

Information about the Guarantee Fund statutory investor protection

The Guarantee Fund is a legal person in public law founded by Guarantee Fund Act on 1 July, 2002. The Guarantee Fund is the legal successor of the Deposit Guarantee Fund, which was founded on May 1998 and operated on the basis of the Deposit Guarantee Fund Act.

The objective of the Fund is to guarantee, under the conditions and to the extent provided by the Guarantee Fund Act, protection of funds deposited by

- clients of credit institutions (depositors),
- clients of investment institutions (investors),
- unit-holders of mandatory pension funds

to increase the reliability and stability of the financial sector.

In order to achieve its objective, the Fund shall:

- collect single and quarterly contributions from credit institutions, investment institutions and management companies of mandatory pension funds,
- compensate under the conditions, to the extent and pursuant to the procedure provided by the Guarantee Fund Act:
 - depositors for deposits placed thereby with credit institutions,
 - investors for their investments,
 - for any damage caused by a pension management company to unit-holders of mandatory pension funds.

Deposits guaranteed and compensated for out of the Deposit Guarantee Sectoral Fund:

- Deposit Guarantee Sectoral Fund
Deposits of depositors of credit institutions registered in Estonia and Estonian branches of foreign credit institutions shall be guaranteed and compensated for out of the Deposit Guarantee Sectoral Fund.
- Investor Protection Sectoral Fund
Investments made through an investment institution registered in Estonia or the Estonian branch of a foreign investment institution shall be guaranteed and compensated for the investors out of the Investor Protection Sectoral Fund in accordance with the provisions of this the Guarantee Fund Act.
- Pension Protection Sectoral Fund
The Fund is obliged to compensate for the loss caused to mandatory pension fund unit-holders for which the unit-holders have not been compensated by the pension management company by the due date established by the Financial Supervision Authority.

Deposit and investment compensation limits:

- Deposits shall be compensated for 100 per cent, but not more than in the amount of 100 000 euro per investor in any one investment institution.
- Investments shall be compensated for 100 per cent but not more than in the amount of 20 000 euro.

Compensation of damages to unit-holders of mandatory pension funds:

- Damages subject to compensation in the amount of up to 10,000 euros are compensated to a unit-holder in full.
- Losses that exceed 10,000 euros per specific loss event of a unit-holder are compensated to the extent of 90%.

More detailed information of deposits and investments, and ensuring the compensation process available is on the Guarantee Fund website www.tf.ee.