
Deposit Guarantee Sectoral Fund

Credit institution, or bank authorization

When applying for authorization, in addition to other documents and details, a document must also be submitted to the Financial Supervision and Resolution Authority, by which the applicant undertakes to pay a single contribution to the Deposit Guarantee Sectoral Fund provided for in the Guarantee Fund Act and a single contribution to the Investor Protection Sectoral Fund if the business plan envisages the provision of investment services.

Calculation and payment of regular contributions

The Guarantee Fund calculates the amount of the contribution to be paid to the bank for a calendar year or a shorter period. The amount of the contribution is calculated by multiplying the average amount of guaranteed deposits in the previous calendar year or shorter period by the applicable contribution rate. By decision of the Supervisory Board of the Guarantee Fund, the amount may be further adjusted in proportion to the risk profile of the credit institution, taking into account the amount of the risk assets of the credit institution and other risk indicators.

The guidelines and basic data for calculating the amount of the contribution are laid down in the Regulation of the Minister of Finance.

If errors are detected and accounting policies are changed, new corrected reports are submitted to the Guarantee Fund.

In the event of non-payment or partial payment of the contribution by the due date set by the bank, the Guarantee Fund charges interest on the outstanding amount at the rate of 0.2% per day.

If the bank has failed to pay the contribution on the due date or has failed to comply with any other obligation under the Guarantee Fund Act, the Guarantee Fund immediately notifies the Financial Supervision and Resolution Authority.

For the purposes of the Guarantee Fund Act, a deposit means:

- a claim for a specified or unspecified term of a depositor against a bank arising from the contract between the depositor and the bank;
- a sum for the transfer of which depositors or other persons have issued a payment order in their name and for their own account but the bank has not executed the payment order by the date on which deposits become unavailable;

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- a non-transferable registered acknowledgement of obligation pertaining to deposits (deposit certificate);
 - a joint deposit, or a deposit which belongs to two or more persons jointly.

Third-party funds deposited in the notary's and enforcement agent's account are treated as a separate deposit for each person for the purposes of the compensation of the deposits.

No guarantee or compensation by the Deposit Guarantee Sectoral Fund

This applies to a deposit that has been deposited on the day the deposit is suspended by:

The Estonian state or a foreign state or their:

- local authority
- another credit institution
- insurance undertaking or reinsurance undertaking
- management company or investment fund
- investment firm
- e-money institution
- payment institution
- creditor or credit intermediary
- another financial institution not specified in the Guarantee Fund Act.

Extraordinary contribution paid ex post

If, on the date of suspension, the assets of the Sectoral Fund are insufficient to repay the deposits, the Supervisory Board of the Guarantee Fund may, by decision, collect extraordinary contributions paid ex post from banks up to an amount not exceeding 0.5% of the average volume of covered deposits of the bank in the calendar year preceding the date of suspension. The fund may, in exceptional cases and subject to the approval of the Financial Supervision and Resolution Authority, require a higher contribution, which may not exceed 0.625% of the average volume of guaranteed deposits of the bank for the calendar year preceding the date of suspension.

Upon the proposal of the Financial Supervision and Resolution Authority, the Supervisory Board may, by decision, postpone the obligation of a bank to make extraordinary contributions paid ex post in accordance with § 36¹ (3) of the Guarantee Fund Act, if making the contributions would jeopardize the liquidity or solvency of the bank.

- The specified exception shall not be established for a longer period than six months at a time.
- At the request of the bank, the validity of the exception may be extended for to up to six months.
- Deferred contributions are paid when, in the opinion of the Financial Supervision Authority, payment of the contributions would no longer jeopardize the liquidity or solvency of the credit institution.

Suspension of contribution collection

On the basis of a decision of the Supervisory Board of the Guarantee Fund, the collection of contributions may be suspended if the assets of the Deposit Guarantee Sectoral Fund account for at least 0.8% of the volume of covered deposits of Estonian credit institutions and branches of third-country credit institutions established in Estonia. The collection of contributions is suspended if the assets of the Sectoral Fund amount to 5% of the volume of covered deposits of Estonian credit institutions and branches of third-country credit institutions established in Estonia.