FULL TEXT

Approved by Rector's directive No 28 of 25 June 2019
Amended by Rector's directive No 53 of 25 November 2019
Amended by Rector's directive No 15 of 31 March 2021 (entry into force 01.04.2021)
Amended by Rector's directive No 5 of 24 January 2022
Amended by Rector's directive No 9 of 03.02.2022 (entry into force 01.02.2022)
Amended by Rector's directive No 42 of 5 November 2026 (entry into force 1 November 2026)

In force from: 01.11.2026

Contract Rules

The directive is issued pursuant to clause 9) of § 11 of the Statutes of Tallinn University of Technology.

1. General provisions

1.1 The Contract Rules (hereinafter "the Rules") apply to preparation, drafting, approval, conclusion and implementation of contracts under the law of obligations and contracts under public law entered into by Tallinn University of Technology (hereinafter "the university").

1.2 The Rules apply to the conclusion of contracts under which the university has financial obligations or holds a financial claim, as well as contracts that do not give rise to any financial obligations.

1.3 In addition to the Rules, university legislation may be adopted to regulate certain transactions, for example, applications for projects or grants or the letting of university property.

1.4 The specific requirements for drafting public contracts to be concluded as part of public procurement procedures are set out in the university's legislation adopted pursuant to the Public Procurement Act (hereinafter "the Procurement Rules").

1.5 The Rules do not apply the conclusion and implementation of employment contracts.

2. Key elements, standard contracts and contract templates

2.1 The key elements of a contract are as follows:
2.1.1 the title reflecting the type of the contract;
2.1.2 the contracting parties;
2.1.3 the object and term of the contract;
2.1.4 the rights and obligations of the contracting parties;
2.1.5 the procedure for delivering the object of the contract;
2.1.6 the amount of remuneration and the terms of payment;
2.1.7 the agreement on the ownership and use of intellectual property created under the contract;
2.1.8 the contact persons, and arrangements for exchanging information;
2.1.9 the arrangements for securing performance of the contract and the provisions on liability;
2.1.10 the conditions for amending, terminating, withdrawing from or cancelling the contract;
2.1.11 the dispute settlement procedure;
2.1.12 the conditions for entry into force of the contract;
2.1.13 the applicable law;
2.1.14 the form and language of the contract;
2.1.15 the details of the contracting parties;
2.1.16 the date of signature;
2.1.17 the signatures of the contracting parties.

2.2 The Rector may approve contracts with standard terms to be concluded by the university (contracts for services, authorisation contracts, contracts for reimbursement of tuition fees, etc., hereinafter referred to as "standard contracts") to be concluded by the university. Standard contracts shall be entered into on the terms laid down by the Rector, taking into account the specific provisions set out in clauses 5.4 and 6.6. The terms of a standard contract may be modified with the consent of the legal officer specialising in the relevant field.

2.3 The Director for Administration shall ensure that templates for standard contracts and other frequently concluded contracts, together with sample documents, are available on the intranet. [entry into force 01.02.2022]

3. Initiating the conclusion of a contract

The conclusion of a contract may be initiated by the Rector, area directors, heads of structural units or other university officials and employees whose responsibilities or duties include initiating such contracts.

4. Contract drafting and prerequisites for entry into a contract

4.1 Contract drafting shall be organised by the structural unit in whose interests the contract is entered into, or which has been authorised to do so by virtue of its assigned duties or under legislation (hereinafter "the responsible structural unit").

4.2 The head of the responsible structural unit shall organise and ensure the performance of the duties arising from the Rules and may delegate those duties, in whole or in part, to an employee of the unit.

4.3 At every stage of contract drafting, the responsible structural unit has the right to:
4.3.1 request explanations from the Finance Office concerning taxation and payment arrangements, and request that a public procurement procedure be organised on the grounds and in accordance with the procedure set out in the Procurement Rules;
4.3.2 seek advice, request contract templates, legal interpretations or recommendations from the legal officer specialising in the relevant field, and invite legal officer to participate in negotiations;
4.3.3 consult the person authorised to sign the contract and request instructions from that person.

4.4 The rights and obligations of the contracting parties shall be defined in the contract in accordance with the legislation applicable to the relevant legal relationship and with due regard to the university's interests.

4.5 As a rule, the university shall not undertake to make advance payments under contracts in which it has financial obligations.

4.6 A contract giving rise to a financial claim for the university shall not be concluded with a person who has outstanding payment defaults unless the full amount payable to the university under the contract is paid in advance.

4.7 As a rule, the university shall require full payment in advance from the other contracting party when entering into contracts relating to:
4.7.1 conference participation fees;
4.7.2 the provision of continuing education.

4.8 Where a contract provides for the university to supply a service for a period of at least one year, the contract shall provide for the customer to pay for the services in instalments.

5. Form of contract

5.1 The parties shall agree on the form of the contract unless a particular form is required by law or the Rules. Where the parties agree on a particular form, the statutory requirements applicable to that form shall apply.

5.2 To better protect the university’s interests and reduce risks, contracts shall, as a rule, be entered into in writing, i.e. they shall be signed by hand or digitally signed.

5.3 A contract shall always be concluded in writing if its value is EUR 20,000 or more, excluding VAT. [entry into force 01.11.2026]

5.4 As a rule, standard contracts shall be entered into in writing. If concluding a contract in writing is impossible or significantly impeded, or the university Senate decides otherwise, the contract may be entered into in a format that can be reproduced in writing (including by email, by means of a mechanically reproduced signature or through the Study Information System). In this case, the university’s representative shall ensure, when entering into the contract, that the other contracting party’s identity is verified or that the person is identified when logging in to the Study Information System.

5.5 A contract may be concluded in a format that can be reproduced in writing (by email or otherwise) if its value is below the threshold specified in clause 5.3. In this case, the contract shall set out its terms

and conditions, including the contracting parties, the object, term and price of the contract, and any other essential terms specific to that contract, as well as, in the case of public procurement, the information required by the Procurement Rules. The transaction data shall be retained by the structural unit for at least three years after the transaction has ended.

5.6 The following may be entered into orally:
5.6.1 a contract involving no financial obligations, excluding a confidentiality agreement;
5.6.2 a contract giving rise to a financial claim against the university for an amount below the threshold specified in clause 5.3, if entering into such contracts is common practice between the parties.

5.7 Written contracts shall be drawn up on plain paper rather than headed paper.

6. Approval of a contract

6.1 A draft written contract, except for the contracts specified in clause 6.6, shall be approved by the heads of the relevant structural units or employees designated by them, in the following order:
6.1.1 **the responsible structural unit**, which shall confirm that:
6.1.1.1 the risks related to the contract have been assessed;
6.1.1.2 the contract is necessary for the university and serves the university's interests;
6.1.1.3 the contract includes all the required key elements;
6.1.1.4 the other contracting party has no payment defaults or has been required to make an advance payment if it has payment defaults;
6.1.1.5 the contract has been drafted in accordance with standard language usage and is clear and unambiguous;
6.1.1.6 financial resources for the performance of the contractual obligations have been allocated in the structural unit's budget;
6.1.2 **the Finance Office** (except in the case of non-financial contracts or contracts involving no rights of monetary value), which shall confirm that:
6.1.2.1 the contract complies with the legislation applicable to accounting and state and local taxes;
6.1.2.2 all amounts due to the university under previous contracts with the other contracting party have been paid, and all obligations that have fallen due have been duly fulfilled;
6.1.2.3 it has verified that the other contracting party has no payment defaults or has been required to make an advance payment if it has payment defaults;
6.1.2.4 it has verified that financial resources for the performance of the contractual obligations have been allocated and are available in the structural unit's budget;
6.1.2.5 any public procurement registered in the Public Procurement Register is being conducted in accordance with the applicable requirements, unless the procurement procedure is being conducted by a duly authorised structural unit in accordance with the Procurement Rules. In that case, the confirmation specified in this subclause shall be provided by the person responsible for the public procurement within that structural unit, instead of the Finance Office.
6.1.3 **the legal officer specialising in the relevant field**, who shall confirm that:
6.1.3.1 the draft contract complies with the requirements laid down in applicable legislation;
6.1.3.2 any decision by a person or body required for entry into the contract is in force;
6.1.3.3 the contract accurately reflects the outcome of the negotiations, if the legal officer participated in the negotiations;
6.1.3.4 the other contracting party's representative has valid authority to enter into the contract;
6.1.3.5 the contract has been approved in accordance with the Rules.

6.2 The approvers specified in clauses 6.1.2–6.1.3 shall review draft contracts as quickly as possible, as a rule within two working days, and shall jointly ensure that the approval procedure takes no more than five working days.

6.3 After reviewing a draft contract, the approver shall forward the approved draft to the next approver or to the responsible structural unit or, if approval is refused, state the reasons for the refusal.

6.4 The responsible structural unit shall, in cooperation with the other structural units specified in clause 6.1, make the necessary amendments and additions in response to the approvers' comments and the modifications proposed by the other contracting party.

6.5 Approval of a contract shall be recorded:
6.5.1 electronically in the document management system (hereinafter "DMS"), or
6.5.2 in writing the university's copy of the contract or on an approval sheet; or

6.5.3 by digital signature on the contract or an approval sheet.

6.6 The approval procedure set out in clauses 6.1–6.5 shall not apply:
6.6.1 to the conclusion of standard contracts approved by the Rector;
6.6.2 to the conclusion of contracts arising from the Erasmus+ framework agreement or other standard contracts, unless the university's representative requests approval;
6.6.3 to the conclusion of contracts with a value below the threshold specified in clause 5.3, contracts in a format that can be reproduced in writing or oral contracts, unless the university's representative requests approval.

6.7 When entering into contracts without following the approval procedure, the university's representative shall act in the university's interests and comply with the public procurement rules and the other requirements laid down in the Rules.

7. Signing of contracts

7.1 After approval of a draft contract, the responsible structural unit shall submit it to the university's representative and the other contracting party for signature.

7.2 A contract shall be entered into by a person authorised to do so. The university's legal representative is the Rector, who may authorise other persons to represent the university.

8. Entry into force of a contract

Unless otherwise provided by law or the contract, a contract shall enter into force when it has been signed by all the contracting parties or, if the parties sign at different times, when the last party signs. If a contract is to enter into force at a different time, it shall specify the effective date or the event that triggers its entry into force.

9. Registration and retention of contracts

9.1 Once a contract has been signed, the responsible structural unit shall submit the original contract for registration to the structural unit designated in the list of documents. A standard contract entered into with a natural person shall be submitted immediately, and other contracts within three working days.

9.2 The university's contracts shall be registered and managed in the contract register in the DMS or in the Study Information System. If a contract is signed on paper, it shall be scanned and uploaded to the DMS. The responsible structural unit shall be notified of the contract's registration through the DMS.

9.3 The structural unit responsible for registration shall return a standard contract to the responsible structural unit if its content differs from the approved standard contract and the change has not been approved by the legal officer specialising in the relevant field.

9.4 Contracts shall be retained in accordance with the university's legal acts.

10. Prohibited transactions

10.1 Under § 11 of the Anti-corruption Act, a representative of the university is prohibited from entering into a contract, accepting performance under a contract, deciding on the payment of remuneration or carrying out any other transaction relating to a contract with himself or herself or a person connected with him or her. He or she must not instruct or authorise subordinates to carry out such transactions on his or her behalf.

10.2 An authorised representative whose official duties include carrying out the transactions specified in clause 10.1 shall inform his or her immediate superior of any such transaction. The immediate superior may approve the transaction, carry it out personally within the scope of his or her authority, or arrange for another person to act as a substitute for the authorised representative on that occasion. If a transaction involves accepting work or signing an expense receipt, both the authorised representative and his or her immediate superior shall do so.

10.3 The Rector and the Chief Legal Officer shall ensure that guidance and information materials are prepared to help university representatives recognise situations involving conflicts of interest and understand how to avoid them. [entry into force 24.01.2022]

11. Performance of a contract

11.1 Performance of a contract shall be organised by the responsible structural unit in accordance with the terms and conditions agreed in the contract.

11.2 A contract in writing or in a format that can be reproduced in writing shall be entered into before performance begins. The essential terms and conditions of an oral contract shall be agreed upon before performance begins.

11.3 The head of a structural unit shall be responsible for ensuring that performance of a contract does not begin, i.e. that no work is carried out and no products are purchased, before the contract is entered into.

11.4 In addition to the university's responsibility as a legal person, the head of the responsible structural unit shall be personally responsible for ensuring that the required data are submitted to the employment register maintained under the Taxation Act before the person concerned starts work. If this obligation is breached, the head of the structural unit shall, inter alia, compensate the university, at its request, for any damage caused by the breach.

11.5 An employee organising the performance of a contract shall:
11.5.1 inform the head of the responsible structural unit of any unsatisfactory performance under the contract;
11.5.2 in the case of contracts for pecuniary interest, submit a timely request to the Finance Office to issue an invoice to the other contracting party.

11.6 The Finance Office shall issue an invoice to the other contracting party in accordance with the requirements of the Accounting Act, the Value-Added Tax Act and other applicable legislation, and shall check that the invoiced amounts have been received.

11.7 The responsible structural unit shall address any problems arising during the performance of the contract and resolve any disputes arising from it in cooperation with the legal officer specialising in the relevant field and, if necessary, involve the Rector, the area director, the Chief Legal Officer or any other university employee. The responsible structural unit may obtain external legal assistance or commission any other necessary services. A financial claim may be referred to a debt collection company or brought before a court in accordance with the procedure set out in clause 12 of the Rules.

12. Recovery of financial claims

12.1 If an invoice is not paid on time or in full, the Finance Office shall, within ten days after the payment due date, send the other contracting party a written reminder requesting payment.

12.2 If the other contracting party fails to respond to the reminder within ten days of its issue, the Finance Office shall notify the responsible structural unit, which shall, within thirty days:
12.2.1 negotiate with the debtor to secure payment of the debt;
12.2.2 decide whether to refer the claim to a debt collection company or pursue other legal remedies.

12.3 If no agreement on payment of the debt is reached with the debtor, the responsible structural unit shall forward the claim to the Finance Office, which shall refer it to a debt collection company unless otherwise decided by the Chief Financial Officer. The responsible structural unit shall provide all relevant information, including correspondence and supporting documents, together with the claim. [entry into force 24.01.2022]

12.4 The Chief Financial Officer may decide to refer the claim to the legal officer specialising in the relevant field for recovery through legal proceedings. The legal officer shall prepare and file the claim with a court or another dispute resolution body and represent the university under the authority granted by the Rector. [entry into force 24.01.2022]

12.5 If an invoice for tuition fees referred to in clause 12.1 is not paid on time, its payment deadline shall be extended by three calendar months upon the student's application.

13. Supervision

13.1 Supervision over the transactions of responsible structural units shall be exercised by the university's structural units and employees in accordance with their respective powers.

13.2 The university's employees shall disclose their economic interests and connected parties in accordance with applicable legislation.

14. Implementing provisions

14.1 I hereby repeal the Procedure for Entry into and Implementation of Contracts (approved by Rector's directive No 191 of 22 December2016).

14.2 This directive shall enter into force on 1 July 2019.