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Second Evaluation Round

Compliance Report on Finland

Adopted by GRECO
at its 29th Plenary Meeting
(Strasbourg, 19-23 June 2006)

I. INTRODUCTION

1. GRECO adopted the Second Round Evaluation Report on Finland at its 19th Plenary Meeting (28 June - 2 July 2004). This report (Greco Eval II (2003) 3E) was made public by GRECO, following authorisation by the authorities of Finland, on 6 July 2004.
2. In accordance with Rule 30.2 of GRECO's Rules of Procedure, the authorities of Finland submitted their Situation Report (RS-Report) on the measures taken to implement the recommendations on 27 December 2005.
3. At its 26th Plenary Meeting (5-9 December 2005), GRECO selected, in accordance with Rule 31.1 of its Rules of Procedure, Slovenia and Sweden to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Bojan DOBOVŠEK on behalf of Slovenia and Ms Lena HÄLL ERIKSSON on behalf of Sweden. The Rapporteurs were assisted by the GRECO Secretariat in drafting the Compliance Report (RC-Report).
4. The objective of the RC-Report is to assess the measures taken by the authorities of Finland, to comply with the recommendations contained in the Evaluation Report.

II. ANALYSIS

5. It was recalled that GRECO in its Evaluation Report addressed four recommendations to Finland. Compliance with these recommendations is dealt with below.

Recommendation i.

6. *GRECO recommended to enhance the special training for police and prosecutors on confiscation and provisional measures in cases of corruption and to this end use experience in other countries to the extent possible.*
7. The authorities of Finland have reported that corruption is a significant element in law enforcement training concerning economic and organised crime which will be further emphasised in the future. Following the Evaluation report, the Ministry of the Interior urged the National Police School (NPS) to enhance the special training for police in corruption matters, including the use of provisional measures and confiscation. The training curriculum has been amended accordingly; training focuses on pertinent legislation, practical situations and international case studies.
8. In October 2005, the NPS published a new textbook on corruption offences and related interim and confiscation measures. The textbook will be given to all police students and will form part of the examinations they have to pass. The core content of the textbook will be available to all police officers through a special police e-learning network. Experience from other countries is gathered through other means, in particular, with the assistance of the police liaison network, which extends to a number of European countries and through international organisations (Interpol, Europol and Eurojust). The liaison officers who deal with practical investigations provide training at various seminars.
9. The authorities have also reported that the special training of prosecutors is particularly extensive during the probationary period of one year before an assistant prosecutor can be nominated to a permanent post. However, as a result of recommendation i, the training of ordinary prosecutors has been enhanced. Several special seminars for prosecutors have been organised, many of

them together with police investigators, in matters relating specifically to corruption issues and the international dimension thereof. Finally, in order to enhance the capacity of the Prosecution Service to deal with, *inter alia*, corruption cases, seven new key-prosecutors have been employed to deal with economic crime and offences committed by public officials.

10. GRECO takes note of the information provided and welcomes the measures reported. Although Finland is a country with a low number of corruption cases, the authorities are in the process of developing their capacity to handle cases of corruption.
11. GRECO concludes that recommendation i has been implemented satisfactorily.

Recommendation ii.

12. *GRECO recommended to introduce clear rules/guidelines and training for civil servants to report suspicions of corruption in State administration.*
13. The authorities of Finland have reported that the Ministry of Finance, which bears the main responsibility of state policy in respect of establishing rules or guidelines for the whole staff of State administration in general, published a handbook in 2005, "Values in the daily job – Civil servant's ethics". The purpose of the handbook is to serve as a practical guide to state employees and to assist in supervisory duties. The handbook, which is the latest product in a general project aimed at maintaining high ethical standards in state administration contains, *inter alia*, the following guidelines: "*The Ministry and the operational unit, as authorities, are responsible for ensuring that values outlined in Part I form a salient part of the direction and practical work of the administrative sector. The aim is functioning of an ethically high standard which excludes corruption. Any suspected corruption within operational units must be reported to the authority.*" The Ministry of Finance have sent the handbook to all agencies and it is recommended for distribution to all staff for use in their daily work as well as for training purposes.
14. The authorities have also reported that many particular state administrations have started work on rules/guidelines for their own good governance. For example, the Customs Service is in the process of establishing rules/guidelines and training on how to react to suspicions of corruption in the Customs Service. Moreover, the tax authorities organise regular on-the-job-training for their staff. Prevention of corruption is an essential part of that training.
15. GRECO takes note of the information provided, welcomes the measures reported and understands that the guidelines adopted by the Ministry of Finance extend to the whole State administration, including agencies such as customs and tax authorities. The objective of integrating these guidelines as part of the daily work of all state employees is particularly important.
16. GRECO concludes that recommendation ii has been implemented satisfactorily.

Recommendation iii.

17. *GRECO recommended to introduce clear rules/guidelines for situations where public officials move to the private sector ("pantouflage"), in order to avoid conflicts of interest.*
18. The authorities of Finland have reported that the Ministry of Finance has the main responsibility for state policy matters, such as situations of conflicting interests which may appear when public

officials move from the public to the private sector. Following GRECO's recommendation, the Ministry has studied this question but has not recognised any particular problem concerning these types of situation. The Ministry has concluded that the principle that civil servants are not allowed to disclose secret information that has come to their knowledge during the employment with the public authority, which is also sanctioned in law (the Penal Code, Chapter 40), is a sufficient tool in this respect. The principle not to disclose secret information has, however, been included in the handbook "*Values in the daily job – Civil servant's ethics*" (2005) and forms part of the training.

19. GRECO takes note of the information provided. It recalls that the penal legislation concerning disclosure of secret information by public officials, which was in place well before the evaluation, but not referred to in the Evaluation Report, may have a preventive effect with regard to situations where public officials move to the private sector, and the inclusion of such a rule in the ethical guidelines is to be welcomed. However, it is doubtful to what extent these guidelines would be applicable once the official has left the public service. GRECO, which has dealt with this matter in several evaluation reports, is of the opinion that the sole existence of rules prohibiting disclosure of secret information does not cover the entire ethical dilemma which may appear in situations where public officials – even when not disclosing classified information – move into a similar, linked or even competing private entity, directly or shortly after leaving the public service. Such situations may be perfectly legal in Finland, but are still problematic from an ethical point of view. Consequently, what has been reported does not fully comply with the recommendation. Finland may wish to use the experience of other GRECO member States which have dealt with this issue.

20. GRECO concludes that recommendation iii has been partly implemented.

Recommendation iv.

21. *GRECO recommended to ensure that accountants and other legal professions are trained to take into account corruption when suspicious transactions are being reported.*
22. The authorities of Finland have reported that the Central Chamber of Commerce, which is a public oversight body, has attached special attention to the risks of corruption and has arranged two seminars on corruption for accountants and the management of audit firms (December 2004 and December 2005). Moreover, the Institute of Authorised Public Accountants as well as the Association of Certified HTM-Auditors have organised training on corruption and money laundering for its respective members in 2004/2005. Finally, Finnish authorities and representatives of the commercial sector are presently drafting a common strategy in order to prevent certain types of crime, including corruption, in the business sector. The Strategy covers the period 2006-2010 and contains a wide range of activities, such as training and awareness raising.
23. GRECO takes note of the information provided. It was pleased to learn that a number of pertinent activities of a voluntary nature are underway and that the relevant dialogue between the state and the business sector appears to be well developed in this respect.
24. GRECO concludes that recommendation iv has been implemented satisfactorily.

Additional information (not related to any recommendation)

25. The authorities of Finland have also informed GRECO that on 27 September 2005, the Association of Finnish Local and Regional Authorities issued instructions/guidelines for municipal

and city executive boards and joint municipal boards concerning journeys and other benefits paid by outside instances to the staff and elected officials of municipalities.

26. GRECO takes note of the additional information provided.

III. CONCLUSIONS

27. **In view of the above, GRECO concludes that Finland has implemented satisfactorily the vast majority of the recommendations contained in the Second Round Evaluation Report.** Recommendations i, ii and iv have been implemented satisfactorily and recommendation iii has been partly implemented.
28. GRECO invites the Head of the Finnish delegation to submit additional information regarding the implementation of recommendation iii by 31 December 2007.