

CREDIT-RELATED LEGISLATIVE PROJECTS

Source: Ministry of Justice

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Review of the Business Reorganisation Act

Objectives and purposes

The government bill proposes to change the Business Reorganisation Act to make the selection and approval of businesses for reorganisation as timely and appropriate as possible. A more detailed description would be required of applying businesses of the means by which the business will be restored to health. The processing of reorganisation applications by courts would be speeded up and applications supported by significant creditors could be approved without further investigation. The number of district courts handling reorganisation matters would be limited in order to make the process more efficient.

Timing

The related government bill was brought to Parliament on 29 September 2006. The goal is to institute the proposed changes as soon as possible.

Review of legislation regarding the enforcement of business injunctions

Objectives and purposes

The government bill proposes to change the Act governing business injunctions in order to reinforce the enforcement of business injunctions by the police by requiring tax, customs, debt enforcement and employment compensation security authorities and other public officials designated in the Act to pay attention to the enforcement of business injunctions. To this end these authorities would receive electronic information from the register used to record information relating to business injunctions. Provisions regarding the recording of business injunctions in the Trade Register and Foundation Register would also be added to the Act.

Legislation governing the publication and disclosure of tax information would be changed such that tax officials would have the same right as the other aforementioned governmental authorities to provide information to the police for the enforcement of business injunctions.

The scope of business injunctions is proposed to be revised such that no party enjoined from engaging in business would be permitted to conduct business in Finland through an entity set up in another country.

Timing

The related government bill was brought to Parliament on 29 June 2006. The goal is to institute the proposed changes as soon as possible.

Enforcement Act overhaul

Objectives and purposes

The key objective of debt enforcement legislation overhaul is successful, quick and economical debt enforcement that supports the debtor's voluntary performance. In order to reach related efficiency targets, means will be sought that appropriately consider the debtor's acceptable minimum subsistence needs and the legal, human and constitutional rights of the various parties in interest.

The bill proposes the enactment of a new debt enforcement code that would supersede the 1895 Enforcement Act. The bill is largely based on earlier partial amendments made to the Enforcement Act. Provisions governing the principles of debt enforcement and general procedures would be incorporated in

the debt enforcement code in their 2004 revised form. Provisions regarding attachment, sale of assets and the remittance of proceeds mirror the Act passed by Parliament.

A time limit on debt liability would be added to the debt enforcement code. Receivables would legally expire upon the expiration of the debt enforcement period (15 or 20 years). As under current law, a court of law could still extend the enforcement period by ten years if the debtor materially hinders the creditor's ability to collect. The enforcement period could not be extended, however, if such extension could be deemed unreasonable with respect to the debtor.

Timing

The related government bill was brought to Parliament on 29 June 2006. The goal is to institute the proposed changes from the start of 2008.

Updating of credit information legislation

Objectives and purposes

The purpose is to enact credit information legislation that would also apply to the credit records of business owners and legal entities.

Current law only addresses in detail credit information pertaining to consumers. The application of the Personal Data Act to persons functioning as business owners or in some other business capacity is subject to a number of differing interpretations.

Timing

The committee issued its final report in February 2005, which was sent for comment in March-May 2005. The related government bill is intended to be submitted during the current parliamentary term. The next Parliamentary elections will be held in March 2007.

Tracking and evaluation of personal data legislation

Objectives and purposes

The objective is to evaluate the effectiveness of the Personal Data Act as a general piece of legislation governing the handling of personal data and the need for and significance of specific provisions, and to ensure the effectiveness and consistency of the legislation.

A plan for the investigation of Personal Data Act application practices and its effects will be prepared at the first stage. Specific legislation will also be reviewed as well as its connection to the Personal Data Act and international requirements applicable to Finland.

Required legislative and other measures will be evaluated at a later stage on the basis of the information gathered.

Timing

The first stage will be carried out in the course of 2006.

Preparation of class action legislation

Objectives and purposes

The committee established by the Ministry of Justice proposes the enactment of legislation to govern class action lawsuits. It is proposed that such class action legislation would include special procedural provisions required for the adoption of class action proceedings. In all other respects class actions would be governed by the provisions of the Code of Judicial Procedure applicable to civil actions. The new law would be applied to civil actions heard in general courts of law.

A class action would be a legal action where the plaintiff brings suit on behalf of a specified class of plaintiffs without the class or the members of the class being named parties to the proceedings. A class action would only be possible with the class in question as the plaintiff. The handling of a matter as a class action would require that several persons share the same claim in relation to one defendant on the basis of the same or similar facts. Class action judgments would be binding on the plaintiff representing the class, on any class members who have expressly joined the class and on the defendant. Class members would not be liable for court costs.

Timing

The committee delivered its report to the Ministry on 16 March 2006. The related government bill is intended to be submitted in the autumn of 2006.