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*Permanent Mission of the Republic of Estonia*  
*to the OSCE*

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**N O T E   V E R B A L E**

The Permanent Mission of the Republic of Estonia to the Organization for Security and Co-operation in Europe presents its compliments to all Missions/Delegations to the OSCE and to the Conflict Prevention Centre and has the honour to transmit herewith response of the Republic of Estonia to the Questionnaire on the Code of Conduct on Politico-Military Aspects of Security 2011.

The Permanent Mission of the Republic of Estonia to the Organization for Security and Co-operation in Europe avails itself of this opportunity to renew to all Missions/Delegations to the OSCE and to the Conflict Prevention Centre the assurances of its highest consideration.

Vienna, April 20, 2011

To all Missions/Delegations to the OSCE  
To the Conflict Prevention Centre

VIENNA

T.P.



**“Information Exchange on the Code of Conduct on Politico-Military Aspects of  
Security”  
Submitted in April 2011 by  
ESTONIA**

**SECTION I Inter-State elements**

**1. Account of measures to prevent and combat terrorism**

**1.1. To which agreements and arrangements (universal, regional, sub-regional and bilateral) related to preventing and combating terrorism is your State a party?**

<i>List of international agreements</i>	<i>Opened for signature (Location and date)</i>	<i>In effect in Estonia since</i>	<i>Ratified by the Estonian Parliament Riigikogu</i>	<i>References to pertinent publications</i>
1. Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents	New York, 14.12.1973	20.11.1991	26.09.1991	20.11.1991 RT <sup>1</sup> II 1994/3/9
2. International Convention against the Taking of Hostages	New York, 17.12.1979	07.04.2002	07.11.2001	07.04.2002 RT II 2001/31/156
3. International Convention for the Suppression of Terrorist Bombings	New York, 15.12.1997	10.05.2002	30.01.2002	10.05.2002 RT II 2002/8/25
4. International Convention for the Suppression of the Financing of Terrorism	New York, 09.12.1999	21.06.2002	20.03.2002	21.06.2002 RT II 2002/12/45
5. Convention on Offences and Certain Other Acts Committed on Board Aircraft	Tokyo, 14.09.1963	03.03.1994	20.10.1993	31.03.1994 RT II 1993/30-31/104
6. Convention for the Suppression of Unlawful Seizure of Aircraft	The Hague, 16.12.1970	21.01.1994	20.10.1993	21.01.1994 RT II 1993/30-31/104
7. Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation	Montreal, 23.09.1971	08.06.1994	20.10.1993	21.01.1994 RT II 1993/30-31/104
8. Convention on the Physical Protection of Nuclear Material	Vienna, 28.10.1979	08.06.1994	06.04.1994	08.06.1994 RT II 1994/8-9/26

<sup>1</sup> Riigi Teataja – State Gazette

9. Protocol on the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation	Montreal, 24.02.1988	21.01.1994	20.10.1993	21.01.1994 RT II 1993/30- 31/104
10. Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation	Rome, 10.03.1988	16.05.2002	24.10.2001	16.05.2002 RT II 2001/28/142
11. Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf	Rome, 10.03.1988	27.04.2004	12.11.2003	27.04.2004 RT II 2003, 31, 155
12. Convention on the Marking of Plastic Explosives for the Purpose of Detection	Montreal, 01.03.1991	21.06.1998	22.11.1995	21.06.1998 RT II 1995/41/172

Additionally, Estonia is a party to the following conventions:

- United Nations Convention against Transnational Organized Crime, ratified by the Estonian Parliament on 4 December 2002;
- European Convention on the Suppression of Terrorism and its amending Protocol, ratified by the Estonian Parliament on 6 April 2005;
- Convention based on Article K.3 of the Treaty on European Union, on the Establishment of a European Police Office (Europol Convention) and its additional protocols, ratified by the Estonian Parliament on 26 January 2005;
- Convention between the Kingdom of Belgium, the Federal Republic of Germany, the Kingdom of Spain, the French Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands and the Republic of Austria on the stepping up of cross border cooperation, particularly in combating terrorism, cross border crime and illegal migration, ratified by the Estonian Parliament on 18 June 2008;
- the Council of Europe Convention on the Prevention of Terrorism, opened for signature on 16 May 2005, ratified by the Estonian Parliament on 25 February 2009.

Estonia has also signed and is preparing to ratify the International Convention for the Suppression of Acts of Nuclear Terrorism, opened for signature in New York on 14 September 2005.

Chapter 35 of the Estonian Code of Criminal Procedure stipulates provisions for international cooperation between countries. Estonia has concluded several international

agreements with other countries and has also ratified the criminal conventions of the Council of Europe.

<i>List of multilateral international agreements</i>	<i>Opened for signature in (Location and date)</i>	<i>In effect in Estonia since</i>	<i>Ratified by the Estonian Parliament Riigikogu</i>	<i>References to pertinent publications</i>
European Convention on the Suppression of Terrorism	Strasbourg, 27.01.1977	28.06.1997	29.01.1997	28.06.1997 (RT II 1997/5/20)
Protocol amending the European Convention on the Suppression of Terrorism	Strasbourg, 15.05.2003	Has not yet entered into force internationally	06.04.2005	28.04.2005 (RT II 2005, 13, 35)
Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime	Strasbourg, 27.01.1990	01.09.2000	08.03.2000	01.09.2000 (RT II 2000/7/41)

List of bilateral international agreements:

1. The Extradition Treaty between the United States of America and Estonia;
2. Supplementary Treaty to the Extradition Treaty between the United States of America and Estonia;
3. Agreement between the Government of the Republic of Finland and the Government of the Republic of Estonia on Co-operation on Combating Crime;
4. Agreement between the Government of the Republic of Hungary and the Government of the Republic of Estonia on Cooperation in Combating Terrorism, Illicit Drug Trafficking and Organized Crime;
5. Agreement between the Republic of Estonia and the Kingdom of Spain on Extradition;
6. Agreement between the Government of the Republic of Estonia and the Government of the Republic of Moldova on Co-operation in Combating Crime;
7. Agreement between the Government of the Republic of Estonia and the Government of the Republic of Turkey on Fighting Against International Illicit Trafficking of Narcotic Drugs and Psychotropic Substances, International Terrorism and Organized Crime;
8. Agreement between the Government of the Republic of Estonia and the Government of the Kingdom of Thailand on the Transfer of Offenders and on Co-operation in the Enforcement of Penal Sentences;
9. Agreement between the Republic of Estonia and the European Union on the Participation of the Republic of Estonia in the European Union Police Mission in Bosnia and Herzegovina;
10. Memorandum of Understanding between the Government of the Republic of Estonia and the Government of the United Kingdom of Great Britain and Northern Ireland on Co-operation in Combating Illicit Drug Trafficking, Organized Crime, Illegal Immigration, International Terrorism and Other Serious Crime;
11. Agreement between the Republic of Latvia, Republic of Lithuania and Republic of Estonia on Rendering Legal Aid and on Legal Relations;
12. Agreement between the Republic of Estonia and the Russian Federation on Rendering Legal Aid and on Legal Relations in Civil, Family and Criminal Matters;

13. Agreement between the Republic of Estonia and the Ukraine on Rendering Legal Aid and on Legal Relations in Civil, Family and Criminal Matters;
14. Treaty between the Government of the United States of America and the Government of the Republic of Estonia on Mutual Legal Assistance in Criminal Matters;
15. Agreement between the Republic of Estonia and the Republic of Poland on Rendering Legal Aid and on Legal Relations in Civil, Work and Criminal Matters;
16. The agreement between Estonia and the United States concerning Co-operation for the Prevention of the Proliferation of Weapons of Mass Destruction, and for the Promotion of Defence and Military Relations;
17. Agreement between the Republic of Estonia and the Russian Federation for Developing Co-operation between the Police Departments Operating within the Border Zone;
18. Agreement between the Government of the Republic of Estonia and the Government of the Federal Republic of Germany on Co-operation for Combating Organized Crime, Terrorism and Other Relevant Crimes;
19. Agreement between the Government of the Republic of Estonia and the Government of the Republic of Slovenia concerning the Cooperation in the Fight Against Organized Crime, Illicit Drug Trafficking and Terrorism;
20. Agreement between the Government of the Republic of Estonia and the Government of Israel on Fighting Against Illicit Trafficking of Narcotic Drugs and Psychotropic Substances, Terrorism and Organized Crime.
21. Agreement between the Government of the Republic of Estonia and the Government of the United States of America on Enhancing Cooperation in Preventing and Combating Serious Crime.

**1.2. What national legislation has been adopted in your State to implement the above-mentioned agreements and arrangements?**

Estonia supports the initiatives of the UN, North Atlantic Treaty Organization (NATO), the Council of Europe and the European Union (EU), and other international organizations with similar aims to prevent and combat terrorism and to freeze the funds and economic resources used by terrorists or provided by their supporters.

Estonia has taken all necessary measures to comply with UN Security Council (UN SC) resolutions 1333, 1373, 1390, 1624 and 1787.

Estonian legislation enables the full implementation of the UN SC resolutions concerning the fight against terrorism.

All relevant Estonian legislation is in full conformity with international law.

The pertinent Estonian legislation

Estonia has taken all the necessary measures for a thorough implementation and has created effective legal framework, the main components of which are:

- ✓ the Penal Code;
- ✓ the Criminal Procedure Act;
- ✓ the Money Laundering and Terrorist Financing Prevention Act;
- ✓ International Sanctions Act.

According to the two Council of Europe conventions mentioned in the list of multilateral international agreements and Section 413 of the Criminal Procedure Act,

the Minister of Justice or a legal authority appointed by the Minister can apply for the arresting of a person's assets in another country.

On 17 August 2006 the Government of the Republic of Estonia approved the Fundamentals of Counter-terrorism in Estonia, which set goals for counter-terrorism to be proceeded from in the prevention, combating and detection of terrorism and resolution of emergencies. The Fundamentals also give an overview of the roles of all of the authorities associated with counter-terrorism in activities against terrorism.

Estonia has aligned itself with the conclusions and plan of action of the extraordinary European Council meeting of 21 September 2001, and with the EU common positions 2001/930/CFSP, 2001/931/CFSP, 2002/340/CFSP and 2002/976/CFSP. These documents specify the methods and resources for combating terrorism and terrorist financing. They also contain lists of the persons, groups, and organizations accused of furthering terrorism or financing terrorism. Estonia has also associated itself with the North Atlantic Council statement of 12 September 2001.

The international Convention for the Suppression of the Financing of Terrorism was ratified by the Estonian Parliament (*Riigikogu*) on 20 March 2002, and entered into force in respect of Estonia on 21 June 2002.

The International Sanctions Act establishes a more precise legal basis for enacting measures necessary for the adoption of international sanctions, thereby making it easier for Estonia to fulfil her international obligations. This Act regulates the internal application of international sanctions where UN Security Council, EU Council, some other international organization or the Government of the Republic at its own initiative has decided to impose such sanctions. A new International Sanctions Act was adopted on 5 October 2010. On 5<sup>th</sup> October 2010 the new International Sanctions Act entered into force.

Legal provisions according to the Penal Code:

As of 15 March 2007 the following amendments have been included in the Penal Code: terrorist crimes and targets of such crimes have been defined in detail. According to Section 237 of Penal Code, in addition to financing and supporting terrorist activities also belonging to a terrorist organisation, founding or leading a terrorist organisation, recruiting other people to a terrorist organisation and preparation of a terrorist crime or call for a perpetration of a terrorist crime are subject to criminal prosecution

Terrorist financing is the allocation or raising of funds to plan or perform acts, which are deemed to be acts of terrorism within the meaning of the Penal Code or to finance the operation of terrorist organizations or in the knowledge that the funds allocated or raised will be used for the aforementioned purposes.

On the basis of a court warrant it is possible, according to Section 83 of the Penal Code, to confiscate objects used to commit an intentional offence and the assets acquired through the offence if these belong to the offender at the time of the court ruling. Therefore, if a person is found guilty of supporting terrorists or participating in a crime, which has been committed to finance terrorism, it is possible to confiscate the guilty person's assets, which were meant for financing terrorism, or assets to the extent of the financing of terrorism. This is reflected in Penal Code Sections 83 and 84 (Confiscation and the substitution of confiscation, respectively).

The Criminal Procedure Act, the Estonian Surveillance Act and the Security Authorities Act provide wide enough powers to organize prosecution activities in the framework of combating terrorism.

### **1.3. What are the roles and missions of military, paramilitary and security forces and the police in preventing and combating terrorism in your State?**

The competent authorities in Estonia (Ministry of Interior Affairs, Ministry of Defence, Intelligence agencies) which deal with combating terrorism either directly or indirectly have close contacts and relations with the relevant institutions of other countries and international organizations in this field. There is a well-functioning co-operation with international organizations (Interpol, Europol) in the framework of multilateral and bilateral agreements and according to the UN SC resolutions, which are binding to Estonia.

The Estonian Security Police Board (which is under the jurisdiction of Ministry of Interior Affairs) is directly responsible for the prevention of terrorism and the hindrance of terrorist acts, conducting also the pre-court investigation of offences connected with terrorism. Security Police acts in close cooperation with the Financial Intelligence Unit and financial institutions in order to detect possible transactions connected with terrorist financing.

The Estonian Security Police Board has intensified its investigation process with the purpose of cutting off the monetary means of terrorists or persons connected to them, utilizing all legal means for the capture of those persons and for bringing them to trial. The Estonian Surveillance Act and the Security Authorities Act provide wide enough powers to organize prosecution activities in the framework of combating terrorism. The Estonian Security Police Board has also activated and increased the use of covert methods, provided by the Security Authorities Act, for preventing international terrorism in Estonia in view of all activities covered by Section 2 of Resolution 1390 – the movement of terrorists and their groups, financial support, as well as the supply of arms and explosives.

In addition to official institutions and enterprises, the Security Police Board acts in co-operation with relevant institutions of other countries for the exchange of operational information on the movement and activities of persons suspected of being connected to terrorist groups.

### **1.4. Provide any additional relevant information on national efforts to prevent and combat terrorism, e.g. those pertaining inter alia to:**

#### **1.4.1. Financing of terrorism**

##### Money Laundering

Estonian anti-money laundering system is in accordance with international standards. Estonia implements all of the UN SC financial sanctions as they are part of the relevant EU policies, which are subject of direct implementation in the EU member states.

On 1 July 1999, the Money Laundering Prevention Act entered into force and the Estonian Financial Intelligence Unit (FIU) was created and it started to fulfil its functions (receiving, analyzing and disseminating suspicious transaction reports). Estonian FIU is a member of Egmont Group. On 1 January 2004 the new redaction of Money Laundering and Terrorist Financing Prevention Act entered into force and the

FIU was given the responsibility to supervise all obliged entities except credit and financial institutions (which are supervised by Financial Supervision Authority). FIU is also responsible for the supervision over implementation of international sanctions over financial and credit institutions. Also, starting from 1 January 2004 Estonian FIU is responsible for receiving, analyzing and disseminating suspicious transaction reports on terrorist financing. Further details can be found at the section describing the tasks and responsibilities of FIU and Financial Supervision Authority.

The new Money Laundering and Terrorist Financing Prevention Act (MLTFPA) entered into force on 28 January 2008. It introduces the principles of the EU 3rd AML/CFT Directive in Estonian legislation. Implementation of the new Act means risk-based accumulation of strategic goals. The most important goal is to encourage the preventative system of AML/CFT. The Development Plan of Governmental Authorities 2008-2011 continues to specify prevention of money laundering and tracing criminal proceeds as a national priority. Supervision over the activities of providers of services of alternative means of payment is a priority in supervision. One of the priorities, for the time being, in connection with the entry into force of the new MLTFPA is training obliged persons. A twinning project which lasted for 1.5 years and ended in February 2009 has been implemented in this context. Cooperation between the police, investigative bodies, competent state authorities and obliged persons as well as international cooperation remains a priority.

On 31 May 1999 (Regulation of the Minister of the Internal Affairs; Act Nr 63), the Inter-Institutional Committee on Combating Money Laundering under the responsibility of the Ministry of Internal Affairs and the Money Laundering Committee /working group of the Estonian Banking Association were established.

In 2006, the responsibility of AML/CFT policy was taken over by the Ministry of Finance. A Government committee (hereinafter the Committee) for coordination of issues concerning prevention of money laundering and terrorist financing was established in spring 2006 (Order No. 285 of the Government of the Republic of 11 May 2006). The Advisory Committee of Market Participants was established at the same time. All agencies engaged in the prevention of money laundering are represented in the Government Committee, including a representative of the Ministry of Economic Affairs and Communications. The Government Committee meets regularly and problems are solved as they come up, incl. those pointed out by the risk analyses conducted by agencies. The national strategy is based on the priorities of the agencies and any problems are resolved operatively in the Committee.

The Money Laundering and Terrorist Financing Prevention Act Section 4 defines “money laundering” as:

- 1) Concealment or maintenance of the confidentiality of the true nature, origin, location, manner of disposal, relocation or right of ownership or other rights of property acquired as a result of a criminal activity or property acquired instead of such property;
- 2) Conversion, transfer, acquisition, possession or use of property acquired as a result of a criminal activity or property acquired instead of such property with the purpose of concealing the illicit origin of the property or assisting a person who participated in the criminal activity so that the person could escape the legal consequences of his or her actions.
- 3) Money laundering also means a situation whereby a criminal activity as a result of which the property used in money laundering was acquired occurred in the territory of another state.



This definition conforms to the EU Directive 2005/60/EU (EU 3rd AML/CFT Directive) and to the 40 Recommendations of the FATF.

The Money Laundering and Terrorist Financing Prevention Act Section 5 defines Terrorist Financing in the following way: terrorist financing means financing acts of terrorism for the purposes of Section 2<sup>373</sup> of the Penal Code.

Money laundering has been criminalized in Section 394 of the Penal Code. The activities of persons obliged to fulfil the provisions of the Money Laundering and Terrorist Financing Prevention Act are prescribed in Sections 395 and 396 of the Penal Code. According to these provisions, any assets acquired through criminal activity are subject to confiscation, and the persons involved in these criminal activities are subject to criminal prosecution (punishable with a fine or with imprisonment of up to ten years). The acquisition, possession, use, conversion or transfer of, or the performance of transactions or operations with, property acquired as a result of a criminal offence or in return for participation in such an offence, the purpose or consequence of which is the concealment of the actual owner or the illicit origin of the property is punishable with a fine, or up to five years of imprisonment.

The MLTFPA Section 3 provides a comprehensive list for the persons and institutions, which have to apply money laundering and terrorist financing prevention measures:

- 1) credit institutions;
- 2) financial institutions;
- 3) organisers of games of chance;
- 4) persons who carry out or act as intermediaries in transactions with real estate;
- 5) traders for the purposes of the Trading Act, if a cash payment of no less than 200,000 Estonian kroons (EEK) or an equal amount in another currency is made to the trader, regardless of whether the financial obligation is performed in the transaction in a lump sum or in several related payments, unless otherwise provided by law;
- 6) pawnbrokers;
- 7) auditors and providers of accounting services;
- 8) providers of accounting or tax advice services;
- 9) providers of trust and company services.

This Act applies to notaries public, attorneys, bailiffs, trustees in bankruptcy, interim trustees in bankruptcy and providers of other legal services if they act in the name and on account of a customer in financial or real property transactions. This Act also applies to the specified persons if they guide planning a transaction or perform an official act, which concerns:

- 1) the purchase or sale of stocks or shares of immovables, enterprises or companies;
- 2) the management of the customer's money, securities or other property;
- 3) the opening or managing of bank or security accounts;
- 4) the acquisition of funds necessary for the foundation, operation or management of companies;
- 5) the foundation, operation or management of trusts, companies or other similar entities.

In the event of suspicion of money laundering or terrorist financing, the Financial Intelligence Unit may issue a precept to suspend a transaction or to impose restrictions on the disposal of an account or other property constituting the object of the transaction for up to 30 days as of the delivery of the precept. On the basis of a precept of the

Financial Intelligence Unit may additionally restrict the use of property for up to 60 days for the purpose of ensuring its preservation if:

1) during verification of the source of the property in the event that there is a suspicion of money laundering, the owner or possessor of the property fails to submit evidence certifying the legality of the source of the property to the Financial Intelligence Unit within thirty days as of the suspension of the transaction or as of the imposition of restrictions on the use of the account;

2) there is suspicion that the property is used for terrorist financing.

Property may be seized for longer periods only if criminal proceedings have been commenced in the matter. In this case, property shall be seized pursuant to the procedure provided by the Acts regulating criminal procedure.

On 5<sup>th</sup> October 2010 the new International Sanctions Act entered into force. The purpose of this Act is, in accordance with the Charter of the United Nations, *to maintain or restore peace, prevent conflicts and strengthen international security, support and strengthen democracy, follow the principles of state based on the rule of law, human rights and international law, and to achieve other targets of the common foreign and security policy of the European Union*. Generally the supervision of the application of international financial sanctions is performed by the Financial Intelligence Unit. The FIU publishes on its website information about subjects of international financial sanctions; it is also possible to check from there via a search system whether a person is a subject of international financial sanctions or not.

In case if a person having specific obligation or his or her authorised person has doubts whether the person being in business relations with or making a transaction or action with him or her, also the person who is planning to establish a business relationship or to make a transaction or an action, is a subject of international financial sanctions, then he or she must ask from such person additional information in order to ascertain the issue. If the person refuses to provide additional information or provides information which makes it impossible to ascertain whether such person is a subject of international financial sanctions, then the person having a specific obligation or his or her authorised person must refuse to make the transaction or action, take measures stipulated in a legal norm establishing or applying the international financial sanction and notify the FIU immediately about his or her doubt and the measures taken. A natural and a legal person, who is, in good faith, performing their notification obligation which is deriving from law, are not violating the confidentiality clause prescribed by law or contract and the liability prescribed by legal norm or contract shall not be applied for disclosure of information to the FIU.

In case of doubt that a subject of international financial sanction has used or disposed of funds or economic resources, the FIU is also entitled to suspend the transaction by its precept and to establish a restriction of transfer of the assets being the object of the transaction for a term up to 30 days from the delivery of the precept.

If the FIU confirms, that the person is a subject of international financial sanction, then the FIU will notify the subject of the international financial sanction in writing within two working days about the

1. exact extension and substance;
2. legal bases;

3. commencement date;
4. challenge regulation;
5. basis and regulation for exceptions.

In case a subject of international sanction applies for exceptions in applying the sanction or challenges his or her status as a subject of international sanction, then the FIU will resolve such issue by its administrative act, which can be contested according to the rules stipulated in the Administrative Procedure Act. In case a sanction requires making a transaction on certain terms a permit of competent authority, then in Estonia such competent authority is the Financial Intelligence Unit.

Under the Financial Supervision Authority Act the FSA exercises supervision over credit and financial institutions, including payment institutions, regarding compliance of internal procedures with relevant legal acts (requirements for relevant internal procedures in place are enacted in Credit Institutions Act, Insurance Activities Act, Investment Funds Act, Securities Market Act, Payment Institutions and Electronic Money Institutions Act and Money Laundering and Terrorist Financing Prevention Act).

In order to assist the obliged persons to fulfil the obligations arising from MLTFPA the FSA and FIU have issued several guidelines in the field of AML/CFT. The guidelines are available on the web pages of the relevant authorities.

FSA also notifies credit and financial institutions of public statements issued by FATF and MONEYVAL that draw attention to countries or territories where the AML/CFT requirements do not meet international standards. Accordingly, FSA recommends paying higher attention to business relationships originating from such countries.

In order to strengthen the efficiency of law enforcement authorities, on 1 January 2010 Police Board, Citizenship and Migration Board and Border Guard Administration were merged and a new authority – Estonian Police and Border Guard Board – was created.

On 22 January 2010 the Payment Institutions and Electronic Money Institutions Act entered into force, which regulates provision of payment services and electronic money services, activities and liabilities of payment institutions and electronic money institutions, and supervision of such institutions. Due to that the persons providing payment services are no longer obligated to register themselves in the register of economic activities, but they must apply for a permit of Financial Supervision Authority to operate as payment institution or electronic money institution. When receiving such permit the Financial Supervision Authority shall be their supervision authority. The payment institutions, which are already operating in the market upon entry of the Act into force, may continue to provide services until receiving the activity licence, but not longer than until 30 April 2011, provided that they will comply with all the former requirements of the Money Laundering and Terrorist Financing Prevention Act and the requirements of the Payment Institutions and Electronic Money Institutions Act for provision of services. Until receiving the activity licence they are continuously the subjects of the FIU supervision. New persons entering the market may start to provide services only after receiving the activity licence.

According to the activities plan of the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), Estonia

has invited to provide second 3rd round written progress report on the 37th plenary meeting of the MONEYVAL in December 2011. The report has to provide the general overview of the current situation and the developments since the last evaluation relevant in the AML/CFT field. Also the report has to indicate improvements which have been made in respect of the FATF Key Recommendations (Recommendations 1, 5, 10, 13; Special Recommendations II and IV) and the Recommended Action Plan. Relevant statistics should be included as well. Both the mutual evaluation report and first progress report are published on the webpage of MONEYVAL (<http://www.coe.int/t/dghl/monitoring/moneyval/>).

In order to meet the recommendations made in the evaluation report several legislative amendments were proposed. Amendments of the Customs Act which came into force on 1st May 2010 strengthened the customs ability to stop the transactions as follows: “In order to carry out customs control or ascertain relevant circumstances and facts customs has the right to retain cash for 48 hours in the cases where person has infringed the obligation to declare cash as set down in Regulation 1889/2005 article 3 or there is a suspicion of money laundering or terrorist financing”.

#### **1.4.2. Border controls**

At the European level the Estonian Police and Border Guard Board mainly cooperates with the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX) on exchange of information about cross-border movement of persons who represent specific categories, which forms the basis for a risk analysis prepared by FRONTEX. Risk analysis is one of the elements in planning operative-tactical activities for checking persons crossing the borders. Participation in operational, training and other activities coordinated by FRONTEX facilitates more efficient information exchange between the Member States of the European Union in fight against cross-border criminality.

As a regular procedure the Estonian Police and Border Guard Board has a monthly information exchange in the framework of the Border Control Co-operation of the Baltic Sea States. The information exchanged pertains to events and occurrences that have taken place on the borders of the cooperating countries. Estonia together with Latvia, Lithuania, Poland, Germany, Denmark, Norway, Sweden, Finland and the Russian Federation participates in the above-mentioned format. Since November 2001, an information exchange has been in operation that deals with the detention of terrorists and persons connected with terrorist organizations on the borders of the Baltic Sea states. As per agreement, the co-operation partners will be immediately informed about any and all extraordinary occurrences that may be of interest to the countries participating in this format.

Cooperation between the Baltic States and activities in the framework of the Border Guarding sub-committee of Baltic Council of Ministers facilitates exchange of information between the three neighbouring countries. E.g. under the aegis of the aforementioned form of cooperation joint operations and different meetings of experts for the discussion of border management issues and best practices are carried out, and in the fight against cross-border criminality, in co-operation with Latvian and Lithuanian Border Guard Services secondment of immigration liaison officers (ILO) of Baltic States to Georgia and Belarus has been prepared.

In the framework of agreement between the Estonian Police and Border Guard Board and Security Police Board information has been exchanged between the agencies. On a

regular basis the Security Police Board supplies the Police and Border Guard Board with lists of persons suspected of terrorism or supporting terrorism in order to check, and if need be hinder the border crossing of any such persons. Pursuant to legal acts shipping companies, offering passenger transport services are obliged to transmit electronic lists of passengers to the Police and Border Guard Board officials. Analysis of passenger information enables to fight against criminality and terrorism. Similarly, the Police and Border Guard Board receives electronic lists of passengers on board of aircrafts arriving to Estonia directly from outside of the European Union.

Border crossing points are equipped with AFIS (Automated Fingerprint Information System) devices that enable identification of persons on the basis of their fingerprints. Additionally, the border crossing points are equipped with devices enabling checking of biometric data from e-passports.

In order to hinder the use of forged, lost or stolen documents, and to prevent the border crossing of persons wanted or persons, whose entry into the country has been restricted, the border crosser's information is checked against a database on their arrival to and departure from the country.

For the discovery of forged travel documents and the prevention of their use, all border points have been equipped with document control devices, and the major border points are outfitted with the VSC-2000 and DIXI-05 systems for document analysis.

The Commission of the control of the import, export and transit of strategic goods monitors and implements through the Estonian legislative system the sanctions, boycotts and embargoes established by the UN, OSCE and the EU.

The Estonian Tax and Customs Board (hereinafter ETCB) in regular co-operation with the Estonian Security Police Board has taken actions for more efficient implementation of the measures concerning the fulfilment of Resolution 1390 of the UN SC. Regular information exchange and co-operation has been started between the Customs and Security Police Board within the framework of the special agreement. Customs and Security Police Board are also changing control equipment regularly within the framework of this agreement.

To co-operate in conditions of and to fully implement the Schengen Agreement, ETCB and Police Board have concluded a co-operation protocol (addendum to general co-operation agreement). The co-operation protocol stipulates the conditions for the mutual use of relevant technical equipment, joint operations and training.

The Tax and Customs Board has established exchange of information also with the Estonian Police and Border Guard Board and has access to the databases of telecommunication companies. Risk analysis is carried out both on the central and regional levels. Specific software tools (SAS) have been introduced. The automated selectivity software SELECT for declaration processing system COMPLEX, NCTS, ICS, ECS, etc is used for the purposes of operational and tactical risk analysis in the customs declaration process. In the passenger traffic the Tax and Customs Board uses passengers risk analysis tool Suspect2, which has been also integrated with Interpol wanted persons list. Also the risk profiles system RIHO has been implemented for disspreading information about risks and all significant control-information. In autumn 2007 a system for intelligence purposes called ANTS was implemented (automated system for recognizing number plates) in Estonian Eastern borders (road cross-border

points of Narva, Luhamaa and Koidula). In 2009, Tax and Customs Board signed a contract to add five new recognition points to ANTS. In 2010 the first ANTS system was installed on the Latvian-Estonian border at Ikla Customs Point. New recognition points will be located in southeast and southwest region of Estonia. Also, Estonia has on its Eastern border a system called PIRE where all vehicles movement is registered from Estonia to Russia and vice versa. All the intelligence officials are connected to the e-mail based common communication network that ensures quick distribution of essential information.

In 2010, The Tax and Customs Board established the following risk analysis:

- Bioweapon Risk Analysis and Biotechnology Area Companies Mapping in Estonia (AG).
- Radioactive Substances Import and Export Risk Analysis.
- Ammonium Nitrate Risk Analysis.

Close co-operation with the Commission of strategic goods and the establishment of a strategic goods control contact person network in Tax and Customs Board has had good outcomes. Through several training events and seminars Customs personnel at border points has achieved significant expertise in the detection of strategic goods or parts of them.

In co-operation with the US Department of Energy, Estonian Public Service Academy and ETCB, a training of the trainers for the courses of strategic goods was carried through in 2008. As a result of this training, officials of the ETCB trained in 2009, on the grounds of the program of US Department of Energy, officials of border guard and students of Estonian Public Service Academy on the topics of chemical, biological and nuclear weapons and rocket technology.

In 2010 the training on the fight against weapons of mass destruction and terrorism was carried out under the DTRA (Defence Threat Reduction Agency) programme (partners of this programme are FBI, US Department of Homeland Security and US Department of Defence) in collaboration with Estonian Academy of Security Sciences for customs officers responsible for strategic goods. On the basis of this training a module is being worked out in 2011 for all border customs officers of the Estonian customs.

In 2010, the contact persons of ETCB dealing with strategic goods in co-operation with the Estonian Security Police Board and the Commission of strategic goods visited eleven companies in different regions of Estonia engaged in business with the strategic goods. The objective of these visits was to strengthen the co-operation with private sector, explain legal acts concerning the strategic goods and enhance compliance.

ETCB has introduced the PIT (Product Identification Tool) system, which contains informational material about strategic and dual use goods. The PIT system is reachable in every customs/border point in Estonia.

A comprehensive program to supply Estonian Customs with technical aid from the US has continued. For example, at this time almost all border points have been equipped with radiation detection technology (e.g. stationary radiation detectors and personal radiation pagers for field officers). During 2006 and 2007, radiation detection systems were renewed in border crossing points between Estonia and the Russian Federation.

In 2009, additional radiation portal monitors were installed at Luhamaa border crossing point and that process continued during 2010 at Koidula and Narva border crossing points. In 2011 these monitors will be installed at Muuga Port and Sillamäe Port.

In 2010 a handbook of joint actions of Security Police, Rescue Service and Police and Border Guard in detection of radioactive smuggling was worked out under the leadership of ETCB with the aim of regulating information exchange and preventing radioactive smuggling on border and inland.

The training events on fighting against terrorism (mainly delivered by US authorities – FBI, Department of Defence, Customs Service, etc) take place on a regular basis and cover topics such as detection of strategic goods and specific intelligence analysis. The purpose is to increase information exchange between the Estonian Customs and other relevant agencies.

Estonian Tax and Customs Board has also concluded a Memoranda of Understanding (MOU) with DHL International Eesti AS, AirCargo Estonia AS, TNT Express Worldwide Eesti AS, Schenker AS, Eesti Raudtee AS (Estonian Railway Company) and AS Eesti Post (postal service). A co-operation agreement concluded between the Customs Board and telephone companies provides access for Customs to their electronic databases. Customs already has access to the Estonian Air (the Estonian national airline) passengers' database.

#### **1.4.3. Travel document security**

The Estonian Police and Border Guard Board has implemented various features to maintain a high level of security for travel documents. For this purpose all travel document types, including ID-cards, share the same high level of security and personalisation of travel documents is centralized (documents are personalised only in one location). By the end of 2011, first generation travel documents will no longer be in use.

Travel documents of the Republic of Estonia meet the requirements of ICAO and the European Union incl. introduction of fingerprint biometrics as of June 29, 2009. Mandatory uniformed verification procedures are required for document application and issuance. Fingerprint verification against images on document chip was introduced in December 2009.

The additional measures to support the security of travel documents include also the following:

- validity of travel documents can be verified on the webpage of Police and Border Guard Board;
- information on lost and stolen documents and blanks is forwarded to Interpol and made available on the Internet;
- Police and Border Guard Board provides the notary, credit institutions and other authorities entitled by law with the document holders' data (facial image, signature, personal code) for the purpose of the reliable identification of persons.

Estonia notes that in order to efficiently tackle the problem of terrorists' travel by administrative means, the question of security of travel documents has to be viewed in conjunction with the effective use of technological capabilities of the 21<sup>st</sup> century.

With that in mind, more attention should be paid to the ability of using technological means and databases for both law enforcement and border control purposes. Thus common standards on legal instruments, for instance regarding passenger name records (PNR) have to be drawn up in the nearest possible future.

#### **1.4.4. Container and supply chain security**

The Estonian Tax and Customs Board does not have x-ray machines in the ports nor are there carried out any trans-illuminations. However, a risk evaluation and direction of goods and vehicles to be controlled on the basis of existing data is carried out. There is access to the data-processing system of the container terminal of the port and it is being used for risk analysis purposes and for sending interesting and/or suspicious containers to customs check.

#### **1.4.5. Security of radioactive sources**

The field of security of radioactive sources is regulated by Radiation Act which is in accordance with EU Council directive 2003/122/Euratom and other International conventions and standards.

#### **1.4.6. Use of the Internet and other information networks for terrorist purposes**

The vulnerability of cyberspace is a serious security risk which affects all nations and which must be confronted on a global level. It is necessary that the comprehensive use of information technology solutions is supported by a high level of security for information systems and general cyber security.

The aim of cyber security policies of countries and international organisations should be to reduce the vulnerability of cyberspace globally. This is accomplished through the implementation of domestic action plans, but also through active international cooperation, which supports the enhancement of cyber security on a global level.

Since the volume of professional cyber attacks is increasing and the likelihood of a large-scale cyber attack against critical infrastructures is growing it is vital that all nations pay attention to their legal mechanisms and operational capabilities on fighting cybercrime and -terrorism, as well as ensuring cyber security within their jurisdictions, which includes cooperation with other countries on extradition of cybercriminals. For that purpose it will be useful to develop national strategies or action plans which will include all different aspects of cyber security, e.g. national security and defence, internal security and law enforcement, regulations on information and telecommunications sector, international cooperation and awareness.

Cornerstones of cyber security of nations:

- 1.** A system of security measures and implementing its widespread application is based on the acknowledgement that all members of society rely on information technology solutions. The owner of every information system must understand the risks that accompany the interruption or disturbance of the services he or she offers.
- 2.** Raising the level of expertise in the area of cyber security. In order to achieve the necessary level of expertise in cyber security, these goals have been set forth for training and research: standard requirements for the level of IT security expertise possessed by IT specialists must be regulated, and an appropriate training and certification system must be created. It is crucial to ensure that there is preparedness for



crisis situations in cyberspace.

3. Developing international co-operation. In order to support the development of international co-operation in the field of cyber security it is important to achieve a global moral condemnation of cyber attacks that disrupt people's lives and the functioning of society. At the same time, it is important that the fight against cyber threats is not seen as an attempt to restrict human rights or democratic freedoms. It is vital to encourage widespread accession to international conventions dealing with cybercrime and cyber attacks, and making the contents of the conventions known to the international public.

4. Media and raising awareness. To create awareness of cyber security issues both domestically and internationally, and to support co-operation networks with the help of the media.

Estonian Government approved the national Cyber Security Strategy on 8 May 2008. The Cyber Security Strategy offers a common vision for all actors in society, how to reduce the vulnerability of cyber space and emphasizes the importance to protect critical Internet infrastructure. The Strategy has also set a vision that information technology solutions should be supported by a high level of security standards for information systems and general cyber security culture. Also, the Estonian government has approved an emergency law, which identifies vital Internet services in detail, going beyond critical areas and describing in detail the specific services which are essential to maintain a functioning state in an emergency situation.

Estonia signed the Council of Europe Convention on Cyber Crime on 23 November 2001. The convention was ratified on 12 February 2003 and entered into force on 1 July 2004. Estonia also signed the Additional Protocol to this convention on 20 January 2003. From 2008-2010 Estonia has donated 60 000 Euro to the Council of Europe's Global Project on Cybercrime.

Consequently there are relevant provisions also in the Penal Code that penalize cyber offenses: Section 206 makes it punishable to interfere with the computer data. This includes illegal alteration, deletion, damaging or blocking of data or programmes within computer systems, or illegal uploading of data or programmes into computer systems. This offence is punishable with either a pecuniary punishment or up to 3 year imprisonment.

Illegal interference with or hindering of the operation of a computer system by way of uploading, transmitting, deleting, damaging, altering or blocking of data is punishable by a pecuniary punishment or up to three years of imprisonment (Section 207). Dissemination of spyware, malware or computer viruses is punishable by a pecuniary punishment or up to 3 years' imprisonment (Section 208). When aggravating circumstance exist then the punishment for the abovementioned offences is up to 5-year imprisonment.

Estonia held the Chairmanship of the OSCE Forum for Security Cooperation (FSC) in the second session of 2008 (from the end of March until the beginning of September) and cyber security had a prominent place in the programme. The aim was to promote discussion which would lead not only to further understanding of cyber security but would also produce new ideas and initiatives that OSCE as a collective body could further pursue.

Cyber security was the main topic at the 32nd joint meeting of the Forum for Security Cooperation and Permanent Council held on 4 June 2008; according to FSC decision FSC.DD/10/08 of 29 October 2008 an OSCE workshop was held in Vienna on 17-18 March 2009 to discuss the comprehensive OSCE approach to enhancing cyber security. The workshop reported about its recommendations and suggestions expressed during the event (FSC.DEL/92/09)

Estonia was co-sponsoring the questionnaire "OSCE Cyber Security Self Survey and Assessment", introduced by the United States delegation at the OSCE in 2010.

On 6 July 2009, the UN Secretary-General invited Estonia and other UN Member States to nominate an expert to the Group of Governmental Experts (GGE) on developments in the field of Information and Telecommunications in the context of International Security. Estonian expert was accepted and started his assignment as a GGE member (15 Member States participated at the GGE) in 2009 in order to study and tackle existing and potential threats in the sphere of cyber security. GGE concluded its work in 2010.

Estonia co-sponsored the resolution "Creation of a global culture of cyber security and taking stock of national efforts to protect critical information infrastructures" (A/RES/64/211), which was adopted by UNGA second committee in December 2010.

In October 2008, the Cooperative Cyber Defence Centre of Excellence (CCD CoE), located in Tallinn, Estonia was granted full NATO accreditation by the North-Atlantic Council and it obtained the status of International Military Organization. There are currently 8 Sponsoring Nations to the CCD CoE (Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Slovak Republic, and Spain). The Centre's mission is to enhance the capability, cooperation and information sharing among NATO, NATO nations and Partners in cyber defence by virtue of education, research and development, lessons learned and consultation. The key areas of focus for CCD CoE include the following aspects: legal and policy, concepts and strategy, tactical environment and critical information infrastructure protection.

#### **1.4.7. Legal co-operation including extradition**

Estonia has not received or submitted any requests for extradition or European arrest warrants (EAW) with respect to terrorism charges. The surrender of people in order to conduct criminal proceedings or to execute a court judgement which has entered into force takes place within the EU on the basis of the Council Framework Decision of 13 June 2002 on the European arrest warrant and the surrender procedures between the Member States (2002/584/JHA). The procedure for extradition with third countries takes place on the basis of the European Convention on Extradition and the First and Second Additional Protocol to the European Convention on Extradition. Upon conducting proceedings concerning the EAWs or requests for extradition submitted to Estonia with respect to terrorism charges there are no differences in comparison with the proceedings conducted with respect to the EAWs or requests for extradition submitted in other criminal offences.

The surrender of a person arrested in Estonia on the basis of EAW shall be decided by the court of first instance. The Government of the Republic shall decide on the extradition of an Estonian citizen; the Minister of Justice shall decide on the extradition

of an alien.

## **2. Stationing of armed forces on foreign territory**

### **2.1. Provide information on stationing of your State's armed forces on the territory of other participating States in accordance with freely negotiated agreements as well as in accordance with international law.**

International Military Co-operation Act establishes bases for simple and flexible decision-making procedures for implementing Estonian international military obligations (taking into account NATO membership). The Act also provides rules for visiting forces on the territory of the Republic of Estonia.

When stationing or receiving forces, the following principles are applied in respect of the legal status of the forces:

Unless otherwise agreed, the NATO/PfP SOFA is applied when co-operating with other countries that have signed this agreement (Agreement between the Parties to the North Atlantic Treaty and the Other States Participating in the Partnership for Peace regarding the status of their forces). In respect of the Baltic military co-operation projects, NATO SOFA governs the relationships

- between the Baltic states in respect of the status of the forces when stationed in the territory of either of the Baltic states, supplemented by trilateral agreements on the status of joint units and implementary measures to be taken in support of the projects.
- When co-operating with states that are not signatories to the NATO/PfP SOFA, separate arrangements are concluded prior to the stationing or receiving the forces, with due respect to international law.
- If forces are stationed abroad as a contribution to a peace support operation mandated by the United Nations or by regional organization in accordance with the United Nations Charter, the status of the forces will be determined by the Status of Forces Agreement negotiated by Estonia, the responsible organization or the leading nation and the receiving state.

As of March 2011 Estonia participates in International Peace Support Operations with a total of 231 troops (NBG stand-by units 50 troops included).

Involvement in NATO's International Security Assistance Force (ISAF) in Afghanistan is a high priority. Estonian contribution to ISAF in 2011 is approximately 165 troops. Estonian contribution includes Estonian Infantry Company, a mortar section and a logistics element which serve in Helmand province together with the UK, the USA and Afghan troops. A Close Protection Team (CPT) is serving in Kabul. In April 2011 Estonian Ministry of Defence (MoD) sent its civilian representative as an advisor to Afghanistan MoD with the CSTC-A (Combined Security Transition Command – Afghanistan). Previously Estonian MoD civilian advisers have served also in CSTC-A in 2007-2009. The current parliamentary mandate, which will expire on 31 December 2011, allows Estonia to deploy up to 170 troops to Afghanistan.

Estonian participation in Kosovo Force (KFOR) is currently one staff officer in KFOR HQ. Until mid-February 2010 Estonia's participation was an additional staff officer in MNBG (N) HQ and a reconnaissance platoon ESTRIF (28) within the Danish Battalion in Northern Kosovo.

Estonia's contribution to the European Union Force Operation Althea (EUFOR-ALTHEA) is 1 staff officer serving in EUFOR HQ in Sarajevo.

Estonia also contributes to the United Nations Truce Supervision Organization (UNTSO) mission in the Middle East with one military observer, from April 2011 Estonia will contribute temporarily one additional officer to Chief Observer Group Golan Damascus position.

Estonia is continuing participation in NATO Training Mission in Iraq (NTM-I) with two staff officers.

Estonia's contribution to the European Union operation ATALANTA is a vessel protection detachment of 10 troops.

Estonia has 50 troops in high readiness as part of the European Union Nordic Battlegroup (NBG). NBG stand-by readiness period is from 1 January to 30 June 2011.

### **3. Implementation of other international commitments related to the Code of Conduct**

#### **3.1. Provide information on how your State ensures that commitments in the field of arms control, disarmament and confidence- and security-building as an element of indivisible security are implemented in good faith.**

Arms control, disarmament and non-proliferation are integral elements of Estonian security policy. Estonia attaches importance to a lower level of armaments, combined with transparency and verification mechanisms and stringent measures to prevent proliferation.

Estonia is a party and adheres to all major international treaties prohibiting weapons of mass destruction. Estonia shares the concerns and expectations of the international community regarding disarmament and non-proliferation. Gaining control over illicit trafficking of small arms and light weapons is considered of high importance. Estonia has established a well-functioning export control system - the current export control legislation and procedures are compatible with EU regulations, the EU Code of Conduct on Arms Exports and with international export control and non-proliferation regimes.

According to the principles of the non-proliferation agreements and conventions that Estonia has ratified (BTWC, CWC, NPT, CCWC, Ottawa Convention, CTBT), the Government of Estonia has legal measures for effective implementation of the export control system based on the guidelines of the Australia Group, Nuclear Suppliers Group, Missile Technology Control Regime and the Wassenaar Arrangement, aiming to prevent the supplying, selling and transferring of arms, related materials, equipment, paramilitary equipment, spare parts and technical advice, assistance or training.

#### **3.2. Provide information on how your State pursues arms control, disarmament and confidence- and security-building measures with a view to enhancing security and stability in the OSCE area.**

In the overall context of creating security and stability, OSCE arms control and confidence and security building measures (CSBMs) are significant and effective security policy instruments for a small country like Estonia.

In 2010, Estonia conducted a Vienna Document 1999 evaluation visit to Georgia (including one guest inspector from Poland and one guest inspector from Lithuania). A planned Vienna Document inspection to Kyrgyzstan was cancelled.

Estonian guest inspectors participated in Spain's inspection to Turkmenistan, the United Kingdom's inspection to the Russian Federation, and Poland's inspection to the Ukraine. Estonia hosted one Vienna Document inspection and one evaluation visit, both conducted by the Russian Federation. Estonia hosted a visit to military facility in 2010 in the Kuperjanov battalion.

From the year 2006 onwards and also in 2004, the Vienna Document regional measure between Estonia and the Russian Federation was not prolonged by the latter.

In 2010, Estonia received one Open Skies observation flight (conducted by the Russian Federation).

While not being a member state, Estonia has actively participated in the CFE consultations since 2010.

## **SECTION II: Intra-State elements**

### **1. National planning and decision-making process**

#### **1.1. What is the national planning and decision-making process in determining/approving military posture and defence expenditures in your State?**

The principles of defence management are defined in the Estonian Constitution, the Peacetime National Defence Act, the Wartime National Defence Act, the International Military Co-operation Act, the Defence Forces Act, and other relevant legal acts.

The Peacetime National Defence Act defines the responsibilities of main institutions on the highest constitutional level responsible for national defence, tasks of the Estonian Defence Forces, rules related to preparedness for national defence and general principles of defence planning.

The International Military Co-operation Act, adopted in 2003, establishes procedures for deploying forces beyond Estonia's borders and substantiates the status of visiting forces. Parliamentary approval is required for the deployment of Estonian forces for operations other than operations of collective security. There are no legal impediments to the entry of visiting forces into Estonian territory, provided that the appropriate authority has given approval for entry.

The Defence Forces Act, which entered into force at the beginning of 2009, defines the legal status, functions and structure of the Defence Forces, the bases for the management of the Defence Forces and the bases for using force by the Defence Forces.

The *Riigikogu* (Parliament) establishes the legal basis for national defence (by adopting laws and ratifying international agreements), and approves the Security Concept. Acting on proposals made by the President of the Republic, *Riigikogu* declares state of war or state of emergency, declares mobilization and decides the use of the Estonian Defence Forces (EDF) in fulfilment of the international obligations of the state. Prime Minister and Chief of Defence (CHOD) are also appointed and recalled by *Riigikogu*, acting upon proposal from President.

The President of the Republic is the Supreme Commander of National Defence. In case of aggression against the state, the President of the Republic will declare a state of war and order mobilization, as well as appoint the Commander-in-Chief of the EDF (CINC), without waiting for the resolution to be adopted by *Riigikogu*. President also appoints and recalls the Higher Command of the EDF (Chief of the Headquarters of the Estonian Defence Forces, Commanders of the three services, and Commander of the Defence League) on proposals by Government and CHOD, and promotes officers.

The National Defence Council functions as an advisory body to the President of the Republic in matters of national defence. The National Defence Council consists of Chairman of the *Riigikogu*, Prime Minister, Minister of Defence, Minister of Internal Affairs, Minister of Foreign Affairs, Minister of Finance, Minister of Justice, Chairman of the National Defence Committee, Chairman of the Foreign Relations Committee of the *Riigikogu* and CHOD.

The Government has the executive power for overall co-ordination of defence management. Government tasks ministries and other agencies with defence responsibilities, it also co-ordinates the fulfilment of defence responsibilities by local authorities and the Bank of Estonia. Government initiates work on legislation related to national defence; approves national defence plans, advised by CHOD; presents proposals on the appointment of the Higher Command of the EDF to President; approves the structure of the EDF.

The Security Committee is a government committee responsible for assessment of security situation in the country. The Committee also discusses other national defence matters and is chaired by Prime Minister. Members of the Committee are Minister of Defence (Deputy Chair of the Committee), Minister of Foreign Affairs, Minister of Internal Affairs, Minister of Finance and Minister of Justice.

The Ministry of Defence (MoD) is responsible for implementation of defence policy; by the elaboration of several strategic documents it also makes proposals for the formulation of defence policy principles. The Minister of Defence leads the MoD. The Defence Forces and the Defence League are within the area of government of the MoD. The Minister tasks CHOD and exercises supervisory control over the Defence Forces and the Defence League. The Minister also presents accounts to *Riigikogu* and to Prime Minister.

Estonian Parliament has adopted a amendment law to the Estonian Constitution. The amendment has not yet come into force but it will within the coming months. The purpose of the amendment is to strengthen civilian and democratic control over defence forces by clearly positioning the defence forces within the executive branch of the state. It also clarifies the status of the Government, President and the Minister of Defence in relation to Chief of Defence. Pursuant to the amendment Chief of Defence is no longer appointed by the Parliament but by the Government. The proposal is made by the Minister of Defence and not by the President.

The CHOD (the CINC in wartime) in peacetime commands the Defence Forces and the Defence League. CHOD is the senior military adviser to Government and Minister of Defence. Force planning and management of the EDF are the responsibilities of CHOD. CHOD, together with Minister of Defence, presents annual reports on the accomplishments of peacetime defence missions to the Government of the Republic. CHOD also presents accounts of the state and activities of the EDF to Government and

Minister of Defence. The Headquarters of the Estonian Defence Forces is the working body for the CHOD.

Defence budget forms a part of state budget, which is annually approved by *the Riigikogu* and promulgated by the President.

The Ministry of Defence establishes the guidelines for defence budget. The Headquarters of the Estonian Defence Forces is responsible for budgeting for the expenditures of defence forces and responsible for their financial steering.

**1.2. How does your State ensure that its military capabilities take into account the legitimate security concerns of other States as well as the need to contribute to international security and stability?**

Working balance of both can be obtained through adherence to international law and to Estonia's international obligations. By being a party to different arms control treaties Estonia accepts restraints on its military capabilities and adheres to the transparency measures of these treaties to dispel the security concerns other States might have. Estonia contributes actively to peace support operations in the framework of the UN and NATO thus contributing to international security and stability.

**2. Existing structures and processes**

**2.1. What are the constitutionally established procedures for ensuring democratic political control of military, paramilitary and internal security forces, intelligence services and the police?**

The Estonian Defence Forces (EDF) are subordinated to civil and democratic control. Estonia has established civil-military relations in accordance with the traditions of other democratic states. The principles of defence management are defined in the Estonian Constitution and other relevant legal acts.

Refer also to the information provided to question 1.1 in Section II.

In addition to the above-mentioned, it is necessary to mention the State Audit Office, which is an independent state body exercising economic control. The Auditor General (AG), who is appointed and recalled by *Riigikogu* upon proposal of President, leads State Audit Office. The State Audit Office controls mainly the economic activities of public institutions, state enterprises, and other public organizations, the use and preservation of public property. At the time when the report on the implementation of state budget is debated, the AG is required to present an overview on the use and preservation of state assets during the previous budgetary year.

The work of security institutions is regulated by Security Authorities Act, which entered into force in 2001 and was last amended in 2008. This Act established a new set of functions and competence of Estonia's security institutions. Intelligence agencies have a role in ensuring national security through gathering and processing security-related information.

All intelligence services are subordinated to the respective Ministries (Ministry of Interior Affairs, Ministry of Defence). Intelligence-related tasks are divided between two agencies - the Security Police Board and the Information Board.

**2.2. How is the fulfilment of these procedures ensured, and which constitutionally established authorities/institutions are responsible for exercising these procedures?**

Please refer to the information provided to questions 1.1 and 2.1 in Section II.

**2.3. What are the roles and missions of military, paramilitary and security forces, and how does your State control that such forces act solely within the constitutional framework?**

The aim of Estonia's national defence policy is to guarantee the preservation of independence and sovereignty of the state, integrity of its land area, territorial waters and airspace, constitutional order, and safety of the people.

The main tasks of the Estonian Defence Forces are:

- to defend the territorial integrity of the state;
- to prepare for military defence of the state;
- to participate in implementation of international military obligations of the state;
- to participate in disaster relief operations.

The main tasks of the Border Guard, which in accordance with the Force Structure and Development Plan of the Estonian Defence Forces 2010, adopted by the Government on 27 March 2004 is no longer included in either the operational or the training and administrative structure of the Armed Forces, are to control and defend the border on land and territorial waters, to conduct sea surveillance and limited air surveillance to support those tasks, to prevent violent alterations of the border, and to carry out search and rescue operations.

Refer also to information provided to questions 1.1 and 2.1 of Section II.

**3. Procedures related to different forces personnel**

**3.1. What kind of procedures for recruitment and call-up of personnel for service in your military, paramilitary and internal security forces does your State have?**

As is stated in the Constitution, every citizen of Estonia is required to participate in national defence. Every male citizen of Estonia is required to perform his duty to serve in the Defence Forces. Performance of the duty to serve in the Defence Forces is divided into performance of the conscript service obligation and performance of the reserve service obligation.

Procedures for the recruitment are defined in detail in Chapter 6 of the Defence Forces Military Service Act.

**3.2. What kind of exemptions or alternatives to military service does your State have?**

Section 3 of the Defence Forces Service Act states that every male Estonian citizen is required to serve in the Defence Forces. Refusal to serve in the Defence Forces on religious or moral grounds does not release the person concerned from performance of the duty to serve in the Defence Forces. Therefore, Section 4 states that a person, who refuses to serve in the Defence Forces for religious or moral reasons, is required to perform alternative service pursuant to the procedure prescribed by law. Persons in



alternative service will serve in units dealing with rescue tasks in the area of government of the Ministry of Interior Affairs or in state or local government institutions offering social services or in educational institutions for students with special needs.

Sections 72 -78 define further details for alternative service. Section 59 states the release from call-up for compulsory military service. The following persons eligible to be drafted will not be called up for compulsory military service:

- persons who are declared unfit for active service for health reasons and who are deleted from the register of persons liable to service in the Defence Forces;
- persons who have served a sentence for an intentionally committed criminal offence;
- persons who during the term of postponement of the call to service attain 28 years of age;
- persons liable to service in the Defence Forces who have served in the army, navy or air force of another state for at least twelve months will be released from call-up for compulsory military service, their compulsory military service is deemed to have been performed and they will be assigned to the reserve.

### **3.3. What are the legal and administrative procedures to protect the rights of all forces personnel as well as conscripts?**

All persons in Estonia have the right to the protection of the state and the law. The guarantee of rights and freedoms is the duty of the legislative, executive and judicial powers, as well as of local governments. All persons have the right of recourse to the courts if their rights or freedoms are violated. Legal Chancellor acts as an ombudsman to whom all persons can turn for the protection of their constitutional rights.

The Chief Inspector of Estonian Defence Forces, who is nominated by the Chief of Defence, acts as ombudsman for military personnel. He reports directly to CHOD and his main duties are involved with carrying out inspections but also checking the applications and solving the problems raised in the complaints made by the members of the defence forces.

There are no military courts in Estonia and therefore, cases that involve military personnel, are referred to civilian courts. Fair trial standards are provided to both civilians as well as military.

Estonia is a party to the NATO/PfP SOFA and its Additional and Further Additional Protocols.

## **4. Implementation of other political norms, principles, decisions and international humanitarian law**

### **4.1. How does your State ensure that International Humanitarian Law and Law of War are made widely available, e.g. through military training programmes and regulations?**

Estonian Constitution states that generally recognized principles and rules of international law are an inseparable part of the Estonian legal system. According to the Constitution, the treaties that have been ratified by the Parliament, become part and parcel of the national legislation without any further delay. Estonian legal system is monistic – ratified international treaties are part of the national legal system and directly applicable. All the relevant legislative acts and international treaties are available to the public on the State Gazette webpage.

Estonia has fully acceded to the Geneva Conventions and its Additional Protocols, to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects and its five Annexed Protocols as well as to the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on their Destruction.

International humanitarian law and public international law are being taught at the Estonian National Defence College and at the Baltic Defence College. Principles and norms of international humanitarian law are being taught also at unit level and during conscription service. Legal seminars are held for military lawyers and senior officers. For the civilians there are programmes in place for secondary school students that explain international humanitarian law and courses are provided at the universities that teach international humanitarian law.

Estonia follows the principles set out in the OSCE Code of Conduct.

**4.2. What has been done to ensure that armed forces personnel are aware of being individually accountable under national and international law for their actions?**

The personnel of armed forces are aware of their individual responsibility through courses during the conscription and through the course of international humanitarian law taught at the unit level. Dissemination is provided also thorough military lawyers and senior officers and commanders, the latter who are educated on their own responsibility and responsibility of their orders and for the acts of their subordinates. Units to be deployed abroad are also briefed on international humanitarian law, war crimes and individual responsibility and command responsibility.

**4.3. How does your State ensure that armed forces are not used to limit the peaceful and lawful exercise of human and civil rights by persons as individuals or as representatives of groups nor to deprive them of national, religious, cultural, linguistic or ethnic identity?**

The Defence Forces Act defines the functions of the Defence Forces as follows: the military defence of the state and participation in collective defence; preparation for the military defence of the state and participation in collective defence; participation in international military co-operation pursuant to the procedure provided for in the International Military Co-operation Act; participation in the resolution of state of emergency or an emergency situation and providing security pursuant to law and performance of other functions imposed on the Defence Forces by law. Emergency Preparedness Act sets a basis for using the Defence Forces in state of emergency. The use of the Defence Forces therefore to limit the peaceful and lawful exercise of human and civil rights is strictly limited by laws in force.

**4.4. What has been done to provide for the individual service member's exercise of his or her civil rights and how does your State ensure that the country's armed forces are politically neutral?**

To provide for a member of the Defence Forces the exercise of his or her civil rights a Service of a Chief Inspector has been implemented in the Headquarters of the Defence Forces which is subject to Chief of Defence.

The Defence Forces Service Act sets out the prohibition for a regular member of the Defence Forces to participate in political parties. Also, that a member of the Defence Forces shall not use his or her command or disciplinary authority in the interests of a political party. Reservists participating in training exercises shall not participate in the activities of political parties during active service.

**4.5. How does your State ensure that its defence policy and doctrine are consistent with international law?**

International law and international obligations that the Republic of Estonia has undertaken are to be obliged, therefore defence policy and doctrine is drafted taking into account relevant international law and obligations taken on by the Republic of Estonia (i.e. international humanitarian law, arms control treaties, human rights, the UN Charter and customary international law).

**Section III: Public access and contact information**

**1. Public access**

**1.1. How is the public informed about the provisions of the Code of Conduct?**

The official internet website of the Ministry of Defence of Estonia has a link to the website of the OSCE politico-military dimension which includes information on all OSCE arms control related activities and relevant documentation.

**1.2. What additional information related to the Code of Conduct, e.g., replies to the Questionnaire on the Code of Conduct, is made publicly available in your State?**

NA

**1.3. How does your State ensure public access to information related to your State's armed forces?**

Public access to the information related to the Estonian Defence Forces is granted by the Public Information Act. Access is accomplished through:

- various publications and press-releases by the Ministry of Defence and the Headquarters of the Estonian Defence Forces;
- official statements in the Parliament by the Minister of Defence;
- official internet websites of state authorities (e.g. Government, Parliament, Ministry of Foreign Affairs, Ministry of Defence, the Headquarters of the Estonian Defence Forces).

**2. Contact information**

**2.1. Provide information on the national point of contact for the implementation of the Code of Conduct.**

Estonian national point of contact for the implementation of the Code of Conduct is Adviser to International Cooperation Department of the Ministry of Defence, Ms Kadi Silde (kadi.silde@kmin.ee).

**3. Any other information**

**3.1. Measures taken to aim at the implementation of the UN Security**

**Council resolution 1325 (Women in Conflict Prevention, Crisis Management and Post-Conflict Rehabilitation).**

In order to further emphasise the issues brought forth in Resolution 1325, in 2010 Estonia compiled a national action plan with the goal to define and systematise Estonia's activities in the field of international peace missions and development cooperation incorporating the gender perspectives to date and to set future priorities. The working group compiling the action plan was led by the Foreign Ministry. The working group consisted of the representatives of the Ministry of Foreign Affairs, Ministry of Defence, Ministry of the Interior, Ministry of Social Affairs, Ministry of Justice, Ministry of Education and Research, General Staff of the Defence Forces, Police and Border Guard Board, Rescue Board, Academy of Security Sciences and civil society organisations.

Estonia supports the implementation of Security Council resolution 1325 and is a co-sponsor of its follow-up resolutions 1820 and 1888. The implementation of the objectives set out in resolution 1325 is important for Estonia for three main reasons. Firstly, as a member of the UN, European Union, NATO and the OSCE, Estonia participates actively in maintaining international peace and security. Secondly, the promotion of the rights and situation of women is one of the priorities of Estonia's foreign policy, development cooperation and human rights activities. And thirdly, Estonia is contributing to international military and civilian missions in countries where conflict resolution and peace-building is directly linked to the implementation of resolution 1325 and where the inclusion of gender dimension in the planning and implementation of missions will enhance the efficiency of international efforts.

The following principles have served as a basis for compiling the action plan:

- to base the plan on the already existing actions in the field of peace, security, development and gender equality, reinforcing and systematising them through the plan;
- to focus on specific priorities to ensure the maximum efficiency of Estonia's contribution;
- to associate Estonia's other planning documents, including development plans and strategies, with the action plan considering the action plan's interrelatedness with a number of different fields of activity.

The plan covers the areas where Estonia can contribute to the implementation of the objectives of resolution 1325, including international diplomacy, development cooperation and humanitarian assistance as well as international military and civil missions.