

# Finansinspektionen's Regulatory Code

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## **Finansinspektionen's regulations and general guidelines regarding institutions for electronic money and registered issuers;**

decided on 9 November 2011.

Finansinspektionen prescribes<sup>1</sup> the following pursuant to section 6, points 1–3, 5 (first sentence) and 7–11 of the Electronic Money Ordinance (2011:776).

Finansinspektionen provides *general guidelines* following the sections of the regulations.

### **Chapter 1 Scope and definitions**

#### **Scope**

**Section 1** These regulations and general guidelines contain provisions for the following undertakings:

- limited liability companies and economic associations applying for authorisation to issue electronic money,
- legal persons applying for exemption from the authorisation requirement to issue electronic money,
- institutions for electronic money and registered issuers pursuant to the Electronic Money Act (2011:755).

The regulations contain provisions regarding

- application for authorisation to issue electronic money (Chapter 2),
- application for exemption from the authorisation obligation (Chapter 3),
- cross-border operations for institutions for electronic money (Chapter 4),
- ownership and management assessments (Chapter 5),
- other procedures subject to a notification obligation (Chapter 6),
- organisational requirements for institutions for electronic money (Chapter 7),
- outsourcing agreements (Chapter 8),
- safeguarding of funds received in exchange for issued electronic money (Chapter 9), and
- reporting information to Finansinspektionen (Chapter 10).

**Section 2** An undertaking which in addition to issuing electronic money intends to provide payment services shall submit information about the payment service

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<sup>1</sup> Cf. Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (EUT L 267, 10.10.2009, pp. 7–17, Celex 32009L0110).

operations pursuant to Finansinspektionen's regulations and general guidelines (FFFS 2010:3) regarding payment institutions and registered payment service providers.

### **Definitions**

**Section 3** Terms and expressions used in these regulations and general guidelines have the same meaning as those defined in Chapter 1, section 2 of the Electronic Money Act (2011:755).

### **Calculation of outstanding debts**

**Section 4** The average outstanding debts attributable to electronic money are calculated on the first calendar day of each month and shall be used during the calendar month.

The average outstanding debt is calculated as the sum of the total amount of issued electronic money at the end of each calendar day over the past six months divided by the number of calendar days in the six month period in question.

## **Chapter 2 Application for authorisation to issue electronic money**

**Section 1** The provisions set out in this chapter apply to limited liability companies and economic associations applying for authorisation to issue electronic money pursuant to Chapter 2, section 1 of the Electronic Money Act (2011:755).

In its application for authorisation, such an undertaking shall provide the information set out in sections 2–7.

### *General guidelines*

The undertaking should use the application form available on Finansinspektionen's website.

**Section 2** In its application an undertaking shall state its name, company registration number and address of business. The application shall be signed by an authorised representative for the undertaking.

### **Ownership**

**Section 3** In its application an undertaking shall provide a description of its ownership structure.

The undertaking shall also append the information for the ownership assessment set out in Chapter 5, section 2.

Furthermore, the undertaking shall provide information about the natural or legal persons it has or is expected to have close relationships with in accordance with Chapter 1, section 3 of the Electronic Money Act (2011:755).

Where the undertaking belongs to the same group as another institution for electronic money, payment institution, credit institution, investment firm,

management company or insurance undertaking, the names and company registration numbers of these undertakings shall be provided.

#### *General guidelines*

The description of the ownership structure may be general in nature and may, for example, consist of an outline of the owners or group that states the names, personal identification numbers/company registration numbers and ownership shares.

#### **Management list**

**Section 4** An undertaking's application shall include information about the members and, if any, alternate members of its board of directors and identify the chairman of the board of directors. The undertaking shall also identify the managing director or equivalent if such a position has been appointed and this person's eventual deputy managing director. The undertaking shall also identify the person responsible for the electronic money operations and this person's eventual replacement.

With regard to the persons set out in the first paragraph, the undertaking shall also provide the information for management assessment set out in Chapter 5, section 4.

#### **Economic situation**

**Section 5** An undertaking shall submit in its application a forecast for the next three financial years. The forecast shall include

1. a balance sheet and profit and loss account,
2. a calculation of capital requirements, and
3. information regarding how the results of the balance sheet and profit and loss account impact the undertaking's initial capital.

The undertaking shall account for the assumptions on which the forecast is based. In particular the undertaking shall state the assumptions regarding the average outstanding debts attributable to electronic money upon which it has based its forecast.

The undertaking shall account in its forecast for how it intends to finance its operations related to the issuance of electronic money.

#### **Ongoing judicial or arbitration proceedings**

**Section 6** An undertaking shall state in its application if it is a party to an ongoing judicial or arbitration proceeding that can result in financial uncertainty and risk for the undertaking's operations related to the issuance of electronic money and, if it is, describe the circumstances.

#### **Business plan**

**Section 7** In its application an undertaking shall append a business plan prepared in accordance with sections 8–21.

*The undertaking's operations*

**Section 8** An undertaking's business plan shall include

1. a detailed description of the operations related to the issuance of electronic money which the undertaking intends to conduct, and
2. a flow chart demonstrating the administrative processes in place for the operations related to the issuance of electronic money

*Organisation*

**Section 9** The business plan shall include a schematic overview of how the operations of the undertaking will be organised. The overview shall specify who is responsible for each area or function.

The business plan shall also include a detailed description of the various areas or functions within the operations related to the issuance of electronic money and a general account of the activities that are carried within each area/function.

*Related services and other business activities*

**Section 10** Where an undertaking also provides or intends to provide related services and conduct operations others than those related to the issuance of electronic money, the undertaking shall specifically describe these operations and their scope in the business plan.

The undertaking shall also state how it safeguards its financial soundness and that Finansinspektionen's opportunities to exercise supervision of the undertaking are not impaired by the provision or intention to conduct operations other than the issuance of electronic money.

*Safeguarding of funds received in exchange for issued electronic money*

**Section 11** An undertaking shall describe in its business plan how it intends to fulfil the requirement to safeguard such funds that are received in exchange for issued electronic money pursuant to Chapter 3, section 7 of the Electronic Money Act (2011:755) and Chapter 9 of these regulations.

*Outsourcing agreements*

**Section 12** Where an undertaking has outsourced or intends to outsource to a third party a certain task or certain operational functions that are part of its operations related to the issuance of electronic money, the undertaking shall provide information in its business plan about to whom it is outsourcing or intends to outsource an assignment and describe the scope of the assignment.

In its business plan the undertaking shall also account for how it will ensure that

1. it complies with the conditions set out in Chapter 3, section 29, second paragraph of the Electronic Money Act (2011:755) and Chapter 8 of these regulations, and
2. that it otherwise complies with the Electronic Money Act and other regulations regulating the operations.

The undertaking shall also append to its business plan the outsourcing agreements it has entered into or intends to enter into that refer to functions of material significance to its operations related to the issuance of electronic money.

#### *Agents*

**Section 13** An undertaking's business plan shall describe how it intends to engage agents for the provision of payment services or distribution and redemption of electronic money.

Where the undertaking intends to engage agents to provide payment services, the undertaking shall also provide information pursuant to Chapter 6, section 4.

#### *Cross-border operations*

**Section 14** An undertaking's business plan shall state if it intends to issue electronic money via cross-border operations as set out in Chapter 3, sections 19, 20, 22 and 24 of the Electronic Money Act (2011:755).

#### *Information systems and security issues*

**Section 15** An undertaking shall state in its business plan how it will organise its IT activities for the issuance of electronic money. The undertaking shall in part describe on a general level its systems' functions and areas of use and in part describe which confidentiality functions it uses in its operations related to the issuance of electronic money to prevent unauthorised persons from obtaining access to information about an individual's personal or financial circumstances.

The undertaking shall also state if the firm shares its premises or technical equipment with other parties and how the firm, when applicable, intends to handle confidentiality issues within its operations related to the issuance of electronic money due to such an arrangement.

#### *Compliance*

**Section 16** The business plan shall state how an undertaking intends to ensure that it complies with the regulations that apply to the issuance of electronic money.

The business plan shall also contain a description of how the compliance function will be designed and how its work will be carried out.

The undertaking shall also append a separate instruction for compliance pursuant to Chapter 7, section 6.

#### *Risk management and risk control*

**Section 17** The business plan shall state how an undertaking intends to identify, measure, govern, report internally and control the risks associated with its operations related to the issuance of electronic money.

Furthermore, the business plan shall contain a description of how the risk control function will be designed and how its work will be carried out.

The undertaking shall also append a separate instruction for risk management pursuant to Chapter 7, section 9.

#### *Internal audit*

**Section 18** In its business plan, an undertaking which has an internal audit function in accordance with Chapter 7, section 11 shall describe how this function will be designed and how its work will be carried out.

#### *Complaints handling*

**Section 19** The business plan shall contain information about the procedures pursuant to Chapter 7, section 12 that an undertaking intends to apply to handle complaints linked to its operations related to the issuance of electronic money.

#### *Prevention of money laundering and financing of terrorism*

**Section 20** The business plan shall state how an undertaking intends to carry out the prevention of money laundering and financing of terrorism in its operations related to the issuance of electronic money. Information about the person at the undertaking responsible for the central function in these issues shall be identified.

The undertaking shall also describe its risk assessment in its business plan pursuant to Chapter 2, section 3 of Finansinspektionen's regulations and general guidelines (FFFS 2009:1) governing measures against money laundering and terrorist financing (FFFS 2009:11) and append in a separate appendix the internal rules the undertaking shall have pursuant to Chapter 3, sections 1 and 2 of the same regulations.

#### *Events of material significance*

**Section 21** An undertaking shall describe in its business plan its procedures for reporting to Finansinspektionen events of material significance in accordance with Chapter 10, sections 4 and 5.

### **Chapter 3 Application for exemption from the authorisation obligation**

**Section 1** The provisions in this chapter apply to legal persons applying for exemption from the authorisation obligation pursuant to Chapter 2, section 3 of the Electronic Money Act (2011:755).

#### *General guidelines*

A legal person should use the application form for exemption from the authorisation obligation that is available on Finansinspektionen's website.

**Section 2** A legal person shall, when applying for exemption from the authorisation obligation, provide information in accordance with Chapter 2, sections 2 and 6.

The application shall also include the information set out in sections 3–8.

**Section 3** The application shall contain a forecast of the expected average outstanding debts attributable to electronic money for the first two years of operation. The undertaking shall account for the assumptions on which the forecast is based.

**Section 4** The application shall contain a description of the ownership structure of the legal person.

The application shall also contain a list of the natural or legal persons with a qualifying holding of shares or participating interests in the legal person.

The list shall include

1. information identifying the owner and information about this person's operations,
2. information identifying the members of the board of directors and senior management of the owner, their education, work experience, other assignments and reputation,
2. a description of the ownership chain, and
4. information about the reputation of the owner.

*General guidelines*

The description of the ownership structure may be general in nature and may, for example, consist of an outline of the owners or group that states the names, personal identification numbers/company registration numbers and ownership shares.

The information pursuant to the third paragraph should be provided using the ownership assessment form that is available on Finansinspektionen's website.

**Section 5** A legal person shall provide information in its application about the board members and any alternate members or the equivalent that will be part of its board of directors and identify who will be the chairman of the board of directors. The application shall also identify the managing director or equivalent if such a position has been appointed and this person's eventual deputy managing director. The application shall also identify the person responsible for the operations related to the issuance of electronic money and this person's eventual replacement.

A legal person shall append the management assessment information pursuant to Chapter 5, section 5 for the persons identified in the first paragraph.

**Section 6** A legal person shall append a business plan prepared in accordance with Chapter 2,

- sections 8–13,
- section 15,
- section 16, first paragraph,
- section 17, first paragraph, and
- section 20.

**Section 7** A legal person shall state in its business plan the procedures in place to monitor that it at all times fulfils the conditions to be exempt from the authorisation obligation pursuant to Chapter 2, section 3 of the Electronic Money Act (2011:755)

and notify Finansinspektionen pursuant to Chapter 2, section 4, second paragraph of the same Act.

**Section 8** A legal person shall describe in its business plan the procedures in place to ensure that the size of the average outstanding debts attributable to electronic money do not exceed EUR 5 million.

The business plan shall also state how the undertaking ensures that the reporting of this information is submitted to Finansinspektionen pursuant to Chapter 10, section 8.

#### **Chapter 4 Cross-border operations for institutions for electronic money**

**Section 1** An institution for electronic money shall, when notifying Finansinspektionen about cross-border operations pursuant to Chapter 3, sections 19, 20 and 22 of the Electronic Money Act (2011:755), use the form available on Finansinspektionen's website.

A translation of the notification into an official language of the country of establishment or English should also be submitted to Finansinspektionen.

#### **Chapter 5 Ownership and management assessment**

**Section 1** The provisions in this chapter specify the information that shall be submitted to Finansinspektionen in conjunction with an ownership or management assessment.

##### **Ownership assessment**

**Section 2** An application for permission to acquire or increase a qualifying holding in an institution for electronic money shall be submitted in accordance with Finansinspektionen's regulations (FFFS 2009:3) governing ownership and management assessment.

**Section 3** When a registered issuer becomes aware that a natural or legal person intends to acquire or has acquired a qualifying holding in the registered issuer, it shall immediately notify Finansinspektionen about this acquisition.

Such a notification shall include

1. information identifying the acquirer,
2. information identifying the members of the board of directors and senior management of the acquirer, their education, work experience, other assignments and reputation,
3. a description of the ownership chain before and after the acquisition,
4. information about the acquirer's reputation,
5. information about the size, date and purpose of the acquisition, and
6. information about how the acquisition will be financed.

When a registered issuer becomes aware of a change in the management of a legal person with a qualifying holding in the registered issuer, it shall immediately notify Finansinspektionen about this change.

Notification pursuant to the third paragraph shall contain information identifying a new member of the board of directors and senior management as well as



information about this person's education, work experience, other assignments and reputation.

*General guidelines*

A registered issuer should use the ownership assessment form that is available on Finansinspektionen's website.

**Management assessment in institutions for electronic money**

**Section 4** An institution for electronic money shall immediately submit a notification about a change to its board of directors or senior management pursuant to Finansinspektionen's regulations (FFFS 2009:3) regarding ownership and management assessment.

When there is a change to the person responsible for the operations related to the issuance of electronic money, or this person's deputy, the corresponding information in accordance with the first paragraph shall be submitted for this person.

**Management assessment in a registered issuer**

**Section 5** A registered issuer shall immediately submit a notification about a change to its board of directors, senior management or the person responsible for the operations related to the issuance of electronic money or this person's deputy.

Such a notification shall contain information identifying members of the board of directors and senior management as well as information about their education, work experience, other assignments and reputation.

*General guidelines*

A registered issuer should use the management assessment form that is available on Finansinspektionen's website.

**Chapter 6 Other procedures subject to a notification obligation**

**Section 1** This chapter contains provisions regarding other procedures that are subject to a notification obligation pursuant to the Electronic Money Act (2011:755).

**Outsourcing agreements**

**Section 2** An institution for electronic money or a registered issuer, in its notification pursuant to Chapter 3, section 29, first paragraph of the Electronic Money Act (2011:755), shall provide the information regarding outsourcing agreements set out in Chapter 2, section 12.

The institution for electronic money or the registered issuer shall submit the notification to Finansinspektionen no later than one month before the agreement will enter into force.

### **Related services and other business activities**

**Section 3** An institution for electronic money or a registered issuer which intends to provide payment services, related services or conduct operations other than issuing electronic money, shall notify Finansinspektionen about this intention. Changes to the supply of services or operations shall also be reported.

With regard to institutions for electronic money, a notification referring to the provision of payment services shall contain the information set out in Chapter 4, sections 2 and 3 of Finansinspektionen's regulations and general guidelines (FFFS 2010:3) regarding payment institutions and registered payment service providers, and with regard to registered issuers, the information set out in Chapter 4, sections 4 and 5 of the same regulations.

A notification regarding related services or operations other than issuing electronic money shall contain the information set out in Chapter 2, section 10.

The institution for electronic money or the registered issuer shall submit a notification in accordance with the first paragraph no later than one month before the planned change.

### **Payment services via agents in Sweden**

**Section 4** An institution for electronic money or a registered issuer that intends to engage agents to provide payment services shall, in addition to the information regarding each payment service agent set out in Chapter 3, section 18, second paragraph of the Electronic Money Act (2011:755), provide information about the personal identification number or the company registration number of the payment service agent.

#### *General guidelines*

An institution for electronic money or a registered issuer should use the form for the notification of payment service agents that is available on Finansinspektionen's website.

### **Material changes in measures to safeguard funds**

**Section 5** An institution for electronic money or a registered issuer that intends to implement material changes to its measures to safeguard fund received in exchange for issued electronic money shall submit information to Finansinspektionen regarding the change in the manner set out in Chapter 2, section 11 no later than one month in advance.

## **Chapter 7 Organisational requirements for institutions for electronic money**

**Section 1** This chapter contains provisions regarding how an institution for electronic money shall organise its operations related to the issuance of electronic money and the procedures it shall have in place to fulfil the requirement on sufficient governance and control measures for the operations related to the issuance of electronic money pursuant to Chapter 2, section 6, point 2a of the Electronic Money Act (2011:755).

## General organisational requirements

**Section 2** An institution for electronic money shall have

1. documented decision-making procedures that clearly specify reporting lines and an organisational structure that clearly allocates functions and areas of responsibility,
2. control mechanisms that ensure compliance with decisions and procedures at all levels within the institution, and
3. effective internal reporting and dissemination of information within the institution.

When applying the first paragraph, the institution shall take into account the nature, scope and complexity of the operations related to the issuance of electronic money.

**Section 3** An institution for electronic money shall have procedures to minimise the risk of, as a result of e.g. misuse of funds, fraud, deficient administration, insufficient documentation or negligence, not being able to fulfil its commitments to holders of electronic money.

**Section 4** An institution for electronic money shall monitor and, on a regular basis, evaluate its internal control mechanisms, instructions and procedures implemented in accordance with sections 2 and 3 to ensure that they are current, effective and adequate. The institution shall also take measures to rectify any deficiencies.

**Section 5** The board of directors and the managing director shall ensure that they regularly, at least annually, receive written reports on the areas covered by the provisions in this chapter with regard to compliance and risk control as well as on internal audits, where applicable. The reports shall contain information about the measures taken following the identification of deficiencies.

## Compliance

**Section 6** An institution for electronic money shall maintain current and adequate instructions and procedures to detect any risks of failure by the institution to fulfil its obligations under the Electronic Money Act (2011:755) and other regulations regulating the institution's operations related to the issuance of electronic money.

The institution shall also implement adequate procedures and take measures to minimise these risks.

When applying the first paragraph, the institution shall take into account the nature, scope and complexity of the operations related to the issuance of electronic money.

**Chapter 7** An institution for electronic money shall have an effective compliance function.

The function shall be responsible for

1. controlling and assessing if the measures and procedures that shall be implemented in accordance with section 6, second paragraph are adequate and effective,
2. evaluating the measures taken to rectify any deficiencies in the institution's compliance, and

3. providing counsel and support to the person responsible for the operations related to the issuance of electronic money and agents in order to conduct the operations in accordance with the Electronic Money Act (2011:755) and other regulations that regulate the institution's operations related to the issuance of electronic money.

**Section 8** In order for the compliance function to discharge its responsibilities properly, the board of directors and the managing director are responsible for ensuring that

1. the function has the necessary authorities, resources, expertise and access to all relevant information,
2. a person is appointed to be responsible for the function and all compliance reporting to senior management as set out in section 5,
3. the persons working in the function are independent and do not participate in the execution of the operations they are controlling, and
4. the method for determining remuneration to employees involved in the function does not compromise their objectivity, or most likely will not do so.

However, an institution is not obligated to comply with the first paragraph, points 3 or 4 if the institution can demonstrate, taking into account the nature, scope and complexity of its operations, that these requirements are not proportionate and that its compliance function is still effective.

### **Risk management**

**Section 9** An institution for electronic money shall have instructions and procedures for risk management in order to identify and manage the risks in its operations related to the issuance of electronic money.

**Section 10** An institution for electronic money shall have an effective risk control function that works independently. The institution shall appoint a person to be responsible for the function and to furnish reports and counsel to the board of directors and the managing director in accordance with the requirements set out in section 5.

The function shall be responsible for

1. controlling that the instructions and procedures pursuant to section 9 are current, adequate and effective,
2. implementing the instructions and procedures set out in section 9,
3. controlling the degree to which the institution, its employees and its agents comply with the instructions and procedures for managing risks in accordance with section 9,
4. controlling that the institution takes appropriate and effective measures to rectify deficiencies in instructions and procedures or in its employees' and agents' application of these instructions and procedures.

However, the institution is not obligated to comply with the independence requirement in the first paragraph if the institution can demonstrate, taking into account the nature, scope and complexity of its operations related to the issuance of electronic money that this requirement is not proportionate and that its risk control function is still effective.

### **Internal audit function**

**Section 11** An institution for electronic money shall have an internal audit function where it is appropriate and reasonable in view of the nature, scope and complexity of the operations related to the issuance of electronic money. The function shall be separate from and independent of the institution's other functions and operations related to the issuance of electronic money.

The internal audit function shall

1. maintain a current audit plan to examine and assess if the institution's systems, internal control mechanisms and procedures are appropriate and effective,
2. issue recommendations based on the work carried out pursuant to point 1,
3. monitor compliance with these recommendations, and
4. furnish reports about internal audit issues to the board of directors and the managing director in accordance with the requirements set out in section 5.

### **Complaints handling**

**Section 12** An institution for electronic money shall maintain effective and openly reported procedures for the prompt and reasonable handling of complaints about its operations related to the issuance of electronic money.

The institution for electronic money shall keep a record of each complaint and the measures taken for its rectification.

### **Record-keeping**

**Section 13** An institution for electronic money shall store relevant information pursuant to that set out in Chapter 3, section 9 of the Electronic Money Act (2011:755) and the following:

1. the business plan in accordance with Chapter 2, section 8,
2. internal rules, procedures, instructions and reports for the operations related to the issuance of electronic money, and
3. the basis for applications, notifications and reports to Finansinspektionen,

## **Chapter 8 Outsourcing agreements**

**Section 1** This chapter contains provisions regarding how an institution for electronic money and a registered issuer shall act when entering into, managing and terminating outsourcing agreements that are of material significance to its operations related to the issuance of electronic money.

**Section 2** An outsourcing agreement shall be in writing and clearly regulate the rights and obligations of the institution for electronic money or the registered issuer and the third party service provider.

An institution for electronic money or a registered issuer shall take the necessary measures to ensure that in the outsourcing agreement

1. the third party service provider has the skills, capacity and authorisations required by law to reliably and professionally perform the outsourced duties and manage risks related to these duties,
2. the institution for electronic money or the registered issuer can assess and monitor how well the third party service provider is carrying out its duties,

3. the institution for electronic money or the registered issuer can take adequate measures if the third party service provider is not carrying out the duties assigned to it in accordance with point 1,
4. the third party service provider notifies the institution for electronic money or the registered issuer about events that can have a material impact on the third party service provider's ability to carry out the duties assigned to it in accordance with point 1,
5. the outsourcing agreement can be terminated without having an impact on the continuity or quality of the operations of the institution for electronic money or the registered issuer,
6. the third party service provider cooperates with Finansinspektionen in connection with the outsourced activities,
7. the institution for electronic money or the registered issuer, the institution's auditors and Finansinspektionen have access to information about the outsourced duties and to the third party service provider's premises, and Finansinspektionen can exercise its supervision,
8. the third party service provider protects all confidential information referring to the institution for electronic money, the registered issuer or the customers thereof, and
9. the institution for electronic money or the registered issuer and the third party service provider have a contingency plan for re-establishing operations after unforeseen events, and for the periodic testing of back-up procedures, where necessary with regard to the parts of the operations that were outsourced.

**Section 3** An institution for electronic money or a registered issuer shall have the resources and skills required to manage risks associated with outsourcing its operations and to monitor the outsourced activities.

## **Chapter 9 Safeguarding of funds received in exchange for issued electronic money**

**Section 1** This chapter contains provisions regarding how an institution for electronic money and a registered issuer shall handle funds received in exchange for issued electronic money pursuant to Chapter 3, section 7 of the Electronic Money Act (2011:755).

**Section 2** An institution for electronic money or a registered issuer which pursuant to Chapter 3, section 7, second paragraph of the Electronic Money Act (2011:755) opts to deposit funds in a specific account shall ensure that the account can be identified separately from the account used for funds belonging to the institution for electronic money or the registered issuer.

**Section 3** An institution for electronic money or a registered issuer which pursuant to Chapter 3, section 7, second paragraph of the Electronic Money Act (2011:755) opts to invest funds in liquid assets with low risk may only do so in assets covered by Chapter 13, section 45, second paragraph of Finansinspektionen's regulations and general guidelines (FFFS 2007:1) regarding capital adequacy and large exposures.

## **Chapter 10 Reporting information to Finansinspektionen**

**Section 1** This chapter contains provisions regarding the disclosures and information an institution for electronic money and a registered issuer shall regularly report to Finansinspektionen.

**Commenced operations**

**Section 2** An institution for electronic money shall notify Finansinspektionen in writing when it commences operations related to the issuance of electronic money.

**Changes to the business plan**

**Section 3** An institution for electronic money or a registered issuer shall regularly update its business plan regarding changes to its operations.

The institution for electronic money or the registered issuer shall without undue delay notify Finansinspektionen about changes to the business plan that are of material significance.

**Events of material significance**

**Section 4** An institution for electronic money shall without undue delay report to Finansinspektionen events that can compromise the institution's stability or that may entail that the institution cannot fulfil its commitments to holders of electronic money.

The institution for electronic money shall also without undue delay report to Finansinspektionen any events that can result in significant financial harm to a large number of holders of electronic money.

The institution for electronic money shall also state the measures it has taken as a result of such an event.

*General guidelines*

An institution for electronic money should use the form for reporting events of material significance that is available on Finansinspektionen's website.

**Section 5** If an auditor in an institution for electronic money takes measures such as those set out in Chapter 9, sections 43 and 44 of the Companies Act (2005:551), the institution for electronic money shall immediately notify Finansinspektionen.

**Regular reporting for institutions for electronic money**

**Section 6** An institution for electronic money shall submit information about its own funds and capital requirements to Finansinspektionen twice a year.

Information about the calculation of own funds and capital requirements shall refer to the circumstances as of 30 June and 31 December (balance sheet dates) and be reported in SEK.

When translating into a different currency, the spot rate that applies on the balance sheet date shall be used.

**Section 7** An institution for electronic money shall submit information via Finansinspektionen's online regular reporting service that is available on the authority's website in accordance with the instructions provided there.

Finansinspektionen shall have received the information no later than 21 January and 21 July, respectively. With regard to the annual accounts, the information shall have been received no later than the fifteenth day of the second month following the balance sheet date.

### **Regular reporting for registered issuers**

**Section 8** A registered issuer shall submit to Finansinspektionen information about the average outstanding debts attributable to electronic money twice a year.

This information shall refer to the circumstances on 1 January and 1 July (balance sheet dates), respectively, and be reported in SEK.

When translating into a different currency, the spot rate that applies on the balance sheet date shall be used.

**Section 9** The registered issuer shall submit information via Finansinspektionen's online regular reporting service that is available on the authority's website in accordance with the instructions provided there.

Finansinspektionen shall have received the information no later than 10 January and 10 July, respectively.

### **Exceptions**

**Section 9** Finansinspektionen decides on exemptions from the provisions set out in sections 6 and 8, if special grounds exist.

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These regulations and general guidelines shall enter into force on 1 December 2011, whereupon Finansinspektionen's regulations (2002:14) regarding the issue of electronic money shall be repealed.

MARTIN ANDERSSON

Roger Jacobsson