FAQ

Which credit institutions' deposits are guaranteed by the Guarantee Fund?

The deposits of depositors of credit institutions registered in Estonia are guaranteed and compensated from the Deposit Guarantee Sectoral Fund. Credit institutions registered in Estonia are those authorized by the Financial Supervision and Resolution Authority:

AS Inbank
AS LHV Pank
AS SEB Pank
Bigbank AS
Coop Pank AS
Holm Bank AS
Luminor Bank AS
Swedbank AS

Read more about the guarantee of branches in: **"How are deposits held in the Estonian branch of a foreign credit institution handled?"**

Whose deposits are compensated?

Deposits of both private individuals and businesses are compensated, with the exception of deposits not subject to compensation.

To what value are deposits guaranteed?

Eligible deposits are guaranteed and compensated, together with interest accrued up to the date of suspension, to a maximum of 100,000 euros per depositor in one credit institution. Therefore, the compensation limit of 100,000 euros applies to the total amount of deposits opened by the depositor with a single credit institution.

If, for example, two credit institutions are involved in a deposit compensation case, the same depositor is fully compensated for their deposits, together with the interest accrued up to the date of the suspension, by applying the compensation limit of 100,000 euros separately to deposits opened with the first and second credit institution.

Interest on deposits is calculated on the basis of the rates laid down in the settlement or deposit agreement or, in the absence of a written agreement, in the standard terms and conditions of the deposit of the credit institution in force on the day the deposits are

suspended.

In addition to the aforementioned 100,000 euros, up to a further 100,000 euros (including interest accrued up to the date of suspension) of the depositor’s funds is reimbursed if the depositor’s account has been credited with funds received for personal use during the six months preceding the date of suspension in relation to the following:

- the transfer of residential property provided for in § 5(4) of the Creditors and Credit Intermediaries Act;
- marriage or divorce, early termination of an employment or occupational contract on the initiative of the employer or the redundancy, retirement (including funded retirement), disability or death of a close relative;
- the insurance compensation, as compensation awarded under the Victim Support Act or the State Liability Act to compensate for loss caused by the adjudication of a claim, or as compensation awarded to a victim in criminal or misdemeanor proceedings.

When does the Guarantee Fund become liable to compensate for deposits?

The Guarantee Fund’s obligation to reimburse depositors’ deposits arises on the day the deposits are suspended. The day on which deposits are suspended may, for example, be the day on which the credit institution’s authorization is revoked or the day on which bankruptcy proceedings are opened following a court order. From the day on which the deposits are suspended, the Guarantee Fund is obliged to compensate for the deposits under the conditions and in accordance with the procedure laid down in the Guarantee Fund Act.

What are the terms for compensation (how quickly can I get the money)?

Payment of compensation must be completed within seven working days of the date of suspension. See the terms below.

From the date on which the deposits become unavailable:

within 2 working days
The Guarantee Fund publishes a notice in daily national newspapers and on the website of the fund setting out the term and procedures of compensation

The trustee in bankruptcy, moratorium administrator or liquidator of a credit institution:
*ensures that each depositor has the opportunity to gain access to accounting information regarding the deposit thereof and to receive a balance statement regarding the deposit
*provides the Guarantee Fund with information regarding the depositors and the balances of their deposits.

within 4 working days

Depositors have the right to submit their positions regarding the correctness of the balance of their deposits to the trustee

no later than 7 working days
Compensations are transferred to the depositors' bank accounts by the credit institution designated by decision of the Guarantee Fund

up to 3 years
If the Guarantee Fund fails to pay compensation within the term specified or pays less compensation than prescribed, the depositor has the right to file a claim against the Guarantee Fund

How and when are depositors informed?

The Guarantee Fund is obliged to twice publish a notice in two national daily newspapers within two working days of the day of the suspension of deposits, which must contain at least the following information:

- the name of the credit institution or branch of a credit institution in which the deposits are held;
- the procedures and terms for accessing and commenting on the accuracy of deposit accounts, including deposit balances;
- the date and procedure for the payment of compensation;
- the list of documents required for the payment of compensation.

The Guarantee Fund and the Financial Supervision and Resolution Authority publish this information on their websites without delay.

From whom and how can a depositor find out the amount to be compensated?

The administrator in bankruptcy or moratorium or the liquidator of a credit institution is obliged to ensure that each depositor has the opportunity to consult the available accounting data on their deposit and to receive a statement of the balance of the deposit no later than two working days from the day of suspension of deposits.

When does the depositor have to submit a statement to the administrator?

The depositor has the right to submit a statement to the administrator on the correctness of their deposit balance within four working days of the date of the Guarantee Fund's last publication of a notice in a national daily newspaper.

What is the depositor's right of claim and its limitation period?

If the Guarantee Fund fails to pay compensation within the term, or if it has paid less than the amount due, the depositor has the right to bring a claim against the Guarantee Fund. The

claim is subject to a limitation period of three years.

At the same time, the bankrupt credit institution retains the right to claim the amounts of deposits not received. (For example, if the deposit was more than 100,000 euros or if it was a person’s deposit that is not covered by the Guarantee Fund Act.)

How is the compensation paid?

The compensation is paid via transfer to the bank account specified by the depositor or to the account opened with the credit institution making the payment.

Unless otherwise agreed between the Guarantee Fund and the credit institution making the payment, the depositor pays for the transfer of the compensation. If the transfer fee payable by the depositor exceeds or is equal to the amount of the compensation, no compensation is paid. The fee charged for the payment of compensation may not exceed the normal fee charged by the credit institution for similar services.

Compensation for deposits denominated in foreign currency is paid out in euros at the exchange rate of the European Central Bank valid on the day of suspension.

Compensation for deposits seized in accordance with the procedure laid down by law is paid after the entry into force of the decision or order of the court or other competent authority. If the owner of the deposit is deceased, the deposit will be paid to the heirs after the end of the succession proceedings.

Can a depositor receive compensation partly via transfer and partly by cash withdrawal?

The law does not currently allow this. The compensation is paid via transfer to the bank account specified by the depositor or to the account opened with the bank making the payment.

What happens to the remaining deposits not guaranteed by the Guarantee Fund?

Claims not granted through the Guarantee Fund are handled according to the Bankruptcy Act or other laws.

What happens to loans?

Upon compensation of deposits, the Guarantee Fund deducts the amount to be compensated from the client’s liabilities to the bank. That is, if a depositor has liabilities (such as instalments of principal or interest) before a bank in liquidation that have become due and payable on the day the deposits are suspended, the deposit to be compensated is reduced by these amounts.

How is the amount of compensation determined?

The Guarantee Fund determines the deposits to be compensated and the amount of compensation for each depositor based on the information provided by the administrator under the conditions and in accordance with the procedure laid down in the Guarantee Fund Act.

How is joint deposit handled?

Unless otherwise provided for in the contract between the credit institution and the depositor, the joint deposit is paid to the depositors in equal shares. A joint deposit is a deposit which belongs to two or more persons jointly. For the purposes of compensation of a joint deposit, each holder of a joint deposit is considered to be the depositor.

If a private individual operates as an entrepreneur or is a member of the management board of a company, are the investments guaranteed for both the private individual and the company added together?

No. Qualifying deposits are guaranteed for private individuals and companies separately, each to the value of 100,000 euros. For example, if a private individual has 100,000 euros in a credit institution and a company, of which the same private individual is the owner or a member of the management board, has 80,000 euros in the same credit institution, then 100,000 euros is guaranteed for the private individual and 80,000 euros is guaranteed for the company.

A company is treated as a legal person. The exception here is self-employed persons.

How are self-employed persons handled?

If an individual has deposits as both a legal person and a self-employed person, they are compensated to the value of 100,000 euros in total. More details about the compensation amount can be found here: **‘To what value are deposits guaranteed?’**

If a parent opens an account for a minor child, are the deposits guaranteed for both the parent and the minor child added together?

No. Qualifying deposits in a single credit institution are guaranteed for the parent and the minor child separately. For example, if the parent has 100,000 euros in a credit institution and there is 20,000 euros in their minor child’s deposit account, then 100,000 euros is guaranteed for the parent and 20,000 euros for the minor child.

Whose deposits are not compensated?

The following are not compensated under the Guarantee Fund Act:

1. deposits that have been deposited by an Estonian state or a foreign state on the day

the deposit is suspended;

2. deposits that have been deposited by an Estonian state or a foreign state on the day the deposit is suspended, more specifically:
   - a local authority;
   - another credit institution;
   - an insurance undertaking or reinsurance undertaking;
   - a management company or investment fund;
   - an investment firm
   - an e-money institution;
   - a payment institution;
   - a creditor or credit intermediary;
   - another financial institution not specified above, including a financial holding company, a mixed financial holding company and an asset management company specified in Article 4(1) (26) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (OJ L 176, 27.6.2013, pp. 1–337), excluding insurance holding companies and mixed-activity insurance holding companies for the purposes of the Insurance Activities Act.

Are there any other deposits that are not subject to compensation?

The Guarantee Fund does not compensate a deposit to the extent of the liabilities of the holder of the deposit which have become due to the same credit institution.

Deposits whose owner cannot be identified by the credit institution are excluded.

Claims arising from capital instruments which are among in the composition of a credit institution’s own funds in accordance with Article 4(1) (118) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council and claims arising from debt securities, acknowledgements of obligation, and promissory notes issued by the credit institution. (§ 30(3) of the Guarantee Fund Act)

Deposits confiscated following a conviction in a money laundering or terrorist financing case are not reimbursed. If the disposal of the deposit has been restricted by a precept of the Financial Intelligence Unit or the deposit has been seized in the course of criminal proceedings in a case concerning money laundering or terrorist financing, the compensation of the deposit is suspended until the precept has been revoked or the court judgment has entered into force. (§ 30(4) of the Guarantee Fund Act)

Deposits belonging to a person subject to an international sanction on the day the deposit is reimbursed are not reimbursed. A person in which a qualifying holding is held by or which is controlled by a person subject to an international sanction is also deemed to be a person subject to an international sanction. (§ 30 (4^1) of the Guarantee Fund Act)

Are the deposits of savings and loan associations guaranteed by the Guarantee Fund?

Deposits in savings and loan associations are not protected by the Guarantee Fund.

How are deposits held in the Estonian branch of a foreign credit institution handled?

The Guarantee Fund does not guarantee the deposits of depositors of the Estonian branch of a foreign credit institution of a contracting state to the European Economic Area (hereinafter EEA contracting state). Nor does the Guarantee Fund guarantee the deposits of depositors of the Estonian branch of a credit institution of a foreign country (hereinafter third country), which are guaranteed under the guarantee scheme of the country of establishment of the foreign credit institution to the same or a greater extent than prescribed by the Guarantee Fund Act. Otherwise, deposits in the Estonian branch of a third country credit institution are guaranteed under the Guarantee Fund Act.

Branches (pdf, 0.39 MB)

How are deposits of a foreign branch of an Estonian credit institution guaranteed?

The Guarantee Fund does not guarantee the deposits of a foreign branch of an Estonian credit institution that are guaranteed under the guarantee scheme of the country of establishment of the branch and are subject to compensation to the same or a greater extent than prescribed by the Guarantee Fund Act.

If the laws and regulations of another EEA contracting state provide for larger deposit guarantees compared to the Guarantee Fund Act, these deposits are guaranteed to the extent set out in the legislation of the country of establishment of the branch.

Deposits of a branch of an Estonian credit institution operating in an EEA contracting state are guaranteed and compensated by the Guarantee Fund to an extent of up to 100,000 euros.

The contracting states to the European Economic Area are Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and Switzerland.

How is compensation for deposits in a branch of an Estonian credit institution in an EEC contracting state handled?

The Guarantee Fund compensates depositors for deposits in a branch of an Estonian credit institution in another EEC contracting state in cooperation with the deposit guarantee scheme of that state. The Guarantee Fund transfers all the necessary funds to such a guarantee scheme and covers the costs of paying the compensations. Where a branch of a credit institution of another EEC contracting state is established in Estonia, the Guarantee Fund will pay the deposits in such a branch according to the guarantee scheme applicable in that state.

The Guarantee Fund may claim compensation for the costs of paying compensations from that guarantee scheme.

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