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Finantsinspeksioon has reasonable grounds to suspect that Vabaks OÜ has been operating without authorisation in areas where an authorisation is required. As Vabaks OÜ does not come under financial supervision and Finantsinspeksioon is not able to carry out criminal investigations itself, Finantsinspeksioon submitted a criminal report to the Office of the Prosecutor General on 4 May about the activities of Vabaks OÜ.

“Operating without an authorisation in areas where an authorisation from Finantsinspeksioon is required is a criminal act. Finantsinspeksioon considers that the activities of Vabaks OÜ certainly need an authorisation as a credit intermediary, and under some circumstances also an authorisation as an investment firm”, said member of the Finantsinspeksioon management board Siim Tammer. “Investors will suffer even more than consumers under the business model of Vabaks OÜ, as they are given an apparent promise that they will be assigned the pension claims from the second pillar, when this is not actually the case”. Finantsinspeksioon has communicated with Vabaks OÜ and highlighted to them the need to apply for an authorisation.

People who invest through a financial intermediary that is operating without an authorisation or borrow money through it bear much greater risks, as Finantsinspeksioon has not assessed the legal compliance of the services provided by Vabaks OÜ, the origin of its capital, the people behind it, or its business model. As well as submitting the crime report, Finantsinspeksioon issued a memo in May to draw public attention to crowdfunding solutions that are used to provide investment services or to intermediate credit and that need an authorisation whatever their business model.