and overseeing forest use;
- 9) maintenance of landscape, cultural heritage assets and protected natural features;
- 10) organisation of practical nature conservation work on state land;
- 11) organisation of visits to protected natural objects;
- 12) organisation of hunting, observation of wild game populations and organisation of hunting training, implementation of good hunting practices, methods and contemporary experience in wild game care in the hunting regions left to the state and organisation of animal ecological research and study work;
- 13) consultations; collection, analysis and issue of forestry information; exchange of forestry know-how; completion of development projects and publication of information materials;
- 14) organisation or performance of in-service training and retraining that is related to its activities;
- 15) mining and sale of gravel and sand;
- 16) offering and provision of tourism services;
- 17) giving state forests in the use for national defence and performance of the public functions assigned to state forests;
- 18) any other activities not specified in this section that are required for using state forests as extensively and diversely as possible on the basis and in the manner stipulated by laws or legal acts issued on the basis of laws. [RT I 2009, 8, 57– entry into force 06.02.2009]

§ 10. Rights and Obligations of the SFMC

The SFMC has the following rights and obligations:

- 1) to obtain income from its economic activities for the purpose of state forest management according to the provisions of law and performance of the public functions assigned to state forests;
- 2) to enter into contracts on behalf of the state for transfer of the rights to use state forests, felling rights to standing crop and of timber, other forestry products, products made therefrom, forestry plant cultivating material, ornamental plants and tree seeds;
- 3) [Repealed – RT I 2009, 8, 57– entry into force 06.02.2009]

- 4) to enter into contracts on behalf of the state for acquisition of property, grant of use of the property that is in the possession of the SFMC, encumbrance of the same with property rights and disposal and intermediation of such property;
- 5) to enter into, on behalf of the state, contracts not specified in clauses 1-4 of this section that are required for the activities of the SFMC;
- 6) to independently organise its staff and salary policies;
- 7) to perform land readjustment and construction work in respect of state property that is in the possession of the SFMC;
- 8) to take loans within the limits defined with a resolution of the Supervisory Board;
- 9) to perform the additional tasks assigned by the Government of the Republic;
- 10) to prepare its own development plan and activity trends;
- 11) to prepare an annual budget, a report on the execution of the budget and an annual report;
- 12) to keep account of the property in its possession, including biological property;
- 13) to prepare or order a state forest management plan and finance its preparation;
- 14) to transfer the amount defined by the Government of the Republic from net profit to the state budget;
[RT I 2009, 8, 57– entry into force 06.02.2009]
- 15) to perform all other obligations assigned to forest owners by laws and the legal acts issued on the basis thereof and to exercise the rights of forest owners arising from forest management;
- 16) to make proposals to the Minister of the Environment about the amendment of existing and for adoption of new legal acts that regulate forestry.

Chapter 3

MANAGEMENT AND STRUCTURE OF THE SFMC

Division 1

SUPERVISORY BOARD OF THE SFMC

§ 11. Composition of the Supervisory Board of the SFMC

(1) The Supervisory Board of the SFMC (hereinafter the *Supervisory Board*) shall consist of nine members. The Government of the Republic shall approve the composition of the Supervisory Board with an order for three years.

(2) The members of the Supervisory Board shall elect the chairman of the Supervisory Board from among themselves who shall organise the activities of the Supervisory Board and the deputy chairman of the Supervisory Board who shall perform the duties of the chairman in the chairman's absence.

§ 12. Competence of the Supervisory Board

(1) The competence of the Supervisory Board is stipulated in subsection 49 (7) of the Forest Act.

(2) The Supervisory Board shall exercise its competence through the resolutions adopted at the meetings of the Supervisory Board.

§ 13. Procedure for Calling and Holding Supervisory Board Meetings

(1) Meetings of the Supervisory Board shall be held according to the annual work plan approved by the Supervisory Board or when necessary, but not less frequently than once every three months. A meeting of the Supervisory Board shall also be called if this is demanded by a member of the Supervisory Board, the auditor or the Management Board in a reasoned written request submitted to the chairman of the Supervisory Board.

(2) A meeting of the Supervisory Board shall be called and it shall be chaired by the chairman of the Supervisory Board or by the deputy chairman of the Supervisory Board in the chairman's absence.

(3) The notice calling a meeting of the Supervisory Board shall be sent to all members of the Supervisory Board in writing at least one week before the meeting takes place to the address last given by the member of the Supervisory Board. The notice shall set out the time and place of the meeting and the planned agenda of the meeting.

(4) The notice specified in subsection 3 of this section may also be sent by fax or e-mail if a notice requiring immediate return of confirmation that the document has been received has been added to the fax or e-mail. A notice shall be deemed as delivered by fax or e-mail if the recipient returns a confirmation of receipt to the chairman of the Supervisory Board at the recipient's own choice either in writing, by fax or e-mail.

(5) A meeting of the Supervisory Board shall have a quorum if at least one-half of the members attend, including the chairman or the deputy chairman in the chairman's absence.

(6) Resolutions of the Supervisory Board shall be made with the majority of votes of the Supervisory Board who participate in the meeting. The resolution shall be deemed as unanimously adopted if none of the members of the Supervisory Board express a dissenting opinion of the resolution or demand a vote.

(7) In the event of a vote, a resolution shall be deemed as adopted if more than one-half of the Supervisory Board members present at the meeting vote in favour of the resolution. Each member of the Supervisory Board shall have one vote. A member of the Supervisory Board shall not have the right to abstain from voting or to remain undecided. Upon an equal division of votes, the chairman of the Supervisory Board shall have the deciding vote. A resolution of the Supervisory Board shall enter into force on the day of adoption unless a later date has been specified in the resolution.

(8) All members of the Management Board of the SFMC shall participate in the meetings of the Supervisory Board with the right to speak unless otherwise decided by the Supervisory Board.

§ 14. Minutes of Supervisory Board Meetings

(1) Minutes shall be taken of the meetings of the Supervisory Board. The minutes shall set out:

- 1) the time and place of the meeting;
- 2) the names of the Supervisory Board members participating in the meeting and the names of any other persons attending the meeting;
- 3) the names of the chair and recording secretary of the meeting;
- 4) the agenda of the meeting;
- 5) the names of the persons who made presentations about the items on the agenda of the meeting and descriptions of the contents of such presentations unless the main points of the presentations were previously submitted to the chair of the meeting in writing;
- 6) all questions asked and the answers given to the questions;
- 7) the resolutions adopted at the meeting. The voting result shall also be entered in the minutes if the resolution was adopted by way of voting;
- 8) the content of the dissenting opinion of the Supervisory Board member who retained a different opinion of the resolution of the meeting;
- 9) any other important circumstances of the meeting.

(2) The minutes shall be signed by the chair and the recording secretary of the meeting. Any written proposals made to the meeting, the main points of presentations and opinions shall be appended to the minutes. A dissenting opinion that has been entered in the minutes shall be signed by the Supervisory Board member.

(3) Taking of the minutes of Supervisory Board meetings shall be organised and the Supervisory Board shall be served by the SFMC.

Division 2

MANAGEMENT BOARD OF THE SFMC

§ 15. Competence of the Management Board of the SFMC

(1) The management board (hereinafter the *Management Board*) of the SFMC represents and manages the SFMC. The competence of the Management Board of the SFMC shall include adoption of resolutions and performance of transactions associated with all duties of the SFMC and performance of operations in respect to which the competence of the Management Board has not been restricted by law. The Management Board shall have the right to grant authorisation for adoption of resolutions and performance of transactions and operations. Grant of authorisation for performance of the duties specified in subsection 2 of this section shall not be permitted. The lawful resolutions and orders of the Supervisory Board shall be mandatory for performance by the Management Board.

(2) In order to exercise the competence specified in subsection 1 of this section, the Management Board shall:

- 1) submit the development plan and activity trends of the SFMC to the Supervisory Board for approval;
- 2) submit the annual budget of the SFMC and the report on execution of the budget to the Supervisory Board for approval;
- 3) prepare the annual report and management report of the SFMC and submit these to the auditor for auditing and to the Supervisory Board for approval;
- 4) submit an overview of the activities and economic status of the SFMC to the Supervisory Board at least once every three months, generally at the Supervisory Board meeting following the end of a quarter;

[RT I 2009, 8, 57– entry into force 06.02.2009]

- 5) approve the budgets of structural units on the basis of the annual budget approved by the Supervisory Board;
- 6) present an opinion to the Supervisory Board about the election of an auditor and for deciding the amount of remuneration that shall be paid to the auditor;
- 7) submit proposals for taking loans to the Supervisory Board;
- 8) approve the structure, composition and salary terms of the SFMC;
- 9) approve the accounting policies and procedures, record management procedure and rules of internal procedure of the SFMC, the statutes of structural units and other instructions, rules, regulations and procedural rules in issues that belong in the area of activity of at least two members of the Management Board at the same time;
- 10) decide on issues concerning the acquisition, grant of use, encumbrance with restricted property rights, transfer and exchange of SFMC property in the cases specified by law and make proposals about these issues to the Supervisory Board if deciding on them is within the competence of the Supervisory Board;
- 11) decide on entry into a collective agreement;
- 12) create work groups and committees for performance of the duties of the SFMC and approve their composition, work organisation and remuneration;
- 13) be responsible for the implementation and functioning of an internal control system;
- 14) decide on other issues associated with the organisation of the everyday activities of the SFMC and where a decision has been applied for by at least one member of the Management Board.

§ 16. Requirements to Management Board Members

(1) A person with active legal capacity may be appointed a member of the Management Board if the person:

- 1) has acquired a master's degree on the basis of an accredited curriculum or has obtained a certificate of higher education in the course of equal studies abroad that is recognised pursuant to the procedure stipulated in section 28¹ of the Republic of Estonia Education Act, or has acquired at least an academic higher education on the basis of a curriculum with a nominal duration of four years in an Estonian university pursuant to the procedure valid before the amendments to the Universities Act that entered into force on 10 March 2003 or has acquired at least an academic higher education on the basis of a curriculum with the nominal duration of five years pursuant to the procedure valid before the Republic of Estonia Education Act entered into force;
- 2) has the knowledge required for managing the SFMC, an impeccable professional reputation and at least three years of management experience.

(2) The following may not be appointed members of the Management Board:

- 1) persons who are under preliminary investigation or prosecuted in court as the accused in a crime that is punishable by law with imprisonment, or persons who have been punished for criminal official conduct or any other intentionally committed criminal offence;
- 2) persons whose previous unlawful activity or inactivity has caused the bankruptcy or compulsory dissolution of a company;
- 3) bankrupts or persons against whom prohibition on business has been applied or from whom the right to be a business operator has been taken away on the basis of law;
- 4) persons who are members of the Supervisory Board of the SFMC.

(3) A member of the Management Board may not be a person specified in subsection 50 (7) of the Forest Act or in public service or employed by another employer. Working in the areas of education or research is permitted for members of the Management Board as an exception.

(4) Members of the Management Board shall perform their duties in good faith and in the interests of the SFMC, and act in the performance of their duties with due diligence and the foresight and competence expected of them.

(5) Members of the Management Board shall refrain from acts that damage the activities, property and reputation of the SFMC.

§ 17. Procedure for Election, Removal and Entry into Contracts with Members of the Management Board

(1) The chairman of the Management Board shall be elected by the Supervisory Board in a competition under the terms and conditions established with a resolution of the Supervisory Board. The other members of the Management Board shall be elected by the Supervisory Board from among applicants presented by the chairman of the Management Board.

(2) Persons who want to take part in the competition shall submit their written confirmations to the Supervisory Board stating that there are no such circumstances as stipulated in these Statutes that would prevent them from being elected the chairman of the Management Board, and their consent to being elected the chairman of the Management Board.

(3) The authorities of a member of the Management Board shall start from the date specified in their election resolution.

(4) The Supervisory Board may remove a member of the Management Board regardless of the reason and the rights and obligations arising from the contract entered into with the member of the Management Board shall expire according to the contract.

(5) Members of the Management Board may resign from the Management Board with good reason by submitting a relevant written notice to the Supervisory Board.

(6) The chairman of the Supervisory Board or any other member of the Supervisory Board authorised by the Supervisory Board shall enter into contracts of service with members of the Management Board on the basis of the resolution of the Supervisory Board and under the terms and conditions specified in the resolution.

§ 18. Right of Representation, Areas of Responsibility and Content of the Contracts of Service of Members of the Management Board

(1) Members of the Management Board shall be competent to represent the SFMC without special authorisation. In terms of work organisation, members of the Management Board shall represent the SFMC and exercise their personal competence within the limits of their area of responsibility. Members of the Management Board shall grant authorisation for representation of the SFMC.

(2) Members of the Management Board shall be responsible for an area or areas designated with a resolution of the Supervisory Board and in their contract of service.

(3) The areas of responsibility of members of the Management Board shall correspond to the areas of activity of the SFMC specified in section 9 of these Statutes.

(4) The chairman of the Management Board shall have the right to make proposals to the Supervisory Board about the designation and amendment of the areas of responsibility of the members of the Management Board.

(5) Members of the Management Board shall issue directives and both oral and written orders in order to organise the activities of the SFMC in their areas of responsibility.

(6) Members of the Management Board shall exercise their individual competencies within the limits of their areas of responsibility through transactions, operations, directives and orders. Members of the Management Board shall be entitled to exercise their competencies outside their areas of responsibility only in the cases when this is done on the basis of a resolution of the Supervisory Board. Otherwise the activities of members of the Management Board shall be treated as breaches of the obligations of the members of the Management Board.

§ 19. Organisation of the Work of the Management Board

(1) The Management Board shall exercise its collegial competence through the resolutions of the Management Board.

(2) Meetings of the Management Board shall be held when necessary but not less frequently than once a month.

(3) Meetings of the Management Board shall be called by the Chairman of the Management Board at their own initiative or on the basis of a proposal made by a member of the Management Board.

(4) A meeting of the Management Board shall have a quorum if more than one-half of the members of the Management Board participate in the meeting and one of them is the chairman or deputy chairman of the Management Board. [RT I 2009, 8, 57– entry into force 06.02.2009]

(5) Issues that concern meetings of the Management Board shall be determined by the Supervisory Board in the operating procedure of the Management Board and they shall include:

[RT I 2009, 8, 57– entry into force 06.02.2009]

1) the procedure for giving notice of meetings of the Management Board;

2) the procedure for forwarding documents concerning the agenda of the meeting to members of the Management Board;

3) the data subject to entry in the minutes of the meeting, including the content of the resolution of the Management Board and issues associated with the recording of the results of voting;

4) the procedure for adopting resolutions of the Management Board without calling a meeting, the data subject to entry in the record of vote and the draft resolution, the procedure for preserving the positions and dissenting opinions of members of the Management Board.

(6) Every member of the Management Board shall have one vote. A member of the Management Board shall not have the right to abstain from voting or to remain undecided.

(7) A resolution of the Management Board shall be adopted if more than one-half of the members of the Management Board, including the chairman of the Management Board or the deputy chairman of the Management Board, voted in favour of the resolution. [RT I 2009, 8, 57– entry into force 06.02.2009]

Division 3

AUDIT COMMITTEE AND INTERNAL AUDIT OF THE SFMC

§ 20. Audit Committee of the SFMC

(1) The task of the audit committee of the SFMC (hereinafter the *Audit Committee*) shall be to ensure that the SFMC is managed according to good management and supervision practice. For this purpose, the Audit Committee shall coordinate the work of the external and internal auditors of the SFMC and regularly assess its financial reporting process, internal control system, financial risk management and compliance of its activities with legislative requirements. The Audit Committee shall present overviews of the status of the SFMC to the Supervisory Board and make proposals in issues associated with its competence.

(2) The Supervisory Board shall form the Audit Committee that consists of three members for a period of time that equals the length of its own authorities and appoint a chairman from among the members of the committee.

(3) At least one-half of the members of the Audit Committee shall be appointed from among the members of the Supervisory Board.

(4) Members of the Audit Committee may be removed with a resolution of the Supervisory Board prior to the expiry of their authorities.

(5) The activities of the Audit Committee shall be conducted on the basis of the Audit Committee Regulations approved with a resolution of the Supervisory Board.

§ 21. Internal Audit of the SFMC

(1) The SFMC shall have an internal audit structural unit, whose task shall be to give an independent opinion of the lawfulness, expedience, economy, efficiency and effectiveness of the activities of the SFMC and the functioning of its internal control system.

(2) The internal audit structural unit shall report to the Supervisory Board, Audit Committee and Management Board of the SFMC.

(3) The internal audit structural unit shall work on the basis of the statutes approved with a resolution of the Supervisory Board.

Division 4

STRUCTURE AND STRUCTURAL UNITS OF THE SFMC

§ 22. Structure of the SFMC

The structure of the SFMC shall be approved by the Management Board in accordance with the main duties and areas of activity of the SFMC.

§ 23. Structural Units and Their Management

(1) The departments, regions, forest districts, services, nurseries, training centres and forest centres of the SFMC are its structural units. Hunting establishments and recreation areas may also be structural units.

(2) The tasks, rights and obligations of the structural units of SFMC and their managers shall be stipulated in the statutes of the structural units.

(3) Managers of the structural units of the SFMC shall issue directives and both oral and written orders in order to organise the activities of the structural units.

Chapter 4

PROCEDURE FOR GRANT OF USE, TRANSFER AND ACQUISITION OF SFMC PROPERTY

Division 1

PROCEDURE FOR GRANT OF USE OF PROPERTY

§ 24. Deciding on and Organisation of Grant of Use of the Property

(1) The terms and conditions of grant of use of the of the SFMC property (hereinafter the *Property*) shall in the cases stipulated in the Forest Act be decided by the Supervisory Board or Management Board of the SFMC or by the person authorised by the Management Board (hereinafter in this division the *Decision-maker*) considering the Forest Act and the legal acts established on the basis thereof. Grant of use of the Property in the cases not specified in the Forest Act shall take place pursuant to the procedure stipulated in the State Assets Act and the legal acts established on the basis thereof.

(2) Grant of use of the Property shall be organised by the authorised person appointed by the Decision-maker or by a committee consisting of at least three members (hereinafter in this division the *Organiser*).

(3) Use of the Property may be granted for a charge if the Property is not required by the SFMC for performance of its duties arising from the Statutes or for exercise of state power and government by other administrators of state assets or authorised institutions. In order to ascertain whether the Property is required by other administrators of state assets or authorised institutions, the person appointed by the Management Board of the SFMC shall inform the state assets registrar of its intention to grant use of such Property for a charge.

(4) Grant of use of the Property shall not be permitted if grant of use would make the purposeful use of any other assets of the SFMC impossible or significantly more difficult.

(5) The Decision-maker shall define the following when deciding on the grant of use of the Property:

- 1) the deadline and other principal terms and conditions of the grant of use of the Property;
- 2) the manner in which use of the Property shall be granted (through negotiations or auction or negotiations with auction);
- 3) the initial charge payable for use of the Property;
- 4) the auction participation fee and the amount of security deposit for use of the Property. [RT I, 13.11.2018, 1– entry into force 16.11.2018]

The notification concerning the decision to grant use of the Property shall be given pursuant to the procedure stipulated in the Forest Act and the legal acts established on the basis thereof. The notification shall contain the following data:

- 1) the name and exact location of the Property granted into use;
- 2) the main indicators that characterise the Property granted into use;
- 3) the principal terms and conditions of the contract of grant of use of the Property;
- 4) the manner of grant of use;
- 5) when and where the Property granted into use can be viewed;
- 6) the auction participation fee and the amount of security deposit for use of the Property, the deadlines and manner of their payment; [RT I, 13.11.2018, 1– entry into force 16.11.2018]
- 7) the circle of persons who may submit applications or bids for taking the Property in use and the deadline and terms and conditions for submission of such applications or bids;
- 8) any other data that the Decision-maker and the Organiser make public.

§ 25. Negotiations on Granting Use of the Property

(1) Negotiations shall be held if:

- 1) the Decision-maker has selected this manner proceeding from economic expediency;
- 2) one of the terms of grant of use of the Property is an obligation of the user in respect of the Property granted into use or the obligation to complete certain work or provide a certain service therewith;
- 3) it becomes evident at the auction organised for grant of use of the Property that there is only one participant;
- 4) not a single person participated in the auction for granting use of the Property and the Organiser does not consider it practical to organise a repeat auction.

(2) Negotiations shall be held by the Organiser. If necessary, the Organiser may involve an expert or employees of the SFMC who have the required special knowledge in the negotiations. The persons who take part in negotiations shall keep confidential the business secrets of the other party or any other information about the other party that has become known to them in the course of the negotiations, except for information subject to disclosure according to legal acts.

(3) The duration of negotiations may not exceed 30 days from the day they began. If no agreement is reached about the grant of use of the Property during this period of time, the Organiser shall declare that the negotiations have failed or submit a reasoned application to the Decision-maker for extending the negotiation period.

Proceeding from certain circumstances, the Decision-maker may in exceptional cases give a deadline longer than 30 days for negotiations about the grant of use of the Property.

(4) Minutes of the negotiations shall be taken by the Organiser. The minutes shall at least set out the agreements achieved between the parties and the proposals and objections made by the parties. All written declarations and applications submitted by the persons applying for use of the Property to the Organiser shall be appended to the minutes.

(5) If it becomes evident in the course of negotiations that a term or condition of the grant of use of the Property approved by the Decision-maker needs to be amended, the Organiser shall stop the negotiations and submit an application for amendment of the relevant term or condition. If the Decision-maker considers the amendment of the term or condition impossible, the Organiser shall terminate the negotiations and declare that grant of use of the Property has failed.

(6) If more than one applicant takes part in the negotiations, the Organiser shall make, as a result of the negotiations, a reasoned proposal to the Decision-maker to declare one of the participants the best bidder and to enter into a contract for grant of use of the Property with the winning bidder.

(7) If only one person took part in the negotiations and the agreement reached at the negotiations corresponds to the base terms and conditions for the grant of use of the Property, a member of the Management Board or the person authorised by the latter and the person who applied for use of the Property shall enter into the contract for grant of use of the Property.

§ 26. Auctions in Granting Use of the Property

(1) An auction or negotiations with an auction shall be held in the cases stipulated in the Forest Act.

(2) Verbal, written or electronic auctions may be organised.

(3) Persons who participate in an auction may file protests about the preparation and organisation of the auction to the Organiser within three days of the auction deadline. The Organiser shall submit a reasoned opinion about whether or not the protest shall be considered to the Decision-maker within two days of receipt of the protest. If the Decision-maker finds that the circumstances specified in the protest had an impact on the auction results, it shall annul the auction results and declare a repeat auction.

(4) The Decision-maker shall decide to approve the auction results or leave them unapproved not later than within five days of the auction deadline. A notification about the approval or non-approval of the auction results shall be sent to the winning bidder immediately after the relevant decision is made and the notification shall be in a format that can be reproduced in writing.

(5) The security deposit paid by auction participants who did not make the winning bid shall be refunded within five days of approval of the auction results or declaration of the failure of the auction. [RT I, 13.11.2018, 1–entry into force 16.11.2018]

(6) If the auction results are approved, a member of the Management Board or a person authorised by the latter shall enter into a contract for grant of use of the Property with the winning bidder not later than within 30 days of approval of the auction results.

§ 27. Oral Auction

(1) Oral auctions shall be performed by the Organiser, who shall declare the auction opened at the determined time and in the determined place and make a proposal to the persons present in the auction room to register as auction participants. The Organiser may also allow persons who want to attend the auction to register as auction participants before the auction is declared opened.

(2) The names and places of residence or registered offices of the persons who want to take part in the auction shall be entered in the minutes. Persons who represent legal entities or natural persons shall submit documents that evidence their right of representation.

(3) Before the start of bidding, all persons who have registered as auction participants shall give their signatures to confirm that they are aware of the terms and conditions of the auction and the contract for grant of use of the Property and submit evidence confirming they have paid the security deposit for use of the Property as well as the participation fee. Persons who refuse to give their signatures or fail to submit evidence of their payment of the security deposit and participation fee shall not be allowed to take part in the auction. [RT I, 13.11.2018, 1–entry into force 16.11.2018]

(4) The auction participants shall start bidding after the performance of the activities specified in subsection 3 of this section and after the Organiser has given the relevant sign. Auction participants shall give note to the Organiser by lifting their registration number and announcing the amounts of their bids.

(5) The Organiser shall declare the auction closed after the highest offered user fee has been announced three times. The participant who offered the highest user fee shall confirm with their signature before they leave that they shall take the Property in use under the terms and conditions submitted for the auction, provided that the auction results are approved pursuant to established procedure.

(6) In the event of refusal to sign, the participant who offered the highest user fee shall lose the right to enter into the contract and their security deposit shall not be refunded. In the case of such refusal, the Organiser shall inform the auction participants that use of the Property shall be granted to the auction participant who made the second highest bid. If this participant also refuses to sign, the above procedure shall be repeated until a participant who signs is found.

[RT I, 13.11.2018, 1– entry into force 16.11.2018]

§ 28. Written Auction

(1) Persons who want to take part in a written auction shall submit a sealed envelope to the Organiser with the name of the auction in which they want to participate written thereon. The bid shall contain the following:

- 1) the name and place of residence or registered office of the bidder;
- 2) in the case of a legal entity, the resolution of the body who is competent to make resolutions about participation in auctions pursuant to legislation and the articles of association or partnership agreement;
- 3) their consent to participate in the auction under the terms and conditions of the auction;
- 4) evidence of payment of the security deposit and participation fee;

[RT I, 13.11.2018, 1– entry into force 16.11.2018]

5) the amount of the user fee written in words and figures. If these are not the same, the user fee amount written in words shall be considered valid;

6) the bidder's signature.

(2) Bids that have not been submitted by the due date or do not comply with the requirements approved by the Decision-maker or the Organiser or which have been submitted by persons whose right of representation or acting on the basis of the resolution of a competent body of a legal entity is not proven shall be considered to be non-compliant with the requirements and they shall not take part in the auction.

(3) A bid shall be deemed as submitted on the date indicated on the postage stamp of the location of sending, in its absence on the postage stamp of the location of receipt or upon receipt of the bid in the designated place if the bid was not sent by post. Received bids shall be registered in the order of receipt.

(4) When reviewing the bids, the Organiser shall open the bids in the order of their registration. The Organiser shall endorse all bids entered into the auction and register them in the auction minutes.

(5) The Organiser shall submit the winning bid to the Decision-maker for approval on the basis of the written auction minutes.

(6) The Organiser shall inform all participants of the auction results in writing not later than within three days of the written auction's deadline.

§ 29. Electronic Auction

(1) Electronic auctions shall be opened at the designated time and in the designated place by making the necessary information available and allowing for bids to be made.

(2) Persons who want to participate in the auction shall register through the public data communications network and pay the participation fee and security deposit. The participation fee and security deposit must be received in the current account specified in the auction notice not later than one hour before the deadline for submission of bids specified in the auction notice. [RT I, 13.11.2018, 1– entry into force 16.11.2018]

(3) The person who wants to participate shall review the procedural rules of the auction, the terms and conditions of use of the Property and the procedure for filing protests and shall give their confirmation that they are aware of the same. If an auction participant proves to be the winning bidder and the auction is approved, they shall pay the price they offered for use of the Property.

(4) Persons who have met the requirements stipulated in subsections 2 and 3 of this section and who want to take part in the auction shall be registered as auction participants and they shall be allowed to access the auction with a unique user name and password. The auction participant shall act under said user name and password until the end of the auction.

(5) Persons who refuse to give the confirmation specified in subsection 3 of this section or fail to pay the participation fee and security deposit shall not be allowed to take part in the auction. [RT I, 13.11.2018, 1– entry into force 16.11.2018]

(6) The number, user names and bids of auction participants shall be visible to all auction participants through the public data communications network in real time from the moment the participation fee and security deposit are received by the Organiser. The names and places of residence or registered offices of registered participants shall be entered in a list that shall be an inseparable part of the auction minutes. [RT I, 13.11.2018, 1– entry into force 16.11.2018]

(7) Bids begin from the starting price. Auction participants shall make their bids electronically. All bids shall be specified in a list of bids that shall be an inseparable part of the auction minutes. All auction participants shall be subject to the procedural rules of the auction at the time of the auction.

(8) The Organiser shall have the right to prohibit participants, who have breached the auction procedure for the second time or have not fulfilled an order of the Organiser, to make bids. The auction shall end on the date specified in the terms and conditions of the auction.

(9) The person who makes the highest bid shall win the auction.

§ 30. Contract for the Grant of Use of the Property

(1) A contract for the grant of use of the Property and, if necessary, a property rights contract shall be entered into by a member of the Management Board or a person authorised by the latter according to the formal requirements set to the transaction by legislation.

(2) The contract for the grant of use of the Property shall set out the following:

- 1) the time and place of entry into the contract, the name, place of residence or registered office of the user, the person's registry or personal identification code;
- 2) the details of the Property granted into use;
- 3) the purpose of the Property granted into use;
- 4) the contract term;
- 5) the deadline and procedure for delivery and return of the Property;
- 6) the amount of user fee and all other charges payable under the contract and the deadlines and procedure for payment thereof;
- 7) if necessary, the obligation of insurance and its extent;
- 8) the extent of the obligation to keep the Property granted into use in order and, if necessary, the measures the user shall be obliged to take to ensure that the Property can be used for the purpose specified in the contract for use of the Property also after the expiry of the contract;
- 9) additional bases for extraordinary cancellation of the contract for the grant of use;
- 10) if necessary, guarantees to the performance of the contract;
- 11) sanctions applied in the event of breach of the contract;
- 12) the procedure pursuant to which the holder of a real servitude or a personal right of use shall compensate for the damages caused by the building and use of a technical network or infrastructure, failures and the damages caused in the course of elimination thereof and the damages caused by removal of the technical infrastructure upon the expiry of the real servitude or personal right of use;
- 13) whether and under which terms and conditions and pursuant to which procedure the user shall be allowed to sublease the Property granted into use;
- 14) any additional terms and conditions the establishment of which is considered necessary by the Decision-maker and that have been established with laws or other legal acts or that are required for fulfilment of environmental or nature conservation requirements or for any other reason.

(3) Delivery of the Property granted into use to the user shall take place on the basis of a written certificate in which the main characteristic indicators and condition of the Property shall be specified.

(4) The security deposit paid shall turn into a payment under the contract if a contract for the grant of use of the Property is entered into. [RT I, 13.11.2018, 1– entry into force 16.11.2018]

(5) Both parties shall have the right to initiate amendment and termination of the contract. Amendment of the contract and termination of encumbrance shall be decided in the SFMC by the Decision-maker with a reasoned resolution. A response must be sent to a contract amendment or contract termination proposal within 30 days.

(6) The obligation to pay a charge for encumbering an immovable owned by the state with a real servitude shall be entered in Division 3 of the Land Register of the dominant immovable as a real encumbrance in favour of the state on the basis of an application made by the person authorised by the Decision-maker. The expenses associated with encumbrance, including notary's fees, the state fee payable for registration and the cost of the expert opinion prepared for determination of the user fee shall be paid by the person who acquires the real servitude or the personal right of use.

(7) The contract for the grant of use of the Property shall expire:

- 1) upon the expiry of its term;

- 2) by agreement between the parties;
- 3) by extraordinary cancellation.

(8) The parties shall sign a contract termination agreement if the contract is terminated by agreement between the parties.

(9) When the Property is returned, the representative of the SFMC and the user of the Property shall prepare a certificate that shall specify which Property is being returned, the condition of the Property upon return and the time and place of delivery of the Property. In the event of monetary set-off, the set-off shall take place not later than within 30 days of the day the certificate was signed.

Division 2

PROCEDURE FOR TRANSFER OF PROPERTY

§ 31. Deciding on and Organisation of Transfer of the Property

(1) The transfer of the Property and its specific terms and conditions shall, in the cases stipulated in the Forest Act, be decided by the Supervisory Board or Management Board of the SFMC (hereinafter in this division the *Decision-maker*) considering the Forest Act and the legal acts established on the basis thereof. The Decision-maker shall coordinate the decision to transfer an immovable with the Minister of the Environment. Transfer of the Property in the cases not specified in the Forest Act shall take place pursuant to the procedure stipulated in the State Assets Act and the legal acts established on the basis thereof.

(2) Property may be transferred if it is not required by the SFMC for performance of its tasks arising from the Statutes or for exercise of state power and government by other administrators of state assets or authorised institutions. In order to ascertain whether the Property is required by other administrators of state assets or authorised institutions, the person appointed by the Management Board of the SFMC shall inform the state assets registrar of its intention to transfer such Property.

(3) Transfer of the Property shall be organised by a committee consisting of at least three members appointed by the Decision-maker (hereinafter in this division the *Organiser*).

(4) The Decision-maker shall define the following when deciding on the transfer of the Property:

- 1) the initial transfer price of the Property;
- 2) the manner in which the Property shall be transferred (an auction or any other manner if transferring the property in such a manner yields more profit). If the Decision-maker considers it necessary to establish a different manner of transfer instead of an auction with a reasoned decision, the Decision-maker shall also approve the procedure for its organisation in the same decision;
- 3) the amounts of the participation fee and security deposit.

[RT I, 13.11.2018, 1– entry into force 16.11.2018]

(5) Notice of the decision to transfer the Property shall be given pursuant to the procedure stipulated in the Forest Act and the State Assets Act. The notice shall set out the following:

[RT I, 13.11.2018, 1– entry into force 16.11.2018]

- 1) the name, main characteristics and exact location of the Property;
- 2) the manner in which the Property shall be transferred;
- 3) the initial transfer price of the Property;
- 4) when and where the Property that shall be transferred can be viewed;
- 5) the amounts of the participation fee and security deposit, the deadline and manner of their payment;

[RT I, 13.11.2018, 1– entry into force 16.11.2018]

6) any other data that shall be made public by the Decision-maker and the Organiser.

(6) Transfer of the Property free of charge shall take place in the cases and pursuant to the procedure stipulated in the State Assets Act.

§ 32. Auction for Transfer of the Property

(1) The auction shall be organised pursuant to the procedure stipulated in the State Assets Act. [RT I, 13.11.2018, 1– entry into force 16.11.2018]

(2) [Repealed -RT I, 13.11.2018, 1– entry into force 16.11.2018]

(3) If the auction results are approved, a member of the Management Board or a person authorised by the latter shall enter into a contract under the law of obligations for transfer of the Property and, if necessary, a property rights contract, with the winning bidder not later than within 60 days of approval of the auction results whilst adhering to the formal requirements stipulated by legislation.

Division 3

PROCEDURE FOR ACQUISITION OF PROPERTY

§ 33. Deciding on and Organisation of Acquisition of the Property

(1) Acquisition of the Property and the base terms and conditions thereof shall, in the cases stipulated in the Forest Act, be resolved by the minister responsible for the area, the Management Board of the SFMC or the person authorised by the Management Board (hereinafter in this division the *Decision-maker*). [RT I, 13.11.2018, 1 – entry into force 16.11.2018]

(2) If the Property is acquired by way of negotiations as stipulated in the Forest Act, the Decision-maker shall appoint a person or persons who shall conduct the negotiations (hereinafter in this division the *Negotiator*). If necessary, the Negotiator shall order the opinion of an independent expert about the usual value of the acquired Property before the start of the negotiations.

(3) The Negotiator shall organise the negotiations pursuant to the procedure for negotiations in the grant of use of the Property, which has been stipulated in section 25 of these Statutes.

(4) If the agreement reached in negotiations corresponds to the terms and conditions of the Property acquisition approved by the Decision-maker, the Decision-maker and the owner of the Property shall enter into a contract under the law of obligations and, if necessary, a property rights contract whilst observing the formal requirements stipulated by legislation.

(5) If the SFMC has the right to demand from other persons encumbrance of their property with restricted property rights in favour of itself for the performance of its duties arising from legislation, the Negotiator shall conduct negotiations on the terms and conditions of encumbrance with restricted property rights on the basis of the procedural rules approved by the Decision-maker.

Chapter 5

FINAL PROVISION

§ 34. Reorganisation of the SFMC or Termination of Its Activities

The SFMC shall be reorganised or its activities shall be terminated by law.

Chapter 6

IMPLEMENTING PROVISION

§ 35. Implementation of the Regulation

The Regulation shall be implemented retroactively from 1 January 2007.

[Appendix](#) Logo of the SFMC