
The current Foundations Act entered into force on 1 December 2015. Foundations are required by law to provide information on remunerations and other benefits, grants and loans to closely associated persons and other financial transactions with closely associated persons in their annual report. Financial transactions with closely associated persons are not prohibited, but they must be reported. In practice, the reporting obligation applies mainly to research grants awarded and paid to closely associated persons.

The Research Foundation's principal function is to award grants for economics and business research.

The Research Foundation's sphere of closely associated persons under the Foundations Act is exceptionally broad. Closely associated persons comprise mainly of entities belonging to OP Financial Group and the officers of these entities and their close relatives.

The Foundation assesses closely associated persons using the following practices:

- when applying for a grant, applicants are required to fill in a survey on potential known ties to officers of the Research Foundation and of entities belonging to OP Financial Group
- disqualification practices in the grant process

The Research Foundation does not maintain a separate register of closely associated persons. OP Cooperative maintains a register of closely associated persons of OP Financial Group's officers in the scope required by Finnish Financial Supervisory Authority standard RA4.10.

Please read the **definition of closely associated persons below. Sections important for the Foundation are bolded.**

Broad definition of closely associated persons:

1. **the foundation's founder** and individuals, companies and foundations exercising control in the foundation, and subsidiary companies and foundations of these or of the foundation itself
2. **board of trustees** and supervisory council **members** and deputy members, managing director and deputy managing director, general partners and **auditors** of the foundation and of companies and foundations referred to in item 1
3. **the foundation's agent and other individuals participating in the foundation's management**
4. **family members of individuals referred to in items 1–3**
5. other close relatives of individuals referred to in items 1–3
6. **companies and foundations under the control of one or several individuals referred to in items 1–5.**

Family members refer to married and common-law spouses, children and spouse's children and their spouses and descendants, and the individual's and their spouse's parents, grandparents and great-grandparents.

Other close relatives refer to the siblings and step-siblings of individuals referred to above in items 1–3 and in the definition of family members, as well as the married and common-law spouses, children and their descendants, parents and grandparents of such siblings or step-siblings.

The narrow definition of closely associated persons includes the individuals, companies and foundations referred to above in items 1–4 and 6. Close relatives of individuals referred to in 1–3 and companies and foundations under their control are not included in the narrow definition of closely associated persons.

In its annual report, the Foundation reports on transactions with closely associated persons according to the narrow definition.