

# Finansinspektionen's Regulatory Code

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This translation is furnished solely for information purposes. Only the printed version of the regulation in Swedish applies for the application of the law.

## Regulations amending Finansinspektionen's regulations (FFFS 2013:9) regarding Swedish UCITS;

**FFFS 2016:26**

Published on den 14  
October 2016

decided on den 10 October 2016.

Finansinspektionen prescribes<sup>1</sup> pursuant to section 18, points 2, 10, 13 and 15 of the Swedish UCITS Ordinance (2013:588) relating to Finansinspektionen's regulations (FFFS 2013:9) regarding Swedish UCITS

*in part* that Chapter 1, section 9; Chapter 29, sections 2 and 5; Chapter 31, section 34; and Appendices 1–4 shall have the following wording,  
*in part* that one new chapter, Chapter 8a; one new section, Chapter 31, section 48a; and one new heading immediately preceding Chapter 31, section 48a shall have the following wording.

### Chapter 1

**Section 9** Unless otherwise stated, the terms and expressions used in these regulations have the same meaning and scope as in the Swedish UCITS Act (2004:46).

In addition, the following terms and expressions shall be defined as:

1. *Absolute Value at Risk*: Value at Risk expressed as a maximum percentage of a Swedish UCITS' value.
2. *AIF manager*: the same as in Chapter 1, section 3 of the Alternative Investment Fund Managers Act (2013:561).
3. *General investment policy*: The same as objectives and investment policy pursuant to Article 7 of Commission Regulation (EU) No 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website.
4. *Alternative investment fund*: the same as in Chapter 1, section 2 of the Alternative Investment Fund Managers Act.

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<sup>1</sup> Cf. Directive 2009/65/EC of the European Parliament and of the council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) in the wording pursuant to Directive 2014/91/EU of the European Parliament and of the Council.

5. *Employees in strategic management positions*: Employees other than senior management who have management roles and are responsible for the day-to-day activities of the Swedish fund management company, for example employees responsible for portfolio management, personnel, administration or marketing.

6. *Discretionary pension benefit*: A pension benefit that a Swedish management company grants an employee on an individual basis as part of that employee's variable remuneration package. This does not include accrued benefits earned by employee under the terms of the Swedish management company's pension scheme.

7. *Personal transactions*: Trade with a financial instrument which is conducted by a relevant person or on behalf of a relevant person if at least one of the following criteria are met:

a) The relevant person is acting outside of the scope of the activities he or she carries out in his/her capacity as a relevant person.

b) The transaction is carried out on behalf of any of the following persons:

– the relevant person,

– another person with whom the relevant person has a close relationship or close links,

– a person with whom the relevant person has such links that the relevant person has a direct or indirect material interest in the outcome of the transaction, other than a fee or commission for the execution of the transaction.

8. *Remuneration*: All remuneration and benefits from the Swedish management company to an employee. Remuneration and benefits from the Swedish management company refer, for instance, to cash salary and other cash remuneration, remuneration in the form of shares or participations in a Swedish UCITS, or an instrument that attains a corresponding community of interest as units in a Swedish UCITS, pension provisions, severance payments or company cars.

9. *Remuneration policy*: The grounds and principles on which remuneration shall be based, applied and monitored, as well as on which a Swedish management company shall define which employees can impact the company's risk level and that of each managed Swedish UCITS.

10. *Unit holder*: a natural or legal person or a Swedish UCITS, an alternative investment fund, a foreign UCITS or the equivalent holding one or more units in a Swedish UCITS or a foreign UCITS.

11. *Trading venue*: A regulated market, a trading facility in accordance with Chapter 1, section 5, point 12 of the Securities Market Act (2007:528), a systematic internaliser in accordance with Chapter 1, section 5, point 24 of the Securities Market Act, a market maker within the EEA or another person providing liquidity within the EEA or an equivalent entity to any of the above outside of the EEA.

12. *Internal regulations*: policy and governance documents, guidelines, instructions or other written documents adopted by the board of directors or the managing director and through which the operations are controlled.

13. *Investors*: every unit holder or presumptive unit holder.

14. *Control function*: A Swedish management company's function(s) for risk management, compliance and internal audit or the equivalent.

15. *Client*: A natural or legal person or a Swedish UCITS, a foreign UCITS or the equivalent that provides fund-related operations, discretionary portfolio management or such services as those referred to in Chapter 7, section 1, first paragraph of the Swedish UCITS Act via a Swedish management company.

16. *Liquidity risk*: The risk that a position in a Swedish UCITS cannot be sold, redeemed or terminated at limited cost within a reasonable period of time and, therefore, that the fund cannot observe Chapter 4, section 13, first paragraph, first sentence of the Swedish UCITS Act at all times.

17. *Market risk*: The risk of loss in a Swedish UCITS due to changes in the market value of positions held by the fund as a result of altered market variables, such as interest rates, foreign exchange rates, share and commodity prices or an issuer's creditworthiness.

18. *Counterparty risk*: The risk of loss in Swedish UCITS due to the counterparty in a transaction not fulfilling its obligations before the transaction is settled.

19. *Operational risk*: the risk of loss in a Swedish UCITS due to insufficient internal procedures with regard to personnel and systems in the Swedish management company or external factors, legal and documentation-related risks, and risks resulting from trading, settlement and valuation procedures.

20. *OTC derivatives*: such derivative instruments as referred to in Chapter 5, section 12, second paragraph of the Swedish UCITS Act.

21. *Person with whom a relevant person has a close relationship*:

a) the spouse or co-habitee of the relevant person,

b) minor children under the charge of the relevant person, and

c) other parties closely related to the relevant person that have shared a household with this person for at least one year at the time of the transaction in question.

22. *Investment strategies*: the general basis for the strategic investment of assets and the investment techniques required to ensure that the general investment policy for each Swedish UCITS is implemented properly and effectively.

23. *Portfolio transaction*: A transaction on behalf of a Swedish UCITS carried out by a Swedish management company as a part of its fund operations.

24. *Relative Value at Risk*: a Swedish UCITS' Value at Risk divided by Value at Risk for the fund's reference portfolio.

25. *Relevant person*:

a) a member of the board of directors, a partner, the managing director, or another manager of the Swedish management company,

b) an employee of the company and any other natural person who performs services for the Swedish management company, is under the control of the

company, or is involved in conducting fund operations on behalf of the company, and

c) a natural person, who, within the framework of a delegation agreement, conducts part of the fund operations on behalf of the Swedish management company.

26. *Risk limit system*: a documented system of appropriate internal investment limits for a Swedish UCITS that is designed to manage all of the fund's material risks and ensure that the management of the fund occurs in compliance with the law, other regulations and the fund's rules.

27. *Risk-taker*: An employee belonging to a category of staff whose professional activities can have a material impact on the risk profile of a Swedish management company or a managed Swedish UCITS. This normally applies to employees who can enter into agreements or take positions on behalf of the Swedish management company or a managed Swedish UCITS or in any other way impact the Swedish management company or the managed Swedish UCITS' risk.

28. *Variable remuneration*: Remuneration, the amount or size of which is not determined in advance. Variable remuneration does not include commission-based salary not linked to future risk assumptions that may alter a Swedish management company's or a Swedish UCITS' income statement or balance sheet.

29. *Synthetic risk and reward indicator*: the same as the synthetic indicator pursuant to Article 8 of Commission Regulation (EU) No. 583/2010.

30. *Specially regulated staff*: Senior management as well as employees in the following categories of staff and who have not be exempted pursuant to Chapter 8a, section 5:

a) employees in strategic management positions,

b) employees responsible for control functions,

c) risk takers, and

d) employees whose total remuneration is equal to or exceeds , the total remuneration to any of the members of senior management.

31. *Value at Risk*: A measure of the highest expected loss at a given confidence interval , during a certain period characterised by normal market conditions.

32. 11. *Durable medium*: Any means which enables an investor to store information addressed personally to the investor in a manner accessible for future reference. The information shall be accessible for a period of time adequate for the purposes of the information, and the means shall allow the unchanged reproduction of the information stored.

33. *Senior management*: the managing director, the deputy managing director and other members of a Swedish management company's management group or a similar body that report directly to the board of directors or the managing director.

## Chapter 8a Remuneration structure

### Scope

**Section 1** This chapter contains provisions governing the remuneration structure a Swedish management company shall have pursuant to Chapter 2, section 17 of the Swedish UCITS Act (2004:46). The remuneration structure shall include the Swedish management company's specially regulated staff.

### Other legislation

**Section 2** The provisions in this chapter do not affect a Swedish management company's obligations under applicable principles of contract and labour law. These provisions also do not affect the rights of labour market parties during collective bargaining.

### Remuneration policy

**Section 3** A Swedish management company shall have a documented remuneration policy that covers fixed and variable remuneration including discretionary pension benefits. It shall include a list of measures that must be taken to avoid conflicts of interest.

The remuneration policy shall be updated and reviewed regularly.

**Section 4** The remuneration policy shall be designed and applied in a manner that is in accordance with and promotes sound, effective risk management. The remuneration policy shall counteract risk-taking that is not in accordance with the managed Swedish UCITS' risk profile and fund rules. The remuneration policy and the application of this policy may not obstruct the Swedish management company from fulfilling its obligations to act in the interest of the unit holders.

The remuneration policy shall also be formed and applied in a manner appropriate to the Swedish management company's size and internal organisation and the nature, scope and complexity of the business. The remuneration policy shall be in line with the business strategy, objectives, values and interests of the Swedish management company, the managed Swedish UCITS, and the unit holders in the Swedish UCITS.

**Section 5** A Swedish management company shall analyse the risks associated with its remuneration policy and remuneration structure. Based on this analysis, the Swedish management company shall identify specially regulated staff at the company. The Swedish management company shall document and specifically motivate if employees in any of the categories of staff set out in Chapter 1, section 9, second paragraph, points 30a–d are not considered to exercise a material impact on the Swedish UCITS' risk level and therefore shall not be classified as belonging to the company's specially regulated staff.

### Pension policy

**Section 6** A Swedish management company applying variable remuneration that includes discretionary pension benefits shall have a pension policy. The pension policy shall be in agreement with the Swedish management company's and the

managed Swedish UCITS' business strategies, objectives, values and long-term interests.

The Swedish management company shall transfer discretionary pension benefits in the form of units in the Swedish UCITS in question, or in the form of instruments that attain the corresponding community of interests.

**Section 7** A Swedish management company shall ensure that discretionary pension benefits transferred to an employee who enters into retirement shall be subject to at least a five-year retention period during which the employee may not exercise control over the instruments.

If the Swedish management company, due to the termination of employment, awards discretionary pension benefits to an employee before he or she enters into retirement, the discretionary pension benefits shall be deferred for a period of five years.

### **Variable remuneration**

#### *Limits to guaranteed variable remuneration*

**Section 8** A Swedish management company may not grant guaranteed variable remuneration at any other time than in conjunction with the hiring of new staff. The Swedish management company shall limit such remuneration to the first year employment.

#### *Risk hedging strategies*

**Section 9** A Swedish management company shall ensure that its employees undertake not to use personal risk hedging strategies or insurances to mitigate or eliminate the effects of an adjusted or cancelled deferred remuneration.

#### *Remuneration in conjunction with the termination of employment*

**Section 10** A Swedish management company shall ensure that variable remuneration paid to an employee in conjunction with the termination of employment reflects the employee's performance during the period of employment. The remuneration shall be calculated in such a manner as not to reward unsound risk-taking.

### **Governance**

#### *Board of Directors*

**Section 11** A Swedish management company's board of directors shall decide on a remuneration policy. This decision shall be based on the analysis referred to in section 5. The board of directors shall be responsible for the application of the remuneration policy and its review at least once annually.

**Section 12** A Swedish management company's board of directors shall decide on

1. remuneration to senior management,

2. remuneration to employees who are primarily responsible for any of the Swedish management company's control functions, and

3. measures to enable a review of how the Swedish management company's remuneration policy is being applied.

The decision of the board of directors shall where applicable comply with resolutions made by the Annual General Meeting with regard to the Swedish management company's remuneration.

**Section 13** A board member who is responsible for preparing the board's decisions pursuant to section 11 or 12 shall have sufficient knowledge and experience in matters relating to remuneration and risk management. The board member may not be a member of the Swedish management company's senior management.

Preparation of the board's decisions shall take into account the long-term interests of unit holders, other stakeholders and the general public.

#### *Remuneration committee*

**Section 14** A significant Swedish management company shall have a remuneration committee which shall conduct an independent assessment of the company's remuneration policy and the application of this policy.

The assessment of whether a Swedish management company is significant shall take into account the size of the company, the size of the Swedish UCITS the company manages, the internal organisation of the company, and the nature, scope and complexity of the business.

The chair and other members of the remuneration committee shall be members of the Swedish management company's board of directors but may not be members of its senior management. The remuneration committee shall have sufficient knowledge and experience of matters relating to remuneration and risk management.

If the board includes employee representatives appointed in accordance with the Representation on the Board of Directors for Private Employees Act (1987:1245), the employee representatives shall be entitled to be members of the remuneration committee.

**Section 15** The remuneration shall prepare the decisions for the board in accordance with section 12. Preparation of the board's decisions by the remuneration committee shall take into account the long-term interests of unit holders, other stakeholders and the general public.

#### **Control**

**Section 16** A Swedish management company shall at least annually have a control function review the company's remuneration structure for compliance with the remuneration policy. The control function shall report the results of the review to the board of directors.

**Section 17** Where employees in control functions receive variable remuneration, the Swedish management company shall ensure that this remuneration is based on

targets linked to the control function and is independent of the performance of the business areas they control.

### **Balance between fixed and variable remuneration**

**Section 18** A Swedish management company whose remuneration contains variable components shall ensure that the fixed and variable components are appropriately balanced. The fixed components shall represent a sufficiently large portion of the employee's total remuneration such that the variable components can be set to zero.

In its remuneration policy, the Swedish management company shall specify the maximum ratio of the variable components to the fixed components for identified staff eligible for variable remuneration. Exceptions to this ratio shall be approved on a case-by-case basis by the board of directors.

### **Performance assessment and risk adjustment**

**Section 19** A Swedish management company's performance assessment used to calculate variable remuneration components shall be based on risk-adjusted profit measures. Both current and future risks shall be taken into account.

Where a Swedish management company adjusts its performance for risk using subjective assessments, the considerations that serve as the basis for the adjustment shall be well balanced and documented.

**Section 20** A Swedish management company's performance assessment shall be based on a multi-year perspective that has been adapted to the holding period recommended to the investors in the Swedish UCITS managed by the company. The assessment shall be based on the Swedish UCITS' long-term sustainable result and investment risks.

The actual payment of the performance-based part of the remuneration shall be distributed across the same period of time as specified in the first paragraph.

**Section 21** A Swedish management company shall base the variable remuneration to specially regulated staff on the employee's performance, the performance and risks of the business unit or the Swedish UCITS in question, and the company's total performance. Both financial and non-financial criteria shall be taken into account in the assessment of the employee's performance.

The financial and non-financial criteria used by the Swedish management company as a basis for remuneration decisions shall be specified and documented.

### **Deferral of variable remuneration**

**Section 22** A Swedish management company shall ensure that payment or transfer of at least 40 per cent of the variable remuneration to specially regulated staff is deferred and distributed over a reasonable period of time. This period shall be at least three years. The Swedish management company shall take into account the holding period recommended to investors in the Swedish UCITS in question when determining the proportion of the variable remuneration that will be deferred and the length of the deferral period.



The Swedish management company shall defer at least 60 per cent of the variable remuneration to specially regulated staff whose variable remuneration is particularly high.

The Swedish management company may pay or transfer deferred remuneration once a year evenly distributed over the period of time that the remuneration is deferred (pro rata). The first payment or transfer may be made at the earliest one year after the decision to grant variable remuneration.

### **Units in the Swedish UCITS and other instruments**

**Section 23** A Swedish management company shall ensure that at least 50 per cent of the variable remuneration consists of

1. units in the fund in question, or
2. instruments achieving a corresponding common interest as units in the Swedish UCITS in question.

The first paragraph shall only be applied at a Swedish management company whose management of Swedish UCITS represents at least 50 per cent of the total portfolio under the company's management.

The first paragraph shall be applied to both the deferred portion of the variable remuneration and the portion not deferred.

**Section 24** A Swedish management company shall ensure that variable remuneration paid in the form of units in the Swedish UCITS in question, or in the form of instruments that attain a corresponding community of interests, are subject to restrictions entailing that the employee may not exercise control over the instruments for at least one year after the right of ownership to the instrument has been passed to the employee. The restrictions shall be longer if such is justified by the long-term interests of the Swedish management company, the Swedish UCITS in question, or the investors. This applies regardless whether the variable remuneration has been deferred or not.

### **Adjustment of deferred remuneration**

**Section 25** An Swedish management company shall ensure that deferred variable remuneration is only paid or awarded to the employee to an extent justifiable by the company's financial situation and the performance of the Swedish UCITS, the business unit and the employee in question. The deferred portion of the remuneration shall also be able to be cancelled in full for the same reasons.

## **Chapter 29**

**Section 2** The prospectus shall contain the following information concerning the Swedish management company:

1. the name of the Swedish management company,
2. the date the Swedish management company was established,
3. the amount of the Swedish management company's share capital,

4. that the Swedish management company is a limited liability company,
5. the Swedish management company's registered office and head office, if the head office is located at another location, and
6. names of the members of the board of directors and any alternate members, the managing director, his/her deputy managing director and persons holding other management positions, as well as information about their primary engagements outside of the Swedish management company when these are of significance for the company.

The prospectus shall also include

1. a description of the Swedish management company's remuneration policy, how remuneration and benefits are paid and decided, and the composition of the remuneration committee when one is appointed, or
2. a summary of the remuneration policy together with a disclosure about the information referred to in point 1 is available on a specified website and a paper copy can be obtained at no cost upon request.

If the Swedish management company manages other Swedish UCITS, the prospectus shall contain a list of these funds.

**Section 5** The prospectus shall contain the following information concerning the depositary:

1. the depositary's name,
2. the depositary's legal form,
3. the depositary's registered office and head office, if the head office is located at another location, and
4. a description of the duties of the depositary and the conflicts of interest that may arise.

If the depositary has outsourced the depositary functions to a third party pursuant to Chapter 3, section 10 of the Swedish UCITS Act (2004:46), the prospectus shall contain a description of the assignment, information about who has been given the assignment, and if further delegation of the assignment as occurred in accordance with Chapter 3, section 13 of the same Act and in such a case to whom.

The prospectus shall contain a description of the conflicts of interest that may arise a result of the outsourcing agreement specified in the second paragraph.

The prospectus shall state that relevant information in accordance with this provision will be provided to an investor upon request.

## Chapter 31

**Section 34** In addition to the requirements set out in the other provisions in this chapter, the annual report shall contain the disclosures set out in sections 35–48a.

*Remuneration*

**Section 48a** The annual report shall contain disclosures about

1. the number of employees that received payment of fixed or variable remuneration during the financial year,
2. the total remuneration amount paid to specially regulated staff during the financial year, broken down into the categories of employees set out in Chapter 1, section 9, second paragraph, point 30, and
3. how remuneration and benefits to employees have been calculated.

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1. These regulations shall enter into force on den 1 November 2016.
  2. The provision set out in Chapter 29, section 2, second paragraph and section 5 shall be applied as of 1 January 2017.

ERIK THEDÉEN

Johan Hemmar

*Appendix 1***Application for ownership assessment – natural person**

A natural person shall apply for ownership assessment by submitting information to Finansinspektionen in accordance with this appendix, given the following situations:

1. If you intend to directly or indirectly acquire a financial institution and need to apply for permission for the acquisition.
2. If you have a qualifying holding in a firm that is applying for a licence to conduct financial business. *Target company* in this point refers to the firm that is applying for a licence to conduct business. *Acquirer* refers in this point to the physical owner of the firm that is applying for a licence to conduct business.

As a part of the ownership assessment, Finansinspektionen collects information from e.g. The Swedish Police, the Swedish Companies Registration Office, the Swedish Tax Agency, the Swedish Enforcement Authority and firms that provide credit assessments.

**Application form**

Fill in the information in the form below. Some of the information must be submitted as a separate document. Review the Appendix Checklist on the last page of the application.

**Contact details**

Whom should Finansinspektionen contact about this application?

First name: \_\_\_\_\_

Surname: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Email: \_\_\_\_\_

Fax: \_\_\_\_\_

Name of the acquirer: \_\_\_\_\_

Firm under acquisition (including comp. reg. no.)?  
\_\_\_\_\_

**Exceptions from submitting certain information**

Are you citing Chapter 6, sections 2 or 7 of these regulations as a reason for being excepted from submitting certain information?

Yes

No

If yes, please explain.

If you have previously submitted identical information to Finansinspektionen as part of a separate matter, you can refer to this matter. State the reference number and the information that was submitted.

## 1 Information about the acquirer

### 1.1 Personal information

*If you are registered in Sweden*

First name: \_\_\_\_\_

Surname: \_\_\_\_\_

Personal identification number: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

*If you are not registered in Sweden\**

First name: \_\_\_\_\_

Surname: \_\_\_\_\_

Personal identity number or equivalent: \_\_\_\_\_

\_\_\_\_\_

Date of birth: \_\_\_\_\_

Place of birth: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

\_\_\_\_\_

Nationality: \_\_\_\_\_

Passport number: \_\_\_\_\_

Previous nationalities (if any): \_\_\_\_\_

Previous name (if any):

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\* If you are not registered in Sweden, append a certified copy of an identity document.

## CV

1.2. Append a CV that contains relevant information about your education, work experience and other assignments.

## Financial situation

1.3. State your income for the previous and current calendar year (amounts, sources), your current assets/liabilities and guarantees or other commitments. Also state if there are other factors that can affect your financial position.

## Describe the chain of ownership

1.4 Append a description or chart of the ownership chain before and after the acquisition.

Participations shall be stated as a percentage of the issued participations. If the voting rights differ from the participations, also state the number of votes as a percentage of the total number of votes.

Also, list owners that in any other way have a significant influence over the undertaking subject to acquisition, the *target company*. List the nature of the business and the registered office for each undertaking in the ownership chain. Also, indicate which undertakings are under the supervision of Finansinspektionen or an equivalent foreign authority.

## Describe groups, if applicable

1.5 Append a description or chart of any financial groups after the acquisition.

The number of participations shall be stated as a percentage of the number of issued participations. If the number of voting rights differs from the number of participations, also state the number of votes as a percentage of the total number of voting rights.

Also, list owners that in any other way have significant influence over the target company. Also, indicate which undertakings are under the supervision of Finansinspektionen or an equivalent foreign authority.

For each undertaking that is part of such a group, state if it is

- a financial holding company,
- a mixed financial holding company,
- under the supervision of Finansinspektionen or an equivalent foreign authority, or
- not subject to such financial supervision.

### Board and senior management assignments

1.6. Name the firms in which you are an appointed board member, managing director or deputy managing director.

Name of firm (incl. comp. reg. no.)	Type of business	Registered office	Position on board and role

### Ownership involving control

1.7 Name the undertakings in which your ownership signifies control. The definition of control is set out in section 4.

Name of firm (incl. comp. reg. no.)	Type of business	Registered office	Holding (per cent)

### Close relations holding shares

1.8. Indicate if a close relation owns participations in the target firm, or in another firm that in turn owns shares in the target firm.

Also, indicate if there are other financial relationships between the above parties.

*Close relation* refers to a spouse, cohabitee, child, parent or other relation with whom you share living accommodations.

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### Common interests

1.9 Describe any common interests you may share with the following persons that can have an impact on the influence in the target firm:

- other shareholders,
- other parties entitled to vote,
- other persons or undertaking that although not shareholders have the ability to exercise similar influence over the target company, or
- managing directors, deputy managing directors or board members.

*Common interests* that can have an impact refer to e.g. shareholder agreements or other agreements concerning common ownership.

### Conflicts of interest

1.10 Identify any conflicts of interest that may arise as a result of the acquisition and specify how these will be handled.

### Reputation of the acquirer

1.11 Have you

a) during the past ten years been convicted by a Swedish or foreign court, or formally been charged as a suspect **in an ongoing investigation**, for a financial crime in respect of which imprisonment is included in the range of penalties?

Yes

No

b) during the past ten years been sentenced to imprisonment by a Swedish or foreign court for a crime other than that specified in 1.11a?

Yes

No

c) during the past five years been a board member or managing director or deputy managing director of a commercial undertaking in which the board of directors was not granted a release from liability?

Yes

No



d) during the past five years been dismissed from employment at a financial institution or as a senior manager or an assignment as a board member or auditor in another operating company?

Yes

No

1.12. To the best of your knowledge, have you or any firm in which you are or have been part of senior management or a board member or have or have had control:

a) during the past five years been (or still are/is) party to arbitration proceedings or civil (excluding family-related matters) or administrative proceedings concerning tax or business?

Yes

No

b) during the past five years been (or still are/is) subject to a debt restructuring, composition or company reconstruction or entered into bankruptcy or an equivalent process in another country?

Yes

No

c) been sanctioned by either a Swedish or foreign supervisory authority?

Yes

No

d) in the past ten years, either in Sweden or in another country, had an application rejected, been excluded from conducting business or in another way had limitations placed on your right to conduct business or a profession that requires a licence, registration or the equivalent?

Yes

No

e) in the past ten years been the subject of a fit and proper assessment by a foreign competent supervisory authority?

Yes

No

1.13. If you have answered yes to any of the questions under 1.11 and 1.12, please explain the circumstances.

## 2 Information about the acquisition

2.1 Specify the size of the holding you intend to acquire in the target company. The number of participations shall be stated as a percentage of the number of issued participations. State the number of participations before and after the acquisition (direct and indirect). If the voting rights differ from the number of participations, also state the number of votes as a percentage of the total number of votes.

2.2. State the expected date of acquisition.

2.3 State the purpose of the acquisition. Do not answer this question if the information can be concluded from 4.1.1a.

### **3 Financing the acquisition**

3.1 Specify how you intend to finance the acquisition. Describe the background of all financing items (whether monetary or another type of asset), their value, to whom they belong and in which jurisdiction they are located. Append documentation that supports this information.

3.2 Specify if there is a co-operation with a natural or legal person with regard to financing the acquisition and describe the conditions of this co-operation.

### **4 Scheme of operations and detailed information about the acquisition**

Provide information about the acquisition in accordance with one of the following options:

- ownership involves control<sup>2</sup> (4.1),
- ownership does not signify control, but amounts to 20 per cent or more and when ownership is qualifying but below 20 per cent (4.2).

If Finansinspektionen requires additional information to assess the suitability of the acquirer, it can also request information in accordance with section 4.1 below.

#### **4.1 Information when ownership signifies control**

An acquirer has control over the target company if the acquirer directly or indirectly obtains the majority of the votes or participations. Furthermore, an acquirer has control over the target company if the acquirer is a shareholder, and

- has the right to appoint or dismiss more than half of the members of the firm's board of directors or equivalent management body, or
- via agreements with other owners in the target firm has access to more than half of the votes for all shares.

#### *Business plan*

If your ownership signifies control, append a scheme of operations that includes the following:

1. *A strategic development plan* that includes a description of
  - a) the purpose and objective of the acquisition and how these will be achieved,
  - b) planned changes to the business of the target company, e.g. products, customers and any eventual reallocation of assets,
  - c) the planned integration of the target company with the acquirer's group, if any, and
  - d) information about the acquirer's intent and ability to contribute capital to the target firm if needed.
2. *Forecasts* for the target firm for the coming three years.

The following information shall be included in the forecasts:

- a) balance sheet and profit and loss account,
- b) important key ratios, and
- c) capital adequacy calculation.

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<sup>2</sup>Cf. Chapter 1, section 4 of the Annual Accounts Act (1995:1554).

3. A *description* of how the acquisition will impact the governance and organisation of the target company. In particular, specify if the acquisition will affect:

- a) the composition of the board of directors and management,
- b) the organisation's operational structure (append an organisational diagram), and
- c) outsourcing.

#### **4.2 Information when ownership does not signify control**

If the acquisition does not signify control of the target company, but the holding amounts to 20 per cent or more, the following information about the acquisition shall be appended:

- 1. if the acquirer intends in the foreseeable future to increase or decrease its holding in the target firm, and
- 2. whether the acquirer intends to actively attempt to exercise influence over the undertaking (and specify the circumstances related thereto),

### **Information**

Submit any additional information to Finansinspektionen below.

The undersigned hereby certifies that the information submitted in this application is correct and complete.

Date:

.....  
Signature

.....  
Name in print

### Checklist – documents that must be appended to an application for ownership assessment for natural persons

The following documents shall be appended to the application:	Appended	If not appended, explain
If you are not registered in Sweden: a certified copy of an identity document in accordance with section 1.1		
CV as set out in section 1.2.		
A description or chart of the entire ownership chain, before and after the acquisition, as set out in section 1.4.		
A description of the group (if relevant) as set out in section 1.5.		
Documentation that supports the financing of the acquisition as set out in section 3.1.		
A business plan and information as set out in sections 4.1 and 4.2.		

*Appendix 2*

## **Application for ownership suitability assessment – legal person**

A legal person shall apply for ownership suitability assessment by submitting information to Finansinspektionen in accordance with this appendix, given the following situations:

1. If the legal person intends to directly or indirectly acquire a financial institution and needs to apply for permission for the acquisition.
2. If the legal person has a qualifying holding in a firm that is applying for a licence to conduct financial business. *Target company* in this point refers to the firm that is applying for a licence to conduct business. *Acquirer* in this point refers to the legal owner of the firm that is applying for authorisation to conduct business.

As a part of the ownership assessment, Finansinspektionen collects information from e.g. The Swedish Police, the Swedish Companies Registration Office, the Swedish Tax Agency, the Swedish Enforcement Authority and firms that provide credit assessments.

### **Application form**

Fill in the information in the form below. Some of the information must be submitted as a separate document. Review the Appendix Checklist on the last page of the application.

### **Contact details**

Whom should Finansinspektionen contact about this application?

First name: \_\_\_\_\_

Surname: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Email: \_\_\_\_\_

Fax: \_\_\_\_\_

Name of the acquirer:  
\_\_\_\_\_

Firm under acquisition (including comp. reg. no.)?  
\_\_\_\_\_

**Exceptions from submitting certain information**

Are you citing Chapter 6, sections 2, 6 or 7 of these regulations as a reason for being excepted from submitting certain information?

Yes

No

If yes, please explain.

If the firm has previously submitted identical information to Finansinspektionen as part of a separate matter, you can refer to that matter below. State the registration number and the information that was submitted.

**1 Information about the acquirer****Information about the undertaking**

1.1 Full name of the firm: \_\_\_\_\_

Comp. reg. no./registration

no.: \_\_\_\_\_

Head office address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

1.2 State the business of the acquirer:

1.3 Append a registration certificate that is at the most two months old.

**Financial situation**

- 1.4 Append the most recently adopted annual report.
- 1.5 If possible, cite credit ratings and credit assessment companies.

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**Board of directors and management**

- 1.6 Provide information about board members, alternate board members, the managing director and the deputy managing director.

Name	Personal identification number or date of birth	Position on board and title

- 1.7 All persons mentioned in 1.6 must fill out and sign Appendix 3.

**Describe the chain of ownership**

- 1.8 Append a description or chart of the ownership chain before and after the acquisition.

Participations shall be stated as a percentage of the issued participations. If the voting rights differ from the participations, also state the number of votes as a percentage of the total number of votes.

Also, list owners that in any other way have a significant influence over the undertaking subject to acquisition, the *target company*. List the nature of the business and the registered office for each undertaking in the ownership chain. Also, indicate which undertakings are under the supervision of Finansinspektionen or an equivalent foreign authority.

**Describe groups, if applicable**

- 1.9 Append a description or chart of any financial groups after the acquisition.

The number of participations shall be stated as a percentage of the number of issued participations. If the number of voting rights differs from the number of participations, also state the number of votes as a percentage of the total number of voting rights.



Also, list owners that in any other way have significant influence over the target company. Also, indicate which undertakings are under the supervision of Finansinspektionen or an equivalent foreign authority.

For each undertaking that is part of such a group, state if it is

- a financial holding company,
- a mixed financial holding company,
- under the supervision of Finansinspektionen or an equivalent foreign authority, or
- not subject to such financial supervision.

### **Common interests**

1.10 Describe any common interests the firm may share with the following persons who could have an impact on the target firm:

- other shareholders,
- other parties entitled to vote,
- other persons or undertaking that although not shareholders have the ability to exercise similar influence over the target company, or
- managing directors, deputy managing directors or board members.

*Common interests* that can have an impact refer to e.g. shareholder agreements or other agreements concerning common ownership.

### **Conflicts of interest**

1.11 Identify any conflicts of interest that may arise as a result of the acquisition and specify how these will be handled.

### **Reputation of the acquirer**

1.12 State if the undertaking

- a) during the past five years been (or still is) party to arbitration proceedings or civil or administrative proceedings concerning tax or business?

Yes

No

b) in the past five years been (or still is) the object of a composition or company reconstruction or an equivalent process in another country?

Yes

No

c) been sanctioned by either Swedish or foreign supervisory authorities?

Yes

No

d) during the past ten years, either in Sweden or in another country, had an application rejected, been excluded from conducting business or in another way had limitations placed on its right to conduct business that requires a licence, registration or the equivalent?

Yes

No

e) in the past ten years been the subject of a fit and proper assessment by a foreign competent supervisory authority?

Yes

No

1.13. If you have answered yes to any of the questions under 1.12, please explain:

## 2 Information about the acquisition

2.1 Specify the size of the holding the firm intends to acquire in the target firm. The number of participations shall be stated as a percentage of the number of issued participations. State the number of participations before and after the acquisition (direct and indirect). If the voting rights differ from the number of participations, also state the number of votes as a percentage of the total number of votes.

2.2. State the expected date of acquisition.

2.3 State the purpose of the acquisition. Do not answer this question if the information can be concluded from 4.1.1a.

### 3 Financing the acquisition

3.1 Specify how the firm intends to finance the acquisition. Describe the background of all financing items (whether monetary or another type of asset), their value, to whom they belong and in which jurisdiction they are located. Append documentation that supports this information.

3.2 Specify if there is a co-operation with a natural or legal person with regard to financing the acquisition and describe the conditions of this co-operation.

### 4 Scheme of operations and detailed information about the acquisition

Provide information on the acquisition according to one of the following three options:

– ownership involves control<sup>3</sup> (4.1),

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<sup>3</sup>Cf. Chapter 1, section 4 of the Annual Accounts Act (1995:1554).

- ownership does not signify control, but totals 20 per cent or more (4.2), or
- ownership is qualifying but below 20 per cent (4.3).

If Finansinspektionen requires additional information to assess the suitability of the acquirer, the authority can also request information in accordance with section 4.1 or 4.2 below.

#### **4.1 Information when ownership signifies control**

An acquirer has control over the target company if the acquirer directly or indirectly obtains the majority of the votes or participations. Furthermore, an acquirer has control over the target company if the acquirer is a shareholder, and

- has the right to appoint or dismiss more than half of the members of the firm's board of directors or equivalent management body, or
- via agreements with other owners in the target firm has access to more than half of the votes for all shares.

##### *Business plan*

If the undertaking's ownership signifies control, append a business plan that includes the following:

1. A *strategic development plan* that includes a description of
  - a) the purpose and objective of the acquisition and how these will be achieved,
  - b) planned changes to the business of the target company, e.g. products, customers and any eventual reallocation of assets,
  - c) planned integration of the target company with the acquiring undertaking's group, and
  - d) information about the acquirer's intention and ability to contribute capital to the target company if needed.
2. A *capital adequacy calculation* at the time of the acquisition or at the time of the most recently adopted figures before the acquisition, if the acquisition will entail that the target firm and the acquirer will become part of a financial group.
3. A specified list of the large exposures held by the acquirer at the time of acquisition if the acquirer is a financial institution.
4. *Forecasts* for the target firm for the coming three years. If the acquisition entails that the target firm and the acquirer will become part of a financial group, forecasts shall also be submitted for the group.

The following information shall be included in the forecasts:

- a) balance sheet and profit and loss account,
- b) important key ratios, and
- c) capital adequacy calculation.

5. A description of how the acquisition will impact the governance and organisation of the target company. In particular, specify if the acquisition will affect:

- a) the composition of the board of directors and management,
- b) the organisation's operational structure (append an organisational diagram), and
- c) outsourcing.

#### **4.2 Information when ownership does not signify control, but totals 20 per cent or more**

If the acquisition does not signify control of the target company, but the holding amounts to 20 per cent or more, the following information about the acquisition shall be appended:

- 1. information about whether the acquirer intends within the foreseeable future to increase or reduce its holding in the target company,
- 2. whether the acquirer intends to actively attempt to exercise influence over the undertaking (and specify the circumstances related thereto),
- 3. a capital adequacy calculation at the time of the acquisition or at the time of the most recently adopted figures before the acquisition, if the acquisition will entail that the target firm and the acquirer will become part of a financial group, and
- 4. a specified list of the large exposures held by the acquirer at the time of acquisition if the acquirer is a financial institution.

#### **4.3 Information when ownership is qualifying but below 20 per cent**

If the acquisition entails that the ownership is less than 20 per cent but is still a qualifying holding, the following information about the acquisition shall be appended:

- 1. whether the acquirer intends in the foreseeable future to increase or decrease its holding in the target company, and
- 2. whether the acquirer intends to actively attempt to exercise influence over the undertaking (and specify the circumstances related thereto),

## Information

Submit any additional information to Finansinspektionen below.

The undersigned hereby certifies that the information submitted in this application is correct and complete.

Date:

.....  
Signature

.....  
Name in print

**Checklist – documents that must be appended to an application for ownership suitability assessment for legal persons**

The following documents shall be appended to the application:	Appended	If not appended, explain
A certificate of registration that is at the most two months old as set out in section 1.3.		
Adopted annual report for the most recent financial year as set out in section 1.4.		
Appendix 3 for all persons as set out in section 1.6.		
A description or chart of the entire ownership chain, before and after the acquisition, as set out in section 1.8.		
A description of the group (if relevant) as set out in section 1.9.		
Documentation that supports the financing of the acquisition as set out in section 3.1.		
A business plan and information as set out in sections 4.1–4.3.		

*Appendix 3*

**Application/notification for senior management in a firm which owns a Swedish management company**

If a legal person shall undergo an ownership assessment, the board members, alternate board members, managing director and deputy managing director of the legal person shall submit the information in this appendix to Finansinspektionen. This assessment is part of the ownership assessment that is conducted for a legal person in accordance with Appendix 2.

An assessment shall be carried out in the following situations:

1. If the legal person intends to directly or indirectly acquire a financial institution and needs to apply for permission for the acquisition.
2. If the legal person has a qualifying holding in a firm that is applying for a licence to conduct financial business.
3. If a new board member, alternate member, managing director or deputy managing director are appointed or change position or role in the owner firm, a notification shall be sent to Finansinspektionen.

As a part of the ownership assessment, Finansinspektionen collects information from e.g. The Swedish Police, the Swedish Companies Registration Office, the Swedish Tax Agency, the Swedish Enforcement Authority and firms that provide credit assessments.

**Application form**

Fill in the information in the form below. Some of the information must be submitted as a separate document. Review the Appendix Checklist on the last page of the application.

**Contact details**

Whom should Finansinspektionen contact about this assessment?

First name: \_\_\_\_\_  
Surname: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone number: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

Financial institution under assessment (including comp. reg. no.)?  
\_\_\_\_\_



### Information about the owner company

In which owner firm are you a board member, alternate board member, managing director or deputy managing director (including comp. reg. no.)?

\_\_\_\_\_

### Position on board and title

Which position on the board and role within the owner company will be assessed?

- \_\_\_ chairman of the board
- \_\_\_ board member
- \_\_\_ alternate board member
- \_\_\_ managing director
- \_\_\_ deputy managing director

If you have previously submitted identical information to Finansinspektionen as part of a separate matter, you can refer to that matter below. State the reference number and the information that was submitted.

### Personal details

*1. If you are registered in Sweden*

First name: \_\_\_\_\_

Surname: \_\_\_\_\_

Personal identification number: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

\_\_\_\_\_

*If you are not registered in Sweden\**

First name: \_\_\_\_\_

Surname: \_\_\_\_\_

Personal identity number or equivalent: \_\_\_\_\_

Date of birth: \_\_\_\_\_

Place of birth: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone number: \_\_\_\_\_  
Nationality: \_\_\_\_\_  
Passport number: \_\_\_\_\_  
Previous nationalities (if any): \_\_\_\_\_  
Previous name (if any): \_\_\_\_\_

\* If you are not registered in Sweden, append a certified copy of an identity document.

## CV

2. Append a CV that contains relevant information about your education, work experience and other assignments.

## Reputation of management

3. Have you

a) in the past ten years been convicted by a Swedish or foreign court, or formally been charged as a suspect **in an ongoing investigation**, for a financial crime in respect of which imprisonment is included in the range of penalties?

Yes

No

b) in the past ten years been sentenced to imprisonment by a Swedish or foreign court for a crime other than that specified in 3a?

Yes

No

c) in the past five years been a board member or managing director or deputy managing director of a commercial undertaking in which the board of directors was not discharged from liability?

Yes

No

d) during the past five years been dismissed from employment at a financial institution or as a senior manager or an assignment as a board member or auditor in another operating company?

Yes

No

4. To the best of your knowledge, have you or any firm in which you are or have been part of senior management or a board member or have or have had control:

a) during the past five years been (or still are/is) party to arbitration proceedings or civil (excluding family-related matters) or administrative proceedings concerning tax or business?

Yes

No

b) in the past five years been (or still are/is) subject to a debt restructuring, composition or company reconstruction or entered into bankruptcy or an equivalent process in another country?

Yes

No

| c) been sanctioned by either a Swedish or foreign supervisory authority?

Yes

No

d) in the past ten years, either in Sweden or in another country, had an application rejected, been excluded from conducting business or in another way had limitations placed on your right to conduct business or a profession that requires a licence, registration or the equivalent?

Yes

No

e) in the past ten years been the subject of a fit and proper assessment by a foreign competent supervisory authority?

Yes

No

5. If you have answered yes to any of the questions under 3 and 4, please explain.

## Information

Submit any additional information to Finansinspektionen below.

The undersigned hereby certifies that the information submitted in this application is correct and complete.

Date:

.....  
Signature

.....  
Name in print

**Checklist – documents that must be appended to the application/notification**

The following documents shall be appended to the application/notification:	Appended	If not appended, explain
If you are not registered in Sweden: a certified copy of an identity document referred to in section 1.		
CV as set out in section 2.		

*Appendix 4***Application/notification - management assessment**

A board member, alternate board member, managing director and deputy managing director in financial undertakings shall submit information in accordance with this appendix when applying for authorisation from Finansinspektionen. The management suitability assessment is part of an application for authorisation.

Information in accordance with this appendix shall also be submitted to Finansinspektionen when submitting notification of changes in the positions mentioned above.

As a part of the suitability assessment, Finansinspektionen collects information from e.g. The Swedish Police, the Swedish Companies Registration Office, the Swedish Tax Agency, the Swedish Enforcement Authority and firms that provide credit assessments.

**Application form**

Fill in the information in the form below. Some of the information must be submitted as a separate document. Review the Appendix Checklist on the last page of the management suitability assessment.

**Contact details**

Whom should Finansinspektionen contact about this application/notification?

First name: \_\_\_\_\_  
 Surname: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Telephone number: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Fax: \_\_\_\_\_

The financial undertaking under management assessment (including comp. reg. no.)?

\_\_\_\_\_

**Position on board and title**

Which position in the board or role will be assessed?

\_\_\_ chairman of the board  
 \_\_\_ board member  
 \_\_\_ alternate board member

\_\_\_ managing director

\_\_\_ deputy managing director

If you have previously submitted identical information to Finansinspektionen as part of a separate matter, you can refer to that matter below. State the reference number and the information that was submitted.

### Personal details

#### *1. If you are registered in Sweden*

First name: \_\_\_\_\_

Surname: \_\_\_\_\_

Personal identification number: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

#### *If you are not registered in Sweden\**

First name: \_\_\_\_\_

Surname: \_\_\_\_\_

Personal identity number or equivalent: \_\_\_\_\_

Date of birth: \_\_\_\_\_

Place of birth: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Nationality: \_\_\_\_\_

Passport number: \_\_\_\_\_

Previous nationalities (if any): \_\_\_\_\_

Previous name (if any): \_\_\_\_\_

\* If you are not registered in Sweden, append a certified copy of an identity document.

**CV**

2. Append a CV that contains relevant information about your education, work experience and other assignments.

**Employment, board assignments and management**

3. Specify the undertaking in which you are employed, receive consistent assignments or are an appointed board member. Also, indicate if you hold several roles within the same undertaking:

Name of undertaking (including corporate identity no.)	Type of business	Registered office	Position on board and role

**Qualifying ownership**

4. Specify if you either directly or indirectly have a qualifying holding in the firm that is under management suitability assessment or if you in any other way have a significant influence:

--

5. Specify any other undertakings in which you hold a direct or indirect qualifying holding or in any other way have significant influence:

Name of undertaking (including corporate identity no.)	Type of business	Registered office	Holding (per cent)

**Close relations holding shares**

6. Indicate if a close relation owns shares in the undertaking under management assessment, or in another undertaking that in turn owns shares in the undertaking.



Also, indicate if there are other financial relationships between the above parties.

*Close relation* refers to a spouse, cohabitee, child, parent or other relation with whom you share living accommodations.

### Conflicts of interest

7. State your position in the firm that is under management suitability assessment and any other engagements that you may have that can potentially result in conflicts of interest and describe how these will be handled.

### Reputation of management

8. Have you

a) during the past ten years been convicted by a Swedish or foreign court, or formally been charged as a suspect **in an ongoing investigation**, for a financial crime in respect of which imprisonment is included in the range of penalties?

Yes

No

b) during the past ten years been sentenced to imprisonment by a Swedish or foreign court for a crime other than that specified in 8a?

Yes

No

c) in the past five years been a board member or managing director or deputy managing director of a commercial undertaking in which the board of directors was not discharged from liability?

Yes

No

d) during the past five years been dismissed from employment at a financial institution or as a senior manager or from an assignment as a board member or auditor in another operating company?

Yes

No

9. To the best of your knowledge, have you or any firm in which you are or have been part of senior management or a board member or have or have had control:

a) during the past five years been (or still are/is) party to arbitration proceedings or civil (excluding family-related matters) or administrative proceedings concerning tax or business?

Yes

No

b) during the past five years been (or still are/is) subject to a debt restructuring, composition or company reconstruction or entered into bankruptcy or an equivalent process in another country?

Yes

No

c) been sanctioned by either a Swedish or foreign supervisory authority?

Yes

No

d) in the past ten years, either in Sweden or in another country, had an application rejected, been excluded from conducting business or in another way had limitations placed on your right to conduct business or a profession that requires a licence, registration or the equivalent?

Yes

No

e) in the past ten years been the subject of a fit and proper assessment by a foreign competent supervisory authority?

Yes

No

10. If you have answered yes to any of the questions under 8 and 9, please explain.

## Information

Submit any additional information to Finansinspektionen below.

The undersigned hereby certifies that the information submitted in this application is correct and complete.

Date:

.....  
Signature

.....  
Name in print

**Checklist – documents that must be appended to the management suitability assessment**

The following documents shall be appended to the application/notification:	Appended	If not appended, explain
If you are not registered in Sweden: a certified copy of an identity document referred to in section 1.		
CV as set out in section 2.		