

Finansinspektionen's Regulations

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Finansinspektionen's regulations regarding securities business;

decided on 6 July 2007.

Finansinspektionen prescribes the following pursuant to Chapter 6, section 1, subsections 3–4, 6, 8–15, 17–29, 35 and 60–61 of the Securities Market Ordinance (2007:572).

Chapter 1. Scope

Section 1 Unless otherwise stated, investment firms, Swedish credit institutions authorised to conduct securities operations and foreign firms conducting authorised securities activities through branches in Sweden shall apply all the provisions of these regulations to their Swedish operations.

Section 2 A firm that applies for authorisation to conduct securities activities shall apply all of the provisions in Chapter 3 and Chapter 5, section 4.

Swedish credit institutions and foreign firms applying for authorisation to conduct securities activities from branches in Sweden, however, shall not apply Chapter 3, sections 3–8 and 16 and Chapter 5, section 4.

Section 3 Investment firms and Swedish credit institutions authorised to conduct securities activities shall, for operations through foreign branches, apply all provisions excluding those in the following chapters:

Chapter 12 Inducements

Chapter 13 Categorisation of and agreements with clients

Chapter 14 Information to a client

Chapter 15 Client assessment for investment services

Chapter 16 Investment advice to consumers

Chapter 17 Reporting to a client

Chapter 18 Best order execution

Chapter 19 Best execution for discretionary portfolio management and order transmission

Chapter 20 Client order handling

Chapter 21 Documentation sections 1–2.

Section 4 Foreign firms which conduct securities operations in Sweden from a notified branch within the EEA, shall only apply the provisions set forth below:

Chapter 2 Definitions

Chapter 12 Inducements

Chapter 13 Categorisation of and agreements with customers

Chapter 14 Information to a client

Chapter 15 Client assessment for investment services

Chapter 17 Reporting to a client

- Chapter 18 Best order execution
- Chapter 19 Best execution for discretionary portfolio management and order transmission
- Chapter 20 Client order handling
- Chapter 21 Documentation sections 1–2
- Chapter 22 Reporting client information to Finansinspektionen

Chapter 2. Definitions

Section 1 For the purposes of these regulations, the following definitions apply:

1. *Distribution channels*: a channel through which information has been or probably will be available to the public. Information that probably will be available to the public refers to information that is available to a large number of persons.
2. *Personal transactions*: in Chapter 8 and Chapter 11, sections 10–12, personal transaction refers to a trade in a financial instrument that is carried out by or on behalf of a relevant person if at least one of the following criteria is 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 for the account of any of the following persons:
 - the relevant person,
 - any other person with whom the relevant person has a family relationship, or with whom the relevant person has close links,
 - a person whose relationship with the relevant person is such that he or she has direct or indirect material interest in the outcome of the transaction, other than a fee or commission for the execution of the trade.
3. *Financial analyst*: a relevant person who carries out investment analyses.
4. *Senior management*: the Board of Directors and the Managing Director.
5. *Group*: the group to which an investment firm belongs, consisting of a parent undertaking, its subsidiaries and the entities in which the parent undertaking or its subsidiaries hold a participation and firms linked to each other by a relationship within the meaning of Article 12(1) of the Seventh Council Directive 83/349/EEC of 13 June 1983 based on Article 54(3)(g) of the Treaty on consolidated accounts.
6. *Implementing regulation*: Commission Regulation (EC) 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record-keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading and defined terms for the purpose of the Directive.
7. *Person with whom a relevant person has a family relationship*:
 - a) the spouse of the relevant person or any partner of the person considered by national law to be equivalent to a spouse,
 - b) a dependent child or stepchild of the relevant person, and
 - c) any other relative of the relevant person who has shared the same household as that person for at least one year on the date of the personal transaction concerned.

8. *Relevant person*: in relation to an investment firm;
 a) a member of senior management, partner, manager or tied agent of the firm,
 b) a member of senior management, partner or manager of a tied agent of the firm,
 c) an employee of the firm or of a tied agent of the firm as well as any other natural person whose services are placed at the disposal and under the control of the firm or the tied agent of the firm and who is involved on behalf of the firm in the provision of investment services and activities
 d) a natural person who is directly involved in the provision of services to the investment firm or to its tied agent under an outsourcing arrangement for the purpose of the provision of investment services and activities.

9. *Securities transaction financing*: stock lending or stock borrowing or the lending and borrowing of other financial instruments, a repurchase or reverse repurchase transaction or a buy-sell back or sell-buy back transaction.

10. *Outsourcing*: an arrangement in any form between an investment firm and a service provider by which that service provider performs a process, a service or an activity which would otherwise be undertaken by the investment firm itself.

11. *Durable medium*: any means which enables a client to store information addressed personally to that client in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.

Conditions applying to the provision of information to a client

Section 2 Where, for the purposes of these regulations, information is required to be provided in a durable medium, the investment firm shall provide that information to a client on paper provided that it is not:

1. appropriate to use another durable medium to the context in which the business between the firm and the client is, or is to be, carried on, and
2. the person to whom the information shall be provided specifically chooses a durable medium other than paper.

Section 3 If a securities firm in accordance with Chapter 14, sections 10–33 or Chapter 18, section 7 provides information to a client by means of a website, and that information is not addressed personally to the client,

1. the provision of that information in that medium shall be appropriate to the context in which the business between the firm and the client is, or is to be, carried on,
2. the client shall specifically consent to the provision of the information in that form,
3. the client shall be notified electronically of the address of the website, and the place on the website where the information may be accessed;
4. the information shall be up to date, and
5. the information shall be accessible by means of the website for such period of time as the client may reasonably need to inspect it.

Section 4 When applying sections 2–3, the provision of information by means of electronic communications shall be treated as appropriate to the context in which the business between the firm and the client is, or is to be, carried out if there is evidence that the client has regular access to the Internet. The provision by the client of an e-mail address for the purposes of the carrying on of that business shall be treated as such evidence.

Chapter 3. Application for authorisation to conduct business

In general

Formulation of the application

Section 1 In its application, a firm shall state which of the investment services and activities set out in Chapter 2, section 1 of the Securities Market Act (2007:528) the application refers to. Furthermore, the firm shall state if it is applying for authorisation for any of the ancillary services set out in Chapter 2, section 2 of the same Act and if it is applying for authorisation for ancillary activities under Chapter 2, section 3 of the same Act.

An authorised representative for the firm shall have signed the application.

Section 2 The firm shall append to the application:

1. minutes of the board of directors, which indicate that the board of directors has approved the application,
2. a registration certificate for the firm from the Swedish Companies Registration Office, or the equivalent, which is not more than two months old,
3. an auditor's certificate, which shows that the firm meets the capital requirements set out in Chapter 3, section 6 of the Securities Market Act,
4. articles of association, where it is clearly stated that the firm shall conduct securities business and which investment services and activities and ancillary services and activities, if any, the firm will perform,
5. a business plan, prepared in accordance with sections 9–28,
6. guidelines for compliance pursuant to Chapter 6, section 8,
7. guidelines for risk management pursuant to Chapter 6, section 11, and
8. internal rules regarding measures against money laundering or financing of terrorism.

Ownership

Section 3 A list of the firm's direct and indirect owners shall be included in the application.

The information for the ownership assessment set out in Chapter 5 shall also be appended to the application.

Where the firm is part of a group or a financial group in accordance with Chapter 9 of the Capital Adequacy and Large Exposures Act (2006:1371), the application shall contain a schematic overview of the group's or financial corporate group's structure, information about the individual firms included in the diagram and their share of ownership in the firm applying for authorisation. Information shall be submitted outlining all of the links of the ownership chain.

The firm shall state in its application if it is part of a financial conglomerate in accordance with the Financial Conglomerates (Special Supervision) Act (2006:531).

Management list

Section 4 A firm's application shall include information about the members and, if any, alternate members on the firm's board of directors. The application shall also state the name of the chairman of the board of directors, the managing director and any person serving in the managing director's stead.

Information for the management assessment set out in Chapter 5 with regard to all board members and alternate board members, the managing director and any persons serving in the managing director's stead shall be appended to the application.

Auditor

Section 5 A firm shall state in its application who is, or will be appointed, external auditor of the firm.

Financial position

Section 6 A firm shall submit in its application a forecast for the coming three financial years. The forecast shall include

1. balance sheets and profit and loss statements,
2. an analysis of the own funds and other capital requirements in accordance with Chapter 2 of the Capital Adequacy and Large Exposures Act, and
3. how the results of the balance sheet and profit and loss statement affect the initial capital that the firm shall have in accordance with the Securities Market Act and the own funds and other capital requirements the firm shall have in accordance with Chapter 2 of the Capital Adequacy and Large Exposures Act.

The forecast shall account for the assumptions it is based on.

A sensitivity analysis shall be submitted that shows the affect modified assumptions, for example volumes, interest rate levels and interest rate margins, would have on the stated forecasts and capital requirements in accordance with the Securities Market Act and the Capital Adequacy and Large Exposures Act.

The firm shall account for the capital that will cover all of the firm's risks in accordance with Chapter 8, section 4 of the Securities Market Act.

The firm shall account for how it intends to finance its activities.

Shares and participations in other firms

Section 7 A firm shall include in its application information about ownership of shares or participations in other firms.

Pending judicial proceedings, etc.

Section 8 A firm shall state in its application if it is a party to any pending judicial or arbitration proceedings and, if it is, describe the circumstances in more detail.

Content of the business plan

The firm's operations

Section 9 The business plan shall contain a detailed description of the following:

1. the activities the firm intends to perform, where it shall state which part of the business is responsible for the respective investment services and activities and the ancillary services and activities for which the firm is applying for authorisation,
2. the classes of financial instruments to be covered by the business, and
3. which client category, retail or professional, the firm intends to target.

With regard to each service and activity for which the firm is applying for authorisation, the business plan shall contain a detailed flow chart showing the administrative processes that exist for the services and activities. These flow charts shall include all of the stages from the initial client contact until the transaction is settled. The business plan shall also state how the internal control is structured and carried out.

The firm shall state if it intends to apply to a central securities depository to be an account operator or to apply to a clearing organisation to be a clearing member. The firm shall also state if it intends to apply for membership on a regulated market or to participate in trading on a MTF, and in such case to which regulated markets or MTFs.

If the application refers to authorisation to conduct trade in financial instruments for own account, it shall also be stated if the transaction is such that it will fall under the provisions regarding systematic internalisers set out in Chapter 9 of the Securities Market Act.

Organisation

Section 10 The business plan shall include a schematic overview of how the business shall be organised. The overview shall show who is responsible for each area or function and how many persons shall work within these areas or functions. The overview shall also state where compliance to regulations and risk control is included in the organisation's functions.

In addition, the business plan shall include a description of the different areas or functions and a general account of the actions and functions that are carried out within each area.

Information shall be included about the employees in the firm who also are employed in another firm, if the firm shares premises and technological equipment with others and, where appropriate, how the firm intends to handle resulting confidentiality protection issues.

Specifics on handling client assets

Section 11 If the application covers an authorisation in accordance with Chapter 2, section 2, subsection 1 of the Securities Market Act, the firm shall account for how it intends to fulfil the requirements in Chapter 10.

Specifics on the operation of a MTF

Section 12 A firm that intends to operate a MTF in accordance with Chapter 2, section 1, subsection 8 of the Securities Market Act shall submit a description of the organisation of the trading and the intended scope of this service.

The regulations for participants and trading that the firm intends to apply in accordance with Chapter 11, sections 3 and 4 of the Securities Market Act shall be appended to the business plan.

The firm shall also account for how it will conduct market surveillance.

Outsourcing agreements

Section 13 Where the firm has outsourced or intends to outsource certain activities or functions which are of material significance to the business, the firm shall state in the business plan to whom the activities are outsourced and the scope of the outsourcing.

The firm shall also account for how it will ensure that the requirements set out in Chapter 9 are met.

Tied agents

Section 14 The business plan shall specify if the firm employs or intends to employ tied agents in its activities, and in such case, the services that the tied agent shall carry out on behalf of the firm and which financial instruments the services shall refer to.

Information systems and security issues

Section 15 The business plan shall include information about how the IT operations shall be organised. A general description of the system's functions and areas of use shall also be included.

In cases where the firm shall handle orders, there shall be a flow chart demonstrating which applications are used for handling orders and an account of any system-dependent conditions that may affect the order handling. It shall also specify which controls, for example holding and credit controls, the system carries out when handling orders.

The business plan shall also state which measures shall be taken with regard to information security and physical security. In this context, a description shall be provided of the confidentiality protection functions used to prevent unauthorised persons from obtaining access to classified information.

Client categorisation

Section 16 The business plan shall specify how the firm intends to divide its clients into retail and professional categories and how this division is expected to affect the treatment of clients in the different categories. It shall also specify if the firm intends to treat certain professional clients as eligible counterparties. In addition, the business plan shall specify how the firm intends to notify clients in accordance with Chapter 13, sections 2 and 3.

Best execution

Section 17 The firm shall account for how it intends to obtain best order execution in accordance with the provisions in Chapter 18 and best execution in accordance with the provisions in Chapter 19.

Allocation of orders

Section 18 The business plan shall include a reference to the guidelines for the allocation of orders in accordance with Chapter 20, section 6, that the firm intends to apply.

Transaction reporting

Section 19 The firm shall account for how it intends to fulfil the requirement on transaction reporting set out in Chapter 10 of the Securities Market Act and the implementing regulation.

Conflicts of interest

Section 20 The business plan shall contain an account of the conflicts of interest that the firm has identified may arise in the business and a reference to the guidelines for handling the firm's conflicts of interest in accordance with Chapter 11.

Compliance

Section 21 The business plan shall state how the firm intends to ensure that it complies with the regulations that apply to the business. The business plan shall also contain an account for how the compliance function shall be designed and how its work shall be carried out.

Risk management

Section 22 The business plan shall establish how the firm, in accordance with Chapter 8, section 4 of the Securities Market Act, intends to identify, measure, steer, internally report and maintain control over the risks associated with its business. The business plan shall also state the firm's procedures for risk management in accordance with Chapter 6, section 11, and a reference to the firm's guidelines in accordance with the same provision.

For a firm that has a risk management function in accordance with Chapter 6, section 12, the business plan shall contain an account of how this function shall be designed and how its work shall be carried out.

Internal audit

Section 23 For a firm that has an internal audit function in accordance with Chapter 6, section 14, the business plan shall contain an account of how this function shall be designed and how its work shall be carried out.

Complaints handling

Section 24 The business plan shall establish which procedures for handling of complaints from retail clients in accordance with Chapter 7, sections 1 and 2 the firm intends to apply.

Relevant persons' personal transactions

Section 25 The business plan shall establish which procedures in accordance with Chapter 8, section 1 regarding relevant person's personal transactions the firm intends to apply.

Measures against money laundering

Section 26 The business plan shall account for the internal rules regarding measures against money laundering that the firm intends to apply. Information about who is responsible for the central function in these issues shall be specified.

Events of material significance

Section 27 The business plan shall include a reference to any guidelines for the handling of events of material significance that the firm has established in accordance with Finansinspektionen's General guidelines (FFFS 2005:12) regarding reporting of events of material significance.

Ethical guidelines

Section 28 The business plan shall contain a reference to any ethical guidelines adopted by the firm in accordance with Finansinspektionen's General guidelines (FFFS 1998:22) regarding the handling of ethical issues at institutions which are under the supervision of Finansinspektionen.

Chapter 4 Branch offices and cross-border operations within the EEA

Section 1 When an investment firm notifies Finansinspektionen in accordance with Chapter 5, sections 1 and 4 of the Securities Market Act (2007:528) *Appendices 1a, 1b* and 2 shall be used.

If an investment firm shall employ a tied agent established in another EEA country, *Appendices 1a* and *1b* shall be used.

Chapter 5. Ownership and management assessment**Scope**

Section 1 This chapter contains provisions governing the information an investment firm and its owners shall file with Finansinspektionen in conjunction with ownership and management assessment pursuant to the Securities Market Act (2007:528).

Written information to Finansinspektionen

Section 2 An investment firm and its owners shall submit in writing the information set forth in *Appendices 3-5*.

Ownership assessment

Application for authorisation to acquire shares

Section 3 The information set forth in *Appendix 3a* or *3b* shall be appended to an application for authorisation to acquire a qualifying holding of shares or interests in an investment firm.

If the acquirer is a legal person, *Appendix 3b* shall be used for information about the legal person and *Appendix 3c* for information about board members, alternate board members, managing directors and persons serving in the managing director's stead in the acquiring legal person.

The information set forth in *Appendix 3c* shall be appended to an application for a change in the management of a firm that has a qualifying holding in an investment firm.

Application for authorisation to conduct operations

Section 4 With respect to a natural person who owns a qualifying holding of shares or participations in the investment firm, the information set forth in *Appendix 3a* shall be appended to an application for authorisation to conduct operations. Where the owner is a legal person, *Appendix 3b* shall be used.

With respect to a board member, alternate board member, managing director or person serving in the managing director's stead in a firm which owns a qualifying holding, the information set forth in *Appendix 3c* shall be appended to an application for authorisation to conduct operations.

Supervision in another EEA country

Section 5 A legal person under the supervision of a financial supervisory authority in another EEA country does not need to append the information in *Appendices 3-5* to its application for ownership assessment. However, a description or outline of the ownership structure in the group pre- and post-acquisition, with ownership shares stated in per cent shall always be appended.

Management assessment

Section 6 An investment firm and a parent undertaking shall notify Finansinspektionen when they appoint or intend to appoint the following persons in the firm:

- board members
- alternate board members
- managing directors or persons serving in the managing director's stead.

Investment firms shall also notify Finansinspektionen when it decreases the number of members on its board of directors.

The information in *Appendices 4a* and *4b* shall be appended to the notification when a new board member, alternate board member, managing director or deputy managing director is appointed in an investment firm.

Other provisions

Section 7 A firm that has been the subject of an ownership or management assessment at some point during the past 365 days may, instead of that set out in sections 3–4 and 6, submit the information set forth in *Appendix 5*.

Chapter 6. Organisational requirements, etc.

General organisational requirements

Section 1 An investment firm shall ensure that:

1. it has current and documented decision-making procedures that clearly specify reporting lines, and an organisational structure which clearly allocates functions and areas of responsibility,
2. relevant persons are aware of the procedures which shall be followed for the proper discharge of their responsibilities,
3. it has current and appropriate internal control mechanisms designed to secure compliance with decisions and procedures at all levels of the investment firm,
4. it employs personnel with the skills and knowledge required for the discharge of the responsibilities allocated to them,
5. its internal reporting and internal communication of information are current and effective.
6. it maintains relevant information related to the business and the internal organisation, and
7. in cases where a relevant person works within multiple functions, this person is not prevented from discharging their responsibilities soundly, honestly and professionally.

When applying the first paragraph, an investment firm shall take into consideration the nature, scope and complexity of the business and the nature and scope of its investment services and activities.

Section 2 An investment firm shall maintain current systems and procedures for safeguarding the security, integrity and confidentiality of information, taking into account the nature of the information in question.

Section 3 An investment firm shall maintain current and appropriate guidelines for business continuity.

The guidelines shall establish that the firm, in the event of interruption to its systems or procedures, shall ensure that its most important information and functions are preserved and that its investment services and activities are maintained.

Where this is not possible, the firm shall ensure that the information and functions are restored without undue delay so that investment services and activities can be resumed within a reasonable amount of time.

Section 4 An investment firm shall maintain current accounting guidelines and procedures that enable it, at the request of Finansinspektionen, to deliver financial reports in a timely manner which reflect a true and fair picture of the firm's financial position and comply with all applicable accounting standards and rules.

Section 5 An investment firm shall monitor and, on a regular basis, evaluate its systems, internal control mechanisms and procedures implemented in accordance with sections 1–4 to ensure that they are effective. The firm shall also take appropriate measures to address any deficiencies.

Responsibility of senior management

Section 6 When allocating functions internally, an investment firm shall ensure that senior management is responsible for ensuring that the firm complies with its obligations under the Securities Market Act (2007:528) and other regulations that regulate the firm's operations.

In particular, the senior management shall assess and regularly review the guidelines and procedures the firm set up pursuant to the Securities Market Act. Senior management shall also take appropriate measures for addressing any deficiencies.

Section 7 An investment firm shall ensure that senior management regularly, and at least annually, receives written reports on the areas covered by the provisions in this chapter regarding compliance, risk management and internal audits.

The reports shall contain information about the appropriate measures taken in the event of any deficiencies.

Compliance

Section 8 An investment firm shall maintain current and appropriate guidelines and procedures to detect any risk of failure by the firm to fulfil its obligations under the Securities Market Act and other regulations that regulate the firm's operations.

The firm shall implement appropriate measures and procedures designed to minimise such risks and enable Finansinspektionen to exercise its supervision effectively.

When designing procedures and guidelines, an investment firm shall take into account the nature, scope and complexity of the business and the nature and scope of its investment services and activities.

Compliance function

Section 9 An investment firm shall maintain a permanent and effective compliance function.

The function shall operate independently and be responsible for:

1. controlling and regularly assessing the appropriateness and effectiveness of measures and procedures implemented in accordance with section 8, second paragraph and evaluating the actions taken to address deficiencies in the firm's compliance, and
2. advising and assisting relevant persons carrying out investment services and activities to comply with the Securities Market Act and other regulations that regulate the firm's business.

Section 10 In order for the compliance function to discharge its responsibilities properly and independently, the investment firm is responsible for ensuring that:

1. the function has the necessary authority, resources, expertise and access to all relevant information,
2. a person is appointed who is responsible for the function and for all reporting as to compliance required by section 7,
3. the relevant persons involved in the function do not participate in the performance of services or activities they are monitoring, and
4. the method for determining remuneration of the relevant persons involved in the function does not compromise their objectivity or must not be likely to do so.

However, an investment firm is not obliged to comply with the first paragraph, points 3 or 4 if the firm can demonstrate, taking into consideration the nature, scope and complexity of the business and the nature and scope of the investment services and activities, that these requirements are not proportionate and that its compliance function continues to be effective.

Risk management

Guidelines, procedures and control

Section 11 An investment firm shall:

1. maintain current and appropriate guidelines and procedures for risk management for the purpose of identifying the risks relating to its activities, processes and systems and, where appropriate, set an acceptable level of risk tolerated by the firm, and
2. adopt effective procedures, processes and mechanisms to manage the risks relating to its activities, processes and systems, in light of the level of risk tolerance in point 1.

An investment firm shall also control:

1. that guidelines and procedures in accordance with first paragraph, point 1 are adequate and effective,
2. the level of compliance by the firm and its relevant persons with the procedures, processes and mechanisms adopted in accordance with point 2, and
3. that measures the firm has taken to address deficiencies in guidelines, procedures, processes and mechanisms, including failure by relevant persons to comply with these, are adequate and effective.

Risk management function

Section 12 An investment firm shall, where appropriate and reasonable in view of the nature, scope and complexity of the business and the nature and scope of the

investment services and activities, maintain a risk management function that operates independently.

The risk management function shall:

1. implement the guidelines and procedures referred to in section 11, and
2. provide reports and advice to senior management in accordance with section 7.

Section 13 A firm that does not need to maintain an independent risk management function under section 12 must nevertheless be able to demonstrate that the guidelines and procedures which it has adopted in accordance with section 11 meet the requirements of the section and are consistently effective.

Internal audit function

Section 14 An investment firm shall, where it is appropriate and reasonable in view of the nature, scope and complexity of the business and the nature and scope of the investment services and activities, maintain an internal audit function. The function shall be separate and independent from the other functions and activities of the firm.

The internal audit function shall:

1. maintain a current audit plan to examine and evaluate whether the investment firm's systems, internal control mechanisms and procedures are adequate and effective,
2. issue recommendations based on the work carried out in accordance with point 1,
3. verify compliance with those recommendations, and
4. report in relation to internal audit matters in accordance with section 7.

Chapter 7. Complaints handling

Section 1 An investment firm shall maintain effective and transparent procedures for the prompt and reasonable handling of complaints from retail clients.

Section 2 The investment firm shall keep a record of each complaint and the measures taken for its resolution.

Chapter 8. Personal transactions

Personal transactions

Section 1 Where a relevant person is involved in activities that may give rise to a conflict of interest, or who has access to inside information within the meaning of section 1, subsection 1 of the Financial Instruments Trading (Market Abuse Penalties Act (2005:377)), or to other confidential information relating to clients in the investment firm's activities, the firm shall maintain current and adequate procedures to prevent:

1. a relevant person from entering into a personal transaction which meets at least one of the following criteria:
 - a) the relevant person enters into a transaction prohibited under the Financial Instruments Trading (Market Abuse Penalties Act,
 - b) the transaction entails the misuse or improper disclosure of confidential information, or
 - c) the transaction conflicts, or is likely to conflict, with the investment firm's obligations under the Securities Market Act (2007:528),
2. that a relevant person, other than within the scope of their employment or contract for services, advises or influences another person to enter into a transaction in financial instruments which, if a personal transaction of the relevant person, is covered by point 1 in this provision, Chapter 11, section 11, subsection 1 or 2 or Chapter 20, section 4, and
3. that a relevant person, regardless of that laid down in the Financial Instruments Trading (Market Abuse Penalties Act, other than within the scope of their employment or contract for services, discloses information or opinions to a third person if the relevant person knows, or reasonably should know, that the other person, as a result of the disclosure, will or probably would:
 - a) enter into a transaction in financial instruments which, if a personal transaction of the relevant person, would be covered by point 1 of this provision, Chapter 11, section 11, subsection 1 or 2 or Chapter 20, section 4, or
 - b) advise or influence another person to enter into such a transaction.

Section 2 The procedures an investment firm shall maintain in accordance with section 1 shall ensure that:

1. all relevant persons covered by section 1 are aware of the restrictions that exist on personal transactions and the measures established by the firm that regulate personal transactions and disclosure in accordance with section 1,
2. the firm is informed promptly of all personal transactions entered into by a relevant person, either by notification or other procedures enabling the firm to identify such transactions, and
3. a record is kept of the personal transactions notified to or identified by the firm.

The records under the first paragraph, point 3 shall include all authorisations or prohibitions reported for such transactions.

When outsourcing, the investment firm shall ensure that the service provider records relevant persons' personal transactions and, at the request of the firm, immediately turns over such information.

Section 3 The provisions in sections 1 and 2 shall not be applied to:

1. personal transactions entered into as part of a portfolio management service, where there is no prior exchange of information in conjunction with the transaction between the portfolio manager and the relevant person, or any other person on the behalf of whom the transaction is entered into, or
2. personal transactions in units in CIUs or UCITS which meet the conditions under Directive 85/611/EEC of 20 December 1985 on the coordination of laws, and other regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) or that are subject to supervision pursuant to legislature in a Member State which requires an equivalent level of risk spreading in their assets, provided that the relevant person or any other person on behalf of whom the transactions are effected are not involved in the management of the CIU or UCITS.

Chapter 9. Outsourcing

Introductory provision

Section 1 This chapter contains provisions regarding outsourcing in accordance with Chapter 8, section 14 of the Securities Market Act (2007:528).

The meaning of work and functions of material significance for the business

Section 2 For the purposes of Chapter 8, section 14 of the Securities Market Act, a portion of an investment firm's operations shall be considered to be work or functions of material significance for the business if a defect or failure in its performance of this activity would materially impair the ability of the firm to fulfil:

- its obligations laid down in the Securities Market Act,
- its financial performance, and
- the soundness or the continuity of its investment services and activities.

Section 3 The following parts of the activities shall not be considered to be work and functions of material significance for the business for the purposes of section 2:

1. the provision of advisory and other services to an investment firm that do not form part of the firm's securities business, including:
 - a) the provision of legal advice to the investment firm,
 - b) the training of personnel,
 - c) billing services, and
 - d) the security of the firm's premises and personnel, and
2. the purchase of standardised services, including market information services and the provision of price feeds.

Conditions for outsourcing

Section 4 Where an investment firm outsources parts of the work and functions of material significance for the business, investment services or activities, the firm shall remain responsible for discharging its obligations under the Securities Market Act, and, in particular, ensure that:

1. the outsourcing does not lead to the delegation by senior management of its responsibility,
2. the investment firm's relationship and obligations towards its clients in accordance with the Securities Market Act are not altered, and
3. none of the conditions forming the basis of the firm's authorisation are modified.

Section 5 An investment firm shall exercise the requisite skill, care and diligence when entering into, managing and terminating outsourcing arrangements relating to work or functions of material significance for the business or of other investment services or activities.

The investment firm shall, among other things, take necessary steps to ensure that:

1. the service provider has the skills, capacity and authorisations required by law to reliably and professionally perform the outsourced activities,

2. the service provider carries out the outsourced activities effectively and the investment firm shall for this purpose establish methods for assessing the performance of the service provider,
3. the service provider appropriately supervises the outsourced functions and manages associated risks,
4. if the service provider does not carry out the task effectively and in compliance with applicable laws and other provisions, appropriate measures are taken,
5. the investment firm shall have the expertise required for effectively supervising the outsourced activities and managing the risks associated with the outsourcing and the knowledge required for supervising those functions and managing those risks,
6. the service provider notifies the investment firm of all events that may have a material impact on its ability to effectively carry out the outsourced functions in accordance with appropriate laws and other provisions,
7. the outsourcing arrangement can be terminated without detriment to the continuity and quality of its provision of services to clients,
8. the service provider cooperates with Finansinspektionen in connection with the outsourced activities,
9. the investment firm, its auditors and Finansinspektionen have actual access to information about the outsourced activities and to the service provider's premises, and Finansinspektionen can exercise its supervision,
10. the service provider protects all confidential information relating to the investment firm and its clients, and
11. the investment firm and the service provider maintain a contingency plan for re-establishing operations after unforeseen events, and for periodic testing of back-up procedures, where necessary, with regard to the parts of the operations that were outsourced.

Section 6 The rights and obligations of the investment firm and the service provider shall be clearly regulated in a written agreement.

Section 7 Where the investment firm and the service provider are members of the same group, for the purposes of sections 4–6, 8 and 9, the investment firm shall take into account the extent to which the investment firm controls, or has the possibility to influence, the service provider.

Service providers located outside the EEA

Section 8 An investment firm that outsources discretionary portfolio management for retail services to a service provider located in a country outside the EEA shall, in addition to the requirements set out in sections 4–7, ensure that:

1. the service provider is authorised and registered in its home country to conduct the business in question and is subject to prudential supervision, and
2. there is an appropriate cooperation agreement between Finansinspektionen and the supervisory authority of the service provider.

Section 9 Where the conditions set out in section 8 are not met, the investment firm may outsource investment services to a service provider located in a country outside the EEA only if:

1. the firm gives prior notification of the outsourcing arrangement to Finansinspektionen, and
2. Finansinspektionen does not object to the arrangement within a reasonable time following receipt of the notification.

Chapter 10. Safeguarding of client assets

Introductory provision

Section 1 This chapter contains provisions regarding protection of clients' financial instruments in accordance with Chapter 8, sections 34–35 of the Securities Market Act (2007:528).

Safeguarding of client financial instruments and funds

Section 2 For the purpose of safeguarding a client's rights in relation to the client's financial instruments and funds, an investment firm shall:

1. keep such records and accounts as are necessary to immediately be able to distinguish assets the firm holds for one client from the assets it holds for another client, and from its own assets,
2. continuously maintain such records and accounts of the financial instruments and funds that the firm holds for a client,
3. regularly conduct reconciliations between its internal accounts and records with the corresponding records of the third party by whom those assets are held,
4. ensure that client financial instruments deposited with a third party, in accordance with sections 3–5, can be identified separately from the financial instruments belonging to firm and from financial instruments belonging to the third party by means of differently titled accounts on the books of the third party or by means of other equivalent measures that achieve the same level of protection,
5. ensure that client funds deposited in accordance with sections 6–8 in a central bank, a credit institution or a bank authorised in a country outside the EEA or a qualifying money market fund are held in an account or accounts that can be identified separately from the accounts used to hold funds belonging to the investment firm, and
6. have adequate organisational procedures to minimise the risks of loss or diminution of client assets, or rights associated with these assets, as a result of misuse of the assets, fraud, poor administration, inadequate record-keeping or negligence.

Safekeeping of client financial instruments

Section 3 An investment firm may deposit financial instruments held on behalf of clients in an account or accounts opened with a third party.

The firm shall appoint and regularly evaluate the third party and procedures for the holding and safekeeping of the financial instruments.

The firm shall in particular assess the third party's expertise and market reputation, and the legal requirements and market practices related to the holding of the financial instrument that could adversely affect clients' holdings.

Section 4 Where safekeeping of financial instruments for the account of a third person is subject to special regulation and supervision in a country where the investment firm intends to hold the client's financial instruments with a third party, the firm shall ensure that the third party is subject to such regulation and supervision.

Section 5 An investment firm may safekeep such financial instruments that are held for a client with a third party in a country outside the EEA that does not regulate holding and safekeeping of financial instrument for the account of a third person only if points 1 or 2 are fulfilled.

1. The type of financial instrument or investment services associated with these instruments requires them to be kept with a third party in a country outside the EEA.
2. The financial instruments are held on behalf of a professional client that requests in writing that the firm keep them with a third party in a country outside the EEA.

Depositing client funds

Section 6 An investment firm receiving client funds shall immediately deposit these funds in one or several accounts in:

1. a central bank,
2. a credit institution authorised in accordance with Directive 2000/12/EC relating to the right of taking up and pursuit of the business of credit institutions,
3. a bank authorised in a country outside the EEA, or in
4. a qualifying money market fund.

The first paragraph shall not apply to credit institutions authorised in accordance with Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the right of taking up and pursuit of the business of credit institutions (recast) in relation to deposits within the meaning of the Directive held by the institution.

Section 7 A *qualifying money market fund* in section 2, subsection 5 and section 6, first paragraph, point 4 refers to an investment fund or a collective investment undertaking authorised in accordance with Directive 85/611/EEC of 20 December 1985 on the coordination of laws and other regulations and administrative provisions relating to firms for collective investments in transferable securities (UCITS) or that are subject to supervision and, where applicable, authorised by an authority in accordance with national legislature in a country within the EEA, and which meets the following conditions:

1. The primary investment objective of the CIU shall be to maintain the net asset value of the undertaking, either constant at par (net of earnings) or at the value of the investor's initial capital plus earnings.
2. In order to achieve the primary objective of the investment, the CIU shall invest exclusively in high-quality money market instruments with a maturity or residual maturity of at the most 397 days, or with regular yield adjustments consistent with such a maturity and with a weighted average maturity of 60 days. This objective may also be achieved by investing on an ancillary basis in deposits with credit institutions.
3. The CIU shall provide liquidity through same day or next day settlement.

For the purposes of the first paragraph, point 2, a money market instrument shall be considered to be of high quality if it has been awarded the highest available credit rating by all competent credit rating institutions which have rated the instrument. An instrument that has not been rated by a competent credit rating institution shall not be considered to be of high quality.

For the purposes of the above paragraph, a credit rating institution shall be considered to be competent if it regularly and professionally issues credit ratings in

respect of money market funds and is an eligible ECAI within the meaning of Article 81(1) of Directive 2006/48/EC.

Section 8 Where an investment firm does not deposit client funds with a central bank in accordance with section 6, it shall exercise all due skill, care and diligence in the appointment and periodic review of the credit institution, bank or money market fund where the funds are placed and the arrangements for the holding of these funds.

An investment firm shall take into account the expertise and market reputation of these institutions or money market funds with a view to ensuring the protection of the clients' rights and the requirements in all laws, provisions and market practices related to the holding of client funds and which could adversely affect the clients' rights.

Section 9 A client has the right to oppose the placement of their funds in a qualifying money market fund in accordance with section 6.

Use of client financial instruments

Section 10 An investment firm may enter into agreements for securities financing transactions in respect of financial instruments held by the firm on behalf of a client, or in any other way use these financial instruments for its own account or the account of another client of the firm, only if:

1. the client has given prior express consent to the use of the instruments on specified terms, as evidenced, in the case of a retail client, by the retail client's signature or an equivalent manner, and
2. the use of the client's financial instruments is restricted to the terms to which the involved client has consented.

Section 11 An investment firm may only enter into agreements for securities financing transactions in respect of financial instruments held on behalf of a client in an omnibus account maintained by a third party, or in any other way use financial instruments held in such an account for its own account or the account of another client if, in addition to that set out in section 10, at least one of the following conditions are met:

1. all clients whose financial instruments are held together in a management account have given prior consent in accordance with section 10, subsection 1, and
2. the firm has established systems and controls which ensure that only financial instruments belonging to the client who has given prior consent in accordance with section 10, subsection 1 are so used.

The records of the firm shall include details of each client who consented to the use of their financial instruments and the number of financial instruments used belonging to each such client so as to enable the correct allocation of any loss.

Reports by external auditors

Section 12 An investment firm shall ensure that its external auditors at least once a year control the adequacy of the firm's actions and procedures in accordance with Chapter 8, sections 34 and 35 of the Securities Market Act and Chapter 10. The external auditors shall notify Finansinspektionen if the firm is lacking adequate actions and procedures.

Chapter 11. Conflicts of interest

Introductory provision

Section 1 This chapter contains provisions regarding conflicts of interest in accordance with Chapter 8, section 21 of the Securities Market Act (2007:528).

Conflicts of interest potentially detrimental to a client

Section 2 For the purposes of identifying the types of conflict of interest that arise in the course of the provision of investment and ancillary services and which can have a detrimental effect on the client's interests, an investment firm shall take into account as a minimum if the firm, a relevant person or a person directly or indirectly associated by control to the firm:

1. is likely to make a financial gain or avoid a financial loss at the expense of the client,
2. has an interest in the outcome of the service that is provided to the client or of the transaction that is carried out on behalf of the client, which is different from the client's interest,
3. has a financial or other reason to favour the interest of another client or group of clients over the interests of the client,
4. conducts the same type of business as the client, or
5. receives or will receive from a person other than the client an inducement in connection with a service provided to the client, in the form of money, goods or services other than the standard commission or fee for the service in question.

Guidelines for handling conflicts of interest

Section 3 An investment firm shall have guidelines where it is specified how the firm shall handle conflicts of interest. The guidelines shall be set out in writing and shall give appropriate consideration to the size and organisation of the firm and the nature, scope and complexity of the business.

Where the investment firm is a member of a group, the guidelines shall also take into account the circumstances the firm is aware of or should be aware of and which may give rise to a conflict of interest as a result of the structure or business activities of other firms in the group.

Section 4 The guidelines for conflicts of interest in accordance with section 3 shall:

1. identify the circumstances which cause or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more of the clients with regard to the investment services, investment activities and ancillary services carried out by or on behalf of the investment firm, and
2. specify the procedures that shall be followed and the measures to be adopted in order to manage such conflicts.

Section 5 The procedures and measures referred to in section 4, subsection 2 shall ensure that the relevant persons engaged in different business activities involving a conflict of interest as specified in section 4, subsection 1, shall conduct their activities at a level of independence appropriate to the size and activities of the firm and of the group to which it belongs, and to the materiality of the risk of damage to the interests of the clients.

Where it is necessary and appropriate for the firm to ensure the requisite degree of independence under section 4, subsection 2, procedures and measures shall contain:

1. effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of the information in question may harm the interests of one or more clients.
2. separate supervision of relevant persons who primarily carry out activities on behalf of, or provide services to, clients whose interests may conflict or who in any other way represent different interests may conflict, including the interests of the firm,
3. removal of all direct links between the remuneration of relevant persons who primarily perform one activity and the remuneration of, or revenues generated by, different relevant persons who primarily perform another activity if a conflict of interest can arise in relation to those activities,
4. measures to prevent or limit persons from exercising inappropriate influence over the way in which a relevant person carries out an investment or ancillary service,
5. measures to prevent or control a relevant person's participation in separate investment or ancillary services, where such involvement may affect the management of any conflicts of interest.

If the application of these measures and procedures does not ensure the requisite degree of independence, the firm shall adopt alternative supplementary measures and procedures appropriate for this purpose.

Section 6 Information to a client in accordance with Chapter 8, section 21 of the Securities Market Act shall be delivered in a durable medium and shall be sufficiently detailed with regard to the firm's categorisation of the client so that the client can make an informed decision about the investment or ancillary service where the conflict of interest arises.

Record of services and activities giving rise to conflicts of interest

Section 7 An investment firm shall keep and regularly update a record of all investment or ancillary services it carried out, or that another party carries out on its behalf, in which there has arisen or can arise a conflict of interest entailing a material risk of damage to the interests of one or more clients.

Investment research

Section 8 For the purposes of sections 10–12, *investment research* refers to the research or other explicit or implicit recommendations, or suggested investment strategies concerning one or several financial instruments or issuers of financial instruments, including opinions as to the present or future value or price of such instruments, intended for distribution channels or for the public, and where:

1. it is labelled or described as investment research or in similar terms, or is otherwise presented as an objective or independent explanation of the contents in the recommendation, and
2. in cases where an investment firm has delivered the recommendation in question to a client, it would not constitute the provision of investment advice in accordance with the Securities Market Act.

Section 9 A recommendation of the type covered by Article 1(3) in Directive 2003/125/EC implementing Directive 2003/6/EC of the European Parliament and the Council relating to the obligation to fairly present investment recommendations and to declare conflicts of interest, but that refers to financial instruments in accordance with the definition laid down in the Securities Market Act and does not meet the requirements set out in section 8, shall be treated as marketing communication in accordance with the same Act. An investment firm that produces or disseminates such a recommendation shall ensure that it is clearly identified as a recommendation.

The investment firm shall ensure that such recommendations contain a clear explanation in a prominent location, or with regard to an oral recommendation a corresponding explanation:

1. that the recommendations have not been prepared in accordance with the requirements in the laws and regulations designed to promote the independence of investment research, and
2. that the recommendations are not subject to any prohibition on dealing ahead of the dissemination of the investment research.

Additional organisational requirements for firms that produce and disseminate investment research

Section 10 An investment firm which for its own accord or that of a member of its group produces, or arranges for the production of, investment research that is intended or likely to be disseminated to the clients of the firm or the public shall ensure that all of the measures set out in section 5 are implemented with regard to financial analysts involved in the production of investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated.

Section 11 An investment firm covered by section 10 shall have procedures ensuring that:

1. financial analysts and other relevant persons may not undertake personal transactions or trade, other than as market makers acting in good faith and in the ordinary course of market making or in connection with the execution of an unsolicited client order, on behalf of other persons, including the firm, in the financial instruments to which the investment research relates, or in any related financial instruments, with knowledge of the expected timing of the publication or content of the investment research which is not publicly available or available to clients and cannot readily be inferred from information that is publicly available, until the recipients of the investment research have had a reasonable opportunity to react to the information,
2. in circumstances not covered under point 1, financial analysts and all other relevant persons involved in the production of investment research are not undertaking personal transactions in financial instruments to which the investment research relates, or in any related financial instruments, contrary to current recommendations, except in exceptional circumstances and with the prior approval of a member of the firm's legal or compliance function,
3. the firm, financial analysts and other relevant persons involved in the production of the investment research do not accept inducements from persons with a material interest in the subject matter of the investment research,
4. the firm, financial analysts and other relevant persons involved in the production of investment research do not promise issuers favourable research coverage, and
5. issuers, other relevant persons than financial analysts and other persons are not,

before the dissemination of the investment research, permitted to review a draft of the investment research for the purpose of verifying the accuracy of factual statements or for any other purpose than verifying compliance with the firm's legal obligations, if the draft contains a recommendation or a target price.

For the purposes of this section, *related financial instruments* refers to a financial instrument the price of which is to a high degree affected by the price movements in another financial instrument, which is the subject of the investment research and includes a derivative that is based on the other financial instrument.

Section 12 An investment firm that disseminates investment research produced by another person to the public or to clients shall be exempted from the requirements in section 10, if:

1. the person who produces the investment research is not a member of the group to which the firm belongs,
2. the firm does not make any substantial changes to the recommendations contained in the investment research,
3. the firm does not present the investment research as having been produced by it, and
4. the firm verifies that the person who produced the research is subject to requirements equivalent to the requirements under these regulations with regard to the production of the research or has implemented guidelines that contain such requirements.

Chapter 12. Inducements

Section 1 An investment firm that provides an investment or ancillary service to a client may only pay or be paid a fee or commission, or provide or be provided with non-monetary benefit, if:

1. it is paid or provided to or by the client or a person on behalf of the client,
2. it is paid or provided to or by a third party or a person acting on behalf of a third party if:
 - a) prior to the provision of the service, the client is provided with information, in a manner that is comprehensive, accurate and understandable, about the existence, nature and amount of the fee, commission or benefit, or if the amount cannot be ascertained, the method for calculating the amount, and
 - b) the payment of the fee or commission or the provision of the non-monetary benefit is designed to enhance the quality of the relevant service to the client and not impair the firm from fulfilling its duty to safeguard the interests of the client, or
3. there are proper fees which enable or are necessary for the provision of the service, for example custody costs, settlement and exchange fees, regulatory levies, and which, by their nature, cannot conflict with the firm's duties to safeguard the best interests of its clients.

Section 2 For the purposes of section 1, subsection 2a the investment firm may disclose for a client the basic terms of the system relating to fees, commission or non-monetary benefits in summary form. Upon the request of the client, more detailed information must be provided.

Chapter 13. Categorisation of and agreements with clients

Introductory provision

Section 1 This chapter contains provisions regarding the categorisation of clients in accordance with Chapter 8, sections 15–20 of the Securities Market Act (2007:528) and the documentation of agreements with a client that an investment firm shall maintain in accordance with Chapter 8, section 26 of the same Act.

Categorisation of clients

Section 2 An investment firm shall notify new clients and existing clients that the firm has newly categorised, of their categorisation as a retail client, a professional client or equivalent counterparty in accordance with the Securities Market Act.

Section 3 An investment firm shall inform its clients in a durable medium about their rights to request a different categorisation and about the limitations to the level of the client protection that this would entail.

Section 4 An investment firm may on its own initiative or at request of the client:

1. treat a client, who might otherwise be classified as an equivalent counterparty in accordance with Chapter 8, section 19 of the Securities Market Act, as a professional or retail client, or
2. treat a client who is considered as a professional client in accordance with Chapter 8, section 16 of the same Act as a retail client.

Agreements with retail clients

Section 5 An investment firm that provides an investment service other than investment advice to a new retail client for the first time after the Securities Market Act has entered into force shall enter into a written blanket agreement with the client, on paper or another durable medium, where the most essential rights and obligations of the firm and the client shall be stated.

The rights and obligations of the parties to the agreement may be incorporated by reference to other documents or legal texts.

Section 6 If an agreement in accordance with Chapter 8, section 36 of the Securities Market Act regarding receiving a retail client's funds on account, the investment firm shall clarify that the client's funds will be included in the firm's own business. The client shall always receive a copy of the document that contains the agreement.

Chapter 14. Information to a client

Introductory provision

Section 1 This chapter contains provisions regarding the information an investment firm shall provide its clients in accordance with Chapter 8, section 22 of the Securities Market Act (2007:528).

Marketing information and other information to retail clients

Section 2 An investment firm that targets marketing information and other information to retail clients regarding investment or ancillary services shall follow the provisions in sections 3–9. This also applies if the information is disseminated such that it is likely it will reach such clients.

Section 3 Information to retail clients referred to in section 2 shall:

1. include the name of the investment firm,
2. be accurate and in particular not emphasise any potential benefits of an investment service or a financial instrument without at the same time and in a prominent location also referring to any relevant risks,
3. be sufficient for, and presented in such a way that it is likely to be understood by, an average representative of the group to whom the information is directed, or by whom it is likely to be received, and
4. the information may not disguise, diminish or create uncertainty around important items, statements or warnings.

Section 4 Where the information to such clients as referred to in section 2 compares investment or ancillary services, financial instruments or persons providing investment or ancillary services:

1. the comparison shall be meaningful and be presented in a fair and balanced way,
2. the sources of information used for the comparison shall be specified, and
3. the comparison shall contain key facts and assumptions used to make the comparison.

Section 5 Where information to such clients as referred to in section 2 contains an indication of past performance of a financial instrument, a financial index or an investment index:

1. the indication shall not be the most prominent feature in the communication,
2. the information shall contain appropriate performance results, based on 12-month periods for
 - a) the immediately preceding 5 years,
 - b) the whole period for which the financial instrument was offered, the financial index was established or the investment service was provided if the period is less than 5 years, or
 - c) for a longer period established by the investment firm,
3. the reference period and the source of information shall be clearly stated,
4. the information shall contain a prominent warning that the information pertains to past performance and that such information is not a reliable indicator of future performance,
5. where the indication is based on information denominated in a currency other than that used in the Member State in which the client is domiciled, the currency shall be clearly stated with a warning that the return may increase or decrease as a result of currency fluctuations, and
6. the effect of commission and other charges shall be stated where the indication is based on gross performance.

Section 6 Where information to such clients as referred to in section 2 contains or refers to simulated past performance, the information must relate to a financial instrument or a financial index and meet the following conditions:

1. the simulated, past performance shall be based on an actual past performance for one or more financial instruments or financial indices which are the same as, or underlie, the financial instrument in question, and

2. the information must contain a prominent warning that the figures refer to simulated past performance and that past performance is not a reliable indicator of future performance.

With regard to the actual past performance referred to in the first paragraph, point 1, the conditions set out in section 5, subsections 1–3, 5 and 6 shall be fulfilled.

Section 7 Where information to such clients as referred to in section 2 contains information about future performance:

1. the information may not be based on or refer to simulated past performance,
2. the information shall be based on reasonable assumptions supported by objective data,
3. the effect of commissions and other charges shall be disclosed, where the information is based on gross performance, and
4. the information shall contain a clear warning that this type of forecast is not a reliable indicator of future performance.

Section 8 Where the information to such clients as referred to in section 2 is related to particular tax treatment, it shall prominently state that this tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

Section 9 The information to such clients as referred to in section 2 may not use the name of any authority in such a way that it would indicate or suggest endorsement or approval by that authority of the products or services of the investment firm.

Information during the provision of services

Section 10 An investment firm shall in good time before a retail client is bound by an agreement for the provision of investment services or ancillary services, or before the investment firm provides these services, whichever is the earlier, provide the client with:

1. the terms of the agreement, and
2. the information required by sections 18–20 relating to the agreement or the investment and ancillary service.

Section 11 An investment firm shall in good time before the provision of investment and ancillary services to a retail client, provide the client with the information required in accordance with sections 18–33.

Section 12 An investment firm shall in good time before the provision of investment and ancillary services to a professional client, provide the client with the information required in accordance with sections 30 and 31.

Section 13 The information that an investment firm provides a client in accordance with sections 10–12 shall be provided in a durable medium or by means of a website, where this does not constitute a durable medium, provided that the conditions set out in Chapter 1, section 3 are met.

Section 14 An investment firm may provide a retail client with the information required in accordance with section 10 immediately after the client is bound by an agreement for the provision of investment or ancillary services, and the information

required in accordance with section 11 immediately after starting to provide the service, if:

1. the firm was unable to comply with the time limits set out in section 10 and section 11 because, at the request of the client, the agreement was concluded using a means of distance communication which prevents the firm from providing the information, or
2. the firm, when Chapter 2, section 6 of the Distance and Doorstep Sales Act (2005:59) is not applied in any other way, meets the requirement in the provision by acting as if the retail client is a consumer and the investment firm is an undertaking in the meaning of the Act.

Section 15 An investment firm shall notify a client in good time about all material changes to the information provided in accordance with sections 18–33 which are relevant to the service that the firm is providing to the client. The notification shall be provided in a durable medium if the information referred to in the notification has been provided in a durable medium.

Section 16 Information included in the marketing communication of an investment firm shall be consistent with all information that the firm otherwise provides to the client in the course of carrying out investment and ancillary services.

Section 17 Marketing communication that contains an offer or an invitation to a client and specifies the manner of response or includes a form by which a response may be made shall contain such information as set out in sections 18–33 as is relevant to the offer or the invitation. However, this only applies to:

1. an offer to enter an agreement that refers to a financial instrument, an investment service or an ancillary service with a person who responds to the marketing communication, or
2. an invitation to the person that responds to the marketing communication to make an offer to enter into an agreement regarding a financial instrument, an investment service or an ancillary service.

The first paragraph does not need to be applied if the retail client, in order to respond to an offer or an invitation contained in the marketing communication, must refer to one or more additional documents which alone or in combination contain this information.

Information about the investment firm and its services for retail clients

Section 18 An investment firm shall where relevant provide a retail client with information about:

1. the name and address of the investment firm as well as necessary contact details so the client can maintain effective contact with the firm,
2. the language the client may use in its contact with the investment firm and the language used in documentation and other information from the firm,
3. the methods of communication the investment firm and the client shall use and, where relevant, when sending and receiving orders,
4. that the investment firm is authorised to conduct securities business and the name and address of the competent authority that issued the authorisation,
5. where the investment firm acts through a tied agent and in which country the agent is registered, and

6. which type of reports on the performance of the service the investment firm shall provide to the client in accordance with Chapter 8, section 27 of the Securities Market Act and the frequency and timing of the provision of such reports.

If the investment firm holds financial instruments or funds for its clients, it shall, where applicable, provide summary details of the steps which the firm takes to ensure their protection, including summary details of any relevant investor compensation or the deposit guarantee scheme that applies to the firm's business.

In addition, an investment firm shall, where appropriate, provide a summarised description of the guidelines for conflicts of interest that the firm maintains in accordance with Chapter 11, section 3. The investment firm shall, whenever the client requests it, provide more detailed information about the guidelines for conflicts of interest in a durable medium or by means of a website, where this does not constitute a durable medium, provided that the conditions set out in Chapter 1, section 3 are met.

Section 19 An investment firm providing discretionary portfolio management shall have an appropriate method for evaluation and comparison which enables the client to assess and compare the firm's performance. An appropriate method can be a meaningful benchmark based on the client's objective for the investment and the type of the financial instruments included in the client portfolio.

Section 20 An investment firm proposing to provide a retail client discretionary portfolio management shall, in addition to the information provided in accordance with section 18, where applicable, provide the client with:

1. information on its method for valuation of the financial instruments in the client portfolio and how often this occurs,
2. details of any delegation of the discretionary management of all or parts of the financial instruments or funds in the client portfolio,
3. a specification of any benchmark against which the client portfolio's performance shall be compared,
4. the types of financial instrument that may be included in the client portfolio and the types of transaction that may be carried out in such instruments, including any limits, and
5. the management objectives, the level of risk that shall be reflected in the manager's exercise of discretion and any specific limitations of this discretion.

Information about financial instruments

Section 21 An investment firm shall provide clients with a general description of financial instruments and their associated risks. In the description, the firm shall in particular take into account the client's categorisation as either a retail or professional client. The description shall explain the type of instruments in question and the particular risks associated with these instruments in sufficient detail so that the client shall be able to make an informed investment decision.

Section 22 A investment firm's description of the risks to a financial instrument shall, where relevant to the current type of instrument and the status and level of knowledge of the client, contain the following information:

1. the risks associated with this type of instrument, including an explanation of leverage and its consequences as well as the risk of losing the entire investment,
2. price volatility and any limitations on the available market for such instruments,

3. where an investor, as a result of transactions in such instruments, in addition to the costs of acquiring the instrument, can assume financial commitments and other obligations, including contingent liabilities, and
4. any margin requirements or similar obligations applicable to instruments of this type.

Section 23 An investment firm providing a retail client information about a financial instrument that is the subject of a current offer to the public, for which a prospectus has been published in accordance with the Financial Instruments Trading Act (1991:980), shall inform the client where the prospectus is made available to the public.

Section 24 Where the risks associated with a financial instrument composed of two or more different financial instruments or services are likely to be greater than the risks associated with an individual component, the investment firm shall provide an adequate description of the instrument's components and how this interaction increases the risks.

Section 25 Where a financial instrument contains a guarantee from a third party, information about the guarantee shall contain sufficient detail about the guarantor and the guarantee to enable a retail client to make a fair assessment of the guarantee.

Information for the holding of client financial instruments or funds

Section 26 An investment firm holding financial instruments or funds belonging to retail clients shall, where relevant, provide these clients with the information set out in sections 27–32.

Section 27 An investment firm shall inform a retail client if the client's financial instruments or funds may be held by a third party on behalf of the investment firm. The firm shall also inform the client about the firm's responsibility under applicable national legislation for acts or omissions of the third party and the consequences for the client if the third party becomes insolvent.

Section 28 Where the national legislature allows a third party to hold a retail client's financial instruments in an omnibus account, the investment firm shall inform the client about this fact and provide a prominent warning about the risks related to this type of holding.

Section 29 With regard to client's financial instruments held by a third party, where it is not possible under the third party's national legislature to identify these separately from the proprietary financial instruments of the third party or the investment firm, the investment firm shall inform the retail client about this and provide a prominent warning about the associated risks.

Section 30 Where the accounts that contain financial instruments or funds belonging to a client are or will be subject to legislation of a jurisdiction not included in the EEA, the investment firm shall inform the client of this. The client shall be informed that its rights with regard to these financial instruments or funds may differ accordingly.

Section 31 An investment firm shall inform the client about the existence and terms of a security interest or lien which the firm has or may have over the client's financial instruments or funds, or any right of set-off it holds in relation to these instruments or funds. Where applicable, the firm shall also inform the client that a

depository may have a security or right of set-off in relation to these instruments or funds.

Section 32 An investment firm shall, before entering into securities financing transactions with financial instruments it holds on behalf of a retail client, or before in any other way using such financial instruments for its own account or the account of another client, in a durable medium and in good time before the instrument is used, provide the client with clear, full and accurate information on the investment firm's obligations and responsibilities with respect to the firm's use of the financial instruments. The information shall also contain the terms for returning financial instruments and the risks associated with these transactions.

Information about prices and fees

Section 33 An investment firm shall provide retail clients with information about prices and fees. The information shall contain such of the following information as is relevant:

1. the total price the client shall pay for the financial instrument, investment service or ancillary service, including all related fees, commissions, charges and expenses, and all taxes payable via the investment firm or, if an exact price cannot be indicated, the basis for the calculation of the total price so that the client can verify it,
2. where any part of the total price as referred to in point 1 shall be paid in or consist of an amount of foreign currency, an indication of the currency involved and the applicable conversion rates and costs,
3. notice of the possibility that other costs for the client, including taxes, related to the transactions in connection with the financial instrument or the investment service, that shall not be paid via, or are imposed by, the investment firm, and
4. the arrangements for payment or other performance.

For the purposes of the first paragraph, point 1, the commissions charged by the investment firm shall be itemised separately in every case.

Information in accordance with the UCITS directive

Section 34 A simplified prospectus complying with Article 28 of Directive 85/611/EEC of 20 December 1985 on the coordination of laws and other regulations and administrative provisions relating to firms for collective investments in transferable securities (UCITS) meets the requirements for

1. information about financial instruments and proposed investment strategies in accordance with Chapter 8, section 22, first paragraph, point 2 of the Securities Market Act, and
2. information about prices and fees in accordance with Chapter 8, section 22, first paragraph, point 4 of the same Act with respect to the costs and associated charges for the UCITS itself, including the entry and exit commissions.

Chapter 15. Assessment of a client for investment services

Introductory provision

Section 1 This chapter contains provisions regarding the assessment of clients that shall occur in accordance with Chapter 8, sections 23-25 of the Securities Market Act (2007:528) when providing investment services.

Assessment in conjunction with investment advice and discretionary portfolio management

Section 2 When an investment firm assesses that investment advice or discretionary portfolio management is appropriate for a client in accordance with Chapter 8, section 23 of the Securities Market Act, the firm shall obtain the requisite information to understand essential facts about the client. The firm shall have a reasonable basis for assuming that the specific transaction that is recommended or entered into in the course of providing discretionary portfolio management.

1. meets the investment objectives of the client in question,
2. is such that the client is able financially to bear any related investment risks consistent with the investment objectives, and
3. is such that the client has the necessary knowledge and experience in order to understand the risks involved in the transaction or in the portfolio management.

Section 3 An investment firm shall be entitled to assume that a professional client has the necessary knowledge and experience in accordance with section 2, subsection 3 with regard to the products, transactions and services for which the client is classified as a professional client.

Where investment advice is provided to a professional client subject to Chapter 8, section 16 of the Securities Market Act, the investment firm, for the purposes of section 2, subsection 2, may assume that the client is able financially to bear an investment risk consistent with the client's investment objectives.

Section 4 An investment firm's information regarding the financial situation of the client shall, where relevant, include the client's:

1. regular income and its source,
2. assets, including liquid assets, investments and real property, and
3. primary financial commitments.

Section 5 An investment firm's information regarding the investment objectives of the client shall, where relevant, contain information on the length of time for which the client wishes to hold the investment, the client's preferences regarding risk taking and risk profile as well as the purposes of the investment.

Section 6 Where an investment firm does not obtain the information required pursuant to Chapter 8, section 23 of the Securities Market Act where, when providing the investment service of investment advice or portfolio management, the firm may not recommend investment services or financial instruments to the client.

Assessment in conjunction with other investment services

Section 7 When an investment firm assesses whether an investment service is appropriate for a client in accordance with Chapter 8, section 24 of the Securities Market Act, it shall determine whether the client has the necessary knowledge and experience to understand the risks involved in relation to the investment service or product.

For the purposes of the first paragraph, an investment firm may assume that a professional client has the necessary knowledge and experience in order to understand the risks involved in relation to those particular products, transactions and services for which the client is classified as a professional client.

Common provisions for assessment

Section 8 An investment firm's information regarding the client's knowledge and experience within an investment field, to the extent appropriate to the nature of the client, the nature and extent of the service to be provided and the type of product or transaction, shall contain:

1. the types of service, transaction and financial instrument with which the client is familiar,
2. the nature, volume and frequency of the client's transactions in financial instruments and the period over which the transactions were carried out, and
3. the client's level of education and profession or relevant former profession.

Section 9 An investment firm shall not encourage a client not to provide the information required pursuant to Chapter 8, sections 23 and 24 of the Securities Market Act.

Section 10 An investment firm shall be able to rely on the information provided by its clients, unless it is aware or ought to be aware that the information is manifestly out of date, inaccurate or incomplete.

Provision of non-complex instruments (execution only)

Section 11 A financial instrument which is not referred to in Chapter 8, section 25 of the Securities Market Act shall be considered as *non-complex* if:

1. it does not fall within Chapter 1, section 4, subsection 2c or 5 of the Securities Market Act,
2. there are frequent opportunities to dispose of, redeem or otherwise realise the instrument at prices that are publicly available to market participants, and that either are market prices or prices made available, or validated, by valuation systems independent of the issuer,
3. it does not involve any actual or potential liability for the client that exceeds the cost of acquiring the instrument, and
4. there is adequately comprehensive and publicly available information on the characteristics of the instrument that is likely to be readily understood so as to enable an average retail client to make an informed judgment as to whether to enter into a transaction in that instrument.

Chapter 16. Investment advice to consumers

Introductory provision

Section 1 This chapter contains provisions regarding, among other things, expertise requirements, documentation and the release of documentation when providing investment advice to consumers.

Knowledge requirements

Section 2 The investment firm shall ensure that personnel providing investment advice possess adequate knowledge regarding the advice provided. The knowledge shall be relevant in relation to the focus, scope and degree of difficulty of the advice.

Section 3 The investment firm shall ensure that personnel providing investment advice are familiar with the legislation and rules relevant to the focus, scope and degree of difficulty of the advice.

Section 4 The investment firm shall ensure that personnel providing investment advice also understand and can fulfil the requirements placed on the advice based on the focus, scope and degree of difficulty of the advice. Their knowledge shall include what advisor responsibility, ethics and generally accepted advising practices entail. In addition, their knowledge shall include the manner in which the duty of care, the duty to advise against a particular course of conduct, and the duty to maintain documentation shall be fulfilled.

Section 5 The investment firm shall ensure that personnel providing investment advice can also apply knowledge regarding savings and investments in financial instruments and insurance on the basis of the focus, scope and degree of difficulty of the advice.

Section 6 The investment firm shall ensure that personnel providing investment advice fulfil the knowledge requirements in sections 2-5 by ensuring that its personnel has successfully passed a suitable proficiency test. In the event the proficiency test is not provided by a party independent of the investment firm, an independent reviewer shall have approved the test. The reviewer shall be independent of the investment firm and possess suitable qualifications.

Section 7 The investment firm shall ensure with requisite regularity that personnel providing investment advice possess sufficient knowledge.

Section 8 The investment firm shall ensure that personnel providing investment advice have received suitable practical experience. Such practical experience shall include communication between personnel and consumers.

Documentation of the advising assignment

Section 9 The documentation shall contain information enabling identification of:

1. the investment firm,
2. the personnel providing investment advice; and
3. the conditions under which the advice was provided.

Section 10 The documentation shall contain the consumer's name and the information that shall be obtained in pursuant to Chapter 8, section 23 of the Securities Market Act.

Section 11 The documentation shall contain information regarding:

1. the date and time of the investment advice,
2. what advice was provided, and
3. if the consumer was advised against a specific investment.

Section 12 Information regarding the circumstances under which the advice was provided in accordance with section 11 shall be documented in conjunction with the provision of advice and by the person providing the advice. Documentation of information pursuant to sections 9 and 10 may be carried out by a person other than the person providing the advice and at an earlier time.

Section 13 Documentation pursuant to sections 9–11 may be carried out in a medium of choice on the condition that the requirements in Chapter 21, section 2 are fulfilled.

Section 14 The documentation of information in accordance with sections 9-11 shall be provided to the consumer on the first occasion during which advice is provided or in close connection therewith.

The release shall take place without unnecessary delay.

Section 15 Where the event investment advice to the same consumer is also provided on subsequent occasions, documentation of the information in accordance with sections 9 and 10 only needs to be provided at the request of the consumer in conjunction with or after the provision of advice, provided that the information is not significant to the advice.

Section 16 Where the event investment advice provided to the same consumer is also provided on a subsequent occasion, the documentation of information pursuant to section 11 only needs to be provided upon request by the consumer in conjunction with or after the provision of the advice, provided that the consumer's primary investment focus is unchanged and that documentation takes place by recording telephone conversations between the consumer and the investment firm.

Section 17 The investment firm shall inform the consumer regarding the latter's possibility to request documentation that the investment firm is only required to provide at the consumer's request.

Section 18 Where special cause exists, Finansinspektionen may grant additional exemptions from the release of documentation following an application by an investment firm.

Chapter 17. Reporting to a client

Introductory provision

Section 1 This chapter contains provisions regarding the reporting an investment firm shall provide to a client pursuant to Chapter 8, section 27 of the Securities Market Act (2007:528).

Contract notes

Section 2 An investment firm which has executed an order on behalf of a client that does not refer to discretionary portfolio management shall immediately and in a durable medium provide the client with essential information regarding the execution of the order.

In the case of a retail client, the investment firm shall send a contract note in a durable medium confirming that the order was executed. The contract note shall be sent as soon as possible and no later than the first business day following execution or, if the investment firm receives confirmation of the execution from a third party, no later than the first business day following receipt of the confirmation from the third party.

The investment firm shall not apply the second paragraph if the contract note would contain the same information as a contract note that another person shall promptly send to the retail client.

Section 3 The investment firm shall not apply section 2, first and second paragraphs if an order that is executed on behalf of a client relates to bonds funding mortgage loan agreements with this client. In such a case, the report on the transaction shall be made at the same time as the terms of the mortgage loan are communicated, although no later than one month after the execution of the order.

Section 4 In addition to the requirements in sections 2 and 3, at the request of a client, the investment firm shall provide information about the status of the client's order.

Section 5 With regard to a retail client's regular orders for shares in a UCITS, the investment firm shall either take the action specified in section 2, second paragraph or provide the client with the information referred to in section 6 regarding the transactions at least once every six months.

Section 6 An investment firm's contract note pursuant to section 2, second paragraph shall contain such of the following as is applicable:

1. the reporting firm identification,
2. the client's name or other designation,
3. the trading day,
4. the trading time,
5. the type of the order,
6. the trading venue,
7. the instrument identification,
8. the buy/sell indicator,
9. the nature of the order if other than buy/sell,
10. the quantity,
11. the unit price,
12. the total consideration
13. the total sum of the commission and expenses charged and, where the retail client so requests an itemised breakdown,
14. the client's responsibilities in relation to the settlement of the transaction, including the time limit for payment or delivery as well as the appropriate account details where these details and obligations have not previously been notified to the client, and
15. if the client's counterparty was the investment firm itself or any other person in the investment firm's group, the fact that this was the case unless the order was executed through a trading system that facilitates anonymous trading.

The information in accordance with the first paragraph that a contract note pursuant to section 2, second paragraph shall contain, where relevant, shall be stated in accordance with table 1 in *Appendix 1* to the implementing regulation.

Where the order is executed in tranches, the investment firm, for the purposes of the first paragraph, point 11, may choose to supply the client with information about the price of each tranche or the average price. Where the average price is provided, the investment firm shall provide the retail client with information about the price for each tranche upon request.

Section 7 The investment firm may provide the client with the information referred to in section 6 using standard codes if the firm also provides an explanation of the codes used.

Reporting on discretionary portfolio management

Section 8 An investment firm that provides discretionary portfolio management to clients shall provide each client with a periodic statement in a durable medium of the portfolio management activities carried out on behalf of that client unless such a statement is provided by another person.

Section 9 In the case of retail clients, the statement that the investment firm shall provide in accordance with section 8 shall, where relevant, contain:

1. the name of the investment firm,
2. the name or other designation on the retail client's account,
3. a statement of the contents and valuation of the portfolio, including details of each financial instrument held, their market value or fair value if the market value is unavailable, the cash balance at the beginning and at end of the period and the performance of the portfolio during the period,
4. the total amount of fees and charges incurred during the period, itemising at least the total management fees and costs associated with execution and, including where relevant, a statement that a more detailed breakdown can be provided on request,
5. a comparison of the performance during the period covered by the statement with the investment performance benchmark, if any, agreed upon by the investment firm and the client,
6. the total amount of dividends, interest rates and other payments received during the reporting period in relation to the client's portfolio,
7. information about other corporate actions giving rights in relation to financial instruments held in the portfolio, and
8. for each transaction executed during the period, the information referred to in section 6, first paragraph, points 3–12, unless the client elects to receive information about executed transactions on a transaction-by-transaction basis, in which case section 11 shall be applied.

Section 10 In the case of retail clients, the investment firm shall provide the periodic statement referred to in section 8 once every six months, except in the following cases:

1. where requested by the client, the statement shall be provided every three months,
2. in the cases where section 11 applies, the statement shall be provided at least once every 12 months, and
3. where the agreement for a portfolio management service authorises a leveraged portfolio, the statement shall be provided at least once a month.

The investment firm shall inform retail clients that they have the right to make requests for the purposes of the first paragraph, point 1.

However, the exception provided for in the first paragraph, point 2 shall not apply in the case of transactions in financial instruments covered by Chapter 1, section 4, subsection 2 or 5 of the Securities Market Act.

Section 11 Where the client elects to receive information about executed transactions on a transaction-by-transaction basis, the investment firm shall promptly provide to the client, when the portfolio manager executes a transaction, all essential information concerning the transaction in a durable medium.

Where the client concerned is a retail client, the investment firm shall send a contract note to the client confirming the transaction and containing the information referred to in section 6 no later than the first business day following the execution or, if the investment firm receives a contract note from a third party, no later than the first business day following receipt of the contract note from the third party.

The second paragraph shall not apply where the contract note would contain the same information as a confirmation that shall be promptly sent to the retail client by another person.

Additional reporting on discretionary portfolio management or transactions with contingent liabilities

Section 12 An investment firm providing portfolio management transactions for retail clients shall report to the client any losses exceeding any predetermined threshold agreed between the firm and client. The same applies if the investment firm provides accounts for retail clients containing an uncovered position in a contingent liability transaction.

Notification shall be given no later than the end of the business day when the threshold was exceeded or, if the threshold was exceeded on a day that is not a business day, no later than the end of the next business day.

Overview of client financial instruments or funds

Section 13 An investment firm shall at least once a year for each client for whom it holds financial instruments or funds provide an overview of the financial instruments or funds, if such an overview has not been provided in any other periodic statement. The overview shall be provided in a durable medium.

The first paragraph shall not apply to credit institutions with regard to deposits held by the institution.

Section 14 The overview of the client's assets referred to in section 13 shall contain the following information:

1. details of all the financial instruments or funds held by the investment firm for the client at the end of the period covered by the overview,
2. the extent to which a client's financial instruments or funds have been the subject of securities financing transactions, and

3. the extent of any benefit that has accrued to the client by virtue of participation in any securities financing transactions, and the basis on which that benefit has accrued.

In cases where the portfolio of a client contains the proceeds of one or more unsettled transactions, the information referred to in the first paragraph, point 1 may be based either on the trade or the settlement date. This applies on the condition that the same basis is applied consistently to all information in the overview.

Section 15 Investment firms which hold financial instruments or funds and which carry out discretionary portfolio management for a client may include the overview of the client's assets referred to in section 13 in the periodic statement the firm provides in accordance with section 8.

Chapter 18. Best order execution

Introductory provision

Section 1 This chapter contains provisions regarding the achievement of the best execution in accordance with Chapter 8, sections 28–32 of the Securities Market Act (2007:528) when an investment firm executes a client's order.

Criteria for best order execution

Section 2 An investment firm, when executing client orders, shall take into account the following criteria for determining the relative importance of the factors referred to section 8, section 28 of the Securities Market Act:

1. the characteristics of the client, including the categorisation of the client as retail or professional,
2. the characteristics of the order,
3. distinguishing characteristics of the financial instruments included in the order, and
4. distinguishing characteristics for execution venues to which the order can be directed.

For the purposes of this chapter, execution *venue* refers to a regulated market, a MTF, a systematic internaliser or a market maker within the EEA, or other person that provides liquidity within the EEA or an equivalent entity to any of the above outside of the EEA.

Section 3 An investment firm satisfies its obligation pursuant to Chapter 8, section 28 of the Securities Market Act to take all reasonable steps to obtain the best possible result for a client to the extent that the firm executes an order or a specific aspect of an order in accordance with specific instructions from the client.

Section 4 An investment firm executing an order on behalf of a retail client shall determine the best possible result for a client in terms of the total remuneration, which is the price of the financial instrument and costs related to the execution.

The costs related to the execution shall include the expenses directly attributable to the execution of a retail client's order, including:

1. trading venue fees,

2. clearing and settlement fees, and
3. other fees paid to a third party involved in the execution of the order.

Where the investment firm's guidelines allow more than one trading venue to execute an order, the firm, during its assessment and comparison of the results for the client that would be achieved by executing the order on each of the trading venues included in the firm's guidelines, shall also take into account the firm's own commissions and costs for the execution of the order.

Section 5 An investment firm shall not distribute or charge a commission in such a way that it leads to undue discrimination between trading venues.

Guidelines for order execution

Section 6 An investment firm shall review annually the guidelines for order execution established in accordance with Chapter 8, section 29, first paragraph of the Securities Market Act and its systems for order execution.

An overview shall also be carried out when a material change occurs that affects the investment firm's ability to continue to obtain the best possible result for the execution of a client's order on a consistent basis using the trading venues included in the guidelines.

Section 7 An investment firm shall provide retail clients with the following details on the firm's guidelines for order execution in good time prior to the provision of the service:

1. an account of the relative importance the investment firm assigns, in accordance with the criteria set out in section 2, the factors referred to in Chapter 8, section 28 of the Securities Market Act or the procedures by which the firm determines the relative importance of these factors,
2. a list of the trading venues the firm considers to be reliable with regard to fulfilling the firm's obligations for taking all reasonable steps to obtain on a consistent basis best possible result for the execution of a client's order, and
3. a clear and prominent warning that any specific instructions from a client may prevent the firm from taking the steps it has designed and implemented in its guidelines for execution to obtain the best possible result for the execution of orders in respect of the elements covered by the instructions.

Information shall be provided in a durable medium, or by means of a website, where this does not constitute a durable medium, provided that the conditions specified in Chapter 2, section 3 are satisfied.

Chapter 19. Best execution in conjunction with discretionary portfolio management and reception and order transmission

Section 1 An investment firm shall take the steps referred to in this chapter when it:

- provides discretionary portfolio management and places an order with other entities for execution that result from the firm's decision to trade on behalf of a client, or
- provides reception and transmission of orders and transmits a client's order to other entities for execution.

However, an investment firm that provides discretionary portfolio management or reception and transmission of orders shall not apply this chapter if the firm also executes orders received or decisions to trade on behalf of its client's portfolio. In such cases, Chapter 8, sections 28–32 of the Securities Market Act (2007:528) shall apply.

Section 2 An investment firm shall take all reasonable steps to obtain the best possible result for its clients taking into account the factors referred to in Chapter 8, section 28 of the Securities Market Act. The relative importance of these factors shall be determined based on the criteria set out in Chapter 18, section 2 and, with regard to retail clients, Chapter 18, section 4.

An investment firm shall satisfy its obligations in accordance with section 1 and is not required to take the steps mentioned in the first paragraph if it follows specific instructions from its client when placing an order with, or transmitting an order to, another entity for execution.

Section 3 Investment firms shall establish guidelines to enable them to obtain the best possible results in accordance with section 2. The guidelines shall specify for each class of instrument the entities with which the orders are placed or to which the firm transmits orders for execution. The specified entities shall have execution procedures that enable the investment firm to comply with its obligations in accordance with this chapter.

The investment firm shall provide appropriate information to its clients on the guidelines established in accordance with this provision.

Section 4 An investment firm shall monitor on a regular basis that the guidelines established in accordance with section 3 are effective, particularly with regard to the execution quality of the entities identified in the guidelines and, where appropriate, correct any deficiencies that arise.

In addition, the investment firm shall review its guidelines annually. An overview shall also be carried out whenever a material change occurs that affects the firm's ability to continue to obtain the best possible result for its clients.

Chapter 20. Client order handling

Introductory provision

Section 1 This chapter contains provisions regarding the client order handling in accordance with Chapter 8, section 33 of the Securities Market Act (2007:528).

General principles

Section 2 An investment firm, when carrying out client orders, shall:

1. promptly and accurately allocate and record orders executed on behalf of clients,
2. carry out generally comparable orders promptly and sequentially, unless the characteristics of the order or prevailing market conditions make this impracticable, or if interests of the client require otherwise, and
3. inform retail clients about material difficulties relevant to properly carrying out an order upon becoming aware of the difficulty.

Section 3 An investment firm responsible for overseeing and arranging the settlement of the client's executed order shall take all reasonable steps to ensure that client financial instruments or client funds received in settlement of that executed order are promptly and correctly delivered to the account of the client.

Section 4 An investment firm may not misuse information relating to pending client orders, and shall take all reasonable steps to prevent the misuse of such information by any of the firm's relevant persons.

Aggregation and allocation of orders

Section 5 An investment firm may carry out a client order or a transaction for own account in aggregation with another client order if:

1. it is unlikely that the aggregation will work overall to the disadvantage of the client, and
2. clients, whose orders are aggregated, are notified that the aggregation can work to the disadvantage of the client in relation to a particular order.

Section 6 An investment firm shall have established guidelines for the allocation of orders and implemented these guidelines effectively so that client orders or transactions for own account that are aggregated with other client orders are fairly allocated. The guidelines shall specify how volume and price determine the allocation and treatment of partial executions.

Section 7 An investment firm which has aggregated one client's order with one or more other client orders and only partially executed the aggregated order shall allocate the transactions in question in accordance with its guidelines for allocation of orders.

Allocation of transactions for own account

Section 8 An investment firm which has aggregated a transaction for own account with one or more client orders shall not allocate this trade in a way that is detrimental to the client.

Section 9 An investment firm which has aggregated a client order with a transaction for own account and only partially executes the aggregated order shall allocate the related trades to the client in priority to the firm.

However, if the firm is able to demonstrate on reasonable grounds that it would not have been able to carry out the order at all or to such advantageous terms without this combination, the firm may allocate the transaction proportionally in accordance with its guidelines for allocation of orders referred to in section 6.

Section 10 An investment firm shall, as a part of its guidelines for allocation of orders referred to in section 6, put in place procedures to prevent reallocation of transactions for own account which are executed in combination with a client order in such a way that is detrimental to the client.

Specific guidelines for order execution

Section 11 Where an investment firm consents to an order being received and executed outside of the firm's premises, the firm shall prepare separate guidelines for this.

Section 12 Where an investment firm authorises a broker, for a short period, to monitor and execute orders on behalf of a client in respect of all or part of the client's holdings of financial instruments, the firm shall prepare separate guidelines for this.

Chapter 21. Documentation

Record-keeping

Section 1 An investment firm shall for a period of at least five years retain the records required in accordance with:

1. the Securities Market Act (2007:528),
2. these regulations and other regulations that have been issued pursuant to the Securities Market Act, and
3. implementing regulation:

In addition, the investment firm shall at least during the duration of its relationship with the client retain records about the rights and obligations of the investment firm and the client under an agreement to provide services, or the terms on which the firm provides services to the client.

When an investment firm's licence has been revoked, the firm shall retain its records until the five-year period required in the first paragraph has expired.

Section 2 An investment firm shall retain records in a medium that enables it to store information in such a way that it can be accessed by Finansinspektionen. The information shall also be stored in such a form and in such a way that:

1. Finansinspektionen can, without difficulty, access the information and reconstruct important steps in the processing of all transactions,
2. it is possible to establish, without difficulty, all corrections and other amendments as well as the content of the information before these corrections and amendments, and
3. it is not possible to manipulate or change the records in any other way.

Recording telephone conversations at a broker's desk

Section 3 All telephone conversations at a broker's desk at an investment firm shall be recorded. The aforesaid shall also apply to the firm's conversations which relate to client orders on other telephones in premises with access to the trading system of a regulated market or an MTF, or premises which have been specifically adapted for financial instruments trading.

A client order which have been received via mobile phones or at a personal meeting with a client and which has thus not been recorded must be documented. The mobile telephone service agreements used in the securities business must be the property of the investment firm. The investment firm shall adopt guidelines governing the handling of non-recorded engagements.

Cancelling client orders

Section 4 The investment firm shall document the cancellation of an order by a client. The documentation shall contain a reference to the actual order, the time of cancellation and, where relevant, the name of the person at the firm who received notice of cancellation.

Chapter 22. Reporting client information to Finansinspektionen

Section 1 The provisions in this chapter apply to such transactions set out in Chapter 10, section 1 of the Securities Market Act (2007:528).

Section 2 At the request of Finansinspektionen, an investment firm, in accordance with the detailed instructions on format and procedures always provided by Finansinspektionen, shall provide a transaction's reference number and the following information about the client on behalf of whom a transaction has been executed:

1. client number,
2. the client's name or other designation,
3. the client's civic registration number, company registration number or other identification number, and
4. the client's address.

The report in accordance with the first paragraph may also be provided in the manner set out in Chapter 10, section 4, subsections 2–4 of the Securities Market Act.

Chapter 23. Collateral in own and parent undertaking shares

Section 1 A banking company, credit market company and an investment firm may to the extent and under the conditions set out in Chapter 10, section 12 of the Banking and Financing Business Act (2004:297), in Chapter 11, section 1 of the Banking and Financing Business Act compared with Chapter 10, section 12 of the same Act and in Chapter 8, section 37 of the Securities Market Act (2007:528), receive own shares or shares in the parent undertaking as collateral. Such shares may not be included in the value of the collateral. However, this does not apply to derivative trading when own shares are received as security from a client that is liable for these specific shares.

Entry into force and transitional provisions

These regulations shall enter into force on 1 November 2007, whereupon the following Finansinspektionen Regulations and general guidelines shall be repealed:

1. Finansinspektionen's General guidelines (FFFS 2002:5) regarding securities operations,
2. Finansinspektionen's Regulations (FFFS 2002:6) governing the business plan for investment firms, etc.,
3. Finansinspektionen's Regulations (FFFS 2002:7) governing the rules of conduct on the securities market, and
4. Finansinspektionen's General guidelines (FFFS 2005:10) regarding the management of conflicts of interest related to analysts at the securities institution.

In conjunction with the entry into force of these regulations, the following of Finansinspektionen's General guidelines will be repealed to the extent that they apply to activities in accordance with the Securities Market Act (2007:528)

1. Finansinspektionen's General guidelines (FFFS 2002:23) regarding complaints management of financial services for consumers issued by Finansinspektionen, and
2. Finansinspektionen's General guidelines (FFFS 2005:1) regarding governance and control of financial undertakings.

Investment firms which have been granted exemption from the release of documentation in accordance with Chapter 3, section 10 of Finansinspektionen's Regulations and general guidelines (FFFS 2004:4) regarding financial advice to consumers shall be considered to be exempted in accordance with Chapter 16, section 18 of these regulations.

GENT JANSSON

Marcus Hjorth

Appendix 1a

Form for notification pursuant to Article 32 of the Markets in Financial Instruments Directive

The form shall also be submitted in English. The form is available on FI's website.

Type of notification: [e.g. first time/ additional services/change of address]

Notification reference: [Home Member State ref]

Member State in which the branch is to be established: [Host Member State]

Investment firm: [Name of firm]

Address: [home address]

Telephone Number: [tel. no.]

E-mail address:

Contact: [name]

Home State: [Home Member State]

Authorisation Status: Authorised by [Home Member State Competent Authority]

Authorisation Date: [TBA]

Date from which MiFID branch will be established: upon host Member State registration

Investment services and activities that shall be provided:

		Investment services and activities								Ancillary services						
		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7
Financial instruments:	1															
	2															
	3															
	4															
	5															
	6															
	7															
	8															
	9															
	10															

Appendix 1b

PROGRAMME OF OPERATIONS

This summary shall also be submitted in English. The form is available on Finansinspektionen's website, www.fi.se.

Requirement	Response
<p><u>1. Corporate strategy</u></p> <p><i>a) How will the branch contribute to the strategy of the firm/group?</i></p> <p><i>b) What will the main functions of the branch be?</i></p>	
<p><u>2. Commercial strategy</u></p> <p><i>a) Describe the types of customers/counterparties the branch will be dealing with</i></p> <p><i>b) Describe how the firm will obtain and deal with these clients</i></p>	
<p><u>3. Organisational structure</u></p> <p><i>a) Briefly describe how the branch fits into the corporate structure of the firm/group? (This may be facilitated by attaching an organisational chart)</i></p> <p><i>b) Set out the organisational structure of the branch, showing both functional and legal reporting lines</i></p> <p><i>c) Which individual will be responsible for the branch operations on a day to day basis?</i></p> <p><i>d) Which individual will be responsible for compliance at the branch?</i></p> <p><i>e) Which individual will be responsible for dealing with complaints in relation to the branch</i></p>	

<p><i>f) How will the branch report to the head office?</i></p> <p><i>g) Detail any critical outsourcing arrangements</i></p>	
<p><u>4. Tied agents</u></p> <p><i>a) Will the branch use tied agents?</i></p> <p><i>b) If the information is available, what is the identity of the tied agents</i></p>	
<p><u>5. Systems and controls</u></p> <p><i>Provide a brief summary of arrangements for:</i></p> <p><i>a) safeguarding client money and assets</i></p> <p><i>b) compliance with the conduct of business and other obligations that fall under the responsibility of the Competent Authority of the host Member State according to Art 32(7) and record keeping under Art 13(9)</i></p> <p><i>c) code of Conduct, including personal account dealing</i></p> <p><i>d) anti-money laundering</i></p> <p><i>e) monitoring and control of critical outsourcing arrangements (if applicable)</i></p>	

<p><u>6. Auditor details</u></p> <p><i>a) Details of the audit arrangements of branch (including where applicable details of the external auditor)</i></p>	
<p><u>7. Financial forecast</u></p> <p><i>a) Attach a forecast statement for profit and loss and cash flow, both over a 12-month period</i></p>	

Appendix 2

Form for notification pursuant to Article 31 of the Markets in Financial Instruments Directive

The form shall also be submitted in English. The form is available on FI's website.

Type of notification: [e.g. first time/ additional services/address change]

Notification reference: [Home Member State ref]

Member State in which firm intends to operate: [Host Member State]

Investment firm: [Name of firm]

Address: [home address]

Telephone Number: [tel. no.]

E-mail address: [e-mail]

Contact: [name]

Home State: [Home Member State]

Authorisation Status: Authorised by [Home Member State Competent Authority]

Authorisation Date: [TBA]

Date from which services will be provided: With immediate effect

Investment services and activities that shall be provided:

		Investment services and activities								Ancillary services						
		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7
Financial instruments:	1															
	2															
	3															
	4															
	5															
	6															
	7															
	8															
	9															
	10															

*Appendix 3a***Ownership assessment – natural person**

1. State which firm the acquisition relates to and what percentage of the shares and voting rights in the firm is intended to be acquired.
2. Do you or a close relation¹ own shares in the firm or in another firm, which in turn owns shares in the firm referred to in question 1?
3. Append a description or outline of the ownership structure in the group pre- and post-acquisition, with ownership shares stated in per cent.
4. Do you or a close relation¹ have any other financial relationships with the firm?
5. Have you been the subject of a suitability assessment by a foreign supervisory authority within the past year? If yes, please explain².
6. During the past five years, have you been a board member, alternate board member, managing director or deputy managing director in a firm which is under the supervision of Finansinspektionen or an equivalent foreign supervisory authority? Has this firm been subject to sanctions from a supervisory authority? If yes, please explain the circumstances.
7. Have you entered into personal bankruptcy in Sweden or in a foreign country? If yes, please explain.
8. Have you been a board member or held a senior position in a firm that has been the subject of a composition or company reorganisation or was placed into insolvent liquidation or the equivalent in Sweden or in a foreign country? If yes, please state the firm's name and explain the circumstances.
9. During the past five years, have you been convicted by a Swedish or foreign court for any crime in respect of which imprisonment is included in the range of penalties specified for the crime? If yes, please explain the circumstances.
10. Would you like to state any other facts or circumstances which might be of relevance in the assessment of this matter?

Note: As a part of the ownership assessment, Finansinspektionen will collaborate with e.g. Rikspolisstyrelsen (Swedish National Police Board), Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board), Kronofogdemyndigheten (Swedish Enforcement Authority) and Upplysningscentralen UC AB (UC AB).

The undersigned hereby certifies that the above information is correct and complete.

¹ Close relation refers to e.g. a spouse, cohabitee, child, parent or other relation with whom you share living accommodations.

Date:

.....

Name:

Address, telephone number:

Civic registration number/date of birth:

*Appendix 3b***Ownership assessment – legal person**

1. State the applicant firm's name, company registration number and address. A registration certificate for the firm not more than two months old and the firm's most recent audited annual report should also be appended.
2. State which firm the acquisition relates to and what percentage of the shares and voting rights in the firm is intended to be acquired.
3. Append a description or outline of the entire ownership chain in the group, pre- and post-acquisition, with ownership shares stated in per cent.
4. State the other firms in the group or financial group that are under the supervision of Finansinspektionen or a corresponding foreign authority.
5. During the past year, has the firm been the subject of a suitability assessment by a foreign supervisory authority? If yes, please explain.
6. Would you like to state any other facts or circumstances which might be of relevance in the assessment of this matter?

Note: As a part of the ownership assessment, Finansinspektionen will collaborate with e.g. Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board) and Kronofogdemyndigheten (Swedish Enforcement Authority).

The undersigned hereby certifies that the above information is correct and complete.

Date:

.....

Authorised signatory:

Telephone number:

Appendix 3c

Management assessment – in conjunction with an ownership assessment

1. What experience and competence do you have within the financial sector? Please attach a copy of your curriculum vitae.
2. Which firm does the management assessment relate to?
3. Have you previously been board chairman, board member or alternate board member in a firm where one or more board members were not granted a release from liability? If yes, state which firm(s).
4. Have you been the subject of a suitability assessment by a foreign supervisory authority within the past year? If yes, please explain.
5. During the past five years, have you been dismissed from a financial institution?
6. During the past five years, have you been a board member, alternate board member, managing director or deputy managing director in a firm which is under the supervision of Finansinspektionen or an equivalent foreign supervisory authority? Has this firm been subject to sanctions from a supervisory authority? If yes to either of the above questions, please explain the circumstances.
7. Have you entered into personal bankruptcy in Sweden or in a foreign country? If yes, please explain.
8. Have you been a board member or held a senior position in a firm that has been the subject of a composition or company reorganisation or was placed into insolvent liquidation or the equivalent in Sweden or in a foreign country? If yes, please state the firm's name and explain the circumstances.
9. During the past five years, have you been convicted by a Swedish or foreign court for any crime in respect of which imprisonment is included in the range of penalties specified for the crime? If yes, please explain.
10. Would you like to state any other facts or circumstances which might be of relevance in the assessment of this matter?

Note: As a part of the management assessment, Finansinspektionen will collaborate with e.g. Rikspolisstyrelsen (Swedish National Police Board), Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board), Kronofogdemyndigheten (Swedish Enforcement Authority) and Upplysningscentralen UC AB (UC AB).

The undersigned hereby certifies that the above information is correct and complete.

Date:

.....

Name:

Address, telephone number:

Civic registration number/date of birth:

Appendix 4a

Management assessment – questions for board members and alternate board members

1. What experience and competence do you have within the financial sector? Please attach a copy of your curriculum vitae.
2. Which firm does the management assessment relate to?
3. Are you employed by a firm other than the firm referred to in question 2? If yes, state the firm and your position.
4. Are you board chairman, board member or alternate board member in a firm other than that referred to in question 2? If yes, state which firm(s).
5. Have you previously been board chairman, board member or alternate board member in a firm where one or more board members were not granted a release from liability? If yes, state which firm(s).
6. Do you directly or indirectly own shares in the firm referred to in question 2, or in any other firm, which represent 10 per cent or more of the share capital or voting capital? If yes, state in which firm(s).
7. Do you directly or indirectly own shares in the firm referred to in question 2, or in any other firm, which represent less than 10 per cent, but where the holding can still be considered to carry a significant influence on the management of the firm? If yes, state in which firm(s).
8. Do you or a close relation³ have any other financial relationships with the firm referred to in question 2?
9. Do you have any other function in the firm referred to in question 2 or in the group?
10. Have you been the subject of a suitability assessment by a foreign supervisory authority within the past year? If yes, please explain.
11. During the past five years, have you been dismissed from a financial institution?
12. During the past five years, have you been a board member, alternate board member, managing director or deputy managing director in a firm which is under the supervision of Finansinspektionen or an equivalent foreign supervisory authority? Has this firm been subject to sanctions from a supervisory authority? If yes to either of the above questions, please explain the circumstances.

³ Close relation refers to e.g. a spouse, cohabitee, child, parent or other relation with whom you share living accommodations.

13. Have you entered into personal bankruptcy in Sweden or in a foreign country?

If yes, please explain.

14. Have you been a board member or held a senior position in a firm that has been the subject of a composition or company reorganisation or was placed into insolvent liquidation or the equivalent in Sweden or in a foreign country? If yes, please state the firm's name and explain the circumstances.

15. During the past five years, have you been convicted by a Swedish or foreign court for any crime in respect of which imprisonment is included in the range of penalties specified for the crime? If yes, please explain.

16. Would you like to state any other facts or circumstances which might be of relevance in the assessment of this matter?

Note: As a part of the management assessment, Finansinspektionen will collaborate with e.g. Rikspolisstyrelsen (Swedish National Police Board), Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board), Kronofogdemyndigheten (Swedish Enforcement Authority) and Upplysningscentralen UC AB (UC AB).

The undersigned hereby certifies that the above information is correct and complete.

Date:

.....

Name:

Address, telephone number:

Civic registration number/date of birth:

Appendix 4b

Management assessment – questions for the managing director and deputy managing director

1. What experience and competence do you have within the financial sector? Please attach a copy of your curriculum vitae.
2. Which firm does the management assessment relate to?
3. Are you managing director or deputy managing director in a firm other than the firm referred to in question 2? If yes, state which firm(s).
4. Are you employed by a firm other than the firm referred to in question 2? If yes, state in which firm(s) and your position(s).
5. Are you board chairman, board member or alternate board member in a firm other than that referred to in question 2? If yes, state which firm(s).
6. Have you previously been board chairman, board member or alternate board member in a firm where one or more board members were not granted a release from liability? If yes, state which firm(s).
7. Do you directly or indirectly own shares in the firm referred to in question 2, or in any other firm, which represent 10 per cent or more of the share capital or voting capital? If yes, state which firm(s).
8. Do you directly or indirectly own shares in the firm referred to in question 2, or in any other firm, which represent less than 10 per cent but where the holding can still be considered to carry a significant influence on the management of the firm? If yes, state which firm(s).
9. Do you or a close relation⁴ have any other financial relationships with the firm referred to in question 2?
10. Do you have any other function in the firm referred to in question 2 or in the group or financial group?
11. Have you been the subject of a suitability assessment by a foreign supervisory authority within the past year? If yes, please explain.
12. During the past five years, have you been dismissed from a financial company?
13. During the past five years, have you been a board member, alternate board member, managing director or deputy managing director in a firm which is under the supervision of Finansinspektionen or an equivalent foreign supervisory

⁴ Close relation refers to e.g. a spouse, cohabitee, child, parent or other relation with whom you share living accommodations.

authority? Has this firm been subject to sanctions from a supervisory authority? If yes to either of the above questions, please explain the circumstances.

14. Have you entered into personal bankruptcy in Sweden or in a foreign country? If yes, please explain the circumstances.

15. Have you been a board member or held a senior position in a firm that has been the subject of a composition or company reorganisation or was placed into insolvent liquidation or the equivalent in Sweden or a foreign country? If yes, please state the firm's name and explain the circumstances.

16. During the past five years, have you been convicted by a Swedish or foreign court for any crime in respect of which imprisonment is included in the range of penalties specified for the crime? If yes, please explain the circumstances.

17. Would you like to state any other facts or circumstances which might be of relevance in the assessment of this matter?

Note: As a part of the management assessment, Finansinspektionen will collaborate with e.g. Rikspolisstyrelsen (Swedish National Police Board), Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board), Kronofogdemyndigheten (Swedish Enforcement Authority) and Upplysningscentralen UC AB (UC AB).

The undersigned hereby certifies that the above information is correct and complete.

Date:

.....

Name:

Address, telephone number:

Civic registration number/date of birth:

Appendix 5

Simplified ownership and management assessment for persons who have previously been subject to an ownership or management assessment during the past 365 days

1. Has anything changed with regards to the information submitted during Finansinspektionen's most recent ownership or management assessment? If yes, please specify.

Note: As a part of an ownership and management assessment, Finansinspektionen will collaborate with e.g. Rikspolisstyrelsen (Swedish National Police Board), Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board), Kronofogdemyndigheten (Swedish Enforcement Authority) and Upplysningscentralen UC AB (UC AB).

The undersigned hereby certifies that the above information is correct and complete.

Date:

.....

Name/authorised signatory:

Address, telephone number:

Civic registration number/date of birth/company registration number:



Finansinspektionen's Regulations

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